Cross-border Strategy & Success

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CROSSBORDER event.com

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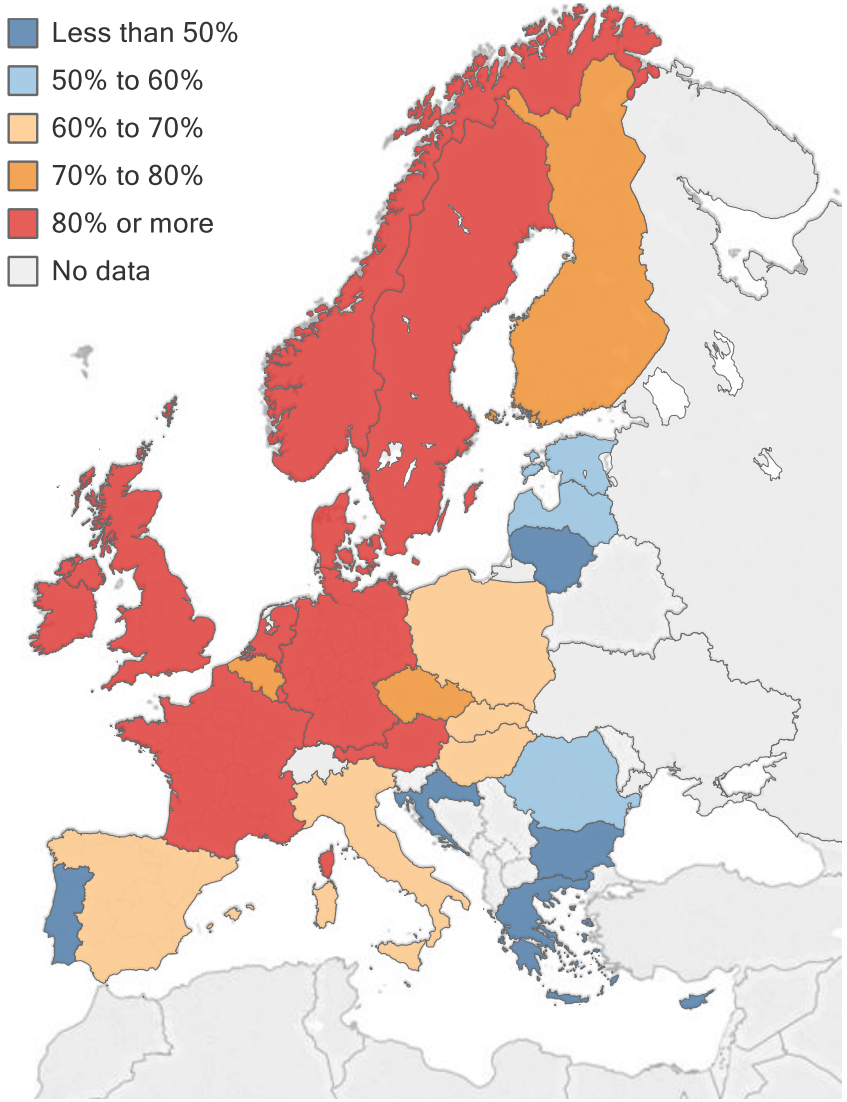
Cross-border Strategy & Success

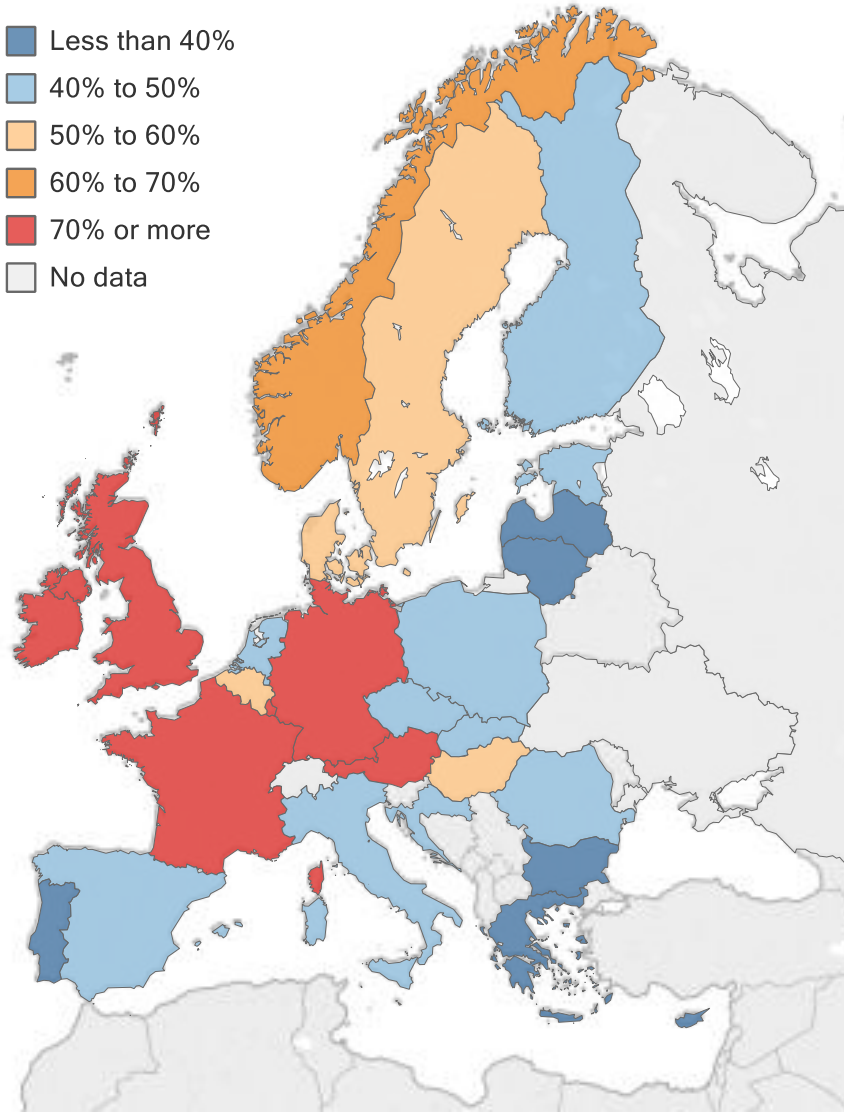
1. Drivers & Barriers
2. Localisation & Performance
3. Desk-research

Confidence in domestic and cross-border online shopping among e-shoppers

Domestic online shopping



Cross-border online shopping



Source:
GfK (2017)

Most important concerns when shopping online domestically and in other EU countries

