

# STRATEGIES FOR GROWTH

## Lessons in expanding to new territories



Including Case Studies on



STYLEBOP.com

FORZIERI

# Editor's introduction

In the highly competitive online retail sector, the need for growth is imperative. Yet achieving that growth today can no longer be done simply by focussing on just domestic market expansion – retailers need to look further afield.

In the UK, a combination of fierce competition among retailers, between high street retailers and the internet and the ever-present nascent changes to be wrought by Brexit have all seen retail face some of its biggest challenges in decades.

Technology, too, has shifted how shoppers want to purchase and what they want from retailers, further driving competitiveness in the retail world.

However, this technology also offers retailers the unprecedented opportunity to expand overseas with an ease not seen before – the playing field is, perhaps, more level than it has ever been when looking to grow.

While for many UK retailers this expansion and growth overseas has meant looking to Europe, today those horizons have to be wider still, with many now looking at the greater opportunities across Asia-Pacific (APAC), the US and some lesser-known emerging markets.

However, starting up in new geographies is not as simple as just setting up a website, opening a store, or finding local partners. The reality is that it requires strategic thinking and tactical adeptness. It requires local knowledge and insight, as well as an understanding of local customers and more. And most

of all it requires understanding how to leverage all that knowledge to create the right marketing strategy to begin sales and to maintain growth.

So how do retailers achieve all this? In this eBook we shall look at the underlying drivers for expansion, the strategies needed to make that happen, as well as the challenges and benefits of using digital marketing to open up and then gain a strong foothold in these markets.

Based around the expert input of the eBook co-sponsor Rakuten Advertising and hearing from several ecommerce players who have made this journey, we have created a playbook for ecommerce companies looking to grow and flourish.

Based on expert views, inside knowledge from the coalface of global retail expansion and through extensive research, we shall lead you through the steps you will need to follow to develop an overseas expansion plan, as well as offering sound tips and hints from those that have actually done it. ■

**PAUL SKELDON**  
MOBILE EDITOR,  
INTERNETRETAILING



# Sponsor's introduction

Consumer expectations are constantly evolving and meeting these is increasingly hard to achieve. This is particularly true in the competitive world of online retail, where global growth can be stunted if retailers fail to recognise consumer trends and meet emerging requirements.

Savvy retailers know that, in a permanently connected world, expectations aren't fashioned solely by consumer interactions with your brand. Expectations are also set by other companies and technologies.

Likewise, new standards of consumer experience aren't shaped wholly by interactions with and comparisons to your direct in-vertical competitors. Instead, expectations and the perception of a satisfactory customer experience stem from the service provided by pioneers such as Uber and Apple. Simply put, consumers go through a pleasing experience, develop resulting expectations, and place these into all subsequent interactions they have<sup>1</sup>.

With 80% of consumers<sup>2</sup> considering their experience with a company to be as important as its goods, having a great product is not enough. Offering unrivalled customer experiences, reflective of and deferential to local customs, becomes paramount if you're among the 236,000 UK businesses<sup>3</sup> exporting abroad.

Competition is a huge challenge when looking to expand and grow overseas. Regaining control over your international consumers' understanding of your brand is often found in finding the right partners.

Due to the evolution of ecommerce platforms, translation tools and freight forwarding, shoppers actively seek out products from UK retailers<sup>4</sup>. However, venturing into new territories requires local expertise that you may initially lack. Additionally, to deliver the right consumer experience at scale globally, you'll want to consider investment in the right technology.

As evidenced by the success stories of FitFlop, Stylebop.com and FORZIERI featured in this report, we routinely facilitate retailers tapping into lucrative markets overseas – aiding the creation and implementation of a fitting marketing strategy to break into a new region and accelerate success.

At Rakuten Advertising, we have access to the Rakuten, Inc. ecosystem of 1.2bn members and dedicated R&D divisions<sup>5</sup>. Through the combination of unique data, AI and expertise, we can help you intelligently deliver the right message when it matters. ■

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**Rakuten**  
Advertising

Nicholas Fletcher, Country  
Manager, UK, Rakuten Advertising

# The commercial drivers of growth

All businesses need growth to survive and flourish. For UK retailers much of that growth has come domestically, over many years, and, in more recent times, has also been driven by the rise of ecommerce.

