



# CROSS-BORDER ECOMMERCE: YOUR GUIDE TO WINNING SHOPPERS IN NEW MARKETS

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**Productsup**<sup>7</sup>

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01.

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# INTRODUCTION

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In today's digital age, brands and online retailers have access to audiences around the globe, spanning major marketplaces to niche sites. According to [DHL](#), nearly **20 % of cross-border ecommerce purchases are worth more than 200 USD** – surpassing that of domestic purchases. Moreover, studies suggest that businesses selling internationally see an average of **10-15 %** more sales than those that don't. However, the modern ecommerce landscape favors businesses who are agile and digitally adept. That means, your team must always be looking and planning for these new global selling opportunities, and have a reliable way to reach new channels quickly. You need to be able to expand to new markets within days – not months.

There is no one-size-fits-all approach to cross-border ecommerce. Businesses can take advantage of global shoppers in several ways. Whether you're planning to launch your website abroad, leverage an international marketplace, or offer international shipping, you will need to define and execute a seamless cross-border ecommerce strategy.

To understand what this might look like, we have broken it down into four key strategies:

- › Market
- › Channel
- › Advertising
- › Localization

By the end of this guide, you will understand exactly what it takes to find, reach, and convert new audiences abroad.



Check out the end for seven key tips on how to localize your product content.

02.

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# DEFINE YOUR MARKET STRATEGY

## DEFINE YOUR MARKET STRATEGY

Cross-border ecommerce is all about finding a perfect product-market fit. This boils down to how well your product can satisfy the demand in a particular country or region. Product-market fit, however, is not limited to just demand. Since markets vary in aspects like size, culture, and accessibility, figuring out where your products will provide worthwhile returns requires a high level of in-depth market research and planning.

This section will walk you through a few of the key factors to consider during your search for the best-suited international markets for your business.



Shipping costs and inventory logistics



Payment methods



Market size and saturation

## SHIPPING COSTS AND INVENTORY LOGISTICS

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Today's online consumers expect fast, reliable, and affordable shipping – no matter where they (or the product's seller) are based. In fact, one survey found that [57 % of respondents have cancelled orders due to high shipping costs](#). Another uncovered that [60 % of cart abandonments are due to extra costs](#), like taxes, shipping, and other fees. As the desire for cheap and seamless delivery is universal amongst consumers, it is important to look for markets that will allow your business to meet this need.

In order to gauge the general shipping costs of a potential market, consider the following factors:

- › **Customs regulations:** These, along with import taxes, legal restrictions, and trade agreements, vary from country to country.
- › **Documentation requirements:** Some countries may require a certificate verifying a product's origin or paperwork that describes the product in more detail.
- › **Packaging rules:** It is common for countries to regulate different types of packaging. For example, the use of wooden pallets is restricted in many countries to control pests.
- › **Size and weight of products:** Some products make more sense to store locally (e.g. if they are heavy or bulky), rather than shipping individual orders overseas. For these types of products, a physical presence may be required.

Importantly, shipping costs and speed are highly dependent on the order fulfillment method. While some global sellers choose to ship from their home country to the international customer, others choose a more local approach.

The latter requires a seller to maintain a product stock in a local warehouse and relationships with local couriers in the specified market. While it does require more time and resources to set up initially, it typically results in faster and cheaper shipping for local consumers. Moreover, it makes it much easier to handle product returns and exchanges.

## PAYMENT METHODS

While credit cards are seemingly universal, the majority of online shoppers prefer using alternative, more local methods of payment. In fact, nearly [50 % of consumers](#) will cancel a transaction if their preferred payment method is not available.

These alternative payment methods differ from market to market. For example, consumers in Denmark often pay with Klarna, a Swedish banking company that specializes in quick, easy payments. This differs from shoppers in Mexico, who typically use Oxxo for online transactions.