Domestic

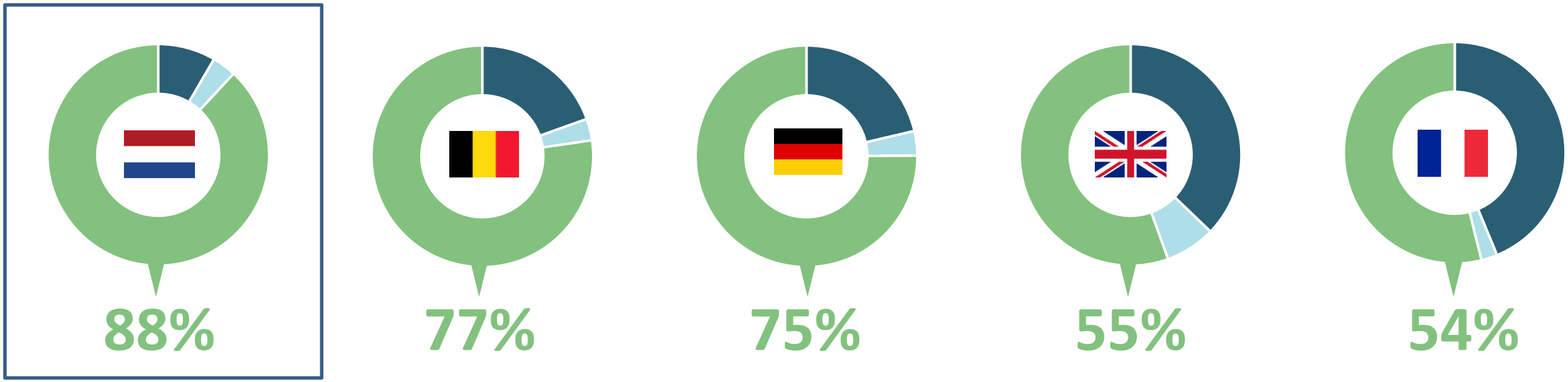
1. Misuse of personal data
2. Wrong or damaged products
3. Theft of payment card details

Cross-border intra-EU

1. **High delivery costs**
2. **High return shipping costs**
3. **Difficult to solve problems if something goes wrong**

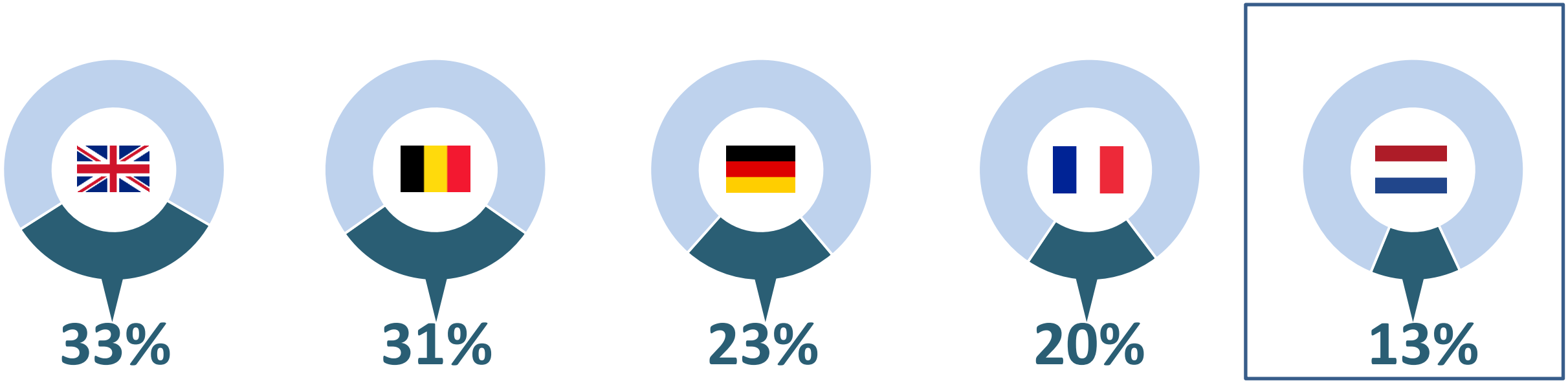
Source: GfK Belgium (2015)

Cross-border e-commerce



Source: Amsterdam University of Applied Sciences

Cross-border Web visitors



Cross border Web visitors

Domestic Web visitors

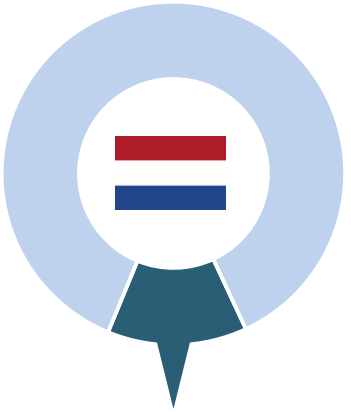
Cross-border Web visitors

Top 3
United States
India
France

Top 3
Netherlands
France
United Kingdom

Top 3
Austria
Switzerland
United States

Top 3
Belgium
Switzerland
United States



Top 3
Belgium
Germany
United States

Cross border Web visitors

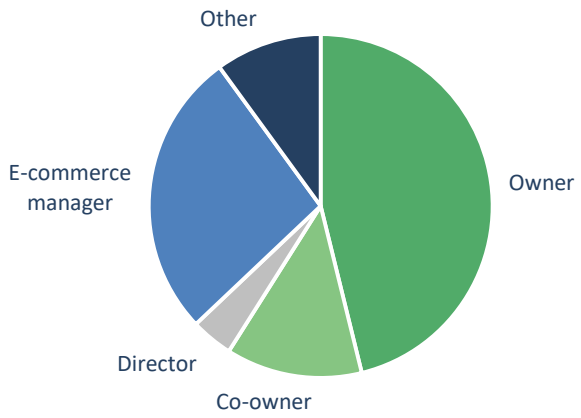
Domestic Web visitors

Data

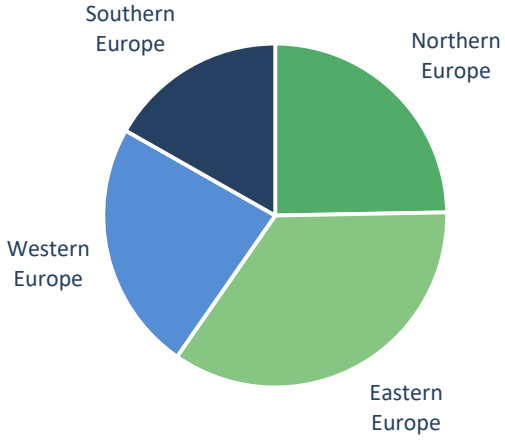
Online survey among online shops in 31 European countries

Response: 430 European online shops

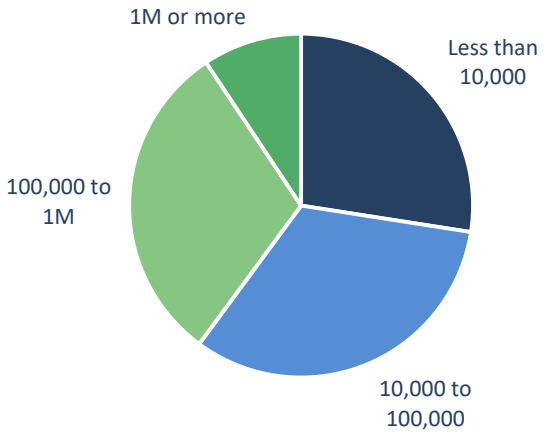
Respondent's role in company



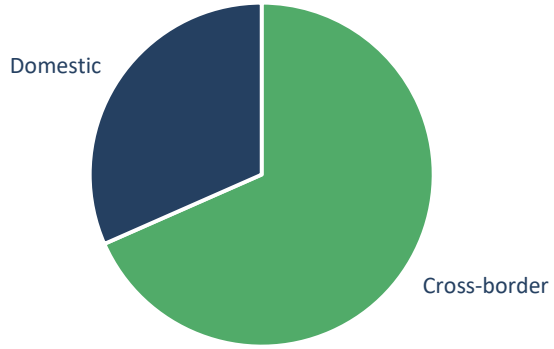
Region



Annual no. of Web visitors



Cross-border or domestic



32%

of the online shops that say only to sell domestically, offer the possibility to order from abroad

