



Launching New Markets

Internationalization
The Ultimate Guide



TL;DR

Tip:

Set realistic goals and expectations.

eCommerce is growing worldwide at a yearly rate of **over 30% – even over 70%** in some countries. Is this the right time for your business to go international? Entering a new market opens new growth opportunities and comes with unique challenges, too. To do it right:

- ✓ Research the market and consumer behavior.
- ✓ Set realistic goals and expectations.
- ✓ Ensure legal compliance early on.
- ✓ Localize, localize, localize. Do business the way customers expect – use locally respected partners, offer the popular payment methods, adjust marketing to fit the culture.
- ✓ Work with trusted partners to create and implement a market entry plan.

Curious now?

Then read on and find out all the insights and tips you need to get off to a successful start when launching new markets!

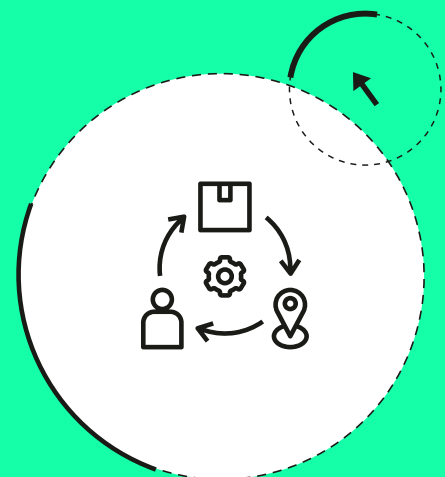




Table of Contents

Introduction

Let's Go International

01

Chapter 01 | Pg.05

Why Should You Internationalize Your eCommerce Business?



02

Chapter 02 | Pg.09

Identifying International Market Opportunities



03

Chapter 03 | Pg.12

How to Internationalize Your Business



04

Chapter 04 | Pg.18

Major Challenges and Possible Mistakes to Avoid



Conclusion | Pg.23

Seize Growth Opportunities



Bonus | Pg.24

Internationalization Checklist



Go ahead! ↓

Let's Go International

Around the world, more people than ever are shopping online, but growth rates are uneven across borders. In 2020, **eCommerce only grew by 2% in Germany** and the UK – in Greece, on the other hand, it skyrocketed by 77%! Are you an eCommerce executive thinking about expanding your business? Then it's time to go where the growth is!

This white paper will take a deep dive into the journey of internationalizing your eCommerce business. Let's take a look at the reasons for and

benefits of launching in foreign markets. You will get to know the steps to take before market entry and how to know if it is the right time to expand your business. Not sure which market is the right fit for you? We'll cover key indicators and measures that you should pay attention to before making an informed decision. And don't be afraid to mess up: We will talk about common issues businesses face and how to avoid them. Last but not least, we will send you off with a comprehensive checklist to cover all your bases.



Don't be afraid to mess up

Go ahead!

We like to think of this whitepaper as a **roadmap to success** – so let's set you up for your journey!



Why Should You Internationalize Your eCommerce Business?



Going global!

Think about it:

Is this even the right move for my business?

Internationalization poses unique challenges, so you might be thinking: Is this even the right move for my business? Fortunately, going global also comes with a range of new opportunities. Three reasons why international eCommerce is the next step for growing companies? **You are increasing your revenue.** Expanding also ensures sustaining your growth and therefore profitability. And moreover, you are able to explore **new target groups!**

Explore new target groups!

Increase Revenue

Throughout the world, eCommerce is on an impressive uptrend. In Europe, turnover rates increase by double digits every year, and the growth is nowhere near over. Entering new markets provides exciting new revenue opportunities for your business. Let's talk

Sustain Growth and Profitability

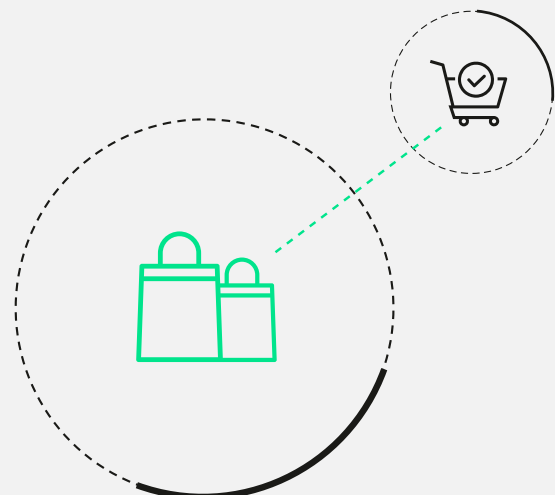
As a business owner, you want your venture to stay profitable and keep growing. International eCommerce opens you up to some of the fastest-expanding markets, for example, Eastern Europe. If you are seeking growth, how would you do that within a saturated and competitive market, if not by investing to grab more market share? In a growing market, even a small initial market share has the potential to grow with the regional market. Let's take a look at Eastern Europe, where according to the European eCommerce report, eCommerce growth was a whopping **36%** in 2020.

