

PAXCOM



## Navigating Global E-commerce: Challenges Faced by Brands Selling Internationally



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#### Description

It's incredible to look back and realize how far the e-commerce business has progressed. Global e-commerce has grown at an exponential rate in the last few years. Every brand's products are now available in every corner of the globe. Selling items on an international scale has been at the forefront of every brand's success story. Innovation, trust, and products tailored to consumer wants are stepping stones to growth.

#### Global E-commerce

Global e-commerce sells your brand's products or services online to foreign consumers across geopolitical borders. Consumers are no longer confined to just the local stores. Global e-commerce allows them to buy nearly anything from anywhere worldwide, giving the brands an exciting opportunity to grow their businesses.

According to Shopify, borderless e-commerce is becoming a viable choice for online merchants, and the global e-commerce industry is expected to reach \$6.3 trillion by 2023. By 2026, the e-commerce industry is expected to be worth more than \$8.1 trillion.

It certainly gives a plethora of opportunities and significant revenue to the business, but it is also quite challenging to acquire customers and optimize your operations on a global scale in the e-commerce business. Brands that want to sell their products worldwide should devise proper strategies to ensure that well-thought-out decisions lead their operations. Despite remarkable technological and digital

improvements, businesses need help selling their products on international e-commerce platforms. It is critical to address these concerns to keep the gap from growing wider.



Let's look at the primary areas where brands experience challenges and how to overcome them.

## Brand Awareness

Building a presence in the international e-commerce business can take much effort. Many pure-play platforms are doing exceptionally well on a global level. Of course, choosing the best channel and strategy for your needs can be challenging.

- **Marketing Campaigns** – The first and foremost step is to market your brands and products in new locations.

**Find the right market** – Choosing the market with the most potential is intriguing, but if you don't run campaigns targeting the right market, it could harm your business and affect the revenue. With the help of Google Analytics, analyze the traffic on your website coming from other countries and then strategize accordingly. Choosing the right channel for your brand selling globally can help in a solid web presence and, eventually, a higher ROI. For instance, China, with \$3k billion currently, overtook the United States with \$ 1k billion as the largest e-commerce market in the world only a decade ago, making the country's e-commerce revenue even more impressive. Similarly, India is sixth, with \$118.9 billion in anticipated ecommerce revenue.

**Find the right channel** – Conduct research on the most popular platforms to find the right channel for your brand in your target markets and then execute campaigns accordingly. For example:- In a particular market, you can invest in Live shopping campaigns, but in another, that might not work. Similarly, you can run Social and Search ads according to the target market and

consumer preferences.

## Consumer Behaviour

Consumer behavior can be challenging to predict and manage. Over time, there has been a significant change in customer behavior. Customers nowadays expect everything to be available online in a matter of days, with quick and straightforward access, an omnichannel shopping experience, and live assistance.

## Financial Investment

Online retailers today have the best opportunity in the e-commerce business to expand worldwide significantly because the expansion of these specific countries strongly correlates with profitable potential in cross-border e-commerce.

Stepping up your game and expanding into a new country can be daunting, but with proper methodical planning, one can achieve success in the new sector.

- **Budget Allocation** – This is an important factor to consider in your company's success since strategizing on how to use a marketing budget and determining how much money the brand is willing to spend/allocate is critical.

## Localization Strategy

Localization aims to give shoppers from other countries an enjoyable online shopping experience tailored to their culture and language.

Communication is vital to developing a localization strategy that propels your brand's global expansion. Also, at the same time, attaining a large market is your goal. When it comes to selling internationally, cultural differences are critical. The language they speak, the products they prefer, etc. Revenue loss, low conversion rates, and negative reviews can all result from a lack of comprehension.

For example- Coca-Cola, Lays, and Nike are well-known international brands. They sell their core items globally and tailor some additional products for local audiences based on the area to cater to local tastes and traditions.