Drivers & Barriers

Drivers to further increase sales from foreign countries*

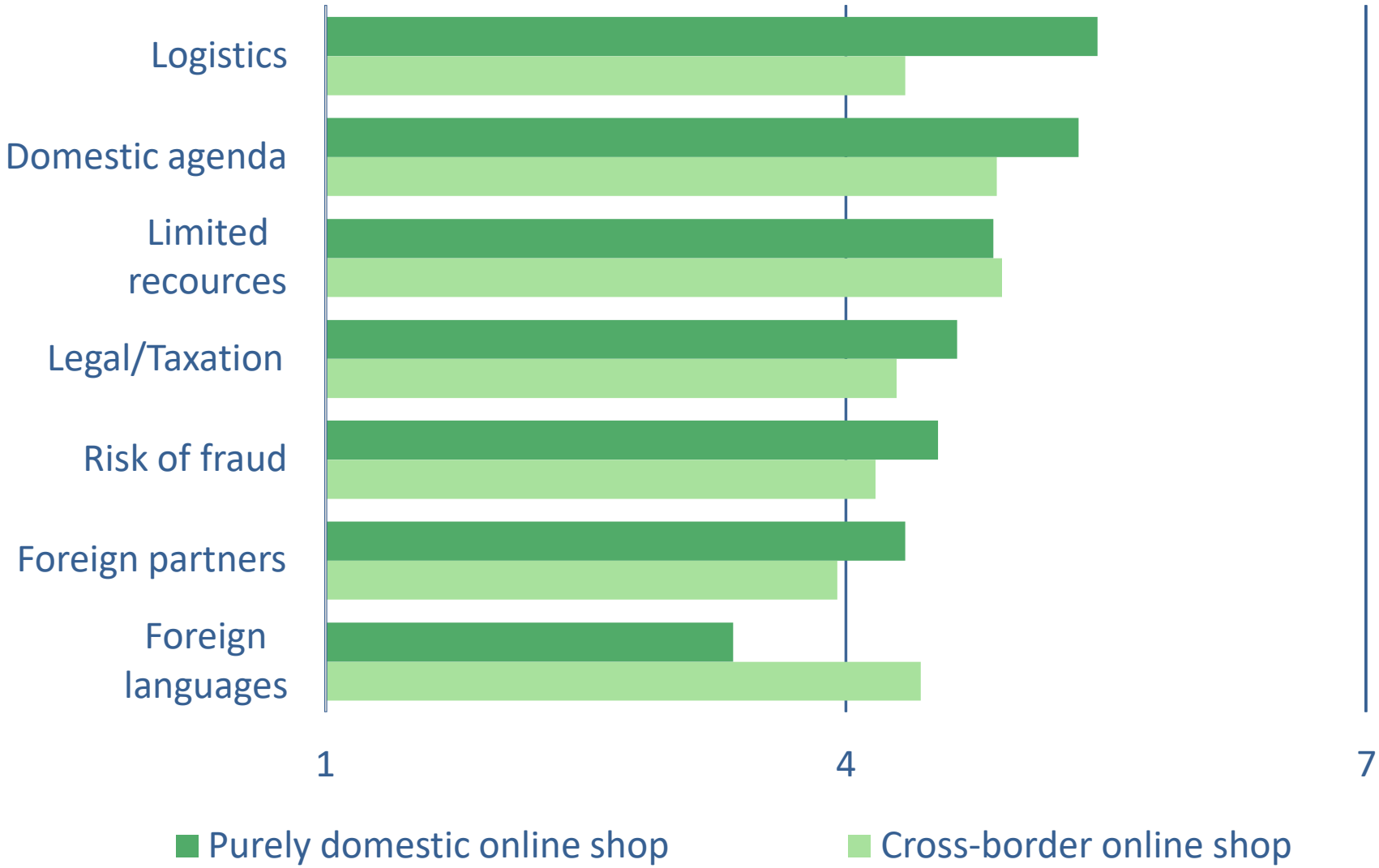
1. Growth opportunities

2. Foreign customer demand

3. Good past experiences with selling online to foreign countries

** Only cross-border online shops are included*

Barriers for (further) online expansion to other countries*



** 7-point scale, ranging from 'Not at all' to 'Very much'*

Cross-border e-commerce strategies

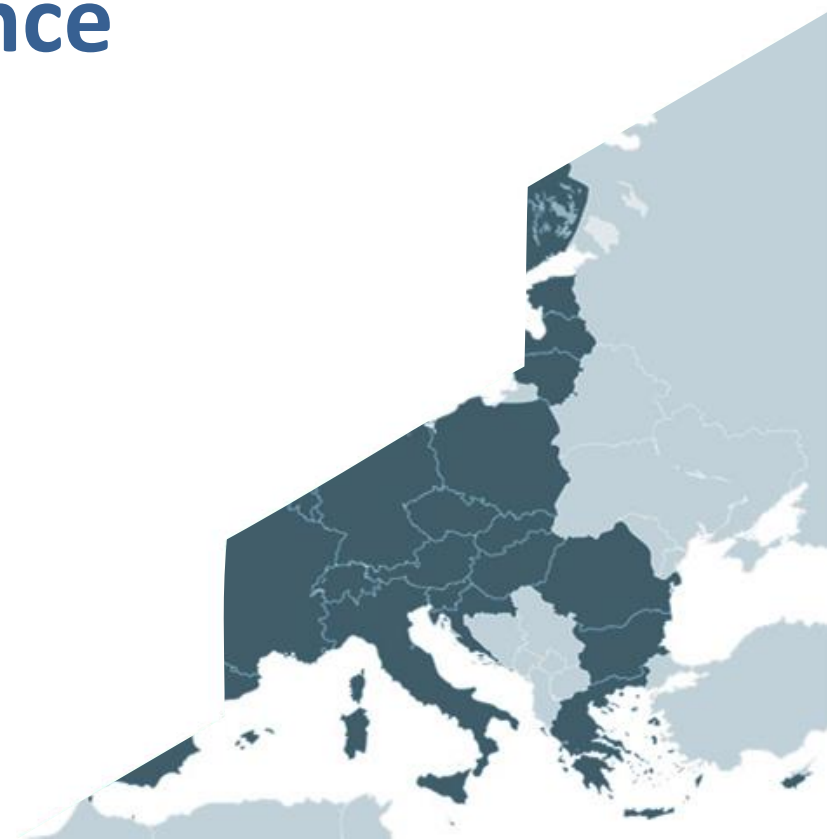
Growth orientation

- Grow is necessary to succeed in the future
- Company's aims can only be achieved through further growth

Foreign market orientation

- Knowledge about how to market products to foreign markets
- Online sales strategy considers differences between the home market and the foreign markets
- Having people in the company with experience in foreign markets

Localization & Performance



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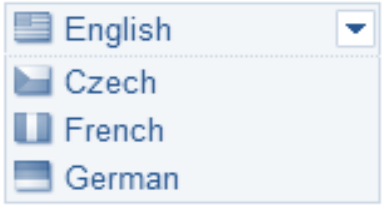
Cross-border E-commerce Success

Localization elements positively affect cross-border traffic!

But, to what extent do localization elements boost cross-border online sales and other KPI's?



