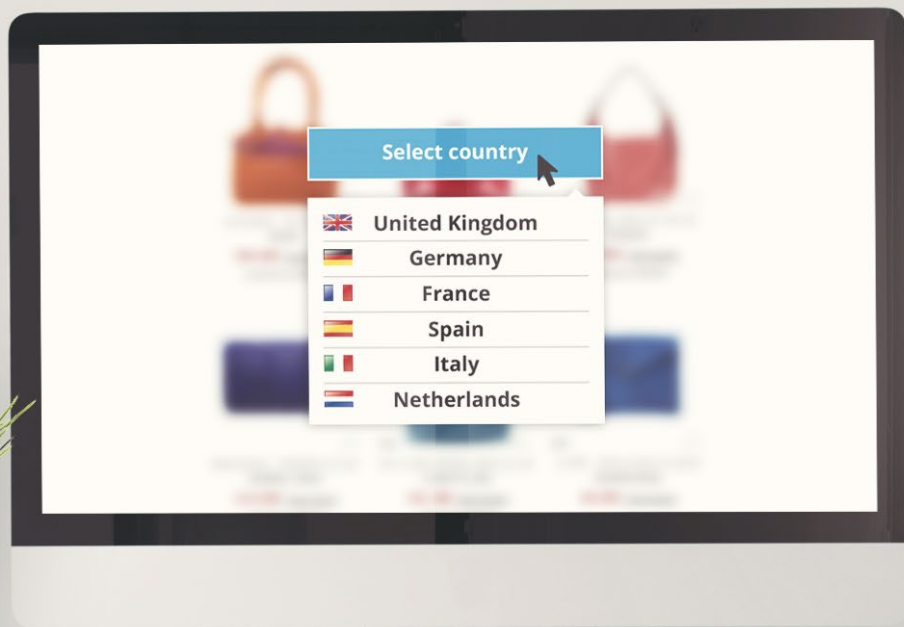


ULTIMATE GUIDE TO ONLINE CROSS-BORDER SALES IN EUROPE

HOW TO SCALE YOUR ONLINE INTERNATIONAL
DEVELOPMENT AND BOOST YOUR ROI



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01

KEY FACTS, FIGURES AND ECOMMERCE TRENDS

IN THIS CHAPTER

A / Global

B / Europe

C / Differences Within Europe

D / Examples of Successful Cross-Border
Businesses in Europe



A / GLOBAL

With an estimated turnover of \$1,700 billion this year, ecommerce has achieved a global presence and is expected to grow to \$2,300 billion in 2018.

In this context, we see more and more online retailers and brands applying cross-border strategies to develop their business and gain more visibility abroad. According to a UPS report, 24% of online shoppers buy on foreign websites.

Cross-border B2C ecommerce is expanding worldwide. Growth rates are expected to explode until 2017 and then slow down, while still maintaining double-digit growth.

Boston Consulting Group indicates that annual cross-border ecommerce turnover will rise to reach \$250 to \$350 billion in 2025, with Europe representing 25% of this total.

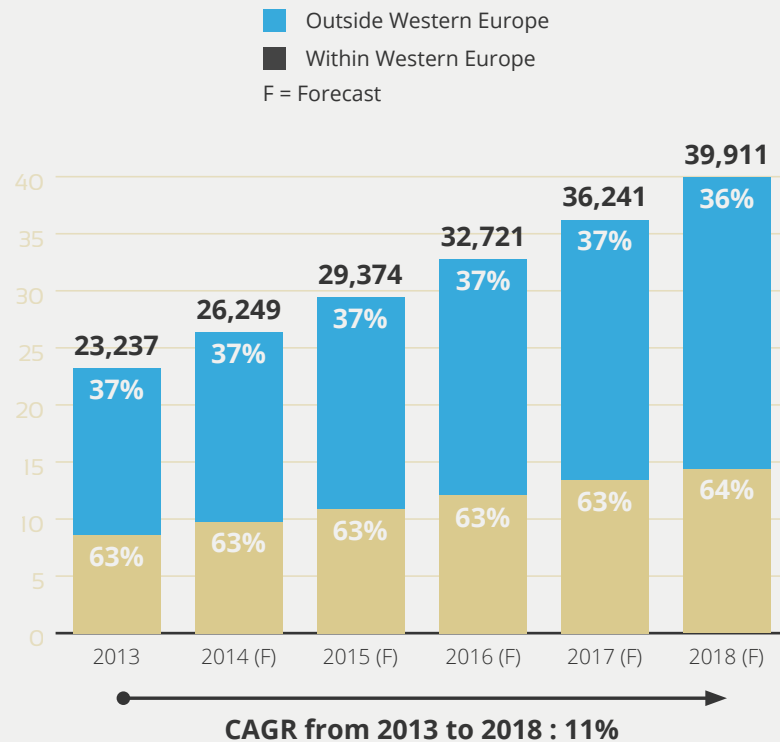
B / EUROPE

Europe is the world's second-largest regional ecommerce market behind China and ahead of the United States. Forrester forecasts that cross-border ecommerce sales will grow by a compound annual growth rate (CAGR) of 11% during the next five years.

According to a Forrester study (*Western European Online Cross-Border Retail Sales Forecast, 2013 to 2018*), cross-border retail sales in Europe will increase from 29 billion euros in 2015 to 40 billion euros in 2018. Currently, they represent 16% of online sales in Western Europe with over 170 000 online retailers selling cross-border in 17 Western European countries. It is estimated that 28% of European online retailers will sell their products beyond their own borders.

By 2018, **83% of European cross-border shoppers** will choose to buy online from another European country. They will spend an average of €428 every year (currently €363).

ONLINE CROSS-BORDER SPEND WITHIN AND OUTSIDE WESTERN EUROPE (€ MILLIONS)



Source: Forrester Research Online Cross-Border Retail Forecast, 2013 to 2018 (Western Europe)

C / DIFFERENCES WITHIN EUROPE

Only 22% (58 million) of the 264 million online shoppers in Europe had bought online across their borders in the last three months, according to a recent survey from Forrester Research.

Globally speaking, the US, the UK, Germany, Scandinavia, the Netherlands and France are world leaders concerning exports of products sold online.

According to the Forrester report, the countries in Europe with strong potential for a quick and effective expansion are: Germany, Switzerland, Belgium, Ireland, the Netherlands, and the UK.

In Western Europe, the UK and Germany are the most attractive destinations for cross-border online shoppers around the world. More than a **quarter of all orders from online retailers in the UK** were shipped internationally last summer. In Germany, over **half of online retailers** were selling to more than one country internationally.

Forrester report author Michelle Beeson says in her blog that currently, **“Europe remains more of a series of national markets than a single market. There are countries with different red tape to contend with,**

differing payment structures and marketing, and shopping tastes that vary per country.”

[Learn more](#)

While Germany and UK receive a strong spotlight in the cross-border ecommerce field, smaller markets, such as Cyprus, Malta, Austria, Belgium, Switzerland and Luxembourg, have a big role to play as well. These countries have the highest cross-border penetration in 2014. The underlying reason for this is due to the domestic offers, which do not meet the needs and expectations of shoppers, who look beyond their borders instead.

In general, Europeans prefer to buy from other EU member states than buying from the rest of the world.

D / EXAMPLES OF SUCCESSFUL CROSS-BORDER BUSINESSES IN EUROPE

What do the world's biggest web merchant (Amazon) and a fast growing online retailer of apparel and accessories (Zalando) have in common? They have an ecommerce business selling online across Europe. That cross-border success is particularly notable at a time when European policymakers are trying to create a single online shopping market in Europe.

[Learn more](#)

Amazon says its marketplace sellers in France, Germany, Italy, the Netherlands, Spain and the United Kingdom generated sales of \$3.08 billion last year.

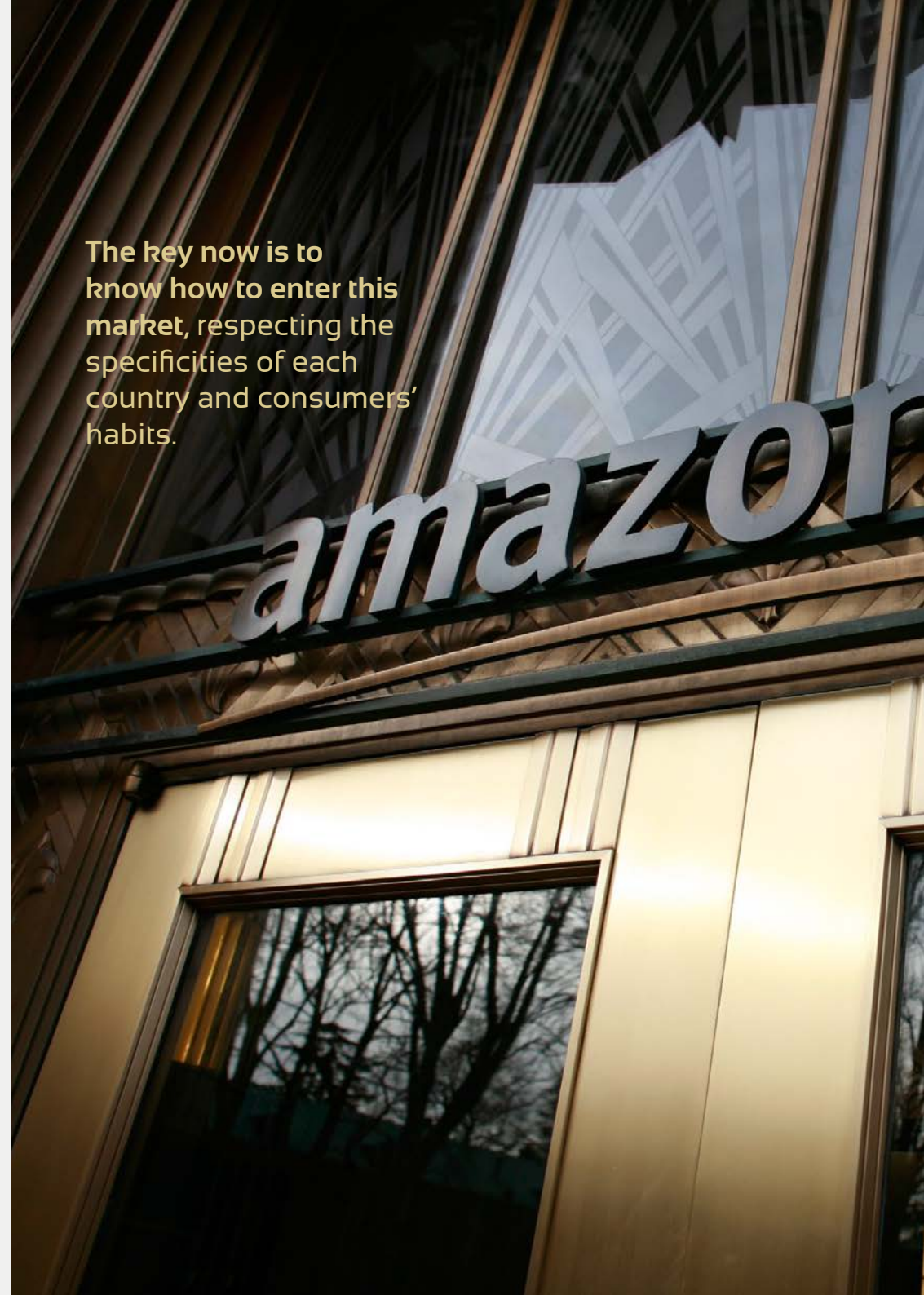
Amazon explains that it took years to build up its fulfilment and distribution network in Europe. **What helped the most in building this business was to take a local approach for each country and adapt technology features such as one-click checkout.**

The fastest growth for Zalando came outside of its core markets of Germany, Austria and Switzerland. In those countries, sales grew by 24% to \$1.39 billion in 2014, but web sales in the rest of Europe grew even faster, up 31.1% to \$934.9 million. "Zalando sells in 15 European countries and has dedicated web development, marketing and product buying teams for each market", says Robert Schütze, Zalando Country Manager for the United Kingdom and Poland. "We are targeting all of Europe because there's a huge potential there, and that's how we scale our business," he says.

The previously mentioned figures and examples highlight the enormous opportunity that European cross-border sales represent.

The key now is to know how to enter this market, respecting the specificities of each country and consumers' habits.

