

NAVIGATING THROUGH THE
**COMPLEXITY OF
CROSS-BORDER
COMMERCE**



JAGGED PEAK®

Taking a stance to expand eCommerce globally puts a brand in a valuable marketplace. As online shopping continues to grow and become consumers' top choice, there's more opportunity to reach potential customers and get a company's name out there.

Statistics show that cross-border commerce is the future of eCommerce. According to a study by Accenture and AliResearch, B2C cross-border eCommerce is anticipated to increase to \$1 trillion by 2020. Nearly 2 billion shoppers—equal to 60% of the population—will make retail transactions online by the same year.

Certainly, cross-border eCommerce is the route to consider, but the path to get there isn't always so simple. In this eBook, we'll walk you through some of the common challenges to starting cross-border product and service sales, as well as the steps that lead to success.

1. UNDERSTANDING THE CHALLENGES
2. HOW TO ACHIEVE CROSS-BORDER COMMERCE SUCCESS/HAVE A PLAN IN PLACE
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UNDERSTANDING THE CHALLENGES
UNDERSTANDING THE CHALLENGES
CONSULTATION

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UNDERSTANDING THE CHALLENGES

Making this business decision is a wise investment in the future, and any size company can make the move. However, various challenges could slow down the process. These include:

Market entry. Entering a new market is just like starting a company from scratch. Businesses need to leave some leeway to let potential customers get to know them and to understand competitors.

Localization. This will take some time to translate to native languages. Localization also means payment and shipping methods are catered to international shoppers.

Compliance. Taxes, credit usage restrictions, legal regulation, and data privacy laws are among the many hurdles to navigate in cross-border eCommerce.

Fulfillment and logistics. Transit times, high demands for fast shipping and issues with customs may arise when attempting to meet the requested delivery date for customers.

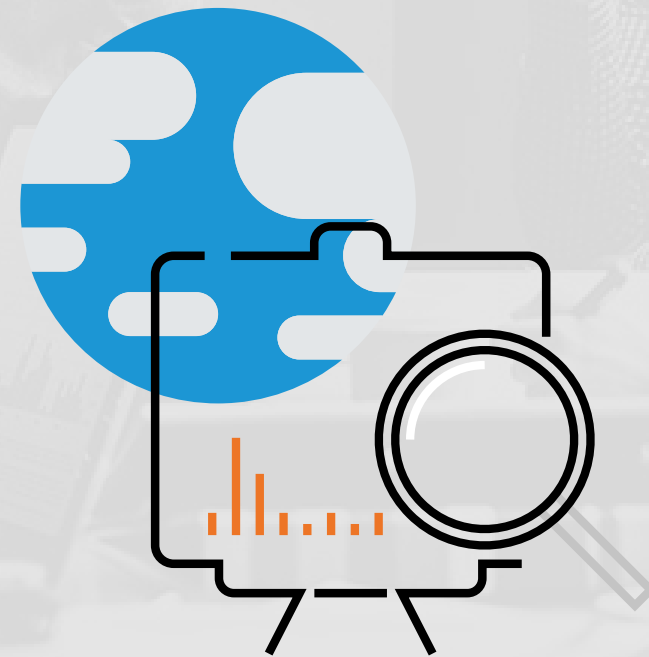


HOW TO ACHIEVE CROSS-BORDER COMMERCE SUCCESS

Have a plan in place

While there are certainly hurdles to face on the journey to cross-border commerce, having a solid strategy and realistic expectations early on can make the process much easier.

Evaluating a company's current state of business is a must while developing a strategy. Therefore, it's wise to lay the foundation with a plan that details each new market. Understanding cultural differences and how they impact shopping patterns is a strong factor in the planning process. Researching local competitors, understanding cross-border technology and managing shipping, logistics, and customer care are of few of many talking points to discuss during the planning process.



GET TO KNOW THE CUSTOMER BASE

Cultural differences have a major impact on shopping behaviors. Companies need to take time to thoroughly understand who their customers are, where they're located and what they're looking for because these factors change from country to country. Consumer behavior is one of the most important cross-border differences to recognize because this too will vary by region. Customer expectations should always be a top priority, and it can make or break a new cross-border eCommerce plan without proper execution. Consider conducting focus groups who can help you to better understand the customers' interests and priorities.

Some of the key factors to think about during the customer research process include:

- Where and how consumers are searching for goods and services.
- What types of items they're buying online.

- What kind of factors move a purchase from browsing to the final point of sale.
- Where they see advertisements and where they best react to such ads.



LOCALIZE ALL OVER THE WORLD

Understanding a customer base is essential, but making the buying environment easy to navigate based on cultural differences is a must. The idea of localization plays an important role in eCommerce, giving international online shoppers an experience that they're familiar with. Localizing helps businesses boost sales and make a competitive impact in the marketplace. Some tips for localization include:

- ▶ Provide preferred payment options to reduce cart abandonment.
- ▶ Keep customers on your site instead of reverting to a third-party site.
- ▶ Use geo-targeting to offer promotions that are meaningful to location.
- ▶ Make sure your site properly translates all over the world so users don't have to rely on a translation system to convert English.