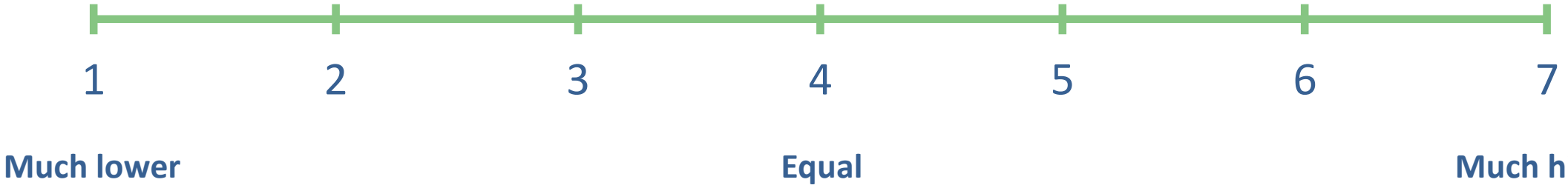
5 KPI’s

1. Conversion ratio
2. Average basket value
3. Online turnover
4. No. of Returning customers
5. Average return rate

5 KPI’s

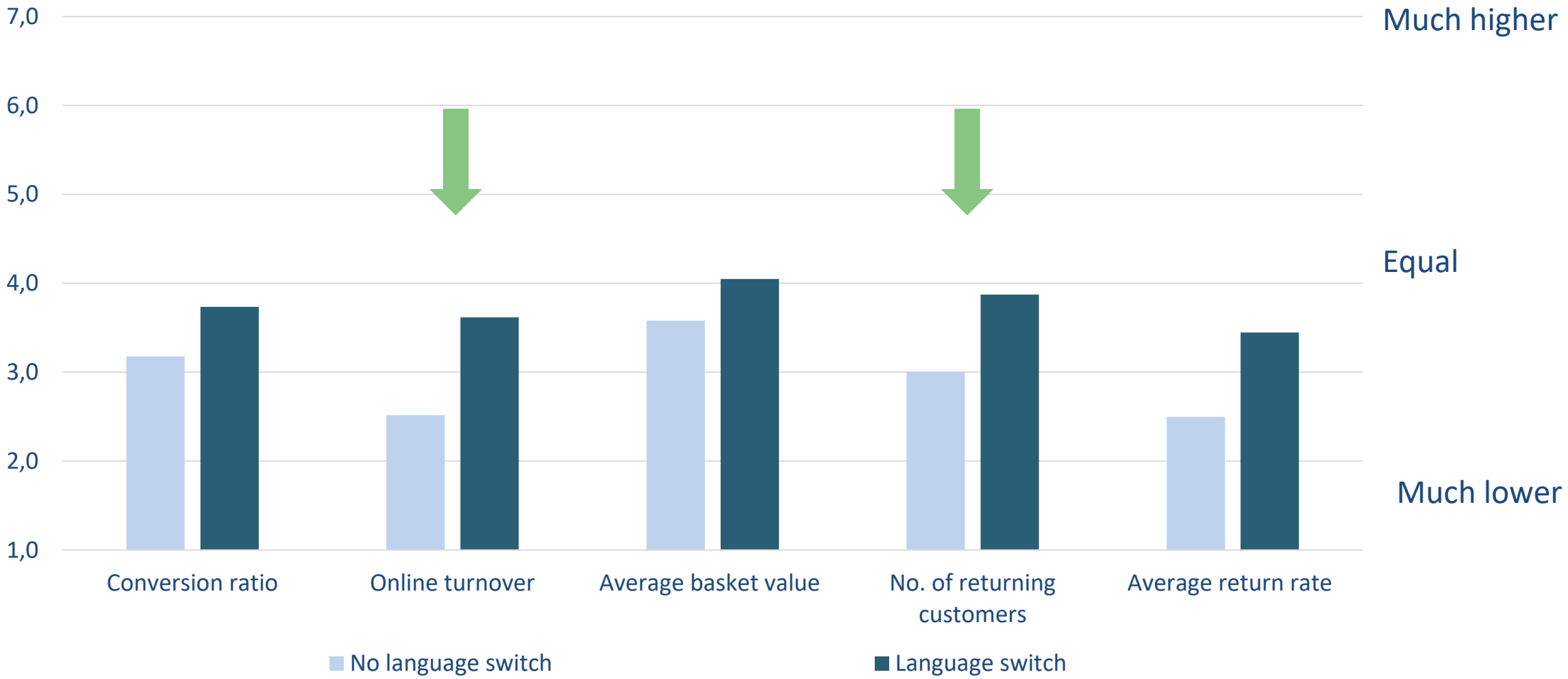
Relative performance measures:

Was the average conversion ratio of foreign customers higher or lower than the conversion ratio of customers from your home market in the past 12 months?

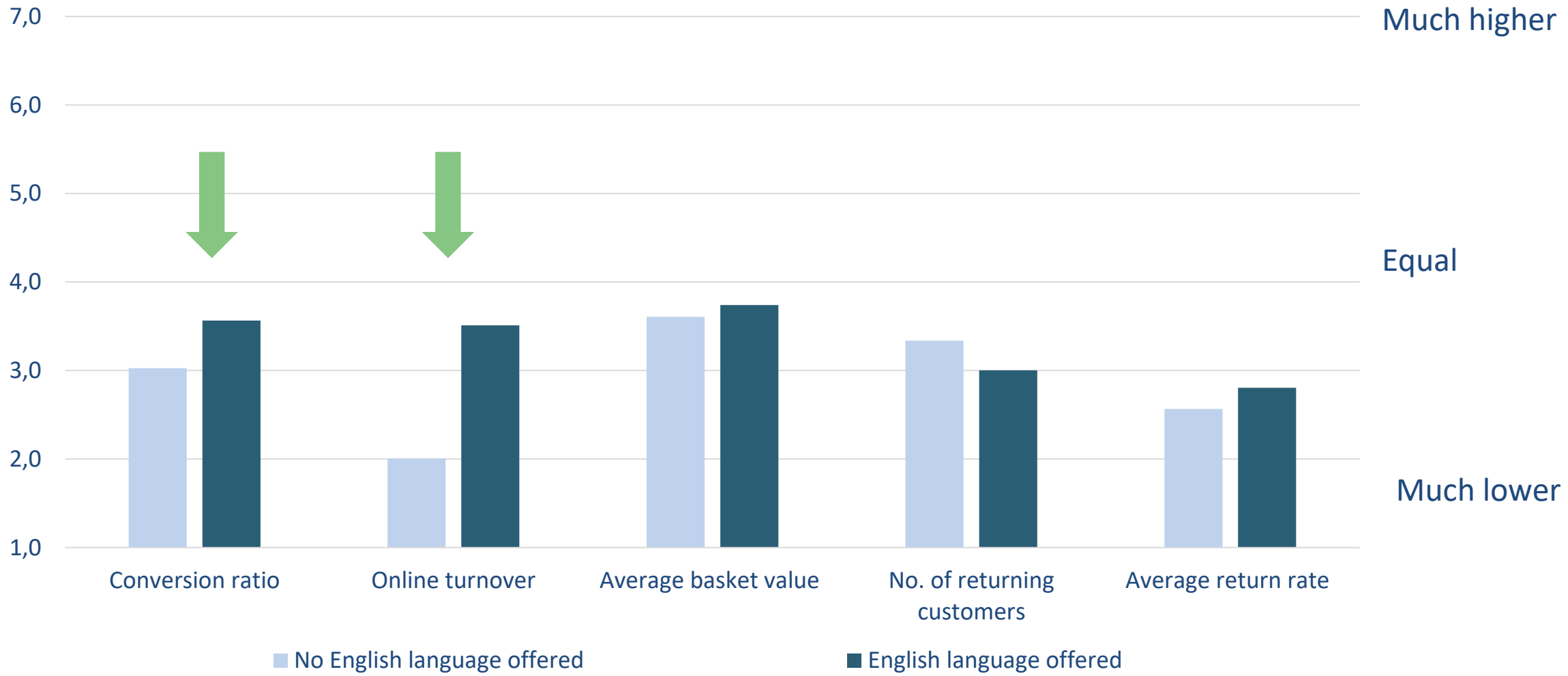


Effect of Language switch on cross-border performance compared to domestic performance

