



The Complete Guide to Overseas Expansion for Online Merchants

Ensure that your online business is prepared in every way for an influx of customers with different needs.

In this guide, we'll cover:

- ✚ Familiarizing yourself with your new service area
- ✚ Adhering to trade and other international commerce laws
- ✚ Localizing your existing strategy for new markets

INTRODUCTION



Ecommerce Is Growing Exponentially

In the era of ecommerce, growing your online business by entering new geographic markets is easier than ever—at least in theory. Across the world, ecommerce is growing rapidly, with eMarketer estimating worldwide ecommerce sales at [\\$5 trillion for 2021](#). That means there are more opportunities than ever to reach new audiences who may be interested in your products.

It can be tempting to try to expand into overseas markets due to internal team strengths. Just because someone on your team speaks Spanish and could help with translating your website and handling customer service calls does not necessarily make it a good idea to try to expand your business into Mexico.

However, expanding your business into overseas markets is more difficult than that. You'll need to create an overseas expansion business plan for your online store complete with international shipping considerations, insight into overseas laws and marketing strategies, and customer service offerings for customers in different time zones who may speak different languages. Fortunately, we've collaborated with the experts at Super Monitoring to create the ultimate guide to overseas expansion for online stores.

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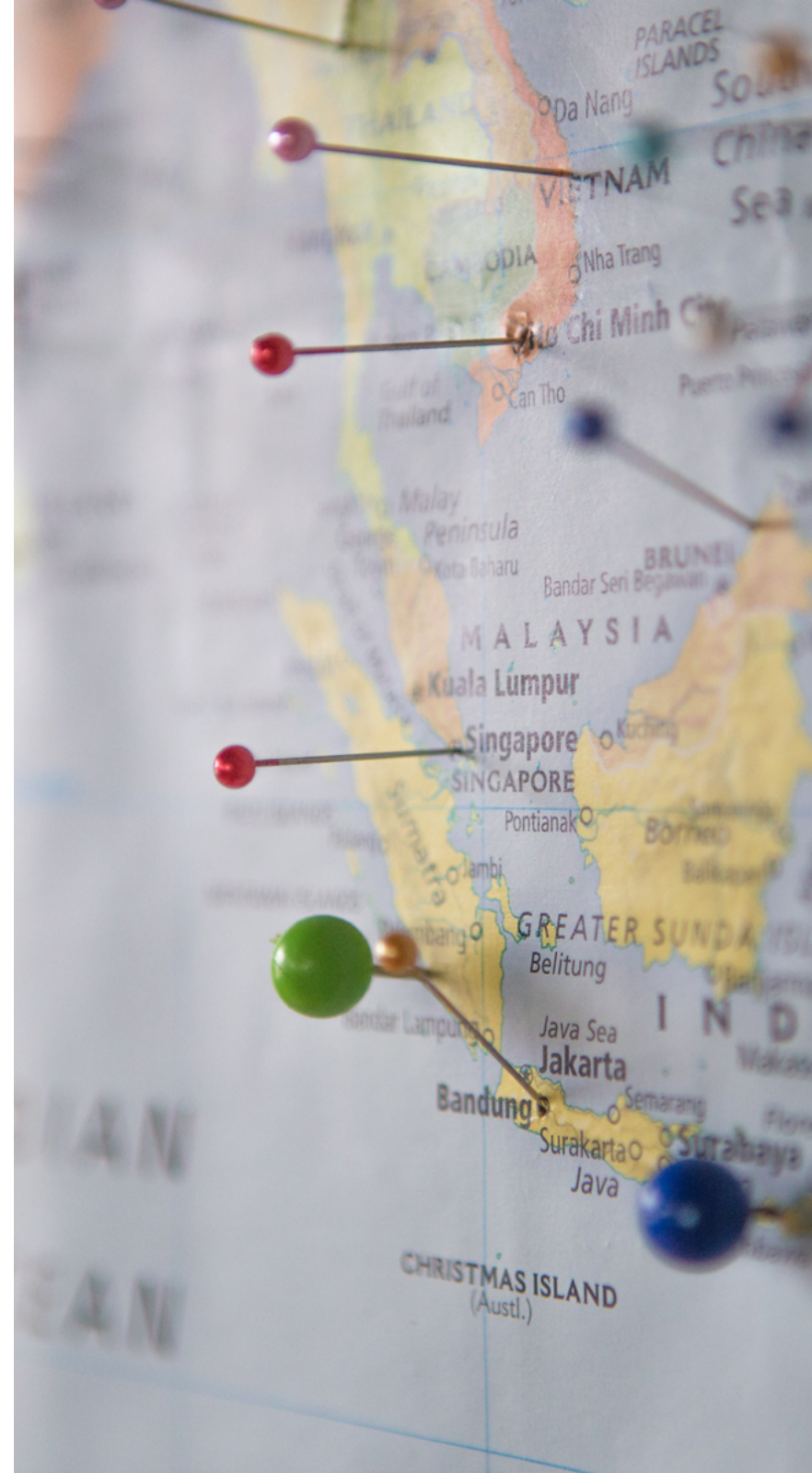
Part 12: Avoid Technical SEO Errors

