



How to sell internationally

REACH NEW CUSTOMERS IN TARGET MARKETS
AROUND THE GLOBE.



Enter a world of opportunity

There's a world of potential customers out there, just waiting to buy what you're selling. You just have to think a little more globally.

If you have any doubts about the possibilities for your business, consider this: a recent McKinsey study estimates that 1.8 billion people will enter the consuming class by 2025, spending \$30 trillion annually – or 50% of the world's consumption.¹

It's easy to create a virtual online presence, either on your own website or through an online marketplace – test a few target markets, then offer a subset of your product range to international buyers.

But to make your international expansion a success, you need a plan. This guide outlines 5 critical elements that can prepare you to take your first steps across international borders:

- ✦ Gathering market intelligence.
- ✦ Making it easy for customers in target markets to pay.
- ✦ Researching taxes, duties, customs and regulations.
- ✦ Developing clear delivery and return policies.
- ✦ Looking towards future growth.

Your cheat sheet



Identify your target markets

Strategy is important when selling internationally, especially when you're testing the waters – so do your homework.



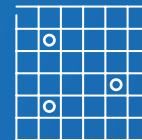
Consider your payment options

Look for a payments provider that offers several payment methods and processes transactions in multiple currencies.



Know your obligations, from taxes to regulations

Find out the impact on any items you plan to sell abroad – and make sure that buyers understand their obligations, too.



Assess demand and develop selling strategies

As your confidence – and success – in selling internationally increase, find more ways to drive demand in your chosen target markets. Mobile optimisation of international websites is one strategy.



Establish shipping and support services

These policies should be customer-friendly, easy to find on your site, and, if possible, available in your customers' local language.



IDENTIFY YOUR TARGET MARKETS

Build your knowledge to expand your reach

Research is essential before pursuing any new venture. Your first step toward selling internationally: Identify where you should sell. Explore the unique aspects of each target market, including:



Local buyers

What are their buying habits? can help with detailed insights on how buyers in specific countries shop, their buying motivations and potential barriers to shopping overseas.



Competition

Who are your biggest competitors? Do some online comparison shopping to find out which countries they sell to, and whether they offer pricing in local currencies or have country-specific websites. You'll get insight into how serious they are about selling in your potential target markets.



Points of entry

Consider whether it's better to use your existing domestic website (perhaps offering translation and local currency options) or an established online marketplace. On eBay, for instance, you can test demand for your products and try multiple offerings before deciding whether to invest in redeveloping your existing site.



Don't forget to look at your own internal data when choosing target markets. Identify countries where you already have a growing customer base. Consider test-selling specific products to those markets based on international customers' buying patterns.



Resources For Small Businesses

Government and European Union agencies like these can help you with your target market research and offer tools to get your international business off the ground:

SARAH DAVIS, OWNER FASHIONPHILE

'Just sell one item internationally. PayPal and eBay allow you to put your toe in the water and get used to selling internationally, then amp up from there.'

- ◆ [UK Government website](#) (a UK Government website)
- ◆ [Small Business Portal](#)
- ◆ [Need funding?](#) provides consulting and information on potential source of loans and grants to help you get started with international selling. Business loans are available to small businesses from various commercial sources. For example, [PayPal](#) is a cash advance available to PayPal merchants.²





CONSIDER YOUR PAYMENT OPTIONS

Give customers the ability to pay in their own currency

It's essential to understand how customers in your target markets prefer to pay for goods and services online.

One of the main reasons that cross-border shoppers tend to abandon purchases at checkout is that they don't have the comfort and convenience of paying in their currency of choice using a preferred payment method.

As you research payment providers, make sure they offer one or more payment methods – for example, debit cards or PayPal – that appeal to customers in your target markets.

While people prefer to pay using their local currency, an internationally recognised currency such as U.S. dollars or the euro may also be an option.

Some payment providers will allow you to list prices in a number of different currencies – use this option if it's available. If you're not offering payment in local currency, provide a currency conversion tool so customers can see exactly how much they're paying.





PAYPAL SECURITY HELPS BUILD TRUST – AND CAN LEAD TO SALES

Another reason cross-border shoppers may abandon their baskets is fear that their personal information won't be handled securely.

Using PayPal for payment processing can help you earn the confidence of international customers: 81% of cross-border online shoppers are more willing to make a purchase from an overseas merchant because their eligible purchases can be covered by PayPal's Buyer Protection policy.³

Also, PayPal's Seller Protection programme⁴ can extend to cross-border transactions and helps protect you from "unauthorised transaction" and "item

not received" buyer complaints.