English
Czech
French
German

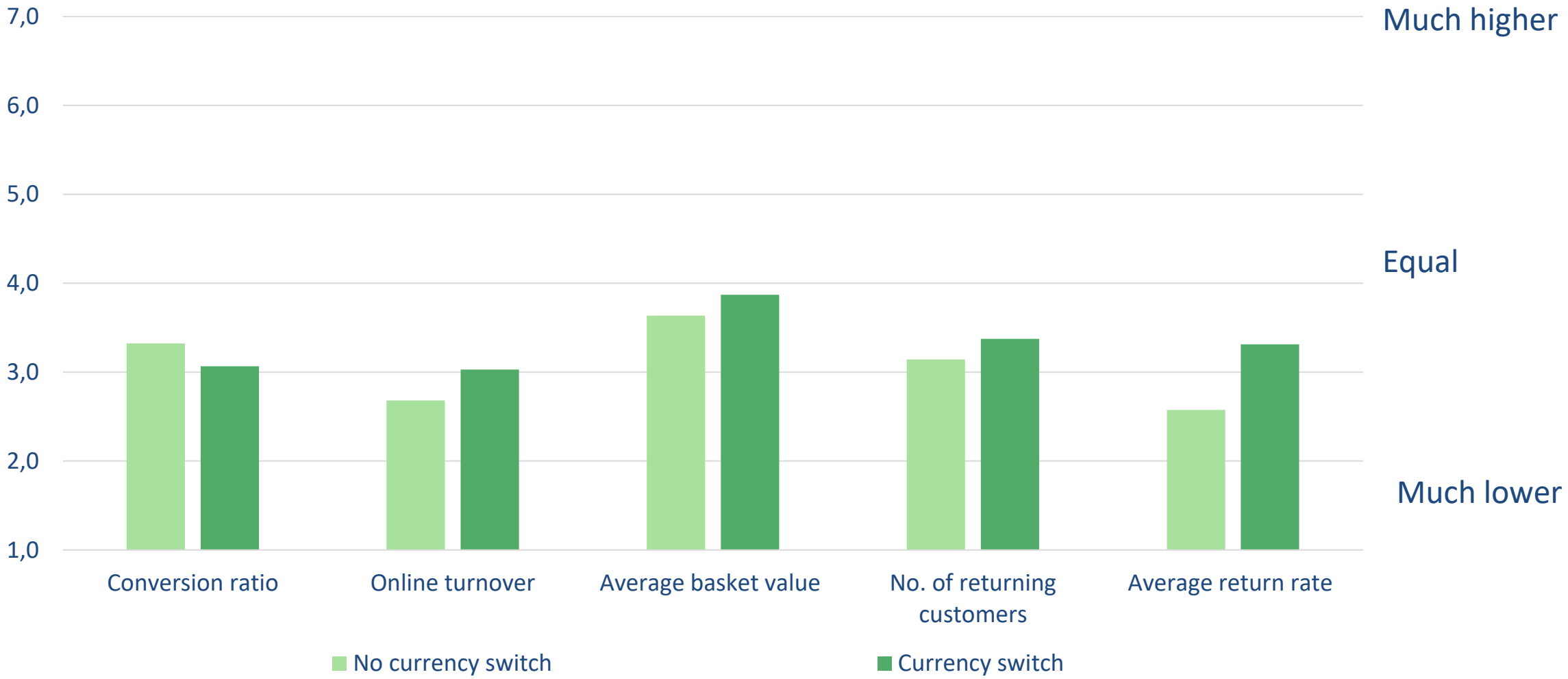


Effect of offering English language on cross-border performance compared to domestic performance

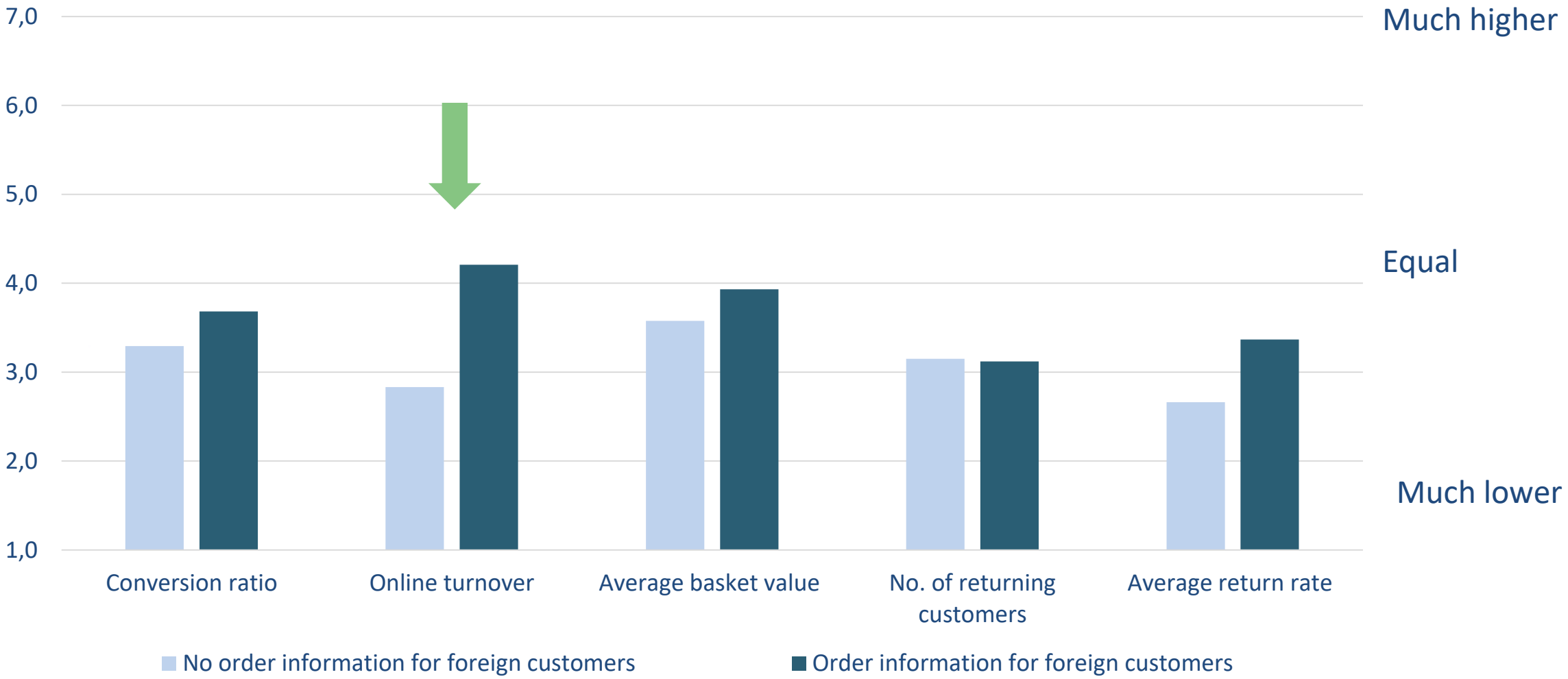


Effect of Currency switch on cross-border performance compared to domestic performance for specific KPI's

