

# Cross-border Strategy & Success

## *First preliminary survey results*

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# Cross-border Strategy & Success

1. Drivers & Barriers

2. Sponsor questions



kpn

3. Localisation & Performance

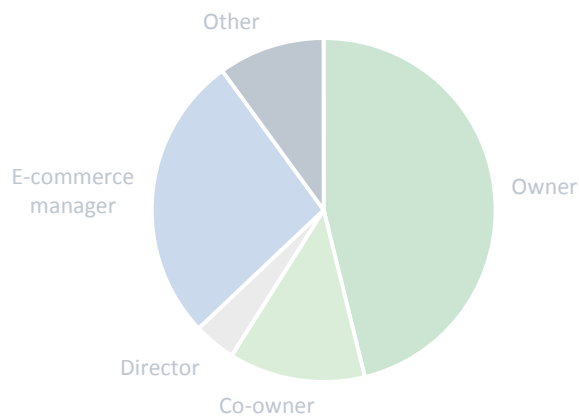
# Data

## Online survey among online shops in 31 European countries

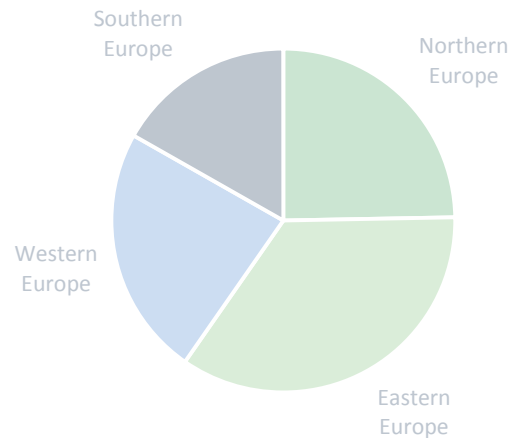
Response: 430 European online shops

Status: ongoing

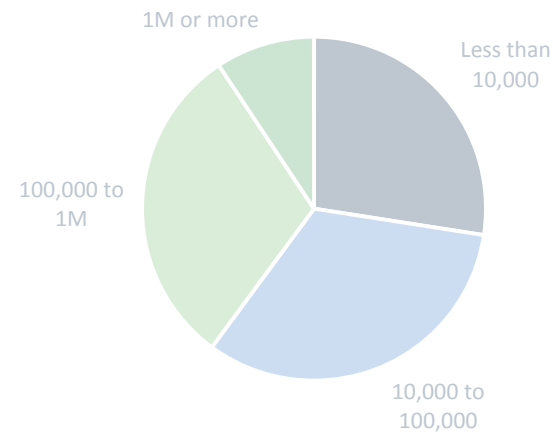
Respondent's role in company



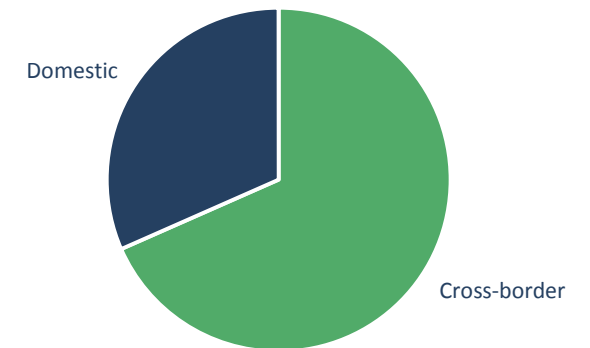
Region



Annual no. of Web visitors



Cross-border or domestic



# 32%

of the online shops that say only to sell domestically, offer the possibility to order from abroad



# Drivers & Barriers

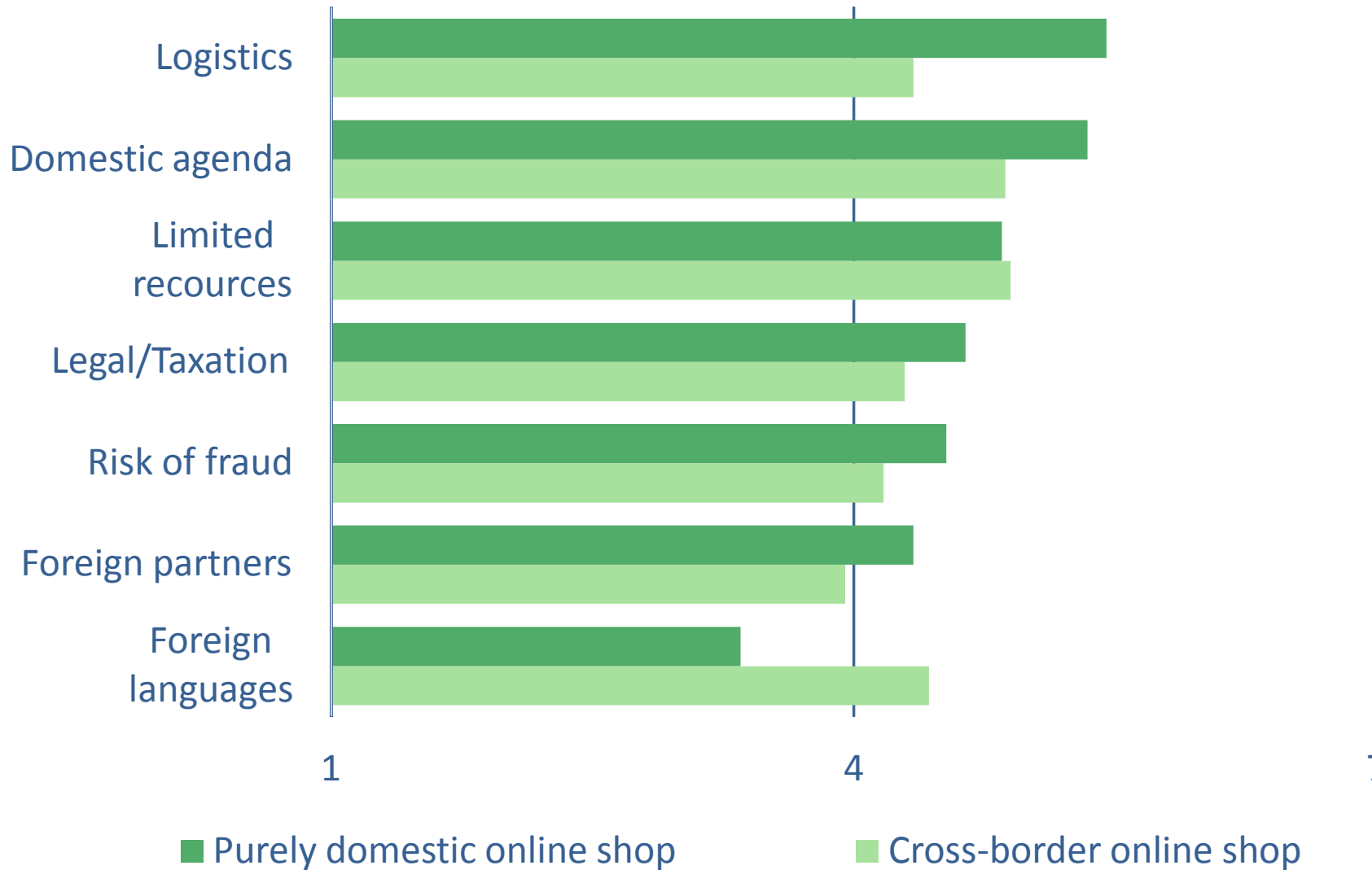
# Drivers to further increase sales from foreign countries\*

