



5 Steps to Global Growth in an E-Commerce World

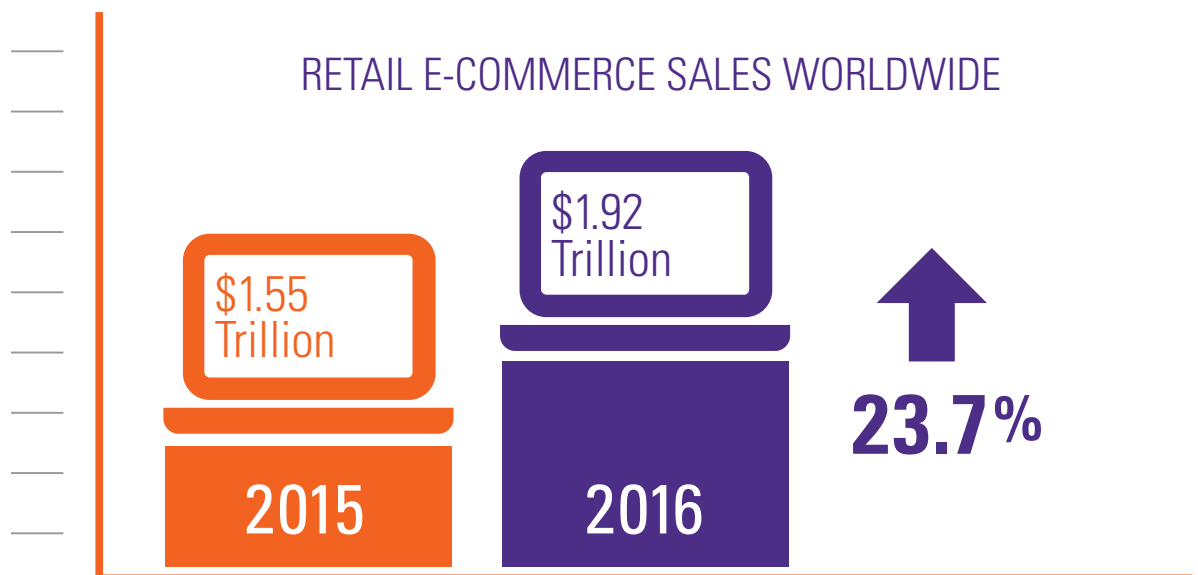
When it was first coined in 1989, the name “World Wide Web” could only be considered aspirational; in 2017, however, it is closer than ever to reality. According to the Digital in 2017 Global Overview report, more than half the world’s population now uses the internet – over 3.77 billion people.¹

As impressive as this figure is, the implications for global e-commerce are equally exciting, as it also represents a dramatic increase in internet use in developing and emerging regions. These emerging markets offer significant growth opportunities for businesses who are prepared to seize them. Because where internet usage leads, e-commerce will follow.

Online purchasing on the rise globally

Considering these trends in global internet penetration, it is unsurprising that the rate of growth of retail e-commerce has surpassed that of retail sales overall. According to eMarketer, digital sales were projected a growth rate of 23.7% in 2016 and are expected to account for 14.6% of total retail spending by the year 2020, in excess of \$4 trillion (US) worldwide.²

These predictions appear to be supported by a recent online survey conducted by Nielsen, in which 57% of respondents from 24 countries indicated they had shopped at an overseas website at least once in the six months prior to the survey.³



Source: eMarketer



China, India, & Indonesia among the fastest-growing markets

While already representing half of digital shoppers globally, the Asia-Pacific region seems poised to lead the pack in e-commerce growth in the immediate future. With just over 25% of their region's population making online purchases in 2016,⁴ there is plenty of room for expansion by the end of the decade.