numbers: According to the [European eCommerce Report](#), **71% of Europeans shopped online in 2020**, which is an over **18% increase** compared to 2017. In just four years, the market has expanded massively across the continent.

Did you know?

International eCommerce opens you up to some of the fastest-expanding markets.

Zooming in even further, B2C eCommerce expanded **77%** in Greece, which was Europe's largest growth rate that year. Perhaps not quite as staggering, but still impressively high, are the figures for some other Eastern European representatives: Poland, for example, achieved a growth rate of **34%** in 2020, Croatia close on its heels with **32%**, and Romania came in at **30%**.



Explore New Target Groups

Who is buying your product? In your current market, you know your customers well. A new environment, however, comes with brand new target groups and even more potential customers. Ask yourself: What is it that these customers want and need? For instance, according to the European eCommerce report, physical goods still lead the race with the most popular online purchases, with clothing in the lead and well ahead: **63%** of all European online shoppers made at least one purchase in the product category clothing in 2020. Also

on the podium, albeit at a distance (29%), are home goods and furniture. Tech items also show impressive potential. Not only are they among the top three online purchases for **16- to 24-year-olds**, but they're also a major category in the continent's fastest-growing region – Eastern Europe. Our key takeaway: You might find your brand fills gaps in the new market that didn't exist in your previous one. This is yet another way in which **internationalization fuels your growth.**

Ask yourself:

What is it that these customers want and need?



Who is buying your product?

Our key takeaway:

You might find your brand fills gaps in the new market that didn't exist in your previous one.

The key to successfully harnessing these benefits is knowing where to expand to – Tom Dupont, Director Central and Eastern Europe &

Market Expansion at ABOUT YOU is sharing his insights:

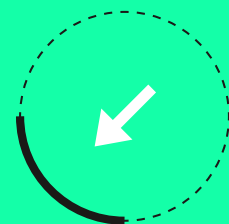
“The European eCommerce market is growing. It is, however, disproportionate growth. While Central and Eastern Europe are showing massive growth rates, saturated Western markets are slower. This makes sense, considering how much room for new online businesses there is in the CEE region – for instance, Eastern Europe’s e-shopper penetration is less than half of Western Europe’s e-shopper penetration, leaving plenty of room for you and your business to swoop in. As an eCommerce executive, my advice to businesses is to seize the opportunity and enter these markets while there is still very little local and international competition in some industries.”

86%

E-shopper penetration
in Western Europe [2020]

41%

E-shopper penetration
in Eastern Europe [2020]



And while cross-border buying is on the rise, most European eCommerce orders still go to domestic vendors. In fact, 88% of European online shoppers bought at least once from national sellers in 2020, while only 31% also

ordered at least once from sellers based in other EU countries. In other words, if you want in on the growth, it’s time to set up shops in new markets and accommodate local buyers.



Identifying International Market Opportunities



Learn about potential markets

Entering a new market comes with brand new opportunities – and challenges. How do you know it's the right time to take the leap? Your first step is to learn about potential markets. Get to know the landscape but keep an open mind and a broad view. **Foreign market analysis** goes a long way in choosing a new market. Investigate the specific numbers for your target country and the region in general for cross-border sales.

Take Eastern Europe for example. At first glance, the region can seem complicated, but it's also fast-growing and underpenetrated. Within Eastern Europe, consider the country that's right for you: Moldova might have grown by **49%** in 2020, but it's among the poorest nations on the continent.

Neighboring Romania, on the other hand, has grown by 30% – still impressive in the overall European context. Romania is larger, people have more purchasing power – and the language is even similar to Moldova. Setting up

a shop in Romania and selling crossborder to Moldova can tackle both markets, therefore it's always a good idea to keep an eye on the wider view to notice these opportunities.

