Best practices for setting up **an international store**

Abstract

The expansion of technology and an increasingly globalized and competitive commercial environment has changed the way business is done.

The cross-border ecommerce market is set to exceed **1 trillion USD** in 2020 as selling internationally online becomes a real possibility for companies all over the world.

A Nielsen market research study shows that **57% of consumers have bought a product online from an overseas retailer in the past 6 months**, proving the change in the mindset of the consumer.

The cornerstone of cross-border success is an international and localized ecommerce store, which can seem like a daunting prospect, but it's very worth the initial investment. The Localization Industry Standards Association (LISA) released a study showing that on average **every €1 spent on localizing your website yields €25 in return.**

This guide will take you through the process of what's needed to set up an international ecommerce store so you can launch instantly in new markets.

Content

Introduction

A look at cross-border ecommerce

Ecommerce is booming - and cross-border ecommerce (the act of selling goods or services online to consumers in different countries) even more so.

In fact, the cross-border market is set to exceed 1 trillion USD in 2020. If you've successfully been selling in your home market then an international expansion is more than likely on the cards.
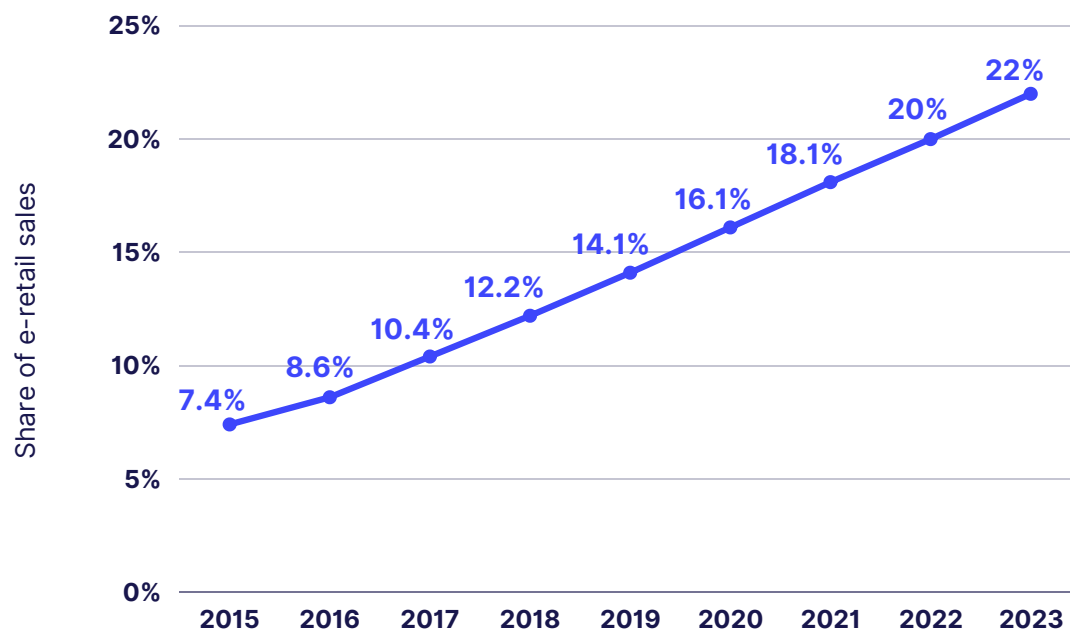
Expert modeling shows us that ecommerce is becoming increasingly popular in terms of overall retail purchases from consumers on a global scale. By 2023, it's estimated the global ecommerce market will be worth 6.5 billion USD and will account for 22% of all global retail sales as consumers become increasingly tech-savvy and purchasing behaviors shift in response to the digital age we live in.
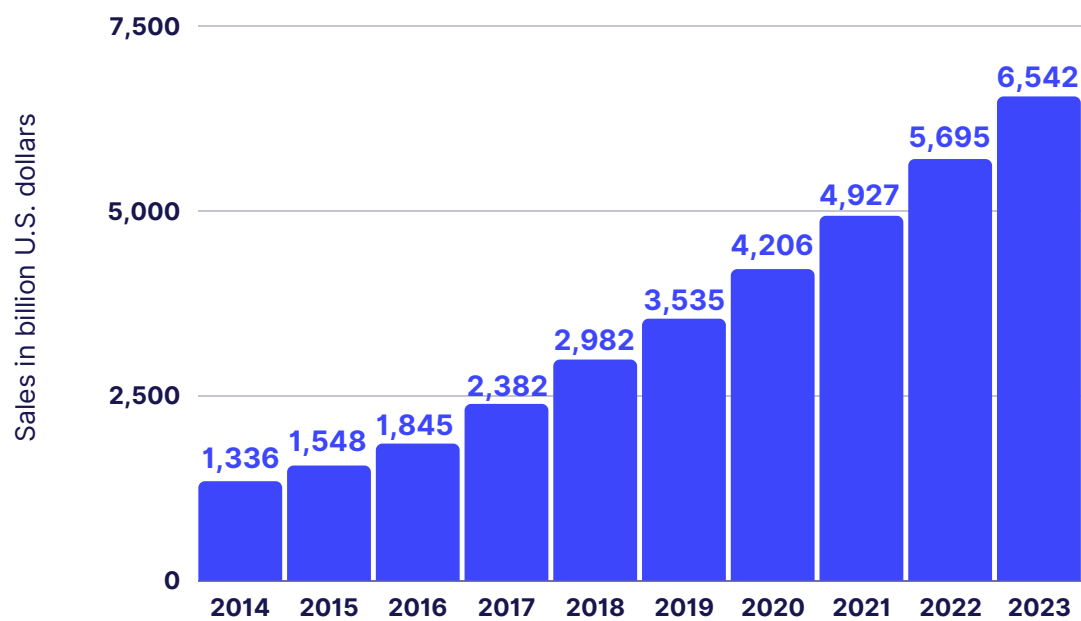
900 million customers are estimated to purchase online in 2020

Source: Alizila

Ecommerce share of total global retail sales from 2015 to 2023

Share of e-retail sales

Year	Share
2015	7.4%
2016	8.6%
2017	10.4%
2018	12.2%
2019	14.1%
2020	16.1%
2021	18.1%
2022	20%
2023	22%

Global ecommerce sales from 2014 to 2023

Sales in billion U.S. dollars

Year	Sales
2014	1,336
2015	1,548
2016	1,845
2017	2,382
2018	2,982
2019	3,535
2020	4,206
2021	4,927
2022	5,695
2023	6,542

Source: eMarketer Statista 2019

Recent studies show that 67% of consumers who shop online are engaged in cross-border ecommerce transactions. Furthermore, 900 million customers are expected to purchase products internationally on the web in 2020.

