

How US businesses can thrive in a fast-changing global market

A look at markets around the world, local consumer behavior, and actionable tips for growing beyond borders

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The cross-border e-commerce market is booming

Cross-border e-commerce was growing even before the pandemic struck. Lockdowns, travel restrictions and the wholesale disruption of existing brand loyalties over the last two years have given it a further boost.

Between now and 2026, the value of direct-to-consumer e-commerce sales made across borders is forecast to grow at a rate of [17% a year](#) to reach a total value of more than US\$2.2 trillion.

This trend can be seen in specific markets, and these figures are only likely to get bigger.

In China, for instance, shoppers spend almost US\$80 billion a year on goods bought from e-commerce merchants based in other countries [\[1\]](#). Southeast Asia already spends US\$25 billion with merchants selling cross-border [\[1\]](#).

In Eastern Europe and the CIS, the value of the cross-border e-commerce market is US\$12 billion.

In the Gulf States, it's US\$8 billion.

And in the Eurozone, it's US\$73 billion [\[1\]](#).

A massive opportunity for US e-commerce merchants

Of the top ten consumer brands worldwide, [seven](#) are American. Of all the world's countries, the US still has the most recognized and the most valuable "national brand" [in the world](#).

This advantage is the ideal springboard from which US retailers can jump into the global e-commerce market. But that doesn't mean that we can take success for granted.

To bring US goods and services to a global market, merchants must know how to adapt and localize. They must also know the pitfalls and opportunities unique to the regions and countries into which they plan to expand.

Let's look at the global e-commerce market in 2022 and how American merchants can maximize their chances of success as they enter new markets.

Footnotes:

[\[1\]](#) PPRO E-commerce and Payments Almanac

How fast is cross-border commerce growing?

In Europe – where consumers in places like the UK and Finland already spend significantly with US businesses – [25%](#) of 2020's e-commerce was cross-border. That's a 35% increase from 2019, bringing the value of the cross-border market to €146 billion. The increase for the previous year was just 3.3%.

In Asia-Pacific, the share of online shoppers buying goods from merchants in other countries rose from [50% to 75%](#). One recent survey estimated the region's total cross-border e-commerce spend to be worth [US\\$476 billion](#) – and rising.

On average, cross-border sales account for around [14%](#) of all e-commerce sales in Latin America. But in some markets, this percentage is already higher. In Argentina, for instance, consumers already buy [19%](#) of all online purchases from merchants based outside the country. A recent study of Latin American e-commerce predicted that the cross-border segment will grow by [94%](#) just between 2020 and 2023.

However, if US online marketplaces, brands and stores want to make the most of growth of e-commerce, they have to be prepared to compete in today's rapidly changing market.



The competition is fierce

Emerging e-commerce markets aren't, as they might have been even a decade ago, a clean slate waiting for someone to write their e-commerce story. They are already well developed and their consumers are highly discerning and demanding.

In 2020, for instance, China's cross-border e-commerce sales to consumers in other countries grew by more than [31%](#).

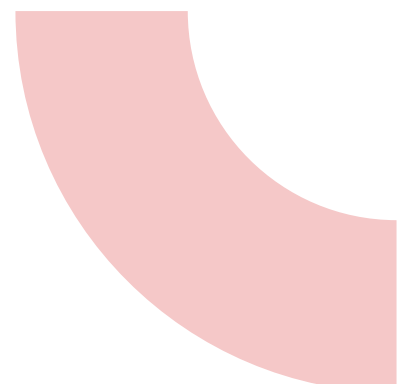
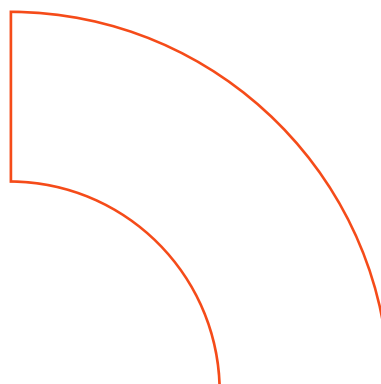
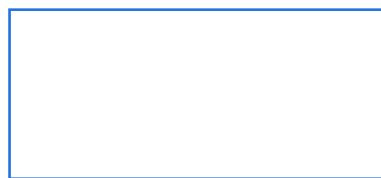
In Southeast Asia, the [ten](#) most-visited e-commerce marketplaces are all of local origin.

