

SELLING ONLINE INTERNATIONALLY: How to Set Up & Manage a Cross-Border E-commerce

SILVIA CARTER

SELLING ONLINE INTERNATIONALLY: How to Set Up & Manage a Cross-Border E-commerce



[The Digital Exporter Series](#) consists of seven independent books with more than 100 international case studies, each sharing the best tools, actionable solutions, and step-by-step explanations on how to sell online across channels and borders.

- Book 1 – [STARTING THE GLOBAL DIGITAL JOURNEY: How to create the best international web strategy.](#)
- Book 2 – [GETTING CLIENTS OVERSEAS, ORGANICALLY: How to set up local, international & global SEO.](#)
- Book 3 – [GETTING CLIENTS OVERSEAS, BY ADVERTISING: SEA, SMA and other acquisition channels.](#)
- Book 4 – [SELLING ONLINE INTERNATIONALLY: How to set up & manage a cross-border e-commerce.](#)
- Book 5 – [SELLING ONLINE INTERNATIONALLY: How to sell on local & international marketplaces.](#)
- Book 6 – [DEVELOPING A STRONG INTERNATIONAL BRAND: Multilingual social media & social selling.](#)
- Book 7 – [DEVELOPING A STRONG INTERNATIONAL BRAND: Multilingual inbound marketing & marketing automation.](#)

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Thanks

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Special thanks go to Claudia Piunti, who designed the cover of this book.
Cover photo by [PhotoMIX](#) on Pexels.

The Author

Silvia Carter has been active in international multichannel sales for more than 20 years. She has developed her career in cross-border trade and global digital marketing for both consumer products and B2B sectors.

As an entrepreneur with a dual expertise in export development and online sales, she founded and manages ToWebOrNotToWeb, a service provider specialized in multichannel export growth to help businesses increase sales and brand awareness in several countries, online and beyond.

In her work as an author, Silvia contributed to *Le marketing des start-ups* by Véronique Hermann-Flory (Eyrolles, 2017) and is a co-author with Jean-Éric Pelet of *User Experience in Web 2.0 Technologies and Its Impact on Universities and Businesses* (IGI Global, 2020). She is also the author of *Développer son business à l'international grâce au webmarketing* (Eyrolles, 2019), which inspired The Digital Exporter Series.

Silvia holds an Executive MBA from HEC Paris, where she is the pro-bono chair of the Alumni Advanced Technologies Club, and a degree in web development and digital strategy from the Digital Campus Paris. She also teaches courses in the field of global web marketing at the EMLV Business School and at ISCOM in Paris. Silvia decided to start teaching, in addition to her other professional activities, to share her expertise and develop new professions in digital export management.

Introduction

Marco Polo, Amerigo Vespucci and Christopher Columbus are just a few examples, among so many others, of international Italian spirits It is a fact that Italians are particularly 'international'. But I have had to learn how to become so: when I was young, I was marked by a total phobia of German and a deep allergy to other languages, all combined with a real aversion for any foreign cultural universe. Too complicated! Why bother when I had everything I needed near my home in Italy and in Italian?

Until the day when my home filled up with travelers: almost everyone around me spent time traveling, for work, study, holidays. So much so that remaining Italo-Italian became a handicap. So, there I was, launched for an Erasmus year at Trinity College in Dublin with an English vocabulary of ten words! Since then, my international journey has also become part of my work. First as an international marketing manager, then as an export and international sales director. As an expatriate in France, I started dealing with all the internet-related issues on the international scale. That was in the late 2000s when the internet was not as 'easy' as it is now. The level of confusion was the normal thing almost everywhere. Fed up with that confusion, I wanted to understand how the internet worked technically and to learn the best practices. That is why I decided to take a master's degree in web marketing in 2012 and, after that, to create ToWebOrNotToWeb. Today, I help companies sell internationally online on the several digital channels that the internet offers.

Nowadays more and more affordable and simple digital tools are available for entering foreign markets in a way that would have been unthinkable ten years ago. The recent 'Future of Business Survey' carried out by Facebook, the Organisation for Economic Cooperation and Development (OECD) and the World Bank about companies active on the internet, shows that two out of three exporting companies achieve more than half of their international turnover through the web and that 45% of them achieve even more than 75% of their

international turnover. The OECD also argues that, since these online tools are available to any type of business around the world, even microenterprises can now achieve significant business overseas¹.

That was the situation before the Covid-19 crisis. The coronavirus brought lockdowns, social distancing and an unprecedented drop in traditional business. That forced people to enter a new digital age where the web, the social networks and all the other digital applications are the key tools they can use to have an almost normal life. Digital technologies are therefore essential, now more than ever, to preserve a business as well as to develop it in new markets. Companies that are behind with these digital technologies will risk losing their business at home and abroad. And many of them are still struggling to understand how to use these digital technologies on the international scale. Consider the case of a French business that wants to develop its online sales in Germany. It can choose among different options for the website domain to use, such as www.example.de, or www.example.com/de, or de.example.com, or www.example.fr/de, or fr.example.com/de. However, each one of these options will reach a different number of people depending on the different digital technologies applied to the website, as you can see in the following table.

¹ Organisation for Economic Cooperation and Development, *Entrepreneurship at a Glance 2017* (Paris: OECD Publishing, 2017), https://www.oecd-ilibrary.org/industry-and-services/entrepreneurship-at-a-glance_22266941.

Domain type & SEO techniques	The target that search engines understand	Segment	Number of people that the website can reach
www.example.de	Country = Germany	German people in Germany	79,127,551
www.example.com/de + geolocalisation & hreflang	Country = Germany Language = German	German people in Germany	79,127,551
www.example.com/de + hreflang	Language = German	German-speaking people around the world	92,304,792
de.example.com + geolocalisation & hreflang	Country = Germany Language = German	German people in Germany	79,127,551
www.example.fr/de	Country = France Language = German	German people in France	130,000*
fr.example.com/de	Country = France Language = German	German people in France	130,000*

Why digital technologies are important².

Helping those companies is critical and it is the purpose of these books. The Digital Exporter Series brings immediate actionable solutions on how to grow a B2B, B2C and C2C online business and on how to do that internationally. It consists of seven books, each on a different topic, with more than 100 case studies that describe step-by-step all the web tools and techniques for cross-border digital business.

The idea for The Digital Exporter Series came from my French book, *Développer son business à l'international grâce au webmarketing*, which was published by Eyrolles in France at the end of 2019. I wrote that book mainly for French-speaking digital exporters. Although inspired by it, this new series is very different from the French book. It is not just a simple translation from French into English: it is a full adaptation to the digital environments around the world. And, for that reason, The Digital Exporter Series, instead of being one book, is seven independent books, each on a different topic.

[The Digital Exporter Series](#) is for all entrepreneurs that want to start or accelerate their cross-border online business in the most effective way at the lowest risk during the Covid-19 crisis and beyond.

That's also what motivates me in my professional life: contributing to value creation around the world by increasing the number of companies selling online beyond their national borders with the

² The sources of the numbers followed by * are
<https://www.internetworldstats.com/stats18.htm#german> &
https://fr.wikipedia.org/wiki/Communaut%C3%A9_allemande_en_France.

innovative digital tools that are available today. Because, for everyone and everywhere, growing export sales is much easier nowadays, thanks to digital tools used the right way. So, for all entrepreneurs around the world, I have a piece of advice: don't miss the train!

P.S.: I am always fascinated by the experiences of international business expansion and would love to read yours if you want to share them with me here: silvia.carter@towebornottoweb.com.

Disclaimer

It took me several months to research and write The Digital Exporter Series, even a bit longer than originally planned.

During the same time, the internet and the web ecosystems did not stop. That might have produced some discrepancies between what I wrote and what you can find on the web.

While I will do my best to update the content of The Digital Exporter Series as regularly as possible, I am not able to keep it perfectly updated all the time.

If you find something that should be changed or added or if you cannot find something specific in The Digital Exporter Series, contact me at silvia.carter@towebornottoweb.com, and I'll be happy to help you out.

All the companies that I have mentioned as examples or as tools or for other reasons relevant to the purpose of The Digital Exporter Series are totally independent from my work. They do not have any direct or indirect interest in The Digital Exporter Series, nor do I in their business.

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SILVIA CARTER

SELLING ONLINE INTERNATIONALLY: How to Set Up & Manage a Cross-Border E-commerce

Many forms of e-commerce are nowadays available across countries, with either an own e-shop or with third-party resellers' ones.

In this book you will find the main techniques, differences, and key trends of these digital sales channels and how to get started with your cross-border e-commerce.

Book 4



CHAPTER 1

TRADITIONAL EXPORT + DIGITAL EXPORT = MULTICHANNEL EXPORT

“

According to Wikipedia, an export is a good produced or a service provided in one country that is sold into another country³. International trade is constantly evolving and growing all over the world, despite the difficulties generated by the Covid-19 crisis. Those companies that were selling on the international markets through a multichannel approach have been disrupted the least in this situation.

But what is multichannel export?

³ <https://en.m.wikipedia.org/wiki/Export>

TRADITIONAL EXPORT ...

Starting traditional export involves the implementation of a process over several stages:

- 1) Studying the global market to select the target export countries.
- 2) Analyzing competitive forces and other threats in those countries.
- 3) Preparing or adapting products and services for foreign markets.
- 4) Designing an entry and development strategy in the selected countries.
- 5) Formulating a marketing plan to achieve the export objectives.
- 6) Setting up a dashboard to keep track of specific KPIs to measure the progress of the export project.

This process must answer the questions:

- Where? Which countries?
- What? Which products / services?
- For whom? Which type of clients?
- Why? What is the objective?
- How? Using which logistics & payment systems?
- How many? What minimum/maximum quantity?
- How much? What price?

And for the 'how' question, the answer of traditional export is characterized by the use mainly of material resources for the international intermediation of sales and purchases. Digital tools in this case are only used for communications or other basic support functions.

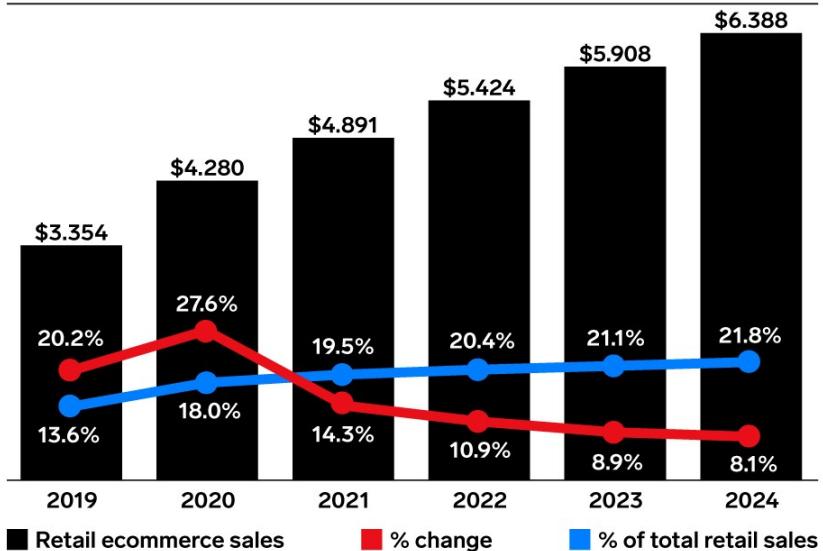
+ DIGITAL EXPORT ...

In digital export, the digital channels provide companies with new sales opportunities. In this case, everything, including commercial and monetary transactions, is carried out across countries online.

As you can see in the next image, international e-commerce figures are increasing worldwide, both for products and for services.

Retail Ecommerce Sales Worldwide, 2019-2024

trillions, % change, and % of total retail sales



Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales
Source: eMarketer, Dec 2020

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eMarketer | InsiderIntelligence.com

Figure 1: worldwide B2C e-commerce figures from 2019 to 2024: turnover in billions, percentage of growth and percentage on retail⁴.

There are several types of e-commerce that can be used for export. They can be classified according to different types of variables:

1) By type of business:

- Sale of products: apparel, cosmetics, shoes, etc.
- Sale of services: music, language training, travel, etc.

⁴ Includes products or services ordered over the internet via any device, regardless of the world of payment or delivery. Source: eMarketer, Dec. 2020.

2) By type of customers⁵:

- Business to consumer (B2C), when a business sells to local and foreign consumers, for example in the DIY sector: Lowe's selling in the U.S. and in Canada, or Leroy-Merlin selling in Brazil, Cyprus, France, Greece, Italy, Poland, Portugal, Romania, Russia, South Africa, Spain and Ukraine, etc.
- Business to business (B2B)⁶, when a business sells to other local and foreign businesses, for example in the consumer electronics sector: INGRAM Micro reselling to retailers and independent shops in 160 countries around the world.
- Consumer to consumer (C2C), when individuals sell to other local and foreign individuals, for example: eBay, Vinted, Craigslist, Catawiki, etc.

⁵ There are also other forms of e-commerce between governments and companies or individuals, such as business to government (B2G), when companies sell products or services to governments online, or government to business (G2B), when the government is selling services to companies online, for example enterprise registrations, or consumer to government (C2G), when individuals pay taxes or fines online, etc. The focus of this book remains on e-commerce in the private sector.

⁶ Global B2B e-commerce was valued at \$25.5 trillion in 2017, almost seven times greater than that of B2C. United Nations Conference on Trade and Development, *Digital Economy Report 2019* (New York: United Nations, 2019), p. 15, https://unctad.org/system/files/official-document/der2019_en.pdf.

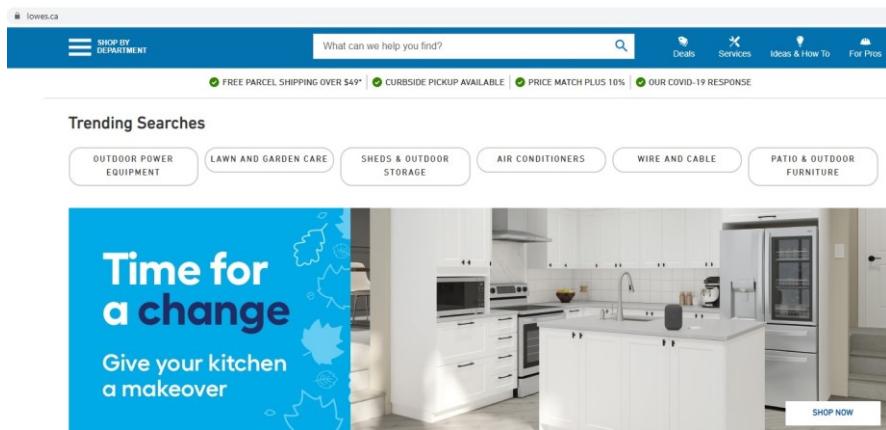


Figure 2: Lowe's e-commerce for Canada.

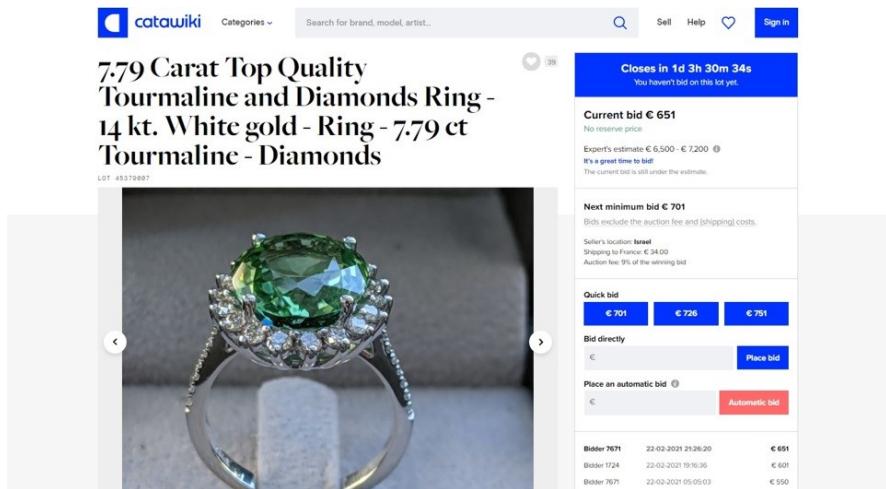


Figure 2b: Catawiki the international C2C online auction e-commerce.

3) By business model:

- Stand-alone brand cross-border e-commerce, for example, the Alcatel brand's own e-commerce website alcatelmobile.com. These brand-owned and brand-operated e-commerce must manage everything directly:

- Front-end operations to enable customers to search, login, order, choose the shipping method, pay online, etc.
- Back-office operations: inventory, order management, invoices, fulfillment, shipping, after-sales, returns, CRM⁷, analytics, etc.
- Fixed costs, such as salaries, rent, etc.
- Variable costs for the domain, hosting, SEO, Ads, etc.
- Third-party cross-border e-commerce⁸, or e-retailers, for example the ASUS laptops sold by Currys on its own e-commerce websites in the UK and Ireland. In this case, the third-party cross-border e-commerce not only bears all the front-end and back-office operations, as well as the fixed and variable costs, but also buys the products it wants to resell. In this example, Currys acts like a reseller for ASUS' laptops: it means that Currys and ASUS have agreed and signed a commercial contract to set the conditions under which Currys purchases, stocks, manages the web-marketing, provides customer service, sells, and delivers ASUS products on currys.co.uk and currys.ie.
- International marketplaces, for example, ASUS laptops sold by other resellers, or even by ASUS itself, on Amazon's marketplaces in North America, Europe, Australia, etc. The marketplace business model has gained such momentum in the recent years that it is more and more integrated with the two previous business models. Because of that, very frequently nowadays third-party e-commerce and e-retailers are also marketplaces, Amazon being the most popular example. Although this combination of business models is expected to grow in the next year with more and more large third-party e-retailers opening their marketplace on the same website, it is still creating some confusion among suppliers and customers using these platforms. You can read much more about marketplaces in [book 5 of The Digital Exporter Series](#).

⁷ Customer Relationship Management.

⁸ Not to be confused with third-party e-commerce platforms, such as Shopify, BigCommerce, WixStores, SquareSpace, etc.

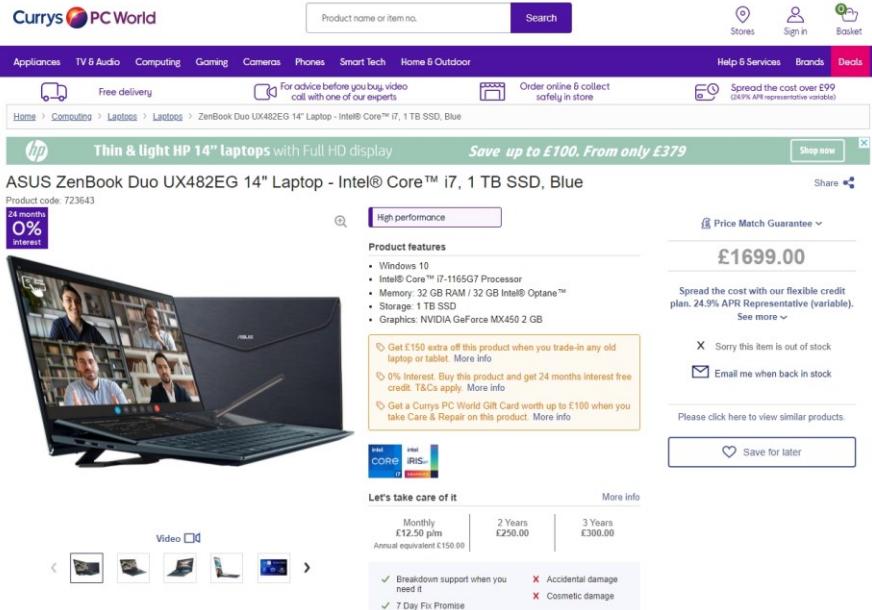
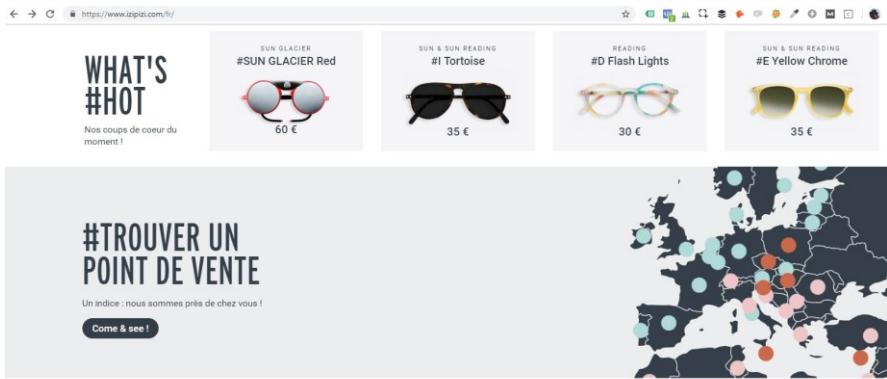


Figure 3: an ASUS laptop on Currys' e-commerce.

4) By number of sales channels:

- Pure-player when the company only sells online internationally, for example: SHEIN selling online in 220 countries around the world, or Wildberries selling in Russia, Belarus, Kazakhstan, Armenia, Kyrgyzstan, Poland, Ukraine, Israel, Germany, Spain, Italy, France, U.S., Moldova, etc.
- Multichannel when the company sells over several independent channels, digital or physical or both, B2B or B2C or B2G, across countries.
- Cross-channel is similar to multichannel but here the company sells over channels that are interconnected and can be used in a complementary manner online and offline for the same transaction, for example: Best Buy offering 'click-and-collect' on top of its other channels.
- Omnichannel when the company sells in all available digital and physical B2B and B2C and B2G channels with the dimension of international ubiquity, i.e. the possibility of using several channels at the same time anywhere: own e-commerce or third-

party e-retailers, marketplaces, own e-shop, multi-brand stores, mobile applications, social selling, TV-shopping, mail-order selling, etc., such as L'Occitane en Provence, which covers almost all direct and indirect marketing channels on B2C as well as B2B with offers for hotels or in white label.



IZIPIZI NEWS



Figure 4: the example of multichannel e-commerce www.izipizi.com.

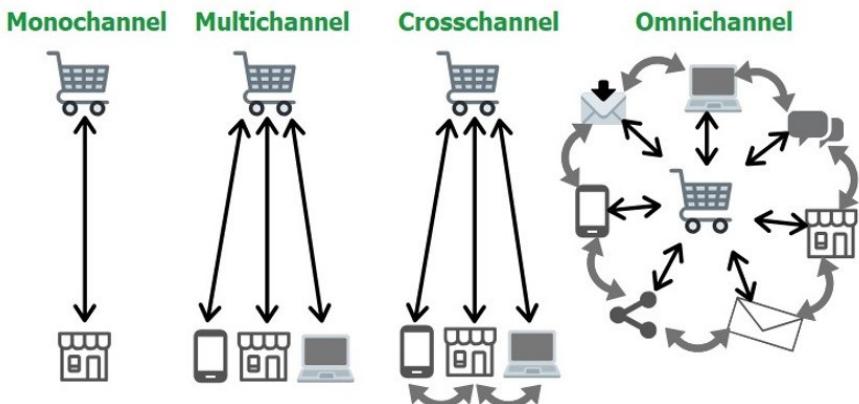


Figure 5: from one channel to the omnichannel.

= MULTICHANNEL EXPORT!

It is the combination of traditional export with digital export. But why 'multichannel export' and not 'omnichannel export'? Thanks to digital technologies, the points of contact between a business and its customers are multiplying. As you saw before, you can deploy a multichannel, cross-channel or omnichannel strategy across the world according to the different solutions you use to create and manage all the new points of contact with your international customers.

For an SME wishing to expand internationally, these strategies are important and lead to the same objective of breaking down the walls between different sales channels and different countries.

Consistency of messages across all sales channels is essential and becomes more complex in the omnichannel strategy. Ensuring it in an international context is a much bigger challenge for SMEs. This is why 'multichannel export' in the early stages of a digital export project is more effective. It means that your online activity must be consistent with your offline activity in each country: website, social networks, blog, marketplaces, etc., must be optimized for internet users and in tune with all your offline sales channels across countries.



KEY TAKEAWAYS

- *International trade is constantly evolving, whether in its traditional, digital, or multichannel form.*
- *Multichannel export implies that the website is optimized for creating synergies with all other channels, both digital and physical, such as social networks, resellers, third-party e-commerce, e-retailers, marketplaces, wholesalers, etc., and in any country around the world.*

CHAPTER 2

CROSS-BORDER E-COMMERCE UX

“

With the global health crisis triggered by Covid-19 and the social distancing measures implemented worldwide, e-commerce is expected to have tremendous growth in 2020 and beyond: just for the month of April 2020 it jumped by 209% vs. 2019⁹.

To succeed in such a more and more inclusive, international, and competitive online environment, cross-border e-commerce must attract more international traffic and transform it into customers. An effective cross-border e-commerce UX is therefore key!¹⁰

WHAT IS CROSS-BORDER E-COMMERCE UX?

To answer this question, you first need to understand what UX is. UX, or User Experience, is a term that was invented by Don Norman in the 1990s to ‘include all the aspects of the interaction between the end-user with the company, its services, and its products’¹¹. Since then, it has been used extensively in the digital landscape in combination with other technical terms, which made it hard for non-digital professionals to understand how to deal with it for their online business.

Jesse James Garrett contributed to the UX definition with his famous diagram explaining that UX is made up of many layers¹²:

- Language: English, French, Portuguese, etc.
- Visual Design, i.e., the graphic interface: esthetics, pictures, colors, symbolism, etc.
- Motion & Audio Design: music, voice, videos, animations, etc.
- Content Requirements: for an e-commerce they concern the brand style and tone conveyed by the website.
- Information Design, i.e., how contents are presented: for an e-commerce it concerns, for example, the way product descriptions, USP¹³ and benefits are shown.
- Interface Design, i.e., the elements that facilitate users’ interaction with the website: for example, how users fill out their personal information at checkout, or how they search for a product.

⁹ ‘Global eCommerce Retail Sales Up 209 Percent in April, ACI Worldwide Research Reveals’, ACI Worldwide, 12 May 2020, <https://investor.aciworldwide.com/news-releases/news-release-details/global-e-commerce-retail-sales-209-percent-april-aci-worldwide>.

¹⁰ This chapter is an excerpt from Silvia Carter, ‘UX and E-Commerce: Comparing the Best Practices in Europe, Asia, North America, South America, and Africa’, in *Handbook of Research on User Experience in Web 2.0 Technologies and Its Impact on Universities and Businesses*, co-author and ed. Jean-Éric Pelet (Paris: IGI Global, 2020), pp. 316-53. Reprinted by permission.

¹¹ https://en.wikipedia.org/wiki/User_experience

¹² Jesse James Garrett, *The Elements of User Experience: User-Centered Design for the Web and Beyond*, 2nd ed. (Berkeley: New Riders, 2011).

¹³ Unique Selling Proposition or Unique Selling Point.

- Interaction Design, i.e., how tasks are delivered to users interacting with the website: for an e-commerce it can be an alert for the expiring cart, or the confirmation screen after the payment.
- Navigation Design, i.e., the elements to help users browse the pages of the website: for example, how users select a product to view, or choose a size to add to their cart.
- Information Architecture, i.e., the structure of the contents: for an e-commerce it is, for example, the category and subcategory organization in the main menu and the product pages included in each one of them.
- Functional Specifications, i.e., the website's functionalities to meet user needs: for example, the e-commerce payment and delivery options.
- User Needs, i.e., the goals for the website: in the case of an e-commerce, they are about users' easily finding and buying what they are searching for.
- Website Objectives: for an e-commerce website the objectives are not only about selling as much as possible; they also are about delivering the sold items in the proper form and in due time to satisfy the clients and to avoid the problems associated with possible returns. Therefore, an e-commerce's final objective should be to provide customers – the users – with an excellent total experience, from the first visit on the website until the receipt of their purchase, so that they will come back and tell their friends about how great it was shopping there.

Although any web developer is familiar with these technical aspects, internet users usually do not notice them, and, honestly, they do not need to: they need to have as great an experience as possible on each part of the website. On the other hand, you need to understand them fully, one by one, to make your internet users perceive them as a one unique interactive system. It is the only way your e-commerce will turn them into clients.

THE UX PECULIARITIES FOR CROSS-BORDER E-COMMERCE

In cross-border e-commerce, the choice of UX elements is too often based on intuition rather than on analytical facts with the consequence that shoppers' experiences differ considerably around the world. That is a major problem because, unlike in brick-and-mortar shopping, where people choose products via a physical experience, online shoppers cannot do that: instead, they must choose products through the e-commerce's UX elements, and, if they are not suitable, shoppers will shop somewhere else.

Since e-commerce UX started to become popular only recently with the proliferation of online sales, all guidelines and practices are also recent. For example, in 2019 some researchers¹⁴ determined the following four e-commerce UX dimensions by analyzing the offline UX:

1. **Cognitive and informative:** this is the information that a website provides to consumers. It is the most important dimension of the e-commerce UX because it helps consumers make a purchase decision, which involves thinking, conscious mental processing, and problem solving¹⁵. This dimension is generally impersonal, fact-based, result oriented, and objective¹⁶.
2. **Affective and entertaining:** this dimension concerns the interactions that customers can have with the online offer. The e-commerce can entertain and generate affective responses, whether it is to facilitate the purchase or not. This UX dimension is important because it helps understand how much consumers appreciate the

¹⁴ Alexander Bleier, Colleen M. Harmeling and Robert W. Palmatier, 'Creating Effective Online Customer Experiences', *Journal of Marketing*, 83, No. 2 (2019), 98-119.

¹⁵ Chiara Gentile, Nicola Spiller and Giuliano Noci, 'How to Sustain the Customer Experience: An Overview of Experience Components that Co-Create Value with the Customer', *European Management Journal*, 25 (2007), 395-410.

¹⁶ Ann E. Schlosser, Tiffany Barnett White and Susan M. Lloyd, 'Converting Web Site Visitors into Buyers: How Web Site Investment Increases Consumer Trusting Beliefs and Online Purchase Intentions', *Journal of Marketing*, 70, No. 2 (2006), 133-48.

e-commerce beyond the shopping opportunities, increase the number of visitors¹⁷, and reduce cart abandonment¹⁸.

