



THE BIG PICTURE REPORT:

GETTING YOUR ECOMMERCE BUSINESS ONTO A GLOBAL STAGE



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GENERATE MORE REVENUE WITH A GLOBALIZED CART

REPORT 1: HOW TO GROW YOUR ECOMMERCE BUSINESS GLOBALLY



An Unprecedented Opportunity

With more than 3 billion people online, ecommerce has given businesses access to more potential customers than ever before. This number continues to grow every year with the amount bought and sold over the Internet representing an ever increasing proportion of overall commerce.

Currently, 7% of the United States' \$5.2 trillion in retail sales is done through businesses' websites and, with the continued explosion of smartphones and access to Wi-Fi, this is expected to grow another 43% within the next 18 months. In China, it's even higher with over 18% of all retail sales already happening online. By 2019, eMarketer expects 12.4% of the world's total retail sales will happen through ecommerce stores.

We are well past the days when people were reluctant to buy online because of drawn out purchase processes or the inability to test a product in person. Customers have shown that they like the convenience of shopping and buying from their devices with 51% of people saying they prefer to shop online rather than in store. But while the opportunity is huge, how do you overcome the barriers when you're ready to start your own global ecommerce expansion?

1.77 BILLION

Total number of online buyers worldwide (2017)*

90%

Percentage of online buyers outside the U.S.*

2.1 TRILLION

Total ecommerce sales value expected in 2017*

*Source: Statista

Growing Globally Isn't Automatic

Just because you can potentially reach over 3 billion people worldwide doesn't mean that it's easy to get their attention and convert them into paying customers. The more people you try to reach around the world, the more complex connecting with them becomes.

In addition to a lot of competitors clamoring for attention, shoppers are increasingly expecting more personalized ecommerce experiences. This means that effective global expansion requires tailoring your shopping and checkout experience to meet more diverse local target market needs. To do so, you need to be able to account for countless different customer preference combinations, and you need the right tools, insights and knowledge to connect with your target shoppers.

Customer Personalization Metrics and Insights You Need



Browser Preferences

Location

Purchase History

Browsing History

"74% of online consumers get frustrated when offers, ads and promotions appear that have nothing to do with their interests."

- Janrain & Harris Interactive

Finding the Right Overseas Markets

To sell internationally, you first need to make sure you're not going to stretch yourself too thin. Part of this is having the financial strength to commit to the long-term strategy you'll need to find success. But it also means making sure you're highly focused on countries that make sense for your business.

Research which markets show a clear and growing demand for your type of service and how your product might stand out in the current competitive landscape. You'll also need to consider if you'll need to make any adaptations to meet different regulatory standards or cater to customers with different preferences.

Once you identify which country or countries have the greatest opportunity and lowest risk, you can create your market entry plan. Be sure to set clear objectives, budgets and positioning to gain traction in a new market.



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Acquiring International Customers

Just like your existing customers, shoppers around the world need to trust that you'll deliver the value you promise before they commit to a purchase. Shoppers can be wary of overseas companies so you need to do everything you can to alleviate any anxiety they may have through their online experience with you. Gaining their trust involves three main steps in their shopping experience:

1. Create a positive brand impression across every touchpoint and align the value you provide to a shopper's needs.
2. Prove value with social proofing like product ratings, testimonials, earned media mentions or a list of some of your current clients. Also include authority proofing like citations in industry magazines or awards you've won.
3. Alleviate any potential remaining anxiety at check out. A study by WorldPay found that 17% of all lost sales are due to concerns about payment security. Using a cart with the highest security standards and adding security badges to your cart pages can go a long way to reassuring customers.

19%

Shoppers who said they bought from an unfamiliar site because it included trust signs like Norton and McAfee*

70%

Consumers who say they look at product ratings or reviews before buying.**

* Source: VWO eCommerce Cart Abandonment Report (2016)

** Source: Mintel American Lifestyles 2015: The Connected Consumer (2015)

Growing Globally Means Appearing Local

Throughout your international customers' ecommerce experience, you need to remove anything that can cause hesitation in the purchase path. This includes ensuring that every touchpoint looks and feels local no matter where a shopper is or what device they're using.

This has far-reaching and complex marketing implications. At a minimum, this means having shopping experiences that incorporate authentic-feeling, culturally relevant images, customer-focused content that flawlessly speaks their language and prices that are displayed clearly in their currency. You may also need to adjust your prices to reflect local economies.