1. Growth opportunities
2. Foreign customer demand
3. Good past experiences with selling online to foreign countries

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\* Only cross-border online shops are included

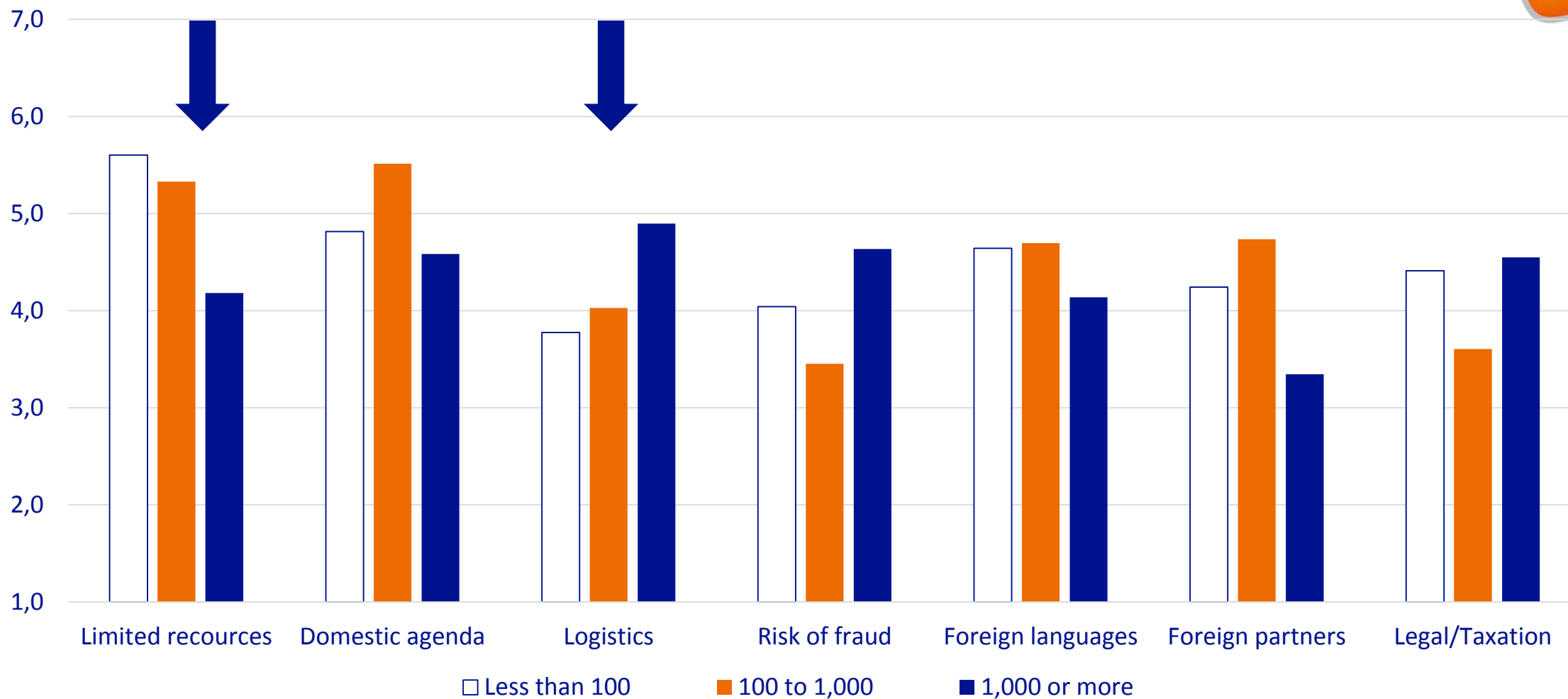
# Barriers for (further) online expansion to other countries\*



\* 7-point scale, ranging from 'Not at all' to 'Very much'