The story is similar elsewhere in the world. In Latin America, local e-commerce giant MercadoLibre is so dominant, that in the rankings of the region's top e-commerce marketplaces, it occupies spots one, two and three.

This is possible, because it runs different sites in different countries, and its Brazilian, Argentinian and Mexican sites are so popular, they dominate traffic for the region.

None of this is to say that breaking into global markets is impossible, or that the picture is a bleak one. When asked where they bought their last cross-border purchase, half of all Mexican shoppers, 47% of South Koreans, 29% of Japanese, 28% of Australians and Indians and 20% of Brits all say it was the from the United States.

The point is simply that merchants cannot take success for granted.





Consumers are more discerning than ever

Failure to prepare is preparing to fail, as the adage has it. One of the most common problems businesses encounter when expanding overseas is a poor understanding of local market conditions.

A recent study found that [between 35% and 45%](#) of what a consumer regards as a “good service” is contingent upon that person’s culture and background.

Another study, from 2020, [found](#) a strong correlation between a user’s nationality and whether they were likely to express satisfaction with a web site and leave a positive product review. In both cases, the need for deep local knowledge could not be clearer.

The more a merchant’s digital channels feel authentic to the shopper’s culture and meet his or her expectations, the more likely that shopper is to complete the transaction. Localization means optimizing every aspect of your site and your apps to meet local needs and preferences. This can range from designing your site to work with the device types most popular in the region you’re targeting to optimizing for local communications or payments preferences.

Footnotes:

[1] PPRO E-commerce and Payments Almanac

For instance, consumers in India complete 57% of transactions on a mobile device [1].

In India, [96%](#) of all mobile devices run Android. So not only would you optimize for mobile rather than desktop, you’d also optimize for Android first.

Localization includes offering payment options

A customer who reaches the checkout and payment stages is ... a done deal right?

Not so fast.

According to PPRO’s own research, the [majority](#) of consumers will abandon a transaction if they reach the checkout and cannot find a payment method they know and trust.

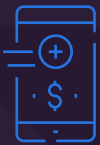


A global look at local payment methods (LPMs)

To ensure the best possible conversion rates, a merchant must offer a range of familiar and trusted local payment methods. However, this is not as straightforward as it sounds.

Almost 70% of Americans have a credit card [1]. Yet, globally, this is true of only 18% of consumers [1]. The gulf between what Americans are used to paying with and what the rest of the world does is huge. **And that matters.**

Locally dominant and preferred payment types in other global regions include:



Bank-transfer app:

an app the consumer uses to transfer money to the seller's bank account



Cash on delivery:

exactly as it sounds, the customer orders something online and pays when it arrives



Cash-voucher schemes:

the customer shops online but pays in store. The store transmits the customer's voucher number to the online retailer, which then ships the purchase



E-wallet:

a secure online account or smartphone app, often linked to a bank account or credit card, which can hold, transfer and receive funds

[There are hundreds of payment methods worldwide.](#)