Here are the steps to take when analyzing the option of internationalizing your eCommerce business:

1. Evaluate the potential of the new market:

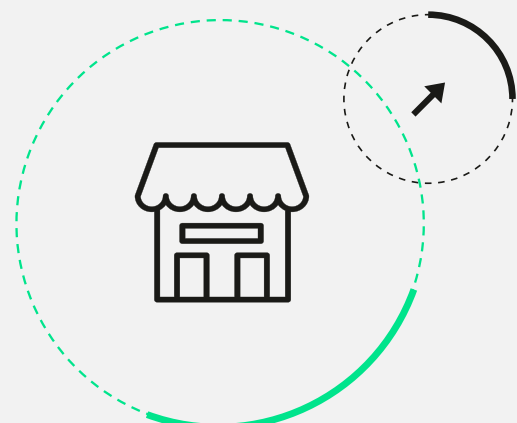
Throughout the world, eCommerce is on an impressive uptrend. In Europe, turnover rates increase by double digits every year, and the growth is nowhere near over. Entering new markets provides exciting new revenue opportunities for your business. Let's talk numbers: According to the European eCommerce Report, **73%** of Europeans shop online, which is an over 20% increase compared to 2017. In just four years, the market has expanded massively across the continent.

2. Check how your product segment is doing:

Trends vary across countries and regions. Look into the data for your industry and its growth in the country. This doesn't have to be just eCommerce. If a particular niche is growing offline and the eCommerce market in the country is also expanding, you should take a closer look. Product KPIs like cost and potential profit can guide you here.

Did you know?

In Europe, turnover rates increase by double digits every year.



3. Analyze competitors:

Even in less saturated markets, you will face competitors. **Take a close look at what they're doing and how they are doing it.** Consider all aspects, e.g., product price points, logistics, marketing strategies. A potential lack of strong eCommerce competitors for already profitable products is an excellent signal for entry.

5. Watch out for social and online signals:

Are there any social and online signals that can also serve as cues for entry? Keep an eye out for increased attention in countries where you're not actively marketing. This could come as most likes from users in that region, increased discussions, or even customers proactively asking you to sell in their country. A field study could be another option for you to assess baseline brand awareness. Whether potential customers know you more or less than you expected, this insight can guide you and even help with future strategy decisions.

4. Consider entry barriers:

Plan for difficulties and how you'd overcome them. The current market and pressure from competitors are two of the most important factors here. For instance, the Nordics may seem easy to enter (high GDP, plenty of e-shoppers), but you're also facing high competition, and you'll have to fight for every customer.

6. Know your own resources:

Can you currently handle the undertaking of internationalizing your business? Consider your technical setup specifically! This starts with such basic issues as the fact that some systems will have difficulties with foreign languages (especially those using the Cyrillic alphabet). Plan for the changes you'll have to make to adapt and also consider the extent to which you can make use of external support to minimize your effort. This could mean partnering up with experienced service providers whose structures and know-how you can benefit from, e.g., in areas such as fulfillment or customer service.

Naturally, like most companies you will probably aim for growth, so expanding internationally seems like the obvious step to take. However, if you lack the technical architecture and functions to handle it, internationalization can prove a significant hurdle. In the following sections, we'll cover the main topics and areas to focus on when planning your next steps toward internationalization.



How to Internationalize Your Business



Nitty-gritties of a successful entry

Think about it:

What works in one country, won't do in another.

Finally, once you have your eyes set on a market, let's talk about the nitty-gritties of a successful entry. In international eCommerce, one thing is a must: You need a **specific market entry strategy**. What works in one country, won't do in another. From legal compliance to marketing, localization is key. When you tailor your plan to the specific conditions, you are setting yourself up for success.

First and foremost, of course, come local rules and regulations. In the EU, these can be quite similar, but the devil is often in the details. Contacting a local legal counsel or hiring an in-house compliance specialist will protect your business from day one.

And, while localization in legal matters is obvious, it applies to everything else as well! As our expert Tom puts it:

“When it comes to entering new markets, localization is everything. Market standards, customer expectations, and cultural differences all play into your success in international eCommerce. Going into a new country, meet your potential customers where they’re at, tailoring payment, logistics, and marketing to their expectations.”

Tom Dupont

Director Central and
Eastern Europe & Market
Expansion at ABOUT YOU

Is your head already spinning? While there is plenty to tackle, you don’t have to do it all alone. Modern tech solutions and automation can speed up your international growth and ease the burden on your team. As we explore

the cornerstones of internationalization, keep in mind that you don’t have to do all of this manually. In fact, planning your tech-empowered scaling journey from the get-go will set you up for success.

