

# How to Localize Your Digital Business for Global Commerce

An introductory guide

eBook



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## 01

# Introduction

As a digital company, your business is not bound by conventional borders and has the freedom and opportunity to reach customers anywhere in the world. But while the Internet gives you the ability to be global, your success will depend on your ability to act locally.

Just as you look outward for new markets, customers are also looking beyond their physical borders for their digital goods and services. Global eCommerce is growing exponentially and will only continue to expand as broadband and high-speed mobile networks spread into every corner of the world.

Emerging markets in Asia, Africa, and Latin America are among the fastest growing, with Asia and Africa now [constituting 65%](#) of the world's mobile users and 59% of the Internet. These regions are, not surprisingly, where the greatest growth in eCommerce is happening and represent some of your greatest opportunities.



But selling across your border is not the same as selling to your home market. One of the great paradoxes of eCommerce is the tension between the buyers' hunger for global goods and their desire for a local, relevant, and trusted experience. As almost everyone now recognizes, and study after study confirms, customer experience is quickly becoming the most important differentiator for business across verticals and segments.

### eCommerce growth (year on year)

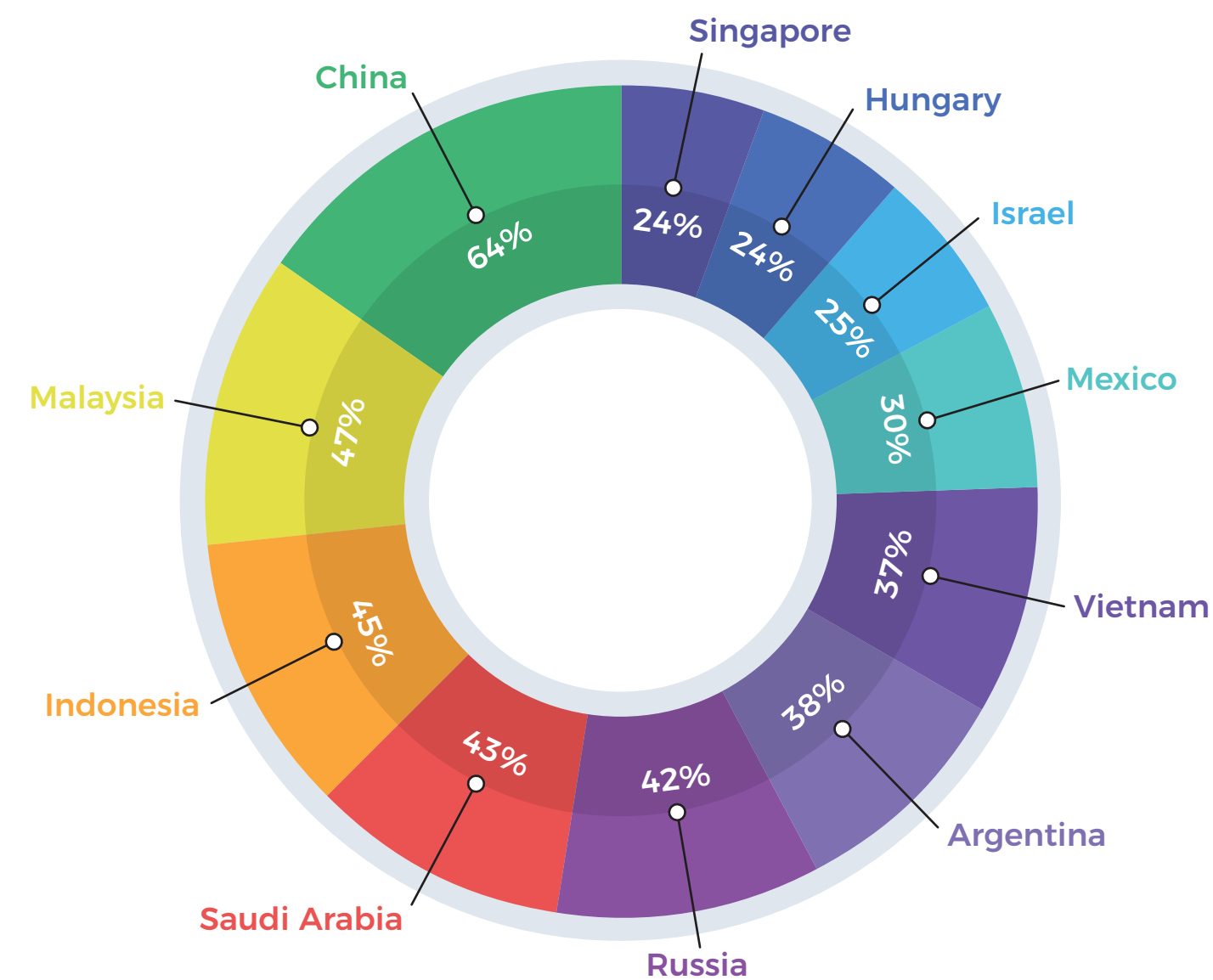


Fig. 1. eCommerce growth YoY

*in some of the non-English speaking countries with the most online transactions.*

As a recent study by KPMG shows, online buyers are not afraid to purchase goods from offshore merchants, with international sales making up over 40% of the total for the countries located in Latin America, Africa, the Middle East, Eastern Europe, and Russia. However, while shoppers are willing to browse an offshore merchant, their experience and trust factor heavily in which sites they ultimately choose for their purchases. In fact, 30% of global consumers rank the site's experience and trustworthiness over everything else, including price. For Asian shoppers, in particular, these are the most important factors influencing their decision to buy.

