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**Cross-border retail cooperation**

Despite the recent remarkable growth in cross-border online retailing, parcel delivery to another country is still the most significant challenge for cross-border online retailers. As a potential solution, this paper investigates a win-win collaboration on logistics service sharing between two competing cross-border online retailers, where the domestic retailer helps the foreign retailer in last-mile delivery for an agreed service fee, while both retailers compete in a price- and trust-sensitive market. We compare the market outcomes of the two retailers in “pre-collaboration” and “post-collaboration” settings where the consumer’s demand is designed as a Multinomial Logit (MNL) choice model. We formulate the post-collaboration setting as a cooperation two-stage game-theoretic model and show that there is always a unique Nash equilibrium for retailers’ prices in both “pre-collaboration” and “post-collaboration” settings. In addition, we investigate the impact of the logistics service fee and the consumers’ trust towards retailers on the market outcomes and examine the optimum service fee under different contracting mechanisms. The paper’s results shed light on retailers’ strategic decisions in cross-border logistics service sharing and provide interesting managerial insights into retail collaboration.