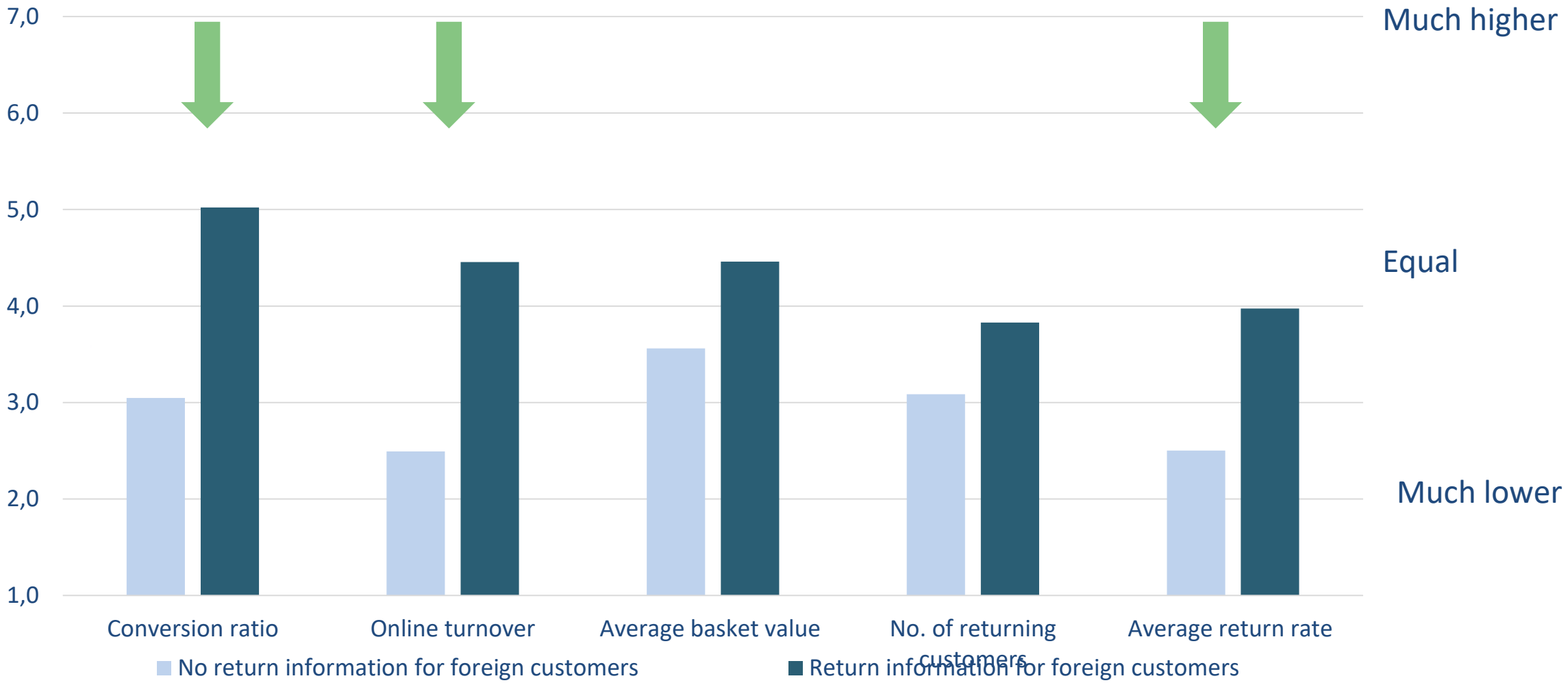
Pounds Sterling (£)
Pounds Sterling (£)
Euros (€)
US Dollars ($)
Romanian Leu (lei)
Japanese Yen (¥)



Effect of Order information for foreign customers on cross-border performance compared to domestic performance



Effect of Return information for foreign customers on cross-border performance compared to domestic performance*



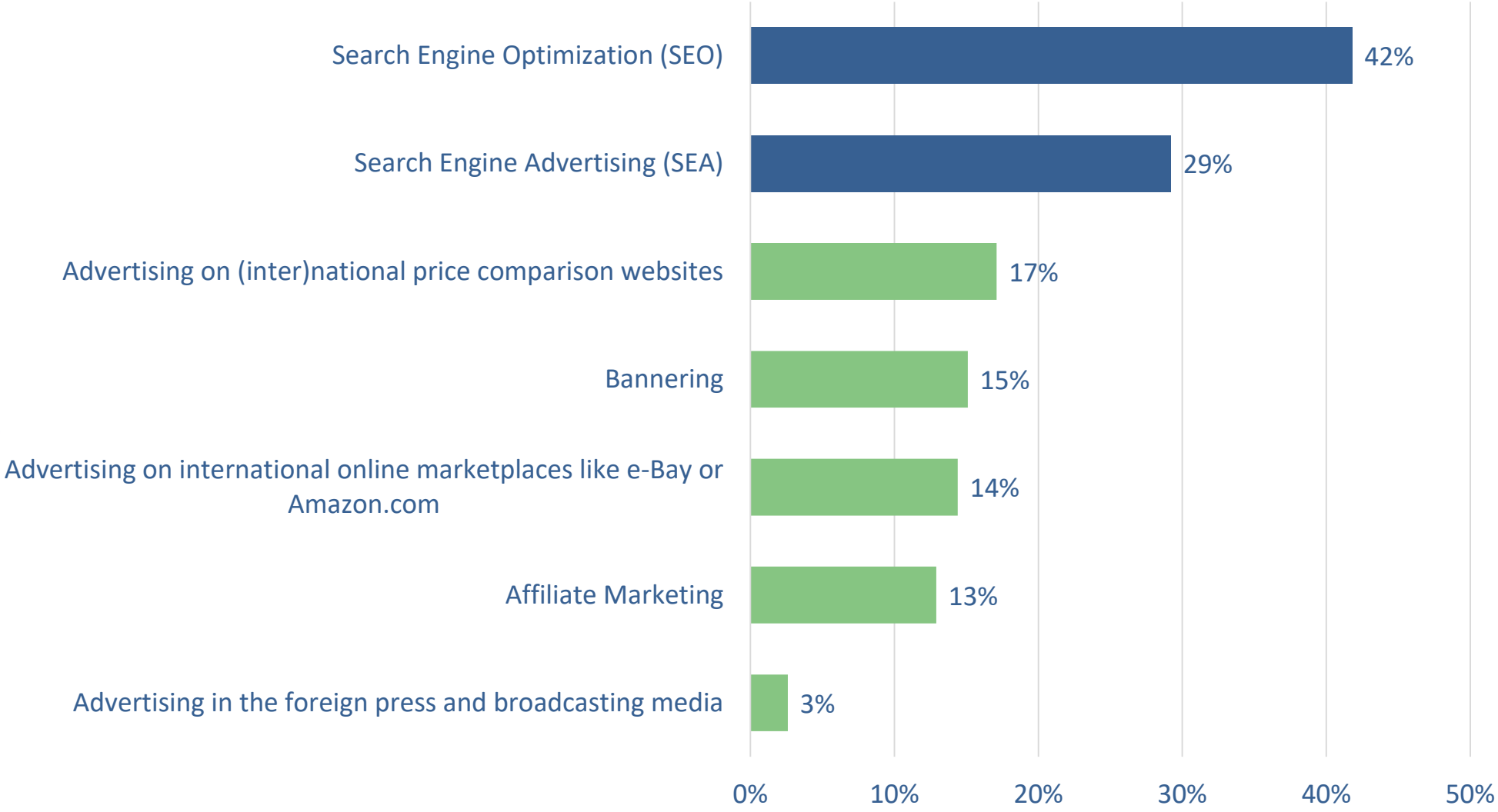
* Results are indicative, due to limited number of cases.