It All Starts with an Overseas Expansion Strategy

Start With International Market Research

As with most initiatives, your first step should be doing background research on the area of the world you are planning to expand into. This way, you can begin making decisions that will affect the way your business is run in this new market in an informed manner.

Trying to expand without performing thorough international market research is a quick way to waste time and money. You may have assumptions on how things will go based on experience in your existing market or perceived understanding of the new market, but it never hurts to research to verify those assumptions.



a. Contracting or purchasing international market research

If you'd prefer to leave market research to the pros, you have two main options: purchasing a ready-made international market research report or contracting a research company to conduct custom market research for you.

Purchasing a ready-made market report will be more affordable than a custom report, but you'll only be getting a generalized report about industry trends and statistics within your targeted country. This information can still be valuable, but the work of understanding the data and adapting it to your own strategy will remain with you. You'll want to get the most accurate, thorough report possible (such as "Consumer Goods Report: Luggage and Handbags in Brazil"). These reports will typically give you a detailed overview of the overall market, forecast market and sector growth/decline and the factors driving change, and give an overview of the competitive environment and established brands. The content and cost of an international market research report will vary by publisher, and can range from approximately \$500 to several thousand dollars.



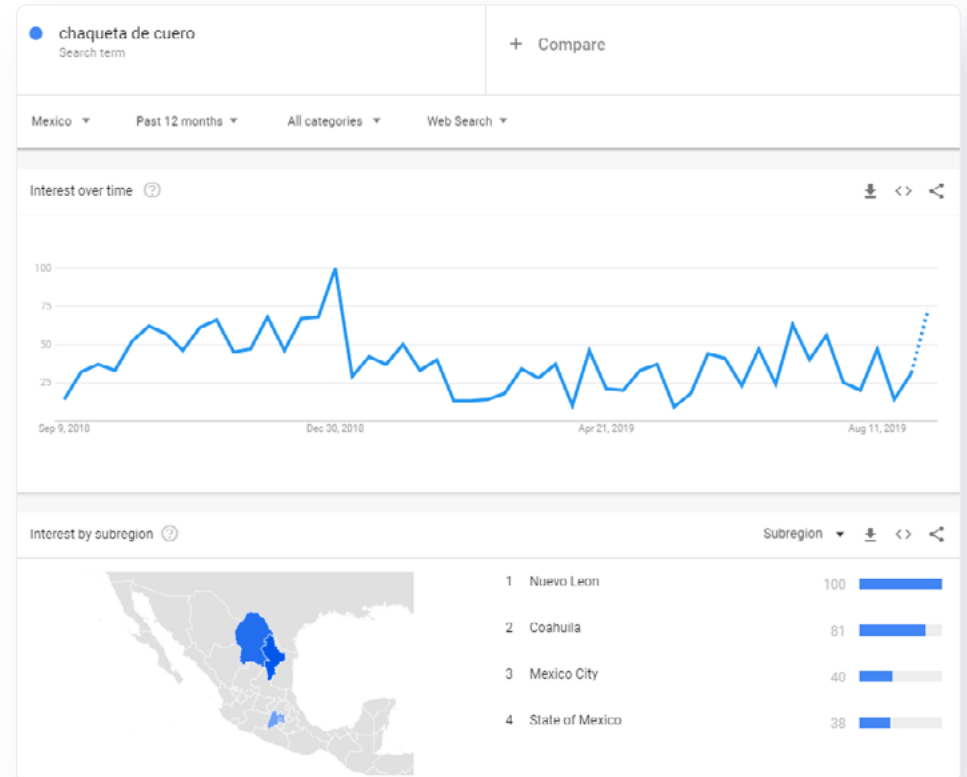
Contracting a third-party agency to conduct custom international market research will be more expensive, but all of the data and insights will be created and analyzed with your company and expansion strategy in mind. This will cut down on the amount of work you need to do to adapt the data to fit your own uses, but typically costs more. Most companies offer several options for international market research, from broad-level market overviews to very thorough mixed-methods strategy research and consulting. Depending on the type of research (surveys, focus groups, field trials, interviews, etc.) and the thoroughness of the research/consulting, these services can cost from around \$5000 to tens of thousands. For huge multinational businesses, their international research business may be in the hundreds of thousands or even millions of dollars—it all depends on the scale of the research and the number of countries targeted.