Furthermore, while localization is just a part of the overall customer experience, it is an incredibly important one that can go a long way to establishing the trust so important to global buyers. Fortunately, with the selection of the right eCommerce platform, businesses can easily address this growing priority.

So you need help getting started with tailoring your digital sales to local markets. In the following chapters of this ebook, we'll show you exactly what we mean by localization, and sketch out the basic things you'll need to do and or acquire to meet the minimum requirements for success. We'll also share some of the experiences of our digital clients and what they've done to successfully localize and grow their businesses in markets around the world.





## 02

# What Is Localization?

Technology may be making the world smaller, but cultural preferences remain. Connecting with global buyers requires a tailored approach that treats each market as a separate and distinct entity. To give buyers the familiar experience they're looking for, you'll need to localize each aspect of the buying experience, which includes everything from the payment method, currency, prices, text, labels and messages, to date and time, phone number, graphics, formatting, punctuation, and addresses.



## 03

# Get to Know Your Local Audiences, Markets and Resources

When it comes to global digital commerce, you can [forget about the one-size-fits-all approach](#) that treats each market the same. Instead, focus on segmenting your potential global audience into individual localization targets based on their fundamental characteristics.

Any strategy that doesn't take into account the language, culture, preferences, needs, and even idiosyncrasies of the local market is doomed to failure. Before entering any market, you'll need to first solve the complex puzzle of languages, cultures, currencies, taxes, user behavior particularities, device and form factor preferences, payment options usage predilection, and other attributes of the local population.



04

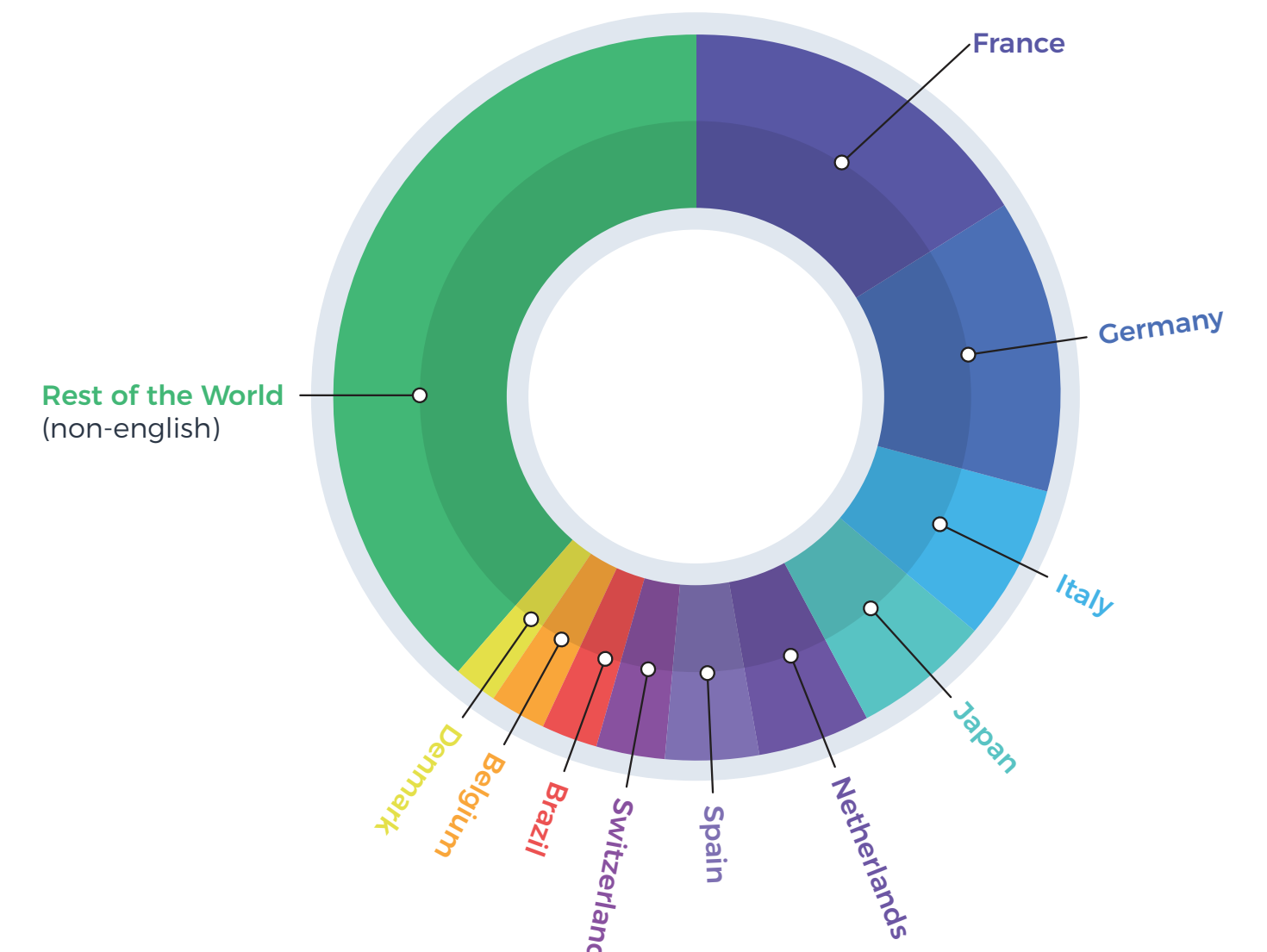
# Localization Elements

## 4.1. Language

English is undeniably the global digital language, accounting for over 70% of all eCommerce orders worldwide. The reality, however, is that in many countries, over 80% of transactions occur in [the native language](#). Translating content and making sure that prices are displayed in local currencies are excellent first steps. But that's all they are: the first steps in a longer process of localizing your offerings.