Lay's provided regional flavors from China's numerous cuisines. They created two Lay's packs inspired by China's famous cities, Beijing and Chengdu: Beijing Roast Duck and Spicy Sichuan Chicken. The design kits included brilliant colors as well as landmarks.

Did you know Japanese Kit Kat chocolate bars have over 300 limited-edition seasonal and regional flavors? Also, no one would be unaware of the 2-minute Maggi noodles with specific variations in Maggi India – The best example of Product Localization. Maggi introduced a new line of four variations using trademark herbs and spices in diverse regional Indian cuisines.

- **Language multilingual content and Localized pages** – The content of your website should be concentrated on the local language of your target market so that visitors may easily connect. Your messaging must be clear and simple. Be vigilant of content, as a brand's message may have one meaning in English and another in French, Chinese, or another language. A language's

viability depends on your product, your target market, and that market's demographics. For example- Red Bull features a multilingual website and localized content. In addition, it hosts events globally in various locations, giving the impression that it is a local brand.

- **Localized Product Pages** – It is preferable to have localized product pages. Include product names, descriptions, checkout, and payment pages to ensure a seamless consumer experience.
- **Localized Media** – Examining each website's images and other media for cultural appropriateness

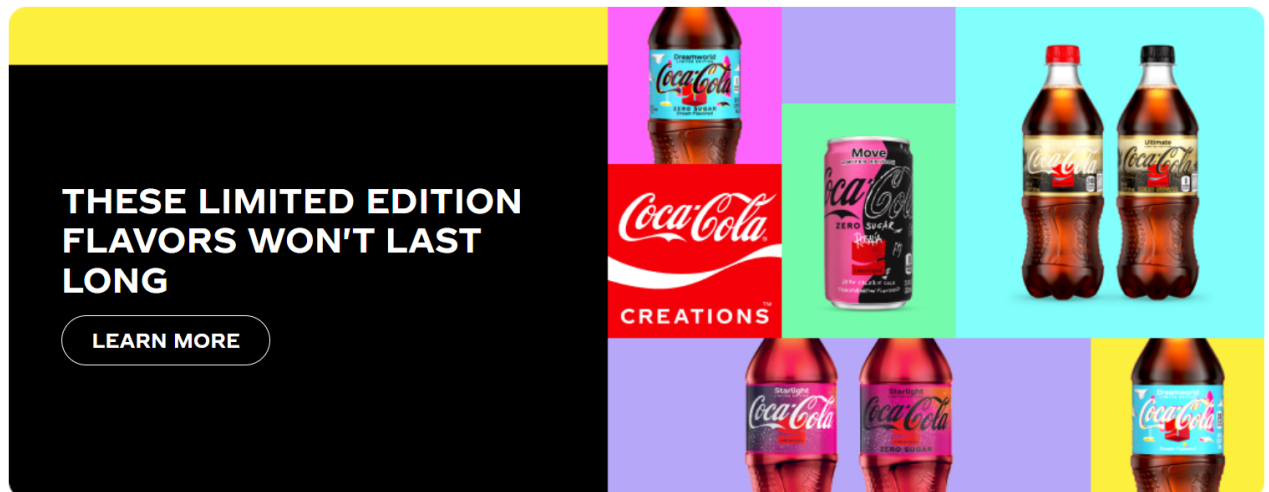


Image Source – Coca-Cola US

Culinary/Foods

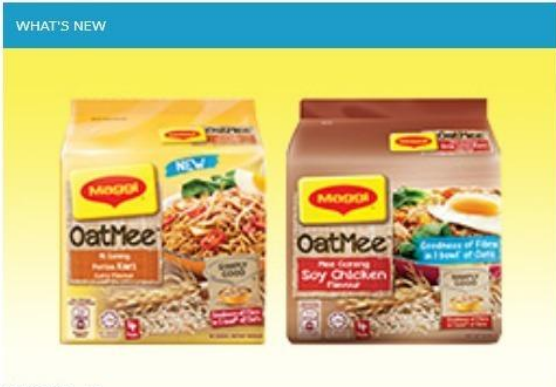


MAGGI® Extra Spicy Noodle

MAGGI® Extra Spicy Noodle range now comes in cups! Stimulate your senses with our mouth-watering recipe of hot chilli and fragrant spices!