b. Performing your own international market research

There are a few different ways to approach market research on your own—we'll walk through a few of the best methods below.

Using Google Trends to determine market interest

Choosing a new market must be based on international market research, an estimation of the sales potential of your products in the new market, and analysis of the existing competition. Not everyone can afford custom international market research or the purchase of a ready-made report, but it's possible to do a thorough international market analysis yourself. When choosing a market for overseas expansion, do as much research as possible using tools such as Google Trends. [Google Trends](#) will let you search interest trends in keywords broken down by location:

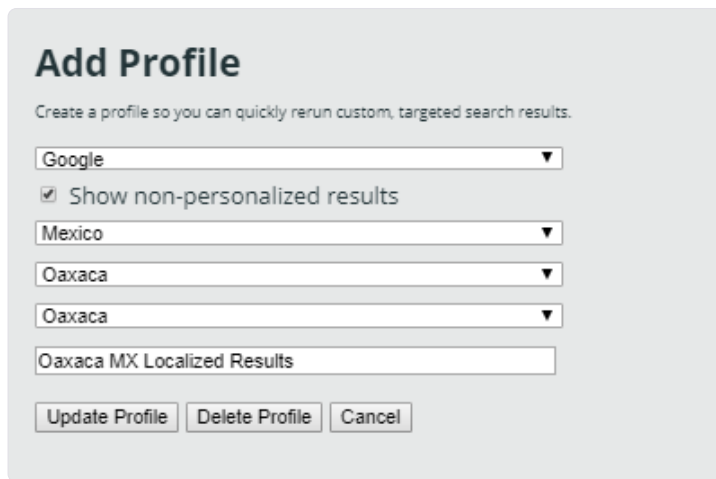


Use Google Trends to explore local market trends like the popularity of leather jackets as holiday gifts in Nuevo Leon.

Performing localized organic searches to get a feel for the organic competition

Since search results can vary widely depending on the searcher's location, it's a good idea to manually check the search results for your most important organic and paid keywords. You can use an emulator to recreate the results pages of the area you're considering expanding into. There are a number of browser plugins that will allow you to do this, including the [MozBar extension](#) and the [Valentin extension](#).

If your store is already driving traffic and sales from another country, this can be an excellent indicator that your store is well-poised to enter that market. Try checking location reports in [Google Analytics](#) or checking shipping addresses for your orders to get a sense of which overseas markets are already driving sales. Unfortunately, driving international sales without any effort is a rarity.

The image shows a 'Add Profile' dialog box from the MozBar extension. It has a title 'Add Profile' and a subtitle 'Create a profile so you can quickly rerun custom, targeted search results.' Below this, there are several input fields: a dropdown menu set to 'Google', a checked checkbox labeled 'Show non-personalized results', a dropdown menu set to 'Mexico', another dropdown menu set to 'Oaxaca', a third dropdown menu set to 'Oaxaca', and a text input field containing 'Oaxaca MX Localized Results'. At the bottom, there are three buttons: 'Update Profile', 'Delete Profile', and 'Cancel'.

Use the MozBar to emulate local searches.

Localize Your Website For Countries, Not Languages

Despite the fact that many countries share populations who speak the same language, not all territories approach buying online in the same way. Launching a Spanish version of your website doesn't mean that your store is ready to start selling in Spain, Mexico, and Argentina, even though Spanish is the primary language in each of those countries.

Website localization, i.e. fully preparing your website for the local market, takes place at the level of the country, not the language. Make sure you become familiar with the customs and attitudes of the country itself so that you don't make any missteps.



a. Start with content localization

Localizing the content of your website must take into account the specifics of a given country—the linguistic, cultural, economic, and technological aspects that will affect the ways customers within a country will find, talk about, purchase, and use your products.