Fig. 2. Top 10 non-English speaking countries by volume of online software & services sales, from the 2Checkout 2018 Q1 Digital Commerce Benchmark



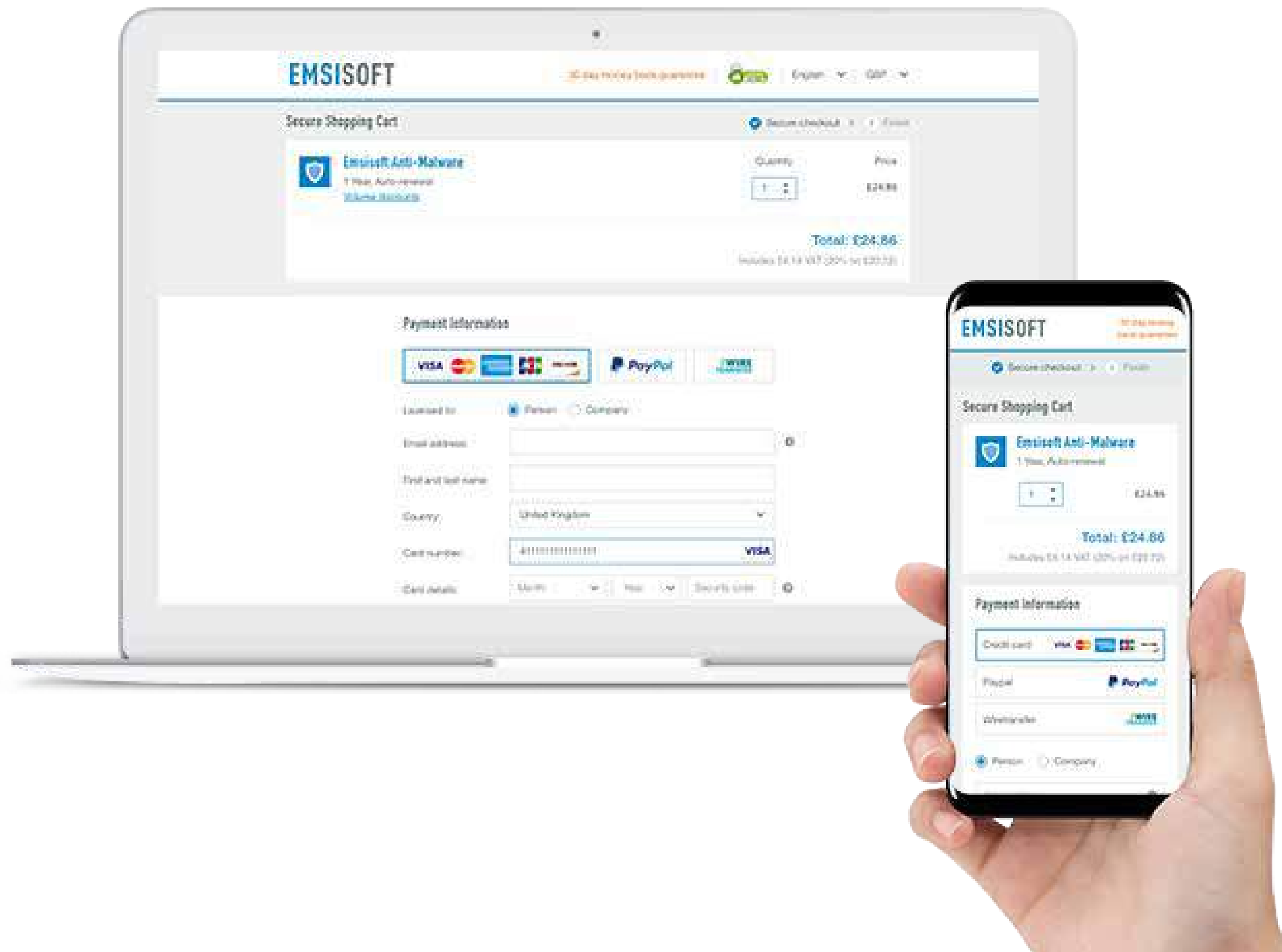


Fig. 3. Example of localized payment methods in an adaptive shopping cart.

## 4.2. Content Layout and Flow

It's not all about the language spoken by your shoppers. If you have ever visited an Arabic, Chinese or Japanese website, you were probably struck by how completely the design differed from European or US sites. User experiences that are perfect for European or American shoppers will need to be redesigned and adapted to customers from different regions.



## 4.3. Shopping Cart

Buyers want a familiar experience. Similar to site content layout and flow, buyers expect your shopping cart to reflect the local preferences and norms. To provide this familiar experience they're looking for, you'll need to localize every aspect of your carts, which includes everything from the text, labels, messages, and hints to date and time, phone number, prices, currencies, graphics, formatting, punctuation, and addresses.



Do your homework to determine which shopping cart layout and flow work best for each region, and then fine-tune using A/B testing and other conversion rate optimization [strategies and tools](#).