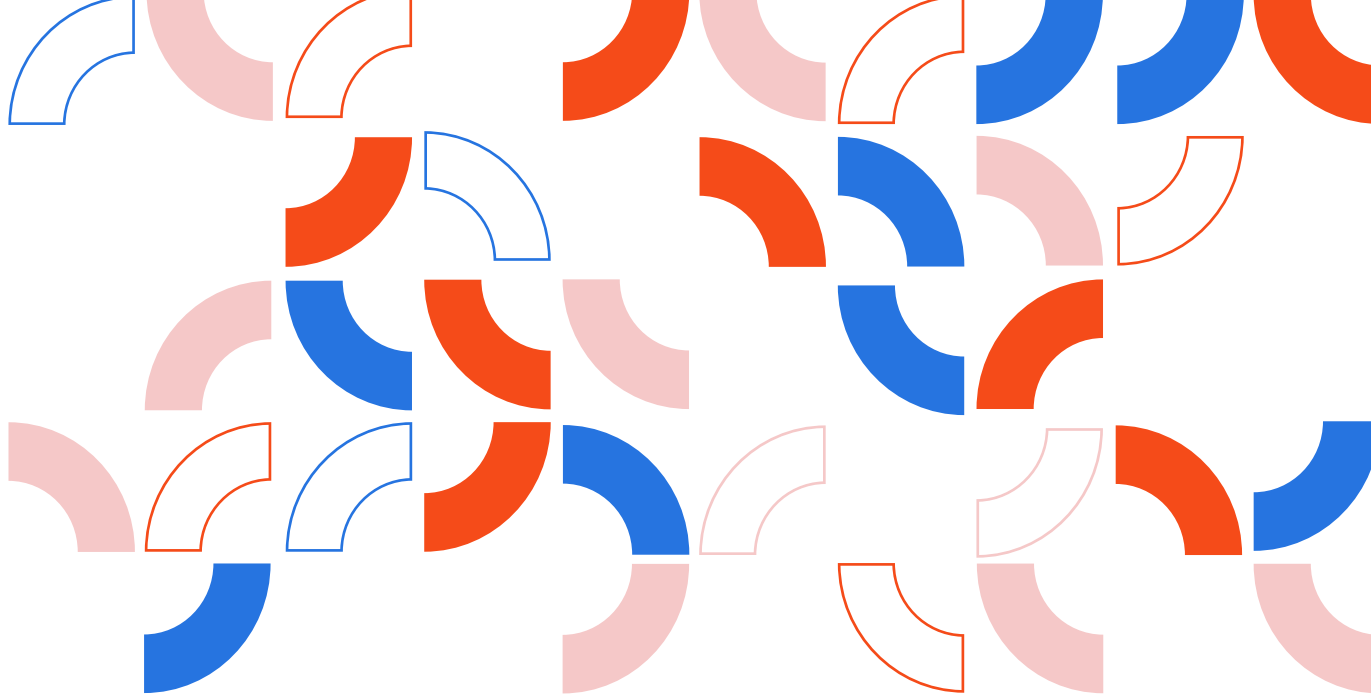
Failing to provide a payment method which customers know and trust hurts conversion rates. That's why merchants need to support local payment methods in every market they serve.

How global consumers pay today

The table below shows online payment methods, broken down by share of transaction volume. No single payment method dominates a region and even adjacent markets can differ widely in their payment cultures. Merchants expanding into new markets must know which payment method to use in each market, how to integrate it, and how to support it.

Please note: The card share includes local cards – like Elo in Latin American or UnionPay in Asia – which only support domestic transactions.

Payment method breakdown (%) by value					
Country	Card	Cash	Bank Transfer	E-Wallet	Other
Australia	52.5%	4.5%	16%	22%	5%
Austria	28%	4%	46%	20%	2%
Belgium	50.7%	5.7%	22.5%	14.4%	6.6%
China	22%	6%	13%	56%	3%
Finland	23%	2%	57%	14%	4%
France	55.3%	4.5%	15.7%	19.1%	5.5%
Germany	11%	4%	52%	25%	8%
Greece	54%	29%	10%	6%	1%
Hong Kong	43%	8%	13%	30%	5%
Hungary	44%	45%	5%	5%	1%
India	32%	17%	18%	26%	7%
Indonesia	34%	13%	29%	17%	7%
Italy	41%	8%	10%	29%	12%
Japan	68%	5.8%	12.5%	2.5%	11.1%



