

# Extending your ecommerce success into overseas markets



## About Ben

- I've Worked in marketing for 10+ years across B2B and B2C
- Part of the team that opening 60+ Screwfix stores per year + developed new store concepts
- I've been focused on working with eCommerce businesses for the past 5 years
- I specialise in marketing strategy and SEO

## About Neural Edge

- Founded in January 2020
- Team of 8 based in South Somerset
- Work with eCommerce brands on SEO & PPC campaigns
- Data specialists passionate about finding the insights that power success for our clients
- Pioneering the use of AI in digital marketing for 3+ years

# What's covered in this talk?

1. What's happening out there globally? (and at home)
2. Do UK businesses have an appetite for overseas expansion?
3. What are the reasons businesses want to expand overseas?
4. What are the challenges of expanding overseas?
5. Snüz – our client case study
6. Specific marketing challenges when expanding overseas
7. How to gauge if you're ready (a simple checklist)
8. What are the alternatives to expanding overseas?
9. Key takeaways + Q&A

# Before we get started...

By show of hands

1. How many of you have **already expanded overseas?**
2. How many are **thinking about it?**
3. How many have operated overseas but **aren't any more?**



# What's happening out there globally?

- The ecommerce market is worth **\$6.9 trillion globally**
- Worldwide ecommerce sales will grow **9.8%** by the end of 2024
- On-platform shopping experiences, like **TikTok Shop**, are growing rapidly
- **China** took the top spot for annual online sales reaching **\$3,023 billion** (United States – \$1,163 billion, UK – \$195 billion)
- The **Philippines** was the fastest-growing ecommerce market in 2023 up by 24%
- **Fashion** was the highest-grossing ecommerce sector estimated to make \$871.2 billion

# What's happening at home?

- Post-Brexit
- Post-Covid
- High inflation
- Increase in business rates
- Increased shipping costs
- Supply chain uncertainty
- Reduced consumer spending

**On an annual basis, retail sales volumes fell by 2.8% in 2023 – the lowest level since 2018.**

Figure 6: Retail sales annual volumes fell for the second consecutive year

Volume sales, percentage increase on a year earlier, seasonally adjusted, Great Britain, 2013 to 2023



Source: Monthly Business Survey, Retail Sales Inquiry from the Office for National Statistics

International • Expanding Abroad

# More UK firms are looking to go global for growth

6 November 2023



When it comes to businesses expanding internationally, there have been some **significant changes in ambitions over the last 12-18 months.**

A HSBC report from November last year found that 10% of firms currently focused only on selling in the UK want to open up to overseas markets. **That's 2% more than the previous year.**

This represents nearly **half a million UK businesses** with global ambitions not yet selling overseas.



And, if you add in the businesses that said **access to more financial support or tax relief** would encourage them to operate overseas, the potential number of new UK businesses selling abroad would be around **1 million**.