When localizing your website for a new market, it's tempting to just Google Translate the content on your site and re-upload it as a "translated" version. While this can be an affordable way to start, it's recommended that you contract a native language speaker to ensure that everything has been translated correctly.

It's also a good idea to make sure that your final translator is located in the country you're targeting. There will be regional differences in the dialect of a language even when the core language being spoken is the same—for instance, if you were selling eyeglasses in Spain, you'd sell "gafas." In Mexico, you'd sell "lentes."

b. Localize your marketing strategy and pricing strategies

Similarly, the marketing campaign or pricing strategy you use in one area may not translate well culturally to another. In order to fully localize your website, you'll need to conduct thorough research into every aspect of your product and the market, and create distinct buyer personas and targeted audiences for each country. It's a good idea to invest in localized market research if it's available, or do localized surveys or market-testing as discussed in Part 1.

You'll also want to do localized pricing research, since the raw and adjusted costs of a product can vary from market to market. What might be considered cheap in one market may be prohibitively expensive in another, or people may allocate their expendable income to different types of purchases. Just because your target market can afford it doesn't necessarily mean that they're willing to spend the money on it.

c. Localize your imagery, graphics, and color palettes

Website localization goes beyond just writing for your local audience. Illustrations may need to change to be easily understood by different markets. Photography may need to be updated to feature people with skin tones that more closely match your target audiences.

Even colors may have different contexts in different countries. For example, blue is traditionally considered masculine in Western cultures, but is considered feminine in China. White is associated with purity and cleanliness in Western cultures, but is associated with death and mourning in some Eastern cultures. While your color choices may seem trivial, the [psychological impact of color](#) has been well-researched, and can play a major role in customer perceptions and product choices.



Test Your Expansion Strategy Before Committing

Rather than diving head-first into your expansion strategy, it can be beneficial to test it on a smaller scale before committing a large amount of time and resources to a project. While this can add extra time and work, it can save a lot of trouble in the long run.

Entrepreneurs launching new web applications always start with a Minimum Viable Product (MVP), i.e. the minimal version of the application that performs basic functions. This same approach can also work well for online merchants seeking to expand their operations overseas, letting you get a feel for real-world demand and helping you avoid over-investing in ideas that won't work.



a. Test your expansion strategy using limited products

One option to test the viability of your overseas expansion strategy is to test your idea using a single product, carefully localized and marketed toward the new market. If you have multiple product lines and want to test at a larger scale, test a single product from each product line. By implementing your overall expansion strategy at a small scale for a limited number of products, you can gather some initial data around your localization efforts, marketing strategy, and logistics.

Even more importantly, you'll get some initial experience selling within the new market, which will let you identify and iron out issues before implementing your strategy on a larger scale. This will also help you gain contacts and build relationships with suppliers, distributors, influencers, and others that you'll be working with during your larger expansion strategy.

b. Use existing marketplaces to get initial product feedback

You can significantly reduce the risk and barriers to entry by using existing marketplaces or distribution platforms. Rather than trying to drive traffic or customers directly to your standalone website, find out where your target audience is already shopping. It can be a global marketplace (like [Amazon](#) or [eBay](#)) or a smaller local equivalent. This will allow you to test your expansion strategy with almost no initial investment, and can be a very cost-effective way to get initial feedback such as product reviews.

c. Set up international partnerships and collaborations

One of the most effective ways to test your expansion strategy is to work with businesses or individuals that already have an established presence within the local market. There are several ways to do this—co-branding a product with an existing merchant, setting up an affiliate or referral agreement with local publishers or merchants, creating a white-label version of your product that local merchants can brand as their own and sell, creating agreements with local influencers, etc. Do some research into all of the collaborative options available to you, and consider how to use those agreements to help you with your overall market testing.



Analyze Your New Competitive Environment

When expanding into overseas markets, you'll need to rethink your competitive environment and competitive advantages in a fundamental way. If your basis for winning in your home market is price, it doesn't necessarily mean that the same approach will work in different markets. Customers in other markets are likely to have different purchasing power and allocate their income differently than your home market, so what seems affordable at home might be viewed as an unnecessary luxury in other markets (or vice-versa).

