



Crossing Borders

Understanding how internet
and search marketing can unlock
new markets in Europe.



Introduction

As the world becomes more connected, customer buying habits are evolving faster than ever before. The challenge for any successful business is to keep pace. To assess where to find those opportunities, a business needs to understand – and quickly act on – that evolution.

In Europe, cross-border e-commerce is taking flight. Your customers today are leveraging the Internet to research price, quality, service, availability and delivery options, and sharing ideas and opinions all along the shopping journey - right up to the point when they finalize the transaction.

What's in it for you?

3 points to consider

1. The market is ready

Be part of a market that's taking off:

European e-commerce, already valued at €200 billion, is expected to keep growing at 20% per year. ¹

Be where your customers are:

40% of European Union shoppers were active online and that number is expected to pass 50% by 2015. ²

Boost your bottom line:

Accenture estimates that retailers can grow their revenue by up to 25% if they sold both online & cross-border. ³

Beat the competition:

If your business operates within one of the top three e-commerce countries in Europe (UK, France or Germany) it has a better chance of standing out against the less developed e-commerce of smaller countries.

2. Retail of the future

By 2020, according to PWC⁴, many of the current models for successful retailing will have undergone significant change.

Making the most of your physical space:

For "bricks and mortar" stores, managing the "square footage profit erosion," as real-estate and operating costs mount and foot traffic continues to decline, will be key to delivering a long-term return on investment.

More (virtual) footfall:

While some retailers have embraced small store formats, with novelty 'pop-up' stores, other forward-thinking ones have looked to expand their customer base and virtual traffic through cross-border e-commerce.

3. Customers think beyond borders

Attracted by value and choice:

According to Nielsen⁸, the top reason for buying online from overseas is to "save money" (80% of respondents), followed by "more variety that cannot be found locally." (79%)

And they're spending

While they may be looking for a deal, on average, seven out of ten are mid-to-high income earners; and in the UK there are 15.9 million online cross-border shoppers alone, spending £8.5 billion in 2013 – and that's expected to climb to £18.0 billion by 2018. In Germany: 14.1 million online cross-border shoppers (46% of whom shop in the UK), spending EUR 7.6 billion in 2013 – with up to 15.8 million online cross-border shoppers expected to spend up to EUR 11.0 billion a year by 2018.⁶

Whatever you sell, they're buying:

From mainstream categories, such as electronics, and apparel to niche categories that appeal to expat's feeling of home, the cross-border e-commerce knows virtually no limits to what can be sold.

Payment options:

Preferred payment options differ from country to country. And so in order to maximise the available opportunity, businesses need to be flexible in accepting a range of payment methods.

Top five global cross-border purchase categories over the past 12 months⁷



€9.6bn

Clothes, shoes, accessories



€4.6bn

Personal electronics



€5.8bn

Health & beauty products



€4.6bn

Computer hardware



€4.5bn

Jewellery, gems and watches

What's search got to do with it?



“ Use Paid Search to capture consumers searching for your product who are increasingly indifferent to the location from which their purchases are fulfilled. ”

Borderfree, Canada Country Report, 2015

The critical role of search

If a customer cannot see a business, how can they buy from it? Online search has evolved in conjunction with the growth of the Internet because it provides an organized way for users to navigate the growing billions of web pages and find the products they want. The importance of search as a channel to e-commerce is critical since it's a major traffic driver of relevant potential customers. Without search, a business would be close to invisible online.



The roll of search in the consumer buying decision process¹

By breaking down the steps to how a customer typically makes a purchase, it's clear that search is important throughout the whole decision process.



Need Recognition

Informative search

Evaluation of alternatives

Purchase

Post-purchase behavior



Online search enables the customer to search and research a range of potential solutions. As an e-commerce business, being viable in this and the following two stages is critical.

Due to the wide selection of information available, consumers are empowered to compare products and solutions based on the criteria most important to them.

Again, search enables the customer to easily find a suitable website or destination to purchase the product or service. The customer can also research the solution/product further after they have purchased it in order to validate their decision. They might do this by searching for reviews, reading articles, etc.

