

How to sell internationally

Reach new customers in target markets around the globe.





Enter a world of opportunity.

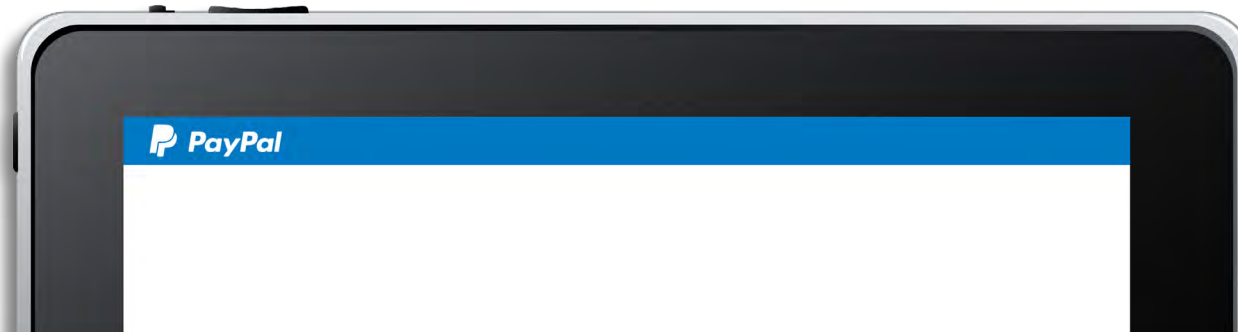
There's a world of potential customers out there, just waiting to buy what you're selling. You just have to think a little more globally.

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 like eBay or Amazon – 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 toward future growth.



**Your
cheat
sheet.**





1. Identify your target markets.



Build your knowledge to expand your reach.

“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](#)

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? 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.
- **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 testing selling specific products to those markets based on international customers' buying patterns.

RESOURCES FOR SMALL BUSINESSES.

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

- [U.S. Small Business Administration \(SBA\) – Office of International Trade](#)
- [International Trade Administration](#)
- [Export.gov](#)

Need funding? The SBA is a potential source of loans and grants to help you get started with international selling, and approval may take only days. Business loans are available to small businesses from various commercial sources. For example, [PayPal Working Capital](#) is a business loan available to PayPal merchants.²



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 recognized currency such as U.S. dollars 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 carts 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 program⁴ can extend to cross-border transactions and helps protect you from “unauthorized 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 184 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.



**3. 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:

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 \$200 is also good practice to ensure that items are received.

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 [USPS.com](https://www.usps.com).⁵

For more information about customs regulations around the world, look to the [World Customs Organization](https://www.wco.org).

FREE TRADE AGREEMENTS.

The United States has free trade agreements in place with 20 countries and counting.

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 United States.⁶

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



4. 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 DHL, UPS, and FedEx) 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 customize 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.



5. 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:

- **Take advantage of holiday buying periods.** Find information about major holidays around the globe [here](#).
- **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.
- **Explore international SEO for target markets.** Search engine optimization (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 and Korea, it's [Baidu](#). In Japan, it's [Yahoo](#). In Russia, it's [Yandex](#). Each search

engine has its own set of ranking factors and best practices.

- **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.
- **Optimize for mobile.** U.S. retailers can enhance cross-border sales by ensuring that international websites are mobile-optimized, 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 PayPal [PassPort](#) 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.



6. Selling internationally: FAQs



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

Now that you have a better understanding of the basics of selling internationally, it's time to dig down into some of the details. PayPal asked Elizabeth Marshall, supply chain vice president for global logistics solutions provider [Borderlinx](#), to answer these frequently asked questions.

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

A: 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 of all of the documentary requirements. These include customs declarations, commercial invoices, international manifests, and labels – all of which are subject to certain regulations.

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

A: 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.

Q: How do I insure my shipment?

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

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

A: 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.

Q: What are the most complicated countries to ship to from the United States?

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.

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

A: 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 [PassPort site](#).

Your future customers are waiting.

Like traveling 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 SBA's [Export Business Planner](#) can also help you begin to outline your international selling strategy.

Suggestions for further learning:

Visit the [PayPal Business Resource Center](#) for more tips on managing and growing your business.

Visit www.paypal.com/business to learn more about the products and services available with your PayPal account.

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- ¹ McKinsey Global Institute, "[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 PayPal, "[Modern Spice Routes: The Cultural Impact and Economic Opportunity of Cross-Border Shopping](#)," July 2013.
- ⁴ Program eligibility requirements apply. Go to www.paypal.com/business for requirements and information.
- ⁵ Links to the USPS site and other sites are provided for informational purposes and in no way represents an endorsement or approval by PayPal Inc.
- ⁶ See the [U.S. Free Trade Agreements page](#) at Export.gov for more information.