Here are a few examples of regional shopping cart best practices that we've developed in collaboration with our global customers:

**France**

In France, we've found that online shoppers prefer carts with a blue and white color scheme and a more formal tone to their text. French customers are also more likely to buy when the vendor uses positive instead of negative language, e.g. directions that tell you what to do as opposed to what NOT to do. Brand quality is also very important for consumer trust, so make sure to clearly brand your carts and include references or links to customer ratings/reviews and other third-party validation sources.

**China**

Unlike EMEA, where people are genuinely comfortable browsing in English, the vast majority (95%) of Chinese shoppers prefer to shop on sites that feature their native languages. China is also home to a secure, relatively new online payment method called Alipay that is quickly gaining ground on credit cards and other popular methods. For businesses that use 2Checkout, Alipay now makes up [more than 42%](#) of all Chinese transactions. In general, your localization should always take into consideration cultural or societal norms or customs. In China, for example, wherever possible you will want to avoid the number *four*, which is considered unlucky because its pronunciation is similar to the Chinese word for death. Conversely, the numbers 8, 9, 18, 13 and 168 are thought to be very auspicious.

**Brazil**

While many countries make it difficult for foreign companies to conduct business, Latin American states such as Brazil,

Chile, and Argentina make it seem almost impossible. Brazil, for example, has extremely stringent currency laws, making it illegal to advertise prices in U.S. dollars and extremely difficult and expensive to transact purchases in anything but the Real (due to taxes, overpriced and fluctuating exchange rates, etc.). A local currency credit card is also a prerequisite for installment purchases (which are favored by the vast majority of Brazilians). Consequently, most debit and credit cards in Brazil are not enabled for international use. And with 70% of Brazilian eCommerce conducted by card, any company selling online there has a strong incentive to accept a Real-backed credit or debit card as a payment option, or else settle for low adoption, conversion rates, and revenues in that market.

Customers are over 70% more likely to purchase if the shopping cart is displayed in their native language and their preferred payment method is listed as an option.

To learn more about optimizing your shopping cart for conversions, read our Shopping Cart Best Practices ebook!

[READ EBOOK](#)





The screenshot shows the Movavi website interface. At the top, there's a navigation bar with 'Products', 'How-tos', 'Video Guides', and 'Help Center'. Below this, there are tabs for 'Windows software' and 'Mac software'. The main content area displays two product listings:

- Movavi Video Suite:** All-in-one product; edit any video formats; save video and audio for 200+ devices; rip, backup & copy DVD; split, merge, edit videos, apply special effects; capture screencasts including online clips and Skype calls; playback any multimedia files; burn Blu-ray Disc™, DVD, CD; create slideshows. License options: Personal license (\$59.95), Business license (\$129.95). Interface languages: English, Russian, German, French, Italian, Spanish, Dutch, Japanese, Chinese, Korean. A 'Bestseller' badge is present.
- Movavi Video Converter:** Movavi Video Converter delivers effective video conversion capabilities, including DVD ripping and HD encoding. Leveraging leading-edge video processing technologies, Movavi Video Converter offers users significant performance and usability benefits, as well as support for an extensive range of mobile devices. License options: Month-to-Month Subscription (\$9.95), Lifetime license (\$39.95), Business license (\$59.95). Interface languages: English, Russian, German, French, Italian, Spanish, Dutch, Japanese, Chinese, Korean.

On the right, a 'Your cart' sidebar shows the items added: Movavi Video Suite (\$59.95) and Movavi Video Converter (\$9.95), with a total of \$69.90 and a 'Check Out' button.

Fig. 4. Example of open cart with localized price displayed automatically using GeoIP.