13% abandon a cart because the price is in a foreign currency*

25% gain in profits by implementing dynamic pricing**

19% of merchants offer an ecommerce experience in 6 or more languages***

22% of merchants that accept more than 6 currencies***

* Source: Statista

** Source: "Optimal Dynamic Pricing for Perishable Assets with Nonhomogeneous Demand" in Management Science

*** Source: X-Border Payments Optimization Report, December 2016

Successfully Transacting Globally

When you want to sell globally, you need to be able to accept more than just credit card payments. While credit cards are the most popular payment method in the United States, accounting for 75% of all online purchases, there are many shoppers in the rest of the world that either don't have a credit card or prefer to use alternative payment methods. Fully one in six shoppers will abandon their order when the payment option they're looking for isn't available.

For example, Alipay claims 60% of China's ecommerce transactions by providing a sense of security often missing due to weak consumer protection laws. Similarly, many shoppers in Europe prefer direct online banking options. So, ensuring that the payment methods you offer match your customers' preferences around the world is vital to your conversion rates, your market penetration and ultimately your bottom-line growth.

Top Ecommerce Experiences By the Numbers

8 average number of payment methods offered*

19.3 average number of clicks to complete a purchase*

123.6 average number of seconds to complete a purchase*

* Source: based on top 10 performing merchants in X-Border Payments Optimization Report, December 2016

In addition to accepting multiple payment methods, you also need to ensure payments are processed successfully the first time. Failed payments can be very costly for ecommerce companies with 11% reporting that they abandon a purchase because their payment was declined. The reasons for a decline can range from a customer having insufficient funds to a failed connection with an acquiring or issuing bank.

With customers overseas, there is an even higher risk of a transaction being flagged as fraudulent and therefore declined. To counter payment declines, seasoned global payment providers integrate with multiple gateways including ones in different countries. This increases the chance of a transaction being approved and can decrease declines by up to 18%.



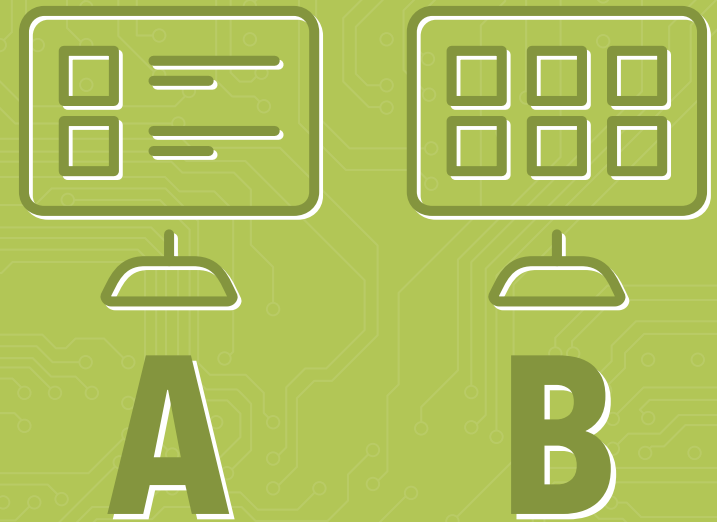
\$40 BILLION
Amount of revenue missed
by online merchants because of
unnecessary payment declines*

* Source: TrustInsight Report (2014)

International Growth Is Fueled By Good Data

To scale globally over the long-term, you need the right data to measure if your market entry strategies are working and inform your decisions going forward. Monitoring KPIs and running A/B tests of different parts of your customer experience, particularly in the checkout phase, will give you valuable insights into how you can improve conversions and grow revenue.

The KPIs you establish need to clearly measure the effectiveness of your entire purchase path from initial impression to post-purchase for each unique market. From that you can pinpoint problem areas to address, or potential opportunities to which you can redirect key resources.



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Work With Experts

The most important task when it comes to scaling globally is continuing to deliver a high-quality and competitive product to your customers. You have to do this while increasing the complexity of your ecommerce solution to better meet the expectations of shoppers around the world.

In addition to a more personalized experience for a much more diverse base of shoppers around the world, you must keep on top of the operational tasks that come with scaling globally and keeping all those customers happy across every touchpoint of your company. This includes elements like customer billing support in different languages, fraud mitigation, and international tax collection and remittance. The more you can automate so that you can focus on optimizing your core business, the better.



138%

Year-on-year increase in recurring revenue for client by PayMotion's expert client services team while decreasing churn and increasing NPS.