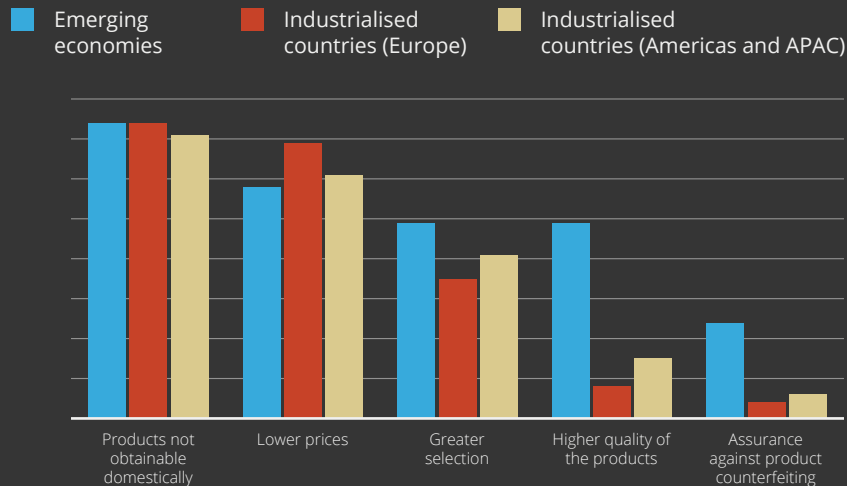
The key now is to know how to enter this market, respecting the specificities of each country and consumers' habits.



02 THE FOUNDATION OF A SOLID INTERNATIONAL STRATEGY

Global online shoppers usually buy from foreign countries to find better product availability and prices. As they shop online from these international websites, they expect the same services that they receive from local businesses.

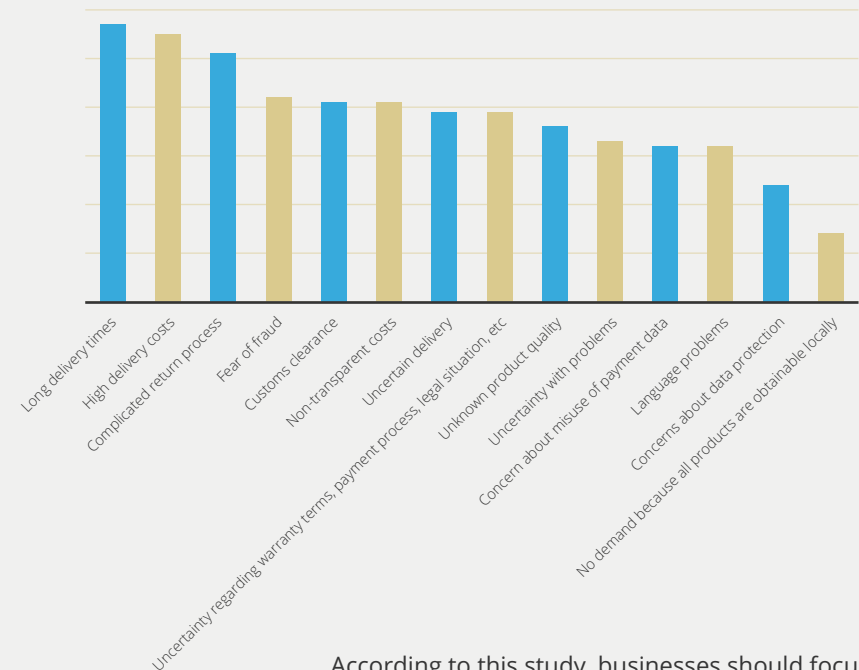
DRIVERS FOR ORDERING ABROAD (SHOP THE WORLD STUDY – DHL 2014)



According to this study, businesses should focus on making a **deep analysis of their target markets** in order to offer the right product mix at a fair price.

There are also **a variety of barriers**, both physical and psychological, that consumers face when shopping online abroad. Online retailers need to **carefully manage these issues** and **adapt their offering to the needs** of their international consumers.

BARRIERS TO ORDERING ABROAD (SHOP THE WORLD STUDY – DHL 2014)



According to this study, businesses should focus on reassuring their customers about delivery, by being as transparent as possible about shipping times and costs as well as return policies.

03

IDENTIFYING THE AUDIENCE

IN THIS CHAPTER

- A /** The Market Potential
- B /** Positioning Differences Between Markets
- C /** Identify the Right Marketing Channels
- D /** Identify Keywords
- E /** Going Local
- F /** Preparing a Translation Plan
- G /** Translating the main elements
- H /** Translating Other Communications
- I /** Localising customer service communications
- J /** Localisation
- K /** Technical Website Localisation



A / THE MARKET POTENTIAL

Before creating a strategy or a plan, it is vital to select the right market(s) for international expansion. Rather than spreading themselves too thin over a variety of regions, it is best for online retailers to optimise their resources and target a few select markets with the highest business growth potential.

QUESTIONS TO CONSIDER

- Are there existing international customers? If so, where do they come from?
- Is there a demand for the products in this new market?
- Who are the local competitors? How many and how strong are they?
- Is the retailer already known in the market? If not, what communication and acquisition channels can be used to quickly gain customers and test the market?

In some cases, it may be necessary to create a need among potential customers if the type of product is new to them. While quite a challenging task, being in this type of position can present big opportunities and put online retailers at a significant advantage given the right momentum. This is how Rocket Internet managed to become an ecommerce leader in Europe and emerging markets, just by moving faster than US startups with the same product or business model.

B / POSITIONING DIFFERENCES BETWEEN MARKETS

When entering a new market, it is important to establish a position in terms of value and pricing. In some cases, a different position than in the home market may need to be taken. For example, pasta producer Barilla is known as high end in France, while in its home country of Italy it is seen as low end.

C / IDENTIFY THE RIGHT MARKETING CHANNELS

General or specialised, marketplaces are becoming essential in the current cross-border ecommerce landscape. In fact, sales on marketplaces represent 21% of the 40 biggest French online retailers' turnover (Fevad study, 2014).

The strong traffic that marketplaces attract offer a real opportunity for online retailers to boost their bottom lines. The relative ease of setting up on a marketplace lets online retailers gain visibility in a foreign market without investing too much time or money. According to a recent study by Forrester Consulting, 82% of the world's consumers have already shopped for products abroad, but for the most part they prefer to buy on global marketplaces with strong reputations.

Despite having stringent requirements, these platforms offer the possibility for retailers to reach millions of potential clients. Amongst the most popular marketplaces, you can find pure players like Amazon or Ebay, as well as click and mortar like La FNAC, Tesco or El Corte Inglés.

Marketplaces offer retailers strategic and financial advantages by allowing them their first steps in foreign countries. They allow online retailers to position their products in new markets, get familiar with their target countries' trends and habits and test their offer while limiting the risks. Even with occasionally high delivery costs, this remains a profitable option as it allows retailers to get to know the market before committing to developing their business there.

5 MAJOR BENEFITS OF MARKETPLACES FOR RETAILERS

- Increase visibility
- Reach new clients
- Develop business internationally
- Increase sales
- Product stocking services/logistics (e.g: Amazon FBA)

One of the main reasons that retailers join marketplaces is because of their attractive business models. Most marketplaces charge €30 to €50 per month to join, and then a commission on sales that varies from 2.5% to 30% depending on the number of sales and product categories. Unlike price

comparison sites, marketplaces don't charge a few cents every time shoppers are referred to merchant sites and instead charge only when a sale is made.

Niche marketplaces are dominant in several national markets across Europe, such as Asos in the UK and Zalando or Otto in Germany. In Spain BuyVIP and Privalia are popular; however, Amazon and eBay remain the most dominant marketplaces in this country. In France, marketplaces have a particularly important role with sites like RueDuCommerce, Cdiscount, FNAC, La Redoute and PriceMinister (Rakuten) are leaders alongside Amazon.

CONSUMER BENEFITS (MIRAKL BAROMETER 2014)

- Access a larger range of products
- Compare prices more easily
- Save time
- Find the best offers

In fact, data from FEVAD and Mediametrie shows that 9 out of the top 15 ecommerce sites visited by French shoppers are marketplaces!

[Learn more](#)



GLOBAL AND GENERAL MARKETPLACES IN EUROPE (VISITORS / MONTH)

amazon.com	ebay	Rakuten
39M	25M	8M
27M	23M	5M
20M	10M	2.5M
12M	7M	1M
8M	5M	

SOME SPECIALISED AND LOCAL MARKETPLACES IN EUROPE (VISITORS / MONTH)

La Redoute	zalando	OTTO	spartoo
FRANCE	GERMANY	GERMANY	SPAIN
10M	6.9M	5,5M	10M
	FRANCE		ITALY
	4M		2M
			GLOBAL
			14M
GERMANY	FRANCE	NETHERLANDS	SPAIN
2M	10M	6.5M	2.5M
UK	ITALY		
9M	2M		

A good strategy is to start with global marketplaces in order to test different products in several markets. After this, online stores can try to be more selective and choose a vertical marketplace to sell in a specific country to focus on their audience.

D / IDENTIFYING KEYWORDS

A successful international expansion strategy starts with a solid SEO foundation. Online retailers need to carefully choose the relevant keywords for local audiences for both their website and product catalogue. This is not a matter of simple translation, it requires investing time and effort into research and testing.

CHOOSING THE RIGHT SEARCH ENGINES

It is also important to take into account the search engine that your local market uses most often, which may not necessarily be Google. In Russia, for example, Yandex is the most popular search engine, while in China, it's Baidu. Each one comes with its own algorithms and rules, which also means that you will need to have a different keyword and SEO strategy to rank well.

To get a full understanding of these subtleties, it is always best to work with a local expert who will guide you through the process.

MORE THAN JUST A TRANSLATION

In an international context, keyword selection is far more complex than a simple word-for-word translation. Terminology differs from country to country, even ones that speak the same language.

Example 1 SYNONYMS

Vocabulary can vary from region to region and can have a dramatic effect on your incoming traffic. You may be ranking highly for a particular word or phrase but wondering why your traffic is still consistently low. For example, if your online clothing store is selling sweaters in the US, you may also rank highly for the keyword "sweaters" in the UK. However, this will not be very useful as "jumper" is the term that your local UK customer is using to search online.

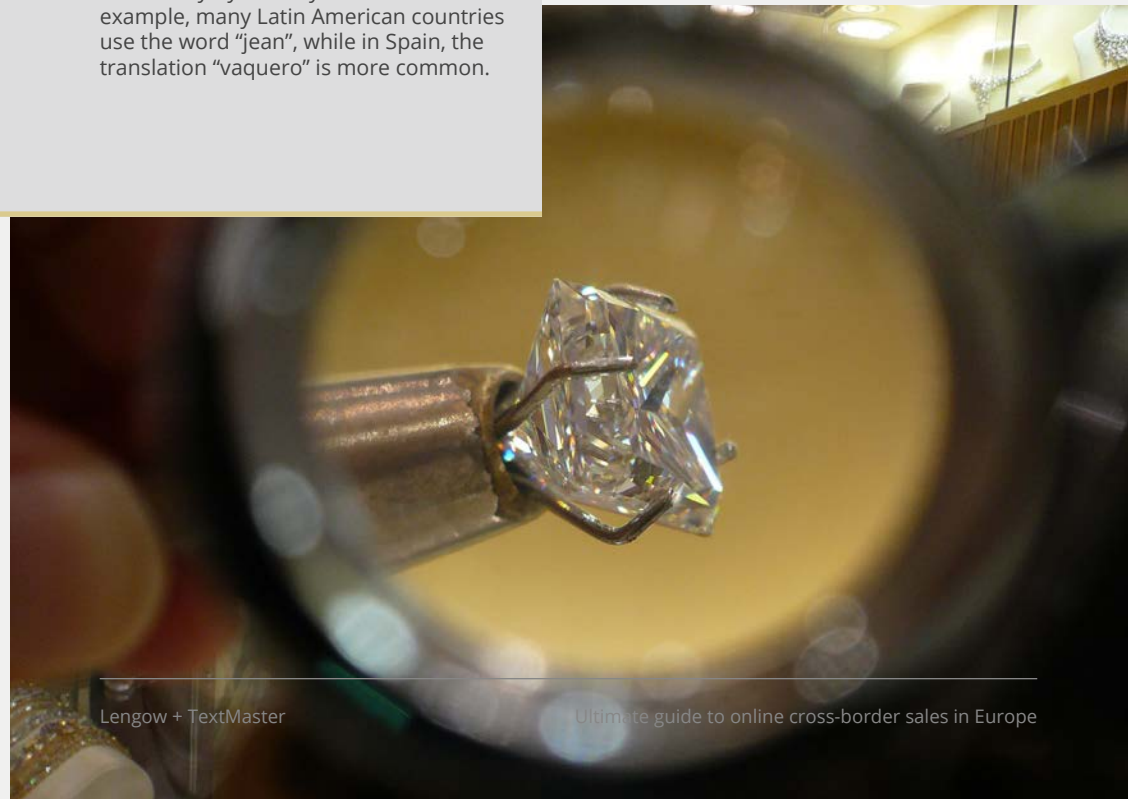
3 STEPS TO FINDING THE RIGHT KEYWORDS

In order to hone in on the right keywords and to build an optimised content strategy, it is important to make a detailed analysis:

1. Translate your most-used keywords and their variations in order to have the largest choice possible
2. Research the keywords used by local competitors using tools like SEMRush, Google keyword tool
3. Compare the popularity of your new list of keywords and select the most relevant.

