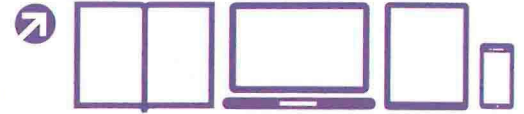


INTERNATIONAL

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DIGITAL

Six ways to win in global ecommerce

BY ALEX MATHERS, ASSOCIATE PARTNER, OC&C

ECOMMERCE IS changing the way retailers do business abroad. So how can British retailers win in overseas markets?

Ecommerce sales in the world's four largest markets – the UK, the US, China and Germany – will have doubled to £640bn by 2018, recent research by OC&C, Google and PayPal has found.

UK retailers are in a strong position to capitalise on this opportunity. This country is already the most popular online overseas destination for German shoppers, and second most popular shopping destination for consumers from China and the US.

So what does it take to win in these markets?

Know your pull factors

The top three reasons for international customers to buy UK products are uniqueness of products, price, and trust in quality. But there are important differences between markets.

German customers demand value more than their US and Chinese counterparts; Americans love British heritage; while in China, instilling trust in quality is key to attracting customers.

Focus to climb fast

Boden, Graze, Asos and MyProtein have been among the most searched for companies in overseas markets because they have understood where to focus their efforts and when. Asos, for example, has concentrated on being accessible everywhere, partnering with local couriers to provide hassle-free returns. MyProtein and Graze on the other hand, have tailored their products to particular tastes in each market.

Adapt to local needs

The digital landscape is not the same the world over. British retailers need to be aware of local variations and develop strategies to target specific consumers.

In Germany, search is king. In China however, nearly a third of shoppers who reach UK retailers'

Retailers need to develop strategies to target specific consumers



Asos makes itself accessible wherever it operates

websites do so through marketplaces such as TaoBao and Tmall, compared with 21% through search. In the US, Pinterest is proving popular and is an important route to customers of a younger demographic.

Go beyond the basics

Many retailers have addressed the basics of serving overseas markets well – delivery costs, returns, data security, customs fees and tracking – but a further 60% of overseas opportunity could be opened up by going beyond these.

That requires targeted investment: ensuring websites and customer support are available in the local language; allowing payment in local currency; building brand trust; enabling different payment methods depending on local needs; and investing in the last mile to prevent delivery time becoming a barrier to purchase.

Price for currency

Currency is still an influencing factor for cross-border shoppers, especially those in China and Australia. There are many ways of tackling this issue.

Selfridges offers delivery to more than 60 countries, but prices entirely in British Pounds, giving ease of price management and removing risk from currency fluctuation. Conversely, Topshop, has local prices in each currency – enabling it to benefit from a premium positioning in the US.

Lead use of mobile

Nearly 40% of online purchases in the UK take place on mobile devices, so UK retailers are well positioned to exploit the growth of m-commerce.

Orienting online offers to be mobile first will be key – a responsive website or mobile-friendly payment system could be the reason an international customer chooses a British retailer.