



INTERNATIONAL
TRADE
ADMINISTRATION

Getting Global eCommerce Sales

*Practical Guidance for Small &
Medium-Sized Businesses*



Learning Objectives

1. eCommerce Overview

- ✓ Gain basic background understanding of ecommerce mechanics

2. eCommerce Strategies & Best Practices

- ✓ Understand and employ ecommerce strategies to your business

3. SEO: How Customers Find Your Site

- ✓ Understand how your site is found and how to improve it

4. eCommerce Best Market Prospects

- ✓ Learn best overseas market prospects in ecommerce
- ✓ Identify ecommerce and market resources currently available to you

Self Assessment:

1. Do you currently sell online in the United States?
2. Do you have sufficient resources to invest in developing overseas ecommerce markets?
3. Who are your competitors, and what are they doing in your target markets?
4. What online tools are readily available to perform a basic market analysis?

I. eCommerce Overview

What is “Cross-Border eCommerce”?

- Cross-border ecommerce is international ecommerce. It is literally "selling across a border using ecommerce", as opposed to the general concept of “ecommerce”.



eCommerce Definition

eCommerce:

eCommerce is the act of selling goods and services online.

B2B eCommerce

Business to business (B2B) ecommerce transactions are made between businesses, where a supplier sells in bulk

B2C eCommerce

Business to consumer (B2C) is where a business sells its product directly to a customer, either directly from a company website or an online marketplace

Read more about ecommerce here

<https://www.export.gov/article?id=B2B-or-B2C-eCommerce>

eCommerce's ROI

Median Sales Growth ROI from eCommerce**

A helpful guideline for growth targets

- \$0M-1M = median annual growth rate 137%
 - Sales of \$1M equate up to \$729,927 increase in annual sales
- \$1-5M = median annual growth rate 40%
 - Sales of \$1-5M equate to \$400,000-\$2M increase in annual sales
- \$5-10M = median annual growth rate 26%
 - Sales of \$5-10M equate to \$1.3M-\$2.6M increase in annual sales
- \$10-100M = median annual growth rate 7%
 - Sales of \$10M-\$100M equate to \$700,000-\$7M increase in annual sales

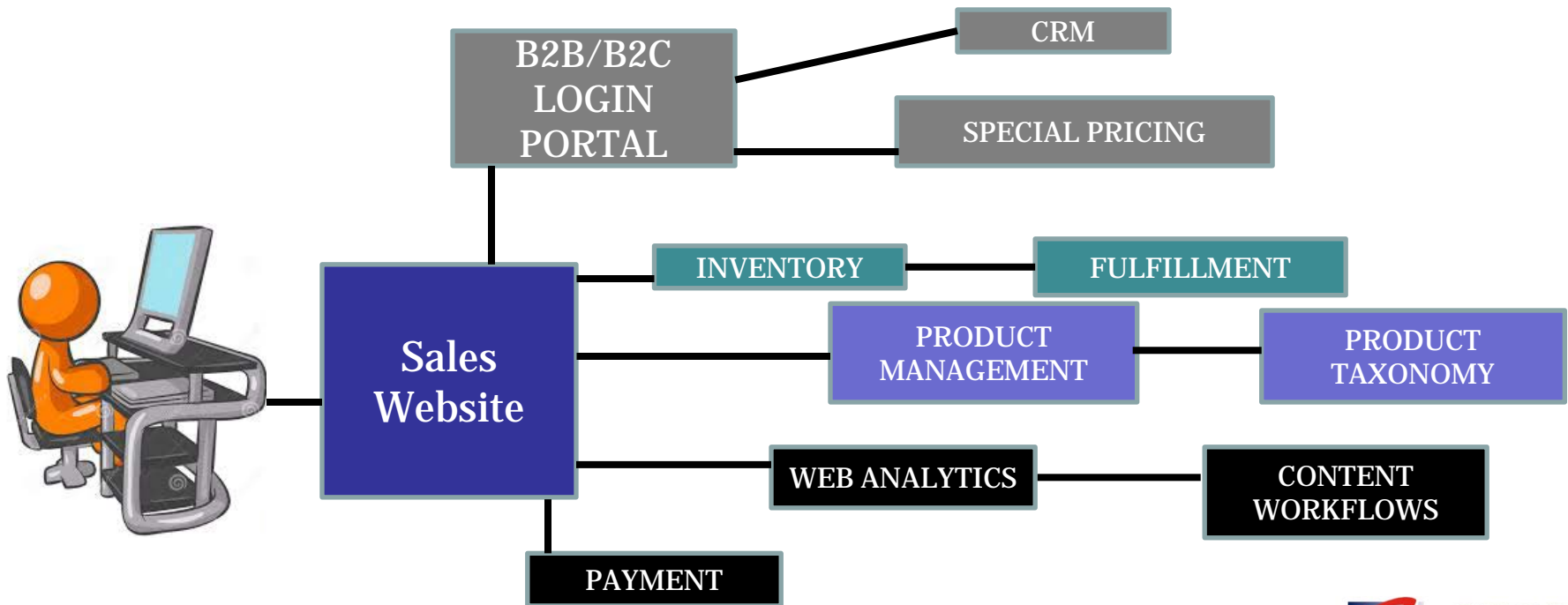
****Source: RJ Metrics/Magento; Survey of over 400 clients**

<https://rjmetrics.com/resources/reports/2015-ecommerce-growth-benchmark/>

What Is An eCommerce Platform?