Example 2 ENGLISH vs LOCAL LANGUAGE

In many cases English words have become more popular than their translated alternatives. In Germany, the word "computer" is used instead of "Rechner". The preference for English words vary by country as well. For example, many Latin American countries use the word "jean", while in Spain, the translation "vaquero" is more common.



E / GOING LOCAL

When going global, it is vital to appear as local as possible in order to truly connect with a local audience. A recent study by Common Sense Advisory showed that 60% of Europeans won't shop from websites that are not in their native language. In fact, not localizing your communications can have a severe impact on your sales, as a report by Statista shows that 13% of consumers will abandon their shopping carts if the price is displayed in a foreign currency. The first step to adapting your website and other communications for your target market(s) is to translate everything into their native language.

	AUTOMATIC
Cost	✓
Speed	✓
Technical integration	✓
Conversion	✗
SEO	✗
Customization	✗
Quality and contextualization	✗

F / PREPARING A TRANSLATION PLAN

In order to optimise resources, it is necessary to analyse the size and scope of the translation project, the budget, deadlines and internal capabilities.

Once the retailer has identified the target audience, they can choose the appropriate translators for the task. It is always best to work with native speakers, as they will be able to use the vocabulary and writing style that local audiences are familiar with.

AUTOMATIC TRANSLATION

Due to the speed and cost benefits, it may be tempting to try to translate a website, product catalogue or other marketing materials using

an automatic translation platform. However, this is strongly discouraged for all business communication. While there have been significant advances in automatic translation, nothing can ever replace the knowledge and expertise of a person. This is because context plays a vital role in translation, with the same word or sentence having different meanings depending in different situations. Also, it is impossible to explain a brand's tone or style to a computer, while a human translator can convey the nuances of a brand's messaging in a way that resonates with the target audience.

INTERNAL VS EXTERNAL TRANSLATION

There are several factors to take into account when deciding between internal and external translation. In some cases, where the terminology or the writing style is very complex, it may be best to assign the translation to a talented native speaker internally. However, it is important to consider the opportunity cost of the time that they are translating versus the time they could be working on other important projects.

	INTERNAL
Localization	✓
Understanding of context	✓
Native speaking translators	✗
Volume	✗
Quality control	✗
Multilinguism (+3 languages)	✗
Cost	✗
Speed	✗
Translation memory	✗
Automatic integration	✗

It is also important to be objective when assigning translations in-house. Is the person responsible a convincing writer whose work will increase traffic and conversions? Or do they simply speak the language? Handling translation in-house might seem less expensive, but without the adequate tools, it is almost impossible to manage a high volume of translation, ensure quality and keep costs low.

For many companies, external translation is the better option as it allows them to access professional, native-speaking translators who have experience in writing the desired content and are equipped with the tools and technology to save time, such as translation memory (discussed later in this white paper). External translation also becomes a necessary option when translating high volumes or into multiple languages.

EXTERNAL TRANSLATION OPTIONS

Not all external translation options are created equal. They offer different combinations of price, quality, technology and project management.

Freelance Translators

Freelance translators have the academic background and the expertise to offer professional translation and clients can benefit from the direct contact to speed up the communications process. However, problems arise for projects with high volumes, multiple languages and special files (web code, subtitles, graphic files). A single professional translator can only handle around 2000 words per day and may not be equipped with the tools necessary to process different files efficiently. Clients therefore need to find and coordinate multiple translators themselves.

Translation Agencies

Most translation agencies provide a suite of services, including finding and vetting translators as well as coordinating budgets and deadlines. They are useful for more complex projects with multiple languages. In some cases though, traditional agencies do not have the technology to handle today's needs for apps or high volume ecommerce websites. It may also take longer to communicate with

translators as questions and answers are funnelled through the agency.

Specialised Translation Platforms

There are several types of online translation platforms, ranging from simple outsourcing solutions to platforms that preselect professionals. The online platforms are made for website, app and ecommerce translation and often have a variety of integrations available, from APIs to plugins. Like with the other options listed above, it is important to look at the features and services provided by each platform. Are the translators professionals? Are they native speakers? Can the platform handle product catalogue exports and other file types?

G / TRANSLATING THE MAIN ELEMENTS

Once the target market, keywords and translators have been identified and selected, the actual translation process can begin.

EXPORTING YOUR CONTENT

Today's website platforms make it possible to export web content into one file, rather than copy/pasting the text into a Word document. This may require contacting a web developer but popular platforms like WooCommerce, Magento, Shopify or PrestaShop, have

dedicated plugins for easy content export.

LOCALIZATION PLATFORMS

One of the main issues of translation is the ability for translators to see the context of the text. Localization platforms like Transifex, PhraseApp, Localize and Lingohub make it easier for translators to see where the text appears on the web page.

No matter the method, it is important to make a full website audit to ensure that all elements are translated, including:

- **text in images**
- **buttons, forms, popups, error messages**
- **headers, footers, menus**
- **URLs**
- **meta data like alt tags**

H / TRANSLATING OTHER COMMUNICATIONS

With emails being the third highest customer acquisition channel (according to a study by Custora), it is crucial to communicate with customers in their native language in order to have the most compelling message possible. This goes hand in hand with translating automatic emails, such as receipts and shipping confirmations, as they provide important information, like the return policy or the scheduled delivery time.

MULTILINGUAL CONTENT MARKETING

Over 90% of B2C and 86% of B2B businesses use some form of content marketing to attract and engage visitors on their website. After translating all of the online store's essential communications, the next step is to look at making the content marketing multilingual, including blogs, white papers, tutorials and videos. There are several options to make content that is fresh and relevant to local audiences.

Localisation strategy 1 TRANSLATION

Some companies may have the time and budget to translate all of their existing content into one or multiple languages. However, for those that do not have these kind of resources, the best course of action is to analyse which pieces of content are the most popular and give the highest ROI. It is important however, to ensure that it is a relevant piece for local audiences. An extremely popular blog post about the Super Bowl will have very little impact in countries where American football is not a well-known sport.

In many cases, even if the content is relevant to the local market, a translator will still adapt it by changing examples, expressions or cultural references.

CUSTOMER SUPPORT

There are two steps to customer support communications. First, it is necessary to understand the message that the customer has sent (this is one of the few times that automatic translation can be used) then a response must be sent (this should always be done by a human translator).

It is crucial to understand the type of message – is it a question? A potential partnership? A journalist interested in covering the company? Once the topic and urgency of the message has been established the response should be translated into the sender's native language. As always, all business communications should be translated by a human in order to avoid giving misleading information.

Localisation strategy 2 CONTENT CREATION

In cases where translating existing content would not be suitable for an international target market, the best option is multilingual content creation. A local writer selects a popular topic in their market and writes a content piece that matches the brand voice and personality.

The difficulty with this approach is finding a local writer who can also research trending topics and follow the brand's direction. It is important to consider how to manage the content strategy – **centralising it from the headquarters or giving local managers more autonomy.**

I / LOCALISING CUSTOMER SERVICE COMMUNICATIONS

The content mentioned in the previous sections is fairly static and therefore easier to manage. However, online retailers are often faced with real-time communications, such as social media and customer support.

EXAMPLE

A customer needs to resolve a technical problem. They are already frustrated with the user experience and sending them an automatically translated message that gives them confusing or incorrect information will almost definitely result in a lost customer.

J / LOCALISATION

Localisation goes beyond simple translation because it involves adapting the website to the local audience with relevant information and writing style.

The key elements to localise are:

- **Vocabulary:** it's important to use the style, vocabulary, expressions and even slang of the target market in order to resonate with them
- **Shipping information:** shipping is one of the top reasons for shopping cart abandonment, which is why it is crucial to provide clear information and prices
- **Return/refund policy:** local legislation varies by region and consumer protection laws can have a big impact on retailer's policies.
- **Contact information:** a local email, physical address and phone number should be listed so that customers can easily get in contact without paying international fees
- **Operating hours:** having a local customer service and sales team is best, but if operations are centralised from one location, it is important to indicate the appropriate operating hours, taking into account possible time zone differences
- **Payment methods:** payment methods should be adapted to match local preferences to reduce shopping cart abandonment
- **Currency:** according to a report by Statista, 13% of shoppers did not complete their purchase because the website was in a foreign currency
- **Measurements:** sizes, weights and volumes should all be adapted to the local standards
- **Holidays & events:** marketing promotions should match the holidays and events that are popular in the target market.
- **Seasons:** this can have an enormous impact on product catalogues and timing. A winter collection in Canada will not have as much success when launched at the same time in Australia.

K / TECHNICAL WEBSITE LOCALISATION

While localising content is crucial for winning the trust of potential customers and increasing conversions, technical website localisation is important for gaining higher search engine rankings.

The main aspects to consider are:

- **Web hosting:** there has been little evidence so far to suggest that local web hosting has a real impact on ranking. The most important factor is the page load times, which are often best on American hosting providers.
- **Domain structure:** while there is significant debate between whether a subfolder (www.company.com/fr) is better than a subdomain (fr.company.com), it is generally accepted that a localised top level domain (www.company.fr) does have an impact on SEO
- **Search engine localisation:** to ensure that search engines display the correct versions of a website in their rankings, it is important to specify the audience of the pages. This can be done in Google Webmaster Tools.

INVESTING IN BACKLINKS

While SEO is critical for international visibility, backlinks are also a vital element that must be invested in. Backlinks from popular local websites carry more weight than ones from other regions and languages.

A good way to achieve local backlinks is to assign a communications manager to contact bloggers and local media. The best way to grab their attention is through localised content marketing, such as studies, articles and white papers that pertain to their local audience.

04

LEGAL REQUIREMENTS

Glynnis Makoundou, Marketing Manager & Legal Expert from Trusted Shops, shares the top legal concerns that online retailers need to consider when going abroad. Trusted Shops is the leading seal of approval for online shops in Europe, which includes buyer protection for consumers and a rating system.

IN THIS CHAPTER

- A /** Consumer Rights
- B /** Right of Withdrawal
- C /** Data Protection
- D /** Penalties



A / CONSUMER RIGHTS

The EU Consumer Rights Directive (2011/83/EU) outlines the ecommerce regulations across all countries in the European Union. As the goal of the directive is to standardise, the member countries are obligated to incorporate all the measures exactly as they are outlined in the directive. Essentially, this means that there are no differences in ecommerce legislation in different European countries.

If an online merchant is selling to the French market (website is translated into French, shipping available in France), the customers buying from their website are protected under French laws. Shoppers from other EU countries are subject to the terms and conditions written under French law; however, they cannot be denied the consumer protection of their home country's laws. This is where we see the main benefits of standardisation that the directive brings. The member countries do not have the right to introduce new national regulations that are more flexible or strict than the ones in the directive. These same rules are therefore applicable across all member countries across the EU as of June 13, 2014, which significantly reduces the legal risks for online retailers looking to expand internationally.

If an online merchant is selling to the French market (website is translated into French, shipping available in France), the customers buying from their website are protected under French laws.

PLACING AN ORDER

The European regulations that cover the purchase process are meant to ensure that the customer has a full understanding of the implications of their purchase decision. The order button in particular must be clear and specify an obligation to pay, with the sum clearly indicated as well as the taxes included in the purchase.

The ideal purchase process:

1. Shopping cart with an estimation of shipping costs and information about the payment options
2. Billing and shipping address
3. Choice of delivery method
4. Choice of payment method (this is not the actual payment step however)
5. Order page containing the following elements, from top to bottom:
 - A link to the terms and conditions as well as the return information and a return form

- All the necessary information to process the order (shipping address, billing address, payment method and delivery method) with the possibility to make changes clearly visible
 - The main elements of the contract (price, product, length of contract if applicable)
 - A clearly labelled order button: "purchase with obligation to pay" or any other appropriate wording
6. Redirection to the payment after clicking on the order button
 7. Redirection to the online store after the payment has been made (if the payment was made on another website)
 8. A page thanking the client for their order with a quality guarantee seal from Trusted Shops or other loyalty initiatives (request for a review, voucher for the next purchase, newsletter subscription, etc.)

The EU member countries ensure a high level of data protection, which is relatively standardised since the legislations come from the same European directives.

B / RIGHT OF WITHDRAWAL

For all online purchases made in the EU, the consumer has the right to return their order within 14 days of receiving the product. The consumer pays the return shipping costs, and only if this was specified before completing the purchase. Online retailers are obligated to provide a return form for their customers that is legible and understandable. Any customer wishing to return their purchase can use the form or send a letter that clearly states that they would like to cancel their purchase. Online retailers must send a hardcopy confirmation that they have received the customer's form or letter. The return form can also be sent as an email attachment. The online retailer can specify which products cannot be returned in their terms and conditions. However, only products on the legal list can be excluded. For all other products, the retailer has 14 days to reimburse the customer starting from the date that they received the customer's cancellation notice. They can delay the reimbursement until they receive the product or until they receive the proof of shipment.