Marketing activities by cross-border online shops to attract foreign customers

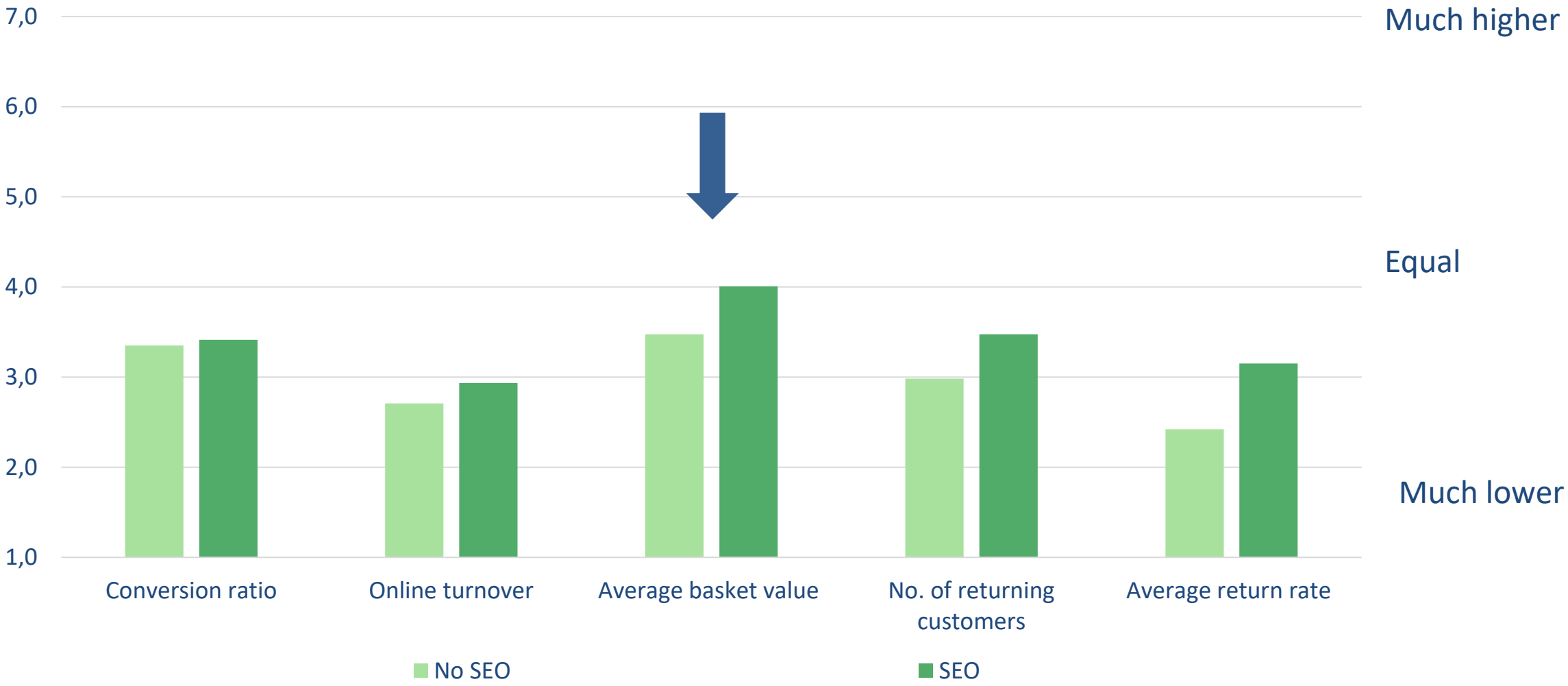
49%

Do not conduct specific marketing activities to attract foreign customers

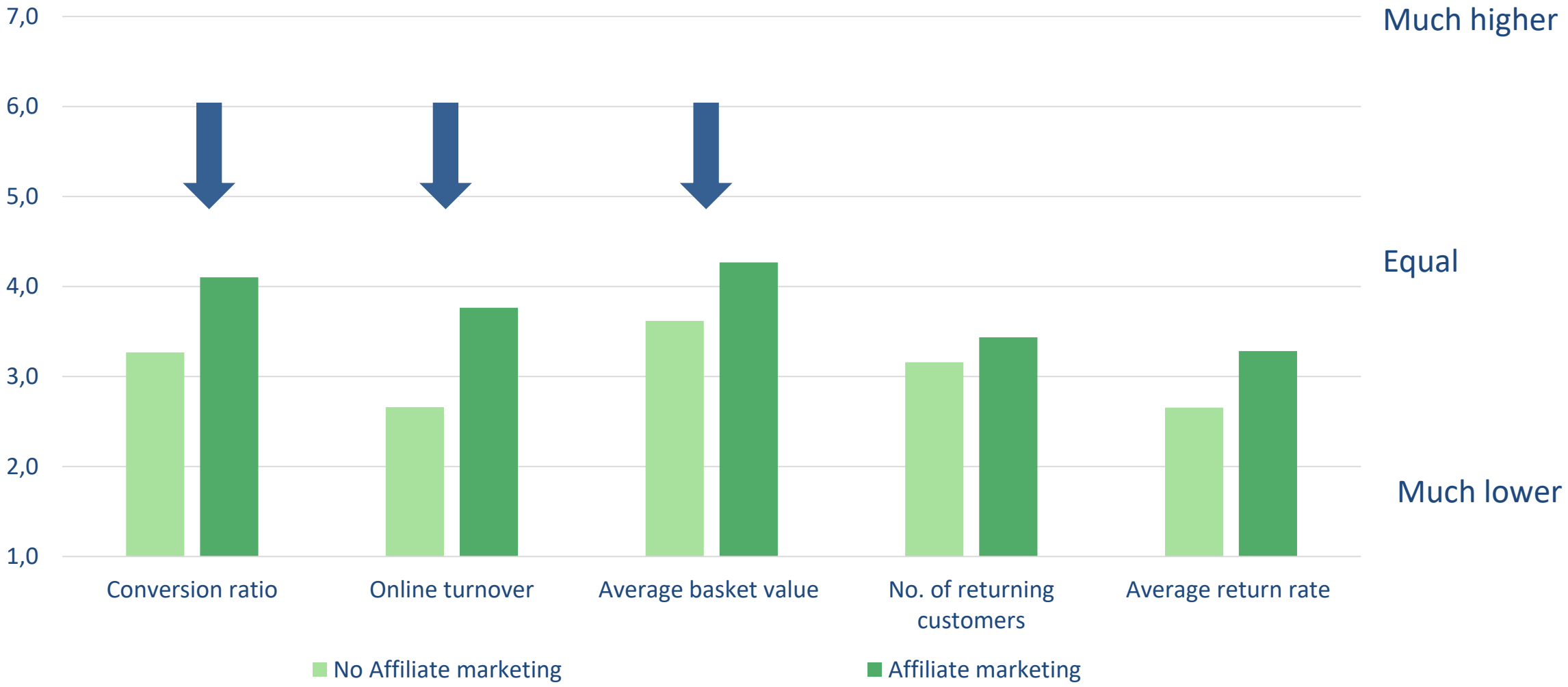
Marketing activities by cross-border online shops to attract foreign customers



Effect of SEO for attracting foreign customers on cross-border performance compared to domestic performance



Effect of Affiliate marketing for attracting foreign customers on cross-border performance compared to domestic performance



Desk Research

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One week challenge: Cross-border e-commerce

