



Market Warehouse



International Trade Customer Case Study | Market Warehouse

Expanding a business to an international marketplace

A lot has changed for Market Warehouse since it was founded in the late 1980s. It still sells computer software, but has expanded into other markets, and now features electronics and housewares. Today, its website is a highly rated e-commerce store.

Recently, to make shopping easier for its international customers, Market Warehouse upgraded its shopping cart – and added PayPal as one of its payment options.

PayPal, with its base of more than 150 million accounts worldwide, helps the company reach more customers outside the U.S. – particularly those in a hurry to receive their goods, according to Rob Steiner, one of company's co-founders.

“When our savvy international customers shop on the internet,” Steiner says, “they know that when they pay with PayPal, their orders go through faster and with less hassle.”

International customers love PayPal

Before adding PayPal, international orders accounted for a mere 4% of Market Warehouse's total sales on its website. But the decision to offer PayPal was rewarded almost immediately: within two months, the company's international orders increased by 248%, now accounting for 10% of its sales – and the percentage is growing.

Steiner attributes the rise in orders in large part to PayPal – with half of its international customers choosing to pay with PayPal.

“It's been a huge success,” says Steiner.

Easier, more secure payments

With its increase in international orders, Market Warehouse is more vigilant than ever about minimizing fraud.

“Unless an international credit card order is clearly 100%

legit,” Steiner says, “our staff needs to check out the customer before we ship anything.”

The company accepts orders from roughly 30 countries, with most coming from Canada, the U.K., and others in Western Europe.

But even with a short list of countries, Market Warehouse staffers follow a cumbersome process to minimize fraudulent orders – they scrutinize every one that looks suspicious.

“It's tedious,” says Steiner, “and it can take anywhere from 24–48 hours.”

In contrast, when international shoppers use PayPal, there's less need to go through a manual process.

“We don't worry as much about fraud when our customers choose PayPal,” says Steiner. “The process is also easier and faster because we don't need to verify addresses for our PayPal customers. It's a win for us and a win for our customers.”

Lowering costs and raising the bottom line

PayPal has also helped Market Warehouse save money with how it processes credit card transactions. When it started using PayPal Virtual Terminal, the company's fees for one credit card issuer was cut in half.

“This reduction in transaction fees represents a significant cost savings for us,” says Steiner.

Overall, adding PayPal to its redesigned website has been a success on several levels.

“Honestly, before we added PayPal on to our online store, I didn't think it would make much of a difference to our bottom line,” said Steiner.

“But we've been pleasantly surprised by our skyrocketing international orders, and the savings in transaction costs we're enjoying with PayPal.”

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