To see just how much payment preferences differ between countries, here are the most popular providers in four unique markets:

| Market | Preferred payment providers        |
|--------|------------------------------------|
| China  | Alipay, UnionPay, WeChat Pay       |
| Brazil | Visa, Mastercard, Boleto, Elo      |
| Sweden | Mastercard, Klarna, Online Banking |
| Russia | Qiwi, Yandex Money                 |

By **2020,**  
**80%** of cross-border ecommerce shoppers will use local payment methods

source: [www.ppro.com](http://www.ppro.com)

Take note of which payment providers are most popular amongst local consumers in your target market. Then, consider the integration requirements of each provider and how this will affect your IT team as well as how long it will take. Setting up local payment providers will help build trust between your brand and foreign consumers. If your company is expanding its own website internationally, consider working with an epayment partner like BlueSnap or Stripe that will allow you to more easily connect with local payment providers around the globe and save on costs.



## MARKET SIZE AND SATURATION

It seems obvious that, the bigger the market, the greater the opportunity. For example, India is home to [147.8 million online shoppers](#), a number that is expected to increase to **210.46 million by 2020**. Meanwhile, **in China, annual online sales recently hit a whopping 672 billion USD**. While it may be tempting to jump into these already massive ecommerce markets, they may already be flooded with competition and have an established market leader in your industry.

| Market               | Current Value (USD) | Growth rate (YOY) |
|----------------------|---------------------|-------------------|
| Israel               | 3.6 billion         | 31 %              |
| United Arab Emirates | 5.1 billion         | 33 %              |
| Colombia             | 5.2 billion         | 45 %              |
| Indonesia            | 7.2 billion         | 78 %              |

source: [www.valuewalk.com](http://www.valuewalk.com)

Keep in mind, however, that in larger and more established ecommerce markets, it may be easier to find third-party suppliers (e.g. fulfillment partners, payment providers, translators, etc.) to support your market entry. Therefore, in smaller markets, you'll need to organize an entry strategy that will be effective even with fewer tools available.

03.

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# OUTLINE YOUR CHANNEL STRATEGY

## OUTLINE YOUR CHANNEL STRATEGY



Once your team has conducted thorough market research and used the findings to decide which markets to focus on, it is time to start fine-tuning your entry strategy. Important details like shipping and inventory logistics, market-specific legal requirements, and payment providers will all need to be dealt with. But before your strategy can be fully optimized, you are going to need to decide which distribution channels to leverage within your new market and ensure your product content is adapted accordingly.

### HOW TO IDENTIFY LUCRATIVE CHANNELS IN YOUR TARGET MARKETS

One of the most important steps in developing a successful globalization strategy is defining a strong distribution plan. This not only means identifying key markets, but the distribution channels within them. Since most markets will have a variety of ecommerce channels to choose from, you'll need to narrow them down and find the ones that will help drive the biggest return on your products.

**Here are some key questions to help your business narrow down the search.**

- › Which channels are most popular in the market and for which stage of the shopping funnel?

Different channels tend to work best during different stages of the buyer's journey. For example, search engines are the go-to place for initial product search whereas marketplaces often cater to more specific product searches. Retargeting is often used as a way to remind shoppers of the products they have previously viewed or to upsell previous buyers. Therefore, it is important to not only look at the most popular channels, but also how they can help you reach different objectives.

Remember, just because a channel is popular in your home country, it might not be in your target countries. Bing, for example, is one of the top search engines in the US, but it is not highly used in elsewhere.

## HOW TO IDENTIFY LUCRATIVE CHANNELS IN YOUR TARGET MARKETS (CONTINUED)

- › Does the market have any niche or local channels that are commonly used?

While some ecommerce channels like Amazon, eBay, and AliExpress are common across the globe, there are many channels that operate only in their country of origin. Since these are often the channels that locals are used to shopping on, your products should be listed here in order to effectively adapt to the buying habits of the new market.

| Market        | Popular marketplaces         |
|---------------|------------------------------|
| South America | Mercado Libre and Americanas |
| East Asia     | Tmall and Shopee             |
| Europe        | Allegro and Zalando          |
| India         | Flipkart and Snapdeal        |
| Middle East   | Souq                         |
| North America | Walmart.com and Best Buy     |

## HOW TO IDENTIFY LUCRATIVE CHANNELS IN YOUR TARGET MARKETS (CONTINUED)

- › Are any of your current ecommerce channels also popular in your new target market?

Some ecommerce channels are equipped with a strong global presence and may even provide assistance when going cross-border.