An ecommerce platform is:

- ✓ a series of software technologies
- ✓ integrated into a business's website
- ✓ allows a business to solicit products or services from website
- ✓ to complete a sales cycle



The 3 Types of eCommerce Websites:

Transactional

- conduct full end-to-end transactions via the website
- enable customers to search for, order, and pay for products online
- allow customers to contact the company for after-sales service
 - <http://www.knesekguns.com/commercial/>
 - <http://www.earthcreations.net/>

Informational

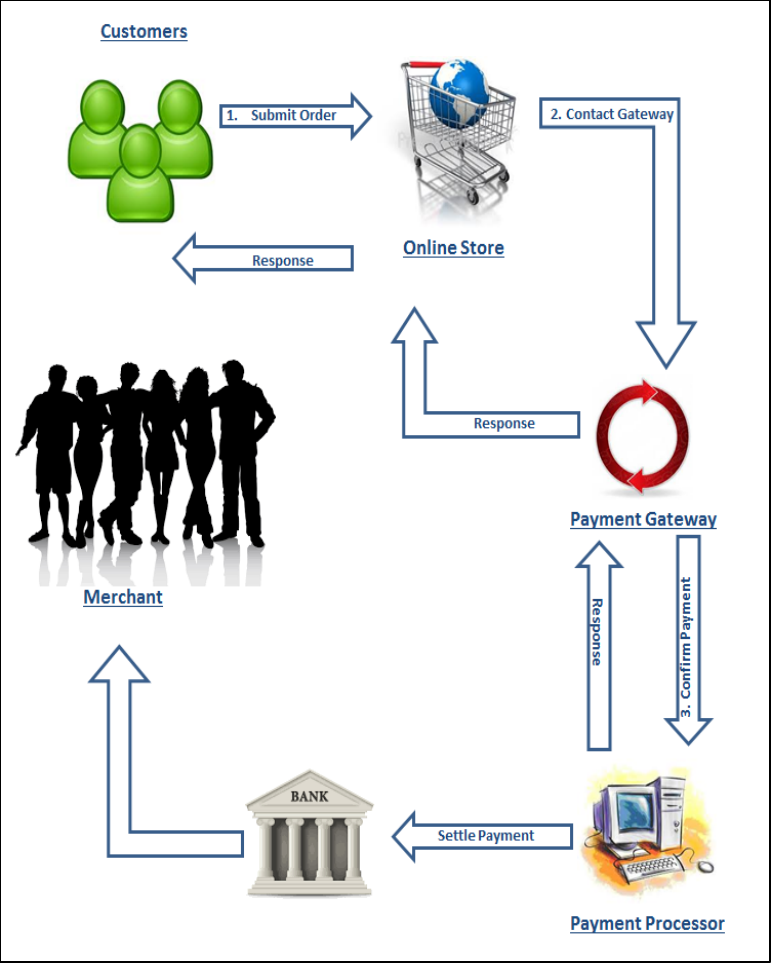
- generates sales by promoting corporate awareness
 - <http://www.cckcpa.com/>
 - <http://www.douglasmanufacturing.com/>
 - <http://processbarron.com/>

Online Marketplace/Auction

- platforms that bring buyers and sellers together to facilitate transactions
 - [Claudia's Canine Cuisine](#) [Dan's Whetstone Company](#)