Payment Methods

In a new market, you usually don't benefit from your established reputation. So how do you show you're trustworthy? Focus on payment methods that your customers know and trust. These will vary depending on the market. In [Western Europe](#), most users prefer e-wallets like PayPal or credit and debit cards. Go East on

European ground, though, and you see more and more people preferring to pay cash. Cash on delivery (COD) can be a bit tricky to set up, but it comes with a lot of customer trust. In countries where fewer people trust banks or have bank accounts, offering that option is the best way to serve these customers.

Ultimately, when choosing payment methods consider:

- ✓ What options do locals use and trust?
- ✓ Are these payment methods viable for our business?
- ✓ Can you ensure legal compliance and payment safety?

Most importantly:

Does the technology behind your shop support localized payments? Once you have selected these options, build the integrations to allow them. Hit the ground running, instead of delaying these optimizations and missing out on conversions. And since different customer segments have different preferences, make sure you offer multiple options to cater to different needs.



Logistics

eCommerce puts space between you as the vendor and the client. In-store, you can tailor the shopping experience to make it as convenient as possible, from start to finish. Online, your delivery service partner can make or break an operation. Here, once again, focus on locally popular and trustworthy services: In Germany, this would be DHL or Hermes, which German customers know and use for their own packages. In Bulgaria, it's Econt, another large

logistics partner that locals recognize and use. Much like payments, last-mile delivery services should be companies that your prospective customers know, trust, and use. If you are offering COD, this is even more important, as the delivery company is also handling your payments. Once again, securing these integrations through the back end of your business is crucial – and it will save you a lot of hassle in the long run.

Don't forget:

Securing integrations through the back end of your business is crucial.



Don't forget about returns, either.

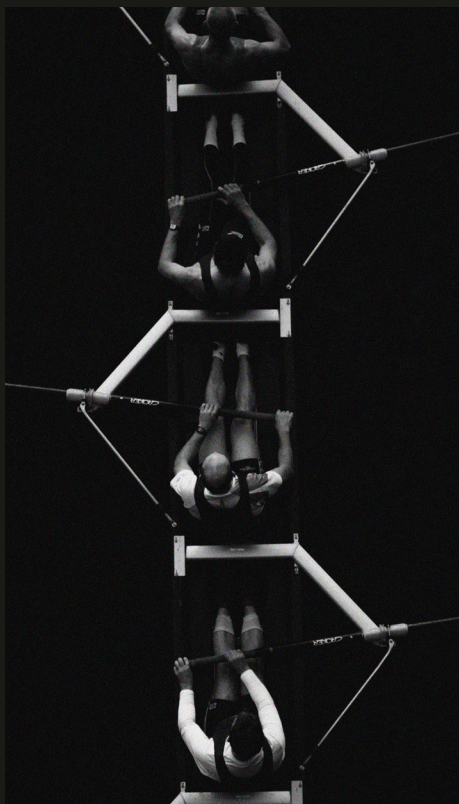
The clothing and accessories industry is not only the largest in eCommerce, but it's also the one dealing with the most returns. In some countries, customers are okay with returning items at a parcel shop. In others, they prefer pick-up at home. It's that level of convenience that can really set you apart from competitors and help you retain customers for the long run.

Don't forget about returns

Marketing

In marketing more than anywhere else, it's important to speak your customer's language. Avoid reusing campaigns without adapting them or taking time to understand the country's landscape. The best first step here? **Build a network of knowledgeable locals** to help you navigate the market. Depending on the country and your capacity, this could mean hiring in-house marketing experts or working with a consultancy firm. Either way, look for local experts – people who know marketing

specifically in the context of their country. Similarly, look to build partnerships with local media and personalities. Whether it's social media influencers or popular shows for product placement, understand the kind of content your target customer consumes. A German and Italian young adult probably doesn't follow the same people or watch the same shows, even if they're otherwise alike. In marketing, understand what your local targets value and emphasize that.



Measure your success
with the right KPIs

Most importantly:

Measure your success with the right KPIs. Data-driven marketing efforts begin with analyzing the right numbers. Understand which channels work best by evaluating their customer acquisition impact. Manage your budget by assessing how much lead generation is costing you, e.g., calculate the lifetime value of acquired customers, explore channel ROI through an attribution share, set break-even, and target income. Evaluate these numbers on a country-by-country basis, as different markets will inevitably behave in their own unique ways. You can then use this information to identify growth potential.