What's the tangible benefit of cross-border ecommerce?

Of course, adapting and expanding your offering to an international audience can be a challenging pursuit that requires a certain level of investment in order to do things such as localize your offering.

However, eMarketer's 2018 Cross-Border ECommerce revealed that over **80% of retailers worldwide agreed that cross-border ecommerce has been a profitable venture.**

What's more, the Localization Industry Standards Association (LISA) released a study showing that on average every €1 spent on localizing your website yields €25 in return.

If you're taking the plunge, you may not know how to do it efficiently and successfully. So, we'll take you through the process with this comprehensive guide to setting up your store for going international.

Target Markets

Research and determine the ideal market

The first step. Research your target markets. It's never advisable to enter new markets blindly. Researching the markets you're planning to sell in will determine many aspects of your strategy.

This is because there are many considerations that will impact your decision. You'll need to look further than the actual markets you want your business to grow into, and establish the cultural, economic, political, and the obvious, market risk of each potential market.

There are numerous free tools that you can take advantage of to give you some more insights into the countries you might want to expand into.

Google Analytics

Google Analytics (or any other analytics tool you might be using) is your friend when it comes to identifying where your current website visitors are coming from. This is interesting information because whilst you might not be making sales in those countries yet (we'll get to that next), you are certainly piquing their interest.

Naturally, the bounce rate is probably high, but that could well be because of your lack of localization (and exactly why you're reading this guide!). To access this part in your Google Analytics go to **Audience > Geo > Location.**

	Country ?	Acquisition			Behaviour
		Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?
		83,192 % of Total: 100.00% (83,192)	81,829 % of Total: 100.03% (81,804)	93,879 % of Total: 100.00% (93,879)	87.30% Avg for View: 87.30% (0.00%)
1.	United States	11,189 (13.59%)	11,236 (13.73%)	12,636 (13.46%)	87.77%
2.	India	8,773 (10.65%)	8,742 (10.68%)	9,978 (10.63%)	88.65%
3.	United Kingdom	3,553 (4.31%)	3,513 (4.29%)	4,098 (4.37%)	83.99%
4.	Canada	3,372 (4.09%)	3,343 (4.09%)	3,733 (3.98%)	88.75%
5.	Germany	3,049 (3.70%)	3,010 (3.68%)	3,468 (3.69%)	87.11%
6.	France	3,023 (3.67%)	2,964 (3.62%)	4,113 (4.38%)	77.63%
7.	Netherlands	2,359 (2.86%)	2,340 (2.86%)	2,735 (2.91%)	84.28%
8.	Spain	2,336 (2.84%)	2,306 (2.82%)	2,682 (2.86%)	85.46°

Analyze current orders

If you've actually received orders from people in other countries (bravo!) then it's well worth looking at your sales by country. On ecommerce CMS platforms like Shopify you can do this by looking at 'Sales by billing location'. **Go to your Analytics > Reports > Sales > View More and > Sales by Billing Location.**

Utilize Google Trends

A good way to see if there is a demand for your product in another market is to check with Google Trends. Using Google Trends, you can get immediate insights into whether your product is trending in that particular country. Simply type in your keyword, choose the country, and take a look at the results. This could indicate that there's a real market potential for your product.

Expand your insights

Now that you've got some insight into the markets that are probably worth selling in, it's time to dig deeper. There are a few questions you'll want to start to answer.

1. Will your products sell in this country?

You've essentially seen the demand from using Google Trends but actually, there might be other constraints you've not considered from a cultural, economic, and political standpoint.

2. Who are your competitors?

Are you entering an oversaturated market or is there room for you and your ecommerce store? Taking a look at who your direct competitors are will give you big insights into whether you have a chance of increasing your revenue in this market.

This can also help you with whether your price point is competitive enough.

3. Are there any constraints for selling in this country?

This can be determined by establishing the taxes, customs, etc of your target market.

Whilst you can certainly find out many of the answers to the questions above with some well planned out desk research, if your budget allows for it, then you may want to consider using a market research company to run quantitative or qualitative research to give you real insights into the people you'll be selling to.

The positive part of selling online is that often you only need to take small amounts of risk so whether you research the market to its fullest or decide your desk research is enough, changing strategy and market focus is considerably easier in the online world compared with brick and mortar stores.

Top tip: Once you've established the countries you want to start selling in it's then advisable to start small so to speak and choose 1 or 2 markets to initially start your global expansion into.

Entering multiple markets at once can be too much to handle and it's advisable to limit the initial risk.

Website Localization

Prepare for a successful market entry

Taking your business global means you'll want to take some time to consider how you'll integrate your brand seamlessly into new markets. Your localization strategy should be concrete because localization is essentially one of the key components to a successful market entry.

Localization or l10n (in some business contexts) can be defined as adapting a product, service, or offering to meet the needs of those from a particular market or locale.

There are several components to localization that you'll need to consider and it doesn't just end with website translation, but it's certainly where you'll need to start.

Website translation

55% of people will only purchase a product in their own language and 72.4% of consumers said they would be more likely to buy a product with information in their own language.