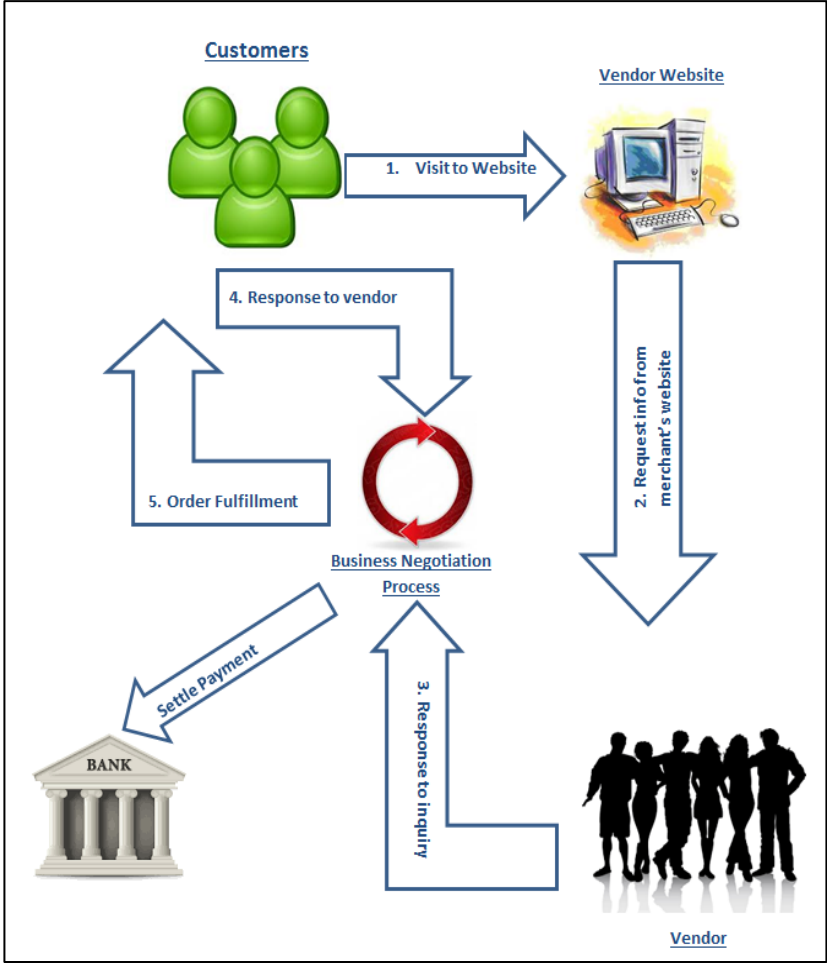
The eCommerce Transaction Process:

Transactional/Marketplace



Versus

Informational



eCommerce Software Platform Types

- “On-premise”
 - Open-source software
 - Self-supported
- Software as a Service (SaaS)
 - Cloud-based
 - Full-service templates

SaaS Platform Benefits

- Time and initial cost are relatively low compared to On-Premise
- Installation, maintenance, and software upgrades of the site are the responsibility of the platform, not you
- Security and PCI compliance is managed by the platform by trained professionals
- Revenue is more predictable, less technical issues to interrupt cash flows

SaaS eCommerce Platforms

SaaS Platform	Price per month	Transaction fees (low to high plan)	Payment processing fee	Ease of use	Support
Shopify	\$14–\$179	0%–2%	\$2.15	Easy	24/7
Squarespace	\$8–\$26	2.9% + \$0.30	2%–0%	Easy	E-mail or LiveChat
Bigcommerce	\$30–\$299	0%	2.9%	Intermediate	24/7
Volusion	\$15–\$135	0%	2.15%	Advanced	24/7
3dcart	\$19–\$129	0%	2.9%	Advanced	NA

On-Premise Platform Benefits

- Full customization, caters to specific business needs (B2B, multilingual), allows for separate country websites
- Top-level domain checkout- no need for paypal, transactions occur onsite
- System integration- allows for a high degree of integration with existing business systems (CRM, payroll, inventory, etc)