For instance, if most of your traffic is coming from a specific social media, that could mean investing more in that. Similarly, data can point you toward your weak spots. Sometimes, your own experience can blindside you, especially as you move into a new market. Getting it right on the first time isn't always easy, but the right KPIs will help you improve since they give you an impartial, big-picture view of your efforts.

Don't forget:

Sometimes, your own experience can blindside you.

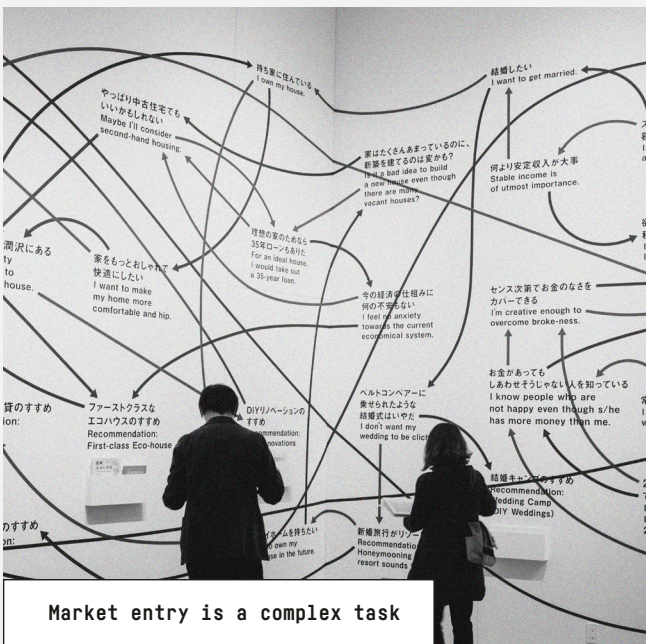


A multi-channel strategy is often the best

Consider the scalability of local media, too. While it makes sense to focus on the channels that drive the most traffic, more effort doesn't always mean more customers. There is a 'cap' for every media, keep a close eye on KPIs. If the number of new customers drops, while the cost of marketing through that channel remains the same, your customer acquisition cost will shoot up. This may or may not be a red flag – if you're attracting higher-paying customers, for example, the customer lifetime value will still offset your costs. Ultimately, a multi-channel strategy is often the best in increasing brand visibility and recruiting different target groups alike.



Major Challenges and Possible Mistakes to Avoid



Think about it:

With the right plan, you can tackle most challenges.

Market entry is a complex task. With the right plan, you can tackle most challenges, though there might be unexpected difficulties that come up, too. Here are some of the common issues eCommerce businesses face with internationalization and how to avoid them.

Wrong Order of Steps

Each company's journey into international markets is unique. That said, some tasks do need to go before others. For example, don't get carried away in marketing plans if you

haven't covered your legal bases yet. Setting up a compliant, functional business comes first, otherwise, you risk overwhelm, or even worse – legal trouble.

Follow an internationalization plan that tackles crucial tasks first. Begin by covering your legal bases, then set up operations and processes, translate and adapt your page, and then marketing – once you have a local-friendly, competitive product to promote in the first place.

Did you know?

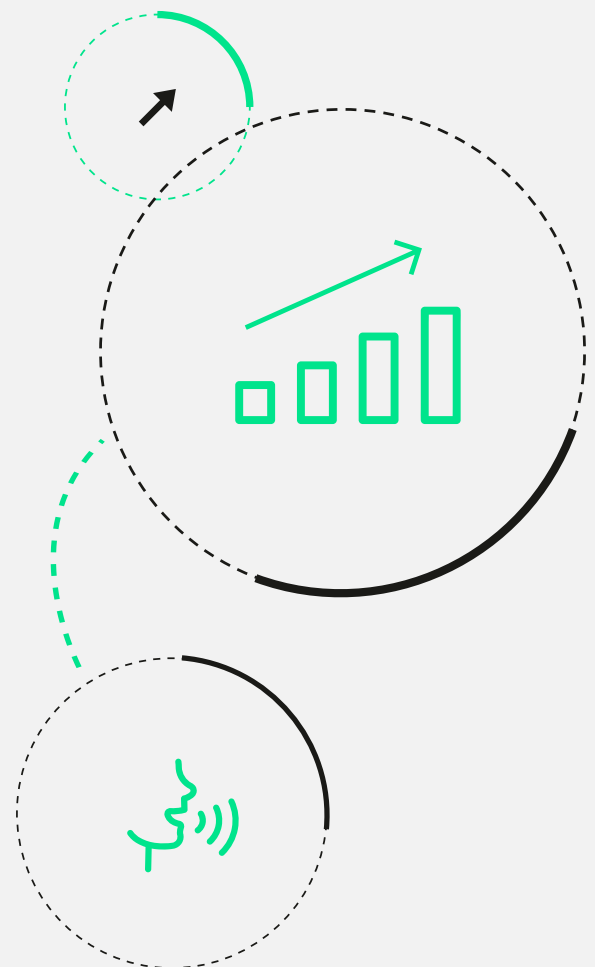
EU-level regulations can lull you into a false sense of security.

