



INTERNATIONAL CONSIDERATIONS

A how-go guide to managing cross-border sales efficiently and effectively

E2E \times GLOBAL SALES

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THOUSANDS OF LANGUAGES, ONE INTERNET

In 2019, it is estimated that over 2 billion people around the world are expected to engage with the digital marketplace, buying and selling online. This number is up from 1.46 billion digital buyers in 2015. As the ever-expanding world of eCommerce continues to service more and more people on an international playing field, the need to accommodate an increasing number of cultures, languages and people becomes more apparent. The value of language in the context of eCommerce cannot be stressed enough; failing to communicate your company's core brand messaging and product information as a result of barriers to language or unsupported site languages can have devastating effects on your business. Nearly 50 percent of people shopping online will encounter sites that are not in their native language, posing a great threat to conversion rates for these shoppers.

In recent years, the introduction of new technologies has enhanced the multilinguality of eCommerce services, streamlining processes involved in translating text and maintaining lexical consistency. The MKBEEM (Multilingual Knowledge Based European Electronic Marketplace), for example, is used in Europe where many different nationalities and cultures converge. This system acts to mediate communication and language between the user interface and the content/service provider in the digital marketplace. It takes cross-lingual data and translates, analyzes and solves cross-cultural correspondences that don't always match up (e.g, the word 'gift' literally translates to 'poison' in German, 'bra' means 'good' in Swedish, and when Ben & Jerry's



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released their 'Black and Tan' ice cream, they had no idea that this was how the Irish referred to British cruelty in the fight for Irish independence--you get the gist). Other platforms such as SDL offer language solutions like centralized translation systems, terminology monitoring, translation productivity (that is, reducing the time it takes to translate, both in an automated sense and manually), and other solutions that reduce the pitfalls of a highly diversified lexical environment online. Some platforms allow you to customize which services you want, from content copywriting to proofreading, some of them will even provide the code and proper documentation for the text.

Modern technologies help minimize the effects of cross-lingual and cross-cultural differences in eCommerce, however be wary of relying on these systems 100% of the time. Machines can, at times, communicate a general idea or convey what something is about overall, but can miss the boat when it comes to the exact translation. Thus its always important to have a professional translator overseeing the content to ensure that nothing is left partially translated or, worse, inaccurately translated.



THE GLOBAL CHECKOUT: DEALING WITH MULTIPLE CURRENCIES

Supporting multiple currencies is as important as supporting the multilingual community of online shoppers on an eCommerce. This fact alone evinces the impact of the globalization on the digital economy. Consumers want the option of toggling between different currencies as they shop, and they do not want to have to put much effort into doing so. Some sites prompt users to select a default currency once the shopper first arrives at the homepage, others make them have to dig to see their cart and shop new items with the correct currency displayed. One of the most common formats is a dropdown bar at the top of side of the page that instantly converts currencies. Whichever format chosen, there's no doubt that in order to successfully reach today's global consumer, eCommerce sites need to be able to accommodate currency changes with ease. According to Nitish Singh's *Localization Strategies for Global E-Business*, "International online customers need to see their own local currency on the website, as well as clear information about the availability and cost of shipping. Websites selling international need to take into account multiple currencies to facilitate international transactions, security and fraud protection for international customers, international shipments and returns, and customer service options in different languages" (Singh, 2011). Websites need to also be sensitive to the most frequently applied currency as the default setting, even if its not the native language of the seller. Today, sites rely on location-based services to tap into where the consumer is, so the currency conversion is automated. A good example is AllSaints®. The London-based apparel company immediately asked if I was



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shopping from the US, then offered a call to action button with 'Continue to www.US.AllSaints.com' as the copy, then a smaller call to action that gave the option of keeping the default currency (British Pound). Relying on systems like this makes shopping easy for consumers accessing merchants' sites in countries other than their own. If the process of changing currencies is difficult, these shoppers will not think twice about leaving the page and taking their business elsewhere.



ADVANCED FRAUD PROTECTION

Merchants should integrate risk management solutions that mitigate and evaluate risk for suspicious transactions. Companies such as Feedzai use various algorithms and fraud detection methods (including static rules, behavioral engines, device fingerprinting, and cross-network referencing, among others) to identify questionable orders and provide merchants with recommendations regarding whether to approve or decline each transaction" (ZOOZ, 2015). One of the preventative measures that e-tailers can take against fraudulent activity online is by encrypting or 'scrambling' data, making important information such as credit card numbers and addresses only visible to those with access: this means that if a hacker is able to get past all of the walls to the database of consumer information, they won't be able to get much further with encrypted data. It's important for merchants to update privacy and security policies to indicate the extent that they safeguard consumer data. Calling out encryption processes in these areas of the site is not only a good practice, it will reassure consumers that they can trust said merchant when making purchases online.