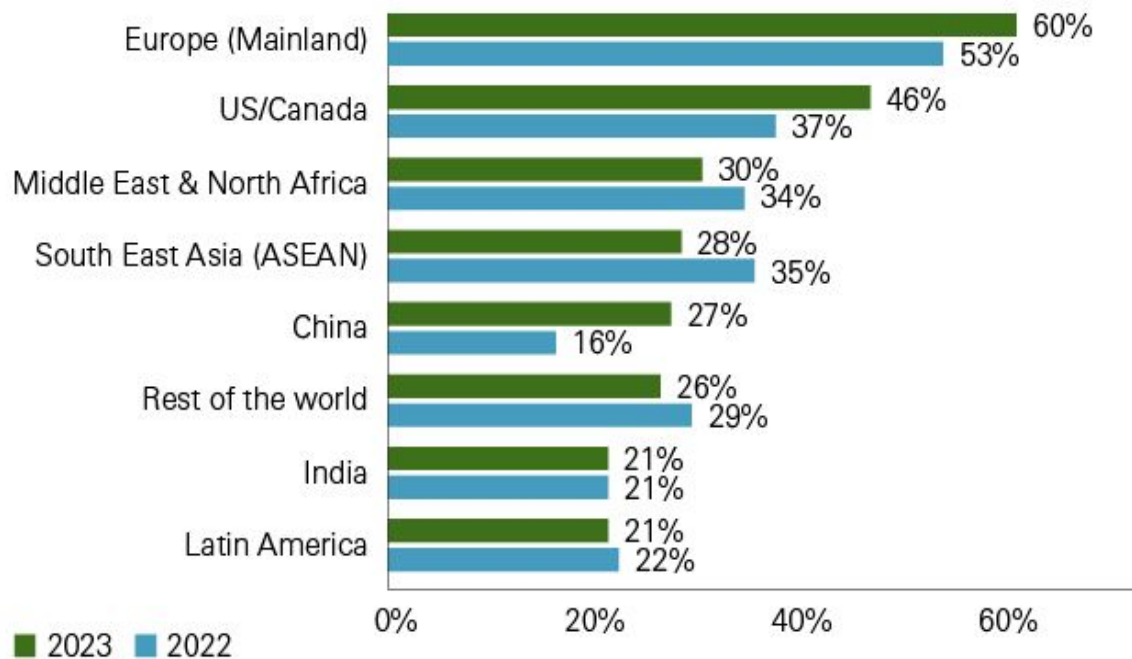


# Which countries are we expanding to?

In terms of where businesses want to expand into, **Europe is by far the #1 target**, followed by the USA.

I don't think there are many surprises here, although **China has seen an 11% increase in growth intention vs the previous year.**

Areas of future growth intention (existing international businesses)





UK businesses expanding internationally could create 1.9m new jobs in the UK, according to new report from Santander

- This would be **across a huge range of areas**, including tech and IT, logistics, and marketing – however, hiring is a challenge and finding the right candidates can be tricky!
- In financial terms, **£93.5 billion in revenue could be added to UK economy** if all of the SMEs with international expansion aspirations realised their plan

# What's driving international expansion?

Sticking with the Santander report, here are some of the main reasons businesses say they want to go beyond the UK market. Are you experiencing any of these?

- **Increasing cost of doing business**, such as increased energy bills, increased raw materials costs, and increased staff wages (31%)
- **Impact of customers spending less** (25%)
- **Increased competition** is making future growth prospects more challenging (24%)
- Difficulty in **finding adequately skilled staff** (20%)



# Mixing domestic challenges & new attitudes

If we pair these challenges with overall attitudes to international trade, it's clear many are looking to overseas markets as a means of economic recovery.

- 38% perceive international growth as the **way out of current UK economic challenges**
- 65% believe **international markets have greater growth potential** than the UK
- 36% say the current economic conditions have made **overseas markets more important**



# Common challenges & tips for expanding abroad



# There are 220+ markets to choose from – picking the right one is essential

- One place to start is by looking at **secondary data**. What's happening, and where are people investing?
- Find out the **most popular ecommerce product categories** in the market you want to sell to (use Google Trends, Amazon, and ahrefs to determine online interest)
- What are the **largest online shops** in the country selling, too? What price range?
- Top tip: Look at your **competitor's export markets** to give yourself for further ideas

# Understanding your target audience & target market is a must

- We're talking **buying habits, motivations**, language, **marketing channels**, and platforms
- Again go to **secondary data** – Statista, Euromonitor, or local government
- **Direct feedback from potential customers** in the target market is invaluable. Conduct surveys, focus groups, or one-on-one interviews to understand their needs, preferences, and pain points
- Explore **social media usage and popular platforms** in your target country. Each market might have different popular platforms. (e.g. WeChat in China, VK in Russia)

# Legal, returns, & customer service

- Ensure your **IP (such as trademarks and copyrights)** is protected in new markets
- Consider the **logistics of handling returns**, which might involve partnering with local return centers or with local logistics companies to reduce costs and complexity
- Be aware of the **legal rights of consumers** in each country regarding returns and refunds. Some countries have specific returns regulations
- Provide **customer service in the local language(s)** of the markets you're entering
- Offer various **customer support channels** like email, phone, live chat, and social
- Adjust your **customer service hours** to accommodate different time zones, ensuring that customers in overseas markets can reach you conveniently