However, more recently the retail sector has faced some challenges. Changing consumer shopping habits – driven and facilitated by the web, mobile and social media – have seen traditional models of retail in stores come under fierce competition.

Coupled with this, the rise of the digital retail model has driven prices down and many retailers now not only face competition for their customers in terms of channel, but also in terms of price. Add in the growing uncertainty of Brexit, which is already hitting spending and hampering domestic retail growth, and the challenges faced by retailers are substantial.

So, how and where should retailers be looking for growth?

### Where to look for growth

While the internet has been one of the causes of the current tumult in retail, it is also one of its solutions. The internet, if you want to be idealistic about it, knows no borders and democratises access to shoppers anywhere that there is a web connection, smartphone, or even smart TV.

Research by Rakuten Advertising<sup>1</sup> shows that not only do 48% of UK shoppers already shop online at

overseas web stores, but, more tellingly, 58% of international shoppers want to shop globally, with 99% of Singaporeans having done so regularly.

According to the Economist Intelligence Unit<sup>2</sup>, retail sales in Asia and Australasia are worth some US\$8 billion, those in North America more than US\$4 billion and Eastern Europe around US\$1.5 billion. More tellingly, it finds that retail growth in these three regions between 2019 to 2020 lies at 4%, 2.6% and 2.3% respectively.

Expanding internationally clearly holds the key to retail growth for many retailers – but the world is a big place: so where should retailers be looking? The first element of expanding overseas to drive growth lies in understanding what you sell and what hunger there may be for it elsewhere.

Some retailers may well already be seeing sales going to overseas markets of some of their inventory and this is clearly an excellent starting point to look to expand. If, however, you are not in the position, it pays now to look at the opportunities that lie in foreign markets that are already showing an interest in UK goods.

Europe – and the EU in particular – have long been the biggest export market for many UK retailers and, even post-Brexit, they are likely to continue to be so. The chances are, if you are selling internationally you are already selling into the EU. But looking beyond this region, there are many opportunities out

there in the wider world – opening up some markets that are already ripe for expanding into, and which could offer even greater riches than those on the UK's doorstep. Here are three key areas:

### Central and Eastern Europe

As data from The Economist Intelligence Unit suggests, retail growth in Central and Eastern European markets is about a percentage point higher than that in Western Europe – a tight margin of difference. However, when looking at multi-billion dollar markets, even a percentage point offers lucrative returns.

According to research by Research and Markets in 2018<sup>3</sup>, while the Eastern European online retail penetration figures are below the average of other European nations – standing at around 5% – they have a huge growth potential as internet connectivity and online shopper numbers increase. M-commerce and social media purchases are also set to spur online sales growth in the region.

The report points to Turkey as an example of these trends in the region as over half of online shoppers there make purchases through smartphones, and a similar share buy items or services through the likes of Instagram and Facebook.

Other notable markets in the region are Poland, the Czech Republic and Ukraine – and of course Russia. However, these markets are looking increasingly to China for ecommerce. That said, there is still a huge opportunity for UK retailers in these markets.

### China and APAC

China and the broader Asia-Pacific region – including Australasia – (APAC) are ecommerce growth hot spots, with the Economist Intelligence Unit showing the region's ecommerce growing by 4.1% in 2019 and forecasting 3.1% in 2020.

This growth comes on top of these being huge ecommerce markets that have grown domestically and then looked outwards for more goods.

Mobile, too, is having an impact. According to Rakuten Advertising's report *The 2019 State of ecommerce, Asia Pacific*<sup>4</sup>, mcommerce has eclipsed desktop, or laptop, sales in five out of nine APAC markets and as a whole region, accounts for a larger portion of total online sales (46%) compared to desktop or laptop purchases (41%).

Throughout APAC, in-store purchases continue to account for the largest portion of total retail at 53%, says the study.

