

# NEW FRONTIERS FOR BRANDS AND RETAILERS

---

TEN TOP TIPS FOR INTERNATIONAL  
ECOMMERCE

# THE INTERNATIONAL ECOMMERCE LANDSCAPE



## EUROPE

One of the fastest growing ecommerce regions, which recorded \$382 billion in ecommerce revenues in 2020 and is expected to climb to over half a trillion in the next few years.

## MIDDLE EAST

Shoppers in the Middle East spend an average of \$150 per shopping cart. Almost 90% of their online purchases are shipped from abroad.

## INDIA

India has 687.6 million active digital population, with 74% ecommerce penetration.

## RUSSIA

Since 2016, cross-border demand from Russia more than tripled by 2020, when 27 million cross-border orders were recorded in a single year.

## CHINA

The Chinese ecommerce market represents a whopping 55% of the global online retail sales.

## SOUTH-EAST ASIA

Online retail sales are projected to grow by 44.4% annually in South-East Asia, deepening penetration on the combined population of 655 million.

## AUSTRALIA

Cross-border sales represent 9.5% in Australia and 33% in New Zealand's total ecommerce sales.

## USA

Ecommerce sales in the US surpassed \$861 billions in 2020, up 44% relative to 2019.

## SOUTH KOREA

One of the biggest ecommerce markets worldwide, Korea's retail ecommerce is forecasted to grow from \$74 billion in 2020 to \$90.5 billion by 2024.

## JAPAN

Japan is the fourth-largest ecommerce market in the world.

## LATIN AMERICA

Online retail accounts for only 4.4% of total retail sales, but it has been predicted a rapid growth where early movers have a first mover advantage.

## CANADA

Retail e-commerce revenue in Canada is expected to grow from \$28 billion in 2020 to \$36 billion in 2024.

## TOP TIPS FOR INTERNATIONAL SUCCESS

---

Britain is respected all over the world for their quality and innovation when it comes to apparel goods. This gives our brands an inherent advantage when selling overseas.

As the ecommerce ecosphere matures domestically, exporting will become one of the ways in which many brands can continue to experience high growth. Activating cross-border trade is not simply a matter of enabling international delivery options, or adopting a foreign language on your site. British brands and retailers need to consider their end-to-end service if they want to compete on a global scale.



If you are a brand or retailer with an active ecommerce site, you are well aware of the efforts and investments necessary to make your platform work efficiently and satisfy consumers expectations. When it comes to expanding into a new market, **launching a store in a local online marketplace first, and then setting up a direct website**, could be the most reasonable and effective strategy for your brand to approach a new audience where they already exist and are familiar with.

Marketplaces not only have captive consumers, they offer an easier and faster route to market than a direct website, by reducing costs associated with marketing and promotions, payment collection and, in some cases, supply chain management. They are also an excellent way to test a new market and establish brand awareness.

In the UK, omni-channel retail is well established. Brands have been able to pick and choose how they use marketplaces like eBay and Amazon, and in some cases eschewing them altogether. This is simply not viable in countries like China, where 90% of ecommerce activity takes place on marketplaces.



Integrating with each online marketplace requires solid IT resources, which means heavily investing in a technology that can sufficiently support the operations in these ecommerce platforms. According to our service team, the majority of brands and retailers have limited in-house IT resources, so it's strongly recommended to keep an open mind when it comes to integrating with marketplaces via a third party. Apart from stability and accuracy of information at all times, there is a great opportunity of scalability.

**Integrating through third party software tools is a much faster, flexible and more scalable** route to market, as opposed to clients integrating directly to each marketplace.

## TOP TIPS FOR INTERNATIONAL SUCCESS

---

At We Are Pentagon, we have our own integration hub, so brands or retailers only have to integrate once to our software. Our hub has direct integrations with 80+ marketplaces, and we leverage technology from other providers with expertise in specific markets in order to provide a one-stop-solution for our clients.