#### 4.4. Pricing

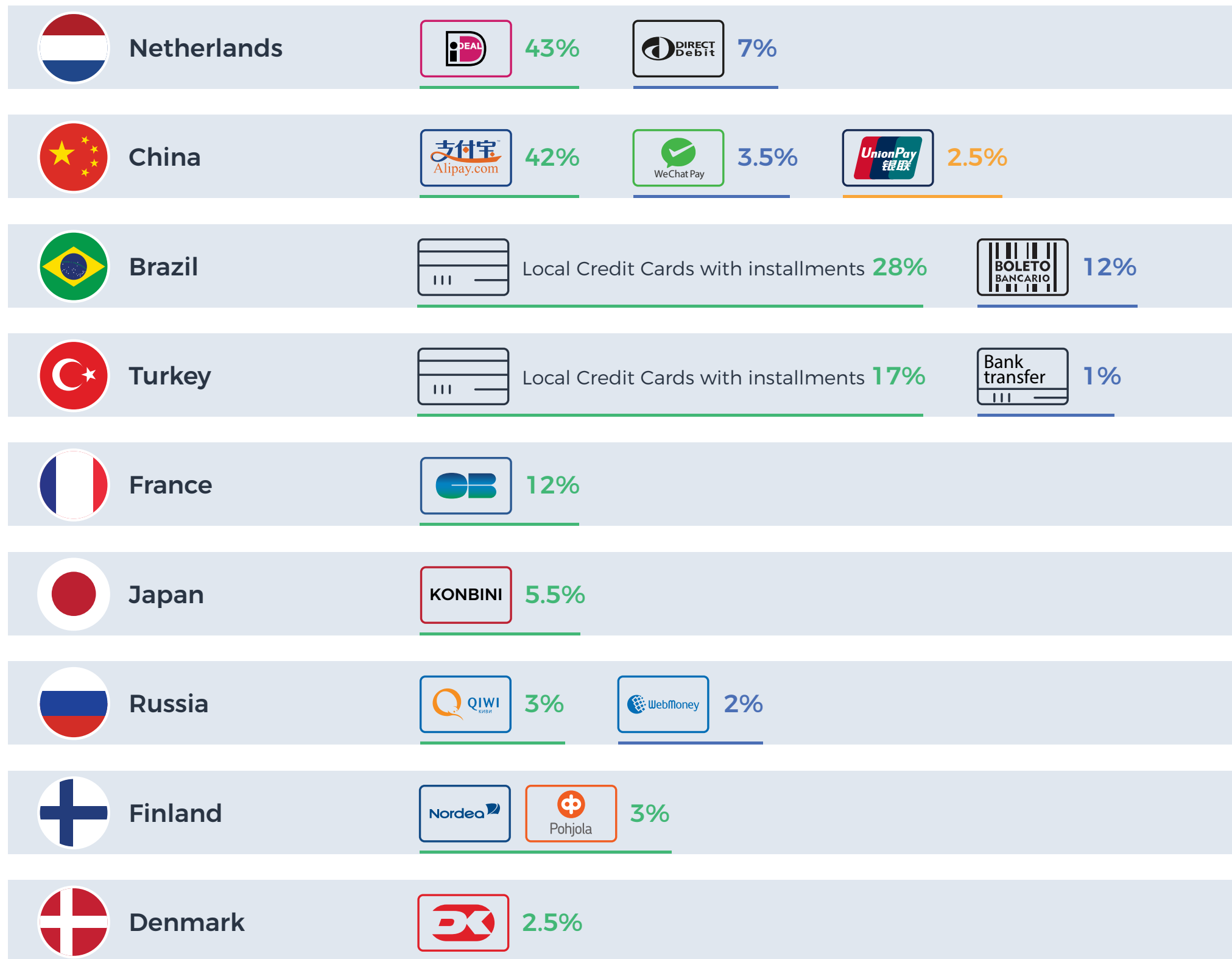
The bottom line is paramount. Many cultural factors may influence a shoppers' decision to buy, but one aspect that supersedes them all is pricing. While some components of the price - such as costs for shipping and handling - may be beyond your control, providing **transparency and regional-appropriate pricing** are not. A simple way to provide transparency is by giving the shopper the option to view the price in their local currency, including all the applicable taxes and fees. You can streamline that by employing **GeoIP detection technology** to identify the shopper's location and display the local currency automatically.

Also, keep in mind that just because your product is priced competitively in one market doesn't mean the same is necessarily true for another. Being able to easily set the pricing by location allows you to adjust your strategy to the economic reality of each market.





Local Payment Methods - Interesting Stats by Country



4.5. Preferred Payment Options and Local Currencies

Make it easy to pay. Payment localization isn't just a matter of convenience to shoppers. It's a key determining factor in the decision to buy and is the best way to establish a level of trust and comfort that no amount of marketing or promotion can bring. In addition to increased conversions, card purchases transacted with the combination of a local payment method, gateway, and merchant bank have a much **higher chance of being approved** than any type of foreign payment.

Creating the necessary structure to localize payments on your own, however, is neither cheap nor easy. The typical payment processor, for example, will only be able to provide coverage for a single country or region. That means you'll need to source and sign a processor for every region or country where you intend to sell, as well as set aside time and resources to integrate and maintain them. If your plans include expansion into multiple markets, finding an eCommerce platform that can help you scale is usually the better option.

Fig. 5. The most popular payment methods in some non-English speaking countries, from the 2Checkout 2018 Q1 Digital Commerce Benchmark.





Customers in different markets shop differently, from the moment they decide to make a purchase up until they pay for orders. In tandem with displaying localized prices in their currency, supporting the preferred payment method in each market can prove critical to reducing purchase funnel friction and increasing the conversion rate.

Looking at global B2C payment trends, credit cards and PayPal account for about 85% of worldwide online payments. For B2B purchases, checks or direct debits and wire transfers should be supported as the bare minimum.

Other payment methods you should be able to support by market include:



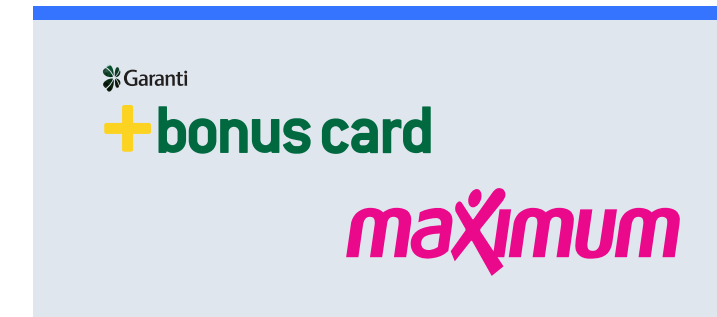
**Alipay** – Major player in China



**iDeal** – Preferred method of The Netherlands



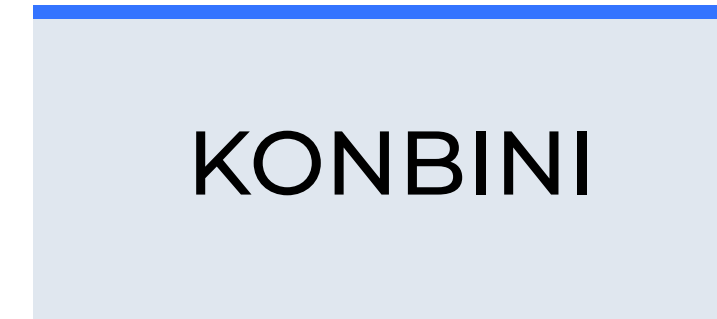
**Boleto Bancário and Local Cards** – Almost mandatory in Brazil



**Maximum and Bonus Card** – Important in Turkey, where they make up 80% of transactions



**SEPA Direct Debit** – Popular across Europe, especially in Germany



**Konbini** – Important cash-based payment method in Japan



**QIWI Wallet and WebMoney** – Leading preferences in Russia



**Nordea, OP-Pohjola, Danske Bank and Trustly** – The main preferences in Sweden in Finland where debit and credit cards make up the majority of transactions.