# Choosing the right ecommerce platform will be a **game changer** *(we're Shopify advocates!)*

- Speed, reliability, compliance, logistics, payment providers
- Will it be a **multi site** that supports multiple languages and currencies? This is essential for providing a localised experience to users in different countries
- Will it be a **new site**, and will you need to look for a **vendor** with experience in creating websites for international audiences?
- Your website should be **scalable to accommodate the growth** of your business. Will it need to support brick and mortar?
- Implementing robust **tracking and analytics** to understand the effectiveness of your marketing strategies help you make informed decisions and continuous improvements

# Snüz<sup>®</sup> Case Study

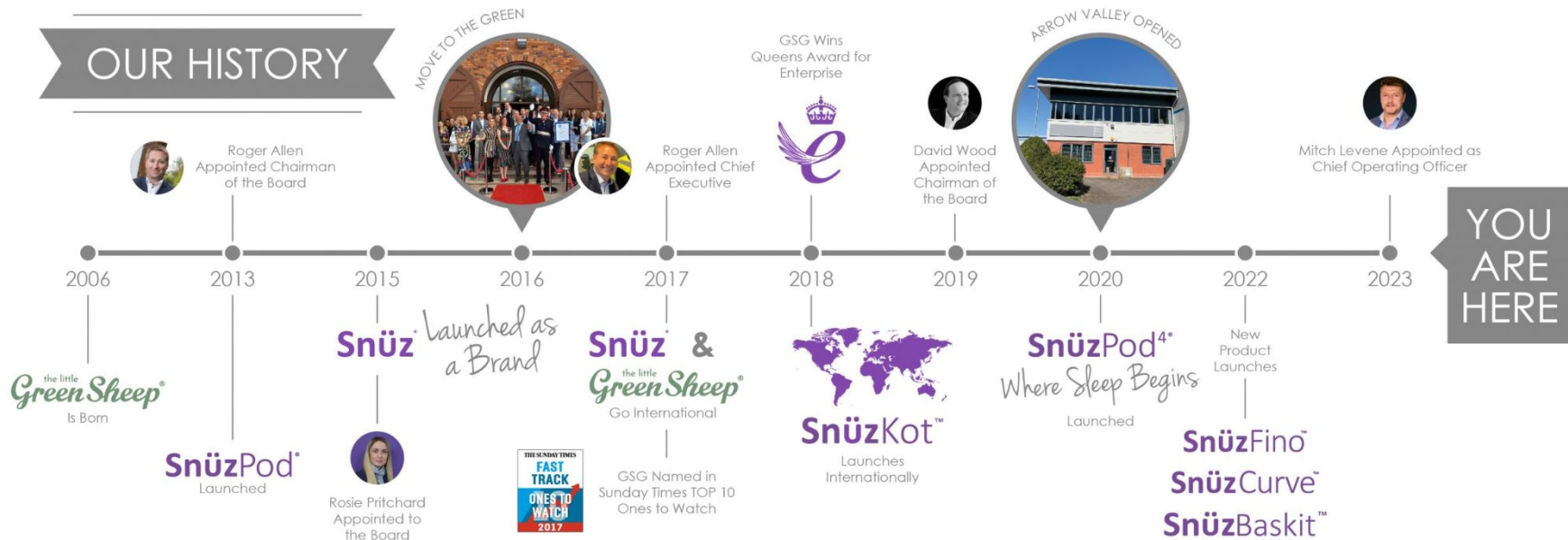
Replicating international sales success in the USA with an award-winning product.

- Snüz have been **selling internationally since 2017**
- **Strong UK brand presence** and diverse marketing strategy
- Launched in the US in **November 2023** across multiple channels



# Background to Snüz

*The leaders in baby bedtime with an award-winning range of products*



# The Snüz USA Case Study

## What were the reasons for launching in the US

- International expansion is a **key strategy** for the business
- The global **baby products market size was estimated at USD 320.65 billion in 2023**. It's expected to grow at a compound annual growth rate (CAGR) of 5.9% from 2024 to 2030.
- Aware of some demand in market, however legally unable to sell to US from UK due to **product compliance issues**.





