

E-info

Global insights for online sellers

ISSUE
NO. 2

LAND OF THE RISING UNCERTAINTY

POTENTIAL VOLATILITY FOR THOSE
DOING BUSINESS IN ASIA IN 2016

SOMETHING NEW

FIVE MARKETPLACES YOU PROBABLY
HAVEN'T HEARD OF, BUT NEED TO!

A BALANCED ONLINE BUSINESS

MANAGING THE SMALL, KNOWN,
MANAGEABLE WEAKNESSES

MORE THAN ONE WAY TO PEEL AN ORANGE

NEW APPROACHES TO
INTERNATIONAL EXPANSION

The WorldFirst logo features a vertical white bar to the left of the word "WorldFirst" in a white, sans-serif font. The background of the entire page is a scenic view of a traditional Japanese temple with multiple tiers of red wooden roofs and green tiles, set against a backdrop of a city and a large mountain (Mount Fuji) under a blue sky with light clouds. The foreground shows some autumn-colored trees.

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Welcome.

The first few months are now out of the way and 2016 is well into its stride – we hope you are too.

Many businesses – and yours may be one of them – will now be looking at how they can expand or improve their business and move onto greater success in 2016.

With that in mind, we've canvassed opinion from a range of e-commerce experts to help inspire your global ambitions. What you'll find here are the voices of experience and some visions of the future, all from those squarely in the know.

We'll show you five overseas marketplaces you probably haven't heard of and explore the concept of the balanced business, one which understands that it cannot be strong everywhere and just ensures that its weaknesses are known, small and manageable.

We also hear about some new approaches to international expansion and from our Chief Economist, Jeremy Cook, about the so-called currency wars that mean we can expect volatility to continue for all companies doing business in Asia through 2016.

Before we dive in, we should point out that the views given in this magazine are those of the individual authors, and not those of World First.

Right, that's that – we hope you find inspiration here!

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Five overseas marketplaces you probably haven't heard of, but need to

Will Bowes of Linnworks looks at some lesser known marketplaces to explore in 2016.

With so many countries to sell in and marketplaces to sell on, where to start? Here are a few marketplaces you may never have heard of.

1. FNAC

Originating from France, but operating across most of Europe, FNAC is a massive opportunity for anyone already selling overseas in the Eurozone. Initially an electronics retailer, they have recently opened up categories in fashion, sports and home goods.

Highlights

- Operating across Europe
- Well established retail brand in France
- Massive customer base in France

2. Allegro

Located in Poland, Allegro has grown to become a very popular marketplace in Eastern Europe. With over 12 million registered users, it has a massive hold over many of the key ecommerce sectors in Poland.

Highlights

- Great for fashion brands with their separate Brand Zone channel
- Particular focus on ecommerce, which is growing by 22% year on year
- Poland has one of the fastest growing ecommerce industries in the world at the moment.

3. Spartoo

Perfect for online fashion sellers, especially shoe retailers, Spartoo, originated in France and has expanded to operate in 30 European countries. Spartoo started as a retailer which has developed its own marketplace which now claims over 14 million visits a month to its website.

Highlights

- Recognised and trusted seller of fashion and shoe brands
- Operating in over 30+ countries
- Also have a UK based marketplace Spartoo.co.uk

4. TradeMe

Founded in 1991 and primarily selling to the New Zealand and Australian markets, TradeMe has grown to become an integral part of the established ecommerce industries of both these countries. Mostly selling general goods, electronics and antiques & collectables, TradeMe has grown to become a lifestyle site by offering jobs, flatmate searches, motor vehicles and property.

Highlights

- TradeMe has become a major player in both New Zealand and Australia as these countries have grown to adopt eCommerce
- Around since 1999 so is already established and reliable
- TradeMe is 5th most visited site in New Zealand

5. Mercado Livre

South American Mercado Livre services Argentina, Brazil and the wider South American market. Part owned by eBay and now expanding into the Portuguese market, Mercado Livre offers a massive marketplace that is relatively untapped by European sellers.

