

Cross-border retail in the digital age

E-commerce has changed the way the world conducts business, and the rise in technology has made it easier to interact with customers quickly and across borders. With economies becoming more interconnected, companies large and small are now able to access markets that were previously unattainable.



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With a growing shift in retail industry trends, driven by technology and access to the internet, consumers are now accessing most stores and brands through online platforms. This shift provides entrepreneurs and small businesses looking to expand with new opportunities to sell their products or services to a much bigger international market.

According to the PayPal and Ipsos third annual [cross-border commerce report](#), South Africa's online spend is forecasted to grow to over R53bn by 2018. In 2016, 43% of adults in South Africa shopped cross-border. The US is the most popular cross-border online shopping destination for South African online shoppers, followed by China and the UK.

"It is essential that e-commerce business owners address the entire value chain of the online shopping process to make sure that they cater to their customers' needs and deliver on their expectations," says Mike Higley, vice president operations, FedEx Express Southern Africa. "Businesses that manage to combine innovative products and services with a seamless online experience and quality customer care will be the ones who attract and retain their online customers."



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Efi Dahan 12 Jan 2018



Customer service, customer experience and price are the three main ways for e-commerce retailers to distinguish themselves from the competition. In '[Seizing the Cross-Border Opportunity](#)', a study commissioned on behalf of FedEx, Forrester Consulting surveyed online merchants and thousands of online consumers across 17 countries and markets to understand their concerns, their priorities, and what smart SMEs are doing to bridge that gap and remain competitive.

Below are some of the key research findings highlighting best practices for cross-border businesses in the digital age.

Understand your customer

Many of the merchants Forrester Consulting surveyed initiated global exporting without a solid strategy. The companies only became a global company after international customers came to them through search engines or online adverts and placed orders. It is important that a business knows and understands who is buying their products in order to cater to the consumers' needs.

Broadly speaking, online shopping behaviours are similar all over the world, but paying attention to those regional nuances can help a business understand their customers better.

"With high rates of mobile penetration in South Africa, online shoppers are increasingly opting to make purchases on their mobile devices – resulting in an estimated 65% growth in online spend via mobile device (smartphone or tablet) between 2015 and 2016, to reach an estimated R9.5bn, with momentum expected to continue. This provides an immense opportunity for online retailers, as mobile spend is projected to increase by 123% by 2018. In the last 12 months, 43% of cross-border shoppers stated that they shopped cross-border via smartphone while 21% stated they used a tablet for their cross-border purchases," states a [Fin24 report](#).

Highlight what makes your products special

The differentiator for any business from its competitors is that no other company is quite like yours. Think about what you are offering or bringing to the table. Is there something you can offer that nobody else can? Use this as your selling point to customers.

Cost is also a concern to the global e-commerce customer. Cheaper prices and lower duties or taxes were two of the main reasons given for seeking items across borders. However, at 75%, the factor most frequently rated influential or very influential was availability. More and more consumers are using their computers and smartphones to find goods that aren't available where they live. For instance, 68% of respondents in Europe, the Middle East and Africa considered uniqueness to be influential or very influential when it came time to clicking buy.



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Put global consumers at ease

One major hurdle for SMEs is that most cross-border shoppers prefer multi-brand retailers or marketplaces. In fact, in a survey asking consumers to rank preferred online shopping destinations for foreign goods, small or medium-size independent retailers were rated fourth out of five. This was mostly due to the limited seller reputation information. For example, for shoppers in another country, most small businesses are seen as an unknown entity, which makes it harder to establish trust since they may be viewed as not being established.

However, in order to leverage the multi-brand marketplaces for your business, SMEs should consider selling their goods through a popular selling platform. Basically, your homegrown venture can build off another company's global reach, language, localization and country-focused marketing. Skittish shoppers get buyer protection, and on-site customer reviews provide an unbiased demonstration of just how good your goods are.

Build your brand on excellent service

Besides your reputation, logistics are key for many cross-border consumers. Key deciding factors for choosing a particular store included delivery times, package tracking as well as a simple return or exchange process.

When it comes to international shipping for SMEs, delivery features that boost transparency and eliminate guesswork also go a long way to levelling the playing field.

Many of the successful merchants from the study worked closely with at least one major global logistics provider which provided guidance and assistance. This approach allowed businesses to easily offer those all-important add-ons like guaranteed delivery. However, the top merchants made life easier for business owners, offering services like calculating taxes and duties, paperwork support, and streamlining cross-border returns.

The Forrester study shows that savvy online retailers can compete on the global stage. Small businesses create new businesses, drive and shape innovation, speed up structural changes in the economy, and introduce new competition – thereby contributing to productivity. In order to continue to grow and expand their markets, small businesses need to focus on their strengths while building on the expertise of established services.

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