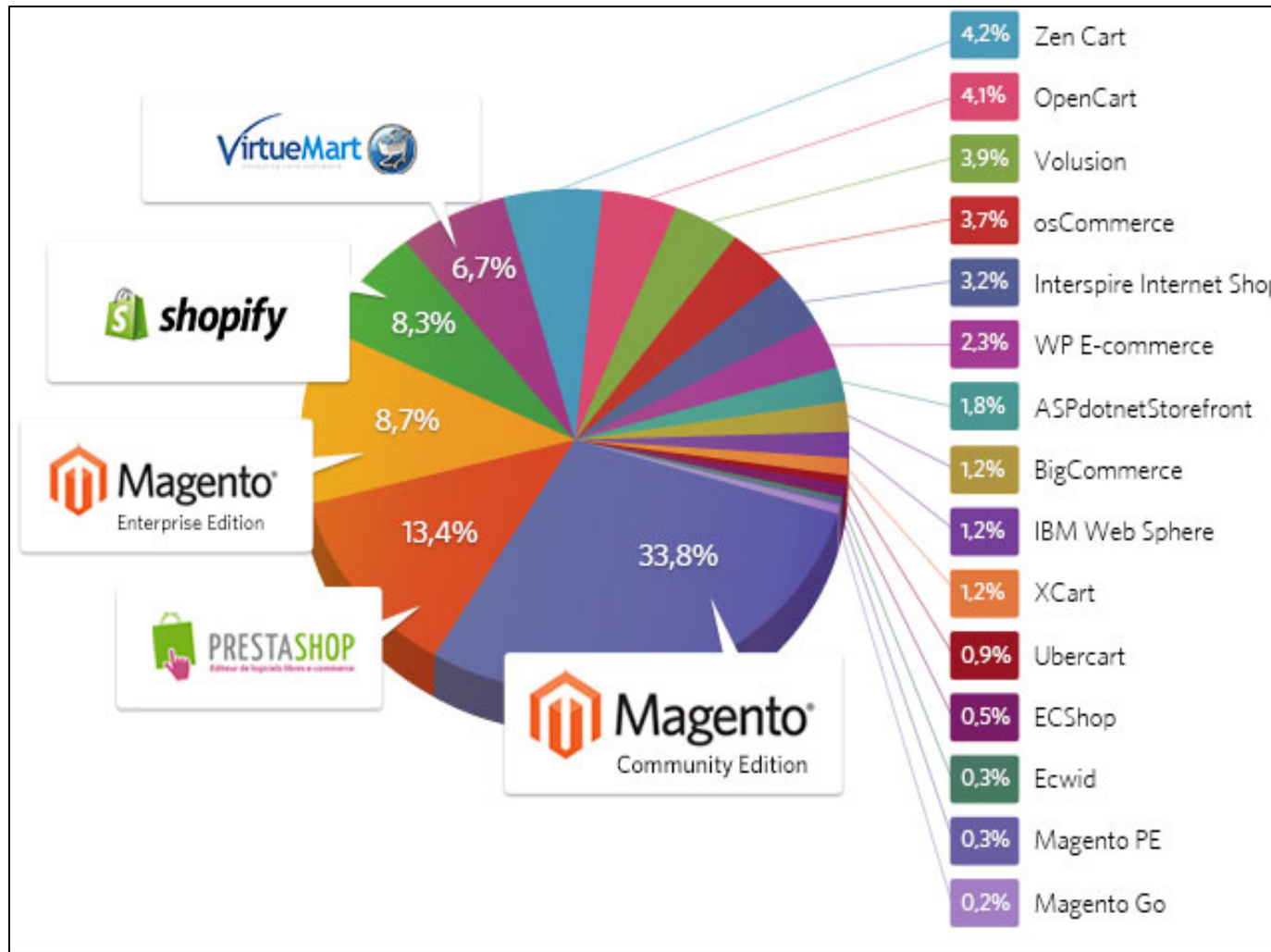
Mid-Market Solutions

On-premise platform	On-premise or cloud-based?	Licensing cost	Hosting cost	Payment gateways included?
Magento Community	Both	\$0	\$100–\$200/month	Yes
Magento Enterprise	Both	\$15,550+	\$500+/month	Yes
Mozu	Cloud-based	\$35,000–\$2million/year	\$0	
Demandware	Cloud-based	1% monthly sales	\$250,000/year	
Netsuite	Cloud-based	\$500–\$1,000/month	Varies	

Entry-Level Solutions

On-premise platform	On-premise or cloud-based?	Licensing cost	Hosting cost	Built-in blog?	Payment gateways included?
WooCommerce	Both	\$0	\$20–\$50/ month	Yes	Yes
Spree Commerce	Both	\$0	\$20–\$30/ month	No	No
Drupal Commerce	Both	NA	NA	NA	NA

eCommerce Platform Service Provider Market Share (2015 global)



Key Take-Aways:

- eCommerce is as simple or as complicated as you want to make it
- The initial returns on investment for ecommerce is greater the smaller you are as a business
- eCommerce functions for a website is accomplished through a series of software add-ons
 - SaaS/Marketplace templates include all add-ons
 - “On-Premise” allows for unlimited flexibility
- Technology is always changing the way ecommerce is done
 - **eCommerce is NOT “Set It and Forget It”**

II. eCommerce Strategies & Best Practices

General Overseas Market Considerations

- Think local- sizes (smaller or larger people), colors, festivals, etc
- Identify customer needs, work backwards to meet them
- Use local third parties (USFCS) with international trade specialization & local knowledge
- Be prepared to start small, invest in building your brand

Best Practices for Overseas Consumers

- Use real contact emails, not sales@company.com
 - Tell them when there will be follow up (eg: 48hrs)
- Make it clear on your homepage that you do international!
 - Set up for Google translate, but don't translate your page
- KISS- Simple is better. Your site needs to be intuitive, make it easy to find what is wanted
- Social media is an easy -and cheaper- way to build your brand overseas (B2B and B2C)

Site Visitor Statistics

- Of the people that actually conduct business purchases, **89% of those online researching for a business transaction** using search engines as a part of their job
- For those 89% of business consumers who conduct online research prior to a purchase, they will **spend less than a minute** on your site before they decide to leave
- B2B follows B2C trends, even if it is a business buying, there is still a human behind the screen

You therefore have less than one minute for your site to:

- immediately establish your reputation,
- allow them to find what they came to look for,
- and leave them with a **positive impression of your site, and therefore your business.**

Step 1: Your eCommerce Business Strategy

1. **Objectives:** what do you want your website to achieve? Information or sales?
2. **Resources:** what are your contingency options? ROI may be a while off.
3. **Target Market and Audience:** key audiences that would like to visit your site.
4. **Competitor Analysis:** list your closest competitors, what makes their website successful? Borrow ideas.
5. **Feature List:** simple sketches or powerpoint mock-up of what you want your site to look like. List requirements: home page product list, onsite search...