Highlights

- By far the biggest marketplace in the fast-growing South American markets
- The main shareholder is eBay so format will be familiar to existing eBay sellers
- Low uptake by European sellers, meaning big opportunities for those that do

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Why **product reviews** matter



Is your Amazon listing optimised?
If not, it ought to be, according to **Martin Keene of iLoveToReview**.

★★★★★ **Credibility**

In a study conducted by Survata, Amazon emerged as the starting point for 44% of consumers searching for products, giving it about three times more product search volume over Google. Why? Amazon is a trusted authority. They built that reputation by putting customers at the centre of their universe as a way to reach their ultimate goal: more conversions, which translates into more money for Amazon.

Creating your product listing with a strong title, descriptive bullet points, and high quality photos are the basics. However, increasing the number of good reviews could be a make or break to your ongoing success.

★★★★★ **Social Proof**

In the mid 1800s, the original authentic snake oil contained anti-inflammatory Omega-3 obtained from Chinese water snakes. When the Chinese brought it to America and shared it with other railroad workers, it became quite popular. People raved at the results and swapped testimonials of their experience which increased product demand.

Yet today, snake oil is associated with quackery. That came about because those seeking to meet that demand tried to re-create a product whose source (the Chinese water snake) didn't exist in America. Fake products were used along with fake testimonials to sell it, leading to snake oil's demise. Credibility and social proof created both the rise and the fall of this product.

Not too much has changed in the sense that word of mouth has always been a major factor when it comes to buying decisions. According to a Nielsen's Global Trust in Advertising Report, online consumer reviews are already the second most trusted source of brand information, with 70% of global consumers indicating they trust online reviews. That keeps growing every year.

As an Amazon merchant, you are in the business of delivering products that customers will praise because those personalised reviews can:

- ✓ Nudge indecisive buyers into clicking the 'Add to Cart' or 'Buy Now' buttons
- ✓ Persuade consumers to select your product over all of your competitors
- ✓ Provide other buyers assurance of your product's quality

According to a Nielsen's Global Trust in Advertising Report, **online consumer reviews are already the second most trusted source of brand information**

★★★★★ **Generate more reviews**

Amazon states that only 1% of buyers leave reviews. This means seasoned sellers must actively encourage buyers to submit 100% authentic reviews. How?

- ✓ Including well written inserts. Clever, attention grabbing notes, letters, or postcards inside the product box asking for feedback is a great start.
- ✓ Sending follow-up emails. Reach out with a friendly, personalised email via your Amazon Seller account. Make sure the content genuinely expresses interest in their satisfaction.
- ✓ Use a Legitimate Review Service. Buying FIVERR reviews or any fake ones can and will get your account suspended - sometimes permanently.

★★★★★ **Icing on the cake**

Reviews absolutely make a difference to your ranking. Rankings get you noticed. The more high quality reviews earned, the greater your conversion, which then begets an organic increased ranking. Reviews provide additional content about your product which increases your SEO. Ultimately that could mean showing up first on any search terms used to find your product. All points being equal for competing products; the listing with more and better reviews WINS every time.

Martin Keene is the CEO of [iLoveToReview](#)
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A quick guide to selling in the US

The US is a prime destination to consider for overseas expansion, so **Laura Lane of ChannelAdvisor** gives her top tips on how you can make it work for your business



The vast size of the US e-commerce market (currently estimated at around \$350 billion) and our shared language and culture makes the US ripe for international expansion. And US shoppers seem keen to buy from UK merchants: an estimated one out of every five online shoppers in the US bought an item from a UK website last year. These were often items they couldn't get elsewhere.

Marketplaces are a logical route to the US market

Online marketplaces are a great way to reach US buyers: 80% of online shoppers in the US use them. No prizes for guessing that the most popular marketplace by far is **Amazon**? In 2015, Amazon welcomed an estimated 175 million unique monthly visitors to its US site.

eBay also has a big presence in the US. There were around 122 million visitors to the site in March 2015. If you already sell on eBay, you could test the market by offering delivery to the US from your current eBay account – or opt to list directly. Remember that if you list directly, price in dollars and use American English. For example, US consumers search for 'pants' rather than 'trousers'.