### 4.6. Support

Shoppers want excellent customer service. It's critical to focus your localization strategy on adapting not only your product offerings but also your technical support information. Shopper support should involve a local phone number, localized emails (sent in local languages and during business hours) and even a toll-free number. Additionally, email follow-ups, order recovery, lead management, and marketing messages all need to be localized for an optimal customer



experience.

Fig. 6. Example of local support phone number displayed prominently throughout checkout process.

In the [KPMG study](#) mentioned earlier, 65% of consumers chose “excellent customer support” as the primary company attribute that can gain the loyalty of customers, so ignore localized shopper support at your own peril.

### How do buyers prefer to get support?

While email and chat top the chart for support preferences, getting through to support on the phone is a close third place.

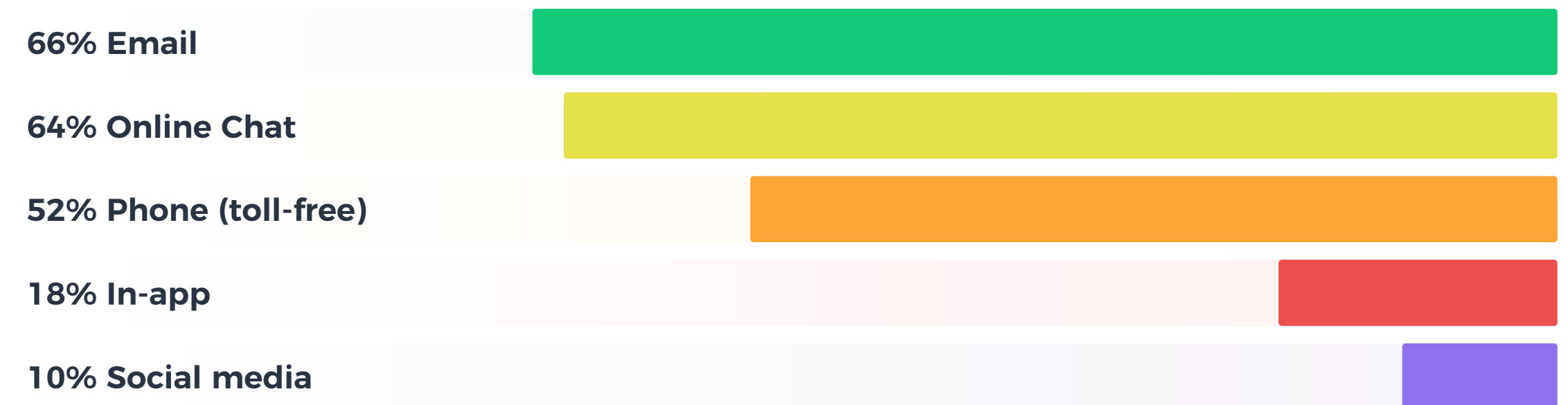


Fig. 7. How online shoppers prefer to get support, according to the [2Checkout's Shopper Behavior Survey](#)



## 05

# What Tools Do I Need?

## 5.1. Flexible Site/Cart Templates

Giving customers a highly localized shopping cart that both speaks their languages and provides a familiar buying experience is becoming a prerequisite of successful global commerce. This level of localization, however, can be incredibly difficult and time-consuming to pull off. With effort, you may be able to do it for a single country but scaling it for each market is a stretch for most digital businesses.

Templates can help you automate that level of detail, saving you time and helping you avoid the potential pitfalls of getting it wrong. To effectively brand and localize the components of the buying experience, the template should include the following controls:

- **Multilanguage Product Details** – Display the product details in the local markets' preferred languages.
- **Variable Purchase Flows** – Tailor the purchase process to the preferences of shoppers in different locales.