eCommerce providers face the greatest risk of fraudulent activity in comparison to other sites because payment processing is involved, so both (i) educating the consumer about the risks they face when shopping online and (ii) adhering to strict guidelines that preempt hackers and cyberthieves will, together, buttress the security environment of a site and keep shoppers alert and wary of questionable links or attachments that might be the source of



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fraudulent activity. According to Niranjanamurthy & Chahar (2013), "Trojan horse programs launched against client systems pose the greatest threat to e-commerce because they can bypass or subvert most of the authentication and authorization mechanisms used in an e-commerce transaction. These programs can be installed on a remote computer by the simplest of means: email attachments" (Niranjanamurthy & Chahar, 2013). A Trojan horse is a type of malware under the guise of something legitimate, used by hackers and cybertheives in order to gain access to a user's computer or device, make changes to their data or steal precious information. A consumer might get an email from what they think is Apple asking them to update their credit card information in order to make further purchases, when in reality it is a hacker trying to steal the card number, address and all information needed to make fraudulent purchases. eCommerce providers are wise to design email creative that is unique to their brand so that the plain, non-HTML Trojan horse emails stand out, making their illegitimacy more obvious to the consumer.



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SHIPPING CONSIDERATIONS: CUTOMS, DUTIES AND TAXATION

By 2017, international shipments are likely to account for 20 percent of the total U.S. purchases made online. As more populations gain access to the Internet and catch up with the rest of the world's obsession with online shopping, the demand for selling international will inevitably increase and, as a result, so will international shipping. eCommerce providers need to take into consideration the numerous shipping regulations that specific countries strictly enforce (e.g., in Vietnam, it's illegal to order more than 100 calendars---no, that wasn't a typo--calendars). International fulfillment services can make international shipping less of a nightmare. A good example of this service is Fulfillment by Amazon (FBA). FBA allows the seller to integrate their inventory management software, customize shipping plans, ship and track shipments to Amazon fulfillment centers around the globe, and



other services that help get your product wherever it needs to go without being limited by international boundaries.

eCommerce providers should also be aware of ways to decrease costs associated with international shipping; failing to do so can impose costs that could have been avoided. Mapping out all associated costs, such as the cost of the product, packaging, customs/duties, credit card fees, and the profit margin—factors that constitute the ‘landed cost’ or the cost of getting a product to its final destination. There are overseas charges (the cost of transporting cargo from the warehouse to the vessel, the cost of freight, etc.), duty, brokerage and a bevy of other costs that all must be factored into the landed cost. Customs duty refers to international trade tax imports and exports tax that is applied to imports and exports. Due to the fact that it can be difficult to tell what kind of charges will be incurred after going through customs and from the point of departure to the destination, policy pages should be clear that there could be unforeseen charges applicable to cross-border shipments.

VAT (value added tax) is the taxing on consumer spending (for items that are VAT-taxable) in the EU for businesses that are VAT-registered. The tax applies to both B2B and B2C transactions, and the goal is to balance the output tax (what your business charges consumers or other businesses) with the input tax (what your business has paid on your purchases). The standard VAT rate is 20 percent, a reduced rate is 5 percent and a zero rate refers to



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no tax (items such as food, books, public transport are zero-rated items). While the VAT system may be completely foreign to US shoppers, it's important for eCommerce providers to understand how VAT works, where it applies and where it doesn't. According to The National Audit Office of the UK, "Import VAT is due on packages shipped from countries outside the EU at the point they enter the UK" (2006). VAT might be foreign and confusing but many have argued the possibility of a universal VAT system for eCommerce purchases in light of the constantly changing technologies that facilitate transactions between buyers and sellers in new ways where space and locality are not concretely defined; rather, these transactions take place in the world of the Internet, which is an abstract entity in itself. According to Bardopoulos' *eCommerce and the Effects of Technology on Taxation*, the "continuously evolving technological environment imperative in the endeavor to devise and implement a method of taxation that is at once flexible and intrinsically applicable. It may be argued that the continuing changes and advancements in technology much such an endeavor a futile exercise, and that the only tax that may possibly work within a 'virtual world' may intelligibly be the imposition of an indirect tax like VAT" (Bardopoulos, 2015). Of course it would take years before an entire globalized community of buyers and sellers adapt to a unified VAT taxation system, this proposal provides insight on the need to centralize taxation processes within the realm of eCommerce.



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VITAL BGS

VITAL BGS is a progressive leader in full-spectrum End-2-End (E2E) consumer and business eCommerce. The organization enables B2C brands to sell worldwide, while feeling local to global shoppers. The company engages in virtually all vertical markets, and has case studies in nutraceuticals, fashion and apparel, luxury and leather goods, legal services, personal services, and innovative aspects of eGovernment.

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