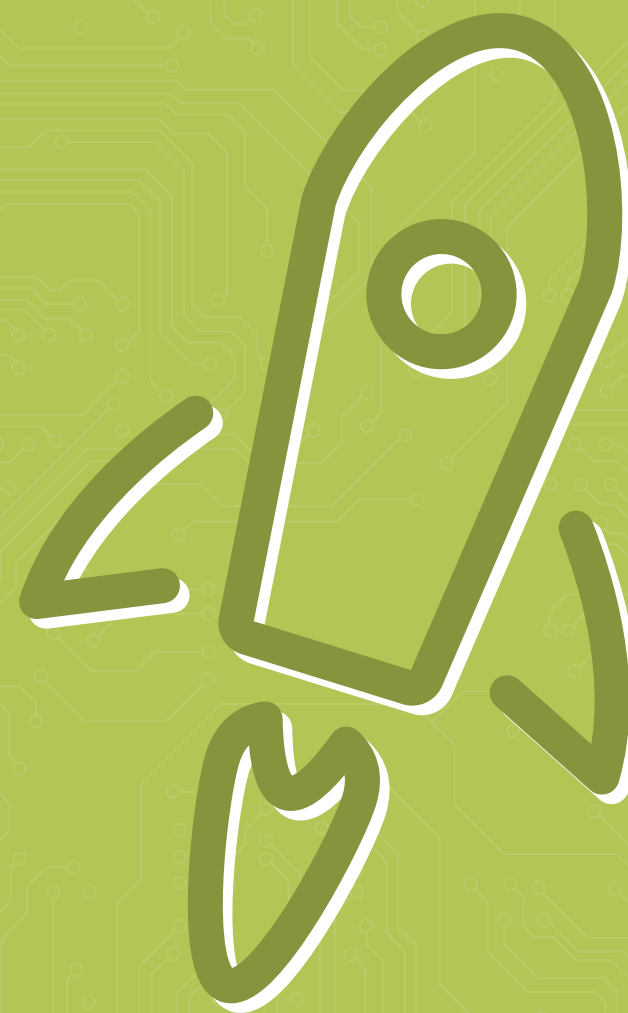
Staying Customer-Centric

Growing sales by launching in overseas markets can be a huge boon for your revenue but it's not without risks. Like in your traditional markets, seizing global opportunities requires you to have both a product and ecommerce experience that matches or exceeds customer expectations.

From marketing to product fulfillment to payments, meeting these more diverse expectations will understandably bring more complexity. Therefore, your best chance at success is to combine your expertise of your industry with partners that help with the specific elements that need to be optimized to maximize customer satisfaction.

With that in mind, if you're planning an overseas expansion and are looking for ways to reduce the complexity of your international payments, we'd love to chat.

Contact us today at discover@paymotion.com.



REPORT 2: THE GLOBAL CHECKOUT: GETTING YOUR PIECE OF THE TRILLION-DOLLAR PIE



The link between commerce and the online world is growing so rapidly that a recent study estimated the economic potential of online communication is now \$45 trillion. That's not a number any company can afford to ignore, especially those who offer digital products like downloadable software, subscription services and SaaS.

This massive trend is an indication of the premium consumers are placing on the convenience and information offered by the Internet and businesses must embrace this reality if they want to grow and remain competitive.

This means it's essential for digital merchants to optimize their websites and upgrade their payment platforms to make it simple for a consumer anywhere in the world to make a purchase. If merchants don't think globally, they may miss out on at least 50% of their potential market.



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Ecommerce On the Rise

The global ecommerce space topped \$1.9 trillion in 2016 and is forecast to hit \$4 trillion by 2020... and this trend is expected to continue in the coming years with the bulk coming from China which is expected to account for more than 47% of all ecommerce sales this year.

For digital merchants who want to grow their business the reality of today's global marketplace is that they will severely limit their growth potential if they:

- cater to consumers only in English
- allow consumers to transact only in U.S. dollars
- offer only credit cards and paypal as a payment method

Although many global companies are stepping up their ecommerce game plans by adding more languages and exploring more payment options, many small to medium-sized businesses in the U.S. and Canada still don't effectively support

international purchases. 89% of Internet users are outside of the U.S. and over half of consumers say that the ability to obtain information in their own language is *more important than price*.

With this amount of traffic coming from offshore IP addresses, ecommerce businesses – particularly those selling SaaS or software products – have an immediate opportunity to scale quickly and very cost-effectively.



The solution? Cart localization.

Localization, Defined

Cart Localization is the process of adapting your checkout process to different markets so that it appears native to the user in every way including currency, language, design, numbers and dates.