TAKE ADVANTAGE OF SOCIAL MEDIA

It's no surprise to anyone that social media has made a major impact in our every-day lives. Many rely on social platforms for more than interaction with friends and family; they also use it for news, weather and shopping. When leveraging social platforms to market your products, be sure to align your marketing efforts with apps that are popular in the country your targeting. For instance, in China, FaceBook is banned, and WeChat is the most popular messaging app. Our research shows that:



- ▶ **97%** of consumers rely on the reviews they read online before buying something.
- ▶ **1.11 billion** people use WeChat to make calls, chat, purchase items, play games and more. **78%** make purchases based on social media posts by businesses.

- ▶ **81%** buy products based on what their friends are buying or talking about.
- ▶ **60%** of those on Instagram discover new products and services on the app.

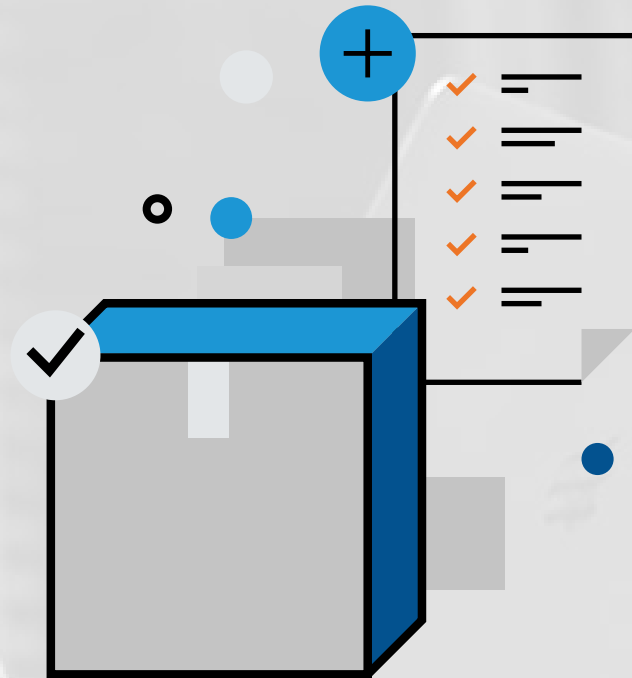
Social media has the ability to help businesses grow their reach from a global perspective no matter where they are in the world.

KEEP GLOBAL FULFILLMENT IN MIND

Fulfillment and distribution are more complex in cross-border eCommerce. Between the language barriers and the distance, the last thing a company needs is a shipping issue to occur after a customer makes a purchase. Some distribution tips to consider include:

- ▶ Giving customers tracking options, as well as estimated delivery dates after making a purchase.
- ▶ Choosing smart packaging to ensure perishable, fragile and expensive items go undamaged during the transit process.
- ▶ Determining who will pay for international shipping in the event of a return.
- ▶ Connecting with local carriers to cut down on transit time.

These considerations simplify the distribution process and provide transparency to customers, which can help you to gain customers' trust.



MAKE TRADE COMPLIANCE A TOP PRIORITY

It's inevitable: shopping online exposes sensitive material to more individuals, thus making customers more vulnerable to stolen credit card information or encrypted data. It's important to ensure you have done the due diligence regarding whether or not the product(s) you are offering need to be registered in the countries you plan to ship to. Different countries have various restrictions, making it critical to understand data privacy laws, regulations, credit restrictions, tax rules while setting up cross-border commerce.

From understanding how to manage customs documentation to making sure you meet all labeling requirements, there are various factors to consider to remain compliant. If you are a brand and this is your first venture into global commerce, it may be helpful to seek a 3rd party with expertise in regulation and compliance to help you learn the ropes.

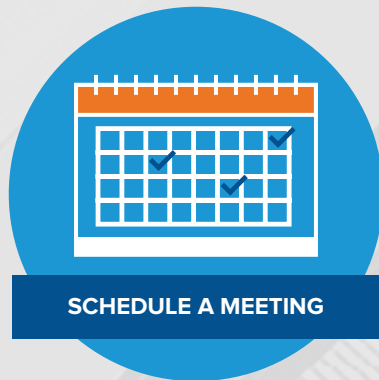


SCHEDULE A CONSULTATION

The ability to adapt to the changes that will impact the world of eCommerce is a must. To successfully build a business globally and connect with new customers, it's critical to have a plan in place that guides you through new markets.

Explore EDGE Cross-Border, our user-friendly, SaaS-based eCommerce solution that gives you total control of the experience you want your new and existing customers to have. Jagged Peak takes care of the logistics and other roadblocks often faced while navigating the global marketplace so you can focus on your brand and how consumers perceive it.

Schedule a consultation today to learn more and start your adventure with cross-border commerce.



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Jagged Peak is the leading single source solution provider delivering shop-to-ship commerce on a global scale. Our solutions are vast and designed to amplify your ecommerce enterprise for profitability, optimization and customers experiences that drive loyalty. Our expertise spans everything from digital agency services and online marketplaces to order management and cross-border technology, plus a global fulfillment and logistics infrastructure. We offer complete managed solutions or à la carte options specifically curated to address your needs and meet your commerce goals.

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THINK E•COMMERCE