3. **Social:** this is the human feeling and warm contact that an e-commerce can provide to its visitors. To develop this dimension, online shops provide more and more social functions on their website. Researchers have shown that such a social e-commerce UX dimension helps increase the feelings of closeness to a product, the pleasure during online shopping, purchase intentions, and loyalty¹⁹.
4. **Sensory:** this UX dimension concerns the online elements that can stimulate any sense among sight, sound, smell, taste, or touch²⁰. Perception of beauty and aesthetic stimuli are part of this dimension as well as the sensations that can be produced by pictures or videos²¹. As a result, the sensory dimension affects the consumers' product perceptions²² and their purchase intentions²³.

¹⁷ Jung-Kuei Hsieh et al., 'Customer Response to Web Site Atmospherics: Task-Relevant Cues, Situational Involvement and PAD', *Journal of Interactive Marketing*, 28 (2014), 225-36.

¹⁸ Kukar-Kinney, Monika, and Angeline G. Close, 'The Determinants of Consumers' Online Shopping Cart Abandonment', *Journal of the Academy of Marketing Science*, 38 (2010), 240-50.

¹⁹ Peter R. Darke et al., 'Feeling Close from Afar: The Role of Psychological Distance in Offsetting Distrust in Unfamiliar Online Retailers', *Journal of Retailing*, 92 (2016), 287-99; Cheng Lu Wang, Jiajun He and Bradley R. Barnes, 'Brand management and consumer experience in emerging markets: Directions for future research', *International Marketing Review*, 34 (2017), 458-62; Khaled Hassanein and Milena Head, 'Manipulating perceived social presence through the web interface and its impact on attitude towards online shopping', *International Journal of Human-Computer Studies*, 65 (2007), 689-708; Dianne Cyr et al. 'Exploring Human Images in Website Design: A Multi-Method Approach', *MIS Quarterly*, 33 (2009), 539-66.

²⁰ Gentile, Spiller and Noci.

²¹ Ryan S. Elder et al., 'So Close I Can Almost Sense It: The Interplay Between Sensory Imagery and Psychological Distance', *Journal of Consumer Research*, 44 (2017), 877-94.

²² Danny Weathers, Subhash Sharma and Stacy L. Wood, 'Effects of online communication practices on consumer perceptions of performance uncertainty for search and experience goods', *Journal of Retailing*, 83 (2007) 393-401.

²³ Ann E. Schlosser, 'Experiencing Products in the Virtual World: The Role of Goal and Imagery in Influencing Attitudes Versus Purchase Intentions', *Journal of Consumer Research*, 30 (2003), 184-98.

Based on these four dimensions, the same researchers described which UX elements are the most effective in driving purchase decisions based on the type of product or service and brand reliability:

1. Cognitive UX elements are most effective for e-commerce that require little physical interaction to be appreciated and for brands that are already well-trusted. Bulleted features and comparison matrices are strong UX elements in this case, much stronger than on any other experience dimension.
2. Entertaining UX is especially important for less reliable brands. No UX element appears to be stronger in this dimension than in others.
3. Social experience is most effective for an e-commerce that requires a lot of interaction to be appreciated. A more conversational semantic style with adjectives, self-reflective questions, 'you' pronouns, and lifestyle pictures featuring the product in use are the UX elements that perform best in this dimension. On the other hand, content filters or 'show more' buttons should be avoided because they let visitors choose other content that is shown on the website, and they might miss out on the purchase.
4. Sensory UX elements are also effective for e-commerce that require a lot of interaction to be appreciated. Videos presenting the products and zooming functions highlighting key attributes are the UX elements that have the strongest effects on this dimension.



TIP

This preparation, although necessary, will not be useful if it is run in a disconnected way from the digital context in This model should be deployed consistently beyond the e-commerce on all your digital assets: it is important to avoid a more-is-better approach that implies the use of UX elements just because they're already available in your digital inventory. Third-party e-commerce platforms, for example, provide different templates with different UX elements. However, for products that best perform in the cognitive dimension, choosing a platform that provides too many social or sensory UX elements can be an unnecessary and counterproductive investment.

In addition to its immateriality, cross-border e-commerce UX is characterized by these peculiarities:

- **The lack of 'touch and feel':** as in domestic e-commerce, this can create uncertainty for online purchase²⁴, and its degree is directly correlated to the level of physical interaction a product requires to be appreciated²⁵. The intensity of uncertainty can be influenced by the four-dimension e-commerce UX. For example, products with a high uncertainty because of a high physical interaction needed to be appreciated should be presented not only through full cognitive elements but also through effective sensory information to appeal to the senses.
- **The physical distance between shoppers and the e-commerce:** to overcome such distance, either customers fully believe and trust the accuracy of the e-commerce, or they fully rely on the honesty of the brand²⁶. Trust is a very important factor for cross-border e-commerce. Many researchers have shown that the sellers' reliability has a direct impact on online purchase decisions²⁷, and that this reliability is closely related with the e-commerce UX²⁸. Generally, low reliability can be overcome through powerful effective web design and/or through customized content to please customers' preferences and/or through specific online entertainment and/or through strong social presence²⁹.
- **The multilayered distance in cross-border e-commerce:** this additional and very specific feature doesn't exist for offline commerce or domestic e-commerce. In cross-border e-commerce,

²⁴ Youngsoo Kim and Ramayya Krishnan, 'On Product-Level Uncertainty and Online Purchase Behavior: An Empirical Analysis', *Management Science*, 61 (2015), 2449-67.

²⁵ Yili (Kevin) Hong and Paul A. Pavlou, 'Product Fit Uncertainty in Online Markets: Nature, Effects, and Antecedents', *Information Systems Research*, 25 (2014), 328-44; Weathers, Sharma and Wood.

²⁶ Paul A. Pavlou, Huigang Liang and Yajiong Xue, 'Understanding and Mitigating Uncertainty in Online Exchange Relationships: A Principal-Agent Perspective', *MIS Quarterly*, 31 (2007), 105-36.

²⁷ David Gefen, Elena Karahanna and Detmar W. Straub, 'Trust and TAM in online shopping: An integrated model', *MIS Quarterly*, 27 (2003), 51-90.

²⁸ Glen L. Urban, Cinda Amyx and Antonio Lorenzon, 'Online Trust: State of the Art, New Frontiers, and Research Potential', *Journal of Interactive Marketing*, 23 (2009), 179-90.

²⁹ Schlosser, White and Lloyd; Urban, Amyx and Lorenzon

the distance between the online customers and the products or services they want to buy is not only geographical but also:

- Institutional, because of different legal system, taxes, currency, etc.
- Cultural, because of different languages, history, education, etc.
- Seasonal, because seasons happen at different times around the world.

Therefore, such elaborate distance can impact the cross-border e-commerce UX by users' fear of transportation costs, their unfamiliarity with payment systems, VAT, and foreign currencies, their apprehension of ill-adapted terms and conditions, their issues with using incomprehensible customer service, their getting annoyed with finding skiing products in summer, etc. Cross-border e-commerce should, therefore, deploy the best UX elements to reduce such distance.

Product name and description

INC International Concepts INC Carma Pointed Toe Studded Kitten Heel Pumps, Created for Macy's

507 Review
Limited-Time Special
Reg. EUR 86.21
Sale EUR 51.72 (40% off) Sale ends 3/1/20

Link to interactions

Customers Also Shopped

Thalia Sodi Vanessa Poi...
EUR 57.31
Sale EUR 34.39
★★★★★ (8)

Thalia Sodi Vanessa Poi...
EUR 57.31
Sale EUR 34.39
★★★★★ (105)

Breadcrumb

Macy's / Shoes / Heels & Pumps

Customers' ratings

507 Review
Limited-Time Special
Reg. EUR 86.21
Sale EUR 51.72 (40% off) Sale ends 3/1/20

Picture options

Product options

Color: Black
Find Your True Fit
Size: Please select [size Chart](#)

5M 5.5M 6M 6.5M
7M 7.5M 8M 8.5M

Qty: 1 [-](#) [+](#)

[Add To Bag](#)

Product Details

Make your most polished moments matter with the studded Carma pumps by INC International Concepts.

- 2 1/2" heel
- Pointed closed-toe pumps with side buckle ankle strap
- Studded hardware details
- Memory foam sock for added comfort
- Available in Medium(M) and Wide(W)
- Created for Macy's
- Manmade upper, Manmade sole
- Imported
- Savings Based On Offering Prices, Not Actual Sales
- Web ID: 228158

Recommendation agent

INC International Concepts INC Carma Pointed Toe Studded Kitten Heel Pumps, Created for Macy's
EUR 57.31
Sale EUR 34.39
★★★★★ (203)

Price and special discount details

Limited-Time Special
Sale EUR 51.72, Reg. EUR 86.21
Sale ends 3/1/20

Shipping and return policy

Select items are excluded from international shipping.
[Exclusions & Details](#)

Free shipping applies to domestic leg only, additional shipping fees and duties may apply at checkout.

Returns are accepted at any Macy's store within 90 days from purchase date. Last Act clearance items must be returned within 30 days from purchase date.

For complete details, read our [Shipping and Return policies](#).

Sharing options

[Email](#) [Print](#)

Reviews

Overall: ★★★★★ 507 reviews

Rating	Count
5 Stars	457
4 Stars	42
3 Stars	32
2 Stars	13
1 Star	22

Runs Small Runs Large Runs Wide Fit True
No Arch Support

Customers' star rating and reviews

100% of reviewers recommend this product.

Customer Ratings and Reviews

Overall Rating ★★★★
Great Shoe
Beautiful comfortable shoe! I've received so many compliments

Sort by [Relevancy](#) [Sort](#)

February 28, 2020

Customers' lifestyle pictures

Figure 6: an example of the UX elements used on Macy's e-commerce.



CASE STUDY

There are four main UX elements that your cross-border e-commerce should deploy to reduce such distance:

- *Information: by adapting the products and brand's information to the local demand, and by simplifying the search and the comparison of local and international offers, through for example customer ratings on either the brand's website or external ones. Internet and adequate UX can lower the operational costs of making information accessible to and sharable by anyone anywhere in the world: the better the Information Design (ID) in the UX, the more effective the e-commerce can be in its cross-border sales.*

Consequently, ID has become a key element for cross-border e-commerce UX, and even the promotional information, either direct (i.e., product descriptions) or indirect (i.e., Mother's-Day discount), can influence the purchase decisions of foreign e-shoppers.

- *Delivery cost: by adopting different shipping pricing strategies on local and cross-border deliveries through yield management, or flat average standard price, through prices per level of shipping service, or through free shipping for expensive purchases, etc.*
- *Delivery time: by offering online cross-border customers reliable express delivery options, or effective tracking solutions, or both.*
- *Interactions between users and the brand: if you facilitate these interactions online, users will spend more time on the cross-border e-commerce and will get more involved with the products or services offered.*

This longer time and higher involvement increase trust towards the e-commerce, which will consequently improve users' purchase intentions!

THE PURCHASE FUNNEL IN CROSS-BORDER E-COMMERCE

When people buy something online, they follow specific steps, the so-called purchasing journey, or funnel as coined by Elmo Lewis back in 1898³⁰.

In this journey, they go from becoming aware of the existence of a product or service, to expressing an interest in it, then to expressing a desire to get it, and finally taking the action of purchasing it.

³⁰ https://en.wikipedia.org/wiki/Purchase_funnel

A sequence also known under the acronym AIDA for Awareness, Interest, Desire, and Action³¹.

For cross-border e-commerce, researchers have explained that the journey is different³²: cross-border e-commerce users follow more or less the same AIDA sequential steps, but they will go through to the end only if the earlier steps were positive. In these early steps, the product or service description and perception are the key elements to create emotion and to let clients move towards the purchase intention.

In non-cross-border e-commerce, the product or service description and perception are less key for purchase intentions.

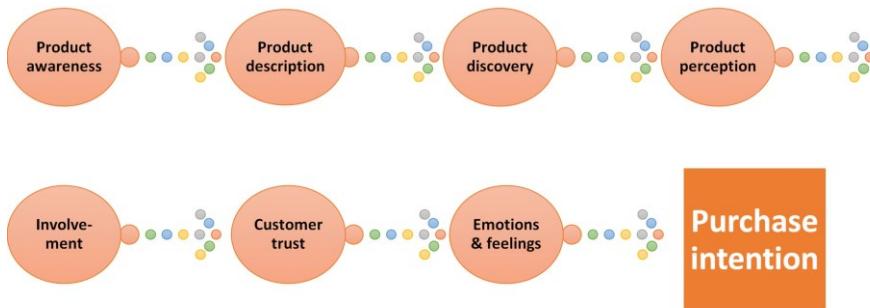


Figure 6b: the e-commerce purchasing journey.

It is evident that cross-border e-commerce sites need to implement additional marketing actions, such as videos, pictures, music but also text, to improve the description and perception of their offer.

The cross-border e-commerce information must be as easy to access and to understand as possible to attract foreign consumers' attention and to make them spend as much time as possible on the website.

³¹ [https://en.wikipedia.org/wiki/AIDA_\(marketing\)](https://en.wikipedia.org/wiki/AIDA_(marketing))

³² Wenlong Zhu, Jian Mou and Morad Benyoucef, 'Exploring purchase intention in cross-border E-commerce: A three stage model', *Journal of Retailing and Consumer Services*, 51 (2019), 320-30.

That can be done, for example, by providing extra information about how to use the website, how to find products, how to follow a delivery, how to get in touch with customer service, how to purchase products easily, etc.

An example of that is provided by eMag in the following image: the Romanian e-commerce offers five explanatory buttons just underneath the main slide show to describe payment systems, product range, delivery conditions, return policy, and customer support.

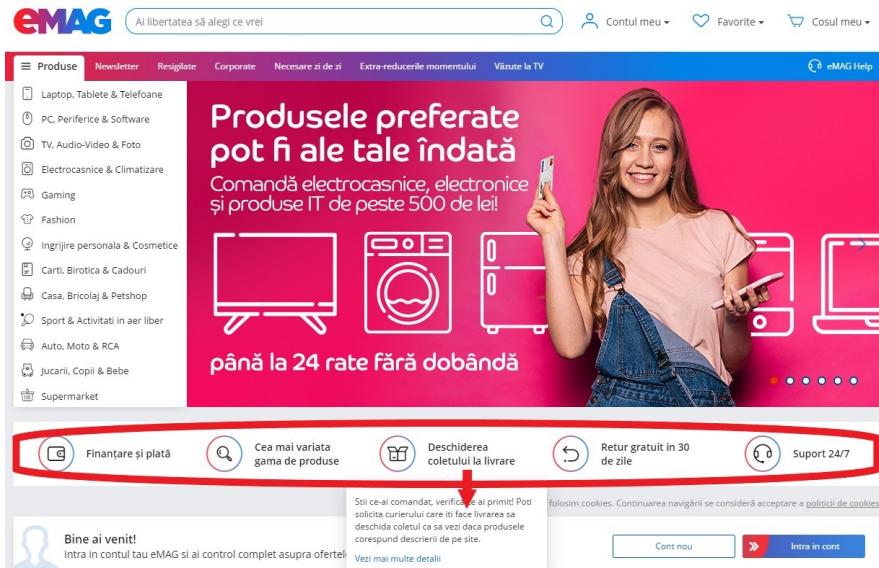


Figure 6c: eMag example.



KEY TAKEAWAYS

- An effective cross-border e-commerce UX is key to succeed in a more and more international and competitive online environment.
- For that, there are four main dimensions whose elements are better adapted than others depending on the type of product or service and the brand awareness in the foreign countries.

CHAPTER 3

CROSS-BORDER E-COMMERCE UX AND GEOGRAPHICAL ORGANIZATION

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Internet and adequate UX can lower the operational costs of making information accessible to and sharable by anyone anywhere in the world.

For cross-border e-commerce there are several ways with different levels of centralization through which this information is made available to foreign users around the world. This chapter presents the three main types³³.

HOW TO MANAGE E-COMMERCE UX INTERNATIONALLY

Cross-border e-commerce can help international businesses sell more overseas and overcome geographic distance, since it can be cheaper than building a physical presence in several foreign countries.

The development of cross-border e-commerce has encouraged companies to be more involved in global online business³⁴. So, creating effective e-commerce UX across countries has become critical for them. However, most of these companies are still uncertain about how they should orchestrate UX for their international website, or websites when they have a specific one for each foreign country or foreign language.

In fact, there are three main types of websites that you can use for your cross-border e-commerce:

- 1) Monolingual single-country e-commerce whose offers are specific to internet users speaking the same language and living in the same country. For example, an e-commerce in Spanish with one version website.es for Spain, another website.ar for Argentina, and a third website.mx for Mexico.
- 2) Multilingual single-country e-commerce whose content is provided in several languages to the internet users living in the same country. For example, an e-commerce for Switzerland that is in German, French and Italian.
- 3) Multilingual multi-country e-commerce whose content is presented in several languages for internet users living in different countries. For example, a football blog in Latin America provided in Spanish

³³ This chapter is an excerpt from Silvia Carter, 'UX and E-Commerce: Comparing the Best Practices in Europe, Asia North, America, South America, and Africa', in *Handbook of Research on User Experience in Web 2.0 Technologies and Its Impact on Universities and Businesses*, co-author and ed. Jean-Éric Pelet (Paris: IGI Global, 2020), pp. 316-53. Reprinted by permission.

³⁴ Da Huo et al., 'Country of origin and online promotion in cross-border e-business: A study of consumer behavior for quality management', *The International Trade Journal*, 32 (2018), 140-49.

and Portuguese for readers in Argentina, Brazil, Mexico, Chile, Colombia, etc.

For you to choose between these three types of websites, you must think about the nature of your products or services and how each one of these three types is adapted to them, to your prospective clients, and to your digital export strategy.

These three types of e-commerce can be realized with three main domain structures³⁵:

- 1) The **multi-domain structure** composed of several top-level domains, a specific one for each country, the **ccTLDs**³⁶:
 - www.website.fr
 - www.website.de
 - www.website.ca
 - www.website.ar
 - etc.
- 2) The **single domain structure** with a unique **gTLD**³⁷ associated with several **sub-directories**, each one dedicated to either a specific language or a specific country or a specific combination of language and country:
 - www.website.com/fr
 - www.website.com/de
 - www.website.com/ca-fr
 - www.website.com/ca-en
 - etc.
- 3) The **single domain structure** with a unique **gTLD** associated with several **sub-domains**, in which the www is replaced by another short string of characters that can be related to either a specific

³⁵ You can find all the details about these domain structures as well as their pros and cons and the technical explanations on how to deploy them in [book 2 of The Digital Exporter Series](#).

³⁶ Country-code top-level domain.

³⁷ Generic top-level domain.

country or a specific language or a specific combination of country and language:

- fr.website.com
- de.website.com
- ca-fr.website.com
- ca-en.website.com
- etc.

(1) ccTLD	(2) gTLD + sub-directories	(3) Sub-domains + gTLD
www.klm.de www.klm.nl www.klm.no etc.	www.uber.com/fr/fr/ www.uber.com/it/en/ www.uber.com/de/de/ etc.	ch.oui.sncf/de/ es.oui.sncf/es/ en.oui.sncf/en/ etc.
www.sephora.de www.sephora.hk www.sephora.cn etc.	www.campanile.com/zh-cn/ www.campanile.com/de-de/ www.campanile.com/nl-nl/ etc.	fr.hotels.com ca.hotels.com da.hotels.com etc.
www.carrefour.fr www.carrefour.pl www.carrefour.es etc.	www.net-a-porter.com/fr-be/ www.net-a-porter.com/en-co/ www.net-a-porter.com/de-dk/ etc.	ru.benetton.com gb.benetton.com mx.benetton.com etc.

Figure 7: some examples of global brands and their domain structures.



TIP

Very often the internationalization of an e-commerce is developed from a domestic e-commerce.

That's why, before starting that process, you must check and fix all the technical problems in your domestic e-commerce: bad graphics resolutions, UX obstacles, dysfunctional plugins, troubling URL, and the like; everything must be fixed before starting your digital export project!

That is the only way you can avoid them being multiplied in each international e-commerce and then becoming impossible to manage and creating even greater issues in the future.

So, make sure your domestic e-commerce is technically as perfect as possible before investing money in its internationalization.

The combination of the type of cross-border e-commerce with the type of domain structure has an important impact on the financial and technical resources you need to manage that effectively in the long run.

To understand that, consider these three examples:

- 1) The large multichannel corporation: it operates local sales divisions in different countries that oversee local resellers and other distributors.

In this case, there can be three options: either a global e-commerce UX strategy managed through a central template and local content; or several local e-commerce UX strategies managed by the country divisions under their local budget; or a mix of the previous two.

This last option is Coca-Cola's approach with the same template, for example in Brazil, Italy, and Russia, as shown in the next figure.

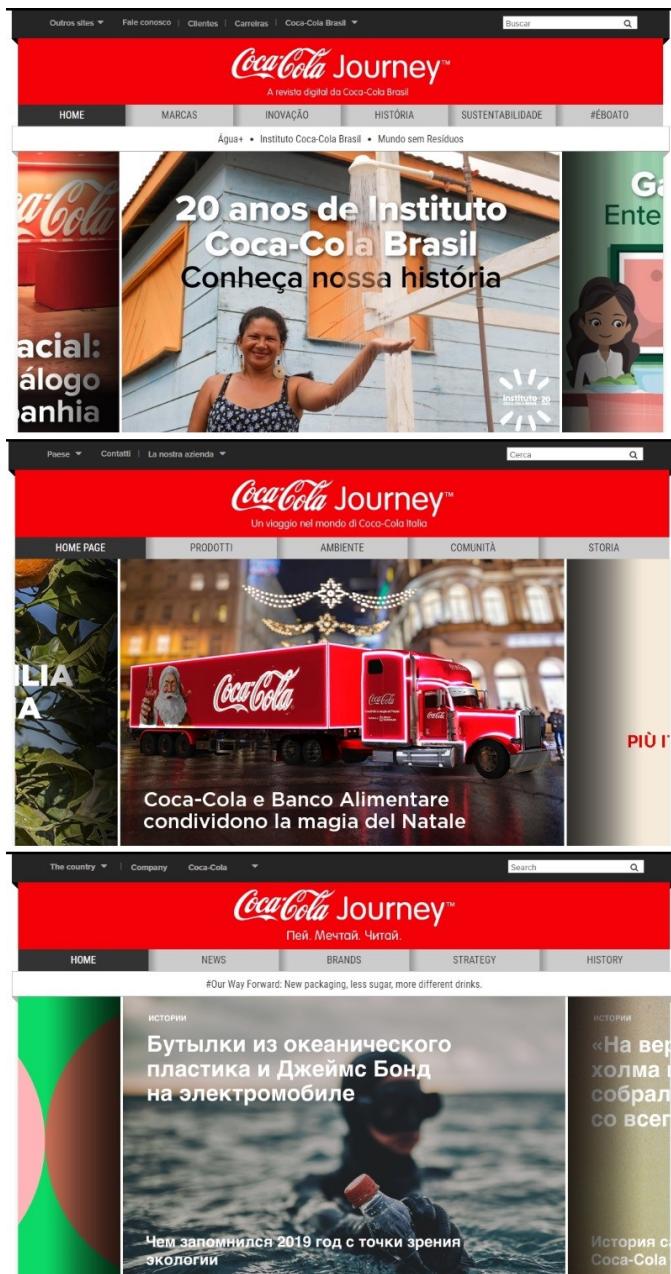


Figure 7b: Coca-Cola website in Brazil, Italy, and Russia.

- 2) The pure-player e-commerce: in this case the company doesn't have any direct or indirect brick-and-mortar sales organization, and it only operates online.

The choice of global vs. local UX internationalization will be made based on the company's financial capabilities, the local UX strategy per country being the most expensive one.

The following example is the Lithuanian Vinted, a C2C marketplace that has been internationalized to operate in 12 countries.

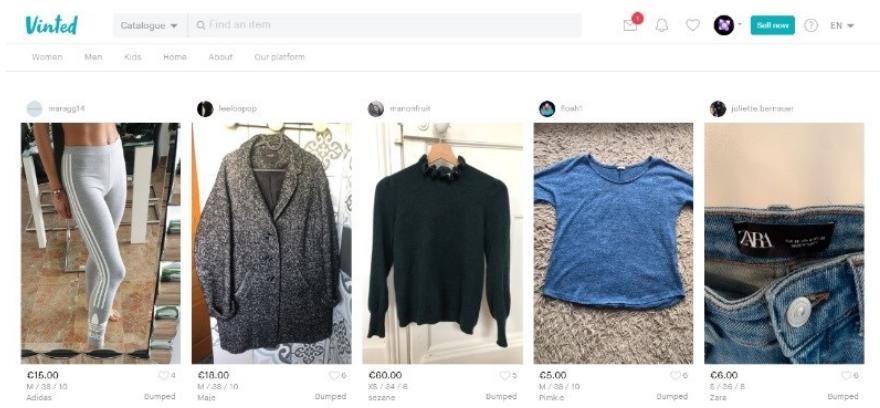


Figure 7c: Vinted website.

- 3) The small and medium enterprise (SME): unlike for the pure-player, in this case the company can have other direct or indirect brick-and-mortar sales organizations.

As before, the choice of global vs. local UX internationalization will be made based on the company's financial capabilities. Nevertheless, the SME has an additional option that is almost impossible for the pure-player. The SME can also sell its products or services through cross-border marketplaces, in which case the choice of global vs. local UX will depend on the chosen marketplaces' strategy.

The approach of Kipli's mattresses is an example of selling through one's own cross-border e-commerce and international marketplaces.

The screenshot shows the Kipli website homepage at the top, featuring a smiling couple in bed with the text "SLEEP IN THE MIDST OF NATURE" and "Unique comfort from a 100% natural mattress". Below this is the Amazon.de product page for the same mattress, showing the same image of the couple and the same text. The Amazon page includes navigation links like "Bestseller", "Prime Video", "Angebote", "AmazonBasics", etc., and a search bar.

Figure 7d: Kipli website and on Amazon.de.



CASE STUDY

What is the best solution when choosing a website's international domain structure for a business? There is, unfortunately, no ideal solution that works for everyone. It is indeed a very personal decision that has to be based on the specific conditions of each business.

Let's have a look at the example of Apple compared to Coca-Cola. On the one hand, Apple has deployed an identical template around the world. This technique offers a significant advantage by allowing its subsidiaries to focus on content without having to manage the entire website (graphics styles, UX, functionalities, etc.). Despite this advantage, the identical-template technique is far from being the universal solution for large international corporations. Coca-Cola, with more than 120 websites around the world, gives you an example of the opposite approach with a different website in each country and a very high level of localization: each country has an independent website with a domain structure mixing ccTLDs, gTLDs with sub-domains, and gTLDs with sub-directories.

Why such different approaches? It is often linked to the history of the company and its domain names around the world: a company with several decades of business, or even more than a century, like Coca-Cola, probably started its web development in the 2000s or earlier, when international website techniques were not yet as clear and advanced as they are today. Domain structures mixing ccTLDs, sub-domains, and sub-directories are a frequent phenomenon among historical consumer brands. Their issue has been that they developed their digital strategy around the world with their foreign distributors or other local business partners. As their distribution strategy changed over time to adapt to business evolutions abroad, the brands had to split from their local partners, and with that they also had to split from the local domain names whenever they were owned by these local partners, a very common bad practice back at the beginning of the internet. As a result, the brands could no longer use the ccTLDs with their name in some countries and had to use less optimized international domain structures.



KEY TAKEAWAYS

- There are several types of cross-border e-commerce domain structures, each one has financial, technical and UX implications.
- To choose the most effective type for your digital export project, you need to find the best combination based on the nature of your products or services, your prospective clients, and your online sales strategy in your targeted foreign countries.

CHAPTER 4

E-COMMERCE IN THE AGE OF COVID-19 AROUND THE WORLD

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In 2020, everything changed in e-commerce. No other sector has seen such fast and unforeseen growth brought by the Covid-19 crisis. As social distancing and lockdowns became the new normal, people and businesses ‘went digital’ to sell and buy online.

At the global scale, the B2C online share of total retail went from 14% in 2019 up to about 17% in 2020, while global physical trade fell by almost 18% in just one month, May 2020. Yet, this surge was not of the same magnitude everywhere, and some countries experienced a much higher increase than others³⁸.

GLOBAL TRADE AND E-COMMERCE BEFORE COVID-19

Despite the 2008/2009 financial crisis, the economy was growing at a regular pace in the decade before the pandemic worldwide. Global GDP had been growing at an average rate of 2.85% from 2015 to 2019, which, just before the Covid-19 crisis, varied among countries as follows:

- 1.7% for developed countries.
- 3.4% for developing countries.
- 4.9% for least developed countries, or LDC.

Global GDP was expected to grow at 4% in 2020.

In the same period, global trade had also been growing by a similar rate: 2.3% per year between 2012 and 2019. The global share of exports of goods and services on GDP had been 28% on average since 2015.

E-commerce, as defined by the OECD, is ‘the sale or purchase of goods or services, conducted over computer networks by methods specifically designed for the purpose of receiving or placing of orders’³⁹. Its share of global retail was estimated by eMarketer to be 10.4% in 2017 and 14.1% in 2019 at the global scale, more than 52% of which was in China and 19% in the United States⁴⁰.

The number of people using the internet worldwide grew from 17% in 2005 to 51% in 2019, according to the International Telecommunication Union (ITU). However, these global rates have not been linear across the world and differ greatly from the developed countries to the developing countries and the LDCs as the following table shows.

³⁸ Most of this chapter is a summary of United Nations Conference on Trade and Development, *Covid-19 and E-commerce: A Global Review* (New York: United Nations, 2021). Reprinted by permission.

³⁹ <https://stats.oecd.org/glossary/detail.asp?ID=4721>.

⁴⁰ <https://www.emarketer.com/content/top-global-e-commerce-markets>.

Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Afghanistan	4.00	5.00	5.45	5.90	7.00	8.26	11.00	13.50	16.80	17.60	18.40
Albania	45.00	47.00	49.40	51.80	54.30	56.90	59.60	62.40	65.40	68.55	72.24
Algeria	12.50	14.90	18.20	22.50	29.50	38.20	42.90	47.69	49.04	57.90	62.90
Angola	2.80	4.70	7.70	13.00	21.40	22.00	23.20	26.00	29.00	32.40	36.00
Argentina	45.00	51.00	55.80	59.90	64.70	68.04	70.97	74.29	77.70	79.90	85.50
Armenia	25.00	32.00	37.50	41.90	54.62	59.10	64.35	64.74	68.25	66.54	76.51
Australia	76.00	79.49	79.00	83.45	84.00	84.56	86.54	86.55	87.60	88.60	89.60
Austria	75.17	78.74	80.03	80.62	81.00	83.94	84.32	87.94	87.48	87.75	87.53
Azerbaijan	46.00	50.00	54.20	73.00	75.00	77.00	78.20	79.00	79.80	81.10	84.60
Bahrain	55.00	77.00	88.00	90.00	90.50	93.48	98.00	95.88	98.64	99.70	99.67
Bangladesh	3.70	4.50	5.00	6.63	11.90	12.90	18.10	19.80	21.80	23.80	24.80
Belarus	31.80	39.65	46.91	54.17	59.02	62.23	71.11	74.44	79.13	82.79	85.09
Belgium	75.00	81.61	80.72	82.17	85.00	85.05	86.52	87.68	88.65	90.28	91.53
Bolivia	22.40	30.00	35.34	36.99	34.60	37.49	39.70	43.83	44.29	47.47	59.94
Bosnia and Herzegovina	42.75	43.89	45.06	48.52	49.92	52.60	60.26	64.89	70.12	69.95	73.21
Botswana	6.00	9.00	16.00	30.00	36.74	37.31	39.36	41.41	58.00	61.00	64.00
Brazil	40.65	45.69	48.56	51.04	54.55	58.33	60.87	67.47	70.43	73.91	81.34
Brunei Darussalam	53.00	56.00	60.27	64.50	68.77	71.20	90.00	94.87	95.00	95.00	95.00
Bulgaria	46.23	47.98	51.90	53.06	55.49	56.66	59.83	63.41	64.78	67.95	70.16
Burundi	1.00	1.11	1.22	1.26	1.40	2.00	2.20	2.66	4.10	6.20	9.40
Cabo Verde	30.00	32.00	34.74	37.50	40.26	42.68	50.32	57.16	59.50	61.94	64.50
Cameroon	4.30	5.00	7.50	10.00	16.21	18.30	20.60	23.20	29.70	33.50	37.80
Canada	80.30	83.00	83.00	85.80	87.12	90.00	91.16	92.70	94.64	96.50	96.97
Central African Rep.	2.00	2.20	2.40	2.50	2.70	2.90	3.10	4.00	5.10	8.30	10.40
Chile	45.00	52.25	55.05	58.00	61.11	76.63	83.56	82.33	84.90	86.10	88.30
China	34.30	38.30	42.30	45.80	47.90	50.30	53.20	54.30	59.20	64.11	70.40
Colombia	36.50	40.35	48.98	51.70	52.57	55.90	58.14	62.26	64.13	65.01	69.79
Costa Rica	36.50	39.21	47.50	45.96	53.00	59.76	65.88	71.58	73.48	81.20	80.53
Côte d'Ivoire	2.70	2.90	4.40	6.60	10.00	16.70	25.30	34.80	37.55	36.29	
Croatia	56.55	57.79	61.94	66.75	68.57	69.85	72.70	76.10	75.29	79.08	78.32
Cuba	15.90	16.02	21.20	27.93	29.07	37.31	42.98	57.15	62.68	67.97	74.00
Cyprus	52.99	56.86	60.69	65.45	69.33	71.72	75.90	80.74	84.43	86.06	90.80
Czech Republic	68.82	70.49	73.43	74.11	74.23	75.67	76.46	78.72	80.69	80.87	81.34
Dem. Rep. of the Congo	0.72	1.20	1.68	2.20	3.00	3.80	6.21	8.62	11.70	12.50	13.60
Denmark	88.72	89.81	92.26	94.63	95.99	96.33	96.97	97.10	97.32	98.05	96.55
Djibouti	6.50	7.00	9.40	12.70	17.00	22.90	30.80	55.68	58.00	59.00	59.00
Dominican Rep.	31.40	38.00	42.32	45.90	49.58	54.22	63.87	67.57	74.82	75.80	76.90
Ecuador	29.03	31.37	35.14	40.28	45.59	48.94	54.06	55.80	57.50	61.60	64.60
Egypt	21.60	25.60	26.40	29.40	33.89	37.82	41.25	44.95	46.92	57.28	71.91
El Salvador	15.90	18.90	20.32	23.11	24.76	26.80	29.00	33.82	43.80	50.49	54.60
Estonia	74.10	76.50	78.39	80.00	84.24	88.41	87.24	88.10	89.36	90.23	89.06
Ethiopia	0.75	1.10	2.90	4.60	7.70	13.86	15.37	18.62	20.00	22.00	24.00
Finland	86.89	88.71	89.88	91.51	86.53	86.42	87.70	87.47	88.89	89.61	92.17
France	77.28	77.82	81.44	81.92	83.75	78.01	79.27	80.50	82.04	83.34	84.80
Gabon	13.00	18.00	24.00	30.54	38.07	45.78	48.05	50.32	59.60	61.00	62.00
Gambia	9.20	10.87	12.45	14.00	15.56	18.20	21.40	25.10	32.60	34.50	36.50
Georgia	26.90	31.52	36.94	43.30	44.00	47.57	58.46	59.71	62.72	68.85	72.53
Germany	82.00	81.27	82.35	84.17	86.19	87.59	84.17	84.39	87.04	88.13	89.81
Ghana	7.80	9.00	10.60	15.00	19.00	23.00	28.00	37.88	43.00	53.00	58.00
Greece	44.40	51.65	55.07	59.87	63.21	66.83	69.09	69.89	72.24	75.67	78.12
Grenada	27.00	30.00	32.00	35.00	51.60	52.50	53.30	54.20	55.10	56.00	56.90
Guatemala	10.50	12.30	16.00	19.70	23.40	28.81	34.51	37.90	41.50	44.40	49.97
Guinea	1.00	2.00	3.10	4.50	6.40	9.20	13.10	18.70	21.83	23.00	26.00
Honduras	11.09	15.90	18.12	17.80	23.00	27.10	29.50	31.70	36.00	39.39	42.05
Hong Kong, China	72.00	72.20	72.90	74.20	79.87	84.95	87.48	89.42	90.51	91.74	92.41
Hungary	65.00	68.02	70.58	72.64	75.65	72.83	79.26	76.75	76.07	80.37	84.77
Iceland	93.39	94.82	96.21	96.55	98.16	98.20	98.24	98.26	99.01	99.00	99.00
India	7.50	10.07	11.10	12.30	13.50	14.90	16.50	18.20	20.08	29.40	43.00
Indonesia	10.92	12.28	14.52	14.94	17.14	22.06	25.45	32.34	39.90	47.69	53.73
Iran	15.90	19.00	22.73	29.95	39.35	45.33	53.23	64.04	70.20	77.77	84.11
Iraq	2.50	5.00	7.10	9.20	13.21	16.80	37.67	41.94	43.30	60.00	
Ireland	69.85	74.89	76.92	78.25	83.49	83.49	83.50	84.11	87.00	87.00	92.00
Israel	67.50	68.87	70.80	70.25	75.02	77.35	79.65	81.58	83.73	86.79	90.13
Italy	53.68	54.39	55.83	58.46	55.64	58.14	61.32	63.08	74.39	76.10	70.48
Jamaica	27.67	37.44	33.79	37.10	40.40	42.22	44.37	55.07	68.21		
Japan	78.21	79.05	79.50	88.22	89.11	91.06	93.18	91.73	91.28	92.73	90.22
Jordan	27.20	34.90	37.00	41.40	46.20	54.22	56.15	64.50	66.10		
Kazakhstan	31.60	50.60	61.91	63.30	66.00	70.83	74.59	76.43	78.90	81.88	85.94
Kenya	7.20	8.80	10.50	13.00	16.50	16.59	16.60	17.83	19.50	22.57	29.50
Korea (Rep. of)	83.70	83.76	84.07	84.77	87.56	89.90	92.84	95.07	96.02	96.16	96.51
Kuwait	61.40	65.77	70.45	75.46	78.70	82.00	85.60	98.00	99.60	99.54	99.11
Kyrgyzstan	16.30	17.50	19.80	23.00	28.30	30.25	34.50	38.20	42.80	51.00	
Latvia	68.42	69.75	73.12	75.23	75.83	79.20	79.84	80.11	83.58	86.14	88.90

Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Lebanon	43.68	52.00	61.25	70.50	73.00	74.00	76.11	78.18	80.90	80.90	84.10
Lesotho	3.86	7.00	10.00	15.00	22.00	25.00	32.45	39.00	40.80	42.30	43.00
Überia	2.30	2.50	2.60	3.20	5.41	10.00	15.70	16.30	18.90	22.00	25.60
Lithuania	62.12	63.64	67.23	68.45	72.13	71.38	74.38	77.62	79.72	81.58	83.06
Macao, China	55.20	60.20	61.31	65.80	69.78	77.60	81.64	83.17	83.79	86.47	88.10
Madagascar	1.70	1.90	2.30	3.00	3.70	4.17	4.71	9.84	15.00		
Malaysia	56.30	61.00	65.80	57.06	63.67	71.06	78.79	80.14	81.20	84.19	89.56
Maldives	26.53	34.00	38.93	44.10	49.28	54.46	59.09	61.25	62.07	62.50	62.93
Mali	2.00	2.20	2.80	3.50	7.00	10.33	14.00	18.90	21.40	24.20	27.40
Malta	63.00	68.02	68.20	68.91	73.17	75.96	78.08	81.01	81.65	85.78	86.86
Mauritania	4.00	4.50	5.00	6.20	11.80	17.60	24.10	24.20	35.10	36.70	40.80
Mauritius	28.33	34.95	35.42	40.12	44.80	50.14	52.19	55.40	58.60	61.73	64.88
Mexico	31.05	37.18	39.75	43.46	44.39	57.43	59.54	63.85	65.77	70.07	71.97
Moldova	32.30	38.00	43.37	60.00	67.00	69.00	71.00	76.12			
Mongolia	10.20	12.50	16.40	17.70	19.94	22.50	22.27	23.71	47.13	51.08	62.50
Montenegro	37.50	35.61	56.84	60.31	61.00	68.12	69.88	71.27	71.52	73.48	77.61
Morocco	52.00	46.11	55.42	56.00	56.80	57.08	58.27	61.76	64.80	74.38	84.12
Mozambique	4.17	4.60	5.00	5.50	6.00	6.50	7.00	7.80	10.90	15.10	16.50
Myanmar	0.25	0.98	1.40	1.80	7.40	10.90	16.00	23.62	28.70	34.90	35.10
Namibia	11.60	12.00	12.94	13.90	14.84	25.69	31.03	36.84	40.00	40.50	41.00
Nepal	7.93	9.00	11.15	13.30	15.44	17.58	20.70	24.30	28.60	32.80	37.70
Netherlands	90.72	91.42	92.86	93.96	91.67	91.72	90.41	93.90	91.89	93.29	91.33
New Zealand	80.46	81.23	81.64	82.78	84.00	85.20	86.50	87.70	89.00	90.20	91.50
Nicaragua	10.00	10.60	13.50	15.50	17.60	19.70	24.57	30.40	37.60	37.80	45.20
Nigeria	11.50	13.80	16.10	19.10	21.00	24.50	25.67	28.00	31.90	33.60	35.50
North Macedonia	51.90	56.70	57.45	65.24	68.06	70.38	72.16	74.52	79.17	81.41	81.41
Norway	93.39	93.49	94.65	95.05	96.30	96.81	97.30	96.36	96.49	98.00	97.00
Oman	35.83	48.00	60.00	66.45	70.22	73.53	76.85	80.19	85.50	90.30	95.23
Pakistan	8.00	8.00	8.10	9.00	10.00	11.00	12.39	13.78	15.34	17.07	25.00
Palestine	37.40	41.08	43.40	46.60	53.67	56.70	59.90	63.30	64.40	70.62	74.60
Panama	40.10	42.70	40.30	44.03	44.92	51.21	54.00	59.95	61.81	63.63	64.25
Paraguay	19.80	24.76	29.34	36.90	43.00	49.72	53.40	61.08	64.98	68.52	73.96
Peru	34.77	36.01	38.20	39.20	40.20	40.85	45.46	50.45	55.05	59.95	65.25
Philippines	25.00	29.00	30.80	32.70	34.70	36.90	39.20	41.60	44.10	43.03	49.80
Poland	62.32	61.95	62.31	62.85	66.60	68.00	73.30	75.99	77.54	80.44	83.18
Portugal	53.30	55.25	60.34	62.10	64.59	68.63	70.42	73.79	74.66	75.35	78.26
Puerto Rico	45.30	48.00	69.00	69.00	69.00	63.47	68.64	68.74	70.86	77.74	
Qatar	69.00	69.00	69.30	85.30	91.49	92.88	95.12	97.39	99.65	99.65	99.65
Romania	39.93	40.01	45.88	49.76	54.08	55.76	59.50	63.75	70.68	73.66	78.46
Russia	49.00	58.00	66.00	67.97	70.52	70.10	73.09	76.01	80.86	82.64	84.99
Rwanda	8.00	7.00	8.02	9.00	10.60	18.00	20.00	21.77	25.00	26.00	26.50
Saudi Arabia	41.00	47.50	54.00	60.50	64.71	69.62	74.88	94.18	93.31	95.72	97.86
Senegal	8.00	9.80	10.80	13.10	17.70	21.70	25.66	29.64	35.30	39.50	42.60
Serbia	40.90	42.20	48.10	53.45	62.08	65.32	67.06	70.33	73.36	77.42	78.37
Seychelles	41.00	43.16	47.08	50.40	51.25	54.26	56.51	58.77	70.18	75.00	79.00
Singapore	71.00	71.00	72.00	80.90	82.10	83.20	84.45	84.45	88.17	88.95	92.00
Slovakia	75.71	74.44	76.71	77.88	79.98	77.63	80.48	81.63	80.45	82.85	89.92
Slovenia	70.00	67.34	68.35	72.68	71.59	73.10	75.50	78.89	79.75	83.11	86.60
South Africa	24.00	33.97	41.00	46.50	49.00	51.92	54.00	56.17	62.40	68.20	70.00
Spain	65.80	67.09	69.81	71.64	76.19	78.69	80.56	84.60	86.11	90.72	93.21
Sri Lanka					10.50	12.10	15.10	21.30	26.00	29.00	35.00
Sudan							14.10	18.60	24.60	25.90	28.40
Sweden	90.00	92.77	93.18	94.78	92.52	90.61	89.65	93.01	89.25	94.49	94.54
Switzerland	83.90	85.19	85.20	86.34	87.40	87.48	89.13	89.69	91.80	93.15	94.20
Taiwan	71.50	72.00	75.99	76.29	78.04	78.04	79.75	82.90	86.21	88.82	89.00
Tajikistan	11.55	13.03	14.51	16.00	17.49	18.98	20.47	21.96			
Tanzania	2.90	3.20	3.95	4.40	7.00	10.00	13.50	16.00	19.00	20.00	22.00
Thailand	22.40	23.67	26.46	28.94	34.89	39.32	47.50	52.89	56.82	66.65	77.84
Togo	3.00	3.50	4.00	4.50	5.70	7.12	11.31	12.36	15.50	19.30	24.00
Tunisia	36.80	39.10	41.44	43.80	46.16	46.50	49.60	55.50	64.19	66.70	71.90
Turkey	39.82	43.07	45.13	46.25	51.04	53.74	58.35	64.68	71.04	73.98	77.67
Turkmenistan	3.00	5.00	7.20	9.60	12.20	15.00	17.99	21.25			
Uganda	4.30	4.60	4.80	5.10	5.40	5.70	6.00	8.10	10.90	14.70	19.90
Ukraine	23.30	28.71	35.27	40.95	46.24	48.88	53.00	58.89	62.55	70.12	75.04
United Arab Emirates	68.00	78.00	85.00	88.00	90.40	90.50	90.60	94.82	98.42	99.15	100.00
United Kingdom	85.00	85.38	87.48	89.84	91.61	92.00	94.78	90.42	90.69	92.52	94.82
United States	71.69	69.73	74.70	71.40	73.00	74.55	85.54	87.27	88.50	89.43	90.90
Uruguay	46.40	51.40	54.45	57.69	61.46	64.57	66.40	70.32	80.73	83.35	86.10
Üzbekistan	15.90	18.60	23.60	26.80	35.50	42.80	46.79	48.70	55.20	70.40	71.10
Venezuela	37.37	40.22	49.05	54.90	57.00	58.00	60.00	61.60			
Viet Nam	30.65	35.07	36.80	38.50	41.00	45.00	53.00	58.14	69.85	68.66	70.30
Zambia	3.00	3.50	4.10	4.80	6.50	8.80	10.30	12.20	14.30	16.80	19.80
Zimbabwe	6.40	8.40	12.00	15.50	16.36	22.74	23.12	24.40	25.00	25.10	29.30

Figure 8: percentage of people using the internet by country, 2010-20⁴¹.

The United Nations Conference on Trade and Development (UNCTAD) estimated that ‘the global value of e-commerce sales (B2B and B2C) reached almost \$26.7 trillion in 2019’, representing 30% of global GDP. Global B2B e-commerce was 82% of total e-commerce with a value of \$21.8 trillion. The biggest countries for B2C e-commerce were China, the United States, and the United Kingdom⁴².

Although it’s difficult to get precise data at the global scale, UNCTAD estimated that cross-border B2C e-commerce sales amounted to \$440 billion in 2019, an increase of 9% vs. 2018, representing about 10% of total B2C e-commerce. While this varied between countries, the share of cross-border online shoppers to all online shoppers was estimated to have grown from 17% in 2016 to 25% in 2019⁴³.

Rank	Economy	Total e-commerce sales (\$ billions)	Share of total e-commerce sales in GDP (%)	B2B e-commerce sales (\$ billions)	Share of B2B e-commerce sales in total e-commerce (%)	B2C e-commerce sales (\$ billions)
1	United States	9,580	45	8,319	87	1,261
2	Japan	3,416	67	3,238	95	178
3	China	2,604	18	1,065	41	1,539
4	Korea (Rep.)	1,302	79	1,187	91	115
5	United Kingdom	885	31	633	72	251
6	France	785	29	669	85	116
7	Germany	524	14	413	79	111
8	Italy	431	22	396	92	35
9	Australia	347	25	325	94	21
10	Spain	344	25	280	81	64
10 above		20,218	36	16,526	82	3,691
World		26,673	30	21,803		4,870

Figure 9: e-commerce sales in the top ten countries in the world, 2019, source UNCTAD based on national sources, figures in italics are UNCTAD estimates.⁴⁴

⁴¹ <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>.

⁴² United Nations Conference on Trade and Development, ‘Estimates of Global E-Commerce 2019 and Preliminary Assessment of Covid-19 Impact on Online Retail 2020’, *UNCTAD Technical Notes on ICT for Development*, No. 18 (2021), https://unctad.org/system/files/official-document/tn_unctad_ict4d18_en.pdf.

⁴³ *Id.*

⁴⁴ *Id.*

GLOBAL TRADE AND E-COMMERCE DURING COVID-19

More than 100 countries enforced lockdowns one or several times during 2020, affecting billions of people and the way they were working, studying, exercising, shopping, etc. The impact on the global economy and trade was obviously negative:

- UNCTAD projected a fall in global GDP of 4.3% during 2020.
- The World Bank forecasted negative growth for more than 150 countries.
- The United Nations Economic Commission for Latin America and the Caribbean projected a per capita GDP fall of 9.1% in Latin America and the Caribbean, a jump down to the level of ten years earlier.
- The United Kingdom's Office for Budget Responsibility predicted a fall of 11.3% in national GDP for 2020.
- In China, the International Monetary Fund forecasted that growth would decrease to 2.3% in 2020 vs. 5.8% the previous year⁴⁵.
- UNCTAD estimated that global trade in goods fell by 9% in 2020 vs. 2019, and global trade in services by 15%, with a record drop of almost 18% in global trade in goods in just the month of May 2020 vs. the previous year.
- The World Trade Organization predicted a drop of up to 32% in world merchandise trade in 2020⁴⁶.

Online business registered different results.

Although international e-commerce involving the transit of goods across borders was negatively impacted because of the numerous transport limitations enforced by governments around the world trying to control the spread of Covid-19 across countries, domestic e-commerce experienced a substantial increase worldwide, especially for those services and goods that became necessary with the stay-at-home life:

⁴⁵ <https://www.imf.org/en/Countries/CHN>

⁴⁶ https://www.wto.org/english/news_e/pres20_e/pr855_e.htm

- Zoom registered growth of daily meetings from ten million in December 2019 to 300 million in April 2020, with a record of +828% in Thailand.
- Showmax, the South African video streaming platform, saw an increase of 20% of the number of its subscribers.
- The online gaming industry in the United States registered 400% growth, according to the ITU, and GamesIndustry.biz reported that sales across fifty major markets rose by 63% during the first quarter of 2020.
- Participation in online education courses grew by 68% in Brazil between 2018 and the second quarter of 2020.
- Netflix registered 26 million new subscribers in the first two quarters of 2020, compared with just 28 million in the whole of 2019.
- Amazon registered growth of 33% for its own sales and almost 55% in income from sellers on its marketplaces around the world in the third quarter of 2020.
- The African marketplace JUMIA saw an increase of over 50% in transactions during the first half of 2020 vs. 2019.
- Sales on Mercado Libre, the biggest marketplace in Latin America, more than doubled in the second quarter of 2020 vs. the same period in 2019.

In general, after an initial period of instability that followed the start of the pandemic crisis, during which people reduced their spending because of the uncertainty and risk of layoffs, e-retail registered a substantial increase: eMarketer reported that e-retail surged 25.7% worldwide in 2020 and that it would increase by 16.8% in 2021 to \$4.921 trillion with Asia-Pacific accounting 60.8% of it, North America 20.3%, and Western Europe 12.6%⁴⁷.

The market share of online retail vs. offline also grew worldwide: in the United States from 11.8 to 16.1%, in the United Kingdom from 20.3 to 31.3%, in China from 19.4 to 24.6%, and it is forecasted to be almost 25% worldwide in 2025.

⁴⁷ Karin von Abrams, 'Global Ecommerce Forecast 2021', eMarketer, 7 July 2021, <https://www.emarketer.com/content/global-ecommerce-forecast-2021>.

Economy	Online retail sales (\$ billions)			Retail sales (\$ billions)			Online share (% of retail sales)		
	2018	2019	2020	2018	2019	2020	2018	2019	2020
Australia	13.5	14.4	22.9	239	229	242	5.6	6.3	9.4
Canada	13.9	16.5	28.1	467	462	452	3.0	3.6	6.2
China	1,060.4	1,233.6	1,414.3	5,755	5,957	5,681	18.4	20.7	24.9
Korea (Rep.)	76.8	84.3	104.4	423	406	403	18.2	20.8	25.9
Singapore	1.6	1.9	3.2	34	32	27	4.7	5.9	11.7
United Kingdom	84.0	89.0	130.6	565	564	560	14.9	15.8	23.3
United States	519.6	598.0	791.7	5,269	5,452	5,638	9.9	11.0	14.0
Economies above	1,770	2,038	2,495	12,752	13,102	13,003	14	16	19

Figure 10: offline & online e-commerce trends.

Some of the key outcomes resulting from this shift from offline to online are the following:

- Online providers and pure-players have logically benefited mostly, with the exception of those in the travel and tourism sectors.
- Offline and online businesses were better off in maintaining their sales than those that were completely offline.
- Many of those businesses that were completely offline started their online sales.
- Businesses that kept offline-only were the worst off.

Online services related to tourism and out-of-home entertainment experienced very negative trends due to the lockdown with, for example, a fall of 50% in the number of airline seats sold in 2020⁴⁸, and a drop of 72% in revenue registered by Airbnb.

⁴⁸ <https://www.icao.int/sustainability/Pages/Economic-Impacts-of-COVID-19.aspx>.

Top 10 Countries, Ranked by Retail Ecommerce Sales, 2020 & 2021

billions and % change

	2020	2021	% change
1. China*	\$2,296.95	\$2,779.31	21.0%
2. US	\$794.50	\$843.15	6.1%
3. UK	\$180.39	\$169.02	-6.3%
4. Japan	\$141.26	\$144.08	2.0%
5. South Korea	\$110.60	\$120.56	9.0%
6. Germany	\$96.86	\$101.51	4.8%
7. France	\$73.80	\$80.00	8.4%
8. India	\$55.35	\$67.53	22.0%
9. Canada	\$39.22	\$44.12	12.5%
10. Spain	\$36.40	\$37.12	2.0%

*Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales; *excludes Hong Kong*

Source: eMarketer, Dec 2020

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eMarketer | InsiderIntelligence.com

Figure 11: top countries by retail e-commerce sales, 2020 & 2021⁴⁹.

The e-commerce data for the end of 2020 and 2021 are still limited and it is too early, therefore, to say whether such trends will continue. What seems clear is that, if uncertainty about the economy and employment worsen, people will reduce their shopping, both online and offline, for goods and services that are not considered necessary.

Expensive broadband services, mistrust in online payments, overuse of cash, unease with using digital platforms, and lack of governments' attention to e-commerce are the key factors that will keep the divide between countries, especially between the developed and the least developed ones.

⁴⁹ <https://www.emarketer.com/chart/242909/top-10-countries-ranked-by-retail-ecommerce-sales-2020-2021-billions-change>



TIP

If you are among the companies that started selling online during the pandemic as a way to preserve your business, but you find it still complex to manage, do not lose hope. Learning the best practices of e-commerce is a never-ending process, just like maintaining the competitiveness of your traditional business.

Having started is already a twofold achievement: on the one hand you can reach more people than your competitors that remained offline-only, including their customers, and, on the other hand, you're investing to build a new channel to keep a close relationship with these people in the long term.



KEY TAKEAWAYS

- Before the Covid-19 crisis, e-commerce was growing all over the world, Asia-Pacific being the region with the largest market share.
- The pandemic had a negative impact on almost all offline businesses and, conversely, a positive one on almost every online business around the world with an unprecedented surge for the goods and services that became necessary after lockdowns and social distancing were set to be the new normal.
- The global trend of retail e-commerce is forecast to keep up the pace beyond recovery and to achieve 25% share of total retail by 2025.

CHAPTER 5

DIGITAL EXPORT IN THE BIGGEST E-COMMERCE COUNTRY IN THE WORLD: CHINA

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Although all export markets deserve to be considered, China, as the greatest e-commerce market in the world, deserves a special focus.

With around 940 million internet users out of a population of 1.44 billion, this big country will experience exponential growth for online business in the coming years, and many exporting companies are investing to get a share of the pie. In the next pages, you will find the explanation.

WHY START E-COMMERCE IN CHINA?

In recent years, Chinese consumers' buying of foreign products on cross-border e-commerce (CBEC) platforms has been growing tremendously. According to iiMedia, 'haitao', as CBEC is known in China, accounted for \$1.8 trillion in sales in 2019.

The number of Chinese consumers that buy online from overseas-based retailers and get their products delivered from outside China or from a warehouse in a free trade zone (FTZ) in China or Hong Kong, has increased from a niche consumer group around a dozen years ago to 211 million in 2020, roughly equivalent to half the population of the European Union⁵⁰.

This phenomenon is expected to gain even more momentum in the coming years, thanks to the support of the government, which has issued several laws to help CBEC starting on 8 April 2016, including:

- Circular of the Ministry of Finance, General Administration of Customs and State Administration of Taxation on the Tax Policy for Cross-border E-commerce Retail Imports.
- Circular of the Customs Tariff Commission of the State Council on Issues Pertaining to the Adjustment of Import Tax for Imported Articles.

Before these circulars, goods worth more than RMB 50 (approximately €6.6) purchased via a CBEC platform were subject to a special tax ranging from 10% to 50%, depending on the product category, and in general lower than the standard import duties.

With the new circulars, all CBEC products were treated as imports and subject to import tariff, import VAT, and consumption tax, but if they were worth less than RMB 2,000 (around €264) per person and less than RMB 20,000 (approximately €2,635) per person per year, they were entitled to:

⁵⁰ <https://www.iimedia.cn/c1020/69845.html>; 'China's cross-border e-commerce, or Haitao, grows on search for exclusivity and thrift', *Vogue Business*, <https://www.voguebusiness.com/consumers/china-cross-border-ecommerce-haitao-exclusivity-thrift>.

- A temporary import duty of 0%.
- An import VAT rate at 70% of the normal rate.
- A consumption tax rate of 70% of the normal rate.

The first ‘pilot’ zone, Hangzhou, established in 2015 for testing these taxation facilities and through which all CBEC products had to be imported, was joined by 12 additional pilot zones. Then some pilot cities were also allowed to apply the same import taxation facilities.

Immediately after these two circulars, two ‘positive lists’ were issued listing the products that qualified for these advantages⁵¹: approximately 1,300 products, mainly consumer goods with considerable demand in China. These products could enter the country by express or ordinary mail without an import permit.

The products that were not on these lists needed to go through the complex regular Chinese customs system requiring a large number of documents, such as: sales contracts, commercial or pro-forma invoices in English and Chinese detailing the items, currency, supplier’s country, Incoterms, bills of transport with the recipient’s telephone number, certificates of origin, import permits, etc.

The situation has evolved continuously, in particular from 1 January 2019⁵²:

- The individual threshold was increased from RMB 2,000 to RMB 5,000 (around €659).
- The annual threshold was increased from RMB 20,000 to RMB 26,000 (approximately €3,425).
- New products⁵³ were added to the ‘positive list’.
- The number of pilot zones reached 59.
- The number of pilot cities was increased to 37: Beijing, Tianjin, Shanghai, Tangshan, Hohhot, Shenyang, Dalian, Changchun, Harbin,

⁵¹ ‘List of Cross-Border E-Commerce Retail Imports’:

<http://gss.mof.gov.cn/zhangwuxinxi/zhangce-fabu/201604/P020160407628544745898.pdf> and
<http://gss.mof.gov.cn/zhangwuxinxi/zhangce-fabu/201604/P020160415822493955077.pdf>.