So, it's obvious - **providing a website in the languages of your customers is key.**

72% of consumers are more likely to buy a product in their own language
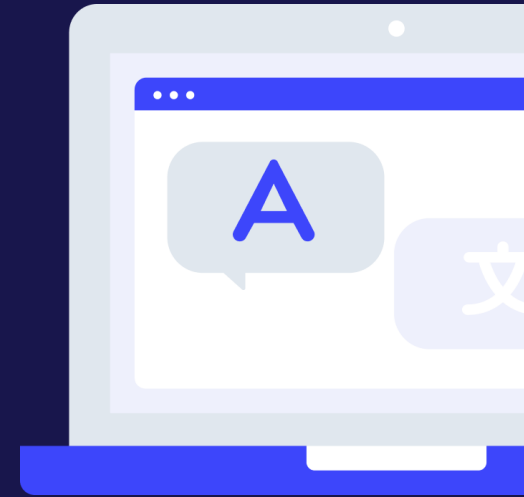
Sunglasses brand Jimmy Fairly is a great example of website translation increasing revenue. In fact, since adding 4 additional languages to their website their international turnover increased by 10 times.

Originally just selling in France, their D2C business model starting appealing to other European countries. It was at that point that they translated their website from French into Spanish, English, and Italian, increasing website visits by 70%.
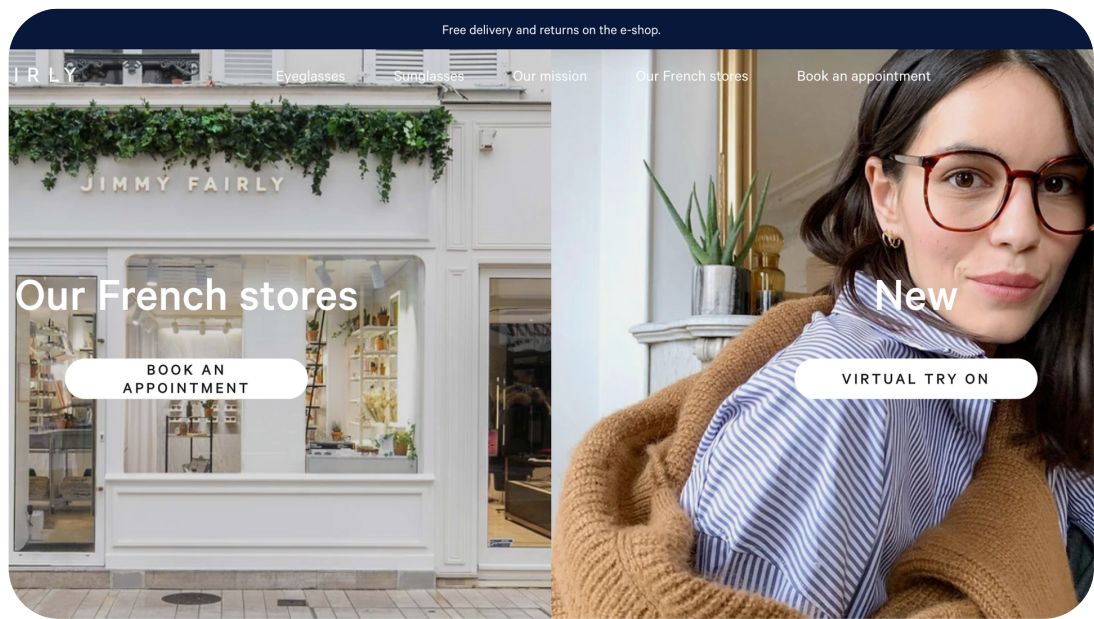
But, the big question you're probably wondering, is how you'll actually achieve this.

For many ecommerce stores, it's pretty common that you'll have hundreds, if not thousands of products featured on your store. So, the prospect of translating such text can seem pretty daunting and it can be tempting to leave this crucial step out.

However, the next section will put you at ease.

Using a website translation solution

A website translation solution allows you to say goodbye to thousands of translation files and even worse managing multiple websites for different markets...

Translating your website is made simple by using a translation solution, app, plugin (these terminologies will differ depending on the CMS you're using).

In a few clicks, you can have a multilingual ecommerce store in just minutes - including full translation of product pages, content, checkout, and crucial SEO metadata.
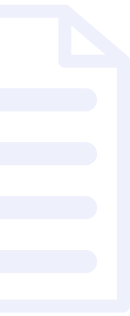
Read more: How much does it really cost to translate my website? Discover the true cost of website translation if you go the traditional route.

Users of popular ecommerce CMS platforms (and even custom ecommerce websites), can quickly translate their websites using translation solution Weglot.

Weglot works by automatically detecting all the content on your site and giving you a fast first layer of machine translation. This is incredibly useful for ecommerce websites with thousands of product pages where a manual translation process is just not feasible.

Machine translation can work well for your website, especially your product pages - but it's really a brand decision on what type of translation quality you want to display.

Read more: How to use professional translation to improve your localization project. Learn how to value your content and determine what should be translated by a professional.

Weglot also gives you the choice to review and edit your translations or order professional translations for some of your more important pages, e.g. your homepage. You can choose to edit your translations through the translations list or through a live preview of your site.