Payment method breakdown (%) by value					
Country	Card	Cash	Bank Transfer	E-Wallet	Other
Mexico	44%	21%	16%	16%	3%
Netherlands	19%	0%	65%	8.3%	7.7%
Norway	50%	3.2%	17.9%	14.2%	14.5%
Poland	25%	12.4%	47.5%	13.5%	1.8%
Portugal	38%	11%	13%	17%	21%
Russia	37%	15%	17%	28%	3%
Singapore	75%	4%	10%	10%	1%
South Korea	73%	1.7%	11%	12.4%	2%
Spain	49%	11%	13%	22%	5%
Sweden	45.6%	2.2%	24.3%	6.4%	21.6%
Switzerland	25%	2%	56%	16%	1%
Taiwan	41.5%	13%	18.5%	13.5%	13.5%
Thailand	26%	16%	24%	23%	12%
Ukraine	28%	60%	5%	5%	2%

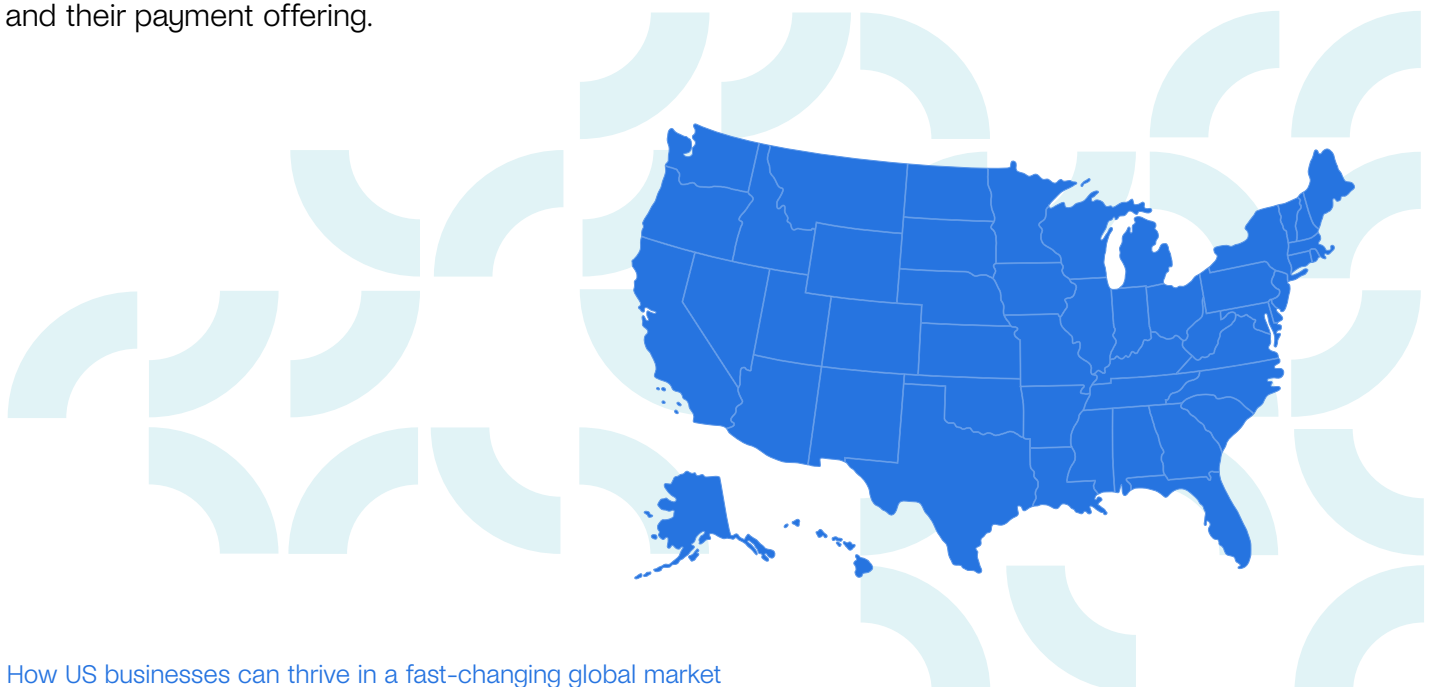
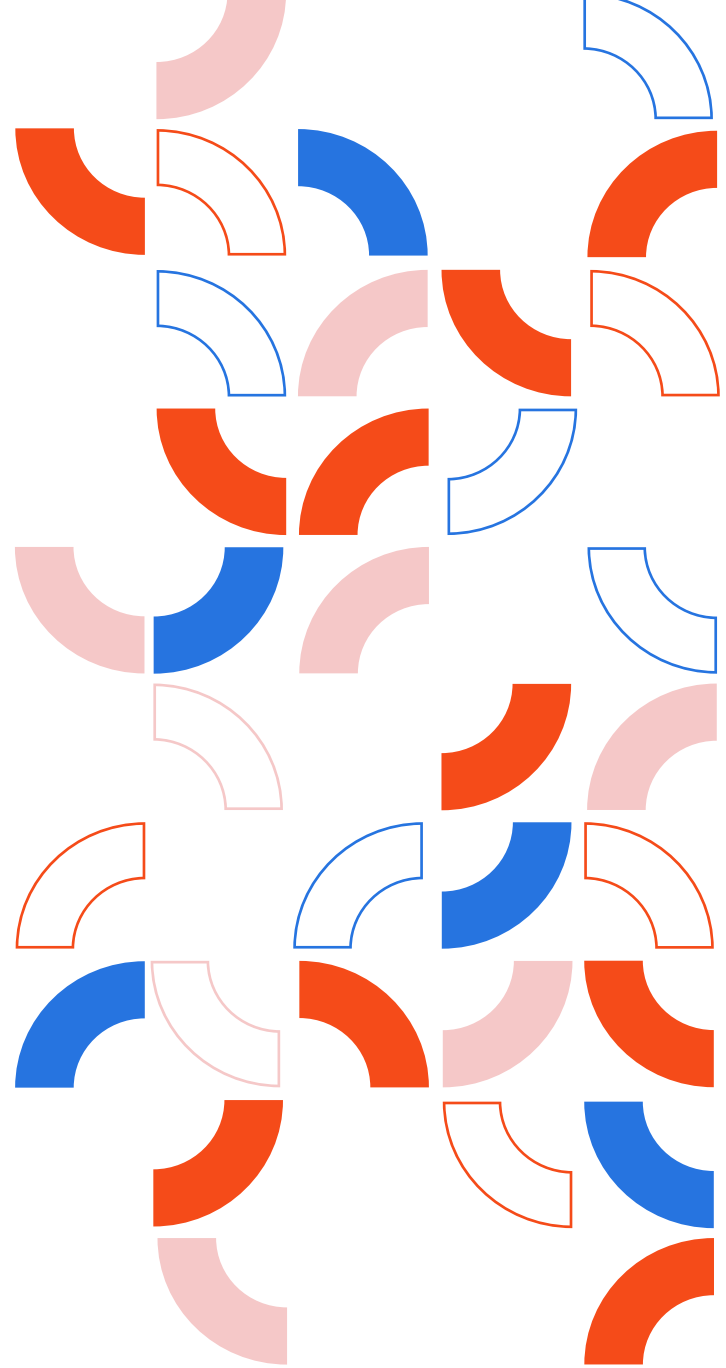
Key takeaways

Worldwide, the pandemic has shaken consumer retail behavior and brand loyalties that customers were already beginning to question.

Shaken loose from their established habits, shoppers are now more open than ever to trying new ways of buying and things to buy.

There's every reason to think that this will continue to be the case for the foreseeable future. That's good news. For merchants agile enough to evolve with the marketplace, this global state of retail flux opens the opportunity to expand into new markets and win new customers.

No nation's e-commerce providers are better placed to do this than America's. But to make it happen, they need to localize their services, their strategies and their payment offering.