⁵² http://www.gov.cn/premier/2018-11/21/content_5342252.htm.

⁵³ <http://www.chinatax.gov.cn/n810341/n810755/c3929521/content.html>.

Nanjing, Suzhou, Wuxi, Hangzhou, Ningbo, Yiwu, Hefei, Fuzhou, Xiamen, Nanchang, Qingdao, Weihai, Zhengzhou, Wuhan, Changsha, Guangzhou, Shenzhen, Zhuhai, Dongguan, Nanning, Haikou, Chongqing, Chengdu, Guiyang, Kunming, Xi'an, Lanzhou, Pingtan.

And again in 2020 with the creation of 46 new pilot zones for CBEC, bringing the total CBEC pilot zones in China to 105, and of 50 new pilot cities to the existing 37.

Chinese consumers have been increasingly attracted to foreign brands, and cross-border e-commerce platforms definitely help them get what they want. Although CBEC businesses have been hit bad by Covid-19, they have continued to grow.

It is not easy to find clear figures, but the official sources have reported⁵⁴ that, from January to February 2020, CBEC in China was RMB 17.4 billion, about \$2.45 billion, up 36.7% vs. the same period the previous year, and it was RMB 186.2 billion, about \$26.25 billion in 2019 before Covid-19, growing about 50% every year since 2015.

This trend is set to accelerate since these new laws aim to regulate any kind of online cross-border sales including C2C, that is when consumers sell to other consumers, like the 'daigou'⁵⁵, individuals living abroad that buy products wherever they reside to resell them to people in China, or sales on C2C platform like Taobao or WeChat: with these new laws, these sellers will need to have a regular commercial license and pay taxes in China without which they will be considered illegal.

⁵⁴ http://www.gov.cn/xinwen/2020-04/13/content_5501756.htm.

⁵⁵ <https://en.wikipedia.org/wiki/Daigou>.

SOME CONSTRAINTS

Chinese CBEC, whether B2C, B2B or C2C, can, therefore, be an interesting channel to use for exports to China, but you need to pay close attention to the requirements for effectively exporting with cross-border e-commerce to this country. Here are some examples:

- 1) Goods must be complaint with the local standards and certifications. This step can be complicated, especially for drugs, cosmetics, food, A designated local specialist partner can help you take care of it.
- 2) Most products must have labels in Chinese and pass quality control before being released for delivery to Chinese consumers by the customs. In particular, according to the 2015 Food Safety Law, some food products' labels must include specific information, such as net content, date of production, ingredients or formulation, address and contact information, storage requirements, license number, etc. In addition, from 1 January 2022, all food exporters to China must be registered with the General Administration of Customs of China, the GACC, and food products will probably need to be compliant with new labelling requirements.
- 3) E-commerce is an integral part of the Chinese business landscape, and business models can be very different from those in other countries. The main options for non-Chinese businesses are:
 - Sell to independent third-party e-commerce resellers or e-retailers.
 - Sell to Chinese consumers via Chinese cross-border e-commerce platforms from Europe, like Tmall Global, JD Worldwide, Kaola, Xiaohongshu (Little Red Book), VIP International.
 - Sell through Chinese distributors' online stores.
 - Develop an own Chinese e-commerce with a local partner that can also take care of the local logistics, customer service and after-sales.
- 4) In case of an own e-commerce, web marketing must be adapted not only to the local online shopping habits but also to China's Great

Firewall⁵⁶, which forces foreign businesses to use specific Chinese systems to avoid the Chinese government's censorship⁵⁷.



Figure 12: search engine market shares in China (July 2021)⁵⁸.



CASE STUDY

To adapt your e-commerce's web marketing to avoid China's Great Firewall and the Chinese government's censorship, you should consider the following:

- Search engines and SEO: Baidu and Sogou instead of Google.
- Social networks: Sina Weibo instead of Twitter, WeChat instead of Facebook, QQ instead of WhatsApp, etc.
- Your brand, domain name and website: all adapted for China possibly with a local ccTLD ending in '.cn' or '.com.cn', a domain name in Pinyin, and jam-packed visual design.
- Influence and word-of-mouth marketing with key opinion leaders (KOLs), and key opinion consumers (KOCs).
- Instant messaging: WeChat instead of WhatsApp or Messenger.
- Video streaming: QQ Video, Youku, TikTok, instead of YouTube.
- Online payment systems: Alipay, WeChat Pay, instead of PayPal or credit cards.
- And so forth...

⁵⁶ https://en.wikipedia.org/wiki/Great_Firewall.

⁵⁷ You can find all the details about the technical online requirements in [book 2 of The Digital Exporter Series](#).

⁵⁸ <https://gs.statcounter.com/search-engine-market-share/all/china>.



TIP

Before entering the Chinese market, consider registering your trademark with the Chinese Trademark Office.

Beyond developing a standalone e-commerce website optimized for Chinese customers and for China's Great Firewall, other options are available, such as the cross-border marketplaces of Tmall Global and JD Worldwide, which offer advanced web-marketing functions to sellers that have registered their trademark. Tmall Global and JD Worldwide are the largest cross-border marketplaces currently in China, and you can find all the explanations on how to start on and manage them in [book 5 of The Digital Exporter Series](#).



KEY TAKEAWAYS

China is the world's largest e-commerce market, and cross-border B2C imports have been growing about 50% every year since 2015. This trend is destined to accelerate as a result of new laws that came into force in recent years to facilitate cross-border online imports and reduce taxes for Chinese consumers.

CHAPTER 6

ADDITIONAL ASPECTS ABOUT CROSS-BORDER E-COMMERCE IN CHINA

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Although Tmall and JD.com unquestionably dominate the cross-border e-commerce scene in China, many other local vertical cross-border platforms are creating additional opportunities for those foreign companies that want to export to this market.

Whatever platform they choose, there are additional factors to take into consideration before starting.

HOW TO DELIVER YOUR PRODUCTS TO CHINESE CONSUMERS BUYING ON CBEC

Beyond Tmall Global with 20% market share and JD Worldwide with 12.5%, there are many other platforms, some of which are even larger, such as Kaola.com with 24.2% market share, VIP.com with 15.7%⁵⁹, or even YangMaTou, XiaoHongShu, etc.

Once you have identified the cross-border e-commerce platform that is right for your business, there are several ways you can export your products to China. Here are some of the most common ones for CBEC in China:

1) **Bonded imports** for the products in the positive list:

- *Bonded warehouse in China:* the products are sent and stored in a bonded warehouse located in one of the CBEC pilot zones or pilot cities before being purchased by consumers. Once purchased, the product is cleared through customs and delivered to the customer from this warehouse in China.

This method allows for faster deliveries not only because the distance is shortened but also because CBEC pilot zones and pilot cities are allowed to make very simplified customs checks, which can be carried out electronically just after the online sale occurred.

Two major drawbacks are that warehousing costs can be high, and your inventory is blocked in this warehouse without being able to be used to deliver to customers in other countries.

⁵⁹ Wilson Chow, 'Emerging technologies bring a new look to global e-Commerce landscape', PricewaterhouseCoopers, <https://www.pwccn.com/en/technology/publications/emerging-tech-bring-new-look-to-global-ecommerce-landscape-eng.pdf>; Manon Bellon, 'Cross-Border E-commerce: What Is in it for European Brands?', VVR International, 16 August 2018, <https://www.vvrinternational.com/en/cross-border-e-commerce/>

- *Bonded warehouse outside China:* this model corresponds to the first one, but the bonded warehouse is located near the Chinese border, outside China.

The advantage is that, if the product is not purchased in China, you will be able to deliver it to other countries while still having the possibility of delivering to Chinese customers within a fairly short time frame.

The downside is that customs controls will not get the benefit of the previously mentioned facilities and will, therefore, have to follow the usual complex procedures of Chinese imports.

- 2) **International deliveries:** you ship the products directly to your Chinese customers from your warehouse. In this case, not only does each shipment have to pass through the cumbersome customs procedures in China, except for the products on the positive lists going through the pilot zones or cities⁶⁰, but the delivery time and costs are higher.



TIP

There are many other ways to export to China via digital or physical channels, whose conditions regarding taxes and customs duties vary depending on the type of product or service.

Do not just rely on information you can find on the internet, which is still incomplete and imprecise.

Contact local chambers of commerce or other logistics providers to validate the conditions specifically concerning your business and your sector.

⁶⁰ These products get the benefit of customs facilities even if they are shipped from foreign countries.

BEST PRACTICES FOR CROSS-BORDER E-COMMERCE IN CHINA

To be successful in China, you need not only to understand the culture, language, and habits of the Chinese, but also to have the means to adapt your value proposition and to promote your offer online.

Despite their popularity, the mere listing on these platforms does not ensure sales, and many foreign companies do not achieve good results on these platforms.

China is no longer an impossible market, but to give your business the best possible chance for success you need to cover the following points:

- 1) Analyze the cross-border e-commerce platforms versus the local ones and estimate your chances of performing well on each type. Tmall and JD are the leaders, but for cross-border Kaola is bigger with 24.2% market share vs. 20% for Tmall Global and 12.5% for JD Worldwide, the cross-border platforms of Tmall and JD respectively⁶¹.

Cross-border e-commerce is used by people that are more interested in international brands and, therefore, offers you higher chances for sales.

- 2) To estimate your potential on these platforms, analyze the popularity of your brand in China, or that of your products if your brand is not known in China, and that of your competitors as well.

You can use Baidu or the search function on WeChat or other social networks, and you should especially check the sales on Taobao for similar products.

- 3) Plan the launch at least 12 months in advance, by starting even more upstream to provision your investment via self-financing, even partial, because it takes several months to obtain good visibility, brand awareness, and finally achieve a positive return on investment (ROI).

⁶¹ Chow.

- 4) Identify local experts with the technical skills needed for your project.

Among other things, here are the formalities that you must undertake, especially if you decide to start on a local Chinese e-commerce, for which these experts can help you, beyond commercial and operational support after the start:

- Commercial license from the Chinese government.
 - Registration at Chinese customs and management of customs procedures if necessary.
 - China corporate tax registration.
 - Bank account in China.
 - Chinese legal representative with a valid identity document.
 - Registering your trademark with the Chinese trademark office.
 - Listing your products and registering your brand on the Chinese marketplaces.
 - Alipay account opening and verification.
- 5) To promote products on the e-commerce platforms, whether cross-border or local, deploy a multichannel web-marketing strategy not limited just to the common local social media or online ads.

Secondary platforms like Xiaohongshu and Jumei, or the Q&A social network Zhihu, or the cultural social network Douban, etc., can be more effective to attract customers to your products on CBEC.



Figure 13: an example on Xiaohongshu.

6) Apply Chinese e-commerce's best practices, such as:

- Lots of photos on product pages: while a non-Chinese e-commerce only displays two to five photos of each product, e-commerce in China features dozens of images for the same product, including those showing packing, preparing the package, size explanations, etc.
- Highlighting what makes the product different and special: if the qualitative characteristics do not allow you to differentiate, consider using quantitative arguments.
- Display the certificate of authenticity: this is such a common practice in China that, if you don't show it, you will be severely penalized vis-à-vis your competitors. If you are reselling a third-party brand, display a scanned version of your authorized reseller agreement to comply with this practice.

- 7) Adopt a gradual approach by starting with a selection of the most attractive products for your target clients. The investment will be less onerous, and, once you have achieved satisfactory results, it will be easier for you to develop the rest of your catalog.



KEY TAKEAWAYS

Cross-border e-commerce offers enormous opportunities for companies wishing to export to China. However, the technical and business requirements, on top of Chinese e-shoppers' habits, are very different from those in the rest of the world. Adapting to them requires not only providing the payment systems, delivery and terms of sale used online in China, but also a web experience at the level of local expectations.

CHAPTER 7

CROSS-BORDER E-COMMERCE, A GROWTH OPPORTUNITY FOR ALL, WORLDWIDE

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As mentioned, according to UNCTAD, e-commerce was almost \$26.7 trillion worldwide in 2019 (82% B2B, 18% B2C), and cross-border B2C e-commerce \$440 billion, representing 9% of total B2C e-commerce⁶². Researchers forecast cross-border B2C e-commerce to surge by 30% from 2019 to 2026⁶³. With such acceleration, cross-border e-commerce represents a twofold opportunity: an increasing number of people are now buying online all over the world; and the digital transformation has brought up many new tools to develop international online sales more easily.

THE INTERNET IS BORDERLESS; ONLINE SALES ARE TOO!

According to Google's definition, cross-border e-commerce is 'the process of selling products or services via an Ecommerce website to buyers overseas'⁶⁴.

Through different forms of business models, such as pure-players, multichannel or marketplaces, cross-border e-commerce reaches foreign customers located in a country other than the one where the website is located. It is, therefore, a form of export that does not really require setting up a subsidiary or an office abroad.

On top of that, when the form is a marketplace, the sellers' logistics and customer service can be managed by the marketplace itself internationally.

The most popular cross-border products are clothing and electronics, but demand is growing in all other sectors. The internet users that are more inclined to shop on cross-border e-commerce are in Hong Kong, United Kingdom, Germany, Italy, and Japan.

⁶² United Nations Conference on Trade and Development, 'Estimates of Global E-Commerce 2019 and Preliminary Assessment of Covid-19 Impact on Online Retail 2020'.

⁶³ 'Global Cross-Border B2C E-Commerce Market Report 2021-2026: In 2020, the Majority of Online Consumers Preferred International Online Shopping Over Local', Globe Newswire, 24 March 2021, <https://www.globenewswire.com/fr/news-release/2021/03/24/2198278/28124/en/Global-Cross-Border-B2C-E-Commerce-Market-Report-2021-2026-In-2020-the-Majority-of-Online-Consumers-Preferred-International-Online-Shopping-Over-Local.html>.

⁶⁴ https://marketfinder.thinkwithgoogle.com/intl/en_gb/guide/cross-border-ecommerce/#overview

Rank	Economy	Cross border B2C e-commerce sales (\$ billions)	Share of cross border B2C e-commerce sales in merchandise exports (%)	Share of cross-border B2C sales in total B2C e-commerce sales (%)
1	China	105	4.2	6.8
2	United States	90	5.5	7.1
3	United Kingdom	38	8.2	15.2
4	Hong Kong (China)	35	6.2	94.3
5	Japan	23	3.3	13.2
6	Germany	16	1.1	14.7
7	France	12	2.2	10.6
8	Korea (Rep.)	5	0.9	4.4
9	Italy	5	0.9	13.9
10	Netherlands	1	0.2	4.3
10 above		332	3.4	9.0
World		440	2.3	9.0

Source: UNCTAD estimates based on national sources.

Figure 14: the Top10 cross-border e-commerce countries in the world⁶⁵.

The borderless feature of the web allows anyone to sell almost anything anywhere, in his own and in the foreign countries, while staying put at home!

This phenomenon has two consequences for e-commerce, one positive and the other less so:

- Cross-border e-commerce represents an additional growth driver for the business because it brings new customers from abroad without the need to travel.
- However, this growth driver is available to all e-commerce around the world and domestic online shoppers can buy just as easily abroad: those e-commerce sellers that do not adapt their offers to foreign customers will, therefore, have fewer exports, whether on their e-commerce or on marketplaces.

⁶⁵ United Nations Conference on Trade and Development, 'Estimates of Global E-Commerce 2019 and Preliminary Assessment of Covid-19 Impact on Online Retail 2020'. [\[link\]](#)

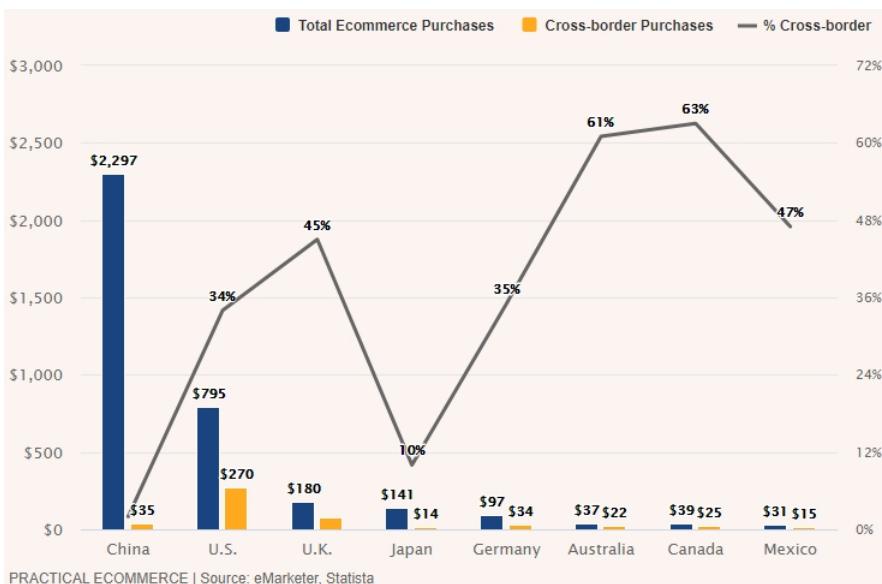


Figure 15: cross-border B2C e-commerce in top countries⁶⁶.

CROSS-BORDER E-COMMERCE IN EUROPE

In 2019, of the 86% of people that bought goods or services online in the European Union⁶⁷, a little bit more than half did so across borders, as the following table shows. In its recent study, Cross-Border Commerce Europe reported that EU cross-border e-commerce represents more than 25% of total e-commerce and a turnover of €146 billion in 2020 (excluding travel), an increase of 35% vs. 2019⁶⁸.

⁶⁶ <https://www.practicalecommerce.com/charts-2020-cross-border-e-commerce-purchases-by-country>.

⁶⁷ After Brexit, or 87% with the UK.

⁶⁸ <https://www.cbcommerce.eu/press-releases/third-edition-of-the-top-500-cross-border-retail-europe-an-annual-ranking-of-the-top-500-european-cross-border-online-shops/>.

Country	Online purchases from national sellers	Online purchases from abroad (EU or non-EU)
Albania (2018)	65%	50%
Austria	66%	75%
Belgium	77%	69%
Bosnia and Herzegovina	50%	35%
Bulgaria	88%	49%
Croatia	67%	57%
Cyprus	45%	95%
Czechia	91%	31%
Denmark	85%	51%
Estonia	86%	64%
EU-27 (from 2020)	86%	44%
EU-28	87%	45%
Finland	78%	59%
France	76%	47%
Germany	93%	37%
Greece	87%	40%
Hungary	91%	51%
Iceland	68%	85%
Ireland	72%	79%
Italy	74%	50%
Kosovo	90%	23%
Latvia	65%	72%
Lithuania	86%	58%
Luxembourg	30%	86%
Malta	35%	96%
Montenegro	35%	91%
Netherlands	95%	53%
North Macedonia	69%	50%
Norway	84%	58%
Poland	94%	16%
Portugal	86%	53%
Romania	93%	18%
Serbia	83%	29%
Slovakia	83%	49%
Slovenia	74%	59%
Spain	91%	48%
Sweden	93%	48%
Turkey	97%	10%
United Kingdom	90%	50%

Figure 16: percentage of people buying on domestic & cross-border e-commerce in the European Union by country, 2019⁶⁹.



TIP

Cross-border e-commerce allows companies to benefit from significant economies of scale thanks to the optimization of management costs, not only for web marketing, but also for accounting and warehouse costs: by selling additional quantity online, profitability improves, favoring competitiveness on both the domestic and international levels.

Without such economies of scale, an e-commerce risks being less profitable, especially SMEs with high production and fixed costs.

Europe is made up of many countries that differ in terms of language, economy, politics, geography, and culture. The UK, Germany and France, are the largest markets for online spending followed by Italy, Spain, Benelux, and the Nordics.

This ranking shows a natural correlation between market value and number of people. As Eurostat has reported⁷⁰, clothing and footwear are the most popular product categories, followed by home products and deliveries, which ranked higher than electronics and books with the start of the Covid-19 crisis.

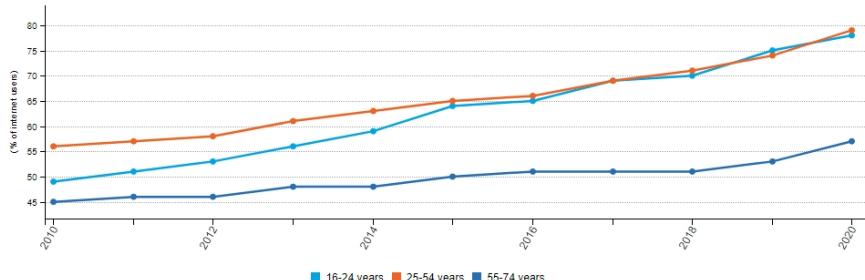


Figure 17: percentage of people who bought online for personal use during the past 12 months from 2010 to 2020 by age, Eurostat 2020 (<http://www.ec.europa.eu>).

Europe represents a very large market for e-commerce, with a population of almost 750 million people, bigger than North America

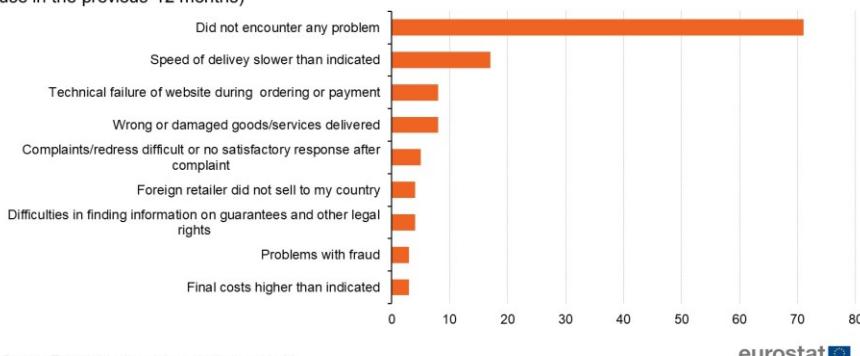
⁶⁹ Statista, <https://www.statista.com/statistics/1114584/domestic-and-cross-border-e-commerce-comparison-in-europe/>.

⁷⁰ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=E-commerce_statistics_for_individuals

and third after Asia and Africa. Cross-Border Commerce Europe forecasted a 100% increase by 2022 vs. 2019 in European cross-border e-commerce: that is significant growth, but slower than domestic online shopping.

Some EU citizens remain reluctant to shop online mainly because of the problems associated with deliveries as reported by Eurostat in the following figure.

Problems encountered when buying over the internet, EU, 2019
 (% of individuals who bought or ordered goods or services over the internet for private use in the previous 12 months)



Source: Eurostat (online data code: isoc_ec_iprb)

eurostat

Figure 18: the major problems encountered by EU citizens while shopping online (<http://www.ec.europa.eu>).

In such a patchworked market, there are UX elements that are key for European e-commerce.

A study about European e-commerce conducted in 2017⁷¹ described how online shopping can be negatively impacted if the lead time between placing an order and receiving the products is too long, whether this duration is real or simply perceived. Such time distance can be also affected by institutional trade barriers and other country-specific elements such as income, delivery charges, borders' times, etc.

⁷¹ Thai Young Kim, Rommert Dekker, and Christiaan Heij, 'Cross-Border Electronic Commerce: Distance Effects and Express Delivery in European Union Markets', *International Journal of Electronic Commerce*, 21 (2017), 184-218.

The same study indicates three ways for an e-commerce to reduce the perceived distance for online shoppers in Europe:

- 1) By shortening the delivery time by using transporters that are better suited to online shopping.
- 2) By improving the conditions that the e-commerce has with its current logistics providers.
- 3) By applying yield price management to balance delivery costs over all the deliveries.



CASE STUDY

Very often, there are subjective factors that can prevent people from shopping online. This phenomenon is particularly intense in Europe, and your e-commerce should have additional measures to avoid these subjective barriers, such as:

- An effective communication with a writing tone adapted to your target clients.
- The purchasing functions that European shoppers use mostly online, especially for payment.
- Clear terms and policies, including the details for delivery and returning products.
- An easy-to-access multilingual customer service.

In the following figures, we see examples from the John Lewis UK e-commerce, offering many delivery options to reassure consumers about shipping quality and MediaMarkt Germany, indicating the stock availability and the lead-time for the pick-up of each product directly in the result list. Store pick-up is one of the most preferred delivery options in Germany.

The screenshot shows the John Lewis website's delivery section. At the top, there is a navigation bar with links to 'About us', 'Our shops', 'Customer services', 'Track order', 'my John Lewis', 'Partnership Card', 'Insurance', and 'United Kingdom (GBP)'. Below the navigation is the John Lewis logo and a search bar with the placeholder 'Search product or brand'. To the right of the search bar are 'Sign in' and user icons. A horizontal menu bar below the logo includes 'Home & Garden', 'Furniture & Lights', 'Electricals', 'Women', 'Men', 'Beauty', 'Baby & Child', 'Sport & Leisure', 'Gifts', 'Offers', and 'Brands'. Under 'Customer services', there is a link to 'Delivery & collection'. The main content area is titled 'DELIVERY & COLLECTION' and contains six boxes representing different delivery methods: 'Standard delivery', 'Next and Named day delivery', 'Delivery by our approved suppliers', 'Click & Collect', 'Collect+ from local shops', and 'International delivery'.

Figure 19: John Lewis e-commerce in the UK.

The screenshot shows the MediaMarkt website's product page for a 'BOSCH MUM44R1 Küchenmaschine Rot 500 Watt'. The page includes a breadcrumb navigation: 'Haushalt & Bad > Küchenkleingeräte > Küchenmaschinen'. The product title is 'Küchenmaschinen (136 Artikel)'. On the left, there are filters for 'Kategorie' (Household & Bath, Kitchen Appliances, Kitchen Mixers) and 'Marke' (KITCHENAID, BOSCH, KENWOOD, PHILIPS, CLATRONIC). A search bar says 'Was suchen Sie?'. On the right, there are sections for 'Bewertungen' (Reviews) and 'Lieferung und Zahlung' (Delivery and Payment). The product image is a red Bosch kitchen mixer. Product details include 'Farbe: Rot', 'Funktionen: Röhren, Kneten, Schlagen', 'Gehäusematerial: Kunststoff', 'Produkttyp: Küchenmaschine', 'Online auf Lager: Nur noch wenige Stück verfügbar', and 'Abholbereit in 1 bis 2 Werktagen im MediaMarkt Bielefeld'. Red arrows point to these two specific delivery information sections.

Figure 20: MediaMarkt e-commerce in Germany.

CROSS-BORDER E-COMMERCE IN THE AMERICAS

U.S., the omnichannel way

Omnichannel and multichannel became key game changers for the retail industry almost anywhere in the world and in particular in the United States. Often considered as the evolution from multichannel, omnichannel takes a broader perspective on integration allowing ubiquitous and real time interactions between customers, brands and stores across all channels.

With fewer or no ubiquitous and real-time factors, multichannel concerns a similar integration but on separate channels, each pushing distinct sales not concerned by the other channels. Retailers use such integrations to improve their customers' experience across all channels, by erasing the boundary between physical offline and digital online shopping.

The parallel rise of new technologies like smartphones and high-speed internet enabled the access to no-stop real-time information allowing retailers to deploy new business models such as click-and-collect, consumer-to-consumer services, online-to-offline promotions, etc.

Unlike multichannel, omnichannel, when properly implemented, offers coherent and full integration across all channels, domestic and international, looking completely unified to customers all over the world. Under the more and more border free global retail landscape, traditional retailers are not protected by geographical or cultural barriers anymore.

According to some researchers⁷², there are specific drivers and barriers for retailers going omnichannel. The key drivers are four:

⁷² Y. Ye, K.H. Lau and L.K.Y. Teo (2018) Ying Ye, Kwok Hung Lau and Leon Kok Yang Teo, 'Drivers and barriers of omni-channel retailing in China: A case study of the fashion and apparel industry', *International Journal of Retail & Distribution Management*, 46 (2018), 657-89.

- Mobile technology: not only in terms of devices, e.g., smartphones, tablets, etc. but also in terms of internet speed and quality. The combination of these technologies enables retailers to reach more and more consumers online and offline. In the following figures, you can see the example of REI's omnichannel strategy from stores to desktop UX, mobile UX and eight apps UX.

In the U.S., 80% of people use a mobile while shopping in off-line stores, to check a product, a price or availability, etc. When any of these 80% people cannot get the information online when he's searching in the store, then he will leave the store with bad UX.

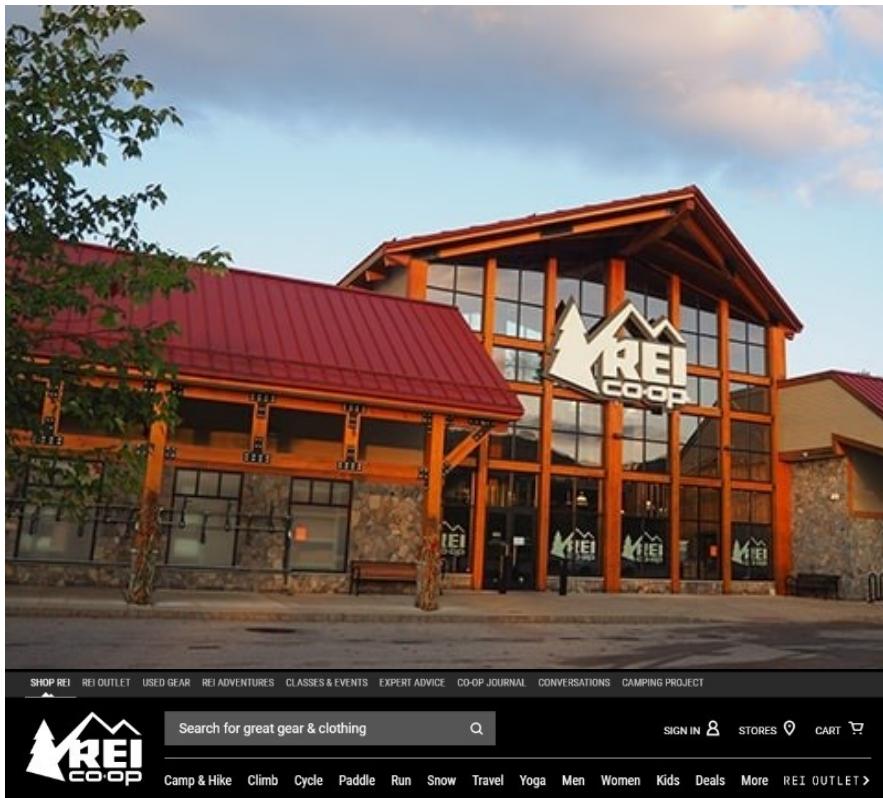
Instead, REI makes sure that all of its shopping channels work instantaneously with one another.

