

Global Checkout

SIMPLIFYING YOUR ECOMMERCE CHECKOUT FOR CROSS-BORDER CUSTOMERS

By **Tim Parry**, Multichannel Merchant

Less than half (41.9%) of merchants who took Multichannel Merchant's MCM Outlook 2016 survey in January and February said their ecommerce sites are set up for global business. And 37.8% of those who say their ecommerce sites are set up for global business say it's because they have international payment offerings. But international payment offerings alone do not make you a cross-border merchant. Shopping on U.S.-based websites can be confusing to cross-border shoppers. So when targeting cross-border customers, sellers need to be conscious of the distinctive needs of shoppers in other countries.

Once the customer has decided to make the purchase, have you made the shopping cart experience simple? If your checkout is not properly optimized for cross-border customers, you could see poor conversion rates, have unhappy customers because forms do not match local address formats, and have missed deliveries due to poor data quality. But it should be noted that a solid cross-border checkout experience needs to start before the customer proceeds to checkout. There are certain things the cross-border customer needs to know about the purchase – such as duties, tariffs, and shipping costs – before he or she decides to purchase from you.

Checkout

1. Account 2. Address 3. Shipping

4. Payment

Start Checkout
Please enter your email address

CONTINUE

Shoppers from all countries can be intimidated by a multi-step checkout. Keep your checkout process as simple as possible, preferably a one-page checkout.

Keeping it simple

It's well cited that the more form fields there are, the fewer conversions you will get. No one likes filling out forms – so try reducing the size of the form to make it appear less daunting for your users. Why have five fields when you can have just one single field? Provide fewer input fields and consider using auto-populate features. In addition to the standard payment options, allow for payment options such as PayPal and Google Wallet that simplify checkout for your customer. The easier you make it to buy, the more likely they are to buy.

When it comes to address forms, don't make as many fields mandatory. But make sure the correct fields are

CONTINUED ON PAGE 2

FEATURED IN THIS REPORT



Page 3
Trust, Security, and Transparency

there for the country of choice.

Requiring site registration increases abandons. Many consumers resent having to create and save another password and give out their email addresses. Provide a guest checkout option as well as the registration option.

To capture an email for remarketing and ongoing marketing, try incentives like free shipping or a discount earlier in the process. If you do require account creation, assure customers that you won't misuse their email for excessive marketing, or share or sell their information.

Making the payments

Another important thing marketers need to keep in mind is the shopper habits of the country they are looking to sell into. How do customers like to pay for online goods? Many customers in central Europe prefer to pay cash on delivery, while customers in Japan prefer to buy online and then pay for their goods at a konbini (a convenience store), either at a kiosk or at a cash register.

Cross-border sellers need to choose payment methods that customers in their target market are familiar and comfortable with. Jewelry seller Blue Nile is a great example: Its second-quarter 2015 sales grew 59% in China, and President and CEO Harvey Kanter attributes many of Blue Nile's great gains there to the addition of Alibaba's AliPay as a payment method.

And as ecommerce payments become more secure over time, and the world continues its shift to the mobile internet, mobile payments should reign supreme.

Also, make sure you're very upfront about any costs related to your product – whether it has to do with shipping, taxes or tariffs. Jimmy Tobyne, who oversees strategic partnerships and business development at Alibaba Group, says that if there is anything that causes additional costs, customers get very frustrated and will turn on you quickly, even if they were previously loyal. Shipping, tax, and tariff not up front

Lack of transparency is also another common mistake in the cross-border journey, says Melissa O'Malley, Director, Global Merchant and Cross-Border Trade Initiatives at PayPal. Shipping fees and shipping promotions should be right up front, near the add to cart button to avoid shipping sticker shock. Customers

One way to ensure your cross-border customer's package doesn't get lost is to have him or her verify the shipping address.