**facebook**, for example, offers a wide variety of tools built to help marketers expand their advertising efforts internationally. These include:

**Multi-country Lookalikes:** Useful for initial expansion into a new country

**Worldwide targeting:** Valuable for identifying new market opportunities

**Dynamic Language Optimization:** Helps to localize ad language and creative

**Multi-language and country dynamic ads:** Reach audiences across the globe with dynamic ads

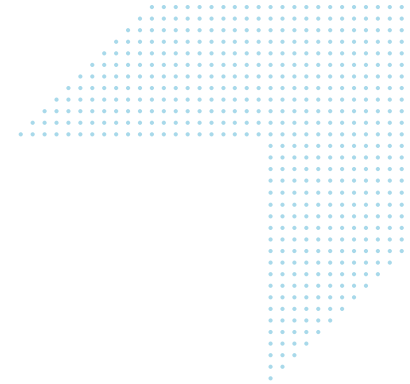
**Cross-border insights:** Facebook IQ Cross Border Insights Finder, Audience insights, and Facebook Analytics help you find, reach, and excel in new markets

The added benefit of leveraging channels with a global presence like Facebook, is the deep understanding it has of audiences in different markets. This can drastically reduce the amount of time needed for in-depth market research.

Therefore, take a look at the channels you are already leveraging in your existing markets and see whether or not they are popular in your target market.

### Popular ecommerce channels with global footprints

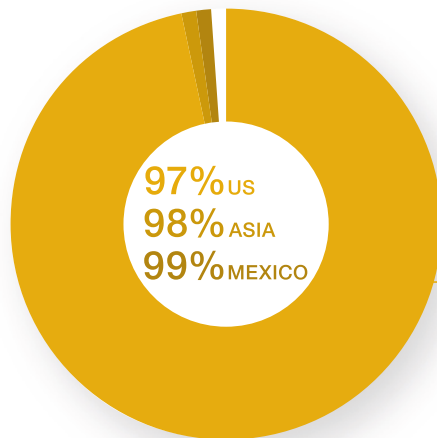
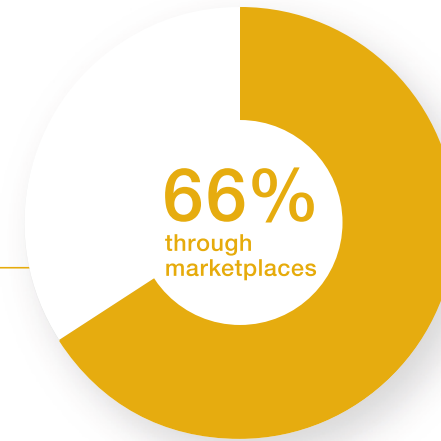
|                        |                                   |
|------------------------|-----------------------------------|
| Marketplaces           | Amazon, eBay, Rakuten, Etsy, ASOS |
| Search engines         | Google                            |
| Social & retargeting   | Facebook, Instagram, Pinterest    |
| Price Comparison sites | Kakaku.com, Idealo                |



## THE POWER OF ONLINE MARKETPLACES IN CROSS-BORDER ECOMMERCE

The advantages of selling on online marketplaces are universal. The fact is, they are the most common go-to channel type for cross-border buyers. According to PracticalEcommerce, a whopping two-thirds of all cross-border online shopping takes place through marketplaces.

But what makes marketplaces and cross-border ecommerce go so well together and how can leveraging these channels benefit your business? Let's start by looking at why shoppers around the world love virtual marketplaces.



## WHY CROSS-BORDER SHOPPERS LOVE ONLINE MARKETPLACES

A survey conducted by UPS and ComScore Inc. found that 97 % of US online shoppers use marketplaces to purchase products. In Asia, it is 98 % and in Mexico, 99 %. For consumers all around the globe, online marketplaces are the most popular shopping destination. **But why?**

## WHY CROSS-BORDER SHOPPERS LOVE ONLINE MARKETPLACES (CONTINUED)



### Trustworthiness

Online marketplaces, especially the giants like Amazon and Alibaba, dedicate considerable resources to building a trustworthy and reliable shopping platform. Often, their main focus is on customer loyalty, sales, and retention. Therefore, they go to great lengths to make sure their shoppers are satisfied enough to return for further purchases. They do this by providing great customer service and fast shipping options, and by enforcing strict product content requirements on their sellers – which leads to higher-quality and more informative product listings. In cross-border ecommerce, consumers are far more likely to purchase from a seller abroad if the product is listed on a marketplace they trust.