PayPal gives your business access to local funding methods around the globe, without the hassle of opening multiple merchant accounts overseas. With a single PayPal account, you can:

- ❖ Receive payments from more than 169 million active accounts worldwide.
- ❖ Sell to customers in 203 markets using 26 currencies.
- ❖ Confidently sell in new markets, knowing that a dedicated team at PayPal is helping to identify and mitigate fraud and keep transactions secure.



KNOW YOUR OBLIGATIONS,
FROM TAXES TO REGULATIONS

Keep legal details in focus when selling internationally

If you're not mindful of local laws when trading across borders, it could hurt your business's bottom line – and create legal headaches. Some important factors to consider:

1

Duties and taxes. Find out in advance if duties and taxes will affect the price of any items you plan to sell in a target market. The amount of a duty, if any, depends on item type and value. Some items can be imported without paying any duty at all.

Let customers know ahead of time if they can expect

to pay additional tax, so they're not surprised later. Make sure they're also aware that duties and taxes are the buyer's responsibility, and must be handled before they can collect their goods. Requesting signature confirmation on purchases over, say, £100 is also good practice to ensure that items are received.

2

Customs and regulations. All international shipments must clear customs, the agency that regulates shipments entering a country or region. To help customs officials understand the contents, value and purpose of your shipment, you must attach customs forms to the outside of your package so they can be examined easily. Some shipping companies will handle this

for you as a service.

Do not declare contents as 'gifts'. It's against the law to misrepresent an item to avoid customs fees.

Get information on commonly used customs forms at [www.paypal.com/uk/customs](#).⁵ For more information about customs regulations around the world, look to the World





FREE TRADE AGREEMENTS

has free trade agreements in place with many countries around the world. The UK and Ireland also have their own bilateral free trade agreements with trading partners (such as the UK's relationship with Commonwealth countries).

These agreements can help international sellers reduce or eliminate tariffs for specific product categories. For instance, a country that normally charges a 5% tariff on the value of an imported product might eliminate that tariff for products originating from the European Union.⁶

Taking advantage of negotiated free trade rates may require more record keeping. But the extra effort could save you money if you plan to export to any participating countries.





ESTABLISH SHIPPING AND SUPPORT SERVICES

Make delivery and returns policies clear and customer-friendly

Choosing reputable shipping services can help you earn the confidence of international buyers.

Most of the large shipping companies (including DPD, Parcels 2 go, UK mail and other carriers like myHermes) have offerings that include handling, customs and excise documentation, and shipping calculators. Other companies offer all-in-one cross-border solutions that go beyond shipping. For example, they might integrate country tax obligations and international shipping price into your web checkout, or help you customise your website for a local market.

No matter what shipping solution you choose, be sure your customers know the details of your delivery and returns policies.





Delivery

Make sure your delivery policy is clear and easy to find on your website. Also:

- ✦ Include all charges (delivery charges plus any likely duties).
- ✦ State estimated delivery times. If your delivery service offers online tracking, mention this, as it can give added comfort to your customers.

Encourage sales by offering free delivery on orders over a certain price.



Returns

Establish a clear 'no questions asked' returns policy. To boost customer confidence, offer free shipping for returns. Be sure your returns policy is compliant with all applicable laws. At minimum, your policy should outline:

- ✦ Local consumer laws.
- ✦ Refund details, including when a refund will occur and what it consists of (full money back or store credit).
- ✦ Time limit for returns (for example, within 28 days of item delivery).
- ✦ Restocking, return delivery, or other fees.

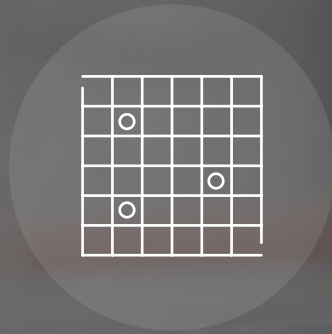


MAKE CUSTOMER SUPPORT A PRIORITY

Be sure your policies on international shipping, returns and payment are easily found on your site – if possible, in your customers' local language.

It should be easy for international customers to contact you by telephone or email. You can specify if you offer a telephone helpline and whether help is available in the local language or in English. If it fits your budget, a 24-hour local-language customer helpline is ideal.





ASSESS DEMAND AND DEVELOP SELLING STRATEGIES

Create an action plan for growing business in target markets

Once you've achieved some success with selling internationally, your next step is to boost demand. Some suggestions:

“Over 72% of consumers are more likely to make a purchase when the information is in their own language.”