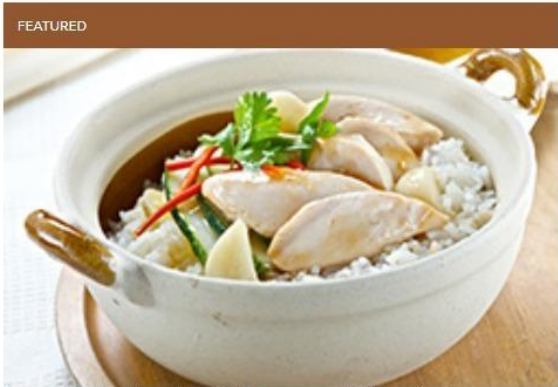


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MAGGI® Oat Mee

Entice your taste buds with the rich aromas and succulent flavours of the NEW MAGGI® OatMee Soy Chicken and Curry! Each delicious serving of OatMee giving you to the goodness of fibre found in one bowl of oats. Have you had a taste of MAGGI® OatMee yet? ... [More](#)

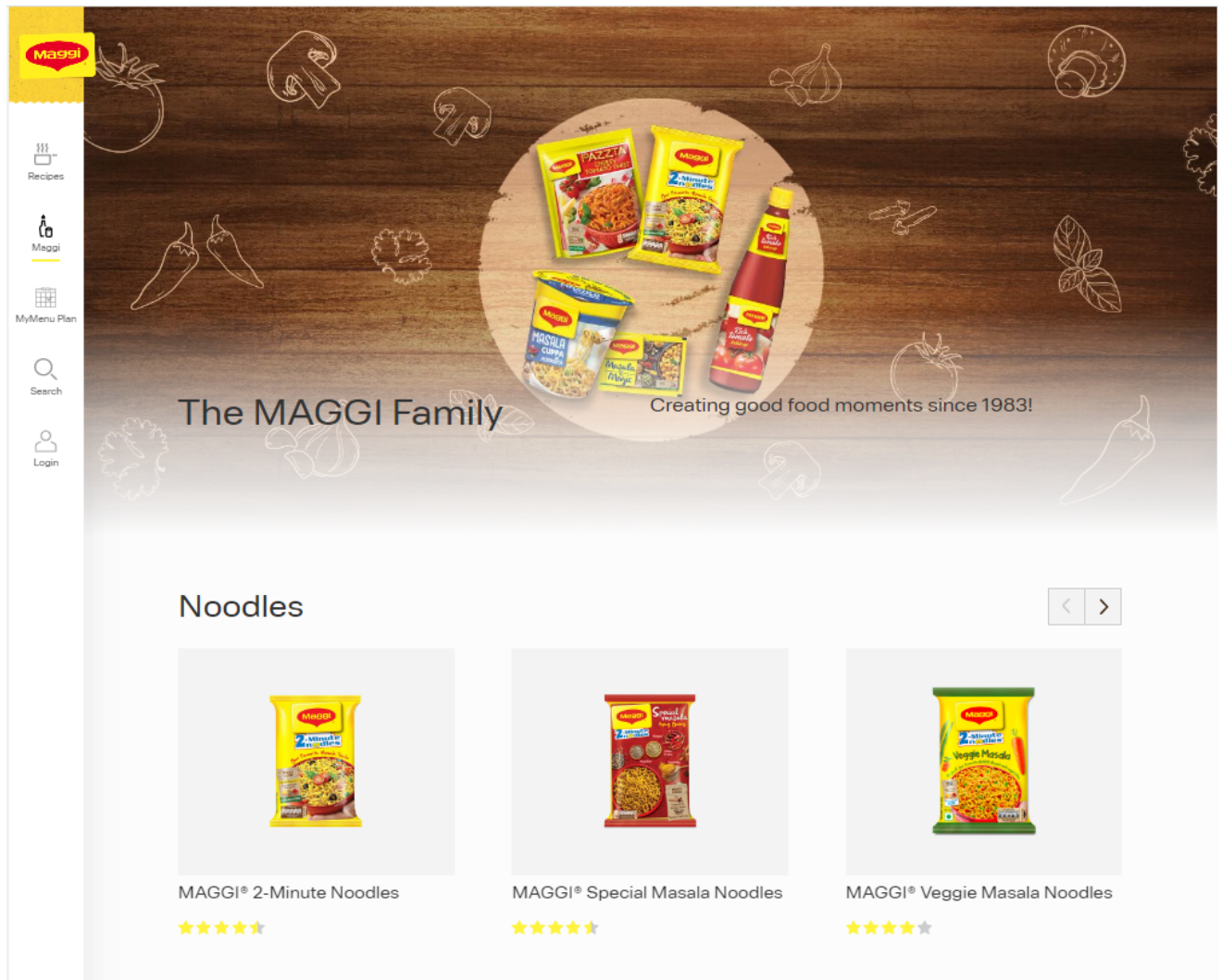


Fragrant Chicken Rice with MAGGI® Concentrated Chicken Stock

Creating mouth-watering chicken rice has never been simpler with MAGGI® Concentrated Chicken Stock! ... [More](#)