Other US marketplaces to consider

Established in 2010, **Newegg** boasts around 25 million registered users. No longer just a marketplace for affluent 'techies', Newegg now offers all types of products – from office supplies and sporting goods to automotive and industrial products.

The Sears marketplace gets around 2.4 billion page views a year. Similar to the famous brick-and-mortar department store, the online platform offers a wide variety of items, from clothing and sports to jewellery and toys. In order to list, you need to pay a monthly membership fee plus commission (which is determined by category).

Rakuten is one of the biggest e-commerce companies in the world, with 18 million+ customers and 17 million items listed on the .com site. The platform has transformed from a gadget geek's paradise into a marketplace for branded goods. Popular categories include health and beauty, home and garden, jewellery and toys. With no inventory of its own, Rakuten won't be competing with you for business.

Best Buy launched in 2011 and receives 31 million unique visitors a year. Sellers can take advantage of 'spotlight' opportunities (such as Best Buy Deals of the Day), and customers can participate in the Reward Zone loyalty programme. At present Best Buy approaches merchants directly to list, but you could ask to be considered.

Newcomer **Jet.com** launched in 2015 with a business model that rewards customers for buying in bulk. To sell on Jet, you need a US address, a US bank account and US-based operations. You will also need to pass a screening process (Jet checks out your online presence and feedback metrics on other marketplaces).

Marketplace fulfilment programs can help with logistics

Amazon offers fulfilment support to sellers in the form of Fulfilment by Amazon (FBA). FBA provides you with a comprehensive logistics package that includes delivery from the UK as well as world-class customer service provisions. Opting for the programme also gets you access to big-spending Amazon Prime members (currently rumoured to be around the 80+ million mark).

eBay also offers a comprehensive fulfilment programme to sellers: the Global Shipping Programme (GSP). You simply send your items to a UK address and let eBay do the rest, from paperwork to an international tracking service. Newegg can also take charge of fulfilment on your behalf. Opting for a marketplace logistics programme will help

keep your customer ratings high. With Amazon FBA, as all customer service and delivery is dealt with by Amazon, any complaints will not impact your ratings. For eBay GSP, once you've shipped your product to the eBay distribution centre, no delays impact your metrics. This is no small consideration, since 83% of US online shoppers say ratings influence their decision to buy, compared with 68% in the UK.

Review your tax situation

Tax can be a complicated issue in the US, with rates varying across states from 1% to 10%. If liable, you'll need to charge the correct rate on your sales, then remit this tax to the right authority. We recommend discussing your individual tax situation with an expert who can focus on your specific circumstances.

Laura Lane is the Senior International Marketing Manager at [ChannelAdvisor](#), which helps businesses optimise both their marketplace and digital marketing strategies.

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Online marketplaces are a great way to reach US buyers: 80% of online shoppers in the US use them.

Land of the Rising Uncertainty

Asian FX markets are expressing all the hallmarks of a currency war as tit-for-tat central bank action to weaken their respective currencies has increased, according to economist **Jeremy Cook**

In the late 1990s, world markets took a hammering as Thailand, Korea, Russia and other emerging markets crashed courtesy of a strong dollar, over-leveraged financial sectors and an abundance of poor monetary policy decisions. Some analysts and investors are seeing the warning signs of something similar at the moment.

February saw the Bank of Japan vote to begin a negative interest rate policy in Japan; in essence charging banks for not lending money into the economy and making it unattractive for investors to hold onto the Japanese yen.

I'm not sure how effective the plan will be for a number of reasons. The most important question is why the plan sets out that the penalty of negative interest rates will only apply to new deposits. There is little marginal impact on current high bank deposit levels.

February saw the Bank of Japan vote to begin a negative interest rate policy in Japan; in essence charging banks for not lending money into the economy and making it unattractive for investors to hold onto the Japanese yen.