# Barriers for further online expansion to other countries, according to annual number of cross-border packages\*



\* Only cross-border online shops are included

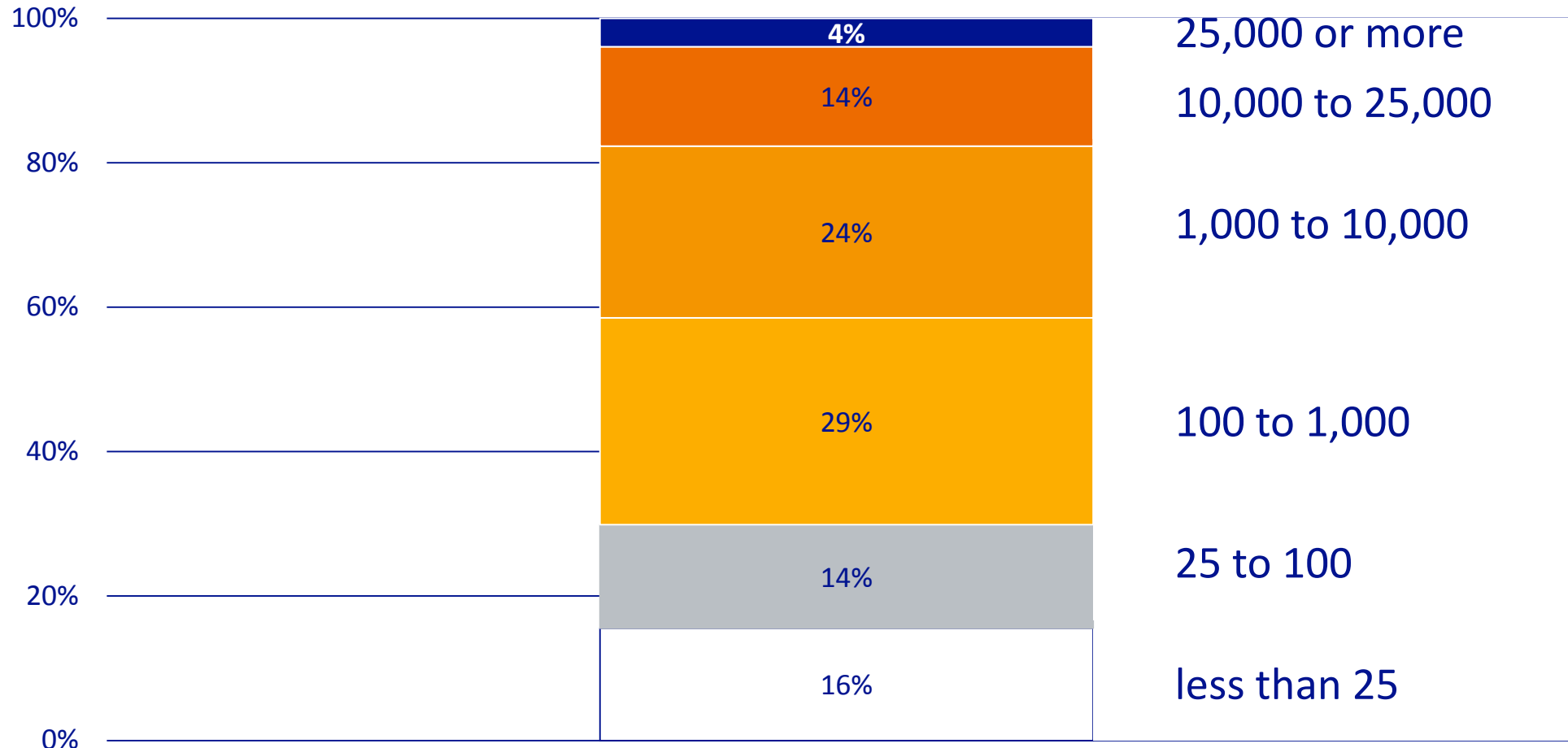




# Sponsor Questions: International return policy and ICT & Security

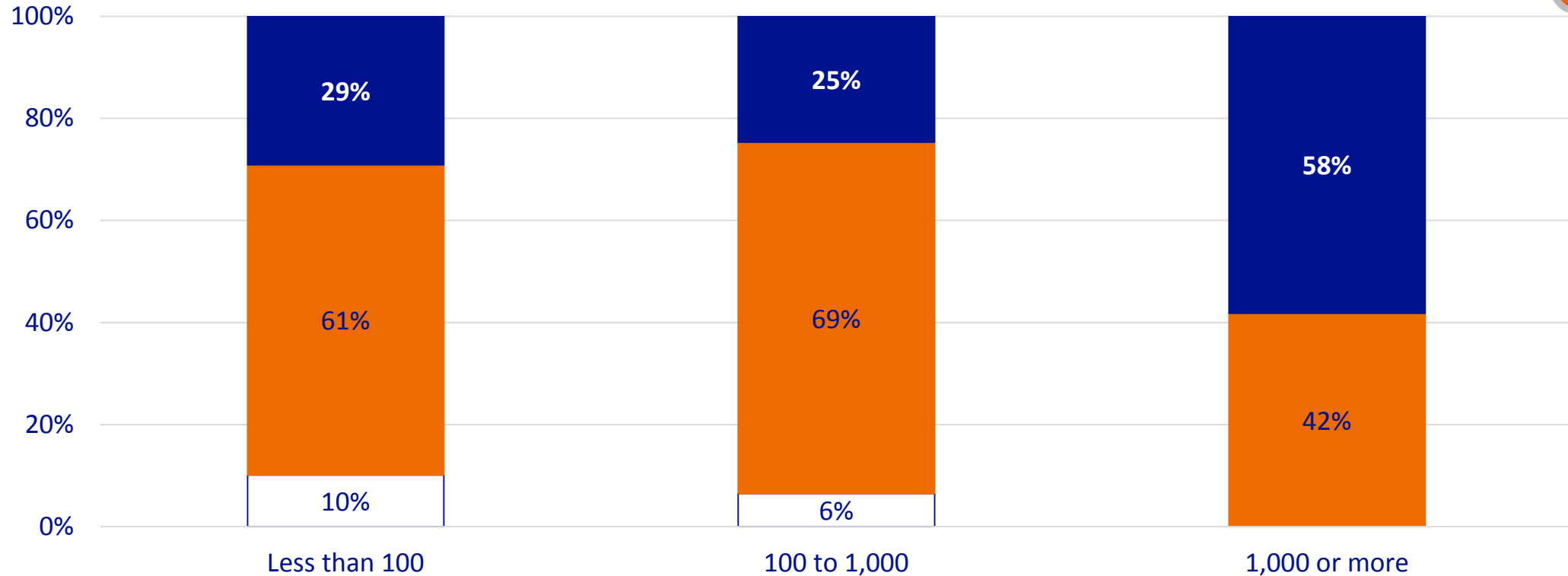


# No. of packages that European cross-border online shops ship per year



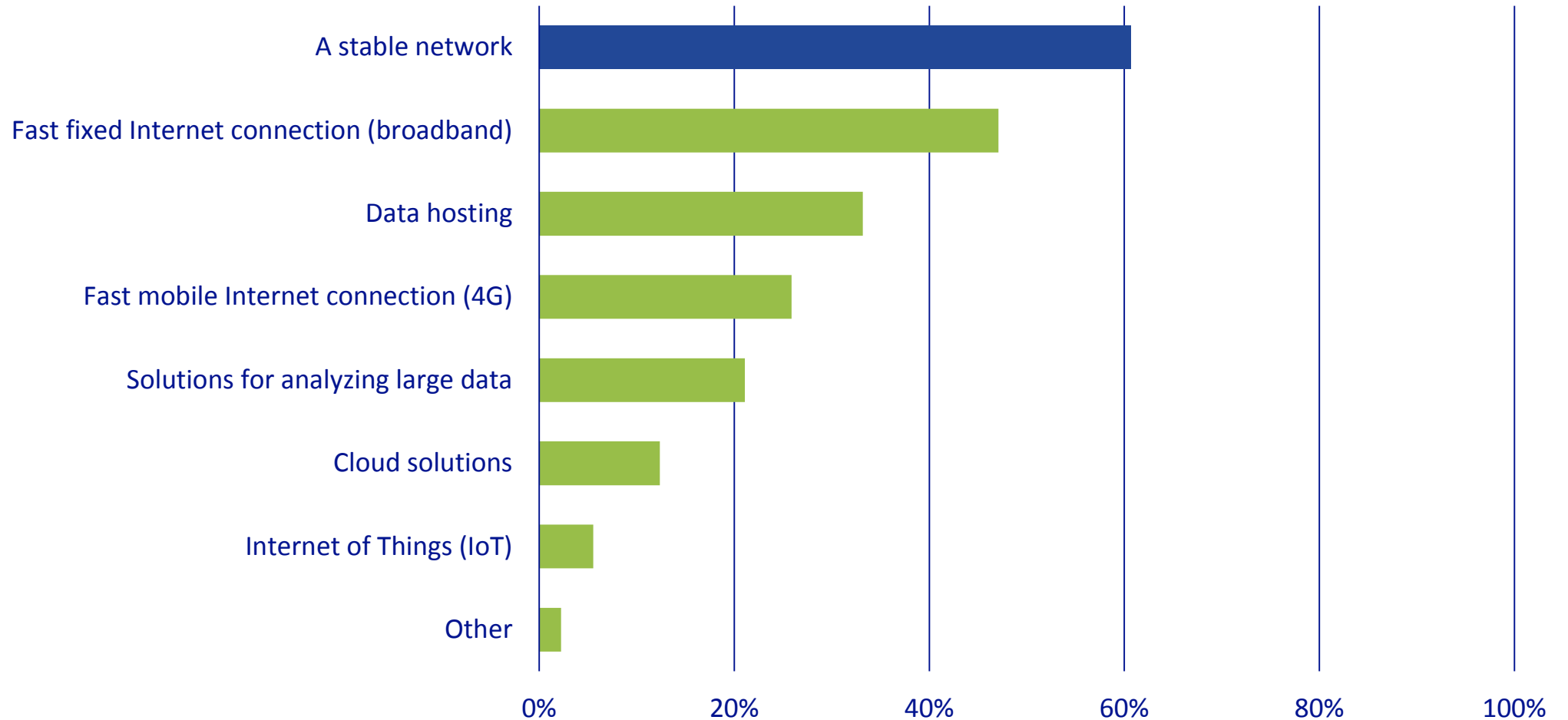


# How cross-border online shops organise their international returns\*

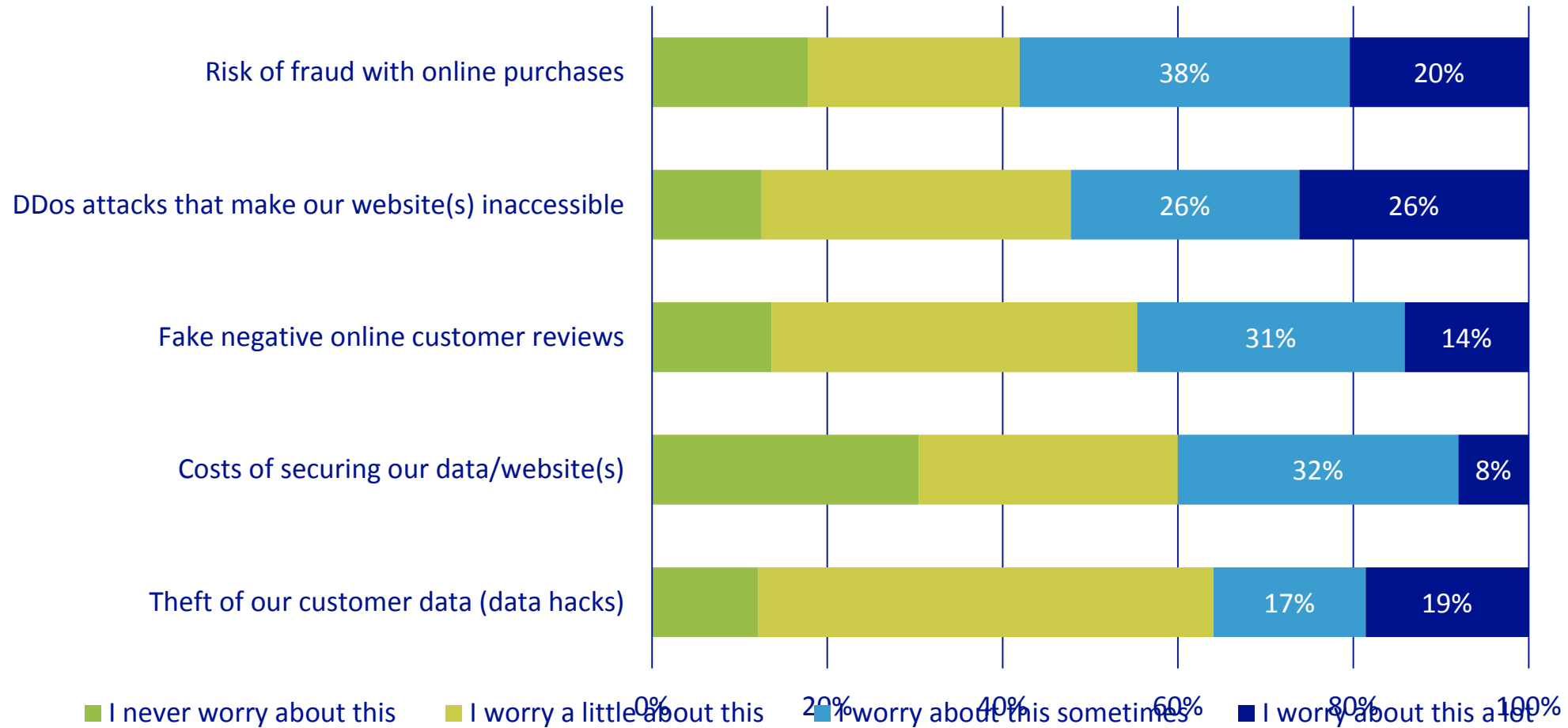


- Online shop uses one or more suppliers (e.g., a local postal service or DHL)
- Foreign customers need to return the products themselves, at their own expense
- No return opportunity

# Crucial ICT solutions for online selling operations of cross-border online shops



# How worried cross-border online shops are about security risks & costs





# Localisation & Performance

# Cross-border E-commerce Success

Localisation elements positively affect cross-border traffic!

But, to what extent do localisation elements boost cross-border online sales and other KPI's?



# 5 KPI's

## Relative performance measures:

### 1. Conversion ratio

Was the average conversion ratio of foreign customers higher or lower than the conversion ratio of customers from your

market in the past 12 months?