For each country you're hoping to expand into, take the time to learn about the metrics by which the quality of your product will be judged, and adjust accordingly. Then, create a list of all of your current competitive advantages and key product features, and try to re-evaluate them within the context of the new market. You'll need to rethink your competitive advantages within an entirely new context in order to price, position, and market your products effectively.

Understand International Trade Laws

Preparing to navigate new legal environments is one of the most important things you'll need to prepare for when expanding into overseas markets. You may find it valuable to locate an expert in international business or trade law to help you prepare for the legal requirements of selling your products in a new country, or do thorough research on your own. Local requirements and restrictions can vary quite a bit. For instance, Germany requires an "Impressum" for any printed material, listing information about the publisher. Canada has a very restrictive anti-spam law, meaning that you'll have to be very careful about getting customer consent before sending marketing emails.

When discussing legal restrictions in overseas markets, privacy concerns will likely be one of the issues on the forefront. The General Data Protection Regulation (GDPR) has passed in the European Union (EU), requiring anyone offering goods or services to customers or businesses to abide by a number of data-protection policies. If a company is found to be non-compliant with GDPR regulations or responsible for a breach of private user data, they can be liable for hefty fines and other penalties. Additionally, such privacy-protection measures are impacting the way customers interact with sites—for non-EU customers, the GDPR pop-ups and messages may be off putting and lower conversion rates.

Prepare To Deliver Localized Customer Support

Customer service is a critical, but often-overlooked part of expanding into additional markets. Customers expect to be able to communicate in their language about any questions or issues that arise, and they also expect customer support representatives to be available in their time zone.

All of this can result in some substantial difficulties for businesses who are trying to expand on a budget, since personnel and third-party services can be expensive. It's important to consider the additional necessary actions and expenses and determine whether you are willing and able to meet them for the sake of a positive experience.



a. Cut down your customer service load by improving user experiences

The first and most important step for any business seeking to enter an overseas market is to make it as easy as possible for international users to use and navigate the site and your products. Proper translation and localization will go a very long way to cutting down on your customer service load. Pay special care when translating product descriptions, payment and shipping instructions, FAQ pages, and the labels and instructions included with your actual products.

b. As competition increases, so does the importance of customer service

If the competition among online stores is strong in a given market, the quality of customer service will become even more important. Sales support, after-sale service, and efficient and friendly handling of returns and complaints will be critical for a business' long-term success. Not only is customer service critical for retaining existing customers, but the quality of your customer service experiences will directly impact your overall digital and word-of-mouth reputation within your new market.

c. Ways to localize customer service

No matter how good your website and products are, there will always be a need for customer support. There are several ways to localize your customer experiences:

Chatbots. As more people turn to social media with complaints, chatbots can drastically cut down on personnel hours spent answering repetitive questions. It's also one of the most affordable options, although a chatbot alone won't be sufficient for a good customer service experience. Again, simply translating your chatbot responses into new languages won't be enough—make sure to properly localize your responses.

Hire a local third-party customer service center. Rather than hiring your own employees, you can often use a third-party customer service center to handle customer service calls locally. One downside to this is that third-party customer service centers often service multiple accounts, so their agents may not be as knowledgeable or helpful as an in-house customer service team.

Hire local contractors. As the gig-based economy continues to grow, more people are making a living as contractors. Hiring one or more contractors based in the target country to handle your customer service issues can be a comparatively cheap way to expand your customer service workforce. Since you'll be in charge of training and information, these employees will only be as helpful as you teach them to be.

Use a mixture of machine and human translation. One relatively affordable option is to use machine translation to translate customer messages to your support team into your support team's native language. However, machine translation often isn't accurate enough to send clear, professional responses, so hiring a native language speaker to human-translate your outbound messages will cut down on confusion.

Hire new dedicated support staff. The most permanent option is to hire new support staff to support operations in the targeted country, which ensures that they will be able to provide the most focused and knowledgeable assistance. This staff can be located in the targeted country, or be fluent speakers of the targeted country's local language working remotely.

Localize Your Advertising And Marketing

Promotional, marketing, and advertising materials also need to be localized—meaning that they must be fully adapted to the market and not be a direct translation of existing advertising content and landing pages. [Research by CSA](#) surveying over 3,000 customers from 10 companies found a significant preference for content in a consumer's native language, with 55% of customers preferring to buy only in their native language.