The adoption of a policy that had previously been dismissed by the Bank of Japan Governor in front of the Japanese parliament may also speak to fears that the Bank of Japan is running out of cover and influence when buying bonds QE style – in other words, that it cannot get what it wants just by buying Japanese debt.

Abenomics – a three tiered plan to rescue the Japanese economy from decades of weakness – is based around monetary policy looseness, fiscal stimulus and structural reforms, and this is another firing of that first gun. Further help is available in the second and third guns, but authorities in Japan seem unwilling to use them. The fact that the Bank of Japan's rate setting committee voted for the measures 5-4 has limited that impact.

For now the Bank of Japan has three options in my eyes. Firstly – and the least effective of all – is direct intervention and reports suggest that this has been happening already. Secondly, they could cut rates further into negative territory and extend the lien over which assets these negative rates apply to. This seems to have been the catalyst for the recent sell off in bank shares which made markets particularly grumpy, so that may be seen as fanning the flames. Thirdly, and most likely in my opinion, is an increase in QE purchases.

The key dynamics of USDJPY remain; the Bank of Japan is struggling to create inflation and data from the US remains decent and we maintain that the transfer of wealth from oil producing nations to oil consuming nations, such as the US, means that growth and consumption will remain solid.

The currency war in Asia remains alive and well and it is helpful to look at Japan in the context of what China has been doing to the yuan in recent months. We continue to expect volatility for all companies doing business in Asia through 2016.

Jeremy Cook is the chief economist at the currency exchange company, World First. Twitter @World_First



A close-up photograph of a hand holding a smartphone. The background is blurred, showing what appears to be a person's face and another hand. The overall tone is professional and focused on technology and global connectivity.

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The Balanced Online Business

A business cannot be strong everywhere. It is better to ensure that there are only small, known weaknesses which are manageable, according to Mark Canty of Ebusiness Guru.

I've learnt a few things about ecommerce over the years; one is to accept you can't be strong in every area, and to make sure that any weaknesses are known about, small and manageable.

Treat chances to grow as a measured risk. Know the risks and resources you need for it to grow and become successful. There are times that an expert can help you save time and help you to focus resources in the right place.

What are you selling?

Always remember the bottom line. **You should make a profit** (and pay the bills).

Sell something you're passionate about, with a clear market.

Ask yourself **why YOU would want to buy something** from your business. If not, why would your customers?

Sell at a price they (and you) can afford. If this isn't true, or is becoming difficult, find something that meets those criteria.

Everything has a cost, whether it's stock, rent, or staff wages. But can you justify it? Be aware of what everyone and everything brings to you, and only keep them if they make a positive contribution.

Why are you selling here?

Don't sell on a site unless there's a reason. You'll generally make more per sale on your own website. Fees on marketplaces hurt, but Amazon and eBay reach customers. Some people treat those channels as a shop window, selling at cost to get attention. It's an investment. When costs change, re-evaluate, and don't pour good money after bad.

Selling abroad is just another marketplace (but in another language, and with different laws). If there is a market, and your costs (including shipping!) make sense, then try, but carefully, and be ready to stop if it's not working!

How are you making your products visible to buyers online?

Most people list their own products, directly, or with specialised software. **Consider outsourcing**; can your people fill other roles? Does it cost less to pay while your staff work on other areas? Could you get a nice polished, responsive listing template in the package, offsetting some of the cost?

Don't buy a tool or service because it looks good. Buy it because it meets a need, and costs less than it saves you. Buy it because it saves you time.

What tools are you using?

Don't buy a tool or service because it looks good. Buy it because it meets a need, and costs less than it saves you. Buy it because it saves you time.

How are you getting customers to look at your products?

Think about promotion. If done badly, this is money poured away. A professional will be able to show you why they're worthwhile and the value they can explain to your business.

First and foremost, your website should be easy to find. This usually means the black arts of Search Engine Optimisation – and advertising!

