



# Sell internationally

GUIDE ON GOING GLOBAL



# 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: McKinsey estimates that 1.8 billion people will enter the consuming class by 2025, spending \$30 trillion annually – or 50% of the world's consumption.<sup>1</sup> The consulting firm also estimates that 900 million people have international connections on social media, and 360 million take part in cross-border ecommerce.<sup>2</sup> 70% of Facebook users in Europe are connected to at least one business in a foreign country.<sup>3</sup> That's a huge market to tap into.

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 6 critical elements that can prepare you to take your first steps across international borders:

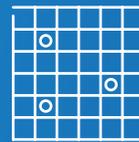
- ✦ Gathering market intelligence
- ✦ Making it easy for customers in target markets to pay
- ✦ Researching taxes, duties, customs and regulations
- ✦ Developing clear delivery and return policies
- ✦ Marketing your business
- ✦ Looking towards future growth

# Your cheat sheet



## Find new global customers

Local knowledge is important when selling internationally, such as buying trends and habits – so do your homework.



## Find more ways to drive demand

Understand where and how your customers prefer to buy. Start with website translation and mobile optimisation of international website.



## Accept local currencies

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



## Marketing without borders

Find the right platform for your business and talk to customers on the networks they are already part of.



## Build local knowledge

Learn about restrictions and laws that may apply to your products – and make sure that buyers understand their obligations as well.



## Make shipping simple

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



# FIND NEW GLOBAL CUSTOMERS

# Build your knowledge to expand your reach

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



## Local buyers

What are their buying habits? [PayPal's PassPort site](#) can help with detailed insights on how buyers in specific countries shop, their buying motivations and potential barriers to shopping overseas. Businesses increasingly use channels such as Facebook to reach their target market. Learn more about the customers you want to reach globally, including their geographic information, demographics, and purchase behaviour with [Facebook IQ Cross-border Insights Finder](#).



## 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. Also, explore [PayPal Global Sellers](#), a service that translates, localises and launches your website in over 60 countries.



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.

Also, think about using marketing tools like [Facebook's International Lookalike Audiences](#) or [Pinterest's Actalike Audiences](#) to find customers in target countries who behave like your domestic buyers.

# Resources for Small Businesses

Here are a few sources of market research and tools that can help you 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.”

- ❖ [Exporting is Great](#), a UK Government website
- ❖ [Department of International Trade](#)
- ❖ [Enterprise Nation](#)
- ❖ [PayPal PassPort](#)
- ❖ [Facebook IQ](#)
- ❖ [European Commission's Small Business Portal](#)

Need funding? [Exporting is Great](#) provides consulting and information on potential sources of loans and grants to help you get started with international selling. Funding is available to small businesses from various commercial sources. For example, [PayPal Working Capital](#) is a cash advance available to eligible PayPal merchants.<sup>4</sup>





ACCEPT  
LOCAL CURRENCIES

# 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 euros may also be an option.

PayPal Global Sellers automatically translates your website and converts your prices into local currency. It provides a fully localised and secure international checkout process that lets you launch in over 60 countries and accept payments in 25 currencies.

Some payment providers will allow you to list prices in 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 than willing to make a purchase from an overseas merchant because their eligible purchases can be covered by PayPal's Buyer Protection policy.<sup>5</sup>

Also, PayPal's Seller Protection programme<sup>6</sup> 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 227 million active accounts worldwide<sup>7</sup>
- ✦ Sell to customers in more than 200 markets using 25 currencies<sup>8</sup>
- ✦ Confidently sell in new markets, knowing that a dedicated team at PayPal is helping to identify and mitigate fraud and keep transactions secure



# BUILD LOCAL KNOWLEDGE

# 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' 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

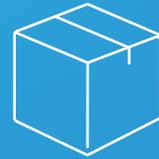
## Customs and regulations

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 that it can be easily examined. Some shipping companies, and programmes like [PayPal Global Sellers](#) 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 [PayPal Global Sellers](#).<sup>9</sup> For more information about customs regulations around the world, look to the World





# Free Trade Agreements

The European Union has free trade agreements in place with many countries around the world.

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.<sup>10</sup>

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.

# Brexit and trade agreements

Following the UK's referendum vote to leave the European Union, agreements will potentially change for trade inside and outside of the European Union.

## Inside the European Union

There are currently no customs or duty charges if you sell goods from the UK to elsewhere within the EU. Following the vote to leave the European Union, the agreements which govern the trade of goods and services between the UK and the EU could potentially change. Businesses conducting cross-border trade between the EU and UK will likely wish to review their export and import strategies in light of any changes. It may be a considerable amount of time before the necessary details emerge.

