



# How to sell internationally.

REACH NEW CUSTOMERS IN MARKETS AROUND THE GLOBE.



# Contents

**Enter a world of opportunity.....3**

**Your cheat sheet. ....4**

**1. Identify your target markets.....5**

Build your knowledge to expand your reach.....6

Resources for small businesses.....8

**2. Consider your payment options.....9**

Give customers the ability to pay in their own currencies.....10

PayPal security helps build trust – and can lead to sales.....11

**3. Know your obligations, from taxes to regulations.....12**

Keep legal details in focus when selling internationally.....13

Free trade agreements.....14

**4. Establish shipping and support services.....15**

Make delivery and returns policies customer friendly.....16

Prioritize customer support.....16

Your checklist for delivery and returns.....17

**5. Assess demand and develop selling strategies.....18**

Create an action plan for growing target markets. ....19

Understand cultural differences.....20

**6. Selling internationally: FAQs. ....21**

More quick tips to guide success.....22

**Your future customers are waiting.....23**

# Enter a world of opportunity.

There's a world of potential customers out there, just waiting to buy what you're selling. If you have any doubts about the possibilities for your business, consider this: according to *Internet Retailer*, online retail spending reached \$1.74 trillion globally in 2015.<sup>1</sup>

It's easy to test a few target markets. 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.

<sup>1</sup> *Internet Retailer*, "[The Global 1000: The reinvention of global e-retail](#)," August 2016.

# Your cheat sheet.

1

**Identify your target markets.**

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

2

**Consider your payment options.**

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

3

**Understand taxes and regulations.**

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

4

**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 languages.

5

**Assess demand and develop selling strategies.**

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





A photograph of a group of people sitting at a wooden table in a restaurant or bar. They are all looking down at their smartphones. There are several water bottles and glasses on the table. The background is blurred, showing lights and a window. A blue horizontal band is overlaid on the image, containing the text '1. Identify your target markets.'

1. Identify your target markets.



# Build your knowledge to expand your reach.

Research is essential. Identify where you should sell and explore the unique aspects of each target market, including the following:

- ❖ **Local buyers.** What are their buying habits? PayPal's [PassPort](#) site can help with detailed insights into 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 gain 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 the redevelopment of your existing site.



"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







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 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 offers loans and grants to help you start selling internationally, 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.<sup>2</sup>

<sup>2</sup> PayPal Working Capital is subject to credit approval, as determined by the lender, WebBank, 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 \$15,000 (or for premier accounts \$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.







2. Consider your payment options.





## GIVE CUSTOMERS THE ABILITY TO PAY IN THEIR OWN CURRENCIES.

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 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: 74% of global consumers prefer PayPal for cross-border purchases because it's a secure way to pay.<sup>3</sup>

Also, PayPal's Seller Protection Policy<sup>4</sup> 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 do the following:

- ✧ Receive payments from more than 200 million active accounts worldwide.
- ✧ Sell to customers in more than 200 markets using 25 currencies.
- ✧ Sell in new markets confidently, knowing that a dedicated team at PayPal is helping to identify and mitigate fraud and keep transactions secure.

<sup>3</sup> PayPal Cross-Border Consumer Research, 2016.

<sup>4</sup> Program eligibility requirements apply. Visit <https://www.paypal.com/us/webapps/mpp/security/seller-protection> for requirements and information.







3. Know your obligations, from taxes to regulations.





# Keep legal details in focus when selling internationally.

If you don't respect local laws when trading internationally, you could hurt your business's bottom line – and create legal headaches. Consider the following:



## IMPROVE YOUR MOBILE PAYMENT PROCESS.

Find out if duties and taxes will affect the prices of items you plan to sell in target markets. Some items can be imported duty free. Tell customers in advance if they can expect to pay additional tax. Make sure they know 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 also helps ensure receipt of items.



## CUSTOMS AND REGULATIONS.

All international shipments must clear customs. To help customs officials easily understand the contents, value, and purpose of your shipment, you must attach customs forms to the outside of your package. Some shipping companies handle this as a service.

Do not declare contents as "gifts." It's illegal to misrepresent an item to avoid customs fees. Get information on commonly used customs forms at the [U.S. Postal Service](#).<sup>5</sup>

For more information about international customs regulations, visit the [World Customs Organization](#).

<sup>5</sup> Links to the U.S. Postal Service site and other sites are provided for informational purposes and in no way represent an endorsement or approval by PayPal, Inc.



# Free trade agreements.

The United States has [free trade agreements](#) in place with 20 countries (subject to changes in legislation). 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.

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 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.

## PRIORITIZE CUSTOMER SUPPORT.

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





# Your checklist for delivery and returns.



## DELIVERY.

Make sure your delivery policy is clear and easy to find on your website, and do the following:

- ✧ 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 the following:

- ✧ 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.

5. Assess demand and develop selling strategies.





# Create an action plan for growing target markets.

Once you've achieved some success selling internationally, you'll want to boost demand.

1

**Take advantage of holiday buying periods.**

Discover the world's major holidays [here](#) (scroll to "Traditions & Taboos" and choose countries from the dropdown menu).

2

**Sell through eBay.** Eligible listings are automatically made available to over 165 million active buyers in 190 countries. eBay also provides marketing tools to help you generate product demand.

3

**Explore international SEO for target markets.** Search engine optimization (SEO) can significantly help build international brand awareness. Google is the world's top search engine – but in China it's [Baidu](#). And 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. You should rewrite your site text into each country's language, targeting the best SEO words and phrases – and, ideally, using local phrasing.

5

**Optimize for mobile.** U.S. retailers can enhance cross-border sales through mobile-optimized international sites, says PayPal senior manager Sean Mulherin: "Many emerging economies [can't] support widespread internet connectivity. But with mobile adoption, new groups of consumers [can] buy online."

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

*Webinterpret, "Strategies for growing your eCommerce sales: Interview with Mark Ellis," July 2016.*



# 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.



# More quick tips to guide 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.

## 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 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.

## 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 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.

## WHAT HAPPENS IF MY SHIPMENT GETS 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 [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.

To learn more about growing your online business, check out our ebook [Adventures in marketing your online business](#).

Visit [www.paypal.com/business](http://www.paypal.com/business) to learn more.

FIND OUT HOW PAYPAL CAN HELP  
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[PAYPAL.COM/BUSINESS](https://www.paypal.com/business).

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