C / DATA PROTECTION

Article 5 of the information technology and individual liberties act is based on a territorial principle of personal data protection. This means the data protection laws are determined by the country in which the company's headquarters are located. A website, even with the domain ".co.uk", cannot be considered as having a stable establishment in the UK. If the headquarters are located in Germany, the German data protection laws would be applied. This principle is found in all the legislations of EU member countries. The online retailer must therefore know and apply the data protection law of the country in which they are headquartered. The EU member countries ensure a high level of data protection, which is relatively standardised since the legislations come from the same European directives.

D / PENALTIES

The penalties for infringing on consumer rights are defined on a national level in every country and are not standardised across Europe. This means that each country has different penalty systems across the EU. The same offence, for example a missing returns form, can have different consequences in Germany, France or the UK.

05

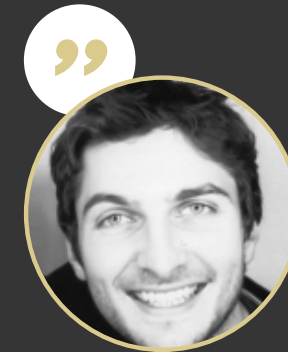
SHIPPING AND RETURN POLICIES

International shipping is one of the most complex issues facing companies that sell abroad. Not only do different regions have different shipping methods, but consumers have a range of preferences when it comes to how they prefer to receive packages.

The time/cost trade-off is not the only factor to consider; you will also need to think about how and where your products are delivered – at home, at a pickup location, or in store. Will you use a national postal service or a private delivery provider?

IN THIS CHAPTER

- A / Delivery Methods
- B / Packaging Considerations
- C / Returns and Refunds
- D / Avoiding Returns and Refunds
- E / Customs Fees and Restrictions



Stéphane Tomczak

Founder of the Fevad
ecommerce logistics
observatory

"Effective logistics clearly represent a strong competitive advantage for online retailers. The cross-border logistics' costs can be a critical point for merchants.

Beyond costs, logistics are also about reliability and predictability. A lot of web merchants think that their role ends when they have transmitted the goods to the logistics provider; but customers generally believe that retailers are responsible until the product is delivered to them.

As delivery logistics are quite tricky and reverse logistics even more complex, they must be handled with great attention to ensure clients' satisfaction."

Europe has a large choice when it comes to transport networks and services. Several groups provide domestic and cross-border delivery across Europe:

- Big international integrators such as DHL, FedEx, UPS and TNT Express, that operate on a global scale and have full operational control of all transportation assets. Generally, they also have integrated IT networks to handle data and get detailed tracking of shipments domestically and internationally.
- Pan-European road-based parcel networks like Geopost (La Poste) or GLS (Royal Mail) that provide domestic and cross-border parcel services but are historically more focused on B2B shipping. Currently, IT networks are not fully integrated among these delivery partners.
- Regional parcel and logistics networks created by national postal operators, like Post NL that offer domestic parcel services in both Belgium and the Netherlands.
- Big online retailers such as Otto, who are building an international B2C delivery network with their subsidiaries (Hermes), sister companies and partners (national postal service providers or other private carriers). Other examples include Amazon with its own major logistic platform Amazon FBA or Cdiscount with C Logistique.
- Cross-border specialists working with national postal service providers, like Asendia (joint venture between La Poste and Swiss Post), are becoming quite common. They mainly provide cross-border delivery and return solutions for parcels.
- There are also more and more new, alternative cross-border solution providers emerging like Borderlinx, B2C Europe or wnDirect.

The latest trend for big European online retailers is to build their own delivery infrastructure to better control the entire supply chain, fulfilment processes and financials.

Source: Ecommerce Foundation-WIK Consult: "Design and development of initiatives to support the growth of ecommerce via better functioning parcel delivery systems in Europe"

A / DELIVERY METHODS

Many European ecommerce consumers are still disappointed with delivery and it poses a big challenge for online retailers. However, delivery offers a real opportunity for online retailers to differentiate themselves, as well as increase conversion rates and boost customer loyalty.

Generally speaking, online shoppers prefer home delivery but each country has its own preferences. For example, click and collect (online purchase followed by in-store pickup) is very popular in the UK, Germany and France, while delivery to the workplace is more popular in Spain.

As more and more customers expect same-day delivery from online retailers in mature ecommerce markets like the UK or Germany, it has become a key issue. It is still considered a premium, paid option for online shoppers. Delivering orders on the same day has logistical implications, as retailers must have the stock located near their customers. That is why the ship-from-store option can be a good solution for retailers who want to offer same-day delivery.

B / PACKAGING CONSIDERATIONS

Shipping costs are determined by the dimensions and the weight of the product and increase the further away you ship. If your brand is not well known in your international target market, you may wish to absorb some or all of the shipping fees in the beginning. With this in mind, it's important to optimise your packaging so that it is as compact and lightweight as possible in order to avoid large shipping fees, a major reason for shopping cart abandonment.

66%

of consumers choose the online store depending on the delivery options and **51%** will not complete their order if these options aren't satisfactory.

49%

even declare that they would pay more to get a more practical and effective delivery method.

83%

of consumers would like to see delivery options directly on the product page; but few online retailers offer this.

Study from Metapack, Delivering Consumer Choice

C / RETURNS AND REFUNDS

Different countries have varying level of consumer protection; online retailers without a domestic returns or refunds policy, will still need to incorporate this option for international customers. Online retailers need to know their legal obligations including:

- **How long do consumers have to return a product?**
- **Who is responsible for shipping costs of returned products?**
- **What constitutes a valid reason for a return or refund?**

In some cases, when return shipping fees are too high or pickup is too difficult, it can be easier to refund the client and let them keep the products.

D / AVOIDING RETURNS AND REFUNDS

The most effective way of avoiding returns and refunds is providing accurate, in-depth information for clients. This is another reason why translation, localisation and product catalogue management are so important.

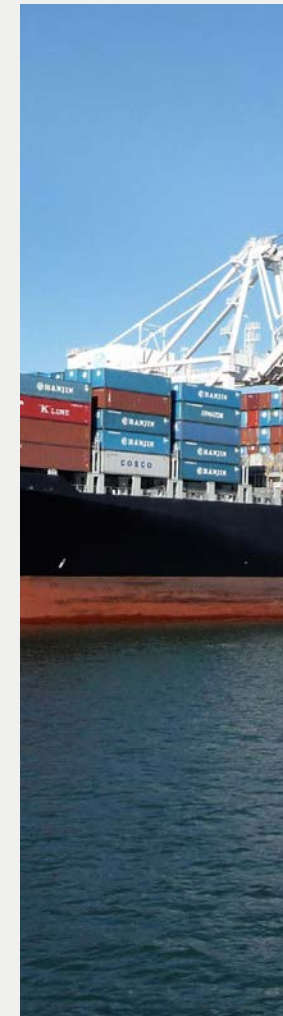
76%

of consumers look at online retailers' return policy before completing an order and 51% will not order if they are too complicated.

81%

of these consumers would buy more from a retailer who makes returns easier.

E/ CUSTOMS FEES AND RESTRICTIONS



All product shipments with a monetary value are subject to customs duties. Border agents in the country to which the goods are being shipped need to be able to identify the type of products and their value in order to apply any fees or restrictions. These fees and regulations vary by country and are determined locally, except in the case of agreements. As an example, customs duties have been removed for intra-EU exchanges to simplify cross-border trades between member countries.

To ensure that goods go smoothly through customs, it is important to attach all necessary documents that the border agents would require. It is also important for online retailers to know of any possible restrictions on products in order to avoid confiscation or heavy fines.

For example, Kinder Surprise eggs, which are sold in many supermarkets around the world, are actually illegal in the United States due to a law that bans the sale of food products that contain non-edible contents.

Online retailers do not include customs duties in the delivery price because it is often quite complex to calculate the tax for each product in every country. There are some specialised companies like Borderlinx that can help online retailers with these issues. In general, customers don't anticipate these extra fees, which are an unpleasant surprise when getting their order.

This bad experience could prevent the customer from shopping again from the same online store.

06

PAYMENTS PROCESSING

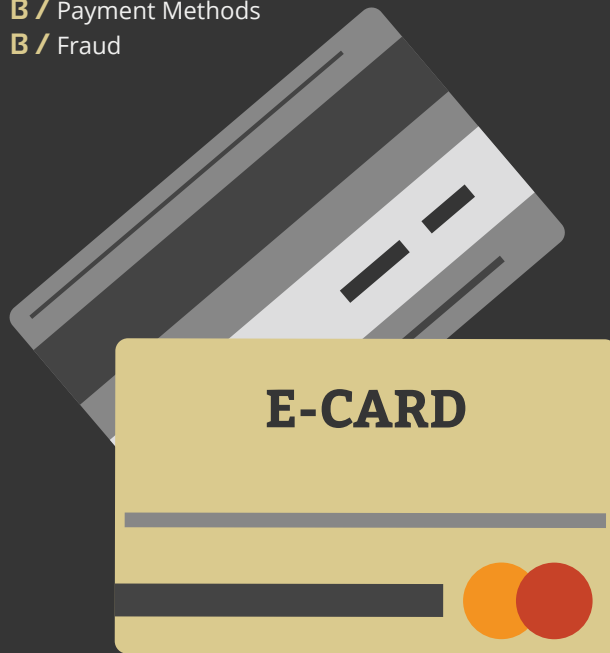
Payments are key to successful international expansion. Many criteria have to be taken into account like currencies, fraud and preferred payment methods:

IN THIS CHAPTER

A / Currency Dilemma

B / Payment Methods

B / Fraud



”



Guillaume Princen
Head of France & Southern
Europe at Stripe

"Online commerce is still extremely local (e.g., French consumers purchase on French websites), and this is mainly due to payments infrastructures being extremely balkanized.

Our goal at Stripe is to enable global commerce, and make it possible for any business to sell online anywhere in the world instantly with best in class payment methods, mobile interfaces and fraud tools."

A / CURRENCY DILEMMA

First, online retailers must make online shoppers feel at home. The navigation should be easy, in their native language with adapted imagery and localised currency. These elements produce trust – a key factor in cross-border conversion.

Use of local currencies has been confirmed to result in higher sales and is mandatory for online retailers who want to sell on places like Google Shopping.

Online retailers should be cautious when choosing the currency for European sales: they have the choice of using the Euro or a local currency. However, these two options involve different risks: using the Euro makes it easier for shoppers to compare prices from one website to another,

which can be disadvantageous for retailers online retailers with significant price differences. On the other hand, using the local currency can carry the risk of exchange rate fluctuations during an economic crisis. Apple faced this problem in Russia when the Ruble experienced massive fluctuations, which resulted in the decision to stop selling products on the Russian website.

B / PAYMENT METHODS

It is often assumed that credit cards are the best and only way to accept payment for online purchases – but this is only partly true. While it is the most popular payment method in Europe (used by 72% of Europeans), there are other payment methods that count in some countries.



Luke Trayfoot
Head of Partnership Sales
EMEA at World First

"With an increase of international ecommerce and marketplace strategies, one of the biggest barriers to entry for cross-border trade is FX [foreign exchange] and its perceived complexity. Merchants are regularly challenged with fluctuating exchange rates and payment costs.

Furthermore some marketplaces don't have any payment systems for cross-border sales so merchants require local bank accounts. At World First our aim is to empower as many online vendors to sell on as many markets as possible by taking these pain points away."

ALTERNATIVE PAYMENT METHODS

Guillaume Princen, Head of France & Southern Europe at Stripe, explains the latest innovations in payment solutions available to online retailers. Stripe is a payment platform that combines big data and learning machine technology to give customers an anti-fraud solution while providing a seamless experience.

Alternative payments can be defined as all payment solutions that do not involve credit cards, such as online wallets (Bitcoin or PayPal for example) and bank transfers. It is essential for merchants to offer these alternatives in order to attract cross-border sales.

European consumers generally prefer PayPal, but local players are gaining popularity, such as iDeal in the Netherlands (60%) and Sofort in Germany (16%). If online retailers offer the right combination of options for customers, this can lead to higher conversion rates and sales. Online retailers should also stay up to date with the latest innovations in payment methods as these often provide an improved user experience while reducing costs for online retailers.

MOBILE PAYMENT

As mobile shopping becomes the norm in Europe, online retailers need to ensure that their payment methods are also mobile-friendly. A good way to do this can be to develop a custom mobile app, which can also serve as an

extra distribution channel with a high reach potential. A successful mobile user experience involves a limited amount of scrolling, number of pages and steps while shopping, especially during the payment process. Online retailers can use payment platforms like Stripe or integrate solutions like Apple Pay or Android Pay, in order to offer one-click-buy options in order to simplify the process, thereby increasing conversions.