The whole process of getting a store live on a marketplace is complex and needs to be managed and coordinated by a dedicated Project Manager. There are different work streams to be considered and managed, such as building a store design in line with brand guidelines, data optimisation, localisation, technical integration and implementing the business processes in line with best practice.

It is important to **invest time and effort in planning**, so that the launch of each new store is successful. This ensures that the implemented solution is reliable, allowing the brand to scale its business, on multiple marketplaces and in various countries, efficiently. Having a well-designed and implemented solution is crucial to ensuring future success of trading on a marketplace. Major technical problems affecting the store management could lead to customer dissatisfaction and potential brand damage.

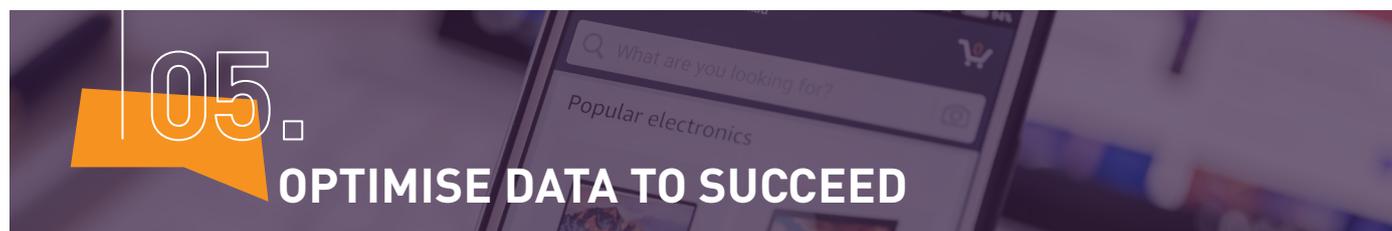


When it comes to expanding into a new market, **launching your store in a local online marketplace** has the benefit of reaching people who are already familiar with the marketplace you are selling on. This familiarity grants your brand a level of trust which you may not be able to elicit when selling to them directly. Once you have built up a level of trust from selling on marketplaces, you can start to consider selling directly.

As well as navigating local laws, brands should consider the idiosyncrasies of each marketplace, as each will have different search algorithms, marketing leavers and customer service rules that need to be adhered to. What works well in the UK will not necessarily work well overseas. Communicate clearly that you are an established British brand, but amend the process and buyer experience to fit the needs of the local consumers and consider the local competition. Carefully select your initial product range to launch, keeping in mind seasonality, domestic online product performance, local marketplaces and audience of each region. Start with a limited product range to test the process in the first few weeks and then ramp up the inventory if initial results are positive.

## TOP TIPS FOR INTERNATIONAL SUCCESS

---



Marketplaces are amongst the most visited sites worldwide, however, they are also flooded with products offered by competitors. In order to be successful on an international marketplace, you need to **make sure that your products are searchable**. To do so, you should change your perspective, empathise with the consumers, and create the right categorisation and merchandise your products accordingly.

The world of online marketplaces is vast and differentiated, and each marketplace has different specifics with regards to the presentation of the products. Most marketplaces use catalogues and require consistency, while some allow more flexibility, enabling sellers to present their products on separate listing pages. It is crucial that you get informed and showcase your product range following the best practice and marketplace guidelines.

It is always a safe bet to include the most relevant keywords in the title, to provide search terms, product attributes, clear and accurate descriptions and as much content as possible. In many international markets, consumers expect much more detailed descriptions and rich data, than a UK consumer would. There are ways to automate this, but we have found that the best results come from manual optimisation and this requires human resources.



In these years, the global ecommerce sector has grown exponentially, as have consumers expectations. Shoppers want the best service, and it has to be tailored to their own country, which means efficient local assistance and the product description in their language and according to their needs. These services and features are not applicable only to luxury and higher priced goods, but to all product offerings.