### 2. Average basket value

### 3. Online turnover

### 4. No. of Returning customers

### 5. Average return rate



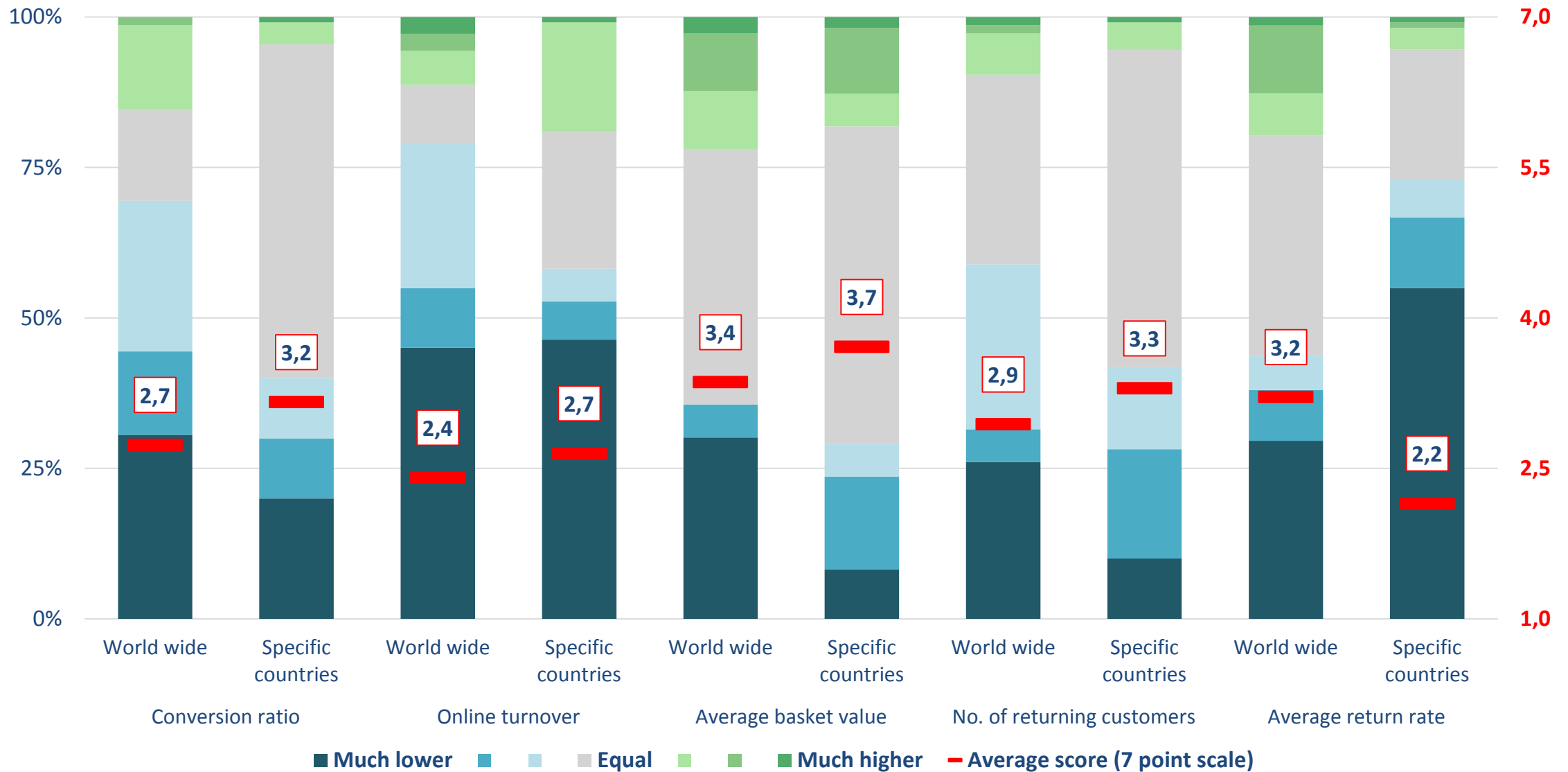
Much lower

Equal

Much higher

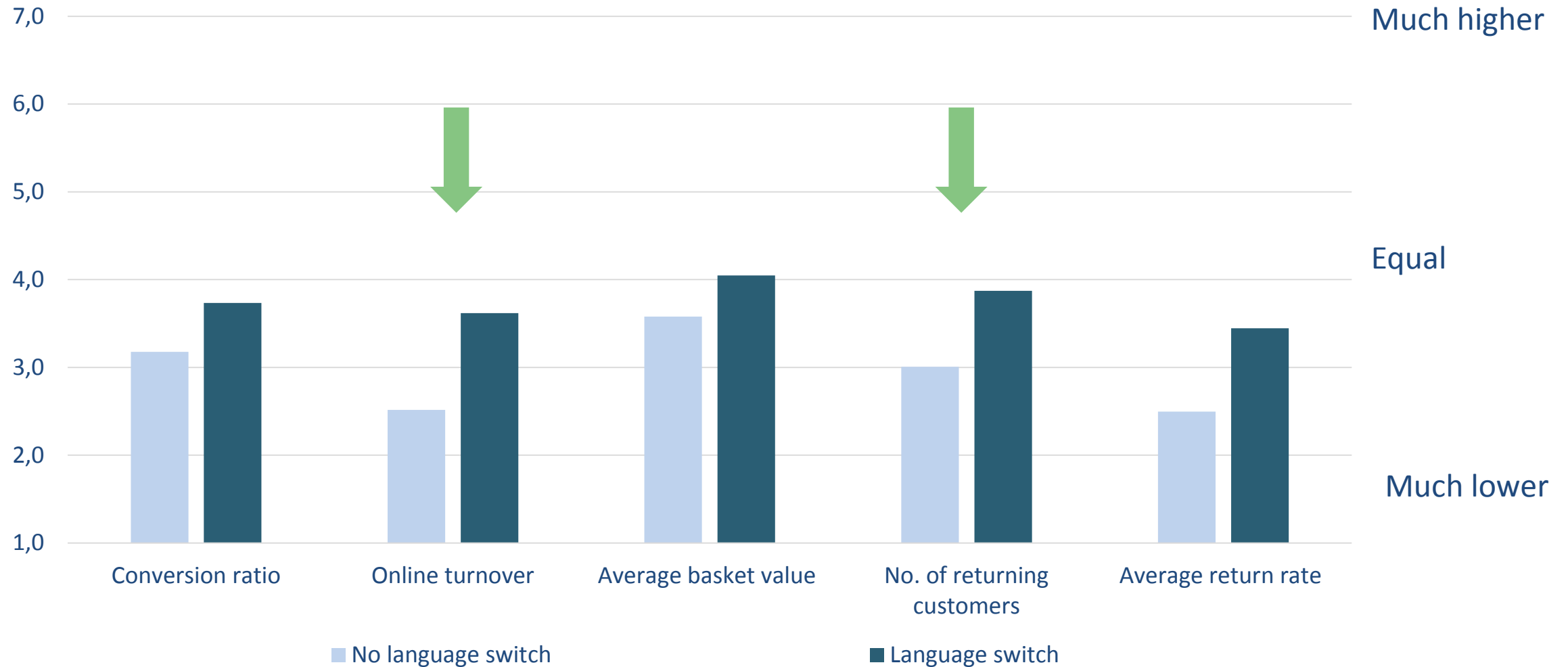


# World wide delivery vs Specific countries: cross-border performance compared to