How is the content displayed? Weglot displays the content of your translated ecommerce store without the need for duplicate pages or websites.
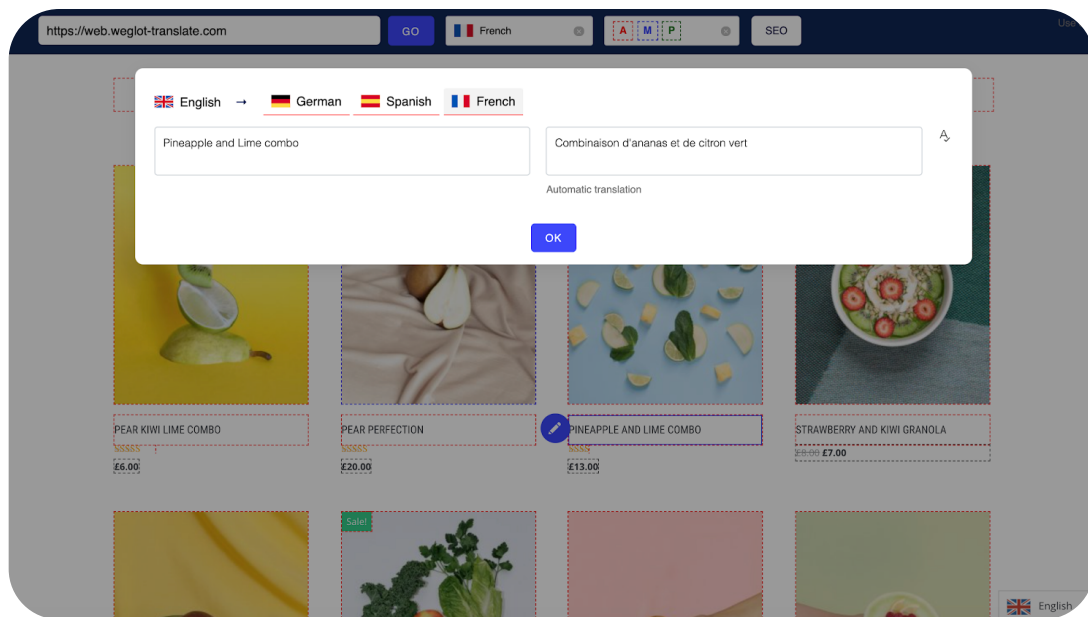
Your translations will appear under language subdirectories or subdomains (depending on the CMS you're using).

This is great for SEO as all your content is associated with one URL so you won't be penalized for duplicate content.

Redirect customers based on browser language and use Weglot's automatically added language switcher (which you can customize) to allow website visitors to choose their native language.

With Weglot, every part of your website is translated and this includes your checkout, so your potential customer will understand the full buying process when purchasing products from your international store.
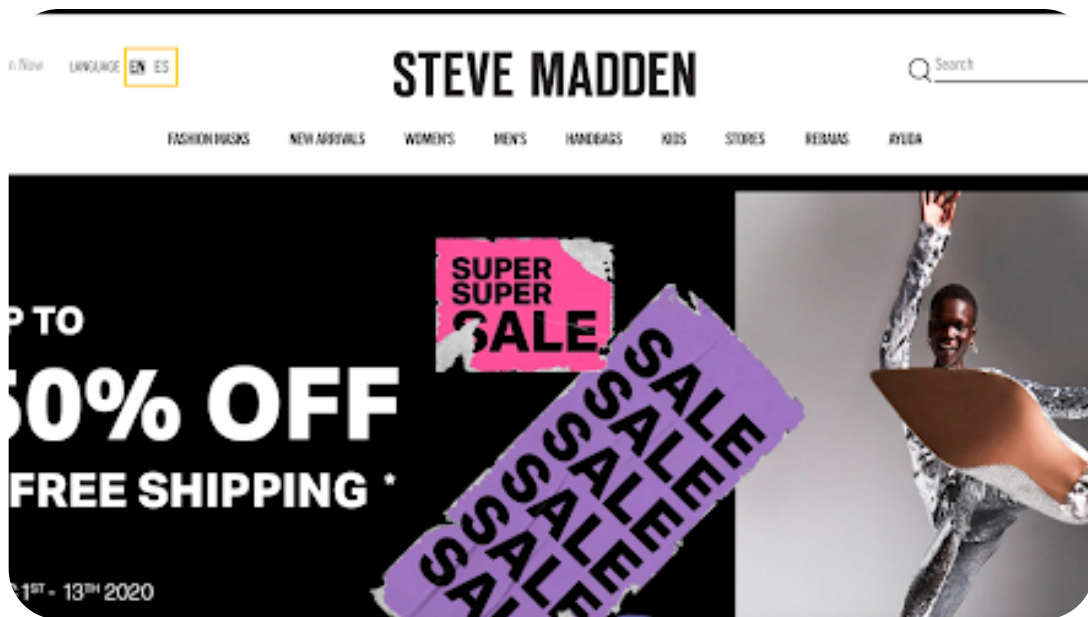
Multilingual SEO

Setting up multilingual capabilities on your ecommerce store is a big part of selling in new markets, but don't forget about multilingual SEO.

Unfortunately, if you don't have a number of SEO measures in place - some technical and others less so - you won't be visible in search results in your new target markets.

• Dedicated URLs

The big fear of a multilingual website is duplicate content. So one of the ways to fix this and following Google's very own best practices is to use dedicated URLs that include a language indicator.