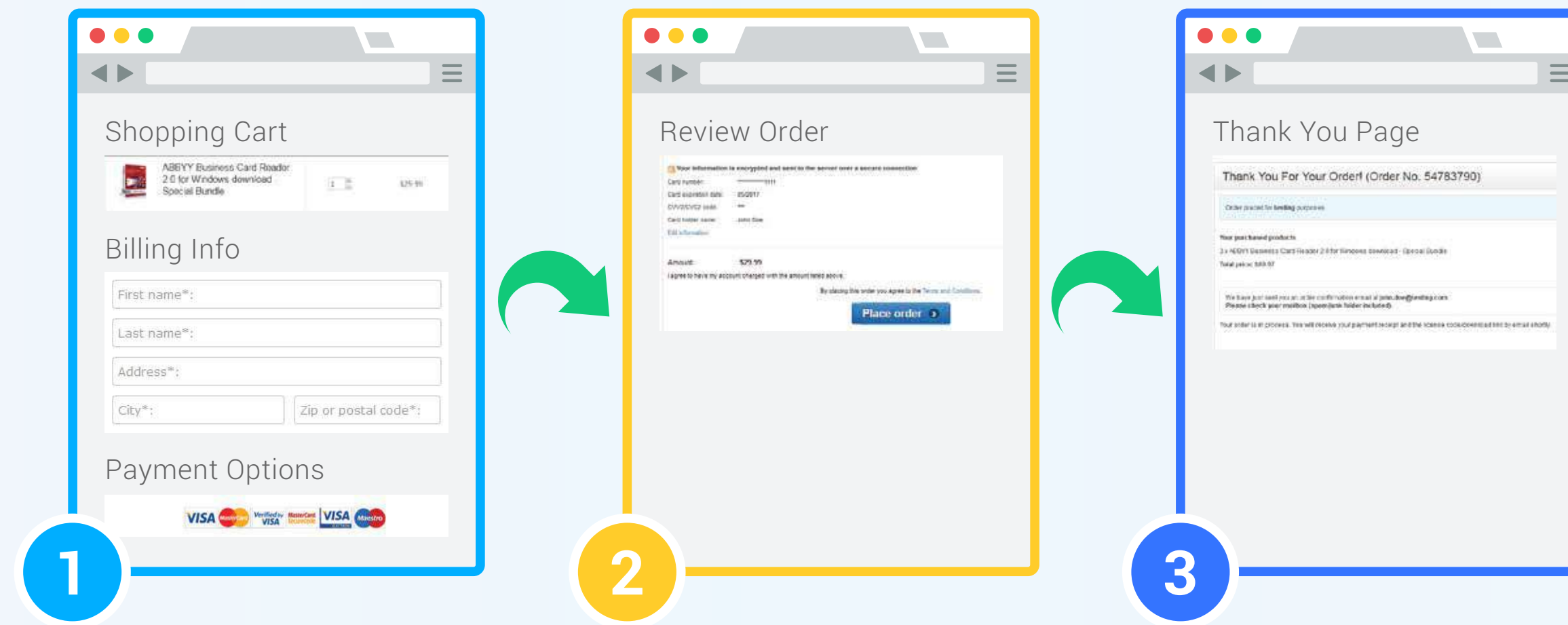


Fig. 8. Example of purchase flow with review page. This converts well for higher priced products or B2B applications.

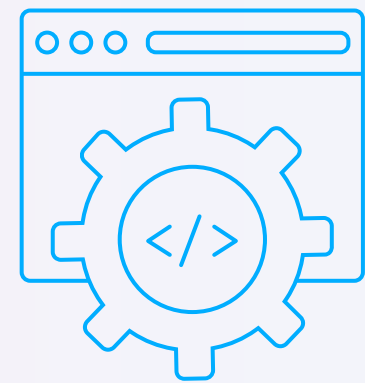
- **Geo-Location Capabilities** – Geo-location to determine the shopper's country, and provide location-aware content, language, and currency. It should also be able to calculate and display the correct taxes and other fees, where possible.
- **Localized Pricing** – Tailor prices, currencies, and product options to each market.
- **Pricing Details** – Localize the extra information displayed to shoppers alongside the product and/or services pricing.
- **Billing Currencies** – Select and display the preferred currency in the correct format.
- **Ordering API** – Control every aspect of the shopping cart and integrate it with your other systems.
- **Payment Methods** – Select and support the preferred payment methods for each region.
- **A/B Testing** – Test and measure the performance of each component of the shopping cart and buying process to quickly find the right combination for each audience.
- **Platform Integration** – Deployed as part of a complete eCommerce platform, and capable of integrating with other systems.



## 5.2. Smarter Payments

An eCommerce platform like 2Checkout can take you to the next level. To be successful at a global scale requires payment processing capabilities that involve more than just completing credit card transactions. Advanced payments can be an invaluable tool to increase conversion rates, reduce churn, and improve the customer experience. However, features like credit card updating services and intelligent routing aren't things you'll find in a standard out-of-the-box payments solution.

2Checkout can help by providing you with the following capabilities:



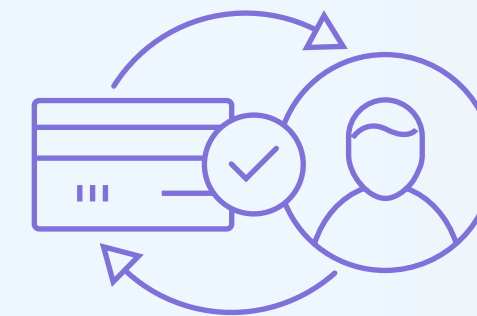
### A single payment API

A single API to aggregate payments across processors allows you to sell around the world without contracting with multiple processors. That eliminates the need to sign individual contracts on the business side and enables you to leverage a single connection on the technical side.



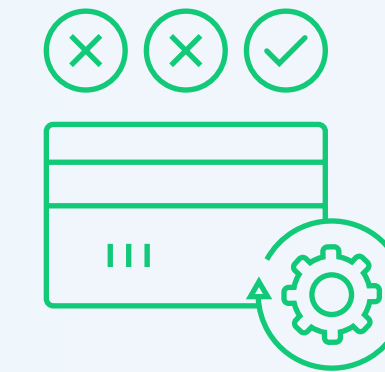
### Intelligent payment routing

Intelligent Payment Routing can route and re-route payments between gateways as a failover mechanism and to increase card authorization rates.