# The Snüz USA Case Study

When did they start planning and when did they launch?

- Started planning **2 years** ahead of launch
- Launched **Sept 2023**
- From a product and compliance point of view, there were **significant changes** required to the product in order to meet the **US regulations which vary greatly from those in Europe.**



# The Snüz USA Case Study

## Who were the key partners they worked with?

- **3PL** - Crucial operationally and customer service wise
- **PR agency & Independant network** - helped us to understand the market and retail landscape and grow initial awareness
- **Amazon** - a massive channel for us in the US, we had a contact based in the UK that helped us establish an Amazon account over there and port over reviews etc

(When it comes to D2C and digital marketing, they used a lot of the same people we do in the UK)



# The Snüz USA Case Study

## What was the launch strategy?

Through a phased approach of launching into retail and then D2C, Snüz **built some core brand awareness that quickly translated into sales.**

- Built a network on Mom & Pop shop retailers
- Partnered with Amazon
- Defined and built a logistics network
- Built a new website on Shopify
- Engaged experienced marketing agencies
  - SEO & PPC
  - Social & influencers
  - PR





# The Snüz USA Case Study

## What were the strategic results?

- Reception of product has been **extremely positive**
- Took a **cautious approach** on entry, aiming to establish a presence & get operational, this worked well as we did not have huge revenue targets on launch
- Now operational launch has been achieved, we need to **initiate a phase 2 growth plan** to guide the future strategy for US
- Influencer and media landscape is a lot more commercialised than the UK which leads to **barriers with regards to earned content** which has historically worked incredibly well in the UK





# The Snüz USA Case Study

## What were the D2C results?

- **8 x ROAS** within the first 3 months
  - Targeting and competitor analysis
- Huge influx on **branded traffic**
  - PR and retailer interest
- Growing **non-brand traffic**
  - SEO strategy and promotion
- **% share of voice** in the online market
  - Consistent online presence



# A checklist for expanding overseas

<b>Market Knowledge</b>	Do you have a comprehensive understanding of the target market, including consumer behaviour, cultural norms, and market demand?
<b>Competitive Landscape</b>	Have you analysed local competitors and identified how your product or service fits into the market?
<b>Legal and Regulatory Compliance</b>	Are you familiar with and prepared to comply with the local laws, tax regulations, and business practices in the target market?
<b>Cultural Adaptation</b>	Have you adapted your product, marketing, and customer interactions to align with the cultural and linguistic nuances of the target market?
<b>Supply Chain and Logistics</b>	Do you have a strategy for logistics, shipping, and supply chain management that suits the overseas market?

# A checklist for expanding overseas

<b>Local Marketing Strategy</b>	Have you developed a marketing and branding strategy that resonates with the target audience in the new market?
<b>eCommerce and Digital Readiness</b>	Is your eCommerce platform and digital presence optimised for the local market, including language, currency, and payment methods?
<b>Customer Service Capabilities</b>	Do you have the resources and plan to provide effective customer service, including handling queries in the local language and time zone?
<b>Financial Stability and Resources</b>	Do you have the financial resources for initial investment and contingency plans for unforeseen expenses or market fluctuations?
<b>Performance Tracking</b>	Do you have a system in place to track your progress and success in the new market using relevant KPIs and metrics?

# What are the alternatives to expanding overseas?

Before I finish, I want to touch on some of the areas you can focus on to help improve UK performance, because we know it's hugely resource and cost intensive to expand overseas.

1. Analyse Your **Data**
2. **Optimise** Existing Assets
3. Embrace **New Channels**
4. Harness The **Power of AI**
5. Work with **UK partners**



# Key Takeaways

1. UK businesses are looking to international markets a form of economic recovery
2. There's an increasing appetite for international expansion
3. However, it's not easy!
4. Do your research, make time for planning and engage the right partners
5. Explore opportunities closer to home for more immediate gains

# Any questions?



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