

(w/ GRAPHICS!) 3 challenges your business should consider before expanding international

Breaking new markets

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SUMMARY

E-commerce continues to grow worldwide, according to a recent study by the British Centre of Retail Research. The European market volume alone is stated to grow more than 67 percent, up to €182 billion, by the end of 2015. Golden times for online retailers, many of whom have already hit walls when it comes to both sales and country borders. But compared to traditional shops, online retailers do have one big advantage - the barriers for entry into new markets and abroad is considerably less prohibitive. But before going international, there are still a few hard facts every online retailer should consider. Online payments provider Paymill, which operates in 34 countries, highlights three tips detailing how shops can avoid stumbles with their international expansion.

1. Translation Vs. Localization

Contrary what is commonly believed, just making translations into the target market's language is not enough. In times of digitization the customer wants an online shop that is also optimized for cultural norms and needs. In addition, using the right language as well as favored color and design pattern or product portfolio is mandatory. However, the latter can be confusing if a product doesn't fit to the market. One example: don't try selling rain gear in the Sahara. Offering the right payment- methods can also be important, because not every nation has the same payment behavior. Germans, for example, are adverse to using credit cards, unlike customers in United Kingdom. In the end, the entire online shop has to focus on the preferences of potential customers in the target market.

2. Challenges In Operation

In Europe's retail trade, not all product groups are subject to the same law. Special characteristics are especially in the distribution of digital products: Until 2015, tax matters had been transacted in the vendor's home country. But now tax rates have to be applied in the purchasing country. Under the name of VAT Mini one stop shop (MOSS), online retailers can be theoretically confronted with up to 28 different tax rates. Therefore it's recommended to sign up at the VAT MOSS and transact sales taxes in the seller's country.

Even shipping bureaucracy can vary based on the country. While that's obvious for non-European deliveries, there are even customs charges even inside the EU. Cyprus and Monaco, for example, have imposed duty taxes for imported goods. So online retailers are advised to research cost expenditures for shipping and possible customs duty before expanding into foreign markets. It's also important to give customers a detailed list of potential costs, to reduce expensive chargebacks.

3. Human Resources

What impact do language barriers have on an employee's attitude? Does the online shop need to hire staff in the target country? This is not only relevant for startups. Even medium-sized enterprises need to ask themselves this question. Language in particular has a key role in the customer support team, but it's important to note that English isn't always the preferred language. And don't forget, marketing activities have to be planned in advance, meaning materials are needed in the country perspective. Translation and redesign of marketing material can be both costly and time consuming. When the latter is important for your support strategy, remember that customers need communication channels and time zones have to be considered.

General Advices

Every expansion needs a planning phase which starts with a detailed analyses on the key country. Market sizes, opportunities and competitors' situation have to be checked. Afterwards, online retailers should define key markets based on local languages, customer needs and time schedules. Small and medium companies should regard the expertise of trustful partners in operative actions. Such partners can handle complex topics like international taxes and adapting the online shop for different languages and designs. Going international has to be planned and carefully chosen well in advance. A carefully executed expansion strategy should take preference in order to assume sustainability in the market down the road.

About Paymill

PAYMILL's developer friendly REST API lets you accept credit and debit card payments directly in your website and mobile application. Available across Europe, online businesses are able to accept online payments globally, enabling them to scale internationally from the get-go. The API gives you full control of your checkout so you can deliver a user experience optimised for higher conversions. And with heavy-duty security measures already built-in –

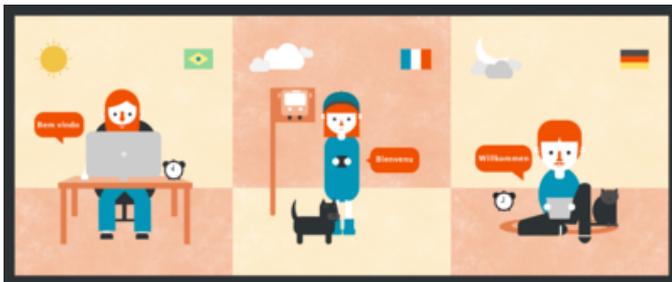
you can rest easy knowing your data secured.



RELEVANT LINKS

 Further information
<http://www.paymill.com>

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ABOUT RCKT. ROCKET COMMUNICATIONS

RCKT. is a full service communications agency from Berlin.

We believe in the power of communication and strong brands.

Our home is the vibrant tech and startup scene. As communications professionals we are united in our core beliefs:

We create compelling and entertaining content to deliver traction

We always listen to our clients, their customers and markets

We love the Internet and embrace technology

We share our passion and go the extra mile

We always stay calm and humble

We love freedom and allow to be different and brave

We keep our word and deliver what we promise

This is the ABC of communication.

Agenda

“PR is dead”. This statement makes our industry shiver. But not us. We have been watching closely as the global media landscapes develop and change. Rather than mourning traditional PR, we look forward to a vibrant future of living content that matches the pace of the digital age. It starts right now. We believe that there is and will be a dynamic range of public and media relations, consumer as well as business communications, digital content and offline activities, positioning of people and products, personally tailored stories and real-time interactions across a spectrum of channels and an increase of speed that shapes our agenda. We understand all these correlations and interdependencies. Better: We live, set and surf the agenda – anytime and anywhere.

Branding

A brand is more than the appearance of a company. It's the company's heart and soul. Through insightful crafting, a brand has the power to tap into the deepest aspirations of customers' hearts. We build brands from scratch. Starting with the company's vision and customer insights, we develop engaging brand personalities and lay the groundwork for a company's product and internal culture. Branding isn't about broadcasting a set of messages to the public but about joining a conversation and community. We tune into them and dig out real and relevant stories of high content-value. We believe a brand is the product of a thousand small gestures, which is why we accompany brands throughout their whole journey: from billboards to animations, from branded content to integrated digital campaigns; from young startups to market leaders – we shape brands that are there to stay. Together, we build long-term value for your company.

Content

We've learned a thing or two about proper content over the last few years: First, everyone wants content. Second, very few actually have good content. To produce great content, you have to be brave and be passionate about what you are doing. The days when we looked up to TV stations and editorial offices as the paragons of good content are long gone. The leaders in relevant content are no longer a select few media players, but rather the masses of customers, users, and members of the digital community. A new generation of content creators from all around the globe has taken the place of the old guard. This talented group is creating outstanding content on a daily basis, whether it be more extensive pieces on blogs and YouTube vlogs or shorter work on Twitter or Vine. They inspire us to tell stories that are worth being told and shared with others. We believe in content that is fun, immersive and informative, and at the very least will simply put a smile on your face.

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