Paid search helps overcome cross-border challenges



For businesses wishing to dip a toe into new cross-border activities, paid search is the ideal channel.

Paid search is measurable and spending can be easily controlled. Businesses also find it easy to set up multi-lingual campaigns with search platforms such as Bing Ads. For example, advertisers can run French language campaigns for Quebec consumers that reside in French-speaking Quebec.

Brand awareness

Customers place emphasis on recognized brands, especially for high-value items that they trust. Canadians' frequent tourism to the U.S. and familiarity with U.S. stores, brands and shopping experiences drive demand for U.S. goods.¹

Paid search can not only capitalize on this brand familiarity with U.S. brands, it can also help build brand awareness in new cross-border markets by ensuring you are visible in a prominent position when these customers search for your product.

Language barriers

There are two official languages within Canada, English and French. Ultimately, customers feel most comfortable dealing in a language

they know, so be sure to pay attention to French-speaking Quebec with geo-targeting of French language ads.

Multi-lingual, localized campaigns will let your prospects shop with confidence. And since search advertising relies on a few words, getting your point across is critical. Be sure to source native speaking translation services to be sure your ad copy is accurate.

Shopping cart abandonment

For Canadian online shoppers that abandon the shopping cart, 60% cite lack of discounts or promotions, and 34% cite a lack of a clear return policy. Solving for these challenges could prove lucrative; retailers who offer a free shipping option see a 69% increase in conversions.²

Canada's Cross-Border Influence³

Reasons for buying online cross-border



1. Borderfree, Online Shoppers in Canada Identified as a Top Target for U.S. Retailers 2. Multichannel Merchant, Canada Online Shoppers Love Global Brands, Aug 06, 2014 3. Borderfree, Online Shoppers in Canada Identified as a Top Target for U.S. Retailers

9 tips for cross-border success

Getting started in cross-border e-commerce: advice from our panel of experts

If you want to know more about the e-commerce landscape and the best way for your business to exploit it, then you really should talk to the e-experts. We talked to five from across Europe and the U.S. and here's what they had to say...

The e-experts:

Kris Green

Chief Strategy Officer, Borderfree

Kris Green is co-founder of Borderfree, a New York-based global e-commerce platform. As a business expert on selling across borders, Kris has had success in building strategies across product, platform integration, and sales for Fortune 100 companies looking to simplify going global. You can follow him on Twitter here: @kriskgreen

Andy Atkins-Krüger

CEO, WebCertain

Andy Atkins-Krüger is a linguist who has been specializing in international search since 1997. He is the CEO of the multilingual search agency WebCertain, and Editor-in-Chief of the blog Multilingual-Search.com. You can follow him on Twitter here: @andyatkinskrueger.

Maor Daniel

Canadian Segment Lead, Microsoft

Maor Daniel joined Microsoft in 2013 as the Canadian Segment Lead in charge of Bing Ads SMB operations. A leading expert in digital marketing, Maor is a regular speaker at industry events and personally works with thousands of Canadian advertisers. Find him on LinkedIn ca.linkedin.com/in/maordaniel

Pascal Fantou

CEO, cogito ergo

Serial entrepreneur and growth hacker who built his first homepage in 1993, Pascal has a wealth of digital marketing knowledge with over 15 years experience in SEO, display, social media, conversion optimization and CRM. Follow him on Twitter: @pascalfantou.

Stephen Claridge

Principal Partner, Vantage Search Canada

Stephen is an expert PPC marketing professional focused on testing and refining search marketing strategies for his agency's clients. He has a passion for staying up to date with industry trends and best practices while at times establishing new innovative standards. Twitter: @vantage_search

1. Payment options

Think beyond credit cards, and learn the preferred methods in local markets

2. Look like a local

In new markets where your brand is unknown, familiar looks build trust

3. Shipping to Canada: almost like home

Take advantage of cross-border delivery specialists

4. Lost in translation

Avoid straight translations and employ native speakers

5. Look for local partners

They bring you the benefits of complementary services/products and shared knowledge