Ensure your eBay listings show high up on the search results (both in eBay & search engines). An expert will know what they're looking for, and how to build your listings correctly, saving you time and money.

Look into advertising with Google, Bing or Facebook to draw attention from **carefully targeted potential customers**. Used carefully, it will get the best return.

What about social media?

Social media can help you to get the word out about new products through competitions, links to articles, etc. Your customers will do the advertising for you because it's new, and interesting, and cool. Use more than one platform too – e.g. Pinterest and Tumblr are different to Facebook or LinkedIn. If you're using multiple social platforms and want to reduce your workload, consider an automation and scheduling tool like Social Pilot.

And remember...

The right tools and help can ensure you remember that being your own boss should be fun. The wrong ones can make it nothing but headaches and paperwork.

Mark Canty is the Multichannel eCommerce Consultant at Ebusiness Guru, which offers solutions, tools and options for businesses of all sizes.

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More than one way to peel an orange: new approaches to international expansion

Expanding your business overseas can be daunting, but starting small can be a great way to test the waters of international e-commerce, according to the team at InterCultural Elements.

For British entrepreneurs, the United States is a likely first target. A large population, similar buying habits, and a shared language all hint at reasonable cross-border success – but the differences in culture are not insignificant. America is as much a foreign domain as any, and accounting for this diversity is key to your success. These subtleties can be difficult to navigate, especially since the American e-commerce market is one of the most competitive in the world. As a first attempt at international e-commerce, it may be worth exploring other options...

PIGGYBACKING

If you're a British seller on Amazon, you automatically gain access to posting accounts for the rest of the European Amazon locales. Why not take advantage of this opportunity? Of course, translating all of your listings is a pain, but you may not even have to. One of the simplest and most cost effective ways to start selling internationally is to 'piggyback' onto existing Amazon listings. It allows you to initiate sales in a new market almost immediately without any major start-up efforts, minimising your risk and allowing your brand to develop a reputation from those all-important ratings. Essentially, piggybacking is really a taster, giving you a feeling for how successful you could be.

NEWER MARKETS

An alternative is to look into less saturated, up-and-coming markets. Two great examples are Mexico and Japan, both of which now have a variety of marketplace options. As most accounts will still be fledgling, the level of competition is likely to be lower: there will be a negligible number of reviews which will therefore not hold as much weight. It's a great opportunity to gain first-mover advantage and make a name for yourself in these markets.

NEWER MARKETPLACES

Closer to home than Japan and Mexico are more familiar regions with new or growing marketplaces. Even though Amazon and eBay are two of the most familiar names in the world of e-commerce marketplaces, certain consumers are becoming more and more receptive to 'alternative' marketplaces.

France, for example, is without any major leaders in the e-commerce field. Call it patriotism or simply a desire to support French-owned business, the French consumer is often more likely to look past international companies such as Amazon and eBay in favour of French marketplaces like CDiscount, La Redoute and PriceMinister. Each of these home-grown marketplaces has developed their own niche and following. In selling through them, you can reach a wider market and get the most out of the resources you've put into preparing your listings.



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InterCultural Elements helps businesses with their next steps when expanding internationally.

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Selling into the UK from Europe

Expanding your thriving Amazon FBA business can be an exciting and rewarding venture, but it can also be daunting and challenging, according to **Greg Jones** of **FBAPrep UK**.

When it comes to growing your Amazon FBA business into Europe, there's enough red tape to tie you in knots. Complying with the local laws and regulations is a 'must do' on your checklist; the UK has a number of regulations and laws that you'll need to know about and comply with.

VAT registration for all non UK based businesses using Amazon FBA in the UK

HM Revenue and Customs (HMRC) treat you as a Non Established Taxable Person (NETP) and you must register before you sell anything in the UK; tax evasion is a criminal offence in the UK. The only alternative is to set up a UK based limited company.

When you start importing products into the UK, you will need to obtain an Economic Operator Registration and Identification number (EORI), this number is assigned to importers and exporters by HMRC, and is used in the process of customs entry declarations and customs clearance.

