

Simplifying international e-commerce for small businesses

For many e-commerce-focused small businesses who could be active exporters, the idea of opening up e-commerce operations to international orders can seem daunting and impossible to do without completely re-vamping their website. Fulfilling a website order from Indiana or California is a straightforward process for most Illinois small businesses that practice e-commerce: the order comes in via their website, they pack the product and ship via their domestic carrier. Payment is accepted in US dollars through their usual payment processor and no additional steps are required.

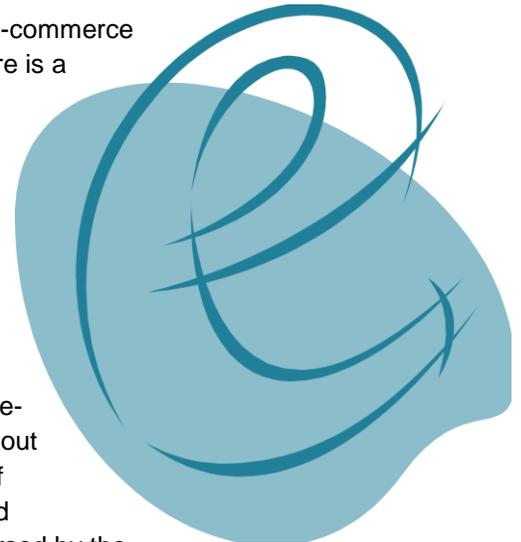
With an international e-commerce transaction, questions about customs duties, foreign taxes, accepting payment in foreign currencies and international shipping pop up. Small businesses often don't have the time or resources to answer these questions on their own and may incur additional costs to themselves or to their international customers if they respond to international orders inefficiently or incorrectly. Frequent scenarios include shipments being stopped at customs due to incorrect tariff codes and international customers refusing a package due to unforeseen customs duties collected upon delivery.

On the other hand, a growing volume of international e-commerce orders may make an in-house international shipping solution appropriate. As small businesses grow internationally, they will need to develop an internal understanding of international shipping procedures, customs processes and international e-commerce payment methods.

Simple international checkout options reach millions of additional customers

For small businesses that aren't ready to develop their own international e-commerce capability, but still want to serve international e-commerce customers, there is a range of options available today. International checkout platforms enable small businesses to serve customers in over 200 countries around the world, all while being paid in US dollars and avoiding having to deal with customs, international shipping and international taxes.

While the models for international checkout platforms vary, the basic concept is that an international checkout button similar to PayPal is integrated into your website. When an international customer clicks on it, they are taken to an online payment system that accepts their local currency and offers them local shipping options along with the option to pre-pay their local taxes and customs duties. Most models allow for this checkout site to feature the logo and look and feel of your own site. Then, instead of paying you directly, the international customer's payment is processed and accepted by the international checkout company and you are then reimbursed by the company, typically at a slight discount to account for the processing costs and the company's fee. In most models, you then ship the order to the international checkout company and it is forwarded to the international customer via their selected shipping option.



Additional services offered by international checkout companies include fraud protection, multilingual customer service, handling returns, assistance with international marketing and even international market research. Fees vary accordingly. Some international checkout models involve an upfront fee to the merchant, while others are transaction-based. Most offer varying levels of integration with your website and can do additional web development to support this.

For small businesses involved in e-commerce that are looking to grow international sales, international checkout platforms can present a good stepping stone to more active entry into a foreign market. If sales volume to certain markets via international checkout grows steadily, that may be a sign that it's time to seek an active sales partner in those markets.

Which international checkout model is right for your business?

Selection of an international e-commerce platform depends on the level of support that your international e-commerce business requires. If your international sales have reached a point where you need your website translated into the languages of your target international e-commerce markets, for instance, choosing an international checkout platform that offers support with this could be the best solution. On the other hand, if you've only had a few international orders and just want to 'test the waters', going with a basic, no-cost international checkout service could be more appropriate.

Here is the ITC's run-down on some of today's leading international checkout options:

iGlobal Stores	
Website	http://www.iglobalstores.com/
Advantages	allows you to ship products cheaply and directly from your location via the international customer's selected shipping option; guarantees customers' payments of local duties and taxes; offers fraud protection and customer service; integration of a simple hosted checkout with your website can take as little as 10 minutes
Fees	nominal upfront fee for integration; iGlobal Stores takes a commission on each international order that can range from 3.5 to around 15% of order value depending on volume

Global Shopex	
Website	http://www.globalshopex.com/
Advantages	reaches over 200 countries and virtually all forms of payment; multi-lingual international customer service; no long-term contract required from merchant; offer some marketing support; integration of system with your website can take less than a day and is embedded in your site
Fees	no upfront costs to merchant unless more sophisticated web development is desired; Global Shopex offers two transaction-based fee options: they either purchase the product from you at a discount or pass their fee directly on to the customer as a handling fee; their transaction-based fee is around 10% of order value, which can be split between the purchase discount and handling fee options

Interpay	
Website	http://www.gointerpay.com/
Advantages	system accepts 120 different payment products; international customer service in 16 languages; customers get a guaranteed currency exchange rate; wide network of shipping options; fraud screening service; website localization/translation service
Fees	no upfront costs to merchant and no transaction-based fees to either merchant or customer; all costs are pass-through (Interpay earns revenue from foreign exchange and payment processing activities)

Bongo Checkout	
Website	https://www.bongous.com
Advantages	system accepts over 90 international payment methods; global logistics and fraud management; multi-lingual customer service; US export compliance support; five integration options tailored to your website format
Fees	fees depend on chosen integration option; there are no upfront costs to the merchant and no transaction-based fees for the Bongo 'Extend' and 'Checkout' international e-commerce solutions: in the most basic 'Extend' model, your international customer registers for a free US-based address through Bongo and you ship the package to that domestic address, then Bongo takes care of the international forwarding shipment and earns revenue on their freight forwarding service

International Checkout	
Website	https://www.internationalcheckout.com
Advantages	ships to over 250 destinations and offers payment in over 30 currencies; multi-lingual customer service; handles returns; integration with your website can take less than a day – one of easiest integration processes available; streamlined, single-page checkout process
Fees	no upfront costs to merchant unless more sophisticated web development is desired; International Checkout offers two transaction-based fee options: they either purchase the product from you at a discount or pass their fee directly on to the customer as a handling fee; their transaction-based fees can range up to 20% of the order value and can be split between the purchase discount and handling fee options

Borderfree	
Website	http://www.borderfree.com/
Advantages	reach over 100 markets; offers website localization/translation; fraud and risk management; handles returns; export compliance support; management of international marketing strategy and promotional campaigns; international market research and insights; best fit for mid-sized businesses
Fees	significant upfront implementation fee plus 10% revenue share of USD sales volume; monthly sales volume minimums required