6. Think mobile

To tap into the connected shopper both online and in store

7. Know the laws

And avoid unexpected regulations

8. Target the right countries

With categories that locals buy online

9. Look for the similarities

Borders don't always define your customer

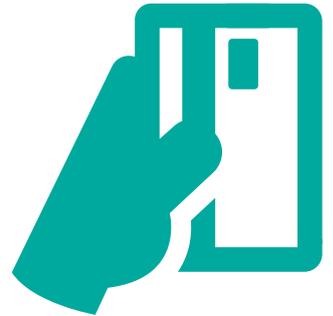
1. Payment options

Preferred payment options differ from country to country, so your business needs to be flexible in accepting a range of payment methods.

- **Websites that provide four or more payment methods other than credit cards had a sales conversion rate 12% higher than those just offering one online payment option in addition to credit cards.¹**
- Some search advertisers smartly communicate their range of payment methods in their ads, setting the right expectations from the very first step of the purchase funnel.

Some brands go even beyond:

U.S., UK and other countries vying for Canadian dollars would serve their goals well by adapting to the Canadian consumer and accepting the **#1 preferred method of payment by Canadians - debit cards**. One out of two Canadians prefer to use debit cards according to the Interac Association. Canadians using the Interac debit card enjoy the ease of spending with US retailers that accept NYCE payments.²



2. Look like a local

Trust is vital in all e-commerce and the keystone to building trust across borders is through localization of grammar as well as the checkout process. Our panel of experts offered a variety of suggestions to help build trust:

- Use local domains because it shows that you're taking the market place seriously.
- List your business address on the website (which also happens to be a legal requirement in many countries).

- Accept and provide prices in the local currency.
- Use local credit card symbols and local payment methods.
- Consider local delivery logistics and costs.

These are all what Atkins-Krüger calls "trust anchors": symbols, terms and ways of doing business that resonate with the market a company is trading in.

Explains Fantou, "Miss the basics and it can affect trust."

Small things such as address terms -- a 'zip code' in the U.S. is a 'post code' in Canada -- can put road blocks between you and the final sale.

3. Shipping to Canada: almost like home

U.S. advertisers selling physical goods that require shipment to nearby Canada can take advantage of transfer agents who will bulk ship goods and place them into the Canadian postal system. Canada Post Borderfree is a cross-border e-commerce firm who facilitates Canadian sales for American merchants like Guess, Brookstone and eBags.

Canada Post can make the check-out experience look and feel like what a Canadian shopper expects, including conversion of U.S. dollars to Canadian dollars and disclosure of all duties and taxes, "with a guaranteed price to their door."³

1. About.com, [Small Business: Canada](#) 2. Interac Association, [Interac Direct Payment tops 31 million transactions during the year's busiest shopping days](#)
3. Ecommerce-guide, [Selling Online Internationally \(Or At Least in Canada\)](#)

4. Lost in translation

While Canadians may broadly understand English, a vast majority of Quebec residents are French-speaking.

21% of the Canadian Bing audience resides in French-speaking Quebec.¹ Using native speakers to tell you what the audience's expectations are will help you avoid using inappropriate calls-to-action. Atkins-Krüger offers a cost-effective tip: "Consider hiring local students as a first step to test."

5. Look for local partners

The value of local knowledge cannot be overestimated. That's why businesses should work with local partners who already possess the necessary expertise. This ensures that the user experience is not only optimal, but founded on messaging that resonates with the target audience.

Borderfree is a company that specializes in selling across borders and can be consulted on a multitude of business details to bring you the best go-to-market plan when exporting. Start with their [2015 Borderfree Index Canada Country Report](#).