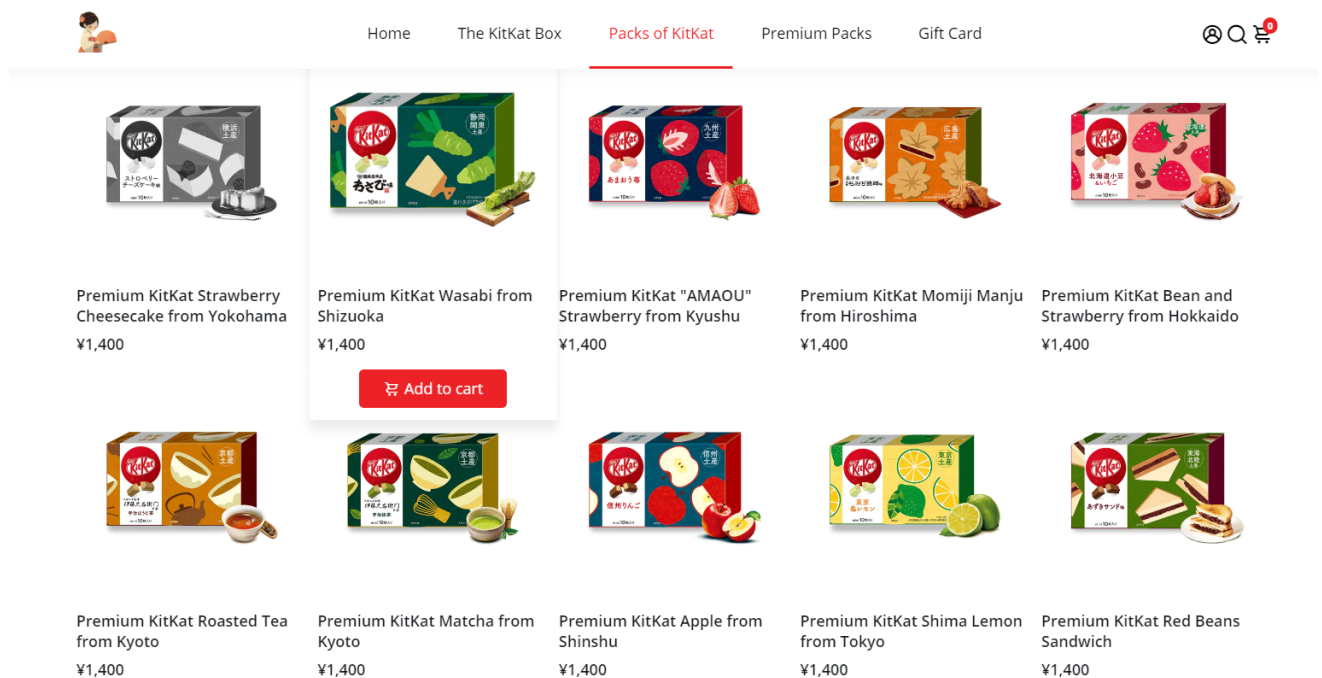
Image Source – Maggi Singapore





### Image Source – Maggi India

- **SEO** – More customers will come across your website pages if they rank higher on search engines. Prioritize this by revamping your content, using high-volume keywords, adding blog posts on the target market, generating positive customer reviews, and updating URLs and metadata. Also, there has been a shift in product searches; when it comes to online shopping, around 60% of US consumers begin their search on ecommerce channels, with nearly half from a search engine.
- **International Partnerships** – You can also partner with local, well-known brands in your target market or influencers to expand your reach. For example, KitKat Japan has also partnered with a popular Tokyo coffee shop to make it easier for clients to pick up their online orders.



## Image Source – KitKat Japan

- **Customer Support and Service** – Customer support is one crucial step, depending on your brand. Customer support is directly proportional to Customer Experience, which can affect the ratings and reviews of your product. Also, it is imperative to opt for the preferable customer service channel based on geography, and having support in the local language reduces friction between the consumer and the brand.
- **Competitive Pricing**– Pricing is interpreted differently by consumers in different parts of the world. Some regions may justify spending more on the product, while others would likely resist. Find out what products you typically sell for in your target markets and adjust the pricing accordingly.
- **Competitive Analysis** – Learning about the competition may help you win over customers. You should first check out what the competition in that target market offers. If there is a void, use the information you gathered from your past data analysis to strategize mindfully and offer something unique.