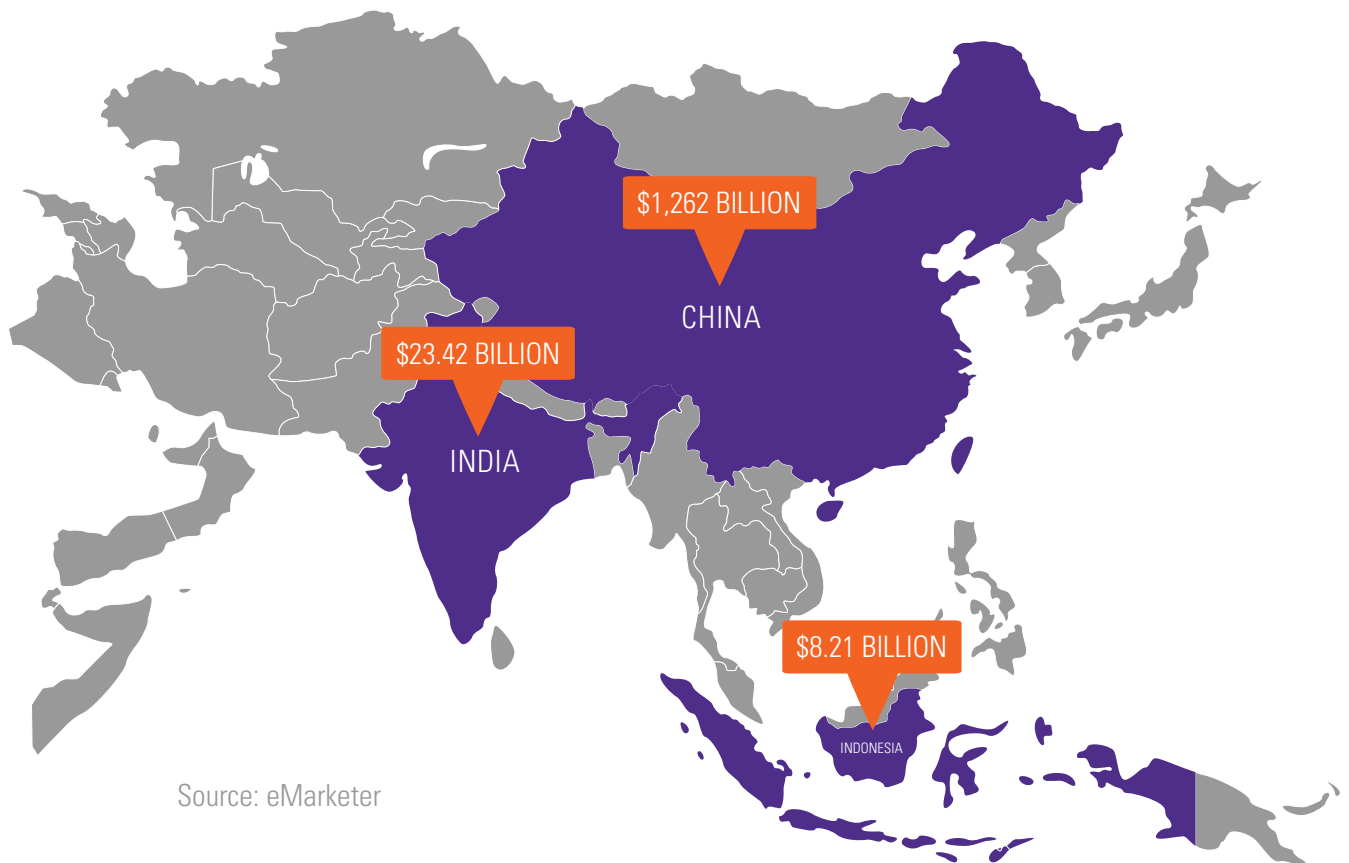
China has been identified as having significant potential for growth in e-commerce behaviour. Internet penetration in China increased dramatically from 16% in 2007 to an estimated 52% in 2016,⁵ with approximately 731 million internet users in total.⁶ The migration of hundreds of millions of people from poverty to the middle class has been a major factor in this development.⁷ Projected increases in income and greater internet access,

particularly in rural areas, and the emergence of mobile e-commerce, are expected to be important drivers in this trend.