### Ease-of-use

Most online marketplaces are completely designed around consumer satisfaction. From just one website, consumers can purchase a range of goods through a single transaction. The fact that consumers only need to go through the payment process once means that they are more likely to purchase multiple products at one time to save on time and effort. They are built for extremely intuitive shopping experiences. With straightforward usability, smart on-site search, and a clean layout, users can easily find what they are looking for.



### Wide product assortment

Online marketplaces are like massive department stores. With a huge variety of product categories, they are a one stop shop for anything a consumer might need.



### Localized

On digital marketplaces, international shoppers can easily understand things like category names, pricing formats, and shipping information. This is because these channels are localized according to the relevant market. This goes above and beyond simple translations. Everything from product categories and suggested search terms to customer support, currency, and shopping events are tailored specifically to the target market.

## HOW INTERNATIONAL SELLERS BENEFIT FROM ONLINE MARKETPLACES

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The benefits of online marketplaces in cross-border ecommerce is not limited to consumers. When expanding to new markets, businesses that leverage these channels can benefit in many ways.



### Easy access to a new and active audience

Online marketplaces are highly-trafficked and full of active shoppers. By listing your products on one of these channels in your target market, you are ensuring your products are visible to local shoppers.



### Simplified logistics

Developing and localizing an entire online shop for your target market is a huge investment of time and resources. With an online marketplace, most of the organizational work is done for you. Most online marketplaces are already integrated with the local culture, payment providers, shipping companies, and so on. This means your company doesn't need to worry about logistics.



### Market entry with less risk

Regardless of the market or your strategy, expanding internationally is always a risk. Perhaps you get to a new market only to find that demand has shifted to different products, or that the competition is much more advanced than anticipated. Whatever the case may be, you are going to want to test the market before investing all of your time and resources into it. Marketplaces are a great channel for this, as you can start by only listing a few products rather than your complete inventory.



04.

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# ADAPT YOUR ADVERTISING STRATEGY

## ADAPT YOUR ADVERTISING STRATEGY

Product ads are not universal and the same should not be used in multiple markets without proper adjustments. This is because even the messaging tone and imagery preferences vary from country to country. For example, German consumers prefer more of a direct and information-rich ad experience, whereas Americans tend to react more to well-designed ads that focus on customer satisfaction and product reviews.

Here are a few key aspects to consider when defining your advertising strategy



Language and communication techniques



Cultural differences

Lifestyle of audience

Relationship with technology

Holidays and shopping events

Color psychology

**56.2%** of consumers say that the ability to obtain information in their native language is more important than price.

source: [www.internetworldstats.com](http://www.internetworldstats.com)

## LANGUAGE AND COMMUNICATION TECHNIQUES

If shoppers do not understand the product information you provide, they simply will not buy your product. In fact, one survey found that [55%](#) of consumers only make a purchase if the website and the information provided is in their native language. Being present in a foreign market is not enough to be successful, brands also need to be understood by the locals.

| Language         | Population speaking this language | Internet users by language | Internet penetration (% Population) | Internet users % of World Population |
|------------------|-----------------------------------|----------------------------|-------------------------------------|--------------------------------------|
| English          | 1,485,300,217                     | 1,105,919,154              | 74.5 %                              | 25.2 %                               |
| Mandarin Chinese | 1,457,821,239                     | 863,230,794                | 59.2 %                              | 19.3 %                               |
| Spanish          | 520,777,464                       | 344,448,932                | 66.1 %                              | 7.9 %                                |
| Arabic           | 444,016,517                       | 226,595,470                | 51.0 %                              | 5.2 %                                |
| Portuguese       | 289,923,583                       | 171,583,004                | 59.2 %                              | 3.9 %                                |

## LANGUAGE AND COMMUNICATION TECHNIQUES (CONTINUED)

While automated tools can be used to translate key product information like product titles and descriptions, they won't always be capable of picking up context or optimizing for ecommerce. For example, in Germany, it is common to address customers with the formal "Sie" instead of the informal "du," which both mean "you." Therefore, consider using an automated tool for the initial translation, before having them reviewed by a local translator within your target market. This will ensure your product content remains clean, clear, and high-quality even in another language.