Country specific domain	Subdomain
example.de	**de.example.com**

Subdirectories	URL parameter
example.com/de/	**site.com?loc=de**
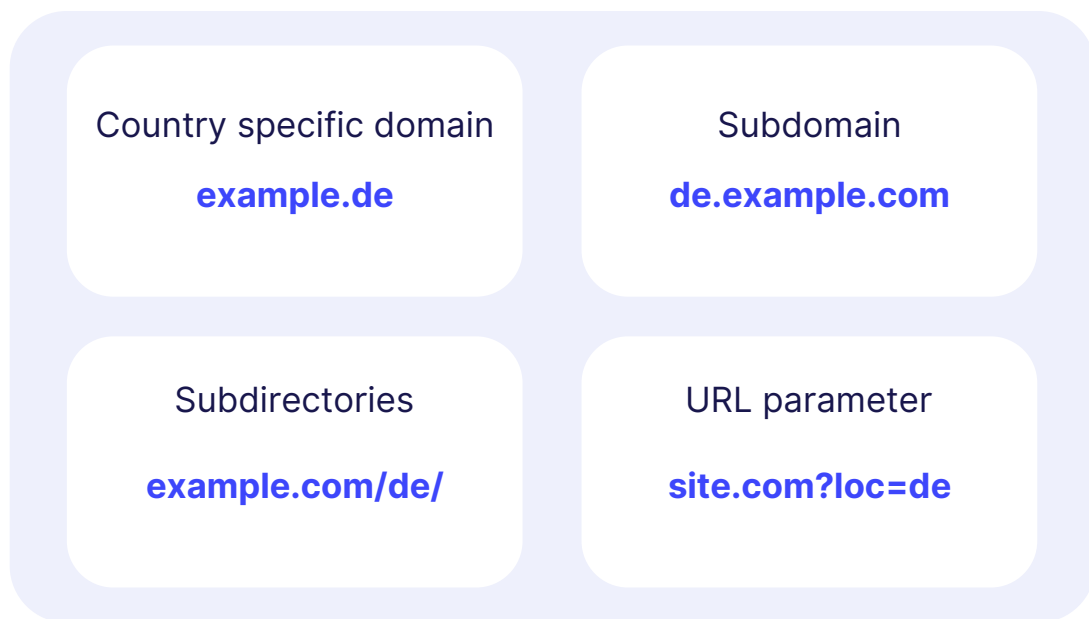
This helps search engines and users easily identify the language from just the URL alone. An example of an original URL could be **www.mywebsite.com**, with the French version **www.mywebsite.com/fr/.**

This example is called a subdirectory and the other way of doing it is a subdomain that would look like this: **fr.mywebsite.com.**

Both of these options are recommended by Google and they're also the easiest to set up. However, other options such as URL parameters are not recommended.
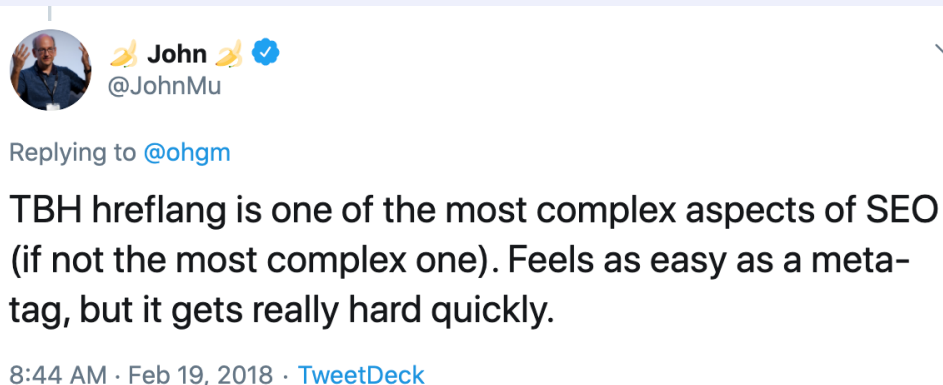
• **Hreflang tags**

Google uses hreflang attributes to help determine both the language of the page and which region it's intended for. Whilst we won't go into too much detail - all you need to know if they must be added - because hreflang tags are integral to your multilingual SEO.

```
<link rel="alternate" hreflang="en" href="https://weglot.com/">
<link rel="alternate" hreflang="fr" href="https://weglot.com/fr/">
<link rel="alternate" hreflang="es" href="https://weglot.com/es/">
<link rel="alternate" hreflang="ja" href="https://weglot.com/ja/">
```

Example of hreflang tags

These tags can be inserted in the header section of the original page or submitted via a sitemap. The real problem is that they are pretty difficult to add and get right. Ideally, you'll need the help of a developer.

Even Google's very own SEO expert, John Mueller said these were **the most complex part of SEO** - yikes!

🍌 John 🍌 ✓
@JohnMu

Replying to @ohgm

TBH hreflang is one of the most complex aspects of SEO (if not the most complex one). Feels as easy as a meta-tag, but it gets really hard quickly.

8:44 AM · Feb 19, 2018 · TweetDeck

• **Translated metadata**

Just like on your original store, **your metadata plays a crucial role in getting your pages ranked higher.** So you'll want to make sure you're doing the same for your translated pages.

Just like on your original store, **your metadata plays a crucial role in getting your pages ranked higher.** So you'll want to make sure you're doing the same for your translated pages.

This means that even content that isn't visible on your website should be translated, such as your metadata. It's also advisable at this point to carry out some keyword research in your new target markets because **keywords might not always be a literal word for word translation.**
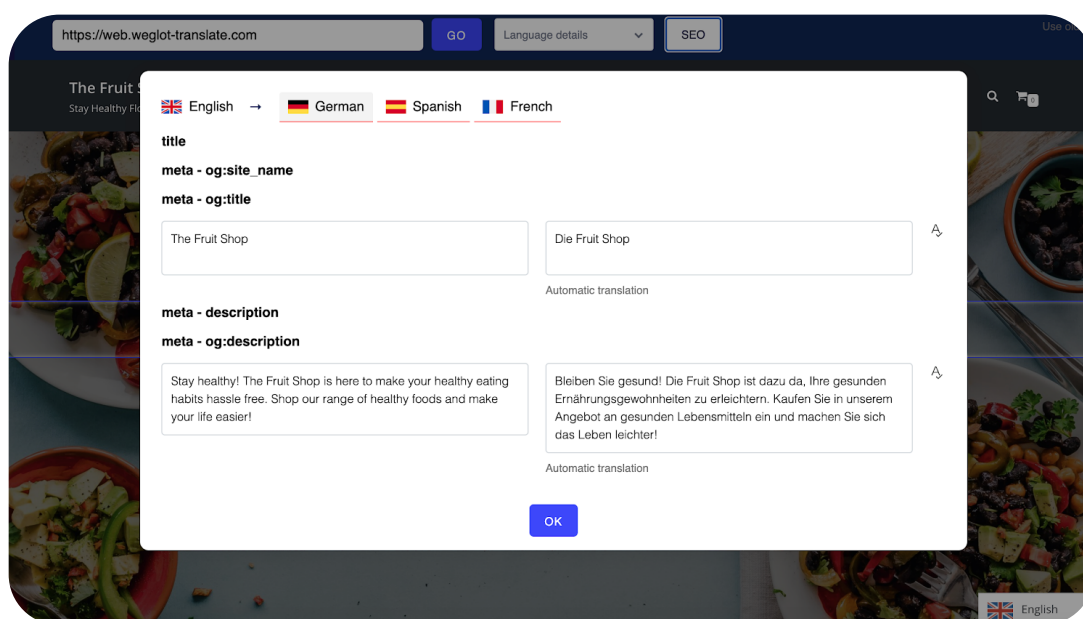
Weglot Visual Editor - editing metadata