- **Data** – An efficient data flow is necessary for global expansion. The markets are constantly shifting. Therefore, it's essential to use up-to-date information. Using metadata and ge-spatial data, you can narrow in on what matters most when researching your target market. To analyze data and gain a more comprehensive knowledge of your market and revenue potential, integrate your customer data and gather data from external sources to help you efficiently align your e-commerce strategy.

## The Return Challenge

Cross-border returns can be very challenging. Efficient returns handling makes product returns a positive customer experience. You can improve customer satisfaction and reputation by offering a

smooth return process. Also, satisfied customers can be your loyal customers.

## **Battling Fraudsters**

Stay a step ahead of the fraudsters by detecting loopholes in your system before the attacker does. Cyber Criminals can discover your system's flaws and take advantage of that.

- Ensure that your organization is PCI compliant.
- Always examine your systems for malicious software.
- Ensure that all security updates are implemented on schedule. SSL certificates should be examined frequently. All data transmissions and communications must be end-to-end encrypted.

## **Managing Compliance Laws and Guidelines**

"E-commerce compliance" describes how online retailers adhere to local laws and standards. Maintaining compliance in the markets you're targeting is essential. Before you begin, ensure you know the logistics rules and local norms. It is crucial to target markets that you are compliant with. Before starting, ensure you have a firm grasp of the logistics rules and local customs. Online retailers need to meet legal requirements when selling globally. As a brand, you should always correctly manage taxes, legal requirements, and data for long-term success. Failure to do so can impact consumer loyalty, vendor relations, and brand reputation and even result in the suspension/termination of your company license. Compliance with all applicable regulations is critical to a business's long-term health. Some laws aid in the prevention of identity theft, the mitigation of fraud, and the general protection of consumer information.