- Big data: retailers can now access better and larger consumer information allowing them to improve their offers by creating an enhanced and personalized shopping experience.
- Ubiquity: consumers can also get better and more extensive information about product brand, quality, price and availability anywhere and at any time.

Retailers can offer additional technologies, such as QR codes, dematerialized payment systems, social networks, etc. to help consumers make better purchase decisions and enhance their UX.

- Smart supply chains: as a result of the first two points above, retailers' supply chain is now more efficient.

Able to track products in a better way, retailers can shorten their supply chains, improving both customer deliveries and stock management, including returns.

[SHOP REI](#)[REI OUTLET](#)[USED GEAR](#)[REI ADVENTURES](#)[CLASSES & EVENTS](#)[EXPERT ADVICE](#)[CO-OP JOURNAL](#)[CONVERSATIONS](#)[CAMPING PROJECT](#)

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Carabiners (118 results)

Filter

Sort by: Best Match

View: 30 | 60 | 90

Find In Store

ZIP code or City, State

Gate Type

- Auto-lock (24)
- Bent-gate (4)
- Screw-lock (50)
- Straight-gate (12)
- Wire-gate (26)

Carabiner Type

- Locking (74)
- Non-locking (42)

**REI OUTLET**
Black Diamond
RockLock Screwgate Locking Carabiner
\$8.73 \$14.95
You save 26%

(23)

[Compare](#)**REI OUTLET**
Black Diamond
Neutrino Wiregate Carabiner
\$4.73 \$6.95
You save 31%

(16)

[Compare](#)**REI OUTLET**
Black Diamond
RockLock Twistedlock Carabiner
\$14.73 \$18.95
You save 22%

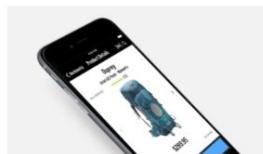
(13)

[Compare](#)



REI Mobile Apps

Always ready for your next adventure



REI – Shopping App

Shop REI from (almost) anywhere. Use the REI Shopping App to browse, check prices, compare brands and products, and more. Find classes and events, get daily deals in the REI Outlet and build your wish list. Save your checkout details for quick, secure ordering. Plus, select the delivery method - including free same-day pickup when available.

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REI – National Parks App

Your go-to app for trail maps, guides and more. To celebrate the centennial of the National Park Service, we've built the most complete crowd-sourced guide. Find the best hikes with the REI Co-op Guide to the National Parks app. And while you're at it, add your own photos and favorite trails.

[Download on the App Store](#) [GET IT ON Google Play](#)



Hiking Project App

The best trails from local favorites to backcountry classics. Hiking Project brings you an extensive guide to trails around the country, with more added and reviewed by hikers like you every day. Get GPS route info, elevation profiles, photos and interactive maps at your fingertips. Backcountry bonus: Downloaded hikes work offline!

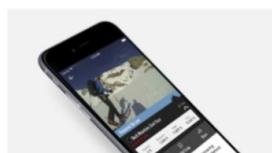
[Download on the App Store](#) [GET IT ON Google Play](#)



MTB Project App

Find your next great ride. Be the most stoked and informed rider with the most complete guide to mountain bike trails in the country (and counting) at the ready. On your phone. For free. Open the map and tap on rides near you or search by area. Road trip anyone?

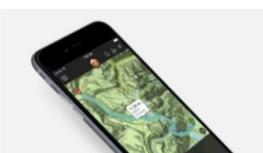
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Powder Project app

The next generation of off-piste trail maps. Find the best ski lines wherever you are inbounds or in the backcountry. This app provides full GPS route info, elevation profiles, interactive maps, photos and more. The ascent and descent info is indispensable, and the database is constantly growing.

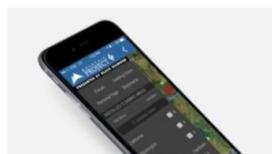
[Download on the App Store](#) [GET IT ON Google Play](#)



Trail Run Project app

Find your next epic run. Access detailed run and trail descriptions for a constantly growing list of trails. Every mile has been ground-truthed by runners like you. Plan a new route with photos and reviews, then follow your location on a map and elevation profile during your run.

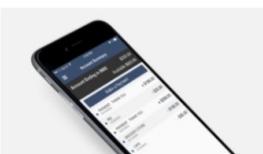
[Download on the App Store](#) [GET IT ON Google Play](#)



Mountain Project app

The world's definitive climbing resource. With the country's largest database of routes and crags, Mountain Project is an essential and unrivaled resource for all climbers. Search by state, then download area beta and photos for use at the crag, even out of cell range.

[Download on the App Store](#) [GET IT ON Google Play](#)



REI – Credit Card app

Apply for and manage your REI credit card. REI Credit Card App gives you one-touch access to apply for and manage your REI credit card. If approved for instant credit, you can shop right now and begin earning cash back on your purchases!

[Download on the App Store](#) [GET IT ON Google Play](#)

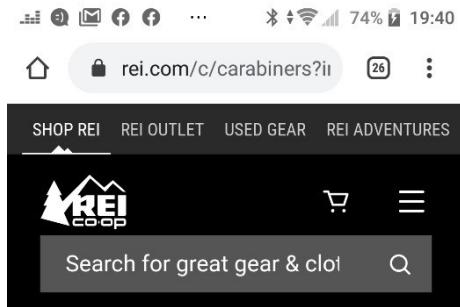


Figure 21: REI omnichannel UX.

The main barriers for retailers that want to go omnichannel are of two types:

- Strategy-related: issues with adapting the organization, the culture, and management strategy.
- Development-related: such as adapting the product mix, information and technology systems, logistics and delivery routines, customer service and CRM, etc.

The same researchers also emphasized that there is a strong relationship between these drivers and barriers and other country-related factors, such as population density, social and cultural factors, and consumer habits (i.e., different types of delivery, return

expectations, different types of payment, etc.). The large size of the U.S. market combined with the benefit of a common language, similar socio-cultural factors, and uniform consumer habits, is one of the main reasons why omnichannel has been deployed much faster here than in other countries.

Brazil: enhancing security and trust

Given the global interest in e-commerce sales development, there is a continuous search to understand the key factors that help consumers buy online beyond national borders. This is true especially in emerging markets, whose different characteristics can unveil new insights, which are also useful in mature markets.

Emerging countries are often characterized by heterogeneous markets, sociopolitical instability, strong and sometimes biased competition, lack of resources, infrastructure problems, less demanding and low-income consumers. Such an environment may be a barrier to new entrants that must also face consumer behaviors that is different from what they know in their own or in other markets, since in these emerging countries online purchasing decisions are influenced in a different way⁷³.

Brazil, although the eighth largest economy in the world and the largest in Latin America⁷⁴, is among those emerging countries. In 2020 its e-commerce is still nascent, since only 40% of households have internet access, a percentage that drops to 20% to 30% in the northern regions.

In emerging countries such as Brazil, there is a high asymmetry of information, since companies are not completely clear about their online operations. Since that is combined with fragile consumer

⁷³ Narongsak (Tek) Thongpapani et al., 'Differential Effects of Customers' Regulatory Fit on Trust, Perceived Value, and M-Commerce Use among Developing and Developed Countries', *Journal of International Marketing*, 26, No. 3 (2018), 22-44.

⁷⁴ Constanza Bianchi, Jorge Carneiro and Rumintha Wickramasekera, 'Internationalisation commitment of emerging market firms: A comparative study of Chile and Brazil', *Journal of Small Business and Enterprise Development*, 25 (2018), 201-21.

protection legislation, it results in low internet adoption, because consumers prefer traditional physical stores⁷⁵.

In 2019 some researchers⁷⁶ studied Brazilian e-commerce to analyze the impact of country-specific elements on UX and sales performance. The study examined:

- The impact of lack of consumer trust, website identification, and website quality on purchase intentions.
- Whether the perceived risks impact the lack of consumer trust.
- Whether consumer resistance to innovations impacts the lack of consumer trust and perceived risk.

In the above-mentioned study, the lack of online buyer trust is defined as the feeling that the website's low control will cause problems during the purchasing process, such as breach of personal data, misuse of credit cards, losing parcel delivery, etc. In other words, online purchasers have the perception that the agreed actions will not be fulfilled, and because of that they abandon the purchase.

With a rank of 94/180 and a score of only 38/100 on Transparency International's Corruption Perceptions Index for 2020, Brazil is among the countries with the highest number of internet frauds and with the highest levels of perceived corruption in the world⁷⁷. That explains consumers' lack of trust and aversion to innovation, which negatively influence their purchase intention through e-commerce, directly and indirectly.

It is, therefore, important for a website selling in Brazil to reassure online shoppers about fraud, corruption, precarious logistics, scarce information, and counterfeiting.

⁷⁵ Fernanda F.O. Malaquias and Yujong Hwang, 'Trust in mobile banking under conditions of information asymmetry: Empirical evidence from Brazil', *Information Development*, 32 (2016), 1600-12.

⁷⁶ Emerson Wagner Mainardes, Claudio Marcio de Almeida and Marcelo de-Oliveira, 'e-Commerce: an analysis of the factors that antecede purchase intentions in an emerging market', *Journal of International Consumer Marketing*, 31 (2019), 447-68.

⁷⁷ <https://www.transparency.org/en/countries/brazil>

To achieve that, the website must be top notch: showing excellent quality and performance, it can positively influence consumers' purchase intentions in Brazil.

However, too much innovation can be counterproductive and restrain the positive influence on consumers. In fact, given the aversion to innovation in developing countries like Brazil, a too innovative e-commerce can negatively impact online shoppers and their purchase intentions. In the following figure, you see the example of Mercado Livre with a clear, simple, and qualitative graphic interface to present its products.

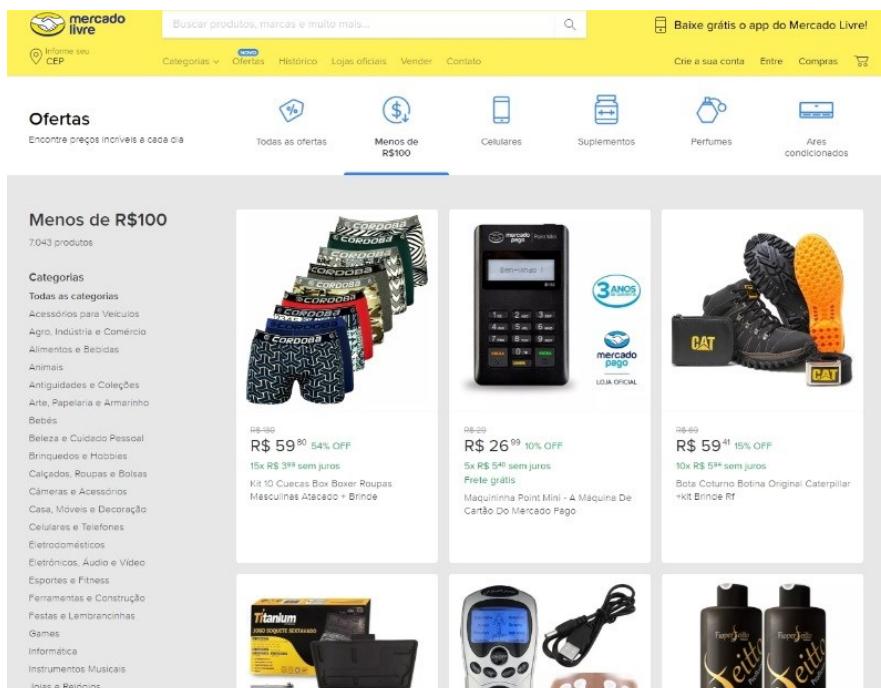


Figure 22: Mercado Livre in Brazil.

The study also demonstrated that the greater the user's past experience on an e-commerce, the lower his lack of trust.

That is another result that emphasizes the important role that quality plays to increase consumer trust on e-commerce and consequently sales performance.

In conclusion, the study suggests that the UX strategy for e-commerce in Brazil should have high website quality, through qualitative content, clear information, and good design, but avoid too high a degree of innovation.

These actions help create positive experience for the Brazilian consumers, who will trust the e-commerce in question, and will, therefore, be more willing to purchase and to go back to.

Some elements that should be provided are, for example: payments at delivery, warranties on new products, fast deliveries, full delivery tracking from order confirmation until receipt, easy-to-reach customer service, etc. These elements will help online shops eventually increase consumer's trust and reduce their perception of risk.

In the following figure, you see the example of Touratech.

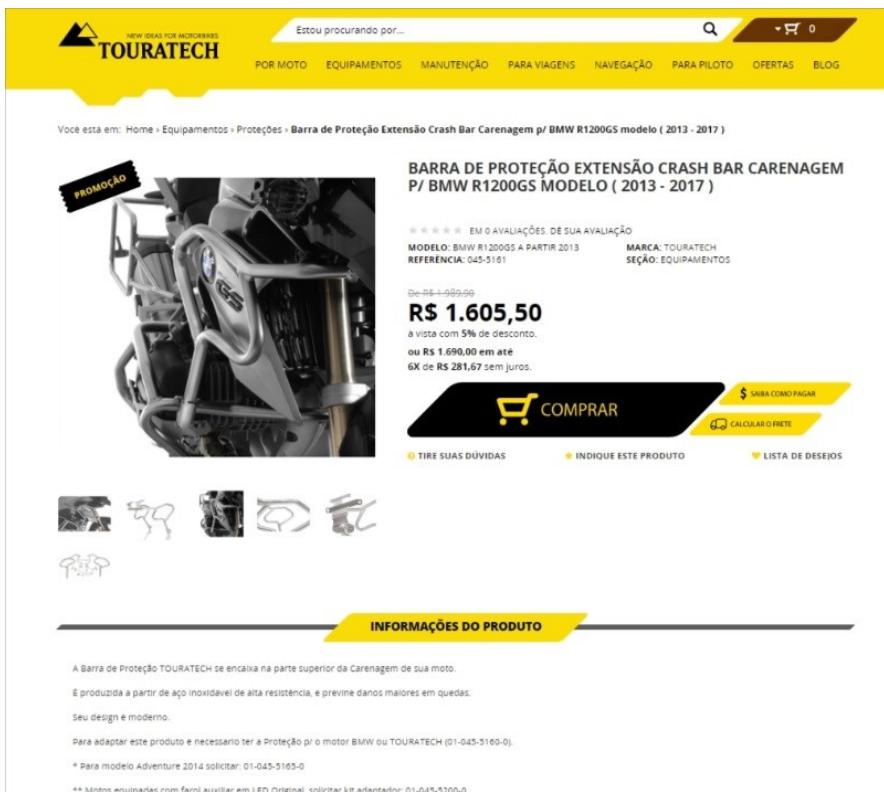


Figure 23: Touratech in Brazil.

CROSS-BORDER E-COMMERCE IN AFRICA

Distribution of goods and services in Africa has been a challenge, and it is hard for consumers to find goods to shop. In the past few years, however, thanks to mobile and internet technology, consumers have found a new and better way to shop.

With more than 400 million internet users, Africa has the second most digitally connected population in the world after China. E-commerce is expected to grow exponentially in the coming years, with already 69%

of South Africans, 61% of Kenyans, or 39% of Nigerians shopping online, most of them through a mobile phone. Mobile UX, therefore, plays a major role in e-commerce usability across a wide range of countries, languages, and cultures.

For Africa, these are some of the key points to consider for effective e-commerce:

- People often do not live in urban areas but in small villages. With internet access being provided almost everywhere in Africa, consumers are more and more enthusiastic about the large choice they can have online even when they live in isolated areas where it would otherwise be impossible for them to access the same wide range of products.

Because of that, and because African consumers want the same things as any other consumer in the world, i.e., good quality, good price, good service, and quick delivery, logistics is the biggest challenge for e-commerce in Africa. This is due not only to geographical distance and poor infrastructure, but also to the lack of a standard address system: to find a person for a delivery, local transporters need to search the exact location, through unconventional information.

For example, when someone says, 'I live in the third house in the second street on the right side of the main square', that's the address. E-commerce for Africans should consider this peculiarity and adapt the website, for example, the filling out of a customer account, accordingly.

JUMIA is an example: this marketplace not only offers several local payment systems, including on-delivery, it also allows customers to enter all the destination details for the delivery. JUMIA partnered with local providers in 11 African countries that can find consumers everywhere and that, by using JUMIA specific tools, can easily operate their last-mile door-to-door business.

JumiaPay



Pay with Your Card Through JumiaPay

Easy and safe payment
No cash required

[Discover](#)

Pay on Delivery



Pay with Your Card Through Jumia Pay

No risk for you
Shop like a store, but at home!

[Discover](#)

Vouchers



You can use your voucher as a means of payment

[Discover](#)

Payment Method

CHECKOUT

1. ADDRESS DETAILS CHANGE

2. DELIVERY METHOD CHANGE

Door Delivery
Delivered between Friday 24 Jan and Tuesday 28 Jan for ₦1,210

3. PAYMENT METHOD CHANGE

How do you want to pay for your order?

 Get additional 5% off with JumiaPay (Discount capped at N500)
 -Pay securely via your Mastercard, Visa, and Verve cards.
 -Cards payments are supported by all banks.

 Others
 Fast, easy and safe payment with Interswitch Webpay

ORDER SUMMARY

YOUR ORDER (1 item)

	Luxury Top Brand Curren Leather Strap Military Sport..
₦ 5,500	Qty: 1
Subtotal	₦ 5,500
Shipping amount	₦ 1,210
JumiaPay 5% discount P	- ₦ 335
Total	₦ 6,375

[MODIFY CART](#)

North Africa



Egypt

West Africa



Nigeria

East Africa



 JUMIA MARKETPLACES & CLASSIFIEDS

 JUMIA CLASSIFIEDS ONLY

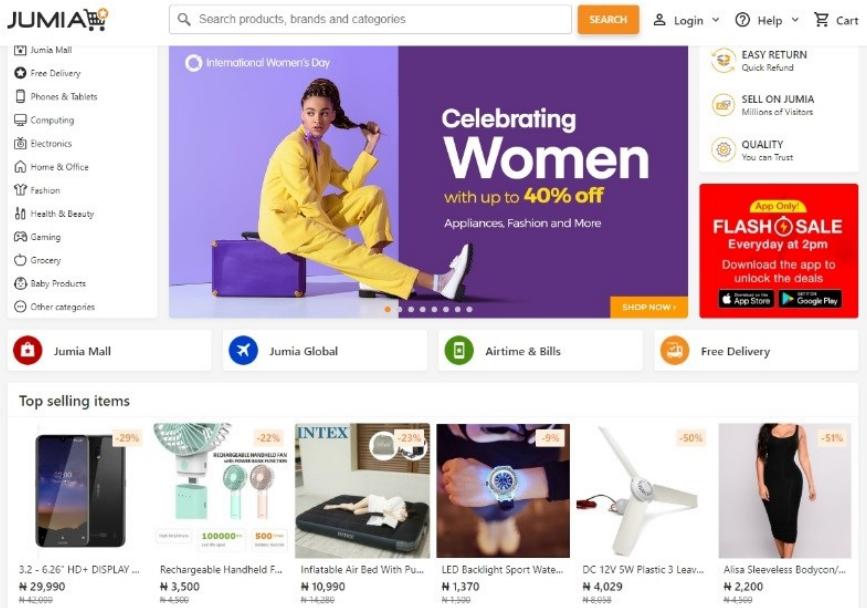


Figure 24: JUMIA in Africa.

- Africa is a cashless society; its population adopted Mobile Money and e-wallets very quickly, due to the lack of material money and banking infrastructure. Mobile money services are, therefore, UX elements that cannot be missed on African e-commerce websites.
- Sixty-seven percent of Africans owns feature phones with a resolution of 320px by 480px or lower. Smartphone adoption is on the rise, but it will not go fast as local telecom operators bill by the number of bytes used.

Websites with big high-resolution pictures and other heavy rich content might not be appreciated by Africans, who are very concerned by the cost of data and the speed of the mobile connection. On the contrary, simple text and simpler pictures will offer better UX on smaller devices.

The practical implications of that are that images should be optimized and compressed to 500 kb or even to 120-80 kb.

- Related to the previous point, e-commerce browsing should also be optimized for small screens.

Over-complicated interfaces are hard to browse from a mobile phone. Instead, product web pages and standard functions, such as search, filter, or sort, should be rationalized to make them as easy as possible to use on small screens.



KEY TAKEAWAYS

Cross-border e-commerce offers the opportunity to take advantage of both phenomena:

- *On the one hand, the growing number of individuals and professionals that shop internationally online.*
- *On the other hand, the digital transformation, which brings more and more innovative tools that make it easy to develop an e-commerce business in several countries.*

To benefit fully from these phenomena, cross-border e-commerce must adapt to the local online shoppers' expectations to convert them into clients. Websites that do not adapt well or at all to them will be less successful compared to their competitors.

CHAPTER 8

ACTIVE VS. PASSIVE CROSS-BORDER E-COMMERCE

“

Starting and succeeding with your cross-border e-commerce is easier than you think. It's proof that the key is to reassure foreign customers as to their concerns related to secure payments, deliveries, returns, customer service and after-sales.

But that is also the key to success with your domestic e-commerce, which means that you are already familiar with the solutions to reassure local customers. So, you are more than halfway to achieve that abroad as well.

TWO APPROACHES FOR CROSS-BORDER E-COMMERCE

For cross-border e-commerce, you can take two different approaches, one passive and one active.

Both will help you sell overseas, but clearly one will let you sell more than the other. Let's start with the passive approach.

Passive approach

This approach means that you are simply responding to the natural demands coming from foreign internet users.

To increase these requests from abroad on your e-commerce website, you need to adapt a few parameters.

1) Translate your website:

- First into English, with a UK version, or a U.S. version, or both, depending on how wide a net you want to cast in terms of geography.
- Then possibly into one or two additional foreign languages, for example Spanish, German, or Chinese, again depending on how wide a net you want to cast in terms of geography and on the level of attractiveness of these markets for your business.



CASE STUDY

How do you translate your e-commerce or your offers on a marketplace?

- *If your e-commerce is made with a content-management system (CMS) or a software-as-a-service (SaaS) platform, you have to install a plugin that adds the multilingual functionalities to the entire website, front-end and back-end. For example, for WordPress the most used plugins for that are WPML and Polylang. To choose the right one for your website, you need to make sure that the one you like is compatible with all your other plugins and with your theme.*
- *If your e-commerce is not made with a CMS or a SaaS platform, but is coded in HTML, it is more complicated because basically you will need to have it recoded in each language.*
- *For a marketplace, these features are generally already provided in the account back-office. For example, on Amazon, in the Seller Central dashboard these features are in 'Sell Globally' under the 'Inventory' tab. All you have to do is activate them in your seller account, select the desired languages and then either integrate your own translations, or use the marketplace's automatic translator if it is available.*

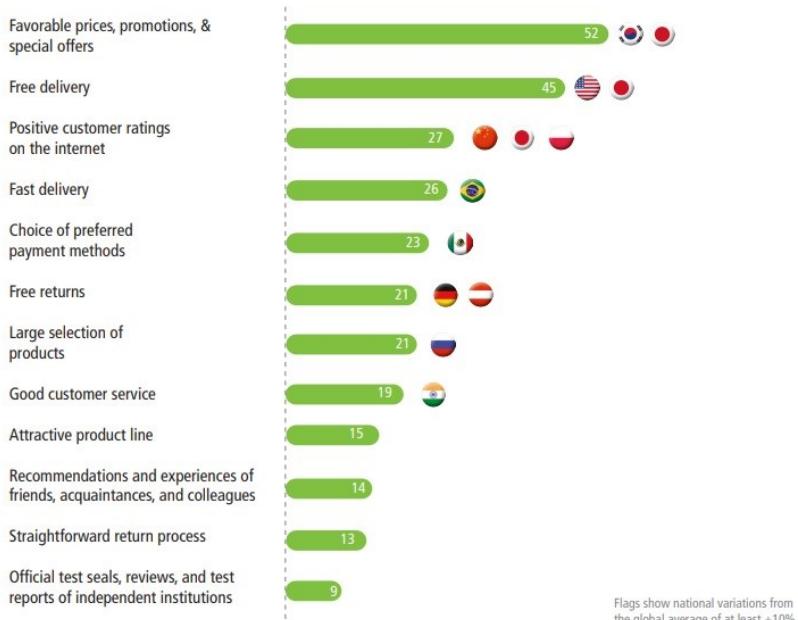
- 2) Reassure your foreign visitors by clearly explaining the terms of payment, delivery, return, guarantee and any other possible inconvenience related to longer distance. For an effective reassuring effect, make sure that:
 - Your information is clear.
 - All these details are as easy and quick to access as possible, ideally at the start of the buying journey.
- 3) Provide a good and non-penalizing system for international payments:
 - Secure and guaranteed.
 - Internationally recognized, such as Pay-Pal.
 - Free or almost free of charge.
 - Allowing payments in foreign currency.



CASE STUDY

How do you set up a system for international payments on your e-commerce or a marketplace?

- If your e-commerce is made with a CMS or a SaaS platform, the easiest way is to configure the payment management plugin that is already installed and already connected to your bank. Via this plugin you should be able to add and manage other online payment systems that are more suitable for international customers. This plugin should also allow you to add a currency converter and a multi-currency selector if you want to offer the possibility of paying in other currencies. You can also contact your bank to obtain more information.
- If your e-commerce is not made with a CMS or a SaaS platform, but is coded in HTML, you will need to develop a gateway between your website and your bank for each payment system.
- For a marketplace, these functions are already provided in the back office and all you have to do is activate them in the seller's account to configure the desired payment systems as well as the currencies if necessary.



* Source: DHL Global Mail 2013 · n = 10,617, Basis: Current and future distance selling users

Figure 25: reasons for shopping online, world averages.

Active approach

Unlike the previous approach, here you are actively involved in finding international customers, whether through your own multilingual e-commerce or through third-party e-retailers abroad or through international marketplaces.

To increase cross-border online sales in this case, after having completed the same actions as in the previous approach, you must also:

- Deploy all the international SEO techniques to optimize the findability of your e-commerce in the search engines used by your foreign prospects in their countries. You can find all the details in [book 2 of The Digital Exporter Series](#).
- Run international and multilingual online advertising on search engines or other platforms that your foreign prospects use in their countries. You can find all the details in [book 3 of The Digital Exporter Series](#).
- List your products or services on more local and international marketplaces. You can find all the details in [book 5 of The Digital Exporter Series](#).
- Start your social selling on the networks that your foreign prospects use most in their country. You can find all the details in [book 6 of The Digital Exporter Series](#).
- Develop your inbound marketing abroad through your own blog, or third-party blogs. You can find all the details in [book 7 of The Digital Exporter Series](#).



CASE STUDY

What is the difference in terms of returns between the passive approach and the active approach? While both can play an important role in your cross-border e-commerce performance, they don't provide the same sales results.

It is true that with the active approach you will need to invest more money, time and effort in your online international business, but that will have a direct impact on your overall sales performance. How much? It is difficult to measure that precisely. To give you an idea, SmartInsight provides the average ROI of the most popular web-marketing actions, per \$1 spent:

- Email campaigns return \$40.
- Catalogs return \$7.
- SEO return \$22.
- Display campaigns return \$20.
- Mobile ads return \$11.



KEY TAKEAWAYS

- Starting cross-border on your e-commerce is easier than you think: you just need to satisfy the expectations of foreign consumers related to logistics, security, purchasing conditions, customer service and after-sales. These are the same expectations as in your domestic market!
- As an e-merchant, you are, therefore, already aware of these factors, and you are well positioned to understand what the best solutions are in new markets with either an active or a passive approach.

CHAPTER 9

SUCCEEDING IN DIGITAL EXPORT WITH CROSS-BORDER E-COMMERCE: CHOOSE THE RIGHT CMS OR PLATFORM

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In terms of technology, there are several options for starting a cross-border e-commerce, whether B2C or B2B.

These specific solutions help you manage translations, currencies, payments, shipping and other localization services on the international scale. In this chapter, you will find some of these options and the explanation of their pros and cons.

SAAS, CLOUD, OPEN-SOURCE... THE BEST SOFTWARE FOR YOUR CROSS-BORDER E-COMMERCE

One of the first things you need for starting your B2B or B2C digital export project is a website that can sell your products or services internationally. Whether you need to develop it fully from scratch or to add the e-commerce functions to an existing website, there are so many technical solutions to choose from that it can be hard to understand which one is the best for your project.

These solutions are basically software applications that enable companies to manage all the functions required in the front-end⁷⁸ and in the back-end⁷⁹ to sell online. Before these solutions were available, companies that wanted to sell online, internationally, or even domestically, had to build their whole own e-shop by coding it in-house or by hiring external developers. That was an expensive, complex, and lengthy process mainly because it was hard to scale, difficult to manage and did not work with the other applications companies were using to run their business.

Nowadays, this method is used less and less, as numerous other cheaper, easier, and more effective solutions have become available.

So, overall, the options for building a cross-border e-commerce can be summarized in the following categories:

- 1) **Build your own:** this is a method rather than a solution, and, as we just saw, it is used less and less. If you choose it, you will need to hire someone, either internally or externally, to make it specifically for you according to your specifications by coding it entirely in

⁷⁸ These are the functions used by your clients, such as browsing the product pages, choosing the color or size variations, adding a product to the cart, checking-out, etc.

⁷⁹ These are the functions you use to manage your online sales, such as product listing, order management, payment processing, inventory, warehouse fulfillment, etc., sometimes with the option to integrate accounting, CRM and other third-party business applications.

HTML or in other programming languages, or by combining that with one of the following solutions.

- 2) **Traditional platforms:** to use this type of platform, you must first pay an annual license fee, then access the platform to customize your website, then install it either on their cloud, in which case they also belong to category 4 below, or on other hosting servers, in which case they are called 'on-premises' because they need to be installed and managed on-site. In both cases, you will need some IT assistance, internal or external, because the development, customization, implementation, ongoing upgrades, and maintenance are very technical.