Borderfree named Canada #1 market for cross-border commerce:

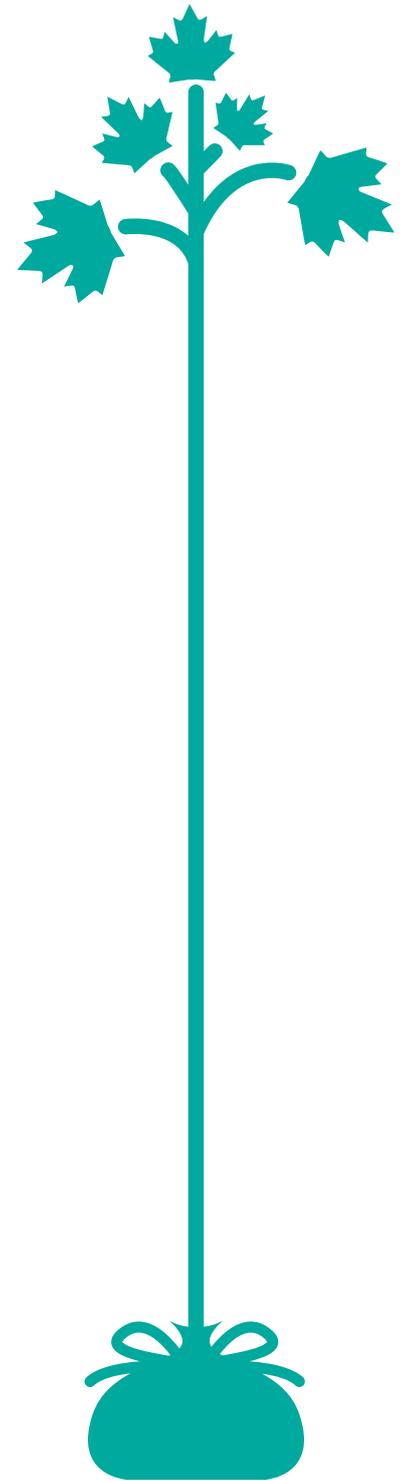
- The largest cross-border online market for U.S. retailers today
- Over 23 million visitors to the U.S. each year drive familiarity of, and demand for, U.S. goods
- Cross-border buying is aided by cheap shipping and relatively low import duties
- Consumer and household demographics are very similar to U.S. households, making it an obvious first focus for international expansion

6. Think mobile

Canadians are affluent with high Internet, social and mobile media penetration which presents an opportunity for retailers embracing mobile.

Andy Atkins-Krüger states, "And the value of mobile e-commerce [also known as m-commerce] is set to increase both in and out." According to Nielsen², almost eight out of 10 (76%) cross-border shoppers said they wanted to make more mobile purchases, transactions and payments in the future.

Shoppers on smart phones can browse your offerings even while browsing a competitor's physical store. Ensuring your website and customer experience are mobile-optimized can be the key to unlocking a sale. Extend your reach with [Bing Ads mobile](#) and learn how to keep up with your on-the-go audience, even when they're cross-border.



“

Geolocation targeting lets you adapt checkout screens automatically to provide a localized shopping experience. ”

Kris Green, Chief Strategy Officer,
Borderfree

7. Know the laws

Each country has its own rules and regulations to abide by (e.g. return laws, VAT requirements and advertising restrictions). U.S. retailers evaluating the Canadian market need to reconcile a few considerations. Certain goods are not subject to duty, while others are. Consult [NAFTA](#) for more detailed information.

According to Borderfree, some goods like electronics, antiques, and toys (and U.S. manufactured goods per NAFTA) aren't subject to duty. However, the duty free import allowance for Canadian online shoppers is a mere \$20 CAD, so to offset this drawback Canadians expect free shipping, lower prices, more variety, easy returns and overall excellent service.