Website Considerations

- Accurate product descriptions: not only important for overseas buyers with Customs in mind, but also important for web crawlers and SERP rank
- Privacy policy: if collecting PII of customers (address), a privacy policy should be displayed on the site
- Customer service: your client should be as attentive, if not more so, to the needs and complaints of online customers. Show responsibility & good faith
- Security: if doing On-Premise transactional website, does your client 's site comply with PCI DSS? (Payment Card Industry Data Security Standard)

Step 2: Identify Market Opportunities

How can I find out which markets are right for me so I can make strategic and targeted decisions on where to market my product and/or service?

- Overseas online marketplaces
 - Rakuten (Japan)
 - Amazon.de (Germany)
- Translate keywords, search your product overseas search engine
 - Google Global Market Finder
<https://translate.google.com/globalmarketfinder/g/index.html?locale=en>
- Contact a local *International Trade Specialist* or *Global eCommerce Specialist*
 - <https://www.export.gov/ecommerce>
 - <https://www.export.gov/usoffices/index.asp>

Step 3: Choosing eCommerce Channel Mix

- Your own website, localized/globalized
- Online Marketplaces
- 3rd Party in-country distributor
- Social Media



© marketoonist.com

Step 4: Feedback Loop

- Use Search Engine Optimization (SEO) tools to identify your online business performance
 - <https://www.export.gov/article?id=SEO>
- Identify roles and responsibilities for Product Information Management (PIM)
 - Website analytics- what are they looking at?
 - Internal Roles- product data, pictures, descriptions
 - Feedback Schedule- routine reports

Local Partners- Scaling Up

Adapting to Local Markets

- Requires market research
- Understanding of the target market
- Understanding of the people/consumers in a target market
- Creating localized marketing campaigns
- Creating localized website content for target market
- Developing a network to build credibility

Local partners

- ✓ Have local market research & understanding
- ✓ Understand their customers/your target market
- ✓ Already have localized marketing campaigns
- ✓ Already have localized website, and just need your content
- ✓ Already have a target market network and credibility

Partner-finding services

- International Partner Search (IPS)
<https://www.export.gov/International-Partner-Search>
 - List of 3-10 potential partners
 - Background, financials, reference, product assessment
 - \$550 SME, \$1400 Large Company
 - 51% US content required

Key Take-Aways

- Look through your overseas client's eyes
- Start small, keep it simple
- Develop an ecommerce strategy as you would a business strategy
- Local overseas partners/online marketplaces simplify the process of selling overseas

III. SEO:

How Customers Find Your Site

Search Engine Optimization (SEO)

- SEO is the foundation of your site
- Use intuitive structure
- Detailed product descriptions
- Video content
- Photo content
- Fresh content- ecommerce is NOT set it and forget it!

Search Engines Used Worldwide 2016 via Desktop

- Google 89%
- Bing 4.16%
- Yahoo 3.29%
- Baidu 0.64%
- Yandex RU 0.55%

Google has been “the top” for over 15 years; Google is the standard for shaping marketing strategies and business models.

Mobile eCommerce Optimization

Mobile?

- January 2017: Google updates search algorithm to include “mobile first” site indexing as a SERP ranking factor
- 30-50% of all current global online traffic going to an ecommerce site originates from a mobile device. Mobile device adoption will reach 90% in the US this year
- Search Engines Used Worldwide 2016 via Mobile/Tablet
 - Google: 94.5%
 - Yahoo: 1.97%
 - Baidu: 1.67%
 - Bing: 1.08%
 - Yandex RU: 0.19%

Read more about mobile optimization here

<https://www.export.gov/article?id=Make-Your-Website-Mobile-First>

Mobile!

Use mobile plugins available from your ecommerce platform software vendor to organize content and sections on the page in a mobile-friendly design pattern

“having a website that isn’t optimized for mobile is like owning a store with no door”

--Tweet from Elon Musk (July 2015)

Technical Resources

- The Web Developer Resource Guide is a resource list of web development professionals for your website.
<https://www.export.gov/article?id=Web-Developer-Resource-Guide-eCommerce>
- Free, or "freemium" online tools for optimizing your website (SEO, APIs, Search Engine, etc.)
<https://www.export.gov/article?id=Useful-eCommerce-Website-Tools>
- Free ecommerce counselling from
<https://www.export.gov/article?id=Global-eCommerce-Specialists>