All these payment methods are meant to achieve one goal: creating a seamless shopping experience that contributes to a successful international expansion strategy.

PREFERRED ONLINE PAYMENT METHODS BY COUNTRY

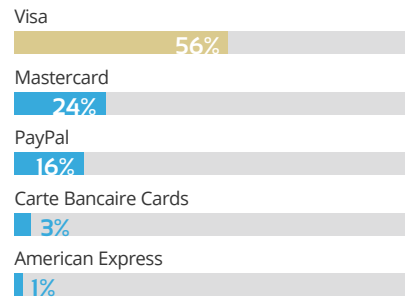
Even though the European Union is trying to build a single digital market, there are still significant differences in payment preferences in each member state. For example, shoppers in countries like Netherlands and Germany prefer non-credit card payment systems such as iDeal and Sofort.

Online payment methods should be adaptable to different channels, devices and countries; however, online retailers should be cautious with their approach.

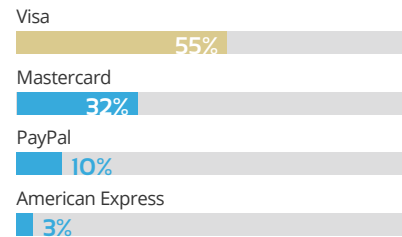
Too many payment methods can be too much to handle and credit cards are still one of the most popular worldwide options.

PREFERRED ONLINE PAYMENT METHODS IN EUROPE

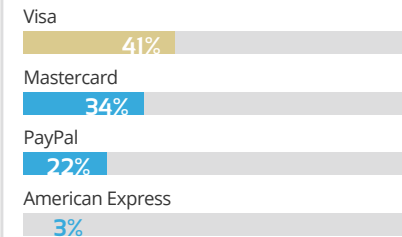
FRANCE



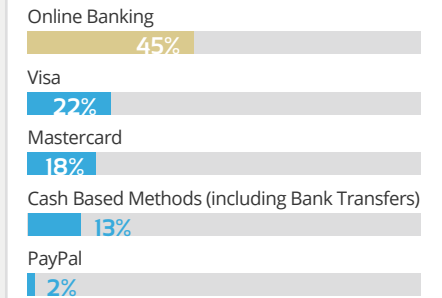
UNITED KINGDOM



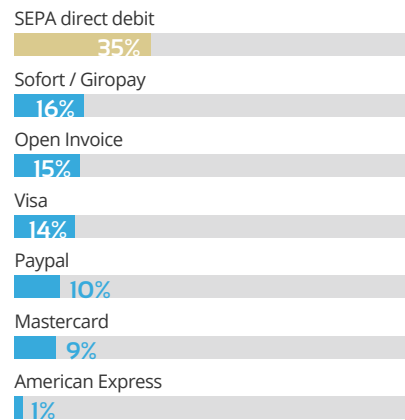
ITALY



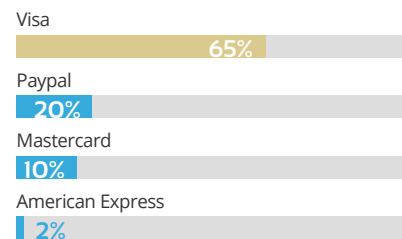
POLAND



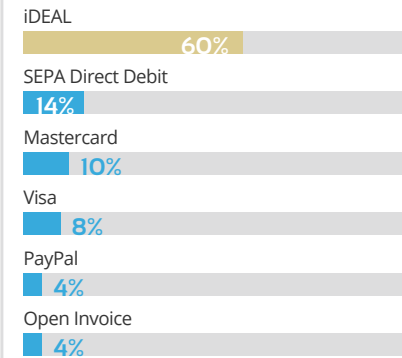
GERMANY



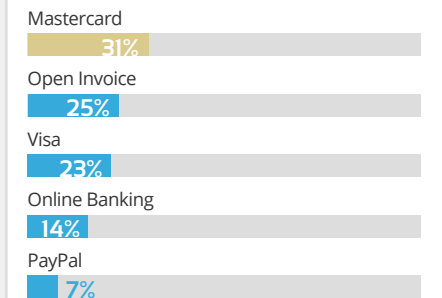
IRELAND



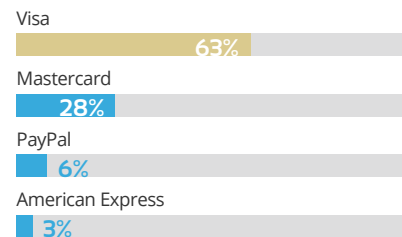
NETHERLANDS



SWEDEN



SPAIN



C / FRAUD

While consumers are fairly used to online shopping, the fear of fraud still exists for many, especially for overseas purchases. Online retailers need to address this fear and instil a sense of trust in shoppers without degrading the shopping experience.

As online shopping is increasing, the risk of online fraud is also growing and affecting consumer behaviour. Recent reports have shown that 62% of consumers who didn't buy from international online shops said that they were hindered by the fear of fraud, such as stolen credit card details or misused personal data.

[Learn more](#)

Expectations towards security can be quite different across countries. As an example, in the UK, 40% of smartphone users do not purchase through the device because they don't find it secure. This is less prevalent in Germany and Belgium, where only 25% feel this way. Retailers must clearly understand how customers want to shop online and what type of security they expect.

[Learn more](#)

One solution for combatting payment fraud is the use of 3D Secure payment security. On a global scale, the results of this solution have differed across

countries and local preferences. The impact is positive on conversion rates in Russia and India but judged quite negative in France, Germany, Brazil, China and the USA where the process increased shopping cart abandonment rates (especially on mobile).

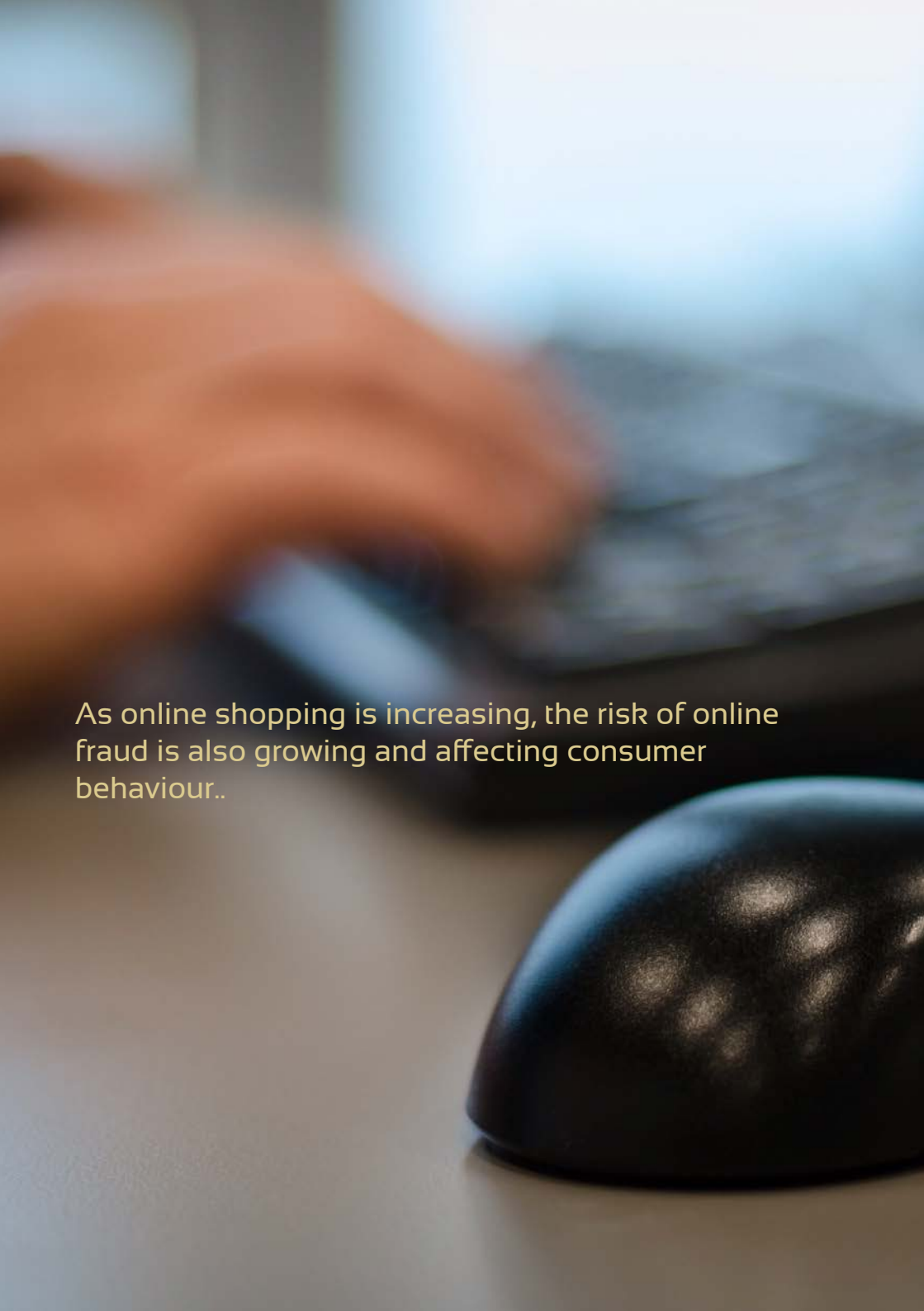
Online retailers must adapt their anti-fraud strategy to every market based on the risks, the steps of the payment process and the type of payment method.

[Learn more](#)

Some payment platforms (e.g., Stripe) have developed advanced fraud protection tools, which rely on state-of-the-art machine learning technologies (analysis of every single transaction based on historical statistical data), which makes them invisible for end-customers, and therefore provide a frictionless purchasing flow, thereby maximizing conversion rates while reducing fraud.

In the long run, fraud can result in lost customers and bad publicity, which is incentive enough for retailers to look at the latest solutions on the market that offer a more streamlined experience while providing advanced fraud protection.

Sources: , White Paper Adyen, Nordpost, Payvision



As online shopping is increasing, the risk of online fraud is also growing and affecting consumer behaviour..

07 CUSTOMS DUTIES AND TAXES

Cross border selling involves a host of legal and financial implications in terms of local tax laws. Depending on the type of client (B2B or B2C), the location (inside or outside of the EU), and the distance selling limits, businesses have a variety of tax responsibilities. Even digital products (reports, tutorials, online magazines, games) are subject to tax regulations in some countries.

IN THIS CHAPTER

- A / VAT on Online Products
- B / VAT on Online Services
- C / Tax Resources
- D / Customs Duties



A / VAT ON ONLINE PRODUCTS









For B2C products sold online, the VAT of the country into which the products are shipped that is applied. If the company is below a certain threshold, which varies from country to country, they can charge the VAT of their own country. However, once that threshold has been passed, they must charge the VAT of the country that they are selling to. It is important to properly register with the local tax authorities if you foresee doing significant business in that area.

B / VAT ON ONLINE SERVICES

Since January 1, 2015, all services sold online are subject to VAT of the country of the consumer, with the following implications:

1. Services are subject to VAT of the country of where the consumer
2. The service provider must declare and pay the VAT in each EU country where the services are used

In order to alleviate the burden on service providers of going through administrative formalities in each EU country, a special program was established in 2015: Mini One Stop Shop – MOSS. Online service providers can declare their VAT for all of their sales across EU countries on a single online platform.

TRANSACTIONS	B2B	B2C	
 From supplier to customer		 Standard	 E-service
 Same EU country	Country rate		
 Different EU country	Reverse charge for customer (VAT rate = 0%)	Supplier's country rate	Customer's country rate
 From EU to non-EU country	Not applicable rate		
 From non-EU to EU country	Not applicable rate		Customer's country rate

C / TAX RESOURCES

- **UK** – HM Revenue and Customs
- **Australia** – Australian Taxation Office
- **USA** – Internal Revenue Service (tax regulations differ between states)
- **Spain** – Agencia Tributaria
- **France** – Impots, Douane
- **Germany** – Bundeszentralamt für Steuern
- **Italy** – Agenzia delle Entrate
- **New Zealand** – Inland Revenue

D / CUSTOMS DUTIES

On top of the sales tax applied to products during purchase, they also receive customs duties added at the border. These fees are usually the responsibility of the customer; however, unexpected duties can result in a loss of trust and therefore a lost customer, as well as potential negative feedback in the form of reviews or social media posts.