- Payment Card Industry (PCI) refers to business security standards about processing credit and debit card transactions, allowing you to safeguard payment information and business data.
- Sales Tax – Failing to submit this can lead to penalties.
- E-Sign (Electronic Signatures in Global and National Commerce Act) of the Federal Deposit Insurance Corporation (FDIC) specifies that firms can only use e-signatures with the customer's consent.
- FTC's Children's Online Privacy Protection Act (COPPA) bars firms from monitoring or falsely advertising to children under 13.

## **Payment**

Customers' preferred payment methods can change from market to market, making it difficult to achieve consistent success in eCommerce.

While credit cards are a recognized payment method globally, in other countries, there may be other options, more popular payment methods that customers are more familiar with and hence more trusting of. Conduct thorough research and look for payment methods consumers use more often.

- Tax Complexity – Always consult a tax professional while selling internationally, as selling globally requires planning for tax complexity.

Import and excise taxes may apply in international commerce. Lacking an understanding of the



tax implications of cross-border transactions might cause your brand and your customers issues. Unexpected taxes or levies cause budgetary and cash flow problems if you aren't aware. Also, if customers are hit with hidden taxes or levies, they weren't expecting, that might weaken their loyalty to your business. Also, by including a tax calculator in the final stage of the payment process, you can provide your international customers with additional transparency and ensure that they know all the expenses and surcharges; thus, it can help you build customer loyalty.

## Operations

When shipping, shipping, customs, and fulfillment suddenly become challenging when selling internationally and thousands of miles separating your warehouse from the end consumer. The bulk of challenges online store owners face in the worldwide e-commerce business involve shipping and logistics.

- **Shipping** – When growing overseas, you might provide free shipment or reduce the shipping price. However, you must also follow the tax requirements and other rules and regulations.
- **Track Demand Trends** – Strategizing supply chain requirements like forecasting and demand planning by analyzing the data while shipping.
- **Logistics** – You must also choose how to align logistics, whether you will maintain inventory in the expansion region or ship your brand's items directly from the manufacturer to the end consumer.

## Some Extra tips

### Follow the 7P's of the Marketing Mix Model

- **Product** – While introducing a product to a new target audience, ensure that the product meet consumer needs.
- **Price** – The product price should be suitable for consumer expectations, neither too low nor too high, as it can affect your ROI.
- **Promotion** – Promote your product strategically so the audience knows its features to determine if it meets their demands.
- **Place** – The right product at the right location can optimize sales.
- **People** – Companies must pay more attention to this fundamental marketing strategy. All of your employees and partners who come into contact with customers—whether in customer service, operations, or social media—should be well-versed in everything (products and services) the company has to offer.
- **Physical Evidence** – Providing physical evidence to your brand's website, like client testimonials and case studies, can vouch for the quality of your brand's service.
- **Process** – The right processes on the back end are crucial to delivering a seamless and efficient customer journey and satisfying your customers' needs. Analyze your consumer's journey and make sure all the processes are streamlined.

### Market Development Strategy (New Market, Existing product)

Brands can use this to increase their consumer base by selling their products in international untapped

markets. This will serve as a driving force for growth and more significant revenue.

### **Diversification Strategy (New Market, New Product)**

Brands can use this to expand to a market with a new product requiring new expertise, resources, information, and lots of investment.

### **Concluding Thoughts**

In this competitive sector of e-commerce business, especially global e-commerce, what appear to be green flags for future expansion can be question marks, and brands need to be sure of where and how their future spending should be spent.

Customers are of the most considerable significance because the e-commerce business is a numbers game. Considering that practically all brands now want to sell internationally, examining what you can do to differentiate yourself from other companies to achieve your goals and increase your customer base is essential.

However, beginning with baby steps is recommended. If you're starting an international e-commerce business, focusing on just one or two countries at first is wise.

Contact us at [info@paxcom.net](mailto:info@paxcom.net) to learn more!