Crossing Borders

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

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:
Global e-commerce was valued at $1.672 trillion dollars in 2015 (24.5% increase from 2014.), with $672 billion coming from China, $349 billion from U.S., $99.4 billion from UK, and $26.8 billion from Canada. The market is still growing rapidly and is expected to reach $3.551 trillion by 2019.¹

Be where your customers are:
74.2% of the UK population, 65% of the US population, and 58.5% of the Canadian population are digital buyers. In 2019, over 31% of the population worldwide will be digital buyers, with over a quarter living in China.¹

Boost your bottom line:
Accenture estimates that retailers can grow their revenue by up to 25% if they sell both online & cross-border.²

2. Retail of the future

By 2020, according to PWC³, 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 Nielsen⁴, 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. There are 205 million online cross-border shoppers in the U.S., 42.6 million in UK, and 21 million in Canada. Their spending are expected to climb to £665.9 billion by 2018.¹

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.

What’s search got to do with it?

“Without search, a business would be close to invisible online”

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 process

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.

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.

5. John Dewey’s 5 steps to the customer purchase process
8 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 and here’s what they had to say...

The e-experts:

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: @andyatkinskruege.

Bas van den Beld
Founder and CEO, State of Digital
Online Marketing Strategist, trainer and speaker and founder of State of Digital, a website that focusses on bringing the right information and knowledge to the right people and get companies forward in Digital. Bas consults with several type of companies on implementation of strategic Internet Marketing and provides training and speaks about online marketing and audience understanding related topics.

Cedric Chambaz
Head of International Marketing, Bing Ads
Cedric Chambaz joined Microsoft in 2008 and is Head of International Marketing, Bing Ads. A leading expert on digital Marketing, Cedric is a regular speaker at Industry events and lecturer at Business schools. Find him on Twitter here @ CEDRiCus.

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.

Kevin Gibbons
Managing Director, BlueGlass UK Interactive
Kevin Gibbons is managing director at digital marketing agency BlueGlass UK Interactive - specialising in search and content. He has been involved in digital since 2002 and is a frequent speaker at industry leading events - follow him on Twitter @kevgibbo.

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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. **Lost in translation**

Avoid straight translations and employ native speakers

4. **Look for local partners**

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

5. **Think mobile**

To tap into the connected shopper both online and in store

6. **Know the laws**

And avoid unexpected regulations

7. **Target the right countries**

With categories that locals buy online

8. **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.6

- 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.

Preferred payment methods in different countries, 2015.7

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.

As Pascal Fantou points out, “miss the basics and it can affect trust.” Case-in-point: address forms. Small things such as asking for a ‘zip code’, when in the UK and Canada you have a ‘post code’, all put road blocks between you and the final sale.
3. Lost in translation

While consumers around the world may broadly understand English, or live in countries with multiple official languages, they prefer to buy in their mother tongue. 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 not too daunting a task, nor costly.

When it comes to translating your sales message or advertising your offers, “you must consider your options for getting the local language right, because you don’t want to ‘just translate,’” explains Chambaz.

Using native speakers to tell you what the audience’s expectations are will help you avoid using call-to-actions. Atkins-Krüger offers a cost-effective tip: “consider hiring local students as a first step to test.”

4. Look for local partners

The value of local knowledge cannot be overestimated. That’s why businesses should – if possible – work with local partners who already possess the expertise that will not only ensure that the user journey is right, but also that it’s underpinned by messaging which 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 by checking out the Borderfree market insights.

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

5. Think mobile

61% of the world’s population is using mobile devices, with 258 million users in the U.S., 52 million in UK, and 28.7 million in Canada, which presents an opportunity for retailers embracing mobile.

According to Nielsen®, 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
6. Know the laws

Each country has its own rules and regulations to abide by (e.g. return laws, VAT requirements and advertising restrictions). See the further reading section to find out more.

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.

7. Target the right countries

Different categories are more popular in different markets. For example in the UK, clothes, shoes and accessories are the main items bought in cross-border e-commerce, while in the U.S., consumer electronics are also frequently purchased online.

Your website’s design also matters. In France, e-commerce websites are designed with “more is more” policy, which local consumers are accustomed to.

8. 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.”

Chambaz stresses the importance of not letting a country’s border define an audience: “Lots of customers have more commonalities with their foreign peers (jargon, references, codes, icons, etc.) than with some fellow citizens. Just think of the ‘nation’ of football fans... Many communities transcend geographical borders. So you should target an audience wherever they are, not necessarily by country.”

Understand your target audience, regardless of analytics and channel. You have to know whom you are dealing with. This is where most SMBs go wrong.

Bas Van De Beld
How Bing Ads can help

“Our Bing Ads Cost Per Acquisition is on average 25% lower than our target CPA, making it the most efficient traffic source in our digital account.”

Bhavik Patel, Search Specialist at PhotoBox, UK.

If you are addressing the previous points with great rigour, 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:

- The Bing Network in 35 countries worldwide, and supports 12 main languages.

- Among our 629 million searchers worldwide, there are 158 millions searchers that are exclusively reached by Bing.

- Bing Ads gets you in touch with unique searchers who are likely to spend 145% more than the average internet searcher. 11

- These users are exposed to your offering when searching on bing.com, Yahoo, AOL, MSN, Outlook.com but also when using their Windows devices, their Xbox and even their Kindle Fire or Mac.

- Bing is the main engine behind Windows 10, powering Cortana and deeply integrated with Microsoft edge, our volume will be growing drastically along with Windows 10.

### Quality audience

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10. comScore Explicit Core Search (custom), October 2015
Our revenue has increased since advertising on Bing and Yahoo by around 4-5%.

Heiko Tholen, Head of SEM at mysportgroup, Germany

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

Customer and keyword Intelligence Tool

Learn 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 all-important keywords that they are using.

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 were searching for, faster. When they are close to buying, shortening the consumer journey is critical.

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 hotel. 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.
What’s next?
Start your cross border campaigns in 3 easy steps!

**Step 1**
Import your Google campaigns, targeting markets that you want to advertise in with campaign importing. Check out the step-by-step campaign import guide.

**Step 2**
Make sure your campaigns are targeting the cross-border countries you want to reach, and are the right language for that market.

**Step 3**
Work with your account manager to ensure you have the right keywords, bids and ads in your cross-border market, so you can reach new customers.
Further reading

More things you should know about e-commerce

The power of Bing Ads

Understanding the editorial rules: what can and cannot be advertised on Bing around the world

North American Free Trade Agreement

More things you should know about European e-commerce

Understanding the Drivers of Cross-Border E-Commerce

Learn more about Borderfree

Learn from successful advertisers using Bing Ads