Letting Legal Risks Slip

EU-level regulations can lull you into a false sense of security. Don't assume that just because you're compliant in one country, you're fine in all of them. Start a legal workup early enough in your process. Investigate the local legislation, initiate your VAT registration process, and ideally – have a local legal counsel on your team. To avoid fines, if a slip-up does happen, correct it as quickly as possible, especially if you've received a notice from the authorities.

Overlooking Culture

Our ways of doing business – and communicating with businesses – change across cultures. Do your research and do it right – you only get one chance at a first impression.



Linguistic cultures, in particular, are very important

- 1. Customer service:** In some countries, customers expect you to be more formal. In others, casual, down-to-earth agents are preferred.
- 2. Localization in translation:** Avoid translating your product descriptions word-for-word. Grammar and expressions get lost in the process, not to mention cultural references (e.g., you mention Netflix & chill in your blanket product description).
- 3. Left-to-right or right-to-left?** In the Middle East, people read from right to left. Sounds like no big deal at first – that’s probably what one particular company that was running a diaper ad thought, too. The ad showed a crying baby turning into a smiling baby. The catch: In the West, you’d put the crying on the left. In the Middle East, though, your customer read that as the ‘after’ effect. It’s easy to fall for this kind of blunder, which can have a serious negative impact on a brand.

Therefore, working with locals is key to getting market entries right, whether they’re in-house hires or consultants.

Don't forget:

Politeness is defined differently in different cultures.



Cluster Logic

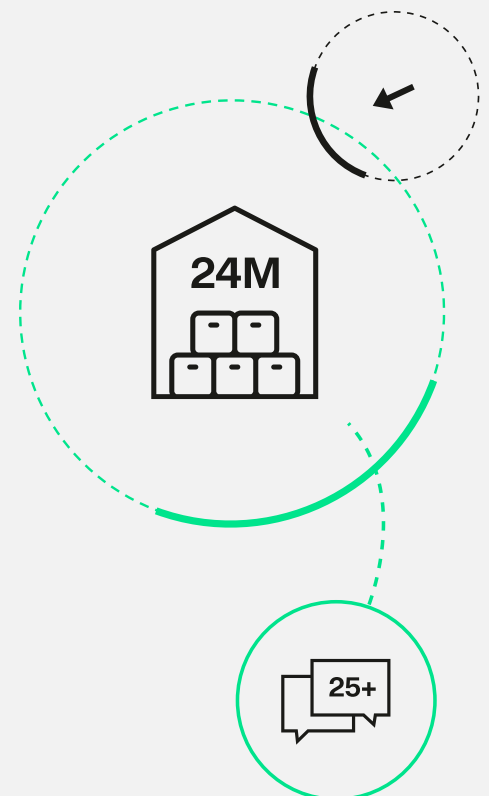
If you're entering several markets at once, clustering them can facilitate your efforts. For example, Poland, Slovakia, and the Czech Republic are geographically and culturally similar. However, there are still local differences, and failing to plan for them could cost you. Cluster thinking can help you with the overall strategy and it will save a lot of time and energy. At the same time, put some effort into 'localizing' the details. You could have a similar marketing plan for all, for example, but still make separate profiles for different countries. This way, you're not alienating one country over the other.

Unrealistic Expectations

You can mostly avoid unrealistic expectations with thorough market research before launch. Look into the numbers, but also consider customer behavior. You will continue learning about this after entering the market, too. Be willing to adjust your targets during the first year. If the market is not performing, there are two reasons: Either you overestimated it, or you overlooked something in your strategy. Seek hidden conversion killers and harness your customer base for answers on consumer experience. Don't give up too early or you miss out on exciting opportunities. Before throwing the towel, go back and evaluate what could be going wrong. Make changes to your targets and strategy as you learn more about the market.

Don't forget!

Put some effort into 'localizing' the details.