You can then add these new keywords to your translated metadata and even extend them through the content of your website.

Top tip: Website translation tool Weglot also handles your multilingual SEO with language subdomains or subdirectories, automatically added hreflang tags and translated metadata.

Images

When you want to engage with new audiences and sell your products in those new markets – translating the entirety of your website, down to imagery and video content can help achieve that.

Translating the words on your website is one part of the process, but the next step is to complete the translation process with localized images, replacement videos, and PDF documents.

For example, on your site's landing page, you may have an explanatory video that highlights your products, etc. If you're catering to different markets then it makes sense to have a different language version of this video to correspond to the language the visitor is viewing the page in.

Another reason why you may wish to translate media on your site is to be sensitive and appreciative of cultural nuances.

4 International payments

Prepare for a successful market entry

So, let's talk about payments. When localizing your website you'll more than likely have identified the chosen payment methods of your new markets.

Setting up your store so that new international customers can pay with their chosen mode of payment is going to be paramount for user experience. People want to be able to checkout easily and whilst it may not be on your radar as something very important to selling internationally, it most certainly is.

16% of shoppers abandon their cart if their preferred payment option isn't available according to FuturePay.

## 16% of shoppers abandon cart if their preferred payment option isn't available

Source: Futurepay

Whilst you may think credit cards cover all markets - it's not the case. Make sure you get familiar with the different payment methods that are popular in the country you're expanding to.

Popular payment methods in Australia and New Zealand include POLi and Ewallets whereas consumers in Germany prefer using Girocard. Every country is different and getting this right can increase your sales.
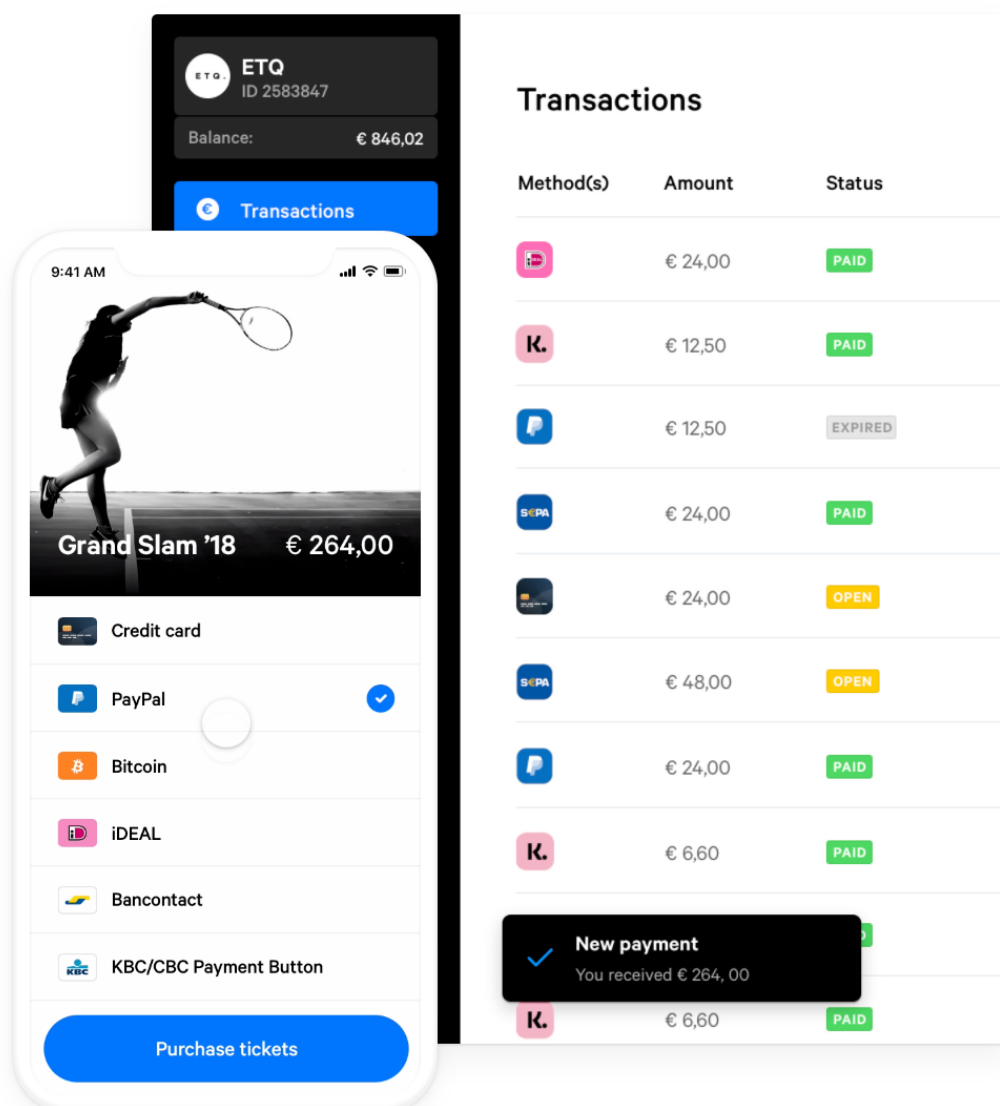
Opening up all channels of payment and having as many modes of payment, such as credit/debit cards, PayPal, e-wallets (such as Apple Pay), etc, gives your potential customers a more personalized buying experience.