Dimitri Arts – Under Armour Europe
Erwin Hammers – Noppies
Alvar Piepers - Paazl

Desk-research

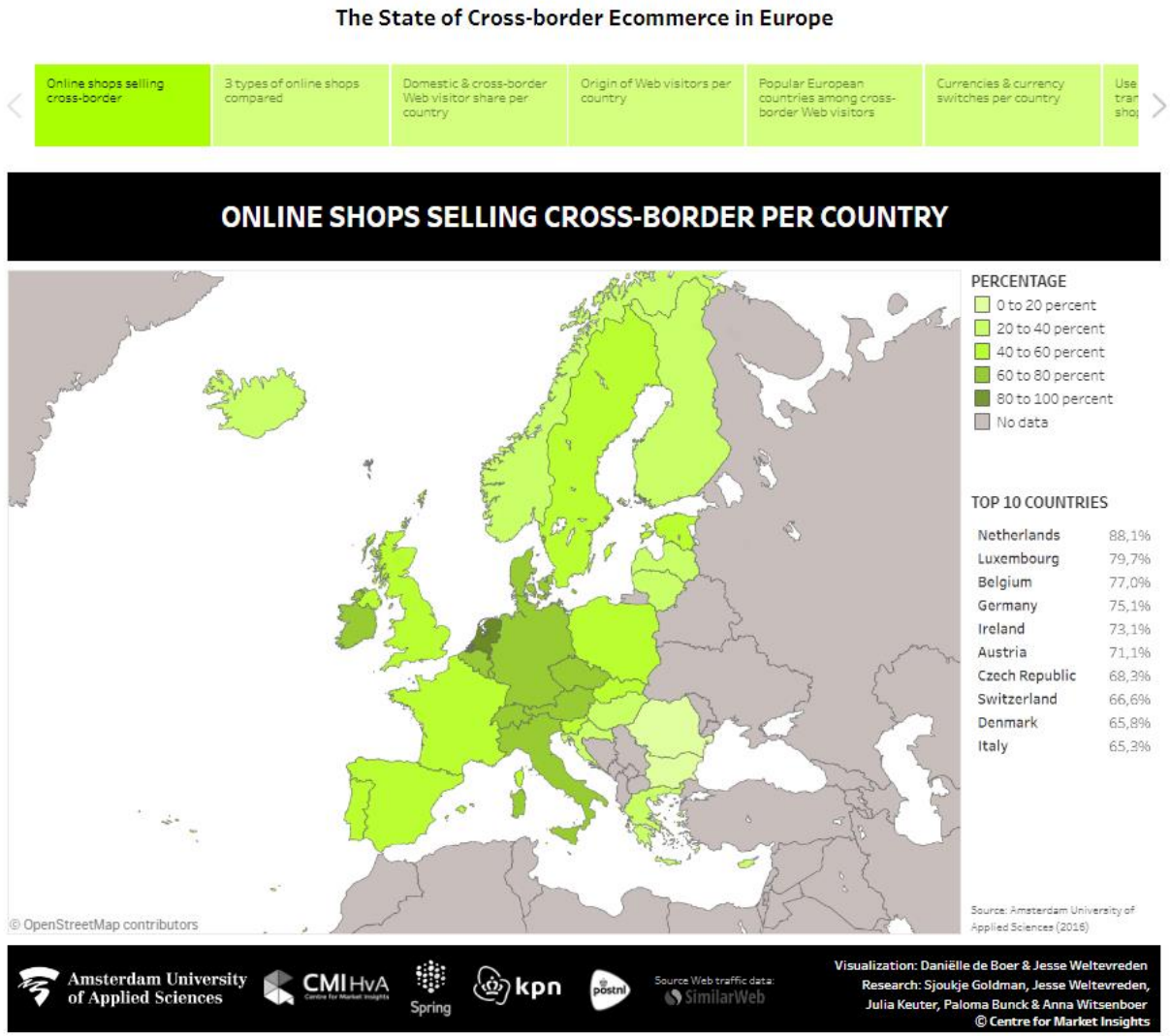
1. Demand from the market
2. Supply to the market (competition analysis)
3. Online buying behaviour
4. Search Engine: keyword research

Advice to Under Armour about Lithuania

1. Transparency regarding return policies, product descriptions (the products are very innovative) and prices
2. Select the national postal service of Lithuania to partner with, to win the trust of Lithuanian people
3. Add delivery options: delivery at postal office and at parcel lockers
4. Add payment options: also cash-on-delivery
5. Offer free delivery
6. Use ratings from other e-shoppers, Lithuanian people like that
7. Promote the UA app: high rate of e-shoppers via smart phone
8. Focus on Facebook: 57% social media share in Lithuania

More need for cross-border e-commerce data from Europe?

Make your own data selections using our free, interactive online dashboard!



- Cross-border e-commerce adoption
- Average cross-border traffic share
- Country of origin of cross-border traffic
- Localization features
- Drivers & Barriers
- Cross-border performance
- And more…

www.cmihva.link/cross-border-EU

Lack of 'professionalism' among many 'cross-border online shops'

Online shops that are **successful** in cross-border e-commerce employ **localisation** elements

Limited resources, domestic agenda and language issues are **import barriers** among cross-border online shops to further expand internationally

Cross-border e-commerce is **serious business** that requires good strategy & planning

Contact us for more information

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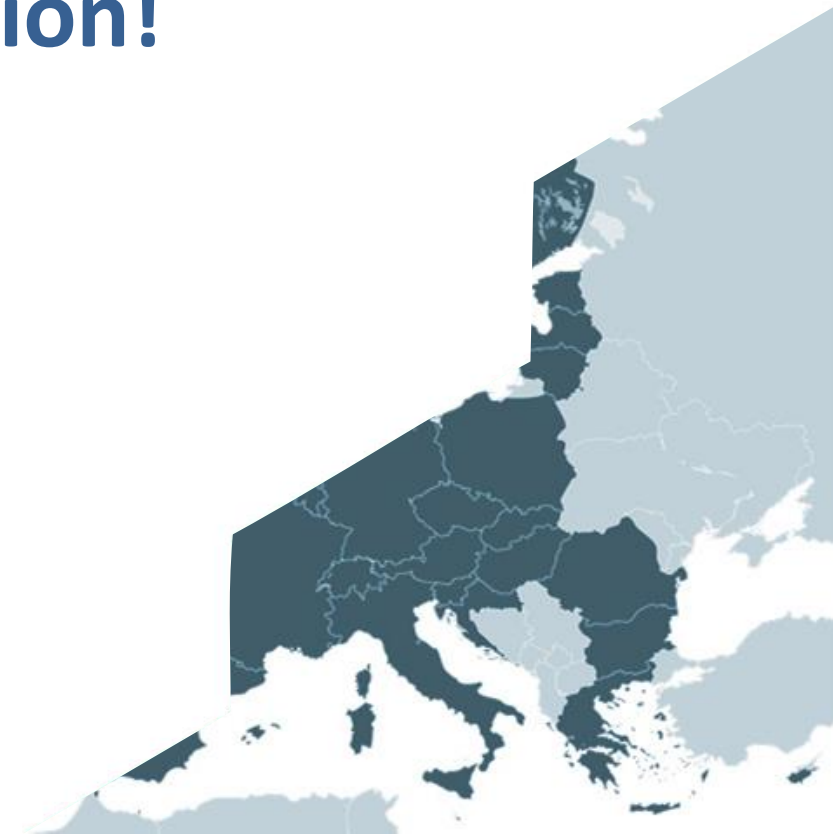
Thank you for your attention!



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