All of this is mirrored when buying or signing up for a product or service online. A localized cart provides a checkout process that is optimized for the country shoppers live in, reducing purchase anxiety and cart abandonment rates.

Localization of online checkout carts have a huge effect on conversions for online transactions because consumer confidence in the purchase experience is critical when transacting online, no matter their native language or where they live. It's no longer a nice-to-have; consumers expect it. If consumers don't have that experience, they will be much more likely to abandon the purchase.

When considering the implementation of a localized cart, merchants should start by focusing on the following five elements for a better consumer experience.



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

1. Currency

Thirteen percent of online shoppers leave a cart without paying because the price is in a foreign currency. Imagine a North American consumer buying software from an online merchant in India who has a checkout cart that shows the purchase total in Rupees. That would hardly inspire the North American with confidence that they're getting it at a reasonable price. Consumers around the globe feel the same hesitation.

Presenting prices and checkout totals in local currencies assures international consumers that foreign exchange rates won't alter the final cost. They're also likely to be impressed with a buying process that seamlessly translates costs to their currency. Confident customers are much more likely to finalize their purchase.



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2. Language

55% of consumers buy only from websites where information is presented in their native language. This strongly suggests that information needs to be communicated clearly and accurately in multiple languages. To tap into 90% of the business opportunities online, companies must offer carts in at least 15 languages: Arabic, Chinese, Dutch, English, French, German, Hindi, Italian, Japanese, Korean, Portuguese, Russian, Spanish, Thai and Vietnamese.

Displaying all text in the shopper's native language enables them to navigate the checkout process without having to deal with third-party translation tools. Additionally, displaying local language helps remove yet another barrier and potential distraction from completing the purchase itself and customers are much more likely to finalize their purchase.



To tap into 90% of the business opportunities online, companies must offer carts in at least 15 prominent languages.

3. Design

How a product and site look and feel to local customers is crucial to global success. Merchants must consider how to make their ecommerce cart friendly in each locale and ensure the design concept is culturally adapted. Many choose a website template that maintains some corporate consistency – including brand logo and corporate pages – while having the flexibility to allow for localization. It's especially important to choose a template that allows form fields to adapt to different language lengths. This means expanding or contracting depending on the language, or accommodating characters beyond those used in Western languages – English text can expand 150% or more when translated in to some European languages, such as German.

When designing for international visitors, how the customer will be viewing your check-out page for information is also an important consideration. In North America, it is natural for site visitors to scan pages in an F-shape pattern, reading text from left to right and focussing heavily on the left side of the page.

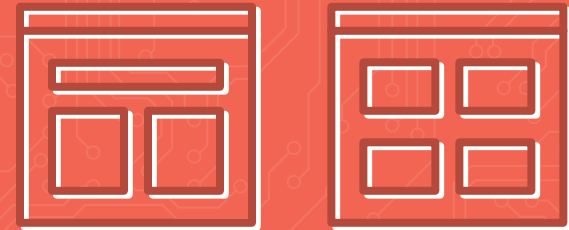
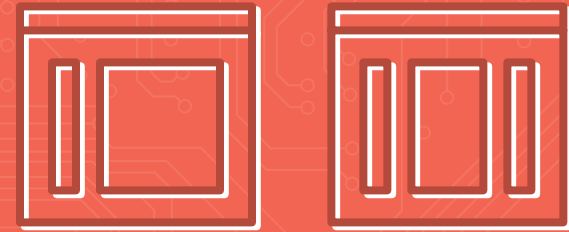


Merchants must consider how to make their ecommerce cart friendly in each locale and ensure the design concept is culturally adapted.

Alternatively, Arabic countries read information from right to left and may be deterred by website designs that do not consider this. Creating a user-friendly interface can be as simple as installing a horizontal navigation bar, instead of vertical and choosing a website design that's as symmetrical as possible to help prevent any confusion.

Conceiving a template that accommodates different languages and easy navigation are only a few factors that have to be considered when creating a localized cart.

Colours, pictures and other design aspects are all interpreted differently by different cultures. Take the colour green, for example. What symbolizes "go" and is a popular colour for call-to-actions for North American websites is associated with death in Latin American countries. In fact, most colours have different connotations depending on region and culture. Images and pictures are also influencers in making the customer more comfortable when purchasing. People react stronger when a human element is involved so having pictures of people who relate to your target audience can be advantageous.



Conceiving a template that accommodates different languages and easy navigation are only a few factors that have to be considered when creating a localized cart.