## Outside the European Union

Duties may be charged to the buyer on certain items and vary by country. Before selling and shipping internationally, confirm if your products will be subject to duty charges in the markets you're selling to.

Many international shipping carriers offer the option to pay duties before an item is shipped, which is often referred to as Delivery Duty Paid (DDP), or your customers can defer duty payment until the item is received in-country, often referred to as Delivery Duty Unpaid (DDU). Always make sure your customers are aware that additional duties charges may apply and that it's their responsibility to pay these fees before they can collect their goods.





# MAKE SHIPPING SIMPLE

# 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 larger shipping companies (including DPD, Parcels2Go, 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.

The [PayPal Global Sellers Programme](#) includes international fulfilment which can be a cheaper and simpler solution than doing it yourself. You simply send your parcel to a UK shipping hub and PayPal handles the rest. If you sell on eBay, its [Global Shipping Programme](#) offers a similar service.

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



# Make shipping simple



## Delivery

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

- ✦ 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 (a full refund or store credit)
- ✦ Time limit for returns (for example, within 28 days of item delivery)
- ✦ Restocking, return delivery, or other fees



## PayPal Return Shipping on Us\*

2 out of 3 customers say they would buy more online if returns were free.<sup>11</sup>

When customers use [Return Shipping on Us](#), PayPal refunds\* their return shipping costs. For UK businesses, the service is available to customers in over 40 different countries.

There is no cost to the seller and no need to change your policies. Consider promoting the service on your website to boost buyers' confidence. For more information and downloadable banners, visit the [PayPal page](#).

PayPal research on the programme shows very low return rates but an increase in sales transactions of 3%.<sup>12</sup>

\*up to £15 of return shipping costs per return, for up to 12 eligible returns per year worldwide.



## 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. Also, if it fits your budget, a 24-hour local-language customer helpline is ideal.



# MARKETING WITHOUT BORDERS

# Many businesses use social channels for their marketing

Each channel attracts a different mix of age, gender, interests and nationalities so it's important to find the right one for your target audience. Research them all to see which is the best match for your products.

Start by simply watching the traffic and doing some 'social listening' to understand the audience. For example, you could set up [Google Alerts](#) for key terms or competitors, or search Twitter for relevant hashtags. Start by observing what people talk about, then dig deeper into those regular words and phrases.

Search online or use the tools provided by each social media network to explore the demographics you could reach. This overview from [Sprout Social](#) may be a useful starting point.<sup>13</sup> The [World Economic Forum](#) (WEF) provides a list of the most popular platforms by country.<sup>14</sup>

## Which are the main social media channels?

- ❖ [Facebook](#) – Millions of businesses, big and small, use Facebook's apps and services to connect with real people on any device
- ❖ [Instagram](#) – People come to Instagram to be inspired and discover things they care about, which includes content from brands and businesses. With 60% of users saying they discover new products on Instagram, find out how you can help your business stand out
- ❖ [Twitter](#) – the micro-blogging channel
- ❖ [Pinterest](#) – is a digital pinboard used as an online wishlist or a digital scrapbook
- ❖ [LinkedIn](#) – used to target a business audience
- ❖ [YouTube](#) – a video-sharing website
- ❖ [Snapchat](#) – allows users to send photos and videos, which can only be viewed for up to 10 seconds before disappearing





## Getting started

Advertising on Facebook and Instagram could help your business find international customers and capture their attention. 2 billion people use Facebook every month and 800 million+ Instagram accounts worldwide are active every single month. Facebook attracts three quarters of all social media advertising.<sup>15</sup> Let's use Facebook as an example of how to get started with cross-border marketing on your chosen platform. Other channels have a similar process.

- ❖ **Create a page.** Give your business a presence and identity with its own Facebook page. The site will guide you through choosing the best template and look for your type of business
- ❖ **Build a community.** Start by posting updates about your business and products. Remember, no 'hard sell'. Connect with friends and customers to start a following. Social is all about the conversation, so make sure you listen and engage with comments from potential customers. Become a recognised expert in your field
- ❖ **Promote your presence.** Remember to advertise your Facebook page everywhere: on your website, on invoices and receipts, and in your email signature. Help customers to connect with your business
- ❖ **Explore the tools.** Social channels provide great tools to help your business. For example, take a look at [Facebook Messenger](#) which could be useful for customer support
- ❖ **Measure your results.** Use tools like [Facebook Insights](#) to understand your audience and the type of content that works best with them. Which of your posts get most Likes? Which links do people click on the most?

## VICTORIA MOLYNEUX, FOUNDER, WANT THAT TREND

“One of the biggest hurdles we had was people telling us how to do things. We were told we needed Instagram and Twitter, but if you look at our demographic, Facebook was key. It’s all about lifestyle and posting pictures of babies.”