Wrong Marketing Channels

Is your marketing message not getting across? Make sure it's reaching the right people. Research the right channels for your business and target customers and stay on top of KPIs to ensure you're not wasting effort. For instance, the biggest social apps in South Korea and Japan are KakaoTalk and Line, which are hardly known in Europe. Skipping them in your marketing efforts would be a major oversight.

No Cash on Delivery in Eastern Europe

Most Eastern European customers want to pay cash or pay on delivery. They feel much safer when they can see a product before paying for it. Granted, COD is slightly more complicated than other payment methods. But, starting without it, simply doesn't work in Eastern Europe. In general, implementing local payment methods can more than double your conversions, so there is really no reason not to do it.



Soft launches give you the real world

No Soft Launch

A soft launch gives you a chance to analyze consumer experience and optimize it before the hard launch. Think of it as a dress rehearsal. There's a lot you can't plan for, and a soft launch gives you the real-world experience to perfect your market entry. The perfect time to do this is 3-6 months before the hard launch. This way, in about a month, you can evaluate your progress, make changes, and fine-tune the details of starting in a new market. This is also a good buffer for legal hurdles. Even if issues slipped through the cracks, noticing them in this small-scale launch is preferable to getting into trouble after the big launch.



Seize Growth Opportunities

eCommerce is definitely future-proof. With massive growth across the board, there has never been a better time to explore new markets. Regions like Central and Eastern Europe combine impressive eCommerce expansion rates and plenty of room to grow. With each market come new opportunities, making internationalization one of the best ways to increase opportunities for growth.

However, as you plan your entry, localization is everything. Tackling a new market isn't just translating your online shop. From legal requirements to customer experience and marketing, going international means adapting to local customs. Understanding market standards and offering new customers the same (or better) level of service they're used to is essential.

Guesswork won't cut it here, you need country-specific expertise. If you're short on resources, building your own structures can be a challenge. An in-house legal, marketing, customer support, logistics, etc. team can take months to recruit and get moving. Is it possible, then, to achieve a quick entry? Yes, it might be – but to be frank: If you don't have a massive amount of resources and extensive in-house knowledge, you will enormously benefit from seeking external help. Working with a strong partner supercharges your own experience, helping you tackle internationalization challenges with more ease than ever.

You need country-specific expertise



Internationalization Checklist

International eCommerce can simultaneously be an enormous opportunity and an enormous challenge. For some, the sheer amount of legal, operational, and cultural adjustments can seem like an insurmountable obstacle. Fortunately, this is not the case. Entering a new market is

about local insight, but the growth opportunity easily offsets your investment. Approach internationalization with a plan from the get-go, harnessing insight from local consultants and employees.



Setting the right performance indicators

At the same time, be open to adjusting your goals as you learn more about the market. Seek help if you lack resources in particular areas and make use of existing structures that experienced partners can provide you with. This is especially true for your technical setup, which should enable your efforts from the get-go. Setting the right performance indicators, monitoring your progress, and constantly looking at the data to gain insight are some of the best ways to achieve continuous growth. This, along with strong local partnerships, will make your internationalization process smoother and more profitable.

Taking your business to a new market can be overwhelming. Use this checklist to ensure you're not skipping steps – and your launch goes as smooth as possible.

Legal Framework

- ✓ Handle legal requirements first, setting aside enough time for them.
- ✓ Local regulations vary even within the EU, so investigating them is key.
- ✓ This is also the time to register for VAT and double-check EU-wide compliance – especially GDPR.

Thorough Market Research

- ✓ Understand the market and potential buyers.
- ✓ Investigate the customer behavior in a representative population, identifying key success factors.
- ✓ Identify must-haves and nice-to-haves. These are different for every market. For instance, cash on delivery versus PayPal in Eastern Europe.
- ✓ Take time to discover these factors, set them up, and keep testing during the first few months.



Cultural Differences

- ✓ Think localization over translation.
- ✓ Tailor your communications to the culture, from customer service to product descriptions. That includes, for example, the level of formality, the writing style, even the way you present your ads might change across countries.
- ✓ Enlist the help of locals who know the market, either as in-house specialists or consulting partners.

Build Trust

- ✓ Work with respected local partners, e.g., DHL for last-mile delivery in Germany, or Econt in Bulgaria.
- ✓ Provide dedicated customer support in the local languages. Set the same quality standards for all your agents – in-house or outsourced. They're often the only human point-of-contact with an eCommerce business.
- ✓ Finally, consider any certifications that can put your customers at ease. Local trade organizations might offer them, research that option in advance.