China is a particularly interesting example of this, with its rapidly expanding middle class driving an ecommerce boom.

According to eMarketer<sup>5</sup>, online retail sales will grow 27.3% to \$1.935 trillion in 2019. That is by far the largest market in the world, more than three times the size of the US ecommerce market. China has a 54.7% share of the world's ecommerce sales, while the US has just 16.6%.

Within this, there is a growing consumer trend for 'Buy British', with UK goods seen as 'classy' and superior.

For this reason giant Chinese marketplaces Tmall, Alibaba and

JD.com are going out of their way to make selling into China for UK retailers easier than ever.

Back in 2018, Chinese marketplace JD.com – China’s largest retailer – to agreed plans with the UK government to sell £2 billion of UK goods to Chinese consumers in the next two to three years<sup>6</sup>.

The Chinese marketplace also inaugurated a special freight train that runs from Hamburg in Germany to Xi’an, the capital of central China’s Shaanxi province, where JD operates one of its most important distribution hubs for cross-border imports. This halves the 35 days taken by sea, the route traditionally favoured by European producers to get their goods to China.

### North America

North America is where ecommerce was pioneered and as such is the prime market, second only to China. However, it is very well served with its own domestic retailers and so cracking the US market comes with unique challenges – but they aren’t insurmountable and overcoming them can prove very lucrative.

To give an idea of the size of the market, the US Department of Commerce estimates<sup>7</sup> consumers spent \$513.61 billion online in 2018, up 14.2% from 2017. Total retail sales increased 4.1% to \$3.63 trillion, according to its figures. It goes on to suggest that ecommerce represented a growing share of the retail market in 2018, taking a 14.3% share of total retail sales last year, up from 12.9% in 2017 and 11.6% in 2016.

More significantly, ecommerce sales represented more than half, or 51.9%, of all retail sales growth.

Back in 2016, research by PayPal found<sup>8</sup> that more than 30% of the online shoppers from the United States have made at least one purchase online from retailers based overseas. Changes made to US regulations in 2015 made it considerably cheaper and, in most cases, tax-free for US shoppers to purchase from foreign merchants online.

For UK retailers, the key to selling into the US lies, as with China, in selling something that they don’t get at home: brand Britain. The falling pound, post-Brexit vote, has also made it even more attractive to sell these things into the US market and retailers that can overcome the shipping details can make significant gains stateside. ■

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Image: shutterstock.com/Krunja



## Overcoming the challenges of overseas growth

Naturally, there are opportunities aplenty in trading cross-border for UK retailers, it does come with challenges that need to be overcome. While it is possible to simply use your existing UK website, this offers several shortcomings, especially with non-English speaking markets. Areas to be aware of include:

- **Localisation** – Create websites in the local language and host in the local region, priced in the local currency to target any overseas market. Even US shoppers will want the site they access to be written in American English and priced in dollars. For China or other countries with less shared heritage than North America, it is imperative to offer local language options and take payments in local currencies – using the payment tool of choice: for example, PayPal in the US or Alipay in China.
- **Shipping** – As with domestic ecommerce, overseas websites need to offer a range of shipping options, from costly 'express' options – possibly even by air – through to slow over-land shipping. It also pays to be able to offer customers the ability to track that package as it winds its way across the globe: it is coming from far away, so customers need perhaps even more reassurance as to where their package is.
- **Returns** – As with shipping, returns are also vital to have in place. Often, when looking overseas for sales growth it pays to have local shipping and local returns in place to make it as easy as possible for the customer, even if that adds complexity for the retailer.
- **Prices, costs and tariffs** – Pricing for sales overseas can be challenging, having to factor in the extra costs to cover not only the costs of localising a website, handling currency conversion and shipping, but also to make sure all tariffs and taxes are also covered. It pays to be upfront about all costs at the point of sale. It also means being sure to cost out how much expanding overseas may really cost – and whether you can recoup that cost with extra sales.

# Growth strategies

With the imperative for international growth for many online retailers a given, the question remains as to how to achieve it. Some, of course, will be organic – with existing sales in new territories potentially leading to the early steps to international growth on their own.