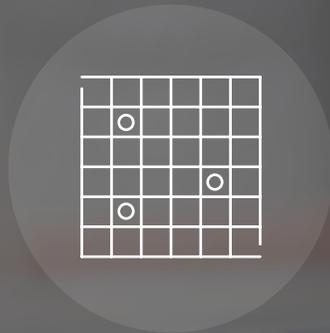


- ❖ **Create an ad.** Once you know the sort of content that works best and your most engaged audience, create an ad. Social channels such as Facebook provide some powerful tools to help you create and target your ad. On [Facebook](#), you will receive a step-by-step guide to selecting your objective, choosing your audience (by age, location, interests and behaviours), setting your budget; and picking the best format for your ad. Reach people on their favourite apps and websites with ads across Facebook, Instagram, Audience Network and Messenger
- ❖ **Share your pictures.** A picture is worth a thousand words, especially on social where grabbing attention is important. Whether you want to use video, photo or text – or a combination of those elements – there’s an ad format for every story
- ❖ **Develop a campaign.** When you know how to create effective ads, plan a cross-border marketing campaign. Combine your knowledge of your customers and products to plan a series of ads around a theme, perhaps a popular celebration in your target country (for example, Singles Day in China). The [PayPal PassPort](#) site can help you find local celebrations to target
- ❖ **Track and refine.** One of the reasons social channel marketing is so powerful is that you can instantly see exactly what’s working and make any necessary changes. When you launch a campaign, watch what happens and don’t be afraid to adjust your ads or audience for better results

## BEYOND THE BASICS

When you’ve mastered the basics of your chosen social channels, explore what else is available. As well as tools, many firms provide free online training and resources to make your marketing even more effective. For example:

- ❖ [Facebook blueprint](#)
- ❖ [Twitter Basics](#)
- ❖ [LinkedIn Resources Hub](#)



# LEARN FROM YOUR SUCCESS

FIND MORE WAYS TO DRIVE DEMAND

# Create an action plan for growing your business in target markets

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

If you use social channels for cross-border marketing, then you'll find that many of these channels can help you to target potential customers in other countries. Try these:

- ✦ [Facebook Cross-border Insights Finder](#)
- ✦ [Facebook International Lookalike Audiences](#)
- ✦ [Instagram](#)
- ✦ [Twitter](#)
- ✦ [Pinterest](#)
- ✦ [LinkedIn](#)

You may also find the PayPal guide [How to sell like Christmas all year round](#) useful.

**MARK ELLIS, WEBINTERPRET  
(PARTNER IN THE PAYPAL GLOBAL SELLERS PROGRAMME)**

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

HERE ARE SOME OTHER SUGGESTIONS FOR GROWING YOUR TARGET MARKETS:

1

## Take advantage of holiday buying periods

[Find information](#) about major holidays around the globe.

2

## Sell through eBay or PayPal Global Sellers

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. PayPal Global Sellers localises and launches your website in over 60 countries.

3

## Explore international SEO for target markets

Search engine optimisation (SEO) can make all the difference in building international brand awareness. [Google](#) is the world's top search engine – with some notable exceptions. In China it's [Baidu](#). In South Korea, it's [Naver](#). In Japan, [Yahoo!](#) is popular. In Russia, it's [Yandex](#). 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 [Exporting is Great](#) site provides information about cultural taboos and trends, seasonal events and sales peaks, and local tax and customs procedures for many countries. [Facebook's Cross-border Insights Finder](#) is another great resource.

Another tip for refining your international selling strategy: connect with other small businesses selling in international markets, so you can learn from their experiences. The [Exporting is Great](#) website lists useful events and [Enterprise Nation](#) is a community of business owners and entrepreneurs like you.



# SELLING INTERNATIONALLY: FAQs

# A few more quick tips to help guide you to success

If you decide to handle your own international shipping, you may find the following useful. PayPal asked Elizabeth Marshall, supply chain vice president for global logistics solutions provider [Borderlinx](#), to answer these 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. Solution providers like [Borderlinx](#) can help you take care of all 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 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 [PayPal.com](#) 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 [PayPal's PassPort](#) site for additional tools and resources. The [Exporting is Great](#) site can also help you begin to outline your international selling strategy.

“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.”

SARAH DAVIS, OWNER  
FASHIONPHILE





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- <sup>6</sup> Programme eligibility requirements apply.
- <sup>7</sup> [PayPal](#), [Who We Are](#).
- <sup>8</sup> [PayPal](#), [Who We Are](#).
- <sup>9</sup> 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.
- <sup>10</sup> The [European Commission’s Market Access Database](#) is a great source of information on free trade agreements.
- <sup>11</sup> [Compete.com](#), “Can shipping costs affect online sales?”
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