Market Standards for Payment, Delivery, and Returns

- ✓ Make returns as convenient as possible for your local customers. For instance, in some countries, returns at a parcel shop are perfectly fine. In others, people prefer home pick-up. If you don't offer it, you fall behind your competitors.
- ✓ From payment through delivery and potential returns, do the research and make sure you're offering the market standard or better.

Plan to Scale: Does Your Technical Setup Match Your Targets?

- ✓ Performance: Can you handle the traffic?
- ✓ Translation: Can you easily adapt your descriptions to the local language and culture, e.g., with attribute-based product information?
- ✓ Platform: Do you have a big-picture view of all your stores, e.g., with multi-shop management?
- ✓ Partnerships: Can you integrate local payment providers? Carriers? Are your local partnerships scalable?

Partner With Local Media

- ✓ It starts with respecting local rules and regulations – breaking the law will hardly win you any public favor as a new company.
- ✓ Research the right channels for your audience.
- ✓ Localize your approach to fit your target customer, e.g., place your ads after their favorite TV program or make a company profile on the social media platform they use.

SCAYLE Like a Local

Manage your localization from just one core – with intuitive multi-shop management, accelerated translations, and ready-to-use integrations. Get started immediately and benefit from our dedicated operations and marketing services.

Local

- ✓ Payments
- ✓ Carriers
- ✓ Warehouses
- ✓ Language
- ✓ Currency
- ✓ Sorting
- ✓ Operations services
- ✓ Marketing services

Did you know?

The Founded.

80%

MoM revenue growth

45%

Revenue share outside DACH

19

Countries in 3 months

[Read the case](#)

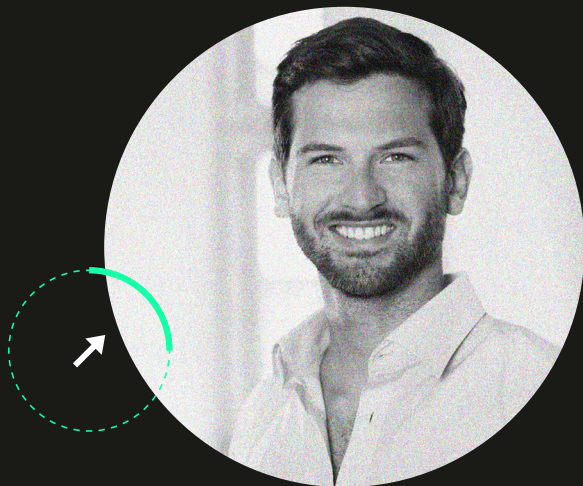




Contact

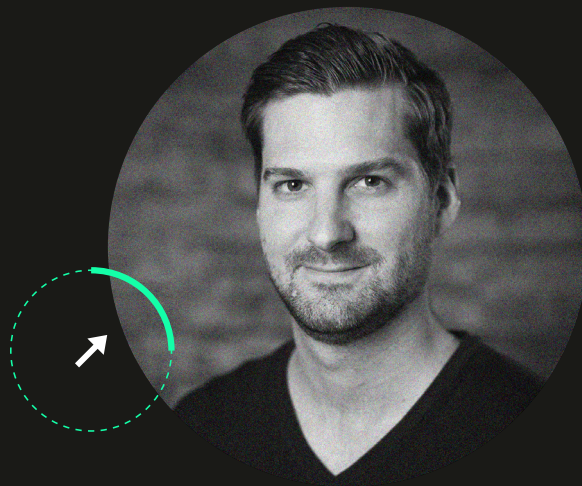
SCAYLE is a flexible B2C SaaS enterprise shop system built on a headless and API-first architecture. An extensive feature set, including PIM, Shop Management, Checkout, and OMS, is combined with an intuitive UI. Brands and retailers use SCAYLE to stay on track with fast-changing market developments and to drive differentiation in commerce.

SCAYLE GmbH is a member of the ABOUT YOU Group and unites modern technology with a unique retail DNA. Leading brands like Deichmann, s.Oliver, Fielmann, FC Bayern, Marc O'Polo, and DEPOT choose SCAYLE's Commerce Engine. Managing directors are Christopher Metz, René Dalock, Sergio Sola, and Tobias Ring.



Rico Adler

Head of Solution Consulting
SCAYLE - Commerce Engine



Tobias Ring

Managing Director Commercials
SCAYLE - Commerce Engine