Customs duties and taxes are calculated based on a combination of factors:

- **Declared value of the product**
- **Shipping costs**
- **Trade agreements**
- **Product use**
- **Harmonisation system (HS) code**



08

COUNTRY GUIDES

IN THIS CHAPTER

- A / United Kingdom
- B / Germany
- C / France
- D / Spain
- E / Italy
- F / Netherlands
- G / Sweden
- H / Poland



A/

UNITED KINGDOM

TOTAL POPULATION: **64 MILLION** / INTERNET PENETRATION: **89.9%** / ONLINE SHOPPERS: **41 MILLION** / ECOMMERCE SALES: **€127 BILLION** / M-COMMERCE SALES: **€40 BILLION** / ECOMMERCE ANNUAL GROWTH RATE: **18%**

THE MARKET

The UK is one of the most powerful online markets in 2015; currently 43% of online retailers get 21 to 30% of their revenue from international orders.

[Learn more](#)

- The UK is also one of the biggest cross-border B2C ecommerce exporters in the world, thanks to the popularity of British brands and the large use of the English language.
- American online consumers buy mainly from the UK (49%) and UK consumers buy mostly from American online shops (70%). (source: *Landmark Global-Journal du Net*)
- 71% of UK online retailers offer delivery outside of the UK (IMRG)
- The UK is the highest spending country in Europe

CONSUMERS

- 73% of UK digital buyers used click & collect services in 2014.
- 76% of UK eshoppers will not order if the delivery time is greater than 3-5 days.
- 48% of UK online shoppers have shopped online from a foreign country. (IMRG-eDigitalResearch), mainly from the USA, China and Germany.
- When shopping cross-border, UK online consumers mostly buy:
 - Clothing, footwear and accessories (33%)
 - Cosmetics/beauty products (19%)
 - Jewellery/watches (18%)
 - Entertainment/education (18%)

The biggest barrier to cross-border ecommerce with UK online shoppers is shipping costs. For about 45% of online consumers, shipping costs is something that prevents them from buying from international websites. Free shipping (41%) and returns (33%) would encourage consumers to buy from international websites.

[Learn more](#)

MORE TIPS

- Global cross-border ecommerce is expected to reach £28 billion by 2020 with the UK representing a 60% share of that market.

[Learn more](#)

- These figures reflect the maturity of the UK ecommerce market and the efforts made by online retailers such as Asos or House of Fraser to attract shoppers from foreign markets.

[Learn more](#)



B/ GERMANY

TOTAL POPULATION: **80 MILLION** / INTERNET PENETRATION: **86.8%** (71 MILLION) / ONLINE SHOPPERS: **56 MILLION** / ECOMMERCE SALES: **€71 BILLION** / M-COMMERCE SALES: **€20 BILLION** (30% OF ONLINE SALES) / ECOMMERCE ANNUAL GROWTH RATE: **12.3%**

THE MARKET

- Germany is one of the most active countries both in import and export for B2C ecommerce in the world.
- More than half of online retailers in Germany are involved in cross-border ecommerce, thus the infrastructure is already in place for new online retailers who would like to sell in the country.
- In logistical terms, the market is one of the most competitive and efficient in Europe.
- The German ecommerce market is one of the largest in the world, with 25% of the European ecommerce volume coming from Germany.
- The country is the fifth in terms of online sales in the world and the third when it comes to cross-border ecommerce (behind the USA and the UK).
- The ecommerce market is growing fast and is expected to represent at least half of Germany's GDP by 2017.

CONSUMERS

- Germany represents a big opportunity for online retailers who wish to expand, as 60 million people in Germany buy online.
- Of those online shoppers, more than 50% already buy from international websites
- Germans mostly buy from the UK, the US and China, but geographic proximity can also play an important role; Germans buy a lot from Austria (33%) and Netherlands (16%) too.
- German consumers buy online rather than in store because of the convenience and cost-savings.
- When they shop online from international sites, German consumers mostly buy:
 - Clothing/apparel, footwear and accessories (36%)
 - Consumer electronics (17%)
 - Entertainment/education (17%)
- The biggest barrier to cross-border ecommerce for German online shoppers is shipping costs. For about 50% of online consumers, shipping costs are something that prevent them from buying from international websites and free shipping would

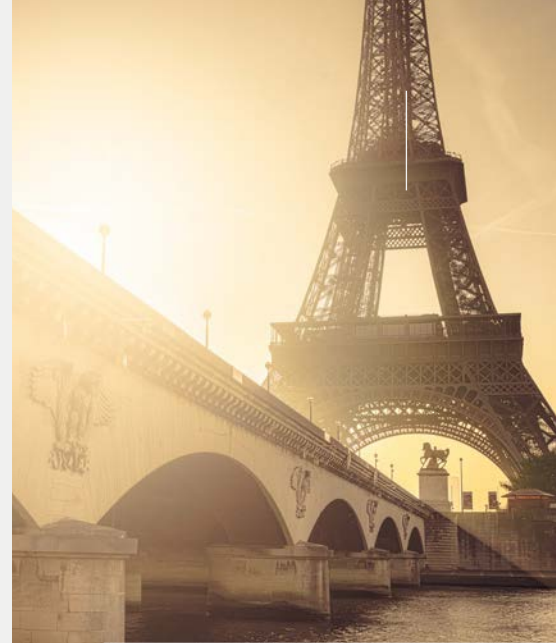
encourage consumers (37%) to buy. The security of their financial information is very important for German shoppers as 43% say that a secured way to pay is a potential driver for shopping cross-border.

[Learn more](#)

MORE TIPS

- Language is a key driver and implementing a German website would be key to boosting sales.
 - Germany has one of the highest return rates (from 10% for electronics to 70% for fashion).
- [Learn more](#)
- Credit card is not the most popular online payment method. Germans prefer SEPA Direct Debits, Sofort or Giropay options. German consumers are also used to pay-by-invoice.
 - Mcommerce represents about 30% of the ecommerce turnover in 2014.

C/ FRANCE



TOTAL POPULATION: **66 MILLION** / INTERNET PENETRATION: **86%** / ONLINE SHOPPERS: **35.5 MILLION** / ECOMMERCE SALES: **€57 BILLION** / M-COMMERCE SALES: **€4 BILLION** / ECOMMERCE ANNUAL GROWTH RATE: **11%**

THE MARKET

- The French ecommerce market is one of the largest in Europe (3rd) and ranked the 6th in the world.
- Ecommerce already accounts for 9% of the country's GDP.
- This is due to its healthy size, high internet penetration and use of French, which is a widely spoken language in the world.

- France is recognised as an established and growing market with good prospects for cross-border ecommerce.

- Logistics is highly rated for effectiveness and timeliness.

[Learn more](#)

- 50 % of French online retailers receive orders from foreign clients.
- M-commerce is relatively undeveloped in France compared to other ecommerce markets, but an increase of 52% is expected in 2014.

CONSUMERS

- French consumers spend around €1,625 annually; the average transaction size is €81.
- An estimated 45% of French internet users shop online from international websites, mainly among European countries.

[Learn more](#)

- When they shop from international websites, French consumers mostly shop from UK, USA and Germany. They usually buy:
 - Clothing/apparel, footwear and accessories (31%)
 - Consumer electronics (21%)
 - Entertainment/education (physical items) (18%)
- The biggest barrier to cross-border ecommerce for French online shoppers are shipping costs. For about 46% of online consumers, shipping costs prevent them from buying from international websites. Free shipping (40%) and secured payments (44%) are very important for French shoppers and these factors give them incentive to buy more from foreign countries.

[Learn more](#)

MORE TIPS

- Language is a key driver, French is also spoken in Switzerland, Belgium, Africa, Caribbean and Canada.
- Online retailers should provide free and on-time delivery to win loyal customers.
- France has the most victims of cybercrime in all of Europe according to the security firm Symantec.
- The French ecommerce market should reach €63 billion in 2015 (10% growth).
- Marketplaces are a phenomenon particular to France. Among the 15 most visited websites in France, 10 are marketplaces. The volume of sales on marketplaces grew by 53% between 2013 and 2014.



D/ SPAIN

TOTAL POPULATION: **47 MILLION** / INTERNET PENETRATION: **74.3%**
 / ONLINE SHOPPERS: **16 MILLION** / ECOMMERCE SALES: **€16,9**
BILLION / ECOMMERCE ANNUAL GROWTH RATE: **15.7%**

THE MARKET

- Thanks to its population size, Spain is the largest ecommerce market in Southern Europe, online sales represent more than €16 billion, but in terms of ecommerce the country is lagging behind other European countries.
- Spanish cross-border online shopping has increased by 22% compared to last year, reaching €1.64 billion.
- Ecommerce sales of Spanish online stores to foreign customers have reached €716.5 million, which represents a 26.3% increase.

- 90% of Spanish cross-border shopping happens in the EU, followed by the United States and China.

[Learn more](#)

- Spain represents a real opportunity for foreign online retailers. Cross-border online purchases account for 56.5% of online transactions in the country.
- The top online retailers in Spain include Amazon, Apple, PPR Group and El Corte Inglés with four of them being foreign companies.

[Learn more](#)

- Spanish online consumers are frequent cross-border buyers, but Spanish online retailers do not sell very much abroad.
 - Spain is one of the leaders in Europe for mobile device usage but only 53% of ecommerce retailers in Spain offer support for mobile payments. This represents a big opportunity for cross-border online retailers to take advantage of this trend.
 - Spain does not have a very developed system of logistics, but several online retailers are trying to improve these services.
- Clothing/apparel, footwear and accessories (36%)
 - Travel and transportation (22%)
- For Spanish online shoppers, delivery is an important challenge with 40% fearing that they will not receive their order. Delivery times are also a reason why they are less likely to shop from international websites. Finally more than half of Spanish consumers would purchase more from abroad if shipping was free.

[Learn more](#)

CONSUMERS

- Even though only 54% of Spanish consumers have already bought online, 40% of the country's ecommerce turnover comes from cross-border sales.

[Learn more](#)

- The internet penetration rate and the average consumer's spending per year (around € 850) are quite low; these elements indicate a major possibility for growth.
- 30% of the cross-border transactions are mobile
- Generally, Spanish online consumers buy:
 - Consumer electronics (37%)

MORE TIPS

- Ecommerce sales in Spain could be doubled and reach €30 billion by 2016.
- Spanish language is a key driver as it is the second-most spoken language in the world; online retailers should definitely offer this language on their website.
- By reaching Spain, online retailers get the opportunity to use the country as a platform to target new markets like Portugal (More than 20% of Portugal cross-border transactions are purchases made in Spain) and South America. Latin America is also really interesting for its ecommerce growth and its large population.

[Learn more](#)



E/ ITALY

TOTAL POPULATION: **61 MILLION** / INTERNET PENETRATION: **59.9%** / ONLINE SHOPPERS: **15 MILLION** / ECOMMERCE SALES: **€13 BILLION** / ECOMMERCE ANNUAL GROWTH RATE: **17%**

THE MARKET

- Cross-border ecommerce is growing in Italy both for inbound and outbound sales.
- The urban population is relatively low so the internet penetration is still less than 60%.
- Globally the infrastructure for ecommerce is still underdeveloped but because of the few domestic offers, cross-border ecommerce is flourishing in the country.
- Despite its delayed growth, the Italian ecommerce market has lot of potential and is a very coveted market.
- Italy has one of the highest mobile penetration rates in Europe and 21% of mobile users shop with their mobile at least once a month.
- Pure players clearly lead ecommerce in Italy as they represent 53% of the marketshare. These are not local companies but mostly international brands.

- One of the reasons why ecommerce is underdeveloped in Italy is that the country is still very much a cash-based economy. Italian consumers don't feel comfortable and safe buying online. Online retailers need to address this issue if they want to succeed in Italy.

CONSUMERS

- About 40% of online shoppers buy from international websites.
- Italian consumers mainly shop from UK, Germany, USA and China.
- They generally buy:
 - Consumer electronics (42%)
 - Clothing/apparel, footwear and accessories (30%)
 - Travel and transportation (20%)
- 45% of Italian consumers say that costs related to taxes, customs and duties prevent them from buying online.
- 49% of Italian online shoppers state that free shipping would make them more likely to shop cross-border.

[Learn more](#)

- 51% of Italians say they prefer to shop from an online retailer that offers in-store pickup.
- For 63% of Italian online shoppers, free delivery is a major factor in their purchasing decision.

MORE TIPS

- Online stores are also ambitious in their cross-border ecommerce approach, with 27% of their revenue coming from international sales. These orders mainly come from France, Germany, the UK, USA, and Switzerland.

Some online retailers even target the promising Chinese market, like the Yoox platform which was one of the first international actors to associate with WeChat to allow users to buy directly from the chat.

[Learn more](#)



F/ NETHERLANDS

TOTAL POPULATION: **16.9 MILLION** / INTERNET PENETRATION: **96%** / ONLINE SHOPPERS: **12 MILLION** / ECOMMERCE SALES: **€14 BILLION** / ECOMMERCE ANNUAL GROWTH RATE: **20%**

THE MARKET

- The Netherlands are the 6th largest ecommerce market in Europe
- 17.6% of all purchases (products as well as services) in the Netherlands happen online.
- The country is one of the world's leaders in B2C ecommerce exports. (with USA, UK, Germany, Nordic countries and France)
- The Dutch ecommerce industry is expected to reach €16.5 billion at the end of 2015.
- Cross-border ecommerce is worth € 390 million.