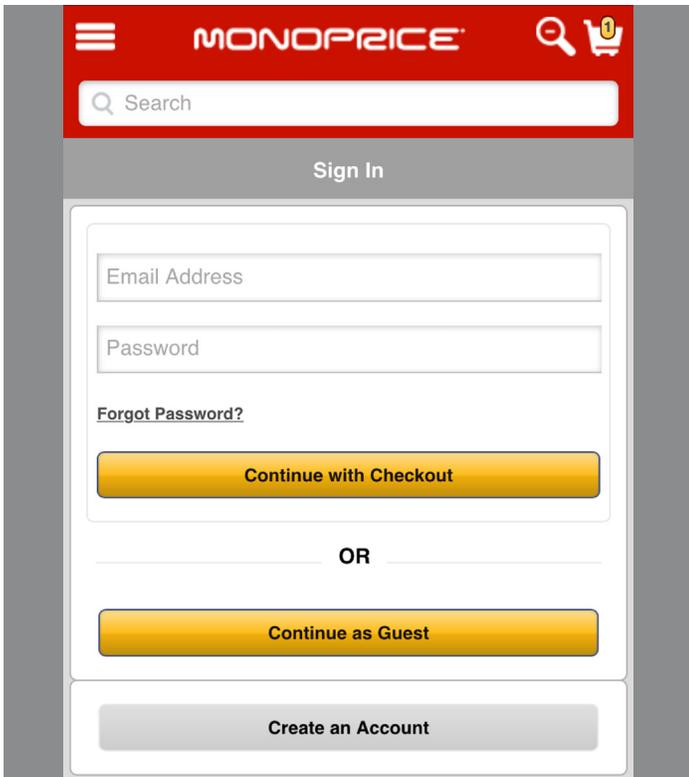
don't want to have to dig through your site to find your international shipping fees – which O'Malley says is a cross-border shopper's biggest pain point – nor do they want to have to go through the entire checkout process to see that customs, duties and taxes are not calculated in the final price.

Most surveys show that shipping costs perceived as too high, especially when they are first seen at the end of the buying process, are the leading culprit in abandonment. Studies by WorldPay, UPS and comScore, and eConsultancy found shipping costs to be responsible for 56%, 60% and 75% of cart abandons, respectively. Offering free shipping, or at least free shipping with minimum cart amounts, are the options of choice. Still, as many as half of consumers report abandoning when their totals don't qualify for free shipping.

Merchants need to avoid unpleasant surprises by making shipping costs clear early in the process. Some merchants recommend providing shipping estimates as each purchase is added or deleted from a cart, rather than waiting until the shopper has a final total and is poised to pay.

Also, merchants should provide clear, detailed information on shipping options, delivery times and tracking. Offer the ability to add a new shipping address, or one that's different from the billing address. Save the customer's personal shipping address book. According to a recent survey of online shoppers by Forrester Research, 82% of respondents report buying from a merchant outside their home country, but 35% said cross-border duties and taxes were a concern.

Today's most flexible, affordable cloud-based applications allow small- and mid-market e-sellers to determine duties, taxes, cost of goods sold and



Your customer may not want to create an account with you. Allowing him or her to check out as a guest will help ensure the sale is closed.

shipping costs for virtually any international transaction, says Marshal Kushniruk, Executive Vice President of Global Business Development at Avalara. Major retailers and global delivery firms can afford big-system solutions, but while consumers increasingly shop and buy internationally, small- and medium-sized merchants often struggle with the complexities of calculating duties and taxes (including VAT), the cost of goods sold, and shipping expenses, says Kushniruk. Kushniruk says that a robust landed-cost solution should address several key requirements, including capabilities for tariff (including harmonized system code classifications), as well as customs duty rates. Merchants should also be able to use the landed-cost system to quickly and easily calculate the taxes, tariffs, customs duties and transportation fees associated with international shipping and delivery of products.

Localize the checkout with geolocation

Merchants can make the cross-border shopping experience more appealing and put shoppers at ease

Trust, Security, and Transparency

With news of hacking and personal information theft on the rise, ecommerce conversion rates and sales performance hinge more than ever on providing a technically secure infrastructure, as well as establishing trust through fair, transparent business practices.

Not surprisingly, concerns about personal data security and pricing are very much on the minds of most online shoppers. Ninety-two percent of online shoppers have concerns when shopping on new or unknown websites, and 83% worry about their identity being stolen through an online purchase, according to McAfee Security and VeriSign, respectively.

Meanwhile, BizRate found that 45% of shoppers view price as the most important factor in their buying decisions, and WorldPay found 36% saying that they had abandoned carts because they found a better price elsewhere. On the security front, investing in technology to protect customers and earn their trust is a critical success factor for any ecommerce website. Effective implementation of SSL certificates—the data files (or small pieces of code) that enable secure connections between a web server and browser—and correct placement and use of trust marks, are proven tools in establishing consumer trust.