Some examples are Oracle ATG, SAP Hybris, and IBM WebSphere.

- 3) **Open-source platforms:** these platforms are like those in the previous category, not only in terms of features but also with regard to the need for IT assistance for the development, customization, implementation, ongoing upgrades, and maintenance. The advantage here is that with these platforms you don't need to pay a license fee. As before, you can choose to install your website either on their cloud, in which case they also belong to category 4 below, or on other hosting servers, in which case they are also called 'on-premises' because they need to be installed and managed on-site as for the previous category.



TIP

Shopping-cart software is like a CMS plugin or extension that is fully-dedicated to e-commerce functionalities. It is a piece of software that only works on existing websites: by adding it to an existing website you turn the website into an e-commerce. Therefore, shopping-cart software must not be confused with e-commerce software.

Some examples are Magento Open Source (acquired by Adobe), Odoo, Drupal, PrestaShop, Shopware, OpenCart, WordPress.org⁸⁰ with an add-on of shopping-cart software like WooCommerce.



TIP

PrestaShop is free with many free or paid themes and plugins that allow you to customize the graphic template and style of your e-commerce the way you want. It includes many multilingual and international features, making PrestaShop extremely popular for cross-border e-commerce.

- 4) **Cloud-hosted platforms:** as mentioned in the two previous categories, this type includes some of the traditional platforms as well as some of the open-source platforms that have added a cloud hosting system to their original offers. Because of that, they now are also called 'cloud-hosted' platforms, but the IT assistance for the development, customization, implementation, ongoing upgrades, and maintenance is the same as for the two previous categories.

Some examples include Magento Commerce Cloud (acquired by Adobe), Salesforce Commerce Cloud (ex-Demandware) and Oracle Commerce Cloud. There are also simpler and cheaper or free platforms, such as Freewebstore⁸¹, which are suited to smaller businesses or startups.

- 5) **SaaS platforms:** these platforms provide e-commerce features under a software-as-a-service model that is a single codebase, which means that everyone using it has basically the same technology pack depending on the monthly fee plan selected with very few or no options for customization. This type of platform includes hosting, and the monthly fee covers not only the software application but also the server use, upgrades, and maintenance.

⁸⁰ <https://en.wikipedia.org/wiki/WordPress>.

⁸¹ Free only for businesses with up to €30,000 sales per year and using the Freewebstore domain name in the URL.

WordPress.com⁸², whose plan for e-commerce starts at \$45 per month, or BigCommerce, whose plans start at \$29.95 per month, or Shopify, whose plans start at \$29 per month, are the most popular examples. On top of the online sales features, Shopify offers the option of integrating offline sales functionalities with a point-of-sale (POS) solution for in-person shopping, which is a great advantage for those businesses that also have brick-and-mortar stores⁸³.

Easier SaaS platforms are the so-called website builders, which are dedicated to building any sort of website, not only e-commerce. Most of them are free of charge for basic websites, which is why they are quite popular among start-ups. So, if your website is developed with one of these website builders, you can simply add the online sales features for inventory, payments, shipping, etc. by changing your plan into the one for e-commerce.

Simplicity is their greatest advantage⁸⁴, which is outweighed by the inconvenience of their limited features for international sales and SEO. Despite that, the three most popular are Wix, whose e-commerce plans start at \$23 per month, Weebly⁸⁵, whose e-commerce plans start at \$25 per month, and Squarespace⁸⁶, whose e-commerce plans start at \$30 per month.

⁸² <https://en.wikipedia.org/wiki/WordPress.com>.

⁸³ This Shopify POS solution can also be used with other types of e-commerce, for example on WordPress by installing a dedicated Shopify POS plugin. This is not, however, the only POS solution for WordPress, since many others are available, sometimes cheaper than Shopify POS, such as WooPOS, which integrates automatically on WooCommerce.

⁸⁴ By blending drag-and-drop building with e-commerce features, these website builders are very popular among business people that have no coding or e-commerce skills.

⁸⁵ In 2018, Weebly was acquired by Square.

⁸⁶ Widely used by creatives and artists because of enhanced portfolio features.

There are also free platforms such as Square⁸⁷ Free Online Store⁸⁸ or Ecwid⁸⁹, but you're limited in functionalities or in number of products.

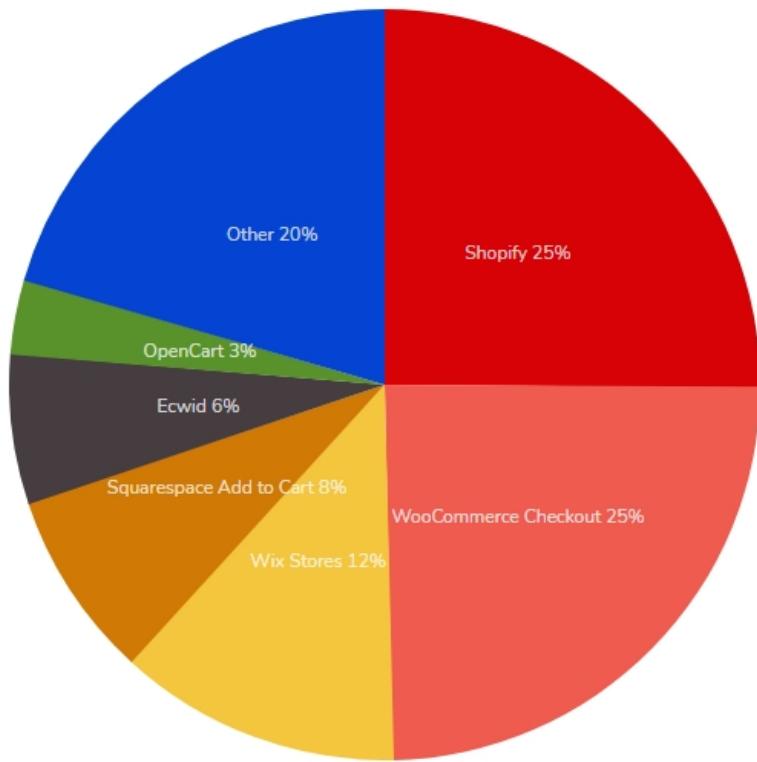


Figure 26: e-commerce technology market shares on the entire internet⁹⁰.

⁸⁷ Square is the company that provides a payment processing device, or a POS that enables businesses to accept credit cards on mobile phones, a little white square box.

⁸⁸ Free for the owners of a Square account. It is a convenient option for those businesses with a brick-and-mortar store, but with the free plan they can only use a domain name with Square in the URL.

⁸⁹ Free for up to 20 products and not on your own domain.

⁹⁰ Check out the BuiltWith website to see the breakdown by country and by technology: <https://trends.builtwith.com/shop/traffic/Entire-Internet>.

What do e-commerce software and shopping-cart software do?

The key functions are mainly four:

- **Products management:** add and remove products or services, manage descriptions, pictures, sizes, colors, quantities, statistics, etc.
- **Order handling:** receive and validate purchase orders, calculate taxes, send invoices, print shipping labels, track delivery, follow-up purchases, etc.
- **Check-out streamlining and security:** speed-up the purchasing process through built-in payment gateways that are linked directly to your bank account.
- **Web marketing and SEO:** with integrated tools to optimize e-commerce performance on the internet, manage abandoned-cart reminders, add social selling options, offer coupons and special discounts, etc.

CMS FOR CROSS-BORDER E-COMMERCE: WHAT IS IT?

A CMS is a web-based platform or software, usually open-source and free, that provides the tools to build a website.

The main difference between it and the e-commerce software presented above is that a CMS is for building a website according to any type of objective and need, not only for e-commerce. It can be thought of as part of category 3, since it is frequently open-source.

The main advantages of using a CMS are low cost, reliable quality, and, once the website is developed, the ease of managing it to update the content as and when required without your having to be a web developer.

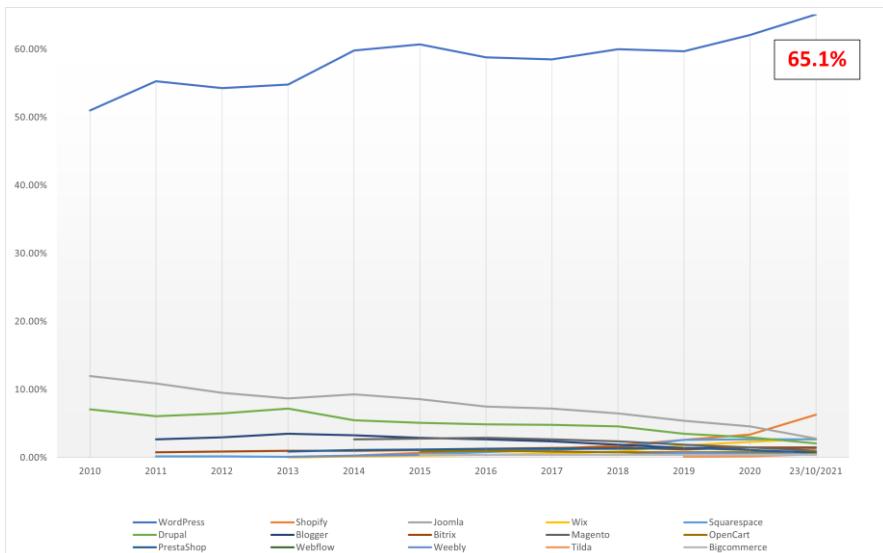


Figure 26b: the market shares of the top 15 CMS in the world⁹¹.

Among the most popular CMSs around the world, WordPress is the most used, with a market share of more than 64% of worldwide CMS websites⁹². Open-source, free, and with millions of websites built with this CMS worldwide, the number of additional features developed by third-party partners and the quality of the support you can get are very high.

The WordPress dashboard is very user-friendly, and it is easy to learn how to manage a website thanks not only to the tutorials available on WordPress itself but also to the huge materials made freely available on the internet by other people. Therefore, the options with WordPress are almost limitless, since it is suited to the development of any kind of website for free or at low cost.

⁹¹ Source: W3Techs by Q-Success,

https://w3techs.com/technologies/history_overview/content_management/ms/y.

⁹² Matt Southern, 'WordPress Powers 39.5% of All Websites', *Search Engine Journal*, 4 January 2021, <https://www.searchenginejournal.com/wordpress-powers-39-5-of-all-websites/391647/>.

For e-commerce, since WordPress doesn't come with any built-in payment processing features, all the online sales functionalities can be added easily using some free or premium shopping-cart software in the form of plugins like WooCommerce, BigCommerce, Ecwid, and many others.

BigCommerce and Ecwid are also e-commerce SaaS platforms, as you saw in the previous pages: you can create your e-commerce on their platforms and then link them to WordPress to add a blog, or you can create your e-commerce directly on WordPress and integrate one of these plugins to add all the e-shopping functionalities to your WordPress website.

WORDPRESS.ORG VS. WORDPRESS.COM

In 2005, when WordPress became very popular, it decided to split into two different CMSs: WordPress.org and WordPress.com.

The first of these is the open-source software. You can download it for free and then install it for your domain name on your web hosting.

Once you have downloaded it, you can access your dashboard and take full control of the development of your website, starting with the choice of the graphic template, also called the 'theme' in the technical CMS vocabulary, to the installation of your e-commerce plugin as well as all other plugins that are necessary for making it cross-border (see the next case study for more details).

With WordPress.org you are free to customize your e-commerce as much as you want with free or premium plugins, themes, and many other applications. You're the owner, and you own all its data.

Welcome to the world's most
popular website builder,
delivered on the world's fastest
WordPress managed hosting platform.



The screenshot shows the official WordPress.org website. At the top, there's a dark navigation bar with the "WORDPRESS.ORG" logo on the left, a search bar in the center, and a "Get WordPress" button on the right. Below the bar, the main content area has a blue header with the text "Meet WordPress". Underneath, a sub-header reads: "WordPress is open source software you can use to create a beautiful website, blog, or app." The rest of the page is a plain white space.

Figure 26c: WordPress.com vs. WordPress.org.



CASE STUDY

How do you turn a WordPress.org website into a cross-border e-commerce?

These are the key steps:

- *First, make sure your theme is compatible with WooCommerce or with the shopping-cart plugin you want to use. If your theme is not compatible, you will need to change it.*
- *Install the WooCommerce plugin or another one you want to use.*
- *With WooCommerce, or the other e-commerce plugin you've installed, your dashboard will have an additional tag in the left-side menu, 'Products'. In there you will now be able to create your product or service pages with their descriptions, pictures, and all other shopping-related information.*
- *Install WPML, or Polylang, or any other plugins to add the multilingual functionalities to your website.*
- *With WPML, or the other multilingual plugin you've installed, your dashboard will have an additional tag in the left side menu, 'WPML'. In there you will have the settings to decide on the domain structure, including the choice among the sub-directories or sub-domains for each language, the options for the language selector, etc. This type of plugin will also help you translate each page and product of your website in a SEO-friendly way and to link them under the right sub-directories or sub-domains.*
- *Install Mollie, which is compatible with WooCommerce, or any other plugin for international payment systems that is compatible with WooCommerce. With this plugin, you will have a new tag in WooCommerce where you can choose the currencies and the payment systems that you want to offer to your online customers.*
- *Install Yoast or any other plugin for SEO that is compatible with WooCommerce. With this plugin, you will have a new tag on your left-side menu where you can add your ID for Google and other search engines. This type of plugin will also help you add all the HTML tags for the 'on-page' SEO for each page and product of your website, and, since you previously installed WPML or a similar plugin, you will be able to do this 'on-page' SEO work for all your translated sub-directories or sub-domains.*

Check out [book 2 of The Digital Exporter Series](#) for all the details on how to choose the best domain structure and how to do 'on-page' SEO for a cross-border e-commerce. Or find out more about plugins in the next chapters.

WordPress.com is different because it includes a hosting service. It was created by Automattic, Inc., a company founded and led by one of WordPress.org co-founders, Matt Mullenweg, which is also the reason why many people get confused with these two WordPress sites.

If you want to use WordPress.com for your cross-border e-commerce, then, unlike WordPress.org, it will not be free. These are its pricing plans:

- Limited – the free basic and limited version, with only up to 3GB of storage.
- Personal – \$48 per year, with only up to 6GB of storage.
- Premium – \$96 per year, with only up to 13GB of storage.
- Business – \$300 per year, with only up to 200GB of storage.
- E-commerce – \$540 per year, with only up to 200GB of storage.
- VIP – starting at \$2,000 per month⁹³, although you can only get a final price quote by contacting someone in the sales team.

Apart from the cost, WordPress.com has other disadvantages, and the worst ones for your digital export project are:

- You cannot install all the plugins or themes you want, except for a few from a limited list, unless you sign up for the VIP plan at \$2,000 per month.
- You cannot install Google Analytics, Ads, or any other tracking or advertising applications, unless you sign up for at least the Business plan.
- Your site will advertise WordPress.com unless you sign up for the Business plan. That means that, if you sign up for the cheaper plans, on top of the ‘powered by WordPress.com’ on your web pages you will have wordpress.com/ in your domain name URL.
- WordPress.com can shut your e-commerce down if it considers that it is violating its conditions.

⁹³ <https://wpvip.com/pricing/>.

HOW TO CHOOSE THE BEST SOLUTION FOR YOUR CROSS-BORDER E-COMMERCE

Choosing your e-commerce platform is key for your digital export project, and, since there is no one right recipe, take your time to make sure that the solution you like suits your objectives.

The most important thing you should take into consideration is the geographic area you want to serve with your cross-border e-commerce, which means in which foreign countries you want to sell your products or services.

Whether all the e-commerce platforms presented in the previous pages can work in most countries around the world, there is one country that requires a different approach: China.

In China, not only is Baidu (not Google) your best friend', but, with the Great Firewall, the internet protection system operated by the Ministry of Public Security of the People's Republic of China⁹⁴, and the technical performance website constraints, which need the closest possible servers to ensure fast loading speed, a cross-border e-commerce must comply with several SEO, SEA, legislative, and technical requirements.

If, for example, you are using Shopify with the automatic integration of Instagram shopping through Facebook, your e-commerce runs the risk of being censored, because Facebook is banned in China. See [book 2 of The Digital Exporter Series](#) for all the details.

⁹⁴ https://en.wikipedia.org/wiki/Great_Firewall.



TIP

As communications pass between client software and server software, the distance between the two can impact your cross-border e-commerce download speed and, therefore, your online sales performance overseas. Make sure the international latency of your e-commerce, i.e., the time your foreign internet shoppers take to download your web pages, is not too high. High latency is one of the first reasons not only for a high bounce rate, which is bad for SEO, but also for cart abandonment.

In the following case study, you will find some final suggestions on the points to consider before you make up your mind.



CASE STUDY

How to choose the system that best suits your digital export project?

Here are the key points to consider:

- 1) *Budget: how much are you willing to invest, whether per month or up-front, for web development?*
- 2) *Time: are your products or services ready for international online sales, or are they still in the development stage?*
- 3) *Geographic area: how many countries and languages do you want to serve? And based on this answer:
--Currencies: in how many different foreign currencies will your products be sold?
--Payments: what are the payment systems used most by your foreign prospects?
--Taxes: how many VAT systems do you have to manage?
--Deliveries: in how many different ways will your products be delivered?*

The last point is inversely correlated to your budget because the larger the geographical scope, the more sophisticated, and expensive, the necessary cross-border e-commerce solutions will be.

The second point is also inversely correlated to your budget in the sense that, if you're in a hurry with no time to learn how to use the free or cheaper systems, you will end up choosing one of the platforms with built-in functionalities, which for cross-border e-commerce can easily be very expensive in the long run.



TIP

The best e-commerce platform is not the most popular but the one that will be able to deliver the objectives you've set for your digital export project, and it should fit with your technical skills or those of your team.



KEY TAKEAWAYS

To start your digital export project, you need a website that can sell your products or services internationally, either B2C or B2B or both. Whether you need to develop it fully from scratch or to add the e-commerce functions to an existing one, you can choose among several technical solutions, which are software applications to manage online sales.

These solutions can be summarized in the following categories:

- 1) Build your own.
- 2) Traditional platforms.
- 3) Open-source platforms.
- 4) Cloud-hosted platforms.
- 5) SaaS platforms.

To choose the best e-commerce solution, you need to make sure that it can meet the objectives you've set for your digital export project, and that it fits with your technical skills or those of your team.

CHAPTER 10

SUCCEEDING IN DIGITAL EXPORT WITH CROSS- BORDER E-COMMERCE: TRANSLATIONS AND SEO

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After you have chosen the platform or the solution for your cross-border e-commerce, you now need to make sure that your prospective clients find it as easily and fast as possible on the search engines they use in their countries.

For that, you need to add good translations and good SEO. Can you do without? Maybe, but you will need to spend ten times more in advertising.

BIENVENUE, 欢迎, WILLKOMMEN!

WHAT TO TRANSLATE

If you ask entrepreneurs what the indispensable thing is to make their e-commerce cross-border, 90% will answer English. Although it is true that a website is accessible from almost anywhere in the world, accessibility does not mean usability⁹⁵.

If people do not understand the language in which the website is written, they will not use it. Even if English remains the most spoken language on the internet⁹⁶, if you consider both native speakers and those that use it as a foreign language, and even if a website in English can interact with more than half of the internet users in the whole world⁹⁷, for cross-border e-commerce things are different:

- 75% of e-shoppers prefer to buy on websites that are in their native language.
- 59% rarely buy from English-only websites.
- 93% prefer to buy in their own local currency⁹⁸.

So, the easy answer to the question ‘what to translate?’ is everything!

Everything is important:

- Domains
- Product or service descriptions with all your keywords
- Measurements
- Currencies
- All the ‘on-page’ SEO elements, such meta-descriptions, page titles, H1/H2/H3, Alt tags, etc.
- URL

⁹⁵ Justin Mifsud, ‘The Difference Between Web Site Usability and Accessibility’, UsabilityGeek, <https://usabilitygeek.com/the-difference-between-web-site-usability-and-accessibility/#difference-usability-accessibility-7>.

⁹⁶ <https://www.internetworldstats.com/stats7.htm>.

⁹⁷ https://w3techs.com/technologies/history_overview/content_language/ms/y.

⁹⁸ Michael Keenan, ‘Global Ecommerce Explained: Stats and Trends to Watch in 2021’, Shopify, 13 May 2021, <https://www.shopify.com/enterprise/global-ecommerce-statistics>.

- Business information
- Contact forms
- Terms of use
- Sales conditions
- Delivery conditions
- Browsing elements such as buttons, menus, etc.

BIENVENUE, 欢迎, WILLKOMMEN!

WHERE TO TRANSLATE

The question ‘where to translate?’ means on which domain and for which country or language target. Businesses very often mismanage the targeting of their cross-border e-commerce, and that is ... good news!

Yes, because if you do manage it right, you have an additional competitive advantage over your competitors on the international scale!

Let’s consider the case of a French business that wants to develop its online sales in Germany. It can choose among different options for its e-commerce domain, such as www.example.de, or www.example.com/de, or de.example.com, or www.example.fr/de, or fr.example.com/de.

However, each one of these options will reach a different number of people, depending on the different international targeting applied to the website, as you can see in the next table.

Domain type & webmarketing techniques	The target that search engines understand	Segment	Number of internet users that the website can reach
www.example.de	Country = Germany	German people in Germany	79,127,551
www.example.com/de + geolocalisation & hreflang	Country = Germany Language = German	German people in Germany	79,127,551
www.example.com/de + hreflang	Language = German	German-speaking people around the world	92,304,792
de.example.com + geolocalisation & hreflang	Country = Germany Language = German	German people in Germany	79,127,551
www.example.fr/de	Country = France Language = German	German people in France	130,000*
fr.example.com/de	Country = France Language = German	German people in France	130,000*

Figure 27: why international targeting is important⁹⁹

But, to get that additional competitive advantage, you must decide on the international targeting of your e-commerce at the very beginning of your digital export project. If you haven't done that yet, check the best practices for your website to target by language or by country in [book 2 of The Digital Exporter Series](#).

BIENVENUE, 欢迎, WILLKOMMEN! HOW TO TRANSLATE AND HOW MUCH DOES IT COST?

There are different solutions for managing a multilingual e-commerce, ranging from large language service providers to cloud platforms for working directly with freelance translators: SDL, MemoQ, Lokalise, Smartling, Transifex, SmartCat, LingoHub, Eazylang, Ubiquis, DeepL, WPML for WordPress, etc.

The cost varies widely, from free to €0.007 per word for automatic AI translations and to €0.3 or higher per word for human translations depending on the amount of text, the complexity of the content (if it is a website or a SaaS software, for example), the complexity of the

⁹⁹ The sources of the numbers followed by * are <https://www.internetworldstats.com/stats18.htm#german> & [Wikipedia](#).

language (it is easier and cheaper to translate from French to English than from Bengali to French, for example), and the deadline.

For a 30,000-word English e-commerce, of which 20,000 words are repeated, the number of words to be used to calculate the translation cost will be 10,000. For translating that from English to German within a standard timeframe, the average cost for a human translation is around €0.15 per word, so the total cost would around €1,500. Another option can be to use AI automatic translation, which costs about €0.007 per word. This system does not deduct the repeated words; therefore, the final cost must be calculated on the total number of words: $30,000 \times €0.007 = €210$.

The final cost in the case of human translations can also depend on other factors, such as the negotiation with the translator or translation agency, which is one of the most important. In general, the cost mentioned above is a little cheaper for Spanish or Italian, much more expensive for Japanese, Chinese or Russian.

But, before launching a translation project and multiplying this cost for each language, you need to:

- Optimize the content to be translated according to the objectives that your e-commerce must achieve in the target foreign country: the text can be reduced to the essential; the useless pages can be deleted; more specific separate mini-websites can be created; an optimized domain structure must be set up¹⁰⁰.
- Select the languages that are really needed for your digital export project.
- Prioritize the order of translations according to the potential of your foreign target countries: it is not necessary to do all the translations at once; you can also proceed gradually.

¹⁰⁰ In this case, the internationalization phase described in [book 1 of The Digital Exporter Series](#) will be critical to the proper design of the development of these mini-sites as well as their integration into the general structure of the site.

BIENVENUE, 欢迎, WILLKOMMEN! HOW TO DO IT ON WORDPRESS.ORG

How do you translate a WordPress.org e-commerce? WordPress does not come with a built-in feature to create multilingual websites, but there are tons of translation plugins that allow you to do that easily, many of which are free of charge.

But, before going through a practical example, that you need to understand a key difference, because these plugins are not quite all doing the same things.

They should be separated into two categories:

- Multilingual plugins: with these plugins you can manually add translations to the product pages and to any other elements, including SEO tags, on your e-commerce.

In this case, your multilingual content is written in the code of your website and is visible to the search engine bots around the world, which will help your e-commerce to be found more easily overseas. The most popular are WPML, Weglot, Polylang, etc.

- Automatic translation plugins: they use machine-generated translation and replace your original content on-the-fly when they detect a foreign visitor on your website. In this case, you don't need to add any translations manually, but your multilingual content is not written in the code of your website and is not visible to the search engine bots around the world, which means that your e-commerce will struggle to be found overseas, unless you are running a lot of paid advertising.

Some examples are Google Website Translator¹⁰¹, GTranslate, which also uses Google automatic translator, Lingotek, which uses Microsoft Translation and offers written professional translations, etc.

¹⁰¹ It doesn't belong to Google but uses Google Translator API.

Here are the key steps with WPML on a cross-border e-commerce:

- First, make sure WPML is compatible with your theme and with all other plugins you have installed on your WordPress. WPML is compatible with almost everything, including WooCommerce and Yoast, but it is better to verify this compatibility before you get WPML. If your theme or plugins are not compatible, it may be better to consider another multilingual plugin instead of changing your theme or your plugin configuration.
- If everything is fine with your theme and plugins, then install WPML.
- Once WPML is installed, your dashboard will have an additional tag in the left-side menu, 'WPML', as you can see in the following figure.

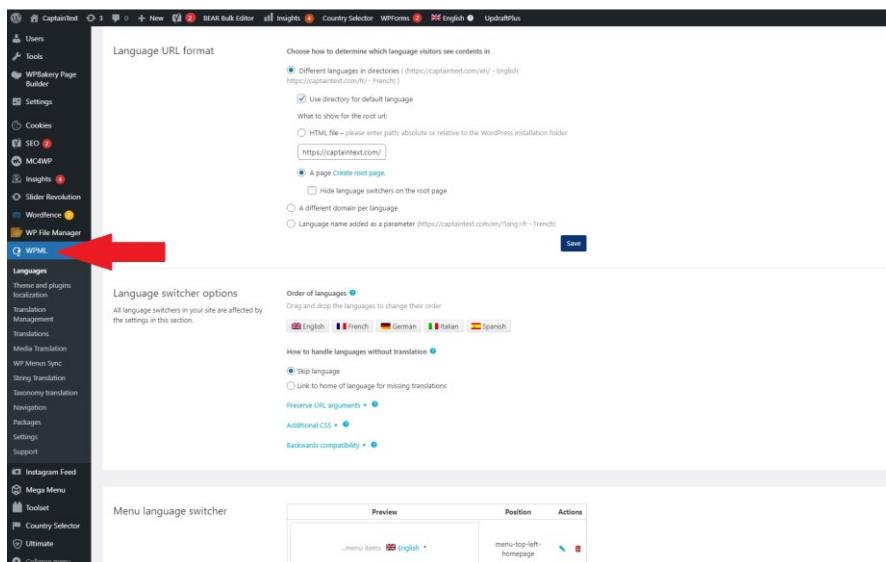


Figure 28: WordPress dashboard with WPML on the left-side menu and its settings in the main page.

With that you can decide the settings for the domain structure, including the choice among the sub-directories or sub-domains for each language, for the language selector options, etc.

- WPML will allow you to add all the translations you want for each page and product of your website in an SEO-friendly way and to link them under the right sub-directories or sub-domains.

- Based on the languages you set up on WPML, you can select the related countries directly in WooCommerce, as in the following figure.

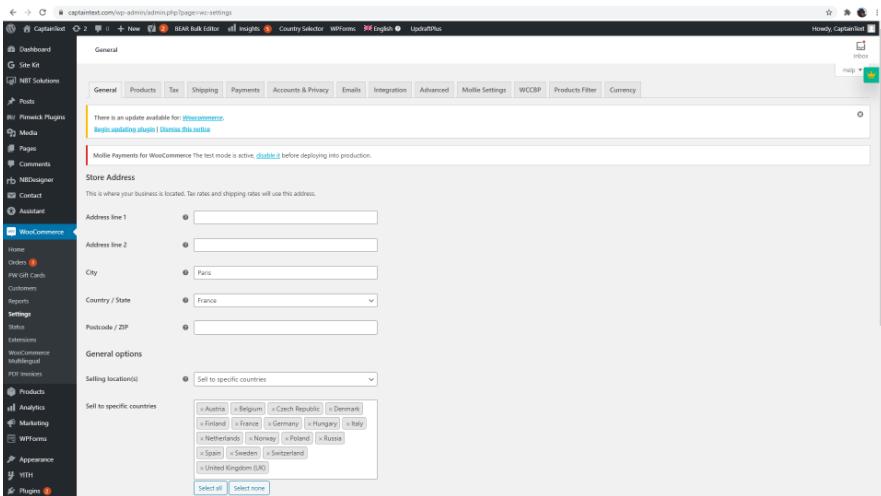


Figure 29: WordPress dashboard with WooCommerce for the country selection.

BIENVENUE, 欢迎, WILLKOMMEN! HOW TO DO IT ON SHOPIFY

With Shopify, the multilingual and international functionalities depend on the plan you choose.

With the exception of Shopify Lite, which is not really an e-commerce platform but a plugin to add e-commerce functionalities to an existing website developed on other platforms such as WordPress, for instance, any of the Basic, Shopify, and Advanced plans allow you to add up to five languages while Shopify Plus, allows you to add up to 20 languages.

Here are the key steps:

- Make sure your theme is compatible with selling in multiple languages and has the option for the language selector. All Shopify free themes should be compatible.

If you are using another theme, then you need to check with your developer whether it is compatible. If your free theme from Shopify doesn't have the option for the language selector, you should add it with Shopify Geolocation. You could do without a language selector, but it is not an optimized way especially for your international SEO.