domestic performance

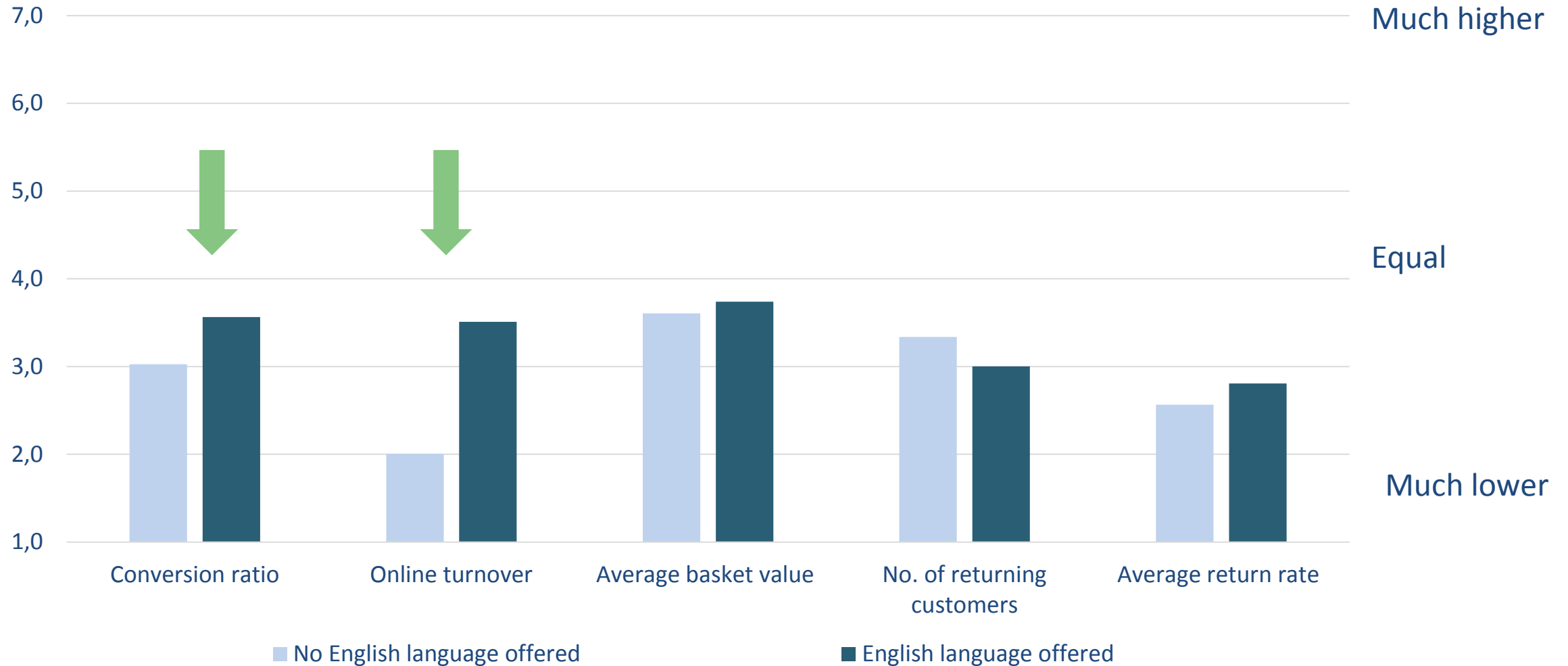


# Effect of Language switch on cross-border performance compared to domestic performance

- English
- Czech
- French
- German

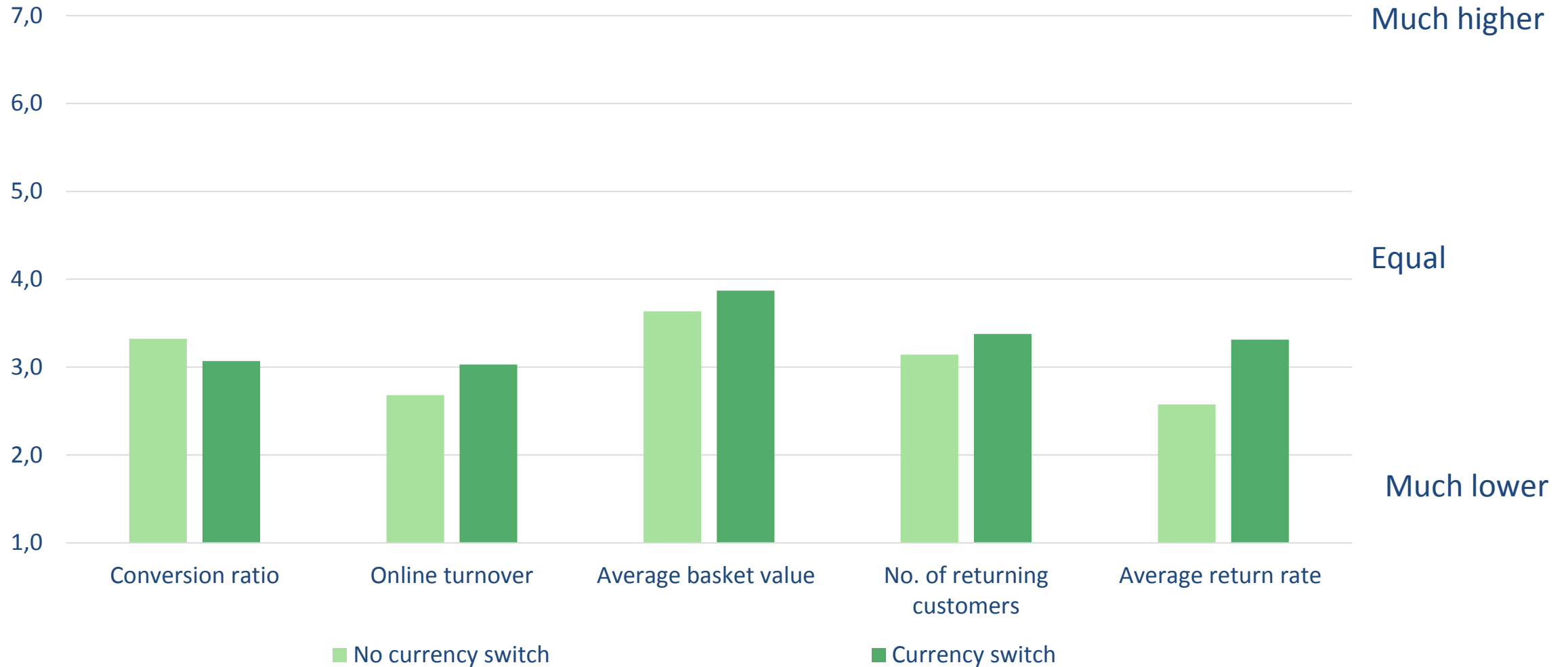


# Effect of offering English language on cross-border performance compared to domestic