Although an automated translation service may seem the best solution and less time consuming, **human translation is preferred and advised** as it appeals more to local consumers and guarantees a better performance in terms of keywords and search placement – which, for a competitive category, such as fashion, could be what makes you stand out amongst the crowd.

## TOP TIPS FOR INTERNATIONAL SUCCESS

---

07



### □ LEARN HOW TO COMMUNICATE WITH YOUR INTERNATIONAL CONSUMERS

Recent research indicates that lack of trust is a key reason why shoppers abandon their shopping basket and proceed elsewhere. If consumers have reasons to doubt a brand or retailer's reliability, they won't proceed to make the payment. Customers need to be confident that they can communicate with the seller if the need arises and feel comfortable with their policies.

Trust is vitally important in the ecommerce sector, so **brands and retailers need to make sure that the communications pre-sale and post-sale is efficient, reliable and fast.** In countries like China, speed is critical, so understanding how customers want to interact is crucial. Most customers in markets where the mobile phone is dominant, will want to communicate via chat apps, and those buyers will expect timely responses. Your customer service team also needs to be diplomatic, persuasive and fully aware of local legislation and the rules of the specific marketplace.

08

### □ PROVIDE FAST FULFILMENT

Fulfilment can be a major obstacle when selling internationally. Certain countries are notoriously difficult to deliver to, there can be delays, issues with customs and a lack of understanding about which courier to use. It is important to focus on getting your products into these countries as quickly and as efficiently as possible to prevent damage to your brand, as shipping delays are a buyer's worst nightmare.

Before expanding into a new market, it is advised to assess the delivery and returns expectations and preferred options of the local consumers in order to provide the fulfilment service demanded. Once you have identified the standard fulfilment practice, work with a locally established courier that can get your products through customs, ideally using a tracked method. It is important to **find a bespoke solution for every country**, as one size does not fit all.

Brands and retailers might also consider setting up local fulfilment operations in key territories, or working with a partner. Some online marketplaces do offer fulfilment solutions, which support distribution into multiple countries. Their local warehouses allow couriers to deliver goods with a short timescale and they can manage local returns on your behalf.

## TOP TIPS FOR INTERNATIONAL SUCCESS

---



Make sure **you have a clear and localised returns policy** – include information in your confirmation emails and dispatch notes. Be aware that customers never like waiting for their money to be refunded, and if an international returns process is not well optimised, the refund process can lead to a very negative feedback, which could harm your business and reputation.