CONSUMERS

- Dutch online shoppers on average spend €1,100 per year.
- An estimated 20% of the Dutch population buy from international websites, which represent 3 million consumers.

[Learn more](#)

- The Thuiswinkel Markt Monitor, a study conducted by GfK shows that Dutch online shoppers spend most of their money abroad in Germany (18%) and China (23%). UK (14%) and USA (13%) are also popular destinations for cross-border purchases.

[Learn more](#)

- The most popular product categories in Netherlands are airline tickets and accommodations (€132 million), IT and consumer electronics (€42 million) and clothing (€31 million).

- Shipping costs are a big concern to Dutch shoppers. 53% of cross-border online shoppers cited shipping costs as something that prevents them from purchasing from international websites. More than one third (36%) of online Dutch consumers say free shipping would encourage them to buy from foreign shops.

[Learn more](#)

- Credit transfer (with iDEAL) is the preferred online payment method for 60% of Dutch consumers.

MORE TIPS

- The Dutch do not often use their smartphones to shop online, but this trend is expected to change rapidly. Currently, less than 20% of online shoppers have bought via a smartphone.



G/ SWEDEN

TOTAL POPULATION: **7 MILLION** / INTERNET PENETRATION: **93%**
/ ONLINE SHOPPERS: **5.5 MILLION** / ECOMMERCE SALES: **€9.9 BILLION** / ECOMMERCE ANNUAL GROWTH RATE: **15%**

THE MARKET

- Sweden is a burgeoning online market with a particularly young audience waiting to be reached.
- The total of ecommerce purchases from foreign countries was around €1.2 billion in 2014, representing 21% of total ecommerce in Sweden.
- 42% of cross-border purchases were made on UK websites and 29% on US online stores. Germany and China are also popular for Swedish online consumers. However, Swedish consumers do not make many purchases from other Nordic countries.

CONSUMERS

- One-third of online buyers in Sweden made a cross-border purchase in 2014, according to January data from PostNord, Svensk Digital Handel and HUI Research.
- The most popular products bought by Swedes during 2014 were clothing, followed by home electronics and books.

[Learn more](#)

- Top 3 products purchased from foreign websites by male cross-border online buyers in Sweden were:
 - Consumer electronics (23%)
 - Clothing (20%)
 - Computers and peripherals (15%)
- Female online buyers in Sweden mainly bought:
 - Clothing (30%)
 - Cosmetics (17%)
 - Books (14%)
- Approximately half of Swedish online shoppers cite shipping costs as a barrier for online purchases.
- For 45% of Swedes, free shipping would encourage them to buy from international websites.

[Learn more](#)

- Swedish consumers value seeing prices listed in their own currency (the Swedish Krona).
- The most popular payment method is paying by invoice after receiving the item they ordered.

MORE TIPS

- One of the main reasons why foreign websites find success in Sweden is because they adapt their website to the country, according to eMarketer. In fact some of these websites have localised so well that consumers don't know they are buying from a foreign online store.
- Zalando is the perfect example of this successful localisation. In a PostNord survey, 7% of Swedish respondents said they had not made a cross-border purchase while they had shopped on the German ecommerce actor, Zalando. Swedes believed that Zalando was a local online merchant.
- In order to have the same success, online retailers should adapt their domain name to the country, translate and adapt their website to the country's habits and provide local contact information.



H/ POLAND

TOTAL POPULATION: **38 MILLION** / INTERNET PENETRATION: **67%**
 / ONLINE SHOPPERS: **20 MILLION** / ECOMMERCE SALES: **€6.5 BILLION** / ECOMMERCE ANNUAL GROWTH RATE: **22%**

THE MARKET

- Poland's ecommerce market was historically lagging behind other countries in Europe with low rates of internet and ecommerce penetration.
- In recent years, the country has shown impressive growth rates and strong mobile penetration. Poland is now one of the stronger ecommerce markets in Central Europe, coming in fourth place in terms of ecommerce turnover after Germany, Switzerland and Austria.
- The cross-border ecommerce sector in Poland has registered a 45% growth in 2014.

CONSUMERS

- More than half (55%) of Polish internet users claim to have shopped online at least once.
- When buying cross-border, Polish people mainly shop for clothing and footwear, home furnishings and car accessories.
- Polish online consumers are most likely to shop cross-border from the US (32.2%) and Germany (32.1%).
- For 78% of Polish online shoppers, the main reason for buying overseas is that the local products do not meet their expectations. Lower prices are also an important reason for almost 50% of consumers.
- One in eight Polish internet users shop on foreign websites (13%)
- The most popular foreign websites in Poland are Ebay, Amazon and AliExpress.

[Learn more](#)

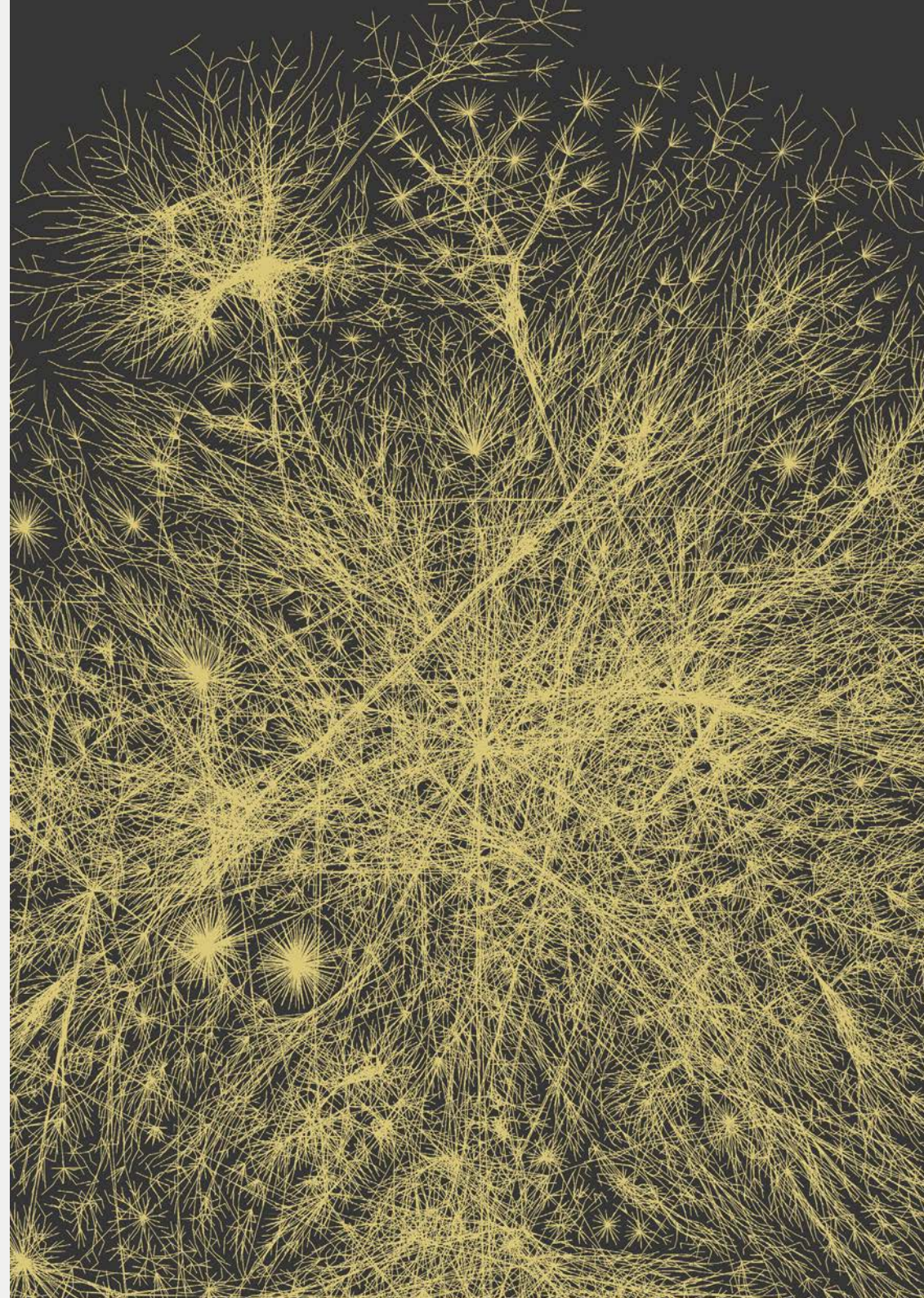
- 83% of Polish online shoppers would buy more online if returns were free.

[Learn more](#)

MORE TIPS

- The ecommerce market in Poland attracts more and more of the biggest international brands like Tesco which offers delivery in more than 20 cities, Toys'R'Us which recently launched in the country, as well as Amazon opening several logistics centres. This shows the demand in the country and the interest for big online retailers to expand into this market.
- The language is clearly a key driver and is spoken by approximately 43 million people in the world in more than 50 countries.

[Learn more](#)



09

SCALING INTERNATIONALISATION

IN THIS CHAPTER

- A / Streamlining the Workflow
- B / Translation Memory
- C / API



A / STREAMLINING THE WORKFLOW

Many online retailers are already translating their content, but to be able to scale international development, it is important to have a streamlined translation workflow.

The ideal process for successful external translation involves:

- **Choosing a team of translators:** when hiring external translators, a “casting” process can be a useful way to select a team of translators. This process involves sending the same content to a variety of translators and selecting the ones that are the best fit.
- **Assigning a project leader:** most translation projects are complex and require internal coordination with graphic designers, marketing departments and web developers. A project leader should be assigned internally who can monitor the progress.
- **Writing detailed instructions:** instructions ensure that there are no misunderstandings and that the final translations meet the requirements as much as possible (tone, structure, SEO)
- **Using a glossary:** glossaries containing a standardised list of terms make it possible to achieve consistency and improve SEO.

THE RIGHT WORKFLOW: BEST PRACTICES

1	2	3	4	5	6
In-house project management	Localisation instructions	Glossary of keywords	Pool of translators	CAT tools and translation memory	Automated integration & workflow
<ul style="list-style-type: none"> • Leading projects • Editing images • Writing a briefing 	<ul style="list-style-type: none"> • Give context • SEO requirements • Brand identity 	<ul style="list-style-type: none"> • Industry-specific terms • SEO • Consistency 	<ul style="list-style-type: none"> • Native speakers only • Industry experts 	<ul style="list-style-type: none"> • Reduce number of words • Recurring translations • Homogeneity 	<ul style="list-style-type: none"> • API integration to streamline workflow
>	>	>	>	>	>

B / TRANSLATION MEMORY

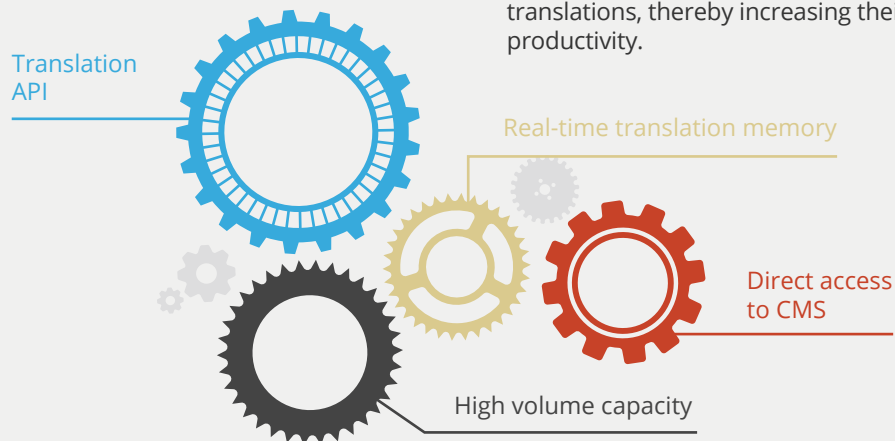
The majority of ecommerce websites have a product catalogue with product descriptions that often have repeated words or phrases (e.g. Men's long sleeve shirt, Women's long sleeve shirt). Depending on the type of product description (length, writing style, amount of product information), the number of repetitions in the text can be as high as 50%.

To match the needs of today's clients, a special tool called Computer Assisted Translation (CAT) has been developed and is used by many agencies and professional translators around the world. It suggests previously-translated phrases to the translator, improving their productivity, consistency of terminology as well as reducing the final word count, and therefore, price.

CAT tools provide the framework for the translators, but they are useless without Translation Memory, which is essentially a database of original and translated text. To put it simply, CAT tools are the pots and pans, while Translation Memory is the food that's cooked.

Translation Memory allows CAT tools to look for repetitions between current document(s), but also to find similarities in all previously-translated documents. In some cases, this database of translated text can be exported and used from agency to agency.