### Account updater

Account updater services ensure recurring billing continuity by automatically updating the customer card expiration date with the issuing bank. 2Checkout's Account Updater, for example, proactively updates cards for subscription customers seven days prior to expiration – increasing retention 10-40%.



### Retry logic

Configurable payment retry logic enables you to minimize failures and recover up to 20% of failed transactions.



## Chargeback and refund management

Instead of leaving chargebacks and refunds in inexperienced hands or up to chance, you need to handle both as discrete services. Only advanced tools deployed together with expert human intervention can reduce both chargebacks and refunds, and ensure accurate and timely repayments and reconciliation back to financial applications.

### 5.3. Tax and VAT Handling

Don't forget taxes. Regardless of where your company is based, you're legally required to properly manage and collect the tax or Value Added Tax (VAT) levied on each transaction. The tax amount, the authority responsible for collecting it, and the rules governing it can differ from country to country.

Furthermore, when localizing for taxes, you need to know not only how much to charge but also which entities and businesses are exempt. Your eCommerce platform should be able to assess and collect the correct tax amount for each respective market and seamlessly pay them to local fiscal authorities.

Many of these details can be automated with templates that support pan-regional commerce and have GeoIP location detection to identify the shopper's country of origin. Other details, such as how and where to distribute the tax proceeds, must, however, be handled by the seller (as the merchant of record) or its proxy. Companies wanting to accelerate sales can leverage a digital commerce provider that acts as a merchant of record on their behalf in each country. Thus,

in addition to tax handling, a provider like 2Checkout can manage all the financial aspects of the transactions, leaving you with just the proceeds.





## 5.4. Compliance

Play by the rules. Let's take one example: the General Data Protection Regulation (GDPR), which took effect in May 2018, replaced and consolidated existing European Union (EU) rules governing how businesses collect and store people's personal data. While the regulation applies directly to companies located in the EU, it has a broad mandate that extends to any business or entity that has dealings with EU citizens, regardless of where the organization may be registered.

To ensure compliance, we recommend selecting a digital commerce platform that has:

- Established a governance structure that supports GDPR compliance, e.g. appointed a Data Protection Officer in an independent role, conducts regular compliance assessments and audits, and is ever-vigilant about the security of personal data.
- Put in place updated policies and procedures, such as data protection, data retention, and information security policies, that ensure personal data is collected and retained in accordance with the regulation, as well as safeguard against and manage threats and breaches.
- Embedded and implemented data privacy protections into its operations, such as the establishment of guardrails to restrict the accessing and processing of personal data, monitoring the flow of data and privacy dashboards where shoppers can control their personal information.



## 5.5. Back-office Support

Help make your company free to focus on the front-end priorities that win it business. Digital companies that try to manage their tax and payment operations themselves can become overwhelmed by the back-office administration complexities, at the expense of focusing on product development and promotion. A fully-fledged eCommerce platform can help you seamlessly integrate payments with merchant services and offload the work involving risk and fraud, local customer support, payment processor relationships, and tax concerns.





06

## What's Next?

The digital goods and services market is taking off globally and represents a huge opportunity for businesses positioned to take advantage of it. So far, the companies that have had the greatest global success are those who have been able to take a local approach and scale it for a broader audience. But as we've seen, creating the perfect storm of conditions for successful eCommerce in one country – let alone many different ones - is beyond the scope of most companies. To succeed in expanding globally and optimizing the customers' experience in each market, businesses must choose a partner with the right combination of global eCommerce capabilities, relationships, and experience to take them beyond their home markets.





Here are the main criteria you should consider as you embark on your selection process for a digital commerce provider:



Does the vendor have the tools and relationships to effectively accept, manage, and optimize payments across every market?



Can the payment vendor accept cash or installment payments and minimize your tax liability when repatriating revenues back your home country?



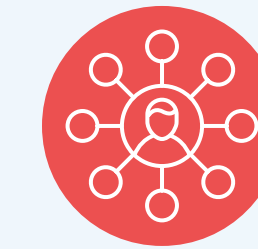
A vendor may be able to localize the cart for multiple markets, but can they also deploy it as part of a broader eCommerce strategy that integrates testing, automation, optimization, and analytics for true revenue maximization?



What about SaaS? Aside from the back-office capabilities to support recurring billing, can the vendor help you pivot to each market's preferred pricing model and navigate the world's rapidly changing rules and regulations?



Does your marketing speak to your audience? Do you have the local expertise and relationships to capitalize on each region's preferred marketing and promotional channels?



Are you set up for mobile and digital distribution? Mobile eCommerce is quickly gaining traction, especially in emerging markets. Are your stores optimized for mobile, and do you have a content delivery network that can scale electronic delivery and license management?

Before choosing a partner, make sure they have the the ability to go above and beyond what is available from the typical payments services provider. As we've seen, properly localizing your entire customer experience, from language to pricing to support, can raise conversion rates by up to 70%. Any digital commerce provider you chose should have the capabilities and flexibility to help you implement all the aspects of localization that will decisively impact your sales in global markets.



# About 2Checkout

2Checkout is the leading all-in-one monetization platform for global businesses. It was built to help clients drive sales growth across channels and increase market share by simplifying the complexities of modern commerce like global payments, subscription billing, merchandising, taxes, compliance, and risk, so they stay focused on innovating their products and delivering exceptional customer experiences.

Get more information at [www.2checkout.com](http://www.2checkout.com)



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