As an additional note, customers unsure of their ability to read the website's content correctly spend less time on the site, and are less likely to buy products that lack instructions or customer support options in their language.



a. Set up geo-targeted ad campaigns

You'll need to set up new campaigns for your [Google Ads](#) or [Facebook Ads](#), as well as set up localized landing pages. Creating localized campaigns will give you a number of advantages, including precise budget control, more precise geo-targeting, and better control over keyword targeting.

Begin by identifying the geo-targeted campaigns you want to create. The [available location target types](#) you'll be able to select will vary by country, so it's important to make sure to choose the correct areas using the options you have available. You'll also want to ensure that your targeted areas don't overlap, since you could end up bidding against yourself and driving up your CPC costs.

b. Localize your advertising copy and landing pages

For each of your localized paid ad campaigns, set up a separate campaign and localize your targeted keywords for that area. For single words and short phrases, Google Translate is usually sufficient, but you'll want to do a more thorough job of localizing (not just translating) your actual advertising and landing page copy. Simply running your existing advertising copy through an automated translator service will often result in nonsense. At best, it will result in unconvincing ad copy and low click-through rates. Localizing your advertising copy and letting it run isn't sufficient—as with any paid ads, you'll need to constantly monitor the performance of your campaigns and work to improve them.

c. Consider alternate marketing platforms

Depending on which country you're expanding into, there may also be local advertising platforms that outperform Facebook or Google. Local search engines, websites, review platforms, and affiliate networks can all be excellent ways to connect with your target audience, sometimes at a significantly lower cost than the platforms you're used to. Establishing relationships with local influencers can also be a great way to establish a presence in a new market.



Have A Plan For Accepting Different Currencies

The need to accept payments in local currencies is indisputable, but setting prices in alternate currencies can be a delicate matter. Prices must remain competitive, while also taking into account the often-higher costs associated with cross-border sales (shipping, taxes/tariffs, customs fees, etc.).

The matter is further complicated if you're trying to implement different [pricing strategies](#), such as rounding your prices down from \$100 to \$99.95. Pay attention to what pricing strategies are considered the norm in other countries so that you don't alienate shoppers.



a. Dealing with exchange rates

Exchange rate risk can also be a significant concern. Currency conversion is usually handled by your payment provider, who will accept the payment in a foreign currency and then automatically convert it to your preferred currency based on the current exchange rate (sometimes at a suboptimal conversion rate or with an additional fee appended). Merchants can avoid this by accepting currencies in native currencies and then exchanging for their preferred currencies at a time when the exchange rate is favorable, but this requires additional effort and entails an additional degree of risk.

When accepting payments in an unstable currency, such as Bitcoin, you'll likely need to implement an automatic price adjuster or update your product pricing frequently—possibly every day. This will also complicate your efforts to implement pricing strategies, since your prices in alternate currencies can vary dynamically as the markets fluctuate.

b. Match your payment options to customer behaviors

You will also need to adapt your payment methods to match the purchasing behaviors of the new country. In the U.S., the most common form of payment for online stores is a credit card, but in Germany or Poland, high-speed money transfers are more common. Do a little bit of research into the preferred methods of payment and make sure that you accept at least two or more of the most popular options.

Consider Duties And Taxes In Your Final Pricing Strategy

When selling overseas, additional expenses that you are not used to may be required to adhere to international and local laws. For this reason, taxes, customs/duty rates, and other fees must be considered as part of your expansion research.

For the most part, sellers will be taxed primarily through the collection of duty, import, or customs fees. These fees will vary depending on a number of factors, including country of export, country of import, and the type of products.



a. Navigating trade agreements

It's important to be aware of existing trade agreements when considering countries for expansion. Due to NAFTA, if shipping products from the U.S. to Canada, you won't need to pay any duties. If shipping from the U.S. to Mexico, you'll pay low or zero duties.

Sales between countries within the European Union can be complicated due to the need to precisely calculate Value Added Taxes (VAT) at the appropriate rate. Each member state has its own value limits to which the VAT of the seller's country can be added. For products that exceed this price limit, the VAT rate of the buyer's country will apply.

b. Plan for taxes and fees in your pricing

Since the burden of paying taxes usually falls on the buyer (either directly or through necessary price adjustments), the amount of taxes or fees paid on your products can have a significant impact on your final product price, which can in turn lead to a significant impact to your overall market viability. Estimate the duty and taxes you'll pay on your products with a [duty calculator](#) and determine how these fees will impact your final pricing and market strategies.