Read more about eCommerce Tools & Services here

<https://www.export.gov/article?id=eCommerce-Tools-Services>

Fraud Prevention

- Use common sense!
- IP geolocation
 - Identify buyer's location through IP address
- Background Check
 - International Company Profile Service
 - <https://www.export.gov/International-Company-Profile>
- Third Party Payment
 - Service provider assumes the risk

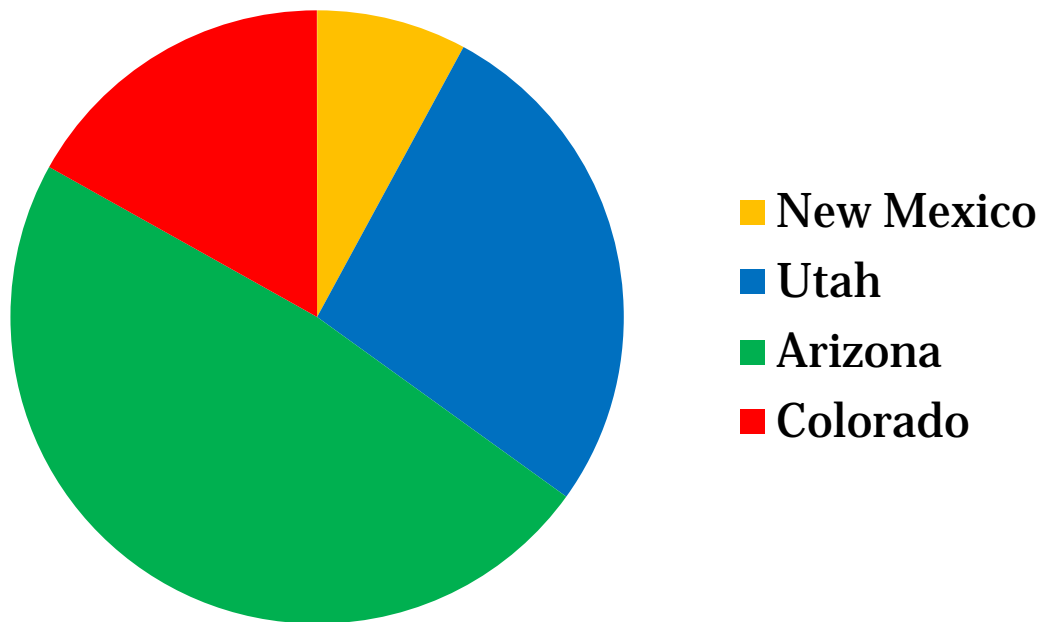
Key Take-Aways

- Google bots scan through the entire contents of every page every text including Alt tags for every image and video, before making a ranking decision about your page.
- Mobile optimized is not the future, it is now
- SEO allows you to be found via search- are you letting people find you?

IV. eCommerce Best Market Prospects

Four-Corners' Region Snapshot

2016 State Total Exports



Source: Census Bureau, U.S. Department of Commerce or Global Trade Atlas State Exports, March 2016

New Mexico eCommerce Stats

- (2016) \$3.57bn in state manufacturing exports
 - Assuming std 60% via ecommerce = \$2.14bn ecommerce exports
- New Mexico top export markets
 - Mexico
 - China
 - Israel
 - Japan
 - Canada
 - Germany

Utah eCommerce Stats

- (2016) \$12.21bn in state manufacturing exports
 - Assuming std 60% via ecommerce = \$7.33bn ecommerce exports
- Utah top export markets
 - U.K.
 - Hong Kong
 - Canada
 - Mexico
 - China
 - Taiwan

Arizona eCommerce Stats

- (2016) \$21.78bn in state manufacturing exports
 - Assuming std 60% via ecommerce = \$13.07bn ecommerce exports
- Arizona top export markets
 - Mexico
 - Canada
 - China
 - South Korea
 - U.K.
 - Germany

Colorado eCommerce Stats

- (2016) \$7.62bn in state manufacturing exports
 - Assuming std 60% via ecommerce = \$4.57bn ecommerce exports
- Colorado top export markets
 - Canada
 - Mexico
 - China
 - Japan
 - South Korea
 - Malaysia

Understanding International Consumers

- Prefer to purchase from well-known, multibrand retailers that have established, strong reputations for service and fair dealing
 - Quality products from known sources- maybe not your website
- Sell via eBay, Google, or Alibaba if your goal is the Chinese market
 - 3rd party payments = easier?
- Europeans tend to buy from within Europe, purchases are duty free/reduced
 - Work with an in-country partner!