Traditionally, CAT tools and Translation Memory have been used separately on individual computers. However, the cloud-based nature of online translation platforms makes it possible to have "live" Translation Memory, where the database of translated text is updated almost in real-time. This allows multiple translators to work on documents and take advantage of each other's translations, thereby increasing their productivity.



C / PLUGINS

While some ecommerce sites are built using an internally-developed platform, many businesses choose to host their websites on popular CMS like Magento, Shopify or PrestaShop. These platforms come with optional add-ons, also called plugins and extensions, which allow you to add different functionalities, including website translation.

A translation plugin not only allows you to select the sections of the product page that you want to translate (title, description, meta data), but also lets you save time by sending an entire product catalogue to your translation team. A plugin allows you to do this directly through your website's CMS, eliminating time spent copy/pasting text.

D / API

Another advancement in translation and localisation technology involves the integration of an API. An API makes it possible to automatically send content from the client's platform to the translation partner's, where the translators can start working on them. Once finished, the content is then automatically reintegrated back into the client's platform. Integrating an API is one of the key steps to automating translation processes, especially in the following 3 cases:

- Ecommerce sites with very large product catalogues (more than 500,000 words)
- Websites that update or add new content frequently
- Websites translated into multiple languages

It is best to let your developers or web agency take care of the integration, as it can be quite technical. Most APIs are simple to use and only take a few days to implement.

10

SCALING REACH THROUGH VARIOUS DISTRIBUTION CHANNELS

IN THIS CHAPTER

- A / Marketplaces
- B / Product Ads
- C / Comparison Shopping Engines
- D / PPC / Sponsored Links
- E / Retargeting
- F / Affiliate Platforms

A / MARKETPLACES

Marketplaces represent a particularly large opportunity for cross-border online retailers to reach new clients and geographic areas. They can choose between hybrid or pure players' marketplaces, global and general ones like Amazon or eBay or more specific and local ones like Spartoo or Cdiscount. However, this range of choices can make it complicated for companies to maintain and optimise so many product listings on a variety of marketplaces.

Online retailers can take it one step further by looking at other types of distribution channels: comparison shopping engines, affiliate platforms and retargeting/display ad networks.

B / PRODUCT ADS

Popular search engines and social networks have introduced a range of different advertising solutions geared towards online retailers. Their massive audiences and advanced targeting capabilities make them a necessary choice for ecommerce businesses.

Global players like Google Shopping, Facebook Dynamic Product Ads and Bing Shopping share the space with local services such as Yandex Market in Russia.

Contrary to marketplaces, product places don't cover (yet?) the transaction

process, online retailers must therefore have an optimised website, especially for mobile devices, to fully leverage product ads.

C / COMPARISON SHOPPING ENGINES

Comparison shopping engines have millions of visitors looking for the best prices, and chances are high that they will finally end up on the retailer's online store.

Almost all of these platforms have the same "pay to play" business model and a similar product information workflow.

Online retailers must upload their product catalogue, which should contain standard product information such as the product title, the description, the price and the image. However, each comparison site can have different file format requirements. Once the product catalogue is on the website, the retailer is charged a fee per click every time an online shopper clicks on a product and is sent to the online store to complete the purchase.

Businesses have many comparison shopping engines to choose from, like Price Grabber, Leguide.com, Shopzilla, TrovaPrezzi, and Kelkoo. Some have better ROI than other and the best way to choose is to try them.

D / PPC / SPONSORED LINKS

Search engines such as Google, Bing, Yahoo! or Yandex have been offering paid links in their results for years. By using services such as Google Adwords or Bing Ads, online retailers are able to drive highly qualified visits to their websites. Traditionally, targeting has relied on keywords typed by visitors, but this has recently changed with the ability to target specific audiences, like Google RLSA.

E / RETARGETING

Retargeting is a marketing tool that allows online retailers to reach visitors who came to their website and left without engaging. Online retailers can target these visitors with ads tailored to their level of interest.

It is now possible to adapt to the multi-screen environment and customers' preferred devices through cross-device retargeting.

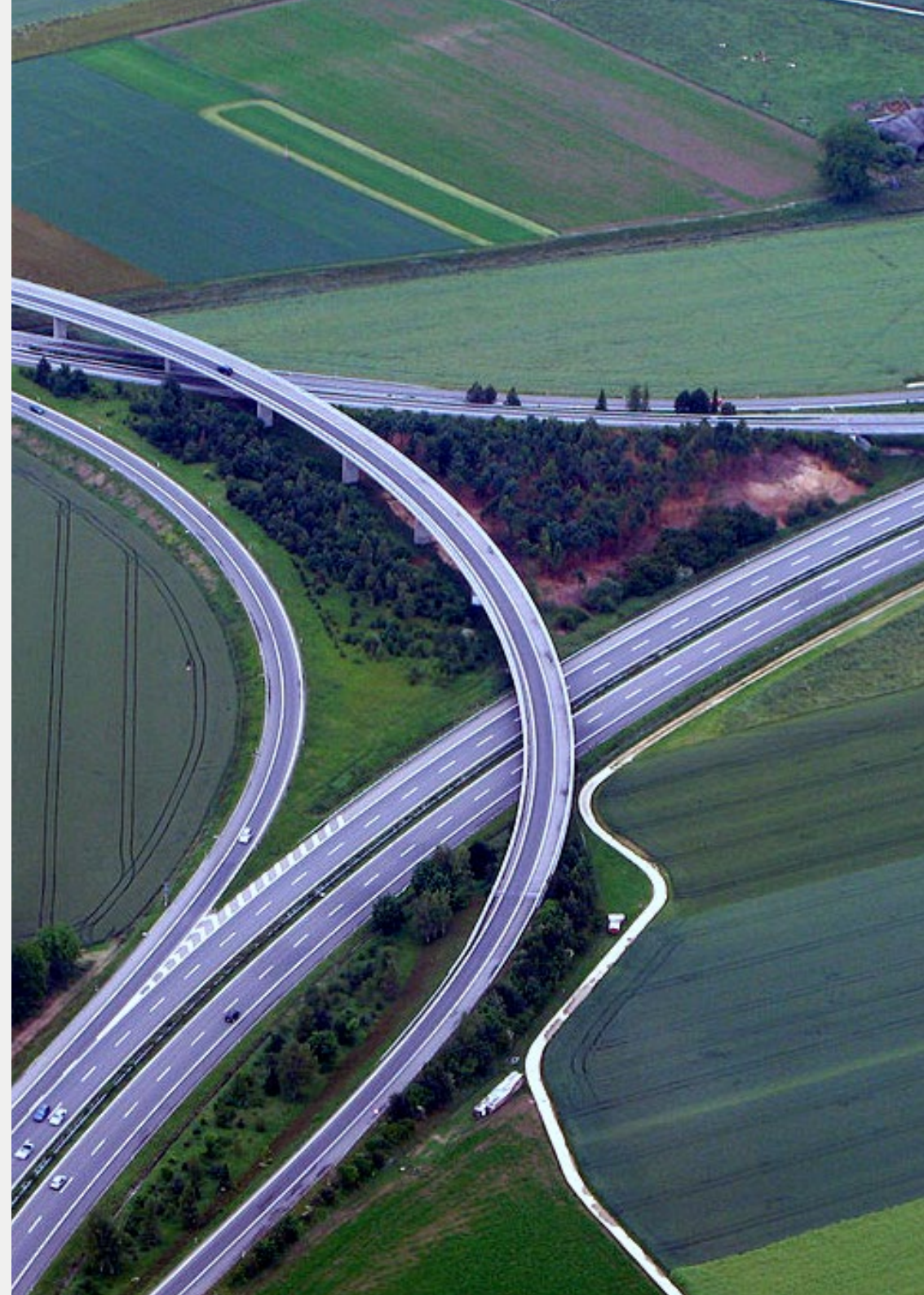
Numerous companies offer these retargeting solutions such as Criteo, AdRoll, Struq, Nextperf and Sociomantic.

[Learn more](#)

F / AFFILIATE PLATFORMS

These automated marketing programs allow companies to place a banner ad on a publisher's website. Publishers receive a commission from sales when the customer has clicked the affiliate link to go to the merchant's website to make a purchase or fill out a contact form.

These platforms drive traffic to retailers' online websites, generate qualified leads, extend the reach of the brand, increase sales and allow better search engine ranking. Online retailers can choose from different affiliate platforms like Tradedoubler, Webgains, Zanox, NetAffiliation and AffiliateWindow.



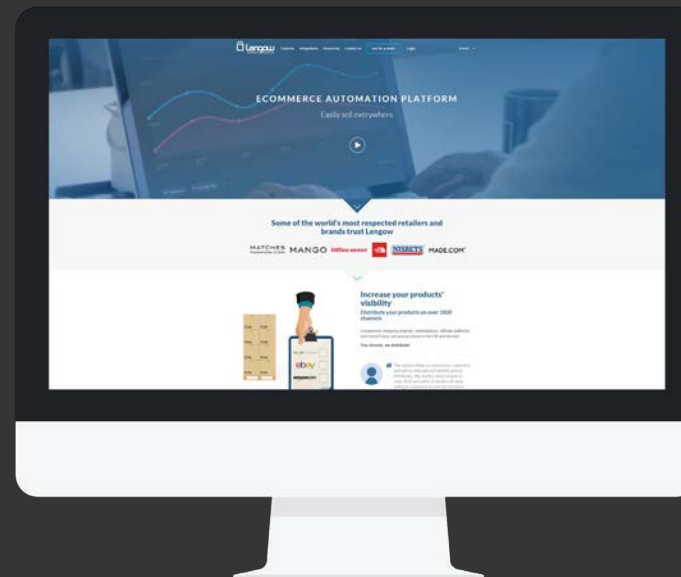
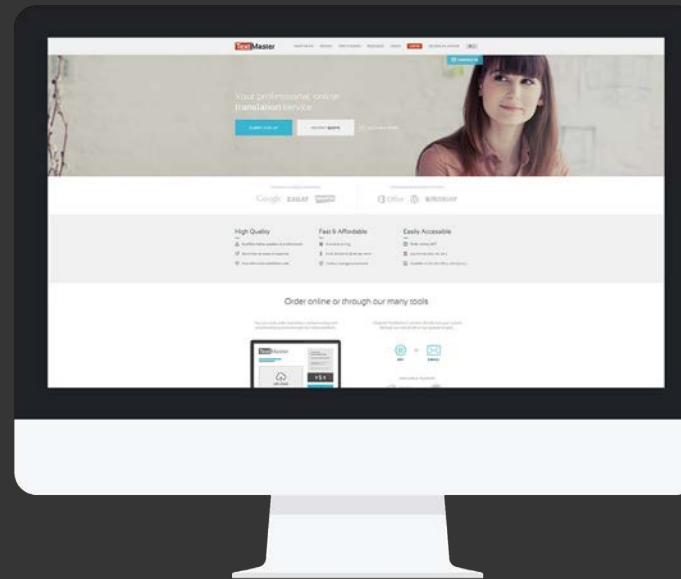
11

TextMaster

ABOUT TEXTMASTER

TEXTMASTER IS THE LEADING PROFESSIONAL SAAS TRANSLATION SERVICE FOR THE ECOMMERCE INDUSTRY.

Translate your content online or through our API in more than 40 languages and areas of expertise. Your work is handled by carefully-selected, professional translators and is supervised by TextMaster's in-house project managers. Our sophisticated technology makes it simple to deduplicate your content and reimport it back into your back-office. We also offer integrations for Magento, WordPress and PrestaShop.



12

Lengow
ECOMMERCE AUTOMATION

ABOUT LENGOW

LENGOW IS THE ECOMMERCE AUTOMATION SOLUTION THAT HELPS BRANDS AND DISTRIBUTORS IMPROVE THEIR PERFORMANCE, AUTOMATE THEIR BUSINESS PROCESSES AND GROW INTERNATIONALLY.

Intuitive and innovative, the Lengow platform is the key that opens the door to strong profitability and visibility for products sold by online retailers around the world on all distribution channels: marketplaces, comparison shopping engines, affiliate platforms and display/retargeting. With more than 1,800 partners that have been collaborating with Lengow since 2009, the SaaS solution offers a powerful ecosystem to the 3,500 online retailers that use it in 45 countries across the globe.

13

THE LENGOW- TEXTMASTER'S PARTNERSHIP

BOTH TEXTMASTER AND LENGOW UNDERSTAND THE CHALLENGES AND CONCERNS OF ONLINE RETAILERS IN TODAY'S GLOBAL MARKETPLACE.

As experts in helping ecommerce businesses succeed internationally, it was only natural to share their expertise in an in-depth white paper. With valuable insight from industry specialists Ecommerce Europe, Stripe and Trusted Shops, this white paper aims to be the ultimate guide for online retailers who wish to gain a deeper understanding of the European market.