The Baymard Institute, for example, has documented that while relatively few shoppers understand the technical aspects of online security, including the fundamental role of SSL certificates, seeing

SSL badges and trust marks on payment pages, near credit card fields and other key areas of the site enhances a sense of trust and safety. In 2013, Baymard asked more than 2,500 U.S. adults which of eight SSL badges and trust seals gave them the best sense of trust when paying online, and found that the Norton Secured Seal led by a substantial margin. Symantec, the leading provider of SSL certificates

globally (it secures more than a million web servers), provides the Norton Secured Seal as the visible-to-the-consumer symbol signifying that a site is protected by a Symantec SSL certificate. According to Symantec (which also offers the Norton-brand security software products for consumers), its SSL certificates, unlike some others, are fully authenticated by official Certificate Authorities, or CAs, which must follow rigorous validation procedures and checks before issuing an SSL certificate.

- K.M Pellegrino

Select Shipping	UPS - Ground for \$9.95
Price	\$71.48
Shipping Cost	\$9.95
Estimated Total	\$81.43
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UPS - Ground for \$9.95	
UPS - 3 day select for \$167.35	
UPS - Next Day Air for \$515.80	

Shipping costs should be up front on the product page to avoid checkout shock.

by knowing where their customer is based and automatically localizing the experience. This includes dynamically offering relevant payment methods based on the customer's region.

Many consumers abandon their checkout at the payment stage simply because the payment methods they prefer to use are not available to them on the merchant's website. This can be easily resolved by creating rules about the payment methods available to consumers in different geo-locations or at different IP addresses.

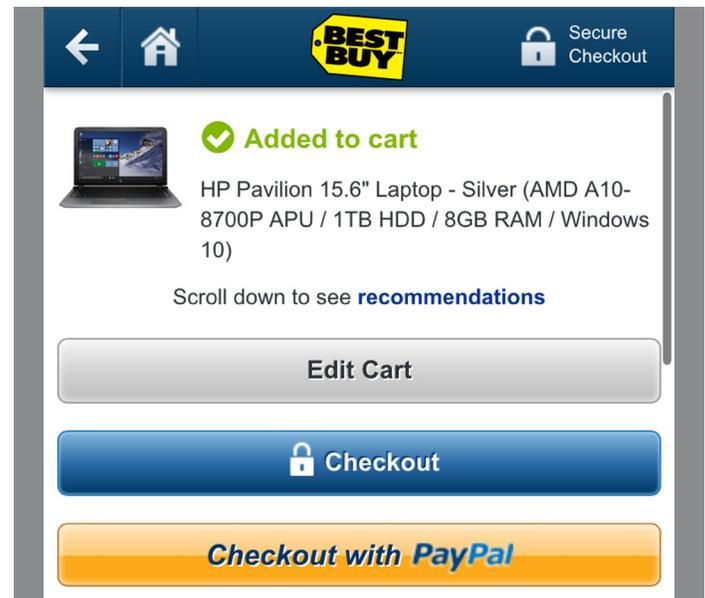
Payment method

Accepting payments goes well beyond accepting U.S. credit cards such as Visa, Master Card, American Express, and Discover.

As technology and the retail landscape rapidly evolve, payment practices are also changing. More than half of the Nielsen Global Connected Commerce Survey respondents who say they shopped online during the past six months paid with a traditional credit card (53%), but roughly four-in-10 used a digital payment system such as PayPal (43%), debit card (39%) or direct debit from their bank account (38%).

The use of digital payment systems in China is extremely popular. Eighty-six percent of Chinese respondents say they paid for some online purchases during the past six months via digital payment systems. This is also the most widely cited option by Western European survey respondents (56%), particularly in Germany (68%).

In India, direct debit and debit cards are common payment methods (61% and 71%, respectively) for online shoppers, but cash on delivery is the most widely used option, cited by 83% of online Indian



Merchants need to think beyond the credit card and offer payment methods cross-border customers are comfortable with, such as PayPal.

respondents. In India, the popularity of cash on delivery is driven by a few factors. There is a sizeable group of unbanked consumers in the country, credit card penetration is relatively low, and many consumers with credit cards have security concerns.

India illustrates that the growth of online shopping isn't dependent on credit card penetration and development, says Nielsen President of Global Retail Patrick Dodd. Shoppers prioritize security above all else, and retailers need to collaborate with banks to ensure they're providing secure and trusted ways to transact online, he said.

Cash on delivery is a popular ecommerce trend in many other developing markets, including Nigeria (76%), the Philippines (73%), Russia (70%), United Arab Emirates (68%), Saudi Arabia (59%), Colombia (57%) and Thailand (56%).

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