8. Target the right countries

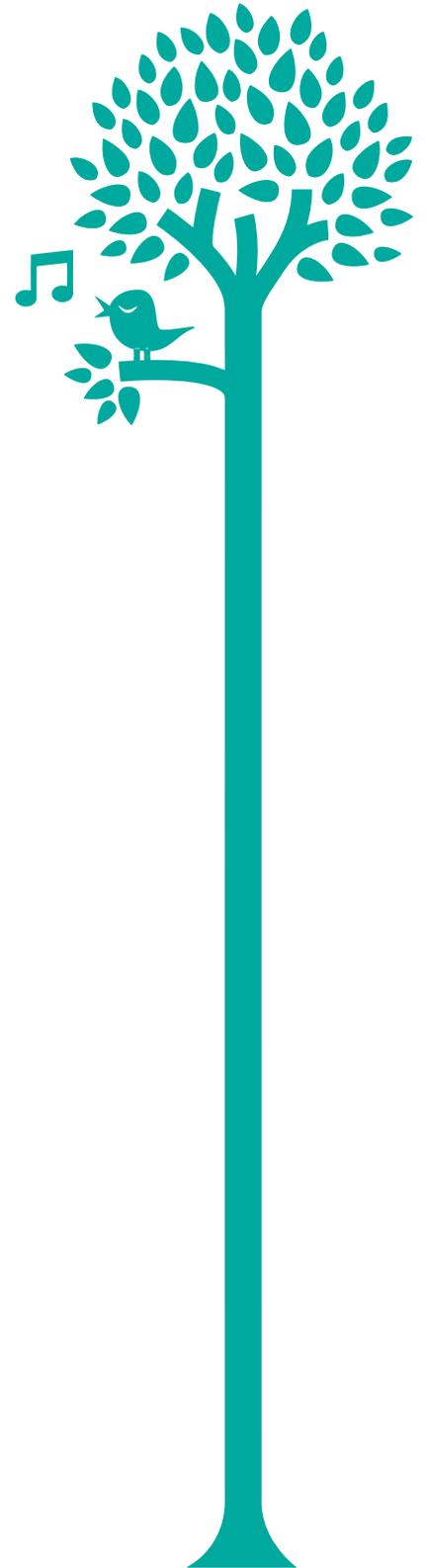
U.S. proximity has long fueled Canadian shoppers' appetites for cross-border commerce. Canadians' familiarity with U.S. brands has fueled Amazon, Wal-Mart and Best Buy's introduction of more choice for Canadians. Small to medium businesses can also seize this opportunity just as easily by offering choice and following these best practices.

9. Look for similarities

Clearly you must do your research to truly understand what the opportunity is: who is your target audience, how do they behave, where do they gather and what are their needs? Crucially, how do you fine-tune your marketing to address those needs? That's why, before entering a new market, local nuances must be known.

“ 70% of online purchases made in Canada are from merchants outside the country, with 60% of sales placed with U.S.-based merchants. ”

Borderfree Canada Country Report 2015



How Bing Ads can help

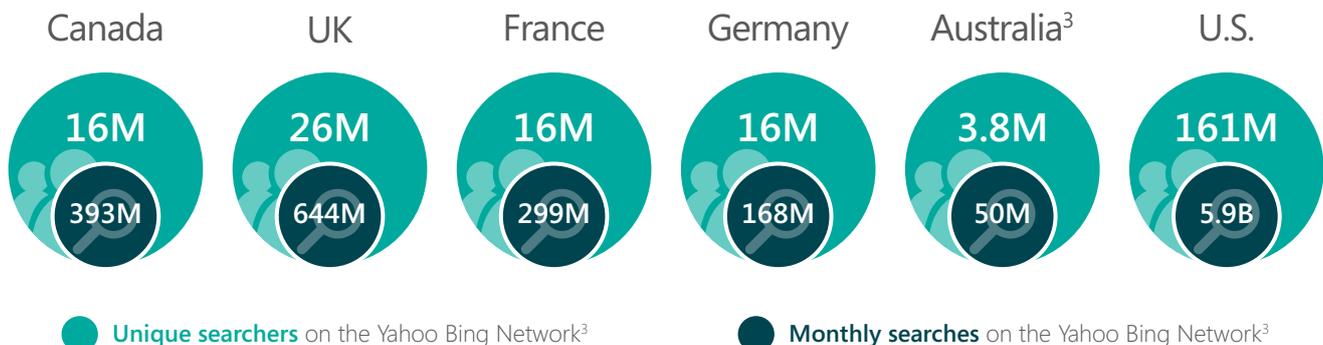
“ Powered by Search has shown clients how 4% of their time can generate 64% of their results with Bing Ads. ”