Serving the right language and showing the locally preferred payment methods first, are some other quick wins to optimize your check out.

Using a plugin such as Mollie can help solve this issue - allowing you to quickly integrate all major payment methods with their simple integration and all under a single contract.

Millennials prefer PayPal while Gen X choose more traditional methods such as credit cards

Interestingly payments even go further than country preferences. There's a real difference in how different demographics prefer to purchase. Millennials prefer PayPal while Generation X chooses more traditional methods such as credit cards.

> **Takeaway:** Integrating different payment methods is likely to increase costs on your side, but if you're not localizing every part of the buying process for your international customer, you might fail to make a sale. Not having a particular payment method available is one of the big reasons for cart abandonment.

Currency

Accepting the preferred payment methods of your new markets also leads us on nicely to using a currency selector. Much like the disappointment your potential customer might feel when not being able to pay with their payment method of choice, this also extends to paying in their local currency.

Unfortunately, displaying the total amount to pay in any currency other than the official one of your customer, can play a part in driving your cart abandonment rate.

There are a couple of reasons why:

• Uncertainty of the final cost

Let's look at an example, if you were to purchase something in Chinese Yuan, say for ¥1,500 would you be willing to put in your payment details and confirm your purchase.

Unlikely. It's not a currency you're used to paying in and you have no idea what the final cost is for you in your local currency.

- ## **Exchange rate fluctuation**

If your customer wasn't already scared off by seeing your products in a foreign currency (because they've done an independent search for the current exchange rate), they may well question the fact there's not a standard exchange rate.

The rate constantly fluctuates, so this brings added worry to your potential customer.

- ## **Personalization**

Not only can it lead to cart abandonment, but it also doesn't look very good from a personalization point of view. If you're reading a website in your native language and it also delivers products to your country, you will also want to reach the final step in the purchasing process and see your currency. It's always advisable to give the same purchasing experience to all your website visitors.

The solution? Adding a currency converter to your ecommerce store. This makes it easier for your potential customers to see the price of an item without having to leave your site to check for themselves. And, as we discussed above, once they've left your site, there's no telling whether they'll come back.

However, there are two options.

- **A currency converter plugin:** This gives an estimated price but you are still charged in the original currency of the store. This is easier for the merchant because they only have 1 bank account

- **Open several bank accounts:** This enables you to charge in several currencies. It's the best integration but unfortunately more work for the merchant. This is because you would be exposed to the fluctuation in exchange rates and therefore incur additional costs.

Global logistics

Find the best way to your customers

Next comes how you'll manage your global logistics.

When entering multiple markets there's a lot to figure out in terms of how you'll manage the logistics of shipping your products:

- International shipping
- Use a fulfillment provider
- Local manufacturing in your target markets
- Hold your own products internationally

The answers to these questions involve substantial research as all options come with varying degrees of cost.

International shipping

One potential option to get your products to international customers is taking care of international shipments yourself.

It depends on the destination of your package on whether this is an interesting option. If you ship within the EU your clients will face longer shipping times.

Next to that, shipping costs are higher and parcels might be handled by multiple carriers depending on your choice to work with a national carrier or an international one.

If you ship outside of the EU, international shipping can mean quite some work from your side.

You've got to include a commercial invoice and when shipping with postal companies you also need to include a customs declaration CN22 or CN23 depending on the order value and weight.

For example, when exceeding the weight of 2 kilograms or an order value of over €425, you would choose CN23 and a CP71 dispatch note.

This is a mandatory accompanying document to the CN23. It serves as a kind of shipping message for products after loading.

The CN23 is more extensive than the CN22 and one copy needs to be added to the outside of the package in a transparent envelope and another copy needs to be added inside the package.

Some countries also require adding a Certificate of Origin. Find out here if a Certificate of Origin is necessary for your international shipment.

If you don't add these documents to your shipment, your package might find itself tangled up in customs, while your customer wishes they'd supported a local business after all.

However, as much as it can look incredibly daunting, shipping solutions like Sendcloud, ShipBob and Easyship help you with all of that!

Fulfillment services

A fulfillment service undoubtedly makes the process of selling internationally easier. They take care of the whole fulfillment, logistics, and shipment process of your products so you can sell internationally with ease.

The storage of your products in different countries is handled fully by a fulfillment provider - you only need to make sure your products are in the hands of the fulfillment center and monitor inventory to keep the process smooth. They then help improve the transit times, shipping costs, and the delivery experience for your customers by managing the whole process for you.

Insight: By using a fulfillment center you can increase shipping speed in local markets. Next to that, returns can be handled very easily.

Fulfillment companies have the advantage of handling a lot of goods which enables them to operate more efficiently to make the overall buyer experience better for your customer.

How fulfillment companies work

Connect your store, import your products and send your inventory
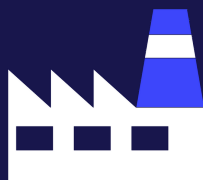
The fulfillment company stores your inventory in their numerous warehouses

Once an order is placed - they ship from the closest warehouse

Insight: Because your products will be shipped from warehouses closer to your customers (either locally or regionally), there are fewer difficulties in terms of taxes and customs costs.

Local manufacturing

This one is probably not on your radar if you're just setting out on your international selling journey. However, to summarize, this option depends solely on the skills, cost and complexity of manufacturing your products. If you hold unique products or products you're mass producing then you may want to keep to your original manufacturer and ship from one country.