- Connect to your Shopify account and go to the dashboard. Click on the furthest button on the right in the first line, Store Language, as indicated in the following figure.

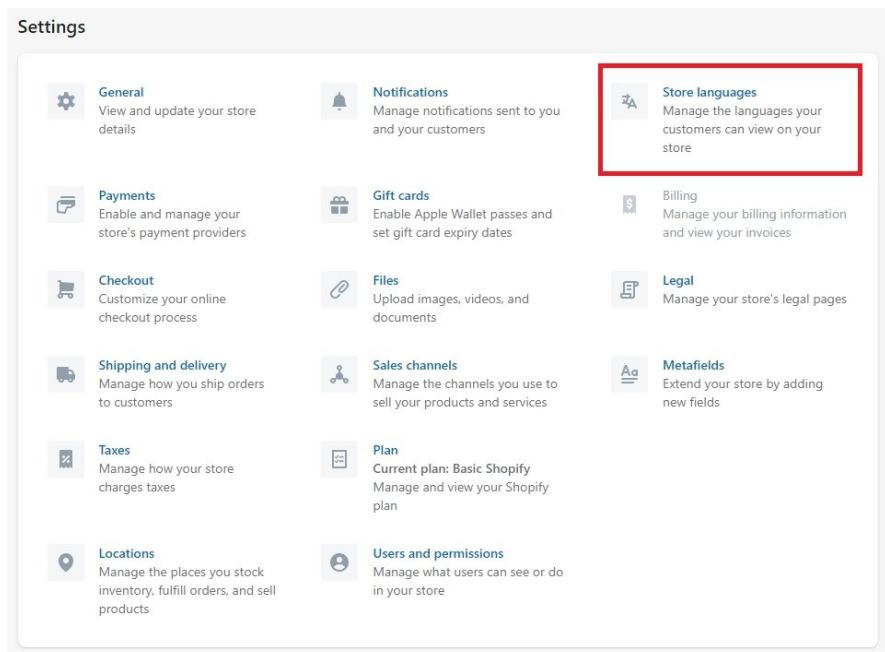


Figure 30: Shopify dashboard and the button for adding languages to your e-commerce.

- Once you are in the new page, click Add Language and choose the language or languages you want from the drop-down menu. Then click Add.
- Shopify will create specific URLs for all pages of each language you added, which is perfect for good international SEO.
- Now you need to add the translations for each language you added. You can install a specific Shopify app from the Shopify App Store for that. When you choose such an app, make sure it also allows you to translate emails, invoices and shipping documents, SEO on-page tags, images' alt tags, and has a language selector with the option of automatically redirecting your visitors according to the language setting in their device. Some examples include LangShop or Translation Lab – AI Translate.
- With that kind of app, all your pages will be editable on each new language URL, but they will be not visible online by other people. In that way, you can easily add your translations whenever they are ready. If the translation app you installed offers you to use 'translations on-the-fly' do not take it: these translations are not written on your website and search engines' crawlers cannot read them, therefore. That will have a bad impact on your SEO and lead to poor ranking of your e-commerce website in foreign search engines.
- When the translations are finished and added to each language URL, you can make your translated e-commerce visible by clicking the 'Publish' button.
- If you want to check how the translated pages look before publishing, click on the 'Preview' button.
- The language app will also allow you to fill in the SEO elements in each translated URL.



KEY TAKEAWAYS

- *Texts, domains, measurements, currencies, SEO, and everything else on a cross-border e-commerce must be adapted so that it can be understood not only by foreign prospective customers but also by the search engines they use. It's the only way your e-commerce can be found and be as effective as possible in convincing visitors to buy and become customers.*
- *Several tools can be used to translate an e-commerce and its SEO, many of which are free or low-cost.*

CHAPTER 11

SUCCEEDING IN DIGITAL EXPORT WITH CROSS- BORDER E-COMMERCE: DUTIES, VAT, PAYMENTS

“

Were you thinking that after having chosen the e-commerce platform, the translation solution, and the SEO you would be ready to start selling online internationally? Yes, you could.

But, if you also dealt with the issues concerning import-export duties, VAT, payments, deliveries, and legal conditions, you would be much better off. This is what I cover in this and the next chapters.

IMPORT/EXPORT DUTIES AND COMPLIANCE

Whether online or physical, world free trade is not always free. Consider some of these examples:

- Some goods cannot enter certain countries. This is the case when governments control certain categories of products for reasons of security, politics, health, pollution, or competitiveness.
- In some countries, goods cannot leave the country unless a commercial contract is in place with a foreign importer or the seller has received payment in full within a precise number of days for reasons of currency control, or for other political or financial reasons.
- Customs duties or tariffs must sometimes be added to the merchandise price including freight and insurance.

Tariffs are used to protect the price advantage of local goods over imported ones and to provide additional revenues to the state imposing them.

Other local taxes and fees can be charged in addition to the tariff. Tariffs and taxes are regulated by each state independently. In some cases, they are very low, and in others very high.

- Import and export controls as well as tariffs and taxes are also the subject of international agreements. For example, if you produce using components or raw materials originated in the U.S., your products may qualify for duty-free entry into the U.S. under the Free Trade Agreement, FTA, if your country is a U.S. FTA partner country¹⁰².
- Free trade agreements with the U.S. are not the only ones; there are several free trade agreements and treaties around the world.

¹⁰² The United States has 14 FTAs with 20 countries.

Whether bilateral or multilateral, the countries participating in them all have the same goal: to help their national businesses be more competitive on the international markets and export more¹⁰³.

- When you import goods into the European Union, you must comply with several EU customs laws and regulations¹⁰⁴. Also, the CE mark is mandatory on many products. It shows that they are compliant with the applicable EU directives¹⁰⁵. On top of that, packaged products sold in the European Union countries must comply with the EU Packaging and Packaging Waste regulations.

This requires joining an authorized packaging collection and recycling scheme in one of the EU member states in which you sell your products, and display recycling symbols on your packaging (i.e., the 'Green Dot' symbol)¹⁰⁶.

What is the impact of all these cases on your digital export project? Tariffs and other import taxes are added to your products' prices and, therefore, increase the cost that your foreign customers must pay to purchase them. If your prices are too high compared to similar local products you will end up being less competitive and sell less or not sell at all.

To avoid that, you need to do some homework and check in advance if any tariffs or other local taxes apply to your products in the foreign countries that you are targeting with your cross-border e-commerce. By knowing that, you will be able to price your product better in those countries.

¹⁰³ https://en.m.wikipedia.org/wiki/Free_trade_agreement.

¹⁰⁴ The following link contains useful information on EU customs procedures https://ec.europa.eu/taxation_customs/customs_en.

¹⁰⁵ For more information, see http://europa.eu/legislation_summaries/other/l21013_en.htm and https://europa.eu/youreurope/business/product-requirements/labels-markings/ce-marking/index_en.htm.

¹⁰⁶ For more information, see http://ec.europa.eu/environment/waste/packaging/index_en.htm.

VAT: TURNING THE NIGHTMARE INTO A DREAM

Value added tax (VAT) is a type of general consumption tax that must be added to the price of most goods and services sold, collected by the seller from the customer and then paid by the seller to the national tax authorities. General consumption taxes are levied by almost every country in the world, and VAT is by far the most widely used. The OECD has reported that, as of 1 November 2020, 170 countries and territories had implemented VAT¹⁰⁷.

VAT is regulated by each state independently, which means that there are potentially 170 different VAT systems in the world. But don't worry. You need not manage them all. You only have to do it in the foreign countries where you plan to sell with your cross-border e-commerce. And you must do it in the right way, because, if you do it wrong, or not at all, it can cost you a fortune.

Since the beginning of the Covid-19 crisis, many governments and international institutions across the world have been working to deploy easier systems for registering, collecting, and managing VAT, mainly to make life easier for online businesses but also to avoid missing revenues. There are many different systems but a single trend: VAT collection is by the state where the buyers reside. Here are some examples of VAT or other general-consumption-tax systems around the world:

- **Latin America and Caribbean (LAC):** the OECD in collaboration with the World Bank Group, the Inter-American Center of Tax Administrations (CIAT) and the Inter-American Development Bank (IDB) have produced a toolkit to help tax authorities in the LAC countries collect VAT on e-commerce websites¹⁰⁸.

¹⁰⁷ Organisation for Economic Cooperation and Development, 'Annex A. Countries with VAT', in *Consumption Tax Trends 2020: VAT/GST and Excise Rates, Trends and Policy Issues* (Paris: OECD Publishing, 2020), https://www.oecd-ilibrary.org/taxation/consumption-tax-trends-2020_152def2d-en.

¹⁰⁸ VAT is the largest source of tax revenue on average in the LAC region.

With the start of the Covid-19 pandemic, sales of music, apps, games, movie streaming, and other digital products to consumers have soared incredibly as have other categories of low-value imported goods.

Under the current regulations, VAT is not consistently collected, especially for those goods that are sold online by foreign sellers. This toolkit is meant to help LAC governments implement an effective VAT system for domestic and cross-border e-commerce, with the main guidance being that the VAT is collected by the government where the consumers reside through the intermediary of online platforms, either e-commerce or marketplaces.

- **U.S.:** here, VAT doesn't exist, but another type of general consumption tax does, the sales tax. It is a percentage of a sale that consumers pay on your taxable products when they buy online or offline.

Forty-five U.S. states and the District of Columbia levy sales tax¹⁰⁹, and almost all states allow cities, counties, and districts to levy other special sales taxes. For your e-commerce, whether domestic or cross-border, you will need to pay sales taxes when you have a nexus with any of the U.S. states, and those states have a sales tax.

What is a nexus? It is a commercial connection between your business and any of these states that require you to register, collect and handover the sales tax to the state.

A nexus is established if, in one or more of these states, you have: a direct or indirect business location, such as an office, warehouse, store, etc., or an employee, contractor, salesperson, or any other person working for your business, or inventory, whether your own or through a third-party logistics provider (3PL), or sales over the

¹⁰⁹ The five that do not are Alaska, Delaware, Montana, New Hampshire, Oregon.
Melissa Parietti, 'States Without Sales Tax', Investopedia, 23 February 2021,
<https://www.investopedia.com/articles/personal-finance/112415/5-states-without-sales-tax.asp>.

state threshold¹¹⁰, etc. A special organization aiming to simplify this sales tax system in the U.S., the Streamlined Sales Tax Governing Board, has initiated the Streamlined Sales and Use Tax Agreement (SSUTA)¹¹¹, a simplified tax program that any state can embrace.

Twenty-three states already have done so, which means that they have similar tax policies and allow you to register and file sales taxes electronically via the Streamlined Sales Tax Registration System (SSTRS) for all these states at once¹¹².

- **Europe:** before 1 July 2021, businesses selling in the European Union were required to register for VAT in each country where they were selling if their sales were over a certain threshold that was decided individually by each EU country.

That was for all EU and non-EU businesses that were shipping goods to an EU country, or storing goods in the EU, directly or through a 3PL.

From 1 July 2021, the 27 countries of the European Union implemented new VAT rules on e-commerce sales that affect online

¹¹⁰ In 2018, the Supreme Court of the United States ruled in favor of the state in South Dakota against Wayfair, Inc., which allowed the state to tax remote sales through its economic nexus laws. *South Dakota v. Wayfair, Inc.*, 585 U.S. ___, 138 S. Ct. 2080 (2018). Since this ruling, almost all other U.S. states have passed their own economic nexus laws. You can check the threshold by state here:

<https://www.salestaxinstitute.com/resources/economic-nexus-state-guide>. On top of that, many states have also enacted other types of nexus laws that require remote sellers to collect tax or provide information about in-state sales. They are referred to as 'Remote Seller Nexus' laws and include sales via online techniques such as Click-Through, Affiliate, Marketplace, etc. Check here for more information:

<https://www.salestaxinstitute.com/resources/remote-seller-nexus-chart>.

¹¹¹ https://www.streamlinedsalestax.org/docs/default-source/agreement/ssuta/ssuta-as-amended-through-2021-5-20.pdf?sfvrsn=66137900_4.

¹¹² The 23 full member states are Arkansas, Georgia, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Rhode Island, South Dakota, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming. Tennessee is an associate member state.

<https://www.streamlinedsalestax.org/Shared-Pages/State-Detail>.

sellers, marketplaces, transporters, both inside and outside the EU. The key changes are:

- The VAT rate to apply is the one applied in the country where the buyer resides and not the one where the seller is.
- Online sellers can register in one EU member state, and that will allow them to declare and pay VAT on all remote sales to consumers within the EU.
- Through this registration, instead of the old system under which EU and non-EU sellers registered and paid the VAT in each individual EU country, they both can now use the new unified scheme of the One Stop Shop (OSS)¹¹³, a single registration and payment office that is created in all EU countries. Sellers will only use one OSS for all VAT declarations and payments across the EU. Additional VAT registration numbers are needed only if the inventory is located in several countries. In that case, a VAT registration is required for each one of these countries.
- The previous thresholds for distance sales within the EU is abolished and replaced by a new EU-wide threshold of €10,000. For sales below €10,000, things remain unchanged, and sellers can charge VAT from their country of establishment instead of the destination country.
- The VAT exemption at importation for small-value products up to €22 is removed. This means that all goods imported into the EU are now subject to VAT.
- A new special scheme for distance sales of consumer goods imported from non-EU countries, the Import One Stop Shop (IOSS)¹¹⁴, has been created to simplify the declaration and payment of VAT for those sellers.
- The UK is no longer part of the EU, and it operates its own VAT regime independently. You will be required to register for VAT in the UK if you are based outside the UK and ship goods to the UK or store goods there, whether directly, or through a 3PL on your behalf, that are then distributed across the UK or the EU.

¹¹³ https://ec.europa.eu/taxation_customs/business/vat/vat-e-commerce/oss_en.

¹¹⁴ https://ec.europa.eu/taxation_customs/ioss_en.

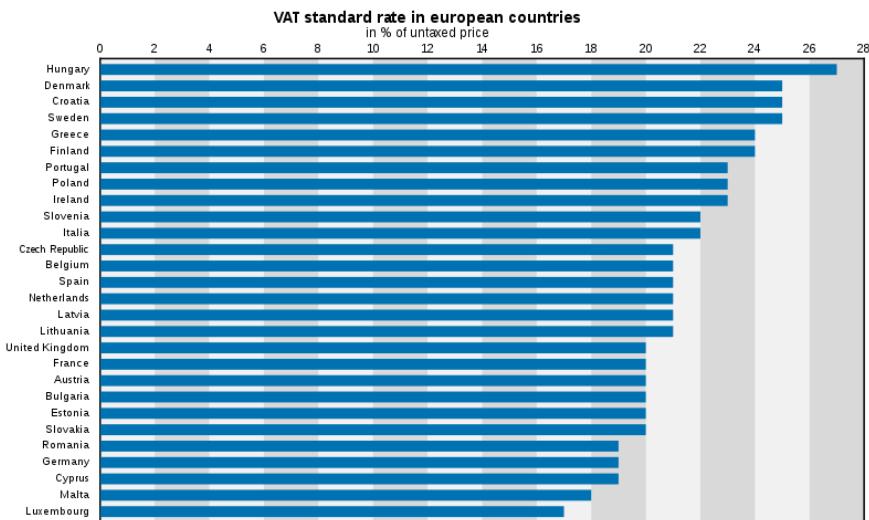


Figure 31: the standard VAT rates in the European Union¹¹⁵.

- **China:** there are two main taxes in mainland China: VAT, which applies to the sale and importation of goods and services in or to China and the Consumption Tax (CT), which applies to the sale and importation of certain goods, mainly luxury items.

The standard VAT rate is 13%, but many other reduced rates apply: 3% for small-scale taxpayers, 5% for real-estate, 6% for 'modern services', such as R&D, IT, cultural, education, logistics, consulting, film and TV services, etc., 9% mainly for transportation, and 0% for exported goods. CT rates depend on the phase of production at which the sale takes place and on its type, size, or weight.

Foreign companies cannot register for Chinese VAT, but, since to do business in China it is almost always necessary to have a local operation, they often create a Chinese entity¹¹⁶ or they operate within a free trade zone. In these cases, the local entities will be subject to the standard Chinese VAT system according to two forms,

¹¹⁵ https://en.wikipedia.org/wiki/European_Union_value_added_tax.

¹¹⁶ A Chinese Foreign Invested Commercial Enterprise (FICE), a Wholly Foreign Owned Entity (WFOE), or a joint venture.

one for ‘small-scale taxpayer’, those with annual sales turnover less than RMB 5 million, and the other for ‘general taxpayers’.

Products sold online or offline to Chinese consumers by companies without a local entity in China are imports and subject to VAT.

In this case, the VAT must be paid at customs, and the foreign company will need a Chinese customs agent or a broker to handle the VAT.

Retail goods purchased through the cross-border e-commerce importation scheme get the benefit of better customs duty, VAT and CT conditions, such as 0% customs duty, 70% of the import VAT and CT regular rates, as you can see in the previous chapters¹¹⁷.

¹¹⁷ For more information, see *China: VAT Essentials Guide 2021*, KPMG, <https://assets.kpmg/content/dam/kpmg/cn/pdf/en/2021/02/china-vat-essentials-guide-2021.pdf>.



CASE STUDY

How to get an EU VAT number for a non-EU company? Here are the key steps:

- Designate an EU country as your Member State of Identification (MSI).
- All the documentation and processes will be in the local language. So, choose carefully! If you need to manage your VAT in English, there are only two options within the EU after Brexit: Malta and Ireland.
- Register on your MSI's national online OSS or IOSS.
- You need your company information, your bank account details, and a person's contact information.
- You will receive your national VAT number either electronically or by mail in approximately two months on average, depending on the speed of the local VAT authorities and on whether all your documents are correct.
- Once you have received your national VAT number, you will be able to register for the OSS or the IOSS scheme.
- For the moment, the OSS and IOSS registrations can only be done on the first day of each quarter, so plan the registration of your national VAT accordingly, well in advance.

Domestic sales implications: B2C online domestic sales are not regulated by the OSS or IOSS scheme. They are regulated by the local domestic VAT systems. If you designated Ireland as your MSI for your VAT OSS or IOSS, you cannot use the OSS or IOSS system to declare and return the VAT of the goods you sell locally in Ireland; you must use the local Irish VAT system. Choosing a country as your MSI where you will have no goods sold locally, such as Malta, could be a better option.

The new EU VAT system is too new, at this stage, to have enough visibility. So, these steps are provided only as examples without constituting any guarantee that the process will go exactly like that or last precisely that long. Check this link for more information about EU VAT:

https://ec.europa.eu/taxation_customs/business/vat/ioss_en.



TIP

When installing your cross-border e-commerce, through one of the systems you saw above, you need to make sure that:

- *Your software or plugin manages the shopping cart with different international VAT rates at checkout.*
- *These VAT rates are compliant with the tax system in the foreign country where you plan to sell.*
- *Your software or plugin can reliably get the customers' address on which to charge the corresponding VAT rate. This is particularly tricky when you sell digital products, because your customers don't need to fill out the delivery address. In this case, you can have them create a customer account to complete the purchase online.*
- *Your software or plugin can work with your existing tax software or application, if you use one.*

INTERNATIONAL PAYMENTS: THE CORNERSTONE OF CROSS-BORDER E-COMMERCE

Online payments are a delicate point. Cross-border online payments are even more delicate. In the absence of the right language, the right currency or the right local system, shoppers will fly away without purchasing. That happens in 75% of the cases just for the wrong language, and adding the other two factors will bring that figure to almost 100%.

To avoid that, you need to take some specific considerations into account when setting up your cross-border payment solution, starting with the choice of your international Payment System Provider (PSP)¹¹⁸. Here are the key steps to consider for your cross-border e-commerce:

¹¹⁸ Such as Mollie, Braintree (owned by PayPal), Stripe, Ayden, HyperPay specialized for the Middle East and North Africa (MENA) region, MyGate for Africa, 2Checkout, Payza, BlueSnap, Payvision (part of ING), Rapyd, Worldline specialized for China, VoguePay for Africa, etc., and many others around the world.

- 1) When your foreign customer is at the checkout, after having filled his cart, he's ready to make the purchase by choosing a payment method and by providing the necessary information for it.

On a cross-border e-commerce, this step must be localized according to the country of your customer: good translations, but also good prices in the local currency¹¹⁹ and good payment systems. In Morocco and Tunisia, for instance, almost all online purchases are paid at delivery, and, if your cross-border e-commerce only offers credit cards, you won't sell much in those countries.

To offer such localization options, the PSP you choose must have an online payment gateway¹²⁰ that has as many secure and international payment methods and languages as possible.



TIP

If you choose to show prices in local currency, you take the risk of exchange rate fluctuations!

- A solution is to show the prices in the same international currency, i.e., EUR or USD, and then give customers the option to pay in their local currency at check-out with the exchange rate updated at the time of the purchase.
- Another option is locked-in exchange rates: the value of a certain country's currency is fixed against the value of the currency you want. This option is offered by the payment systems' plugins.

¹¹⁹ This is not only better for the customers, who immediately know the precise final cost, but also better for their banks, which must validate the payments.

¹²⁰ An online payment gateway is the system that captures and sends payment data from your customers to you and then sends the payment validation or rejection back to your customer. It provides the security solution to check and encrypt your customer's card details, making sure that the data is transmitted securely from your customer to your bank, that the card has not expired, that the funds are sufficient, that the account is not closed, etc. An online payment gateway is, therefore, needed, since to allow your customers to pay online you cannot take their credit cards and swipe them on a POS system. You can only rely on the card information entered by your customers, and that involves a high risk of fraud, because you would not have anything to ensure that they are entering the information of their own card and not of someone else's.

Also, for a better management of your cross-border e-commerce you should work with a PSP that can connect directly to your website's back-office.

Several PSPs nowadays provide specific plugins that you can easily install on your WordPress, Shopify, and other major e-commerce platforms and shopping cart plugins. However, since these PSP plugins involve a cost of web development for the PSPs, they haven't done it for all the e-commerce platforms and shopping cart software but only for the most used ones.

Therefore, when you choose your e-commerce platform or shopping cart plugin, you need to make sure it can work with your PSP plugin, because if it doesn't then the connection between the two will require an additional investment on your part.

- 2) After your foreign customer has entered his credit card or other payment method, the process is the following: the information is processed and encrypted by your online gateway, which sends the transaction data together with a request for authorization to your bank¹²¹, which passes them on to the issuing bank¹²² to receive the customer's payment.

The issuing bank will then send the approval or rejection to process the transaction. For your cross-border e-commerce it is important that your payment gateway be connected with as many banks around the world as possible.

If you were using just a local acquiring bank, for example in Hungary because you were only selling in your country with Hungarian e-commerce, and then you started selling cross-border with issuing banks in many different countries, your transactions would risk being tracked for fraud.

¹²¹ Also known as the acquiring bank, it is the bank or financial institution that maintains your bank account or accounts.

¹²² The issuing bank is the customer's bank, which is also in charge of his credit or debit card on behalf of the card providers such as Visa, MasterCard, etc.

- 3) On top of that, since the approval depends on several factors, such as the availability of the customers' funds, the transaction value (the higher the value, the lower the chances of approval), and the currency differences (there is a higher risk of rejection when the currency is different from the local one), it is important for your cross-border e-commerce to use an international bank with as large a network of financial partners as possible, and one that is compatible with your PSP, to avoid the risk of rejection of transactions due to currency or value issues.
- 4) When the transaction is approved, the issuing bank will inform both the customer, on the checkout page, and you, on your dashboard, so that you can launch the international delivery process.
- 5) The customer's bank sends the money to your bank, which then transfers it to your account according to the frequency you have decided on, whether separately or consolidated, or through your PSP. For your cross-border e-commerce, this will have two impacts: on the one hand, conversion fees arise either for you, if you accept payments in foreign currencies, or for your customers, if you don't; on the other hand, it can take much longer for you to receive the payment on your account because of the additional international compliance controls and intermediations.

To avoid the first problem, you can choose a PSP specialized in international payments and exchange-rate optimization. To avoid the second problem, there are only a few solutions that support almost real-time cross-border payments, such as Visa Direct Payouts, or SWIFT global payments innovation (gpi), or Rippl, and you need to check that your PSP's gateway is compatible with one of them.

- 6) The last step is to check that what you are owed has been paid, which means that you need to go through the reconciliation of your bank statements.

For cross-border e-commerce this reconciliation is a bit harder than local e-commerce, especially when you accept payments in different currencies for which you use separate bank accounts. In

this case, there are several PSPs that offer the option to pre-process your statements and make consolidated summaries of all your transactions per currency, type of payment, bank and account.



TIP

Payment methods differ a lot from one country to another. We previously saw the example of Morocco and Tunisia, where it is common to pay for online purchases upon delivery at home. Here are some other examples of the most frequently used payment systems by country around the world:

Africa, especially in sub-Saharan Africa: Mobile Banking, which allows you to pay via your bank account accessible by telephone.

- *Argentina: cash by QR code to pay in local stores, bank transfers.*
- *Australia: credit cards.*
- *Brazil: Elo and Hipercard local cards, Boleto Cash Payments, a system to pay by cash at ATMs.*
- *China: Alipay, UnionPay and WeChat Pay.*
- *Egypt: Fawry.*
- *France: Carte Bleu.*
- *Germany: Paypal, Sofort, and payment on invoice through SEPA Pay.*
- *Hong-Kong: credit cards and ewallets*
- *India: cash on delivery, ewallets, such as Paytm, and bank transfers with UPI.*
- *Italy: prepaid cards, and ewallets through the SEPA system.*
- *Japan: cash on delivery, Konbini, and ewallets, such as Rakuten Pay.*
- *Mexico: cash by QR code to pay in local stores, bank transfers.*
- *Morocco: cash on delivery with Chaabi Cash.*
- *Netherlands: iDeal.*
- *Russia: Visa, Mastercard, cash on delivery, Sberbank, and ewallets, i.e., YooMoney, the former Yandex.Money, or Qiwi.*
- *Senegal: mobile money with Orange and Wizall Money.*
- *Singapore: credit cards, bank transfers, and ewallet such as Apple Pay and Google Pay.*
- *South Korea: KakaoPay and Samsung Pay.*
- *Sweden: debit card, Klarna.*
- *United Kingdom: Visa and MasterCard local cards.*
- *United States: credit cards and PayPal.*



KEY TAKEAWAYS

Before starting your cross-border e-commerce, you need to make sure that:

- Your products can be imported into the foreign countries where you want to sell and understand the tariffs or other fees that you might need to pay at customs to cross the border.
- Your e-commerce software or shopping cart plugin can manage different VAT rates and systems according to your foreign target markets.
- You have the right PSP to manage international payments in the best way, i.e., supporting different currencies, languages, and local payment methods, offering high security, minimizing fees, risks, and delays.

Check these three points as soon as you can, before you start selling online cross-border, because the related additional fees might require you to adjust your prices.

CHAPTER 12

SUCCEEDING IN DIGITAL EXPORT WITH CROSS- BORDER E-COMMERCE: FULFILLMENT

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Cross-border e-commerce fulfillment refers to the processes required to satisfy international purchase orders, including warehousing, picking & packing, shipping, handling customs operations, delivering, reverse logistics, customer service, sometimes even collecting payment.

You have two main options for that: self-fulfillment, or a 3PL. In this chapter you will find some explanations to help you choose.

SELF-FULFILLMENT FOR CROSS-BORDER E-COMMERCE

To self-fulfill the purchase orders of your foreign customers you need some of the same elements that you would use for your domestic customers: a warehouse with a picking & packing area, shipping materials, such as boxes, tape, bubble wrap, foam, etc., transport documents, invoices or proformas, and shipping labels.

However, while you might use your own transporters or some local carrier for your domestic customers, they are often not effective for cross-border customers, especially for the last-meter delivery.

In this case, the best solution is to work with one or more international carriers like UPS, FedEx or DHL that can provide the door-to-door delivery for you, it means that you or your team will take care of the warehousing, picking, packing, and documents while your international carrier or carriers will manage the rest until receipt by your foreign customers.



TIP

If your digital export project concerns the European Union, you can check the tariffs on cross-border parcel delivery services between countries here:

https://ec.europa.eu/growth/sectors/postal-services/parcel-delivery/public-tariffs-cross-border_en

Advantages:

- Your inventory is centralized for serving both your domestic and cross-border markets.
- By using external carriers, you can choose those that can use the localized delivery methods preferred by your foreign customers.
- A single team to fulfill domestic and international orders will allow you to make economies of scale and improve the ROI of your business.

Disadvantages:

- In peak seasons you might struggle to hire additional logistics people to help you fulfill all your orders. Likewise, in down periods, you might struggle to reduce your warehouse headcount, having a bad impact on your financial results.
- Your centralized warehouse might be too far from your target foreign customers, which can make your delivery time less competitive than that of your competitors that operate in the same country or in closer ones.
- Managing returns and customer service in several foreign languages can be difficult and expensive.

3PL FULFILLMENT FOR CROSS-BORDER E-COMMERCE

Fulfilling your cross-border purchase orders with a 3PL means that you will have to give him the stock that you plan to sell overseas and he will store it in consignment. Then, he will take care of warehousing, picking & packing, shipping, and additional services, such as handling customs operations, delivering, managing returns, customer service, collecting the payments, etc. depending on the contract and on the provider's organization.

You have a large choice of well-known companies and other less-known 3PLs that operate globally or regionally, including Amazon Multi-Channel Fulfillment (MCF), UPS Supply Chain Solutions, FedEx Fulfillment Center, ShipBob, Shipwire, Red Stag for the U.S., DCL Logistics, Deutsche Post DHL especially for Europe, Byrd, BoxMe for Asia, SkyPostal for Latin America, GEODIS, Easyship, Kerry Logistics Network Ltd., Fulfillment for China, F4E - Fulfillment 4 Europe, etc.



TIP

To choose the right 3PL for your cross-border e-commerce, it's important that you know not only the types of services you need but also in which country or countries you want to sell. Only a few 3PL companies are effective on the global scale, probably FedEx or ShipBob, while most of them are specialized by region, for example North America, Europe, APAC, etc. They can be better than the global ones, especially when your products require special distribution conditions or need to comply with specific local obligations.