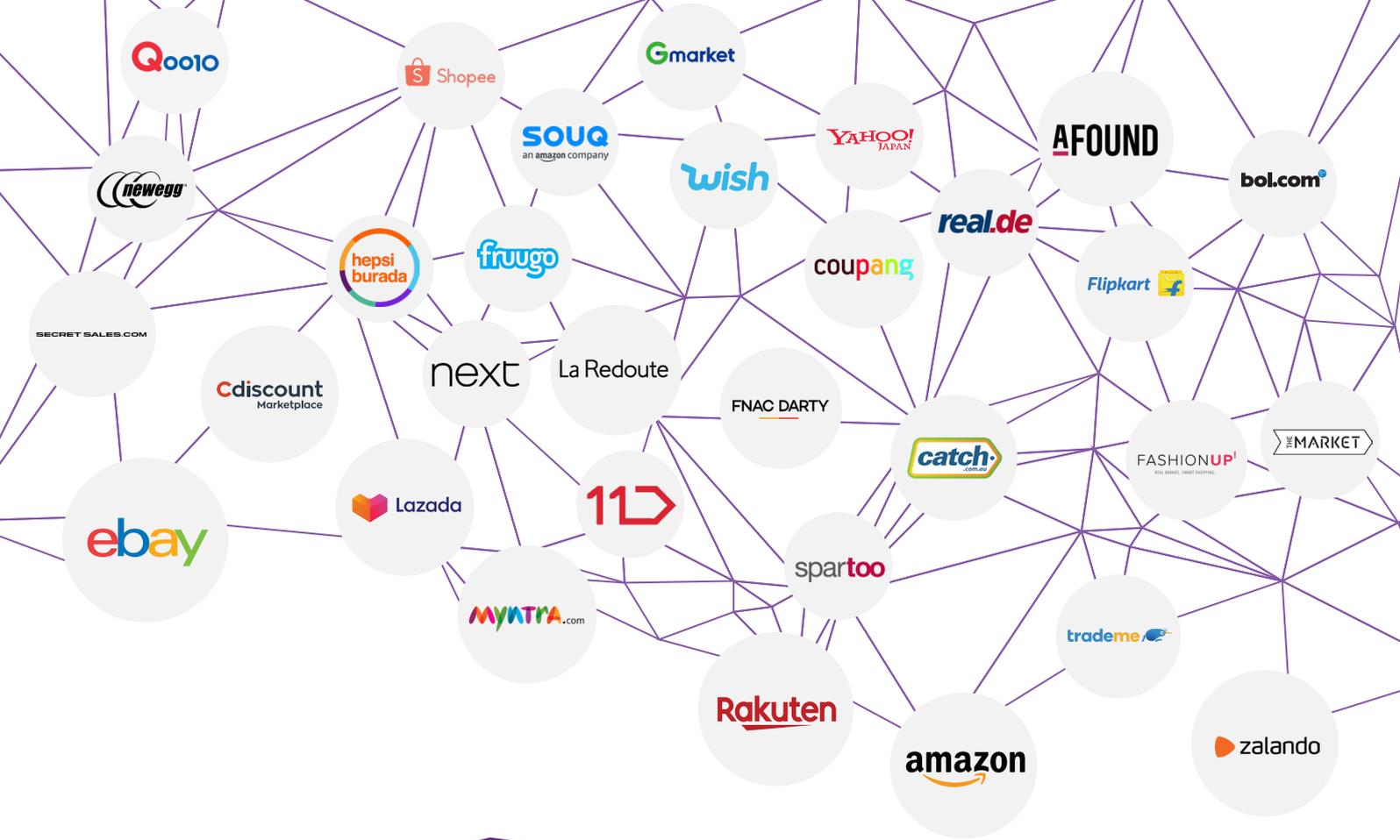
Providing a local returns address is not only more convenient for the buyers, but it is also a requirement for some marketplaces. For example, Amazon and Zalando require that all cross-border retailers offer local returns addresses. Retailers typically do not have local facilities in all major territories, so this is a limitation for most international sellers, however this challenge can be solved either by establishing a local presence or partnering with a third-party service provider.

British brands should consider partnering with innovative returns management solutions like ZigZag Global, who not only handle returns locally on your behalf, but can use them to re-fulfil in the local market or re-sell on your behalf locally.



Exporting to international customers through marketplaces is an incredible opportunity for all British brands, however, the challenges: managing integration, implementation, store management, data optimisation, customer service, logistics and returns internationally, can be daunting. Factoring in the sheer volume of marketplaces available and assessing the differences between each one, in terms of best practise, legal and cultural nuances from country to country, and the requirement to provide a localised experience, many brands may be put off.

**We Are Pentagon is able to manage these challenges by providing a turnkey solution**, and bolt-on services to British brands or retailers who do not have the time, resources, or knowledge to manage this in-house. Publicly acknowledged by the Financial Times as **one of the top 1000 fastest-growing European companies in 2021**, we are trusted by major brands and retailers to help them expand internationally and accelerate their online sales by integrating with 80+ online marketplaces in 30+ countries.



WE ARE

# Pentagon

We Are Pentagon is a market-leading technology and ecommerce service provider that supports brands and retailers in selling internationally via online global marketplaces. We take the hassle out of global expansion and work with clients across the entire retail spectrum.

GET IN TOUCH