You can of course weigh this up against the costs of replicating this in another region and also remember that the cost of transporting goods and in turn shipping directly from your new market will be greatly reduced.

Holding your products internationally

Another option once you're more experienced with selling internationally is to hold your own products in your own warehouses internationally. Manufacturing your products in one central location and then distributing them to your other warehouses can make distributing them in new markets smoother.

This can of course mean a huge investment and leasing multiple warehouses in different countries has added complications like location, language barriers, health safety standards, etc.

Top tip: The International Warehouse Logistics Association provides information, advice, and contacts to help guide you on the process of opening a warehouse in a foreign country.

Taxes

Something you won't be able to avoid are taxes. These can be in relation to international shipping (however, many can be taken care of by a fulfillment provider), but some are also just a part of international sales.

Taxes, such as:

- Sales tax (not related to shipping)
- VAT tax (related to shipping because VAT is also calculated on the shipping price)
- GST tax (goods and services tax)
- Import Duty
- Others

Bear in mind these taxes can differ from country to country.

However, these taxes are very dependent on the type of Incoterm you choose. And Incoterm, according to Sendcloud is "...*the solution for an international trade problem where parties from different countries can interpret transport agreements differently.*"

On top of those there can be taxes and duties in relation to the type of product you're selling, such as luxury goods, alcoholic beverages etc.

There are a lot of tax implications that could arise when selling internationally, however they depend on the type of Incoterm you select as to whether taxes are fully the responsibility of the online retailer or the consumer.

It's not the easiest thing to navigate and inaccurate tax and tariff calculations can result in extra fees, shipping delays, fines, or even penalties from regulatory authorities.

NO VAT
VAT Tax
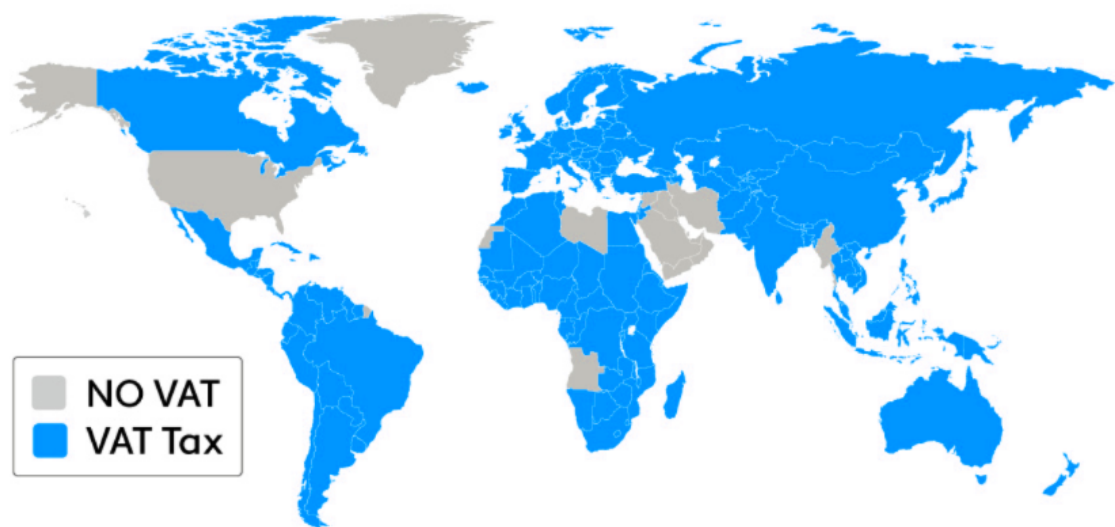
Source: WooCommerce

Top tip: Use the FTA Tariff Tool to see if your products are subject to tariffs.

You'll also need to think about the buyer in the process of taxes. Often country taxes are payable by the buyer of the goods which will add to the overall cost of the purchase - but this again depends on the Incoterm chosen.

An example of the different types of taxes payable by the seller or customer. In red is the customer and in blue the seller.

	EXW	FCA	Sea freight and inland shipping				CPT	CIP	DAP	DPU	DDP
			FAS	FOB	CFR	CIF					
Packing	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Charging costs	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Transport to the export location	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Export duties, taxes and customs clearance	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Terminal costs place of origin	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Loading on transport	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Transportation costs	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Insurance						◉		◉			
Terminal costs place of destination	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Transport to destination	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉
Import duties, taxes and customs clearance	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉	◉

Top tip: Adding a tax calculator for your customers means there are no "hidden" extra costs that might end up being a surprise at the end. It's important these costs are factored into their purchase decision before the final step to payment.

As a seller you need to be aware of international taxes and how it might impact your business and your revenue. It can be a good idea to consult with a tax expert that can give you legal advice on the various tax implications you might face.

Top tip: UPS has a great tool where you can look up the different regulations per country. For example, in certain countries, there will be certain goods that are banned.

Customer support

Find the best way to your customers

Selling internationally also means offering support to your customers in different languages and across different time zones - even extending to the different types of platform users in different countries prefer.

Of course you can take advantage of translating pages like your FAQ, shipping and returns, etc, but outsourcing or hiring multilingual support agents can prove beneficial for those with the budget.

29% of businesses have lost customers because they don't offer multilingual support

Source: Intercom

Live chat is consistently the preferred way for customers to speak to companies - with 79% of customers preferring live chat because their questions are answered instantly. Handling multilingual support is no easy feat but there are companies like Zendesk and Unbabel that can help handle your multilingual support.

Start selling internationally

Expanding your business overseas undoubtedly has its complications but the rewards far outweigh any of the problems that might come your way.

Besides, this guide is intended to help you avoid those problems! Technology and ecommerce store plugins are your friends. Using additional tools such as translation software, fulfillment companies and tax calculators all work together to ease the process of selling overseas.

Good luck with the adventure that lies ahead!

Ready to translate your website?

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