Amazon also has requirements that you need to meet to open your EU sellers account:

- **Meet customer expectations;** supply a UK-based returns address.
- Adhere to all **applicable local laws;** never import goods in the name of Amazon or show Amazon as importer of record or consignee.
- It is a criminal offence to place on the market or supply in the UK an electrical appliance which is not fitted with either (i) a **UK 3-pin plug**, or (ii) a non-UK plug permanently fitted with a UK safety approved conversion plug.

Depending on your chosen business model, either ship your inventory to the UK, or source products in the UK via Online Arbitrage.

- You must adhere to any **local tax requirements**.
- To be paid, you need to provide a bank account in a country supported by Amazon.co.uk.

Once you have all the documentation and registrations you can head over and open your UK Amazon account – at the time of writing a UK Pro-seller account costs £25+VAT/month.

Depending on your chosen business model, either ship your inventory to the UK, or source products in the UK via Online Arbitrage.

Further expanding your sales and reach into Europe can be easily achieved by utilising the Amazon's European Fulfilment Network (EFN), this service makes it easy for you to list and sell all your products on the other four EU Amazon marketplaces, while sending all your inventory to just the UK warehouses, it makes sense to use EFN to test each marketplace before committing time and money to stock and compliance for each country.

European Marketplace sellers sold over \$3billion in 2015 and Amazon employed 10,000 new members of staff to cope with the anticipated growth in 2016. Will you be a part of that growth?

Greg Jones is the Managing Director of **FBAPrep UK Ltd**, a UK based Amazon FBA seller support company which provides services which help FBA entrepreneurs grow their business.

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9 top tips on expanding your e-commerce business

Wouldn't it be useful to have a checklist of things you need to know when looking to expand internationally? Luckily, that's exactly what **Melanie Shabangu** of **Avask Accouting** has written.



1. Use the UK as a gateway to Europe

It's an opportunity, **start small and get your e-commerce established in the UK**, then progress to Europe/US/Japan or Canada thereafter.



2. Set your goals

Decide what YOU want to achieve and remember to invest enough time into expansion and your existing e-commerce business.



3. Research, research, research

Study the market you are going to be entering and compare your products with competitors in terms of pricing, demand and quality.



4. Contact a tax advisor on VAT/Tax matters and “pick up the tab”

Register for VAT if not a UK incorporated business and if UK-based, watch your VAT thresholds. Use a reliable shipping company – pay all shipping and import VAT, pay HMRC VAT on sales and re-claim your import VAT.



5. Do customers only go for branded products?

Over the years, we have seen a lack of brand loyalty in consumers, so it is easy for them to switch brands. Your product must have relevance!



6. Make the most of your investment

Your expansion will be costly, and will result in “a short term loss” as you will need to ship inventory to other countries. However, there will be a long term gain as your products will be selling in a fast-paced market place with the UK having an internet penetration of more than 81%.



7. Correct product sourcing = happy customers

Source a good supplier and develop a relationship, make sure that you’re happy with the product and are satisfied that you would buy it yourself. Watch out for fake products which may seem appealing – and cheap! – but won’t sell well in the UK due to low quality.



8. Planning is the key to success

Develop a business plan/market entry strategy, incorporate ideas such as promotions and gift items to get your product known in the market. Know your customs, laws and taxes and get quotes and links in place for distribution and shipping – FBA is a huge opportunity. Plan your import and export process – find a reliable shipping company.



9. Speak with a tax advisor

Every company is different and you will need to take the best pathway for your specific business. You will have the choice of simply registering for VAT or incorporating a company in the UK, so it is very important to speak with an expert to see what is best for your e-Commerce business. A good accounting company can assist you, from providing advice on the EU market to completing the VAT registration process for you. They will also look at your business plan and give you specific advice on your company and the best strategies for entering the e-commerce world.



Melanie Shabangu is a Partner at [Avask Accounting](#), which provides businesses with innovative, proactive solutions.



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