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The Retail Hive: Country Spotlights



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Germany

- Germany is a tricky market with a lot of nuances, both linguistically and marketing. They have a difficult language to master with direct and non-direct translations, which will make a huge difference to your sales and conversion.
- As a region they can be meticulous and will often read all the details on your website, so its important to make sure all your fine print is in order.
- Using local or regional distributors can be a good option for entry into Germany, as they have a local knowledge and understanding of the culture.
- Not as many Germans speak English as you would expect, and they are used to shopping on German sites and seeing German only brands. So to grow in Germany, translations is key.
- German's are nationalistic in their purchasing patterns; they prefer to go with German brands which you must take into consideration when expanding out there. International shopping comes with some hesitation.
- Amazon is huge in Germany and it's one of the biggest eCommerce markets in Europe, so Germans are used to shopping online.

Middle East

- The Middle East is a high value marketplace particularly for luxury, but don't expect it to be a golden goose, there is a very discerning customer. It is, therefore, vital to know the customer.
- Big development in physical retail stores, with a lot of competition.
- It's very important that you can align to your customer, with a real understanding of their nuances and your approach should reflect this. You have to be on the same page, and ultimately "speak their language", be relevant and personalise the experience for them with products and content.
- There has been an explosion in demand, so much so that they have to turn off promotions. But the carrier's can't cope with this.
- Customers are open in preferring the COD or payment on delivery which is working extremely well. In some cases 80% of orders require COD. But this comes with some risk, you find recipients not being in, carrier issues and low basket value.
- Delivering to a specific address is a challenge, as it can cover a vast area, making it difficult for couriers. Best way to address this is having the mobile number of the customer and using GPS as a location finder
- Infrastructure is also a challenge, with an immature eCommerce market building trust is extremely important. Innovation is also important, so adding more carriers, having dual carrier solutions and being aware of spikes for celebrations such as EID or spikes in sales in regions such as Kuwait is important.
- Likely to 'test' new brands. Order a low value item, and once the order has arrived they will order a high value order.



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USA

- The US market is huge, with a lot of potential. In order to be successful there must be a plan.
- Most of the growth in the US market is through international retailers and brand shipping rather than US domestic eCommerce growth.
- Exporting in from Europe can be cheaper and more efficient than from LA to NYC, as you only have pay one flat rate rather than internal extras such as residential deliveries.
- One strategy could be to open a US operation with dedicated DC and avoid the movement of stock from one source in the UK and then on again to the US.
- Another consideration is around the high cost of duties and taxes and whether you will be competitive in the US. Your business will have to compete on price and have a large media budget to compete on brand visibility.
- You will need strong partnerships to provide you with access to existing pools of customers. If you do establish a partnership, then you will need to keep your partners updated to keep in line with your own brand product, pricing, market activities etc.
- Organic sales can be driven by awareness raised by a local flagship store.

Asia (Japan, China and South Korea)

- Stop treating China, Japan and South Korea as one region. They are very differently linguistically, have different platforms and cultures.
- If you have a strong international brand, you should test out using paid search before launching a fully localized website. This helps you get an idea of what pages your customers react to, and helps you build out a strategy accordingly.
- Once you have a localized websites in these areas your customers are very sensitive towards language, meaning that you must get in perfect.
- Brand loyalty is also very important in these areas.
- Luxury retailers are usually reliant on travelling Chinese customers, but as travelling has stopped there has been a shift back to buying domestically in China. While travelling is still limited, you should take this into consideration.
- The Chinese market is different to South Korea/Japanese market. Chinese websites are better built out by brands, when compared to Japan and South Korea.
- What channels should you be focusing on, and where should you be driving customers? It's all about your brand, and how you want to interact with your customers.
- T-Mall's are often a must in China, but there are a lot of rules that you must get right. You are stuck, which can be difficult for luxury brands.