Dev Basu, Founder Powered by Search

If you are planning to pursue e-commerce across borders, it is time to point people in the right direction. Your customers – wherever they might be – are more likely to find you with Bing Ads:

- Bing and Yahoo operate in 35 countries worldwide, including 14 across Europe.
- In Canada, there are 16 million unique searchers on the Yahoo Bing Network, which represents 393 million monthly searches.¹
- Bing Ads gets you in touch with unique searchers worldwide who are likely to spend 103% more than the average internet searcher.¹
- Bing Ads in Canada helps you reach an audience where nearly one-third earn CAD\$100k and one-half earn CAD\$75k.²

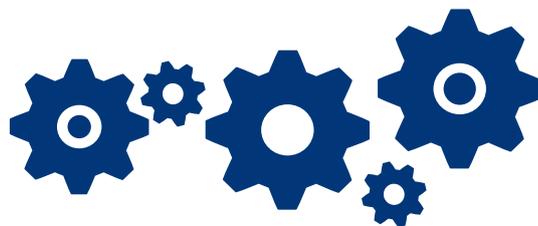
Quality audience



1. comScore qSearch, December 2014. The Yahoo Bing Network includes Microsoft and Yahoo Core Search sites in the U.S. and Canada. 2. comScore Media Metrix, Canada, January 2015, custom measure created using comScore indices and duplication. Note: In comScore, Bing is defined as [C] Bing Web; Yahoo is defined as [G] Yahoo Canada Web Search; Google is defined as [S] Google Web Search. 3. comScore qSearch (custom), December 2014. The Yahoo Bing Network is not available in Australia. Bing includes Microsoft search sites in Australia.

Key features

Which Bing Ads product features will help you make the very most of your search campaigns in Canada?



“ We recommend segmenting your Canada campaigns from US campaigns. One of our sustainable living e-commerce clients saw a 63% lower CPA and a 87% higher ROI in their Canada campaigns compared to their US campaigns. ”

 Stephen Claridge, Vantage Search Marketing

Create reassuring ad extensions

Increase consumer trust with local advertising best practices.

[Location Extensions](#) can show the business address that's closest to a customer and – even more reassuring – include a local phone number. Better still, if the customers are viewing your ad on a smartphone, they can simply click on that number to give you a call by using [Call Extensions](#).

Connect with the right local audience

Target your ads geographically with location targeting.

Get in front of the right audience by applying [location targeting](#) to your ad. This feature displays your ad to customers who intend to search in your local area. For instance, U.S.-based travel destinations or hospitality brands may want to serve ads targeted to searchers in Canada looking for information on a U.S.-based hotels. The geographic location report in Bing Ads shows exactly which location type -- physical location or location of interest -- was used to serve your ad, giving you more details into performance. Be sure to put your business on the map with [Bing Places for Business](#) so customers searching your local area find you.

Point to relevant content with SiteLink Extensions

Increase both click-through rates and conversions with SiteLink Extensions.

Opting for these additional links, called [Sitelink Extensions](#), in your ads will take customers to specific pages on your website. This allows you to promote certain products, services, or sections of the website and take prospects to exactly the information they are searching for. When they are close to buying, shortening the consumer journey is critical. Additionally [Enhanced Sitelinks](#) are now available globally and in French which could come in handy for Quebec customers.

Gain competitive, demographic, device and keyword insights with Campaign Planner & Bing Ads Intelligence Tools

Understand your customers, your competition and which keywords could give you the edge.

Market research and keyword optimization are crucial to the success of cross-border business. As part of that phase in your campaign, the [Bing Ads Intelligence Tool](#) will help you tap into consumer insights – not only revealing who is searching, but also the keywords they are using. Access the [campaign planner](#) to gain marketplace insights to help plan campaigns. View your competition and see their ads coverage in the Canadian market.

Additional resources

More things you should know about cross-border e-commerce

[Global insights by Borderfree](#)

[Understanding the Drivers of Cross-Border E-Commerce](#)

[Editorial guidelines for Bing Ads Canada](#)