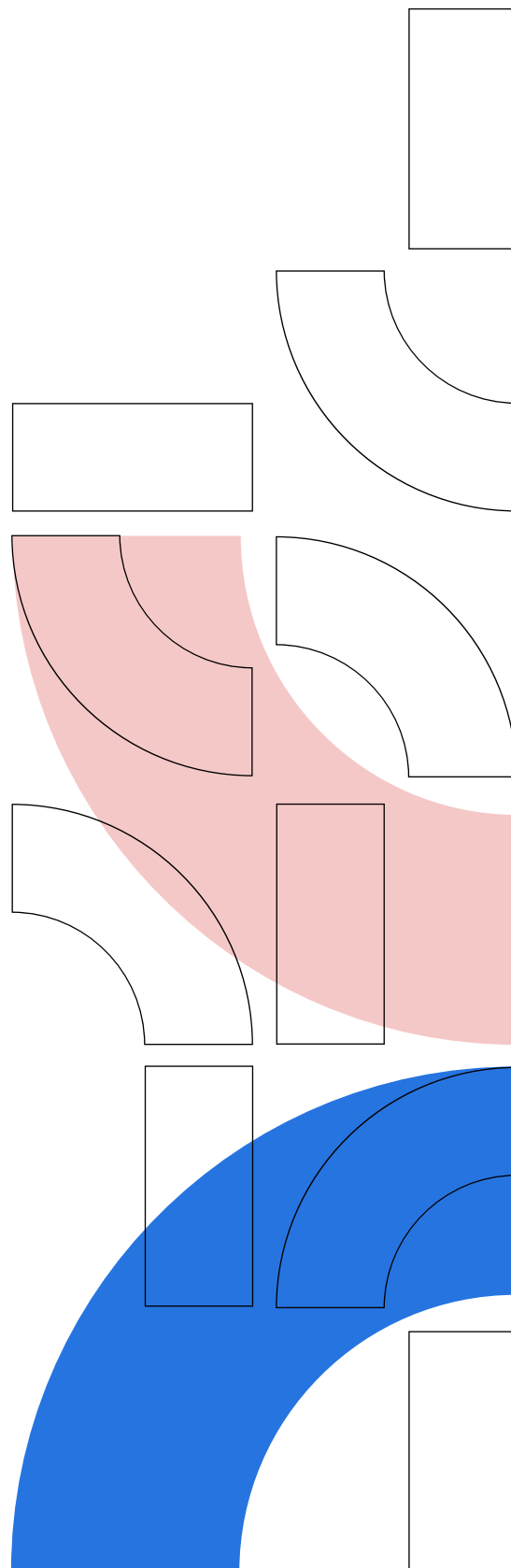
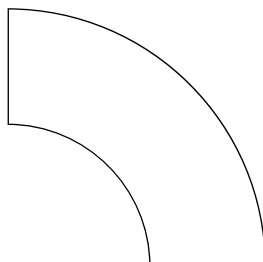
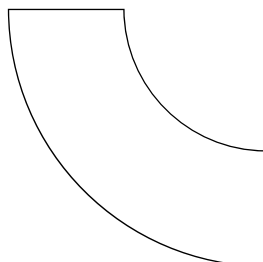
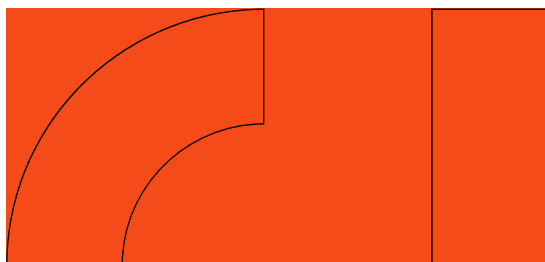


Partner with the pros in digital payments infrastructure

**We're PPRO (pronounced "p-pro").
We globalise payment platforms for businesses so they can offer more choice at the checkout and boost cross-border sales.**

Payment service providers, enterprises, and banks that run on our infrastructure are able to launch payment methods faster, optimise checkout conversions, and reduce the complexities of managing multiple fund flows.

Citi, PayPal, and Stripe are just some of the names that depend on us to expand their platforms beyond borders.



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