Mark Ellis, Webinterpret

1

Take advantage of holiday buying periods

about major holidays around the globe.

2

Sell through eBay

Eligible eBay listings are automatically made available to millions of buyers in more than 54 countries. The online marketplace also provides marketing tools to help you generate product demand.

3

Explore international SEO for target markets

Search engine optimisation (SEO) can make all the difference in building international brand awareness. is the world's top search engine – with some notable exceptions. In China and Korea, it's . In Japan, it's . In Russia, it's . Each search engine has its own set of ranking factors and best practices.

4

Translate your website

Language affects your SEO success. Ideally, rewrite your website text for each country using local phrasing. It's also best practice to translate your site into a native language, so you can target the best words and phrases for SEO.

5

Optimise for mobile

Retailers can enhance cross-border sales by ensuring that international websites are mobile-optimised, says PayPal senior manager Sean Mulherin: “Many emerging economies don't have the infrastructure to support widespread Internet connectivity. But with mobile adoption, new groups of consumers are able to shop and buy online.”



UNDERSTAND CULTURAL DIFFERENCES

Awareness of local traditions can be critical to selling the right products to the right customers – and to position those products in the right way.

The [Paycom](#) site provides information about cultural taboos and trends, seasonal events and sales peaks, and local tax and customs procedures for many countries.

Another tip for refining your international selling strategy: connect with other small businesses selling in international markets, so you can learn from their experiences.





SELLING INTERNATIONALLY: FAQs

A few more quick tips to help guide you to success

PayPal asked Elizabeth Marshall, supply chain vice president for global logistics solutions provider Borderlinx and answered the following frequently asked questions

How do I determine what international labels and documents are needed?

Unless you're a shipping expert, it's difficult to know the requirements for each country. Solutions providers like Borderlinx can help you take care all of the documentary requirements. These include customs declarations, commercial invoices, international manifests, and labels – all of which are subject to certain regulations.

Why does it take longer to process and ship international orders?

Shipping time varies by the means of transportation. Some shippers use air express services, which can deliver globally in 1-3 days. Should a merchant use a more traditional postal solution, you can expect to wait about 14 business days for an international shipment to be delivered.

How do I insure my shipment?

Cargo insurance policies are available. Many shipping providers will also let you protect shipments at an individual level.

What are the most complicated countries to ship to from the European Union?

Certain countries have stricter importation restrictions. Egypt, India, Brazil, and Russia are among them. However, you should not be dissuaded from exporting to those regions. Look to an expert resource that can help you navigate the intricacies of shipping to these markets.

How should I handle duties and tax disputes with a buyer?

Shipments are governed by International Commercial Terms, or 'incoterms.' The terms of the purchase define your level of responsibility. For example, the DDP (Delivered Duty Paid) incoterm means that you, the seller, are responsible for all of the costs associated with the duties and taxes and shipping of the product.

What happens if my shipment was lost or damaged during transit?

Cargo air carriers have limited liability. If the cost of goods sold is high, then it's advisable to gain additional shipment value protection.

For more insights on selling internationally, visit the [site](#).

Your future customers are waiting

Like travelling abroad, selling internationally through your online business can be a rewarding adventure. It gives you the opportunity to learn about other countries and cultures, and to build relationships with customers around the globe.

When you're ready to get started, visit [this](#) site for additional tools and resources. The [this](#) site can also help you begin to outline your international selling strategy.

Visit [this](#) to learn more.





¹ [World Economic Forum](#), “Global flows in a digital age”, April 2014.

² PayPal Working Capital is subject to credit approval, as determined by the lender, WebBank, a Utah-chartered Industrial Bank, member FDIC. To apply for PayPal Working Capital, your business must have a PayPal business or premier account for at least 3 months and process between \$20,000 and \$10 million within those 3 months or within any time period less than or equal to 12 months. PayPal sales include processing on PayPal Express Checkout, PayPal Payments Standard, PayPal Payments Pro, and PayPal Here.

³ [World Economic Forum](#), “Modern Spice Routes: The Cultural Impact and Economic Opportunity of Cross-Border Shopping”, July 2013.

⁴ [PayPal](#) requirements apply.

⁵ Links to the Royal Mail site and other sites are provided for informational purposes and in no way represents an endorsement or approval by PayPal Inc.

⁶ [World Trade Organization](#) Access Database is a great source of information on free trade agreements. For UK bilateral agreements, see the [Innovation & Skills](#) website. For information on [Irish Exporters Association](#), refer to the Irish Exporters Association.



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