performance

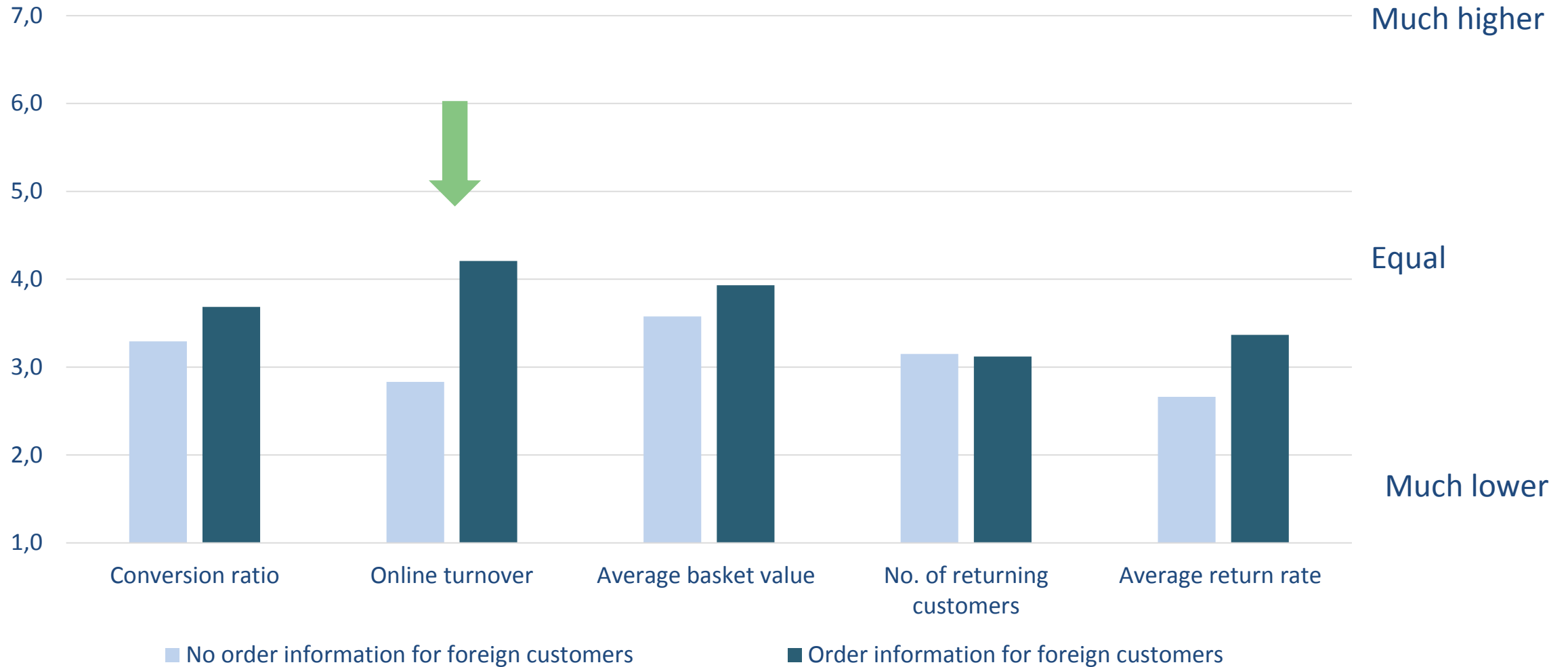


# Effect of Currency switch on cross-border performance compared to domestic performance for specific KPI's

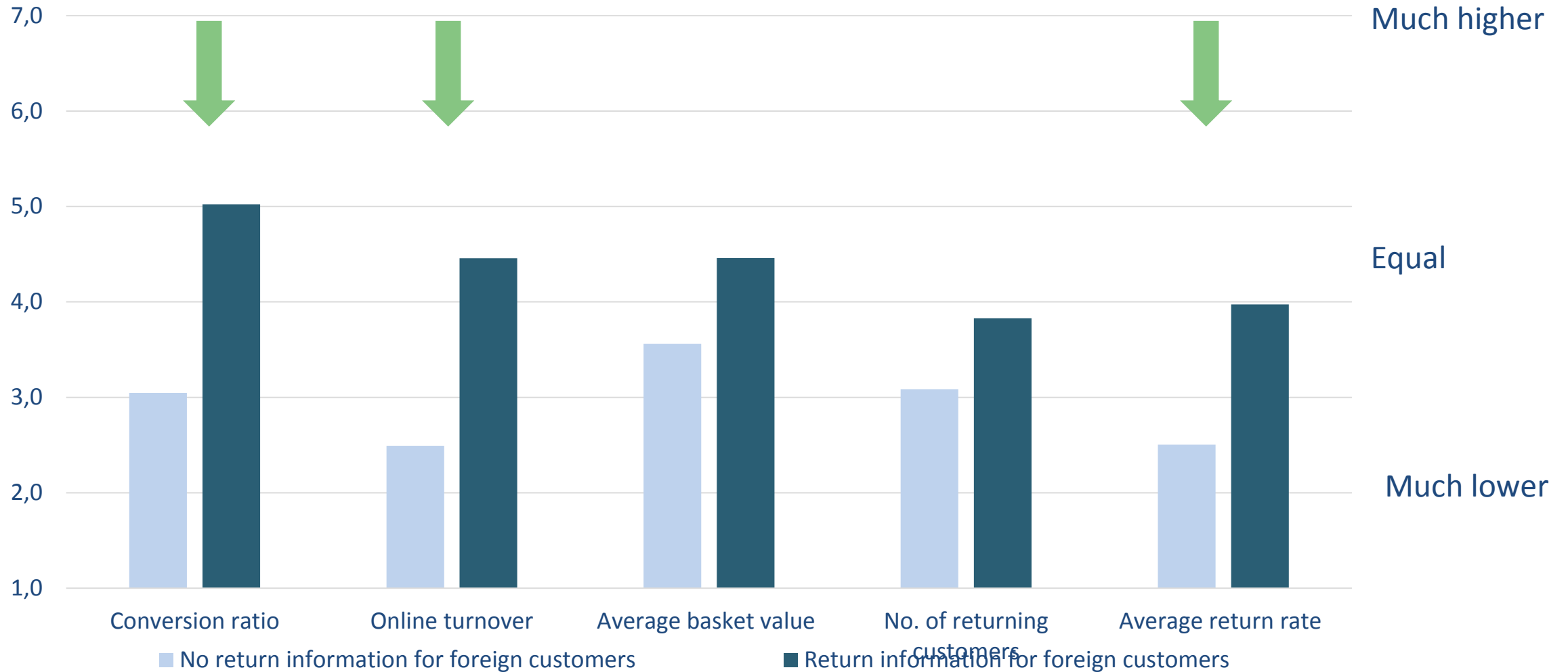
- Pounds Sterling (£)
- Pounds Sterling (£)
- Euros (€)
- US Dollars (\$)
- Romanian Leu (lei)
- Japanese Yen (¥)