### Cross-border product description:

| Amazon.com (US)  | Amazon.de (Germany)   | Amazon.co.jp (Japan)                            |
|--|---|---|
| Fujifilm X-T30 4K Wi-Fi Mirrorless Digital Camera with XF 18-55mm Lens Kit - Silver with 32GB Bundle and Travel Photo Cleaning Kit | Fujifilm X-T30 silber mit XF18-55mmF2.8-4 R LM OIS Objektiv Kit | FUJIFILM ミラーレス一眼 X-T3レンズキット ブラック + バッテリーグリップセット |

Ecommerce businesses must also take note of how shoppers within each market communicate. For example, the US prefers a more casual tone whereas Germany is more formal. Keep in mind also that some countries will require multilingual support.

Remember, at the end of the day, the challenge is not only about customer acquisition, it is about getting these buyers to stay loyal to your brand.

## CULTURAL DIFFERENCES

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To do well in a foreign market, brands must successfully acknowledge and adapt to the market's culture in all aspects. Extensive research is required for brands and retailers to fully understand the culture of their target markets.

## LIFESTYLE OF AUDIENCE

Buying preferences and ways of life vary from country to country. In order for your ads and product listings to perform well, they need to be adapted to the preferences of the market. For example, consumers in Northern Europe tend to be more environmentally conscious, and will even consider paying a higher price for a more sustainable product. Therefore, some products might sell better than others in that particular market.

## RELATIONSHIP WITH TECHNOLOGY

Some markets are more technologically advanced than others. This can be related to the strength of their internet connection, what they use it for or how they use it, their mobile usage, or even legal regulations. Whatever the reason, you need to be fully aware of the technological climate of a market before you enter it. To get a basic idea, take a look at the percentage of the population that is online. Remember, however, that even if a smaller population has a high internet population, it will inevitably be a smaller audience. Look for statistics that can tell you how often they are online, which devices are preferred, tech regulations, and so on.

## HOLIDAYS AND SHOPPING EVENTS

Each country has their own set of holidays and traditions. Holidays are often synonymous with big shopping events. During your market research, familiarize yourself with key holidays and shopping events in your potential markets. Try to forecast the value of each to gauge whether or not they are worth your participation. Examples of key shopping events include:

- › Singles' Day (China, November 11th)
- › Diwali (India, Early Autumn)
- › El Buen Fin (Mexico, Weekend before November 20th)

In **2017**,  
**68** million US dollars worth of  
online transactions occurred  
during the Chinese New Year.

## CULTURAL DIFFERENCES (CONTINUED)

### COLOR PSYCHOLOGY

93 % of consumers consider [visual appearance](#) a key factor in their online shopping experience, while 85 % list color as the main reason for buying a product. These stats make it clear that both the color of your products and the color scheme of your ads play a huge role in how they are perceived by shoppers. This is because, in ecommerce, color is used to portray messages and emotion. The perception of color, however, is not universal. This is why it is critical to understand how different markets perceive different colors.

| Color | Western Europe & US                        | Middle Eastern                              | Asia                        |
|-------|--|---|-----------------------------|
| Blue  | Trust, loyalty, authority, peace, business | Protection, safe, spirituality, immortality | Femininity, immortality     |
| Green | Progressive, luck, nature                  | Strength, spirituality, wealth              | Nature, youthful            |
| Red   | Energy, love, adventure, anger             | Danger, caution                             | Joy, happiness, celebration |
| Black | Rebellion, sophistication, power, control  | Mystery, evil                               | Masculine, wealth, health   |
| White | Peace, cleanliness                         | Purity, mourning                            | Misfortune                  |



*“Customers generally make an initial judgment on a product within 90 seconds of interaction with that product and about 62–90 % of that judgment is based on colour.”*

[www.ccicolor.com](http://www.ccicolor.com)

05.

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# LOCALIZE YOUR PRODUCT CONTENT

## LOCALIZE YOUR PRODUCT CONTENT

If you want your products to sell in a new market, localized product content is key. Online shoppers are smart and will be able to tell whether or not a seller is native to their region based on the quality of the content they provide. Remember, localization is not limited to translation. Localizing product content includes things like size conversion, price formatting and conversion, image adjustments, and more. Since most ecommerce channels require brands and retailers to submit a product feed in order to list or advertise products, localization should start there.