Neutral Cream Eyeshadow

☆☆☆☆☆ 0 Reviews

\$36.00

Choose your options:

Include free sample swatch?:

Yes, please!

No, thanks.

Product Code: BloomV1

Qty:

-	1	+
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ADD TO CART

Find A Reputable International Shipping Service

In most cases, the best option for organizing international shipments will be working with a renowned global courier company such as DHL or UPS. Such a partner not only has a proven logistics network and experience, but also offers many added services such as customs clearance on behalf of the sender and/or recipient. A global courier may not be the cheapest available shipping method, but it will give both buyers an established logistics network—and a sense of security.

If it's not economical to ship individual products internationally, consider setting up a local logistics network. Finding a local warehouse and distributor can not only save your customers a ton of money on shipping, it can also reduce shipping times drastically. Most markets will have a wide selection of local and international fulfillment services available.

Prepare Your Website Infrastructure

The impact of a website's [page speed](#) on conversions has been well-researched. As the time it takes to load your website increases, conversion rate will decrease. Recent [research by Akamai](#) has found that an increase of only 0.1 second can reduce conversion rates by 7%.

In many cases, geographical latencies are still an issue—your site will load slightly slower for visitors in distant countries. Even more important is the strength of the internet connections on behalf of the seller and the buyer, as weaker connections will slow page load times.



a. Use a CDN to reduce page load times

If you're expecting a significant amount of international traffic, you might want to consider local hosting for your store variants, but this is typically overkill. In most cases, it's enough to use a Content Delivery Network (CDN), a worldwide network of hundreds of servers located in different countries.

This service will ensure that all static aspects of your website (multimedia, fonts, styles, and scripts) are served over the CDN, meaning that they're automatically downloaded from the CDN server that is geographically closest. When a user in Poland accesses your site, product photos won't be downloaded from a server in the U.S., but from a server in Poland. This will help to improve page load times.

b. Prepare for additional server loads

International expansion often requires a change in the scale of your operations. As such, you'll need to properly scale the infrastructure of your website—or at least be prepared for it. An increase of online traffic will increase the load on your server, and too many visits at once can overload your servers.

The best solution for online businesses is typically cloud-based hosting—rather than owning or renting your own server space, you'll license server space from a cloud-hosting company such as Amazon Web Services or the Google Cloud Platform on an as-needed basis. You'll be billed for server access depending on how much you use, so if there's a sudden spike in your server requests your hosting bill might go up, but your site won't go down.

c. Plan for additional website building and maintenance costs

You'll also need to dedicate time to building and maintaining the additional site infrastructure associated with alternate language versions of your site. These will increase the workload needed to test and maintain your website to keep it functioning properly; spending money to drive users to a broken site can cost you a lot in lost revenue very quickly. Make sure to thoroughly test any variants of your site and set up ongoing monitoring services to help you identify problems before they become disasters. Finally, keeping a close eye on your analytics for anomalies will help you find issues quickly.



Avoid Technical SEO Errors

Even if you're relying primarily on paid traffic, organic traffic from search engines should never be overlooked. When launching a variant of your site in a different language, take care to make sure that the following elements of your website are optimized to help you rank locally:

- Ensure that your HTML Lang and Hreflang tags are optimized for the correct language
- Ensure that your overall website structure supports your larger expansion strategy. Consider the impact of using a separate country-coded top level domain (such as .uk, .ru, .mx) vs. a subdomain or subfolder
- Ensure that all aspects of your site are translated, including within alt tags and URLs
- Register your business with local review and registry sites such as Google My Business, Yelp, and the local Chamber of Commerce
- Acquire backlinks from local websites and publishers



CONCLUSION

It All Starts with an Overseas Expansion Strategy

Expanding into international markets can be incredibly profitable for ecommerce businesses that are looking to grow. Fortunately, opportunities like this will continue to increase as more global shoppers rely on ecommerce to purchase their products.

However, expansion into overseas markets requires more work and preparation than a simple site translation—you'll need to put the same level of effort and attention to detail when creating your expansion business plan as into your plan for your home market in order to succeed.



Special Thanks to Konrad Caban of [SITEIMPULSE](#) for contributing to this guide. SITEIMPULSE has been building and developing websites since 2002 and currently manages two brands: [SuperMonitoring](#) and [Yourbrowser.is](#). Learn more about each service at the links above.