4. Mobile

There is no doubt that mobile purchase volume is increasing rapidly. m-Commerce is forecasted to reach \$284B, or 45% of total US ecommerce market by 2020. In China nearly 50% of all ecommerce sales totalling \$506B are made with mobile devices and by 2019 this number is forecasted to reach 71%. According to Business Insider, the biggest deterrent for mobile users is an unoptimized mobile purchase experience; users get so frustrated when trying to shop on their phones that they usually abandon the process.

With the majority of people now possessing a mobile phone, ecommerce retailers need to appreciate that customers are researching future purchases in addition to buying on mobile devices.

Online merchants need to have detailed, mobile-friendly product pages on their site that can convey the value to someone who's contemplating a purchase.



5. Payment Methods

People feel more comfortable engaging in online transactions in their own currency so it's not surprising 67% of online shoppers abandon carts because a site doesn't support local payment methods. Providing shoppers with a range of their country's most widely used payment choices inspires trust that their payment will be handled securely. Here are a few examples:

- Brazilians favour Boleto Bancario
- The Japanese have made Konbini extremely popular
- The Chinese like to use AliPay for purchases
- The Germans prefer bank transfers over credit cards

You might be asking: *what about PayPal?* Although a popular method, PayPal isn't available everywhere and shouldn't be your only option. Determine how your target market prefers to pay for your goods and services online and be prepared to offer alternative payment methods.



Benefits of Cart Localization

1

Reach More Consumers. 55% of consumers buy only from websites where information is presented in their native language.

2

Increase Your Conversions. An optimized cart that includes localization can increase your international conversion rate by 17%.

3

Make More Money. 65% of multinational enterprises believe localization is either important or very important for achieving higher company revenues.

4

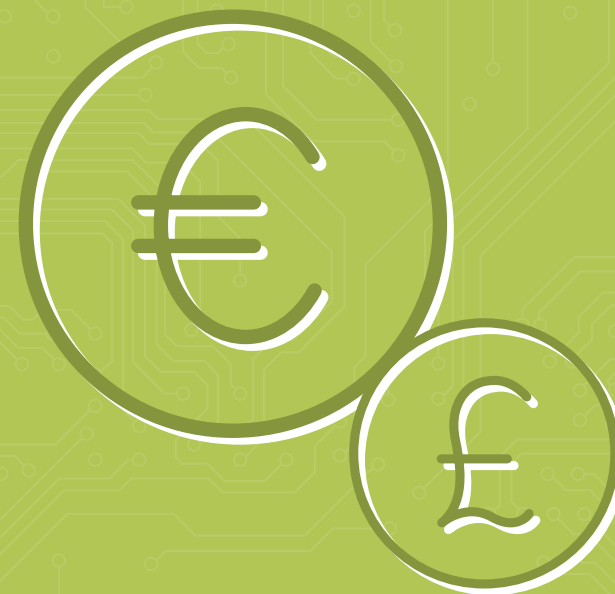
Achieve Better ROI. For every \$1 invested in localization, \$25 is returned.

Better Optimization = More Customers

Adopting and optimizing elements for good cart localization is undoubtedly an immense investment in time and resources. But with global ecommerce soaring year after year, digital merchants can't afford not to invest. After all, 74% of multinational enterprises believe it is either important or most important to achieve increased revenues from global operations. If developing a localized cart isn't on your roadmap, you should consider partnering with a third-party ecommerce solution.

Full service ecommerce partners allow merchants to focus on their business and marketing rather than cart localization concerns. An ecommerce partner can help manage the complexities of the user experience with respect to payment methods, currencies, fraud, currency risk, customer billing support and more.

To effectively scale globally it is worth investigating platforms that deliver localized cart experiences that keep customers engaged and transacting.



Within 3 months of adopting a localized cart, a PayMotion merchant saw a 63% increase in UK and European sales.

The Bigger the Slice...

With global ecommerce steadily on the rise, localization is more important than ever. Digital merchants who want a slice of the trillion-dollar pie of global ecommerce need to localize their online payment system. With a localized cart, online merchants can step into the global marketplace with confidence knowing that their customers are receiving an optimized buying experience regardless of where in the world they are located.

Contact us for a quick chat to see if we're the right fit to help you grow your business. discover@paymotion.com.

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INFOGRAPHIC: GENERATE MORE REVENUE WITH A LOCALIZED CART





PayMotion provides a multi-channel commerce platform that includes a number of revenue optimization features to help merchants boost average order values and sell more online. The platform supports both one-time and subscription billing and offers a fully optimized and localized purchase experience across devices.

paymotion.com