### 7 KEY PRODUCT DATA EDITS

Here are just a few specific ways to localize a product feed.



1. Translate product descriptions, titles, and colors & optimize for local SEO

| Product data  | US   | France   | Germany                                       |
|---------------|--|--|---|
| Product Title | Nike Men's Free RN Flyknit 2017 Running Shoe | Nike Free RN Flyknit, Chaussures de Running Entraînement Homme | Nike Herren Free Rn Flyknit Laufschuhe, 44 EU |
| Color         | Black  | Noir   | Schwarz                                       |



## 7 KEY PRODUCT DATA EDITS (CONTINUED)



- 2. Convert size attributes**  
(Example women's shoe sizes)

| Japan | Canada | Europe |
|-------|--------|--------|
| 23.5  | 7 1/2  | 38     |
| 24.5  | 8 1/2  | 39     |
| 25    | 9      | 40     |



- 3. Convert price format and currency**

| JK                 | France              | Denmark              |
|--------------------|---------------------|----------------------|
| £150 or 150.00 GBP | 150,00 € or 150 EUR | Kr 150 or 150,00 DKK |

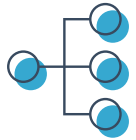


- 4. Remove or exclude products from your feed when appropriate**

Here are some common examples of why you might decide to exclude a product from your feed in certain markets:

- › The sale of the product is prohibited
- › The product is not a cultural fit
- › There is no demand for the product
- › The product is too fragile, large, heavy, or expensive to ship and store abroad

## 7 KEY PRODUCT DATA EDITS (CONTINUED)



### 5. Translate product categories

Category names vary from channel to channel, but also from country to country. Not only will you need to ensure your products are categorized correctly in each country, but they should also be in your target country's language. This could mean translating your Google product categories from English to French, for example.



### 6. Include up-to-date shipping information

Shoppers in foreign markets need to know that they can rely on you as a seller and this means you need to be transparent and open about the associated shipping costs. If anything about shipping costs or delivery is unclear, shoppers will not hesitate to look somewhere else.



### 7. Identify the right GTINs

Global Trade Item Numbers are globally recognized and can help to increase your product visibility on new channels. There are a few different types of GTINs used within different markets.

| Type | Region                  | Format               |
|------|-------------------------|----------------------|
| UPC  | North America (GTIN-12) | 12-digit number      |
| EAN  | Europe (GTIN-13)        | 13-digit number      |
| JAN  | Japan (GTIN-13)         | 8 or 13-digit number |

At the end of the day, your success in any target country relies on localized, high-quality product data. Moreover, it requires you to test new channels and new markets to see which may be the best fit for your business. Both of these points can easily be met with the right feed management solution that provides you with the tools you need to stay agile.

06.

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# CROSS-BORDER ECOMMERCE SUCCESS STORY

# CROSS-BORDER ECOMMERCE SUCCESS STORY

International online marketing agency, Expand Online, was able to successfully enter a new market by listing **15,000 products** on Amazon.de in just **24 hours**!

The agency was able to localize, contextualize, and optimize its client's product inventory in just a few hours. The result? **A 10% increase in online sales in just 7 days**.



[READ FULL STORY](#)

07.

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# PRODUCTSUP ENABLES BORDERLESS ECOMMERCE

# PRODUCTSUP ENABLES BORDERLESS ECOMMERCE

Productsup is a scalable, all-in-one feed management solution that can help you take your ecommerce business international in just days, or even hours. With over 1500+ integrated export channel templates – including global, regional, and niche destinations – Productsup can help you quickly and easily get your product feed wherever it needs to go. On top of that, Productsup is complete with 200+ drag-and-drop data editing capabilities, allowing you to localize and optimize your product feed to fit the requirements of any channel, in any part of the world.

- Maximize your reach with global connectivity
- Get products listed and ads live in new markets quickly
- 200+ built in editing, localization, and optimization tools

Want to create high-performing, global-ready product feeds in just a few hours?

Try Productsup! Get in touch with us.

GET IN TOUCH