# Effect of Order information for foreign customers on cross-border performance compared to domestic performance

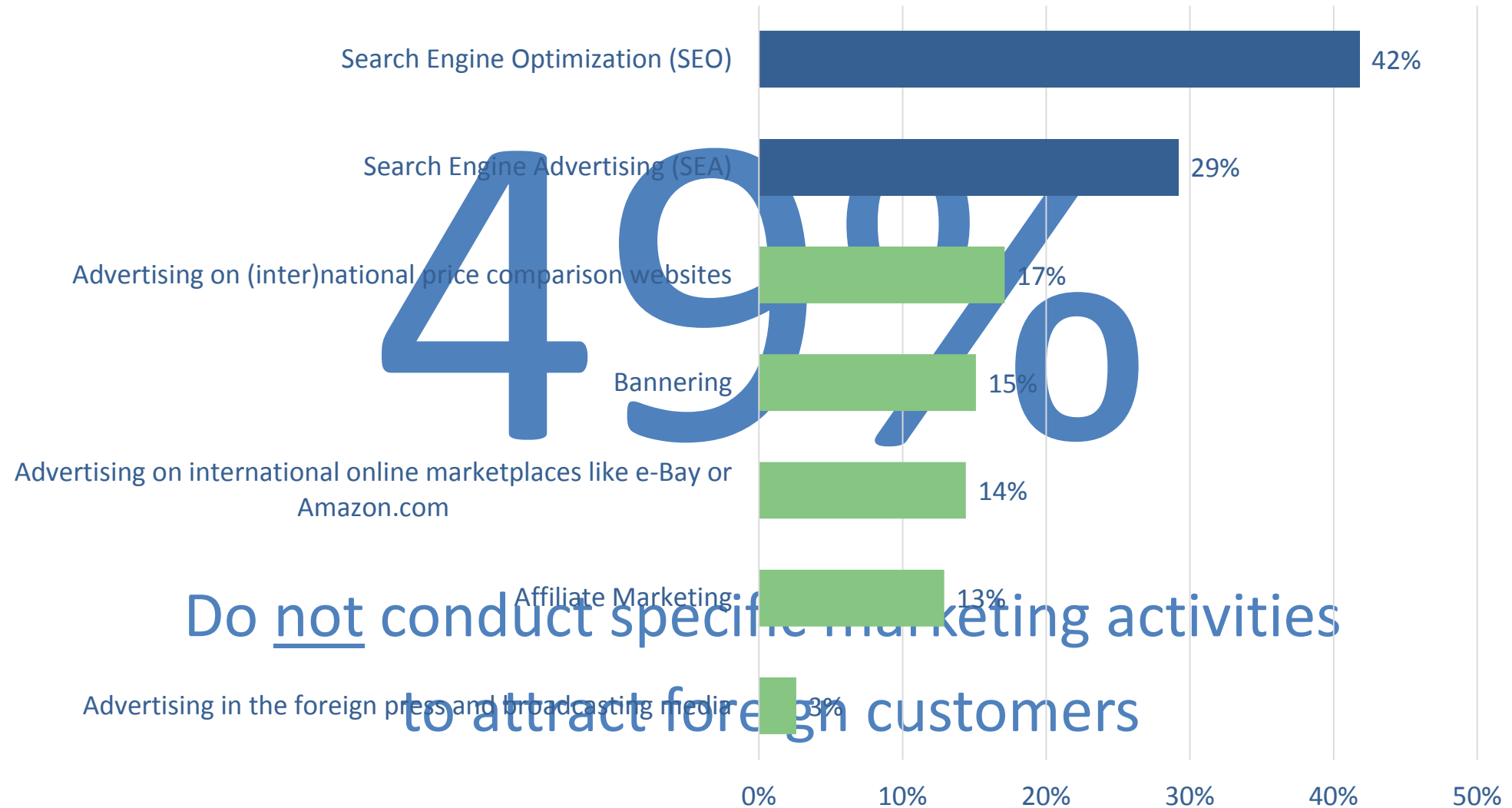


# Effect of Return information for foreign customers on cross-border performance compared to domestic performance\*

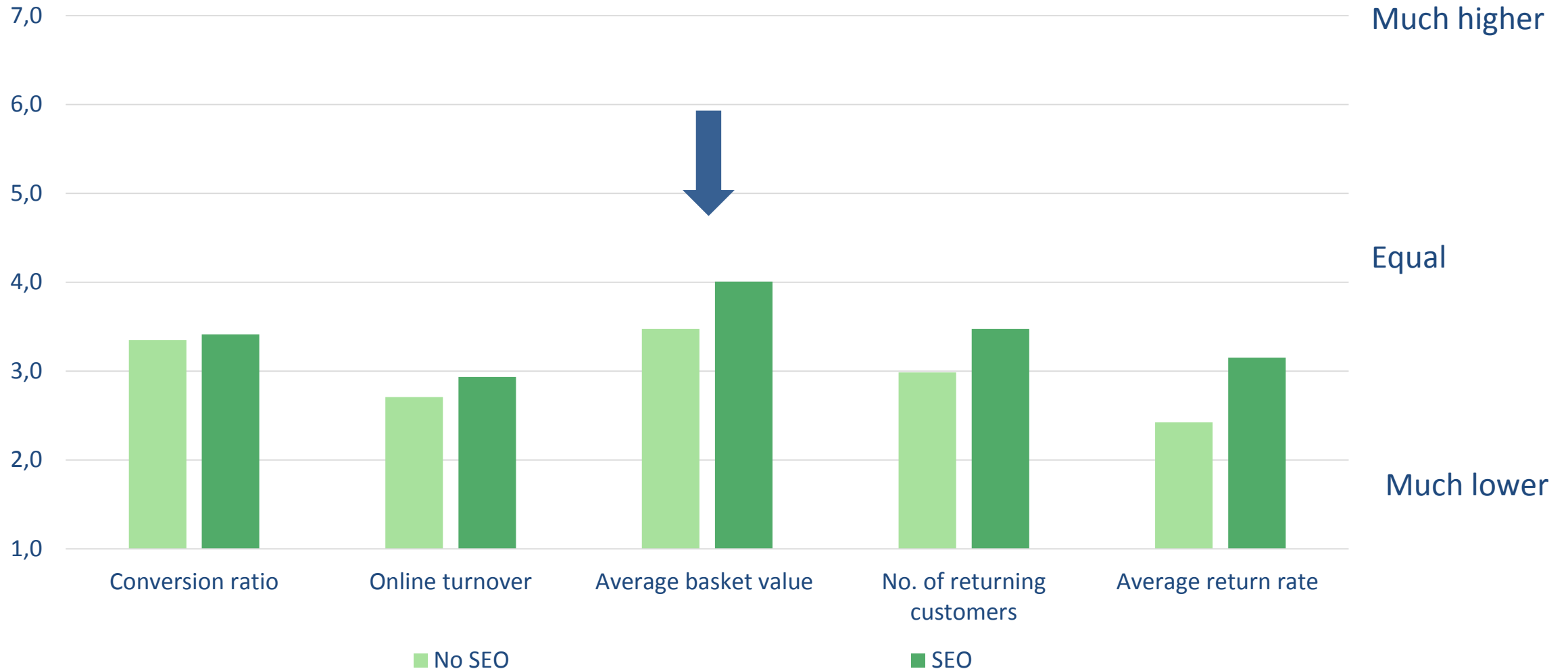


\* Results are indicative, due to limited number of cases.

# Marketing activities by cross-border online shops to attract foreign customers

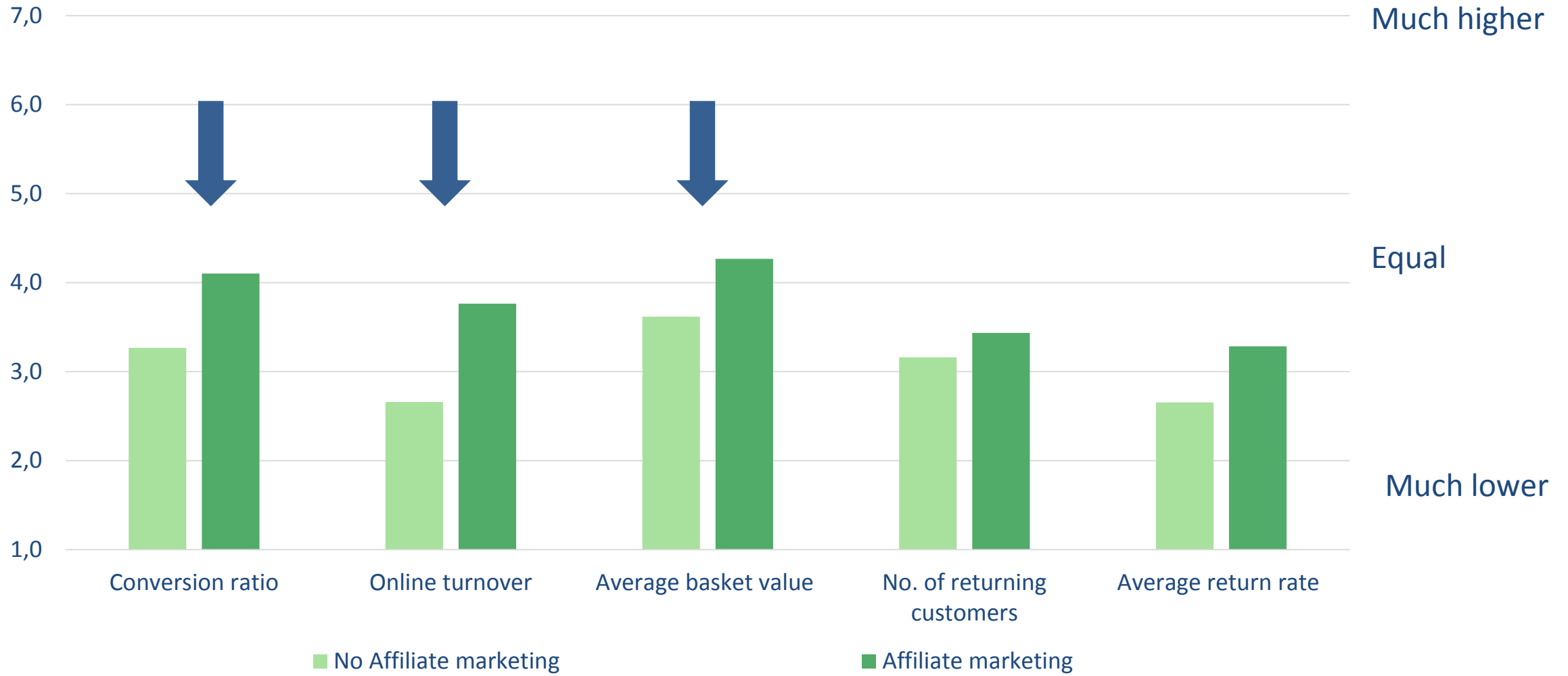


# Effect of SEO for attracting foreign customers on cross-border performance compared to domestic performance





# Effect of Affiliate marketing for attracting foreign customers on cross-border performance compared to domestic performance





# Conclusions

**Lack of 'professionalism'** among many 'cross-border online shops'

Online shops that are **successful** in cross-border e-commerce employ **localisation** elements

Limited resources, domestic agenda and language issues are **import barriers** among cross-border online shops to further expand internationally

Cross-border e-commerce is **serious business** that requires good strategy & planning

# Contact us for more information



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**Thank you for your attention!**

# Visie KPN op Crossborder E-commerce