However, to drive proper expansion, any retailer will need to look at how to make customers in new target markets love their brand and their products.

This is where modern retailers can make full use of influencers and affiliate marketing networks, allowing for the right people to start talking about your brand and reach your target audience.

Before this, however, there are some basic strategic imperatives to expanding internationally.

## Where to start

The key part of international expansion and growth lies in knowing where to start. For many retailers, international markets reveal themselves organically, with some – and often increasing – traffic coming to the domestic website from certain markets.

This makes for an ideal place to start, as the markets have essentially identified themselves to you, the retailer.

The other starting position is to look at where you see a gap in the market for your products, or simply where you believe – based on your own product research – you could see sales growth. Once the regions are identified the

real fun can begin: opening up those markets to your products.

And it pays to ‘start simple’. Using a host of local marketplaces in various regions, as well as local affiliate networks, offers the simplest way to get started, with the least risk and the ability to let the marketplaces, networks and publishers, to varying extents, promote your products for you.

However, many retailers may want to build their own customer base directly – and this is where strategic marketing really starts to have an impact.

## Getting the love

Once target markets have been researched and identified the next step lies in marketing. Increasingly, brands and retailers looking to grow overseas are turning to influencer marketing through affiliate networks, coupled with extensive analysis and refinement to grow.

Research by The Influencer Marketing Hub<sup>1</sup>, suggests that influencer marketing is set to be worth more than \$10 billion globally by next year. Moreover, 82% of consumers say they are ‘very likely’ to act on the recommendation of an influencer they follow.

Tapping into such niche audiences is crucial to the results you’ll achieve when working with influencers. With more than 50% of consumers saying they consider the influencers they follow to be an extension of their



circle of friends<sup>2</sup>, it is clear that what feels like a personal relationship is vital. Yet how do you do that at scale and in new markets?

### **Finding influencers**

Most retailers and brands don't have the scope, or time, to build their own cabal of influencers in new markets. Instead, they need to partner with third parties that *can* find those influencers and cultivate them.

For starters, the influencers need to align with your brand values, as well as be connected to people who also share those values. They must be transparent with sponsored content, have legitimate, non-bot followers and be able to set up and track key performance indicators (KPIs) that accurately value the impact of the investment in influencer programmes.

The influencers also need to be able to establish the right kind of emotional connection with people, to help tell your story. Intelligent influencer selection relies on getting the right influencers who not only uphold brand values, but which can also tell your story with passion.

Most influencers live on media-driven social platforms – and that is where potential new customers will find them. Instagram is the most popular social platform, with 65% of consumers saying they follow their favourite influencer on the image- and video-driven social media network. Facebook and YouTube were tied for the second most common at 62% each.

YouTube was the most popular

platform used by men to follow influencers. Sixty-four percent of males use this platform, which aligns with the type of influencers they follow the most – gamers.

Female consumers, on the other hand, primarily use Instagram (70%), which provides a good balance between images and video and can deliver a robust experience for beauty and fashion.<sup>3</sup>

### **Impact of influencers**

The obvious way to assess how impactful your strategy is being is to look at rates of discovery and sales directly related to that strategy. Research by Rakuten Advertising<sup>3</sup> shows that 41% of consumers find at least one new brand or product from an influencer weekly, with 24% saying they do so daily. Fewer than one per cent of respondents said they “never” discover a new brand or product through an influencer, and only 10% said it happened less than once a month.

That means that 65% of shoppers are discovering something with high frequency, leading to brands being presented with many opportunities to reach new consumers through influencers. Influencers are valuable sources of inspiration for shoppers looking to get ideas on products to buy.

And it is that buying that is vital. The same survey shows that four in five consumers globally make a purchase recommended by an influencer through clicking on a link or image that was shared, while 88% of consumers surveyed have been inspired to purchase based on what they saw from

an influencer.

More specifically, 83% of US men are inspired this way, sitting just below women at 89%.

This also raises a new perspective on influencers. In the past, many marketers have felt that influencers were good for building awareness or inspiration but not necessarily good for