Many of them provide additional services, as mentioned earlier, some very useful for cross-border, such as customer service in multiple languages or dealing with customs formalities, and some even unrelated to logistics, such as translating packaging, re-packaging, adaptation of labels, and web marketing, in which case they are sometimes referred to as 4PLs.

However, if you don't need such services, for instance because you can only sell within the European Union, or because your product doesn't require customer service, you can turn to smaller and simpler 3PLs that can sometimes be cheaper than the big names for the same quality of service.

Most 3PLs charge an upfront fee, for the integration, followed by either a fixed monthly fee, or a sales commission when you can demonstrate that your products sell well. The 4PL services are mainly charged by the use.



CASE STUDY

Is Fulfillment by Amazon (FBA) a 3PL? Yes and no!

First, you need to understand, and maybe already do, that Amazon started in the 1990s as a reseller, meaning buying stock to resell through its website to consumers. That has been its core business for a long time. Since then, Amazon invested a lot in developing the tools and services it needed to offer its customers as good a shopping experience as possible, and that included logistics. Then it launched its marketplace, and with that it allowed its sellers to take advantage of its own logistics to fulfill their Amazon orders. FBA was born. So, for a business that sells on Amazon through a Seller Central account, FBA is a 3PL but only partly, because FBA does not fulfill orders from other sales channels, for example a business's own e-commerce. For that, Amazon has another offer, Multi-Channel Fulfillment (MCF). With MCF, the same business that sells on Amazon through a Seller Central account, can use its FBA stock to fulfill orders coming from other sales channels, including its own e-commerce. Available in almost all Amazon's marketplaces around the world, MCF is a 3PL, but only for businesses that have an account on Amazon Seller Central. For them, the combination of FBA and MCF can be a good solution for enlarging the geographical scope of their cross-border e-commerce. Here are three last pieces of advice:

- 1) Check the MCF pricing, since, for certain categories of products, it can be less competitive.*
- 2) Also check the compatibility with your other sales channels since sometimes other retailers do not accept deliveries from Amazon.*
- 3) Do not overdo it with your stock at Amazon fulfillment centers, because, if some unpredicted event happens, such as a big order from a large retailer that doesn't accept MCF, you cannot take it back easily.*

For better management, you should work with a 3PL that can connect directly to your e-commerce platform or shopping cart plugin. As for the payment systems, several 3PLs have developed specific plugins that you can install easily on your WooCommerce, Shopify, Squarespace, or other major e-commerce platforms and shopping cart plugins. However, since that involves a cost of web development for the 3PLs, they haven't done it for all the e-commerce platforms and shopping cart software but only for the most frequently used ones. This is why, when you choose your e-commerce platform or shopping cart plugin, you need to make sure it can work with your 3PL plugin, because if it doesn't then the connection between the two will require an additional investment on your part.

Advantages:

- Depending on the 3PL you choose, your inventory can be located in several fulfillment centers, meaning that you will be able to offer quicker deliveries in a much larger geographical area.
- More flexibility to manage peak and low seasons as well as the fixed costs associated with them.
- You'll be free to spend more time on more strategic functions, such as sales and marketing development.

Disadvantages:

- The upfront set-up cost can be high.
- You have less control of your inventory, and, if you need to move it to other regions or recover it for quality reasons, it will take longer.

DROP-SHIPPING: THE IDEAL INVENTORY?

When people refer to the drop-shipping model as ideal for inventory investment, it is because this model means that you don't own any inventory at all, so actually no investment on your part to get the products you want to sell online, whether in one or in several countries.

The products are shipped to your customers, domestic and international, directly by your supplier or suppliers, which own their inventory and deal with all the logistics aspects. Depending on the contract you have with them, they may also provide customer service, and reverse logistics.

It sounds like a dream, but it is more complex than it looks.

First, it is hard to develop good brand awareness with this model. Since your customers think that you are the manufacturer, every time they have a problem with your product, they'll think that your brand is not reliable. And, since your supplier can be very distant from you, you cannot have any control over the quality of its manufacturing, or its deliveries, or its customer service, etc. You have no control at all.

Second, if you start from scratch, it will be difficult or impossible to convince good manufacturers to work with you without knowing how much your e-commerce can sell and without having a famous brand. The result is that you'll probably end up working with lower-quality manufacturers, which will lead you into a vicious cycle: many quality-related issues, your customers' leaving bad comments on your e-commerce or on other platforms, your wasting a lot of time dealing with your customers' complaints, and your spending a lot of money for ads to get enough visitors on your e-commerce that otherwise would not come because of the bad reputation.



TIP

A hybrid fulfillment approach can be a good solution for your cross-border e-commerce. It combines some or all the above options instead of choosing and sticking with only one. It might require a bit more effort for inventory management, but you maximize the fulfillment options for all your sales channels around the world, whether online or offline.



KEY TAKEAWAYS

For the fulfillment of your cross-border e-commerce orders, which means warehousing, picking & packing, shipping, and any other service you need to satisfy your foreign customers' purchase orders, there are two main options:

- *Self-fulfillment: you need some of the same elements that you already use for your domestic customers, such as a warehouse with a picking & packing area, shipping materials, shipping labels, etc. However, you need to work with different transporters than those you use for your home market because they must be specialized in cross-border and in last-meter delivery in the countries where you plan to sell.*
- *Fulfillment through a 3PL: you give a 3PL the inventory that you plan to sell overseas, which it will store on consignment, taking care of warehousing, picking & packing, shipping, and additional services such as handling customs operations, delivering, reverse logistics, customer service, etc. depending on the contract and on the 3PL organization. You can, of course, use several 3PLs, if you wish.*

CHAPTER 13

SUCCEEDING IN DIGITAL EXPORT WITH CROSS- BORDER E-COMMERCE: LEGAL ASPECTS

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As soon as your cross-border e-commerce opens its doors to foreign markets, it must comply with applicable laws and regulations under different legal systems. Consumer rights, personal data, contractual terms, cancellation rights, imprint, cookies, etc.

These are just some of the legal aspects you need to address to avoid serious financial consequences. Since there is nothing more localized than these legal aspects in cross-border e-commerce, I can only say: KISS! = keep it ... short & simple! Let me explain.

WHAT ARE THE MANDATORY LEGAL DECLARATIONS FOR YOUR CROSS-BORDER E-COMMERCE?

I could answer this question as follows:

- Legal notice
- Privacy & cookies policy
- General terms & conditions
- Product terms & conditions
- Retail prices (for a B2C e-commerce)
- Delivery cost & methods
- Payment methods
- Withdrawal right
- Purchasing process

Would that be the right answer? Absolutely not! Because to answer that question correctly, I would first need to be a lawyer, second to know where your legal entity is based, and third in which foreign country you want to sell.

For example, for personal data, would the EU General Data Protection Regulation (GDPR), the California Consumer Privacy Act of 2018 (CCPA), or the China Personal Information Protection Law (PIPL) apply?

You should already know that I am not a lawyer, but let's pretend I were just for a moment, the time it takes to think about the second and third requirements:

- Since I don't know where your legal entity is based, I must assume it can be anywhere in the world, which means at least 195 possibilities, since that is the number of countries in the world according to the UN¹²³.

¹²³ <https://www.worldometers.info/geography/how-many-countries-are-there-in-the-world/>.

Also, in many countries, laws and regulations are not only at the national level but also at the state, regional, provincial or local level. So, the number of possibilities could be substantially higher.

- Since I don't know which foreign country you want to sell in, I must assume it can be anywhere in the world, which, again, means at least 195 possibilities, and probably substantially more, since laws and regulations can be at the national, state, regional, provincial or local level.

You can easily see that, depending on these variables, the number of laws and regulations that are potentially applicable to your cross-border e-commerce business can be very high.

Also, even if you are reasonably familiar with the legal system in your home country and with the laws and regulations that apply to your business there, you need to be aware that there are many different legal systems in the world and that foreign laws and regulations are often very different from those in your home country and may not be published, if they are published at all, in a language that you understand.

Legal advice is not within the scope of this book or of The Digital Exporter Series.

That is why I can only say 'KISS', Keep It ... Short & Simple: as part of your digital export project, you need to seek legal advice from a qualified lawyer in your home country and in your target foreign countries, with expertise in the areas of the law that are relevant to your current and prospective business, which might include international law, global trade, and e-commerce.

Should I give you some useful links?

I cannot because this choice is strictly linked to your business, your sector, your business model, your country, and your target foreign markets.

There are so many factors that are unknown to me, that my list would not be useful. Instead:

- Ask your existing local in-house or outside counsel, if any.
- Ask your accountant.
- Do some research, including on the internet, to identify qualified lawyers that can help you. Often major law firms in your home country have professional relationships with firms in other countries and may be able to provide a referral.



Figure 32: the KISS approach to cross-border e-commerce legal aspects.



KEY TAKEAWAYS

As for a 'non-e-commerce' business, the legal aspects of your website must be adapted to your local laws as well as those of your foreign target markets. The only way to make sure your cross-border e-commerce is compliant with both is to get advice from qualified lawyers in the relevant countries with expertise in the areas of the law that are relevant to your business.

CONCLUSIONS

Here we are at the end of this book.

But don't close it right away, because I still have a few things to tell you about the necessary costs and organization.

Then, it will be up to you to get started on your digital export action or, if you have already started, to pick up the pace!

CHAPTER 14

A FEW FINAL TIPS: COSTS, ORGANIZATION, AND ... TIME!

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How much does international web marketing cost? What type of organization should you have for the deployment of a digital export strategy? How long does it take to get results?

Here is my latest practical advice to help you answer these operational questions.

HOW MUCH DOES DIGITAL COST INTERNATIONALLY?

In principle, you can do almost anything on the internet for 'free'. But today, in terms of efficacy, free on the internet is not the same as it was a few years ago, and the first example is Facebook.

Today, Facebook is no longer free for companies as it was before: for a few years, its algorithm has increasingly limited the pages' organic reach. As a result, standard publications are visible only to a few fans. If you want more, you have to switch to sponsored posts or advertising.

The problem is the same for other social networks as well as for SEO, blogs, etc. Content is free when produced in-house by you or your teams, but:

- The time spent on the production of this content has a cost called a 'salary'.
- Visibility, a determining factor for performance, has a price that must now be added to your budget.

Build an international web-marketing budget

The share of web marketing in companies' marketing budgets is constantly increasing compared to traditional marketing, which is constantly decreasing¹²⁴.

Often these budgets are provisioned and allocated as a percentage of the company's turnover in the concerned territory. But what should you do when you start in a new export market where you have little or no turnover? Are you going without a budget? Not at all!

In this case, you need to be inspired by the web-marketing budget of another comparable country or of another business unit similar to the activity concerned, or the head office should determine the initial

¹²⁴ Jennifer Veenstra, 'The CMO Survey: Marketing Budget Gets Big Boost', Deloitte, 26 April 2021, <https://deloitte.wsj.com/articles/the-cmo-survey-marketing-budget-gets-big-boost-01619463730>.

funding, which will be provisioned beforehand and reimbursed with a more or less extended schedule or co-financed by public aid.

As in the T.O.S.CA method, there are similar elements to consider when building an international web-marketing budget, whether for a new market or for an already existing one:

- Target: foreign countries and foreign languages.
- Objectives: increase sales, brand awareness, ...
- Segments: consumers, professionals, age, level of education, etc.
- Channels and Call-to-Action: website, e-commerce, marketplaces, distributors, ...
- Paying levers: Google Ads, Display, influencers, ...
- Types of content: video, text, photo, tone style, frequency of publication, etc.
- Period to be covered: three years, five years, ...



TIP

When building your budget, do not forget to include your objectives, whether quantitative or qualitative. Without them, you will have trouble calculating the ROI of your investment.

INTERNATIONAL WEB-MARKETING COSTS

In practice, international web marketing uses several skills, each with a specific cost. For a company with ad hoc needs, such as the internationalization of its website or e-commerce, the integration of marketplaces abroad, the development of SEO for export, etc., the best solution is to call on external service providers offering linguistic and technical skills that are suited to its project.

In this context, here are some examples of the average rates of freelancers in Europe (for information purposes only).

- Web designer/graphic designer: between €150 and €300 per day.
- Web developers: between €300 and €700 per day depending on the development language and expertise.
- Artistic director: about €800 per day.
- SEO consultant: between €300 and €800 per day depending on level of experience and issues addressed.
- International SEO consultant: between €500 and €900 per day depending on level of experience, issues addressed and geographic scope.
- SEA consultant: between €400 and €800 per day depending on level of experience, budget, type and quantity of campaigns.
- International SEA consultant: between €700 and €1,000 per day depending on level of experience, geographic scope, budget, type and quantity of campaigns.
- Analytics consultant: between €300 and €500 per report depending on experience.
- International analytics consultant: between €700 and €1,000 per report depending on experience and geographic scope.
- Web-marketing strategy consultant: between €500 and €1,000 per day depending on experience.
- International web-marketing strategy consultant: between €700 and €1,500 per day depending on experience and geographic scope.

In an international approach, you can also work with local providers or freelancers based in the foreign country you are targeting, or even elsewhere. Prices can vary as much as 100% for identical services. To give you an idea: if we set the United States at 100, France would be at 80, the countries of North Africa and Eastern Europe at 70, and India almost at 50.



CASE STUDY

Since many factors condition budgets, formulas vary on a case-by-case basis, and it is impossible to generalize. To give you some guidance on how to build a budget, here are some calculations as examples.

Example 1—Banner for a hotel in the Alps in Austria, to be displayed on affiliate program websites.

Target: sporty couples with young children based in France, Germany, and Italy. Budget: €3,000 over four months.

Results:

- Impressions of the campaign on affiliate sites: more than five million times.
- Banner clicks: approximately 5,000 clicks, with a CTR of 0.1%.
- Bookings: 50, conversion rate 1%, cost per acquisition €60.
- Simplified ROI: turnover of €10,000 for the 50 reservations; $ROI = (\text{turnover} - \text{budget})/\text{budget}$ = 233%.

Example 2—Google Ads campaign to download a white paper for SaaS in the legal sector.

Target: SMEs in the UK. Budget: €1,000 over 14 days.

Results:

- 12,000 impressions.
- More than 287 clicks, with a CTR of 2.87%.
- 19 downloads of the white paper.
- Conversion rate of 6%, cost per conversion of €52.60.
- Simplified ROI: turnover of €1,500; $ROI = (\text{turnover} - \text{budget})/\text{budget}$ = 50%.

These calculations relate to simplified ROIs. To obtain the net ROI, you also need to deduct the variable costs associated with the project, such as any costs of creating the banner, translating, and producing the white paper in English, adapting the website, etc.

THE IMPACT OF CTR IN AN INTERNATIONAL WEB-MARKETING BUDGET

The budget to invest in international web marketing is also linked to the CTR¹²⁵, which is a concept used around the world to express the percentage of internet users that have clicked on a link, whether organic or paid.

How does CTR impact your budget? If your CTR on organic and free web-marketing levers (for example, the SEO on your website for a foreign country) is very low compared to the industry average, paid levers will probably be more effective: as is often the case in a new market, where a brand is still little known, it can take time to reach the strategic target only through SEO. On the contrary, paid levers can achieve these goals much faster, but the costs increase to pay for SEA, SMA campaigns, etc.

Otherwise, if your CTR is already at a good level or even higher than the industry average, you can move forward with organic web-marketing actions in your target foreign country, which will be more economical than in the previous case.

To know whether your CTR is good or bad, you must, therefore, compare it with the average for your business sector in the export market that you are targeting. To give you an idea, here are some sector averages in the U.S.¹²⁶

¹²⁵ <https://support.google.com/googleads/answer/2615875>.

¹²⁶ Mark Irvine, Google Ads Benchmarks for YOUR Industry [Updated!], WordStream, 24 September 2021, <https://www.wordstream.com/blog/ws/2016/02/29/google-adwords-industry-benchmarks>.

Industry	Average CTR (Search)	Average CTR (GDN)
Advocacy	4.41%	0.59%
Auto	4.00%	0.60%
B2B	2.41%	0.46%
Consumer Services	2.41%	0.51%
Dating & Personals	6.05%	0.72%
E-Commerce	2.69%	0.51%
Education	3.78%	0.53%
Employment Services	2.42%	0.59%
Finance & Insurance	2.91%	0.52%
Health & Medical	3.27%	0.59%
Home Goods	2.44%	0.49%
Industrial Services	2.61%	0.50%
Legal	2.93%	0.59%
Real Estate	3.71%	1.08%
Technology	2.09%	0.39%
Travel & Hospitality	4.68%	0.47%

An example of the average CTR by sector in the U.S.

Each lever has its average sectorial CTR, which may be higher or lower than the others. In general, the CTR in Display is lower than in Search: all sectors combined, Display CTR is 0.46% while Search CTR is 3.17%.



TIP

Do not compare the CTR of one lever with that of another. This can lead you to decide, 'I just do Search because the CTR is higher'. In reality, it is the synergy between the different levers that will improve the performance of web marketing and thus the ROI of your budget, both at home and abroad.

The rise in CTR rates is proof of this: if CTR were the only factor in performance, Display budgets would have been stopped for years.

HOW TO GET ORGANIZED FOR INTERNATIONAL WEB MARKETING

Although web marketing is well anchored in corporate strategy, it is common to hear clichés about international practice, such as:

- My intern, who spent his holidays in Spain, will manage my cross-border e-commerce.
- My English girlfriend's neighbor's son is going to develop my bilingual website for free.
- We don't need to translate the website into German because everyone in Germany speaks English.
- We have created a page in English on Facebook because we were told that was the right thing to do, but frankly it is useless and in addition it is empty because no one here is comfortable writing in English.

Unfortunately, these examples are not uncommon in companies, especially in those that have not taken the time to formulate their multichannel export strategy.

In fact, digital export and international web marketing include several distinct activities and skills: SEO, SEA, newsletters, social media, e-commerce, marketplaces, influencers, marketing automation, etc., each of which must be adapted to the target export markets. Your company must not only find solutions to manage all these skills in several countries at the same time, but also ensure the integration of all these skills as well as new techniques to come.

But in addition to this complexity of technical skills and geography, digital export also imposes a shift from the offer, or the company, to the demand, or customer. With an organization focused on the offer, the company risks having the problem of 'silos' where each function works on a single axis of the customer journey by country and separately from other functions. Whether at home or abroad, you need to ensure the convergence of all actions carried out in the direction of prospective customers to provide as coherent and effective a customer journey as possible.

Organizing digital export and international web marketing is, therefore, complicated, but you can act in three areas to make it easier:

- *Bring them closer to the company's strategy.* Digital export and international web marketing must be as well-suited as possible to the short-, medium- and long-term objectives of the company and must be able to deploy the most effective levers. At the same time, the company must provide the necessary resources to align its web marketing with the objectives of its export strategy and motivate all its teams, internal and external, to work towards the same objectives.
- *Acquire an in-depth understanding of each step of the export customer journey and learn to use them correctly.* This will allow you to understand precisely not only the strengths and weaknesses of your company in this journey, but also the new skills necessary to address those weaknesses.
- *Adopt the agile organizational approach.* Since digital export requires several types of expertise in technical, graphic, commercial, managerial fields, etc., hiring several people for each area of expertise requires a substantial budget. The agile approach needs an open vision toward alternative solutions, an ability to share new ways of working, and a willingness to adopt new concepts quickly. Your organization can adopt this approach and respond more effectively to the ambitions of your digital export project.

Centralized or decentralized management

To organize the deployment of your digital export sales, you must first consider the two options for centralization or decentralization, depending on the size of your business and on your target countries:

- Decentralized deployment via subsidiaries or local partners. Some of the advantages of this model are:
 - Local management of budgets.
 - More specific positioning and content in the countries.
 - Closer organization of local events.
- Centralized deployment from your headquarters. Some of the advantages of this model are:
 - Better control of brand image.
 - Economies of scale in production and publication of content.
 - International monitoring of KPIs.

Centralized deployment is usually more suitable if your business is in an international start-up phase and does not yet have local structures.

Internalizing, externalizing or both?

Often international web marketing is under the responsibility of the company's marketing manager, who is in charge of everything: traditional marketing with trade fairs, communication, packaging, catalogs, etc., and web marketing with SEO, newsletters, blog, social networks, etc. But a single person rarely has expertise in all areas of traditional and digital marketing as well as in all export markets the company targets.

On the other hand, the profile of a generalist marketing manager can be a good solution. He will have sufficient skills to negotiate and manage the service providers specialized in the fields of international web marketing that you need for your digital export project. As a company employee, he can directly take charge of some of these levers, the most critical, which will then remain internalized. He can outsource the others to selected service providers, and then gradually internalize them: recruiting a web-marketing team is a significantly expensive investment, and you will be more in favor of it once you know what ROI you are able to achieve.

So, in a start-up phase, as for ad hoc needs on specific issues, for example the internationalization of your website in German or the implementation of an advertising campaign on Yandex, working with specialized service providers is the best choice.

Things to pay attention to when outsourcing

As we have seen, there are significant price differences depending on the skills of the service provider in question. But beyond the price, there are other things to pay attention to when negotiating with future international web-marketing providers. Here are a few:

- The specifications of the international web project: clearly define who does what between you and your service provider and when.
- Ownership of accounts: make sure that you keep ownership of Google accounts, such as Google Ads, and that they are properly linked to your name with full access to data and administrator rights to change login and password until the end of the contract.

- Ownership of product content: when providing international content creation services published on your website or social media, make sure that this content becomes your property.
- The duration of contracts: avoid commitments over several years without any possibility of emergency exit.
- The difficulty of paying for results or performance: being enormously dependent on Google's algorithms and their untimely changes, service providers cannot make 100% of their remuneration conditional on results. Success fees or bonuses for exceeding objectives are more appropriate and appreciated.
- Reporting of results and monitoring of actions: mention them in the quotes so that you can always know what has been done when and when to measure the results.

HOW LONG TO WAIT FOR RESULTS

The press and specialized media repeat it often: internationalizing a business is not just about selling a product or service abroad; it is rather a long process requiring a lot of thought and preparation. But what's the right balance so that 'a lot of thought' doesn't get in the way of action?

Premature internationalization or no internationalization?

Premature internationalization certainly carries risks, but 'no internationalization' is not a solution either.



CASE STUDY

The marketing director of a French manufacturer of bicycle accessories wanted to expand its online business to other countries. The company already had a good number of domestic customers, but it had not yet developed its own e-commerce. The marketing director then decided to integrate the e-commerce functionalities on the website, which he had translated into English, German, Spanish and Italian, and to list around 20 products on Amazon's European marketplaces in the hope that this would increase sales in Europe.

After a few weeks, the first orders arrived, mainly from the United Kingdom. The items were dispatched immediately. All UK customers tried to contact the company after receiving their package, but failed, and finally decided to return the items. The marketing director, surprised by this result, contacted them by email to find out why: the customers explained that the instructions they received were not in English, that they had tried to call the company, and no one answered, and that, unable to understand how to install and use the products, they simply returned them.

In this case study, we cannot criticize the marketing director for having started exporting without being sufficiently prepared. His initiative has enabled the company to create value¹²⁷ and to create the basis for new sources of growth. In addition, his approach is compatible with a gradual export development strategy, and the company can adapt its investment according to the degree of success of the actions deployed.

A multilingual website is, therefore, not enough to make your business international, but it is one of the first ingredients necessary to become profitable and sustainable. Think of the investment you have made to promote your business in your home country, on the internet and beyond: the website but also SEO, newsletters, marketplaces, social networks, trade shows, packaging, interviews, advertisements, etc. How much time and resources have you devoted to it and continue to devote to it on a daily basis? Would it not be normal to think that so much time and resources should also be dedicated to your target foreign market?

The secret to good results is time

Export and digital separately are two processes that take time to achieve positive results in the target countries. Although the

¹²⁷ An international website can increase the value of a business, especially an e-commerce website.

combination of the two makes it possible to accelerate international development, a multi-channel export strategy always takes time, and the ROI is long-term, generally over three to five years.

This is why intermediate stages with objectives in the short and medium term are also necessary to increase and measure the performance of the deployment over time. These stages must be described in a roadmap for five years, or even beyond. Even if reality invalidates part of this roadmap, it will serve to inspire the launch, to monitor the development, and to formulate hypotheses on what export sales could be achieved in the short, medium, and long term with their budgetary impact.

Regarding this last point, here are three concrete examples:

- For short-term goals, such as prospecting during an international trade fair abroad, investing in SEO or social media will not be effective, because they will not have the time to produce concrete results. Other levers, such as lead generation or advertising campaigns, will be capable of achieving this performance in the desired time frame.
- For medium-term goals, such as increasing sales on Zalando in Europe by 30% in one year, simply referencing the products translated into each language will be useful but not sufficient. Boosting products with promotions or advertising on Zalando and on partner sites may produce more satisfactory results within the desired time frame.
- For long-term goals, such as developing brand awareness in a new country over three years, organic levers are strategic and suitable for building this reputation on solid qualitative bases and supporting its growth over time.

Depending on the time available to achieve the objectives, the levers used will, therefore, have a higher or lower cost, which will impact your budget.

But even with a clear roadmap, many companies throw in the towel for the first year for lack of positive results. Avoid this mistake and don't give up. To extend your perseverance intelligently, here are some tips:

- Place digital export as a priority ambition in the company's strategy by not allowing it to be perceived as a simple search for commercial

opportunities. Involve as many employees as possible by making them feel that they are part of this ambition.

- Be realistic. The average time to complete an export business, all channels combined, is two years, depending on the sector. Moreover, completion does not mean profitability, because profitability generally needs one to two extra years.
- To maintain the course on your international development, subtract everything that is not in your core business and that others can do better than you. But beware of providers who promise impressive results overnight. Whether online or offline, if you want to achieve good, profitable, and lasting positive results, you have to invest in quality work, and that doesn't happen in days.
- Anticipate your funding needs to ensure that your cash flow can follow the project over the long term. Several mechanisms such as government grants or aids from chambers of commerce, etc., make it possible to finance the development of digital export.
- Regularly analyze your performance. Yes, the progress can be disappointing. But check it regularly and make sure that the best tools and practices are correctly implemented. That will allow you to intervene as quickly as possible if something goes too slowly compared to your roadmap.

So, how long will it take to get results? Neither digital nor export is a precise science; they are rather continuous projects. For the first, on average 95% of new websites can take more than a year to arrive at the first results of SERP. For the second, it can take between six months and a year, after validation of the strategy, to obtain the first customer. These times are mere estimates, and the actual time you need may vary depending on several factors, including your sector, the export market, your budget, your objectives, etc.

HOW DIGITAL DARWINISM CAN STRENGTHEN EXPORT

The internationalization of a company should be considered a journey and not a destination. Each foreign country is not just a new market; it also involves the discovery of new habits, new cultures, new opportunities. Certain countries will have specific needs for which the company will have to find specific solutions. It is the wealth of solutions that the company will be able to deploy in its new markets that will make its export journey efficient.

Until the early 2000s, export development for an SME mainly involved finding and managing distributors or importers in other countries. English was the only language used for business, often sufficient in that context.

But, in recent years, the opportunities for internationalization have evolved. Internet, e-commerce, marketplaces, and other digital tools have joined distributors and importers, multiplying the channels that help reach foreign customers, directly and indirectly. How will this evolve in the coming years? With the speed of breakthrough innovations, we can expect huge developments in several areas affecting export sales thanks to the internet.

FINAL THOUGHTS

Digital export is like conquering a summit: there is the excitement of the challenge, the pleasure of advancement, the ecstasy of the outcome. These stages are renewed at each conquered summit, but the chances of success will be greater after each successive conquest. It would be a shame to stop at the first summit, and for your digital exports it would be a shame to stop at the first country.

If you want to read more about how to sell online across channels internationally, don't forget the rest of The Digital Exporter Series,

where you can find more than 100 case studies presenting the best tools, actionable solutions, and step-by-step explanations. Here is the list of books in [The Digital Exporter Series](#):

- Book 1 – [STARTING THE GLOBAL DIGITAL JOURNEY: How to create the best international web strategy](#).
- Book 2 – [GETTING CLIENTS OVERSEAS, ORGANICALLY: How to set up local, international & global SEO](#).
- Book 3 – [GETTING CLIENTS OVERSEAS, BY ADVERTISING: SEA, SMA and other acquisition channels](#).
- Book 4 – [SELLING ONLINE INTERNATIONALLY: How to set up & manage a cross-border e-commerce](#).
- Book 5 – [SELLING ONLINE INTERNATIONALLY: How to sell on local & international marketplaces](#).
- Book 6 – [DEVELOPING A STRONG INTERNATIONAL BRAND: Multilingual social media & social selling](#).
- Book 7 – [DEVELOPING A STRONG INTERNATIONAL BRAND: Multilingual inbound marketing & marketing automation](#).

I hope that this book has given you useful advice, and I wish you success in reaching as many digital export summits as possible!

SOME PRACTICAL DATA

- Trade Map (www.trademap.org): covering 220 countries and territories and 5,300 products of the harmonized system, a system adopted in 1983 by the World Customs Organization, it provides plenty of indicators on exports.
- OECD.Stat (<https://stats.oecd.org>) is a platform that provides access to statistical databases for OECD countries.
- Ecommerce Europe (<https://ecommerce-europe.eu/>) is an association representing more than 100,000 companies selling goods and services online to consumers in Europe.
- DHL, ‘The 21st Century Spice Trade: A Guide the Cross-Border E-Commerce Opportunity’

(https://www.dhl.com/content/dam/downloads/g0/press/publication/g0_dhl_express_cross_border_ecommerce_21st_century_spiece_trade.pdf).

- European Commission, 'Buying goods online coming from a non-European Union country'
(https://ec.europa.eu/taxation_customs/individuals/buying-goods-services-online-personal-use/buying-goods/buying-goods-online-coming-from-a-non-eu-union-country_en).
- United Nations (<https://unstats.un.org/home/>), statistical data globally and by country.
- Central Intelligence Agency (CIA), The World Factbook — Explore All Countries (<https://www.cia.gov/the-world-factbook/countries/>).
- W3C Internationalization (I18n) Activity:
<https://www.w3.org/blog/international/>.

FREE TOOL TO FIND OUT WHICH TOOLS YOUR COMPETITORS USE

BuiltWith: <https://builtwith.com/>. This platform allows you to discover all the technologies, plugins, software, etc. that a website is using.

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