Top Importer Markets for Crafts

- **HS 7113 Precious Jewelry**
 - Hong Kong, Switzerland, EU, Singapore, Japan, China
- **HS 6913 Ceramic Pottery**
 - EU, Japan, Switzerland, Norway, Canada, Taiwan
- **HS 5702 Woven Rugs**
 - EU, Japan, Canada, Australia, Switzerland, China

- **eCommerce's Share of Overall Sales (2016)-**
 - Apparel & Footwear 25.9%
 - Beauty & Personal Care 19.7%
 - Consumer Electronics 35.5%
 - Home Furnishings 6.2%
- **Authenticity and diversity of goods is a consumer driver**
- **Mobile Optimized- 80% of Chinese consumers use mobile to research, desktop to purchase**
- **Top eCommerce Sites/Marketplaces/Social**
 - Alibaba / Tmall / Taobao
 - JD.com
 - WeChat

- **eCommerce's Share of Overall Sales (2016)-**
 - Video Games (hardware) 13.7%
 - Beauty & Personal Care 2.2%
 - Consumer Electronics 17%
 - Home Furnishings 1.1%
- **Consumers compare price, reviews; 90% of purchases via PC, while 47% households have broadband**
- **Use of credit cards not culturally common, 3rd party marketplaces with accounts are more trusted**
- **Top eCommerce Sites/Marketplaces/Social**
 - AliExpress 46%
 - Amazon.com 42%
 - Instagram / WhatsApp

Germany

- **eCommerce's Share of Overall Sales (2016)-**
 - Apparel & Footwear 19.3%
 - Consumer Health 13.6%
 - Consumer Electronics 26.7%
 - Home Furnishings 5.5%
- Client accounts are preferred for payment (ie: marketplace)
- German businesses sell to France, Austria, Italy, Spain, Nordics
- **Top eCommerce Sites/Marketplaces/Social**
 - Amazon.de
 - eBay.de
 - Otto.de
 - Facebook / Stayfriends

<https://www.export.gov/eCommerce>

The screenshot shows the 'export.gov' website header with the tagline 'Helping U.S. Companies Export' and a search bar. The navigation menu includes 'How to Export', 'Customized Services', 'Market Intelligence', 'Events', 'Trade Problems', 'FAQs', 'Boards', and 'About Us'. The main heading is 'ECOMMERCE EXPORT RESOURCE CENTER' with the subtext 'Learn about digital commerce and explore best practices to sell more online, overseas.' Below this are three white buttons: 'ECOMMERCE SPECIALIST', 'NEWSLETTER', and 'OUR YOUTUBE CHANNEL'. The content area features three columns: 'Identify Market Opportunities' (Resources for new market analysis, VIEW button), 'Build your brand' (Digital marketing and brand building, VIEW button), and 'Choose the right channel mix' (Distribution strategies including overseas marketplaces & partners, VIEW button).

- **Identify Market Opportunities**
- **Build Your Brand**
- **Choose the Right Channel Mix**
- **Optimize your users' experience**
- **Price Your Products**
- **Protect Your Brand**
- **Ship Your Products**
- **Get Paid**
- **Manage After Sales Service**

Country Commercial Guides (CCGs) <https://www.export.gov/ccg>

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COUNTRY COMMERCIAL GUIDES

Market conditions, opportunities, regulations, and business customs for over 125 countries prepared by trade and industry experts at U.S. embassies worldwide.

-- Select a Series --

- Select a Series --
- Afghanistan Country Commercial Guide
- Albania Country Commercial Guide
- Algeria Country Commercial Guide
- Angola Country Commercial Guide
- Argentina Country Commercial Guide
- Armenia Country Commercial Guide
- Australia Country Commercial Guide
- Austria Country Commercial Guide
- Azerbaijan Country Commercial Guide
- Bahamas Country Commercial Guide
- Bahrain Country Commercial Guide
- Bangladesh Country Commercial Guide
- Barbados Country Commercial Guide
- Belgium Country Commercial Guide
- Belize Country Commercial Guide
- Benin Country Commercial Guide
- Bermuda Country Commercial Guide
- Bolivia Country Commercial Guide
- Bosnia Herzegovina Country Commercial Guide

Country Commercial Guides are an excellent starting point to find everything you need to know about doing business overseas, detailing 8 important factors to help you decide if a market is right for your product or service:

1. Doing Business in ...

Country Commercial Guide (Detail) <https://www.export.gov/ccg>

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India Country Commercial Guide

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Country Commercial Guide

Doing Business in India

Market Overview

India - Market Overview

Market Challenges

Market Opportunities

Market Entry Strategy

Political & Economic Environment

Selling US Products & Services

Leading Sectors for US Exports & Investments

Trade Regulations, Customs, & Standards

Investment Climate Statement

Trade & Project Financing

Business Travel

India - Market Overview

Discusses key economic indicators and trade statistics, which countries are dominant in the market, the U.S. market share, the political situation if relevant, the top reasons why U.S. companies should consider exporting to this country, and other issues that affect trade, e.g., terrorism, currency devaluations, trade agreements.


Last Published: 7/18/2016

The Republic of India is the 18th largest export market for U.S. goods. Two-way trade in goods and services reached \$107 billion in 2015. U.S. companies exported \$21.5 billion worth of goods to India, dominated by civil aircraft and spare parts, machinery and electrical machinery which accounts for approximately 30% of the total trade. The U.S. presently has a \$23 billion trade deficit with India. U.S. imports are comprised primarily of diamonds, pharmaceuticals and petrochemical products. The stock of U.S. foreign direct investment (FDI) in India was \$27.97 billion in 2014 (latest data available from the U.S. Department of Commerce's SelectUSA office).

The annual growth rate of the Indian economy increased to 7.2% in 2014-15 from 6.6% in 2013-14. The IMF estimates India's growth rate to continue to rise to 7.6% in 2016-17, spurred by market liberalization and reforms addressing India's ease of doing business, as well as an active Government of India driven campaign to increase local manufacturing, grow the agricultural sector, and attract greater levels of inward foreign direct investment.

U.S. FDI in India is largely in the professional, scientific, and technical services, finance/insurance services, and information service sectors. The major industry sectors contributing to the U.S. FDI in India are software and IT services, business services, financial services, pharmaceuticals, plastics and industrial machinery. Most major U.S. companies are active in the market, which includes fast growing U.S. franchisors that are responding to changing consumer tastes and an increase in India's middle class, particularly in tier 1 and tier 2 cities. India is the fourth fastest growing source of FDI into the United States. The total stock of FDI from India into the U.S. is \$10.70 billion (2014 position per SelectUSA statistics).

eCommerce Country Briefs <https://www.export.gov/eCommerce>



Helping U.S. Companies Export

[How to Export](#) [Customized Services](#) [Market Intelligence](#) [Events](#) [Trade Problems](#) [FAQs](#) [Boards](#) [About Us](#)

Preparing for eCommerce

EXPAND **COLLAPSE**

- eCommerce Guide
 - + Getting Started
 - + Identifying Market Opportunities
 - + Website Optimization
 - + Pricing Your Products
 - + Getting Paid
 - + Success Stories
 - + Protecting Your Brand
- Country Briefs
 - 1. Country Briefs Overview
 - Belgium
 - Brazil eCommerce
 - Canada
 - China
 - Colombia
 - France
 - Germany
 - India eCommerce**
 - Israel
 - Japan
 - Kenya
 - Luxembourg

India eCommerce

A summary of India's eCommerce environment, covering current B2B, B2C, and cross-border ecommerce trends.

Last Published: 10/17/2016

eCommerce is India's fastest growing and most exciting channel for commercial transactions. Indian ecommerce is growing at an annual rate of 51%, the highest in the world and is expected to jump from USD 30 billion in 2016 to USD 120 billion in 2020. (Source: ASSOCHAM-Forrester study paper.) The retail sector is also showing a promising trend of 11% CAGR and is expected to reach USD 1 trillion by 2020.

India eCommerce Statistics:


Capital: New Delhi
Population: 1.25 billion
Currency: Indian Rupee
Language: Hindi, English

With annual additions of 25 million new internet users, India has an Internet user base of 400 million in 2016.

Current eCommerce Market Trends in India:

eCommerce has made it easier for top American brands to reach Indian customers, and has emerged as one of the fast-growing new trade channels available for the cross-border trade of goods and services. eCommerce market in India is likely to touch USD 38 billion marks in 2016 showing 67 per cent increase over the USD 23 billion revenues for 2015. There is a growing appetite for American brands that are doing well in several categories including lifestyle products, consumer electronics, clothing, footwear and accessories, health and beauty, household goods, art and collectibles, event tickets and online music.

U.S. Department of Commerce | International Trade Administration



eCOMMERCE INNOVATION LAB

Key Take-Aways

Contact Your Local Trade Specialist!

<http://2016.export.gov/usoffices/index.asp>

- New Mexico
 - Robert.Queen@trade.gov
- Arizona
 - Kristian.Richardson@trade.gov
- Colorado/Wyoming
 - Suzette.Nickle@trade.gov
- Utah
 - Shelby.Peterson@trade.gov

2-Part Webinar Series: eCommerce Payment Strategies



Guardian Payments

- Part 1: April 18th 2017, 1pm EST
 - Rates: card brand vs. processor
 - Technology: Shopping carts & gateways, pros & cons
 - Registration: \$25
<https://emenuapps.ita.doc.gov/ePublic/event/editWebReg.do?SmartCode=7Q9P>
- Part 2: April 20th 2017, 1pm EST
 - Working with your funding bank: chargebacks, risk, process
 - International Payments: differences, tools, currencies
 - Registration: \$25
<https://emenuapps.ita.doc.gov/ePublic/event/editWebReg.do?SmartCode=7Q9N>

Questions?

James Bledsoe

James.Bledsoe@trade.gov

Deputy Director

**eCommerce Innovation Lab
(EIL)**

<https://www.export.gov/ecommerce>

<https://www.linkedin.com/in/james-bledsoe>