India and Indonesia are also playing an important role in the growth of the region's internet use. After China, India is now the world's second largest internet market.⁸ The number of internet users more than tripled between 2010 and 2014 to greater than 300 million.⁹ A 2015 Morgan Stanley report suggested that the internet market in India could be valued at as much as \$137 billion by the year 2020.¹⁰ Indonesia is not far behind, with a projected internet market of \$130 billion within the same time frame.¹¹

Together, these markets represent an unprecedented explosion in internet use, and with it, a significant growth opportunity for global retailers and those poised for global expansion.

PROJECTED RETAIL E-COMMERCE SALES IN 2017 – ASIA PACIFIC



Source: eMarketer



Capitalizing on global e-commerce trends

As with any new business venture, a foray into global e-commerce will require strategy and planning. When looking to pursue global growth through e-commerce, there are five (5) considerations that businesses should keep in mind when drawing up their plan of attack.



Define what success will look like

Before expanding into a new market or channel, it's important to set clear objectives and determine what steps need to be taken to hit those key milestones. Defining success will help you map out resource requirements as well as a solid measurement plan to evaluate your progress as you expand your business. Hitting key milestones is important, but don't forget to also celebrate the smaller wins along the way!



Differentiate your business

Comparable products or services may exist in international markets, making it crucial to highlight how your business is unique and stands out from possible competitors. Whether it's pricing, quality, brand reputation or customer service, determine what it is that will make your company stand out from the rest and be sure that it's clear to your customers.



Go glocal

While there may be demand for your business on a global scale, how you go to market may need to be adjusted to meet local expectations within each country or region. This is often referred to as glocalization. This can mean adjusting timelines to account for seasonality or making currency or language updates to your website. It's important to adapt your product or service - and the way you communicate with your customers - so that your business integrates naturally into a new market and is positively received by your new customer base.



Choose the right partners

When expanding into new markets, your success will depend, to a large degree, on your extended business network. Seek out partners with experience and expertise that complement your own. FedEx offers a comprehensive range of services and solutions that make international shipping seamless and stress-free, connecting you to over 90% of the world's GDP in one to three business days. With proven experience and expertise in customs and international regulations, paired with exceptional, 24/7 customer service, FedEx takes the guesswork out of one of the most crucial aspects of e-commerce – fulfillment.



Get to know your customers

Perform a thorough research exercise to get a good understanding of your prospects and the potential size of the market. It's critical to have a solid grasp of any political, social, legal and/or economic factors at play that could impact how your business is received in a new market. While this can be a fairly extensive exercise, it's important to take the time early on in the process to understand your customers to set you and your business up for success.



A new market awaits

Expanding your business into a new market can be a very exciting and rewarding experience. Choosing the right players to support your investment is critical to success, and can help you avoid duplicating effort and resources. Ultimately the rewards can go beyond sales figures alone, opening the door to new customers and partnerships, and laying a foundation for your brand on the global stage. The growth of e-commerce in global markets continues to present opportunities for businesses and now is the time to act.

¹WeAreSocial and HootSuite - <http://wearesocial.com/blog/2017/01/digital-in-2017-global-overview>

²eMarketer - <https://www.emarketer.com/Report/Worldwide-Retail-Ecommerce-Sales-eMarketer-Forecast-2016/2001849>

³Nielson referenced by Forbes - <https://www.forbes.com/sites/greatspeculations/2016/01/20/global-e-commerce-becoming-the-great-equalizer/#6d9152e5773a>

⁴eMarketer - <https://www.emarketer.com/Report/Worldwide-Retail-Ecommerce-Sales-eMarketer-Forecast-2016/2001849>

⁵Internet Live Stats - <http://www.internetlivestats.com/internet-users/china/>

⁶South China Morning Post - <http://www.scmp.com/tech/china-tech/article/2064396/chinas-internet-users-grew-2016-size-ukraines-population-731-million>

⁷We Forum - <https://www.weforum.org/agenda/2016/01/3-great-forces-changing-chinas-consumer-market/>

⁸Forbes India - <http://www.forbesindia.com/article/special/india-is-now-the-second-largest-internet-user-market-after-china/43415/1>

⁹Morgan Stanley - <https://www.morganstanley.com/ideas/rise-of-internet-in-india>

¹⁰Ibid

¹¹The Straits Times - <https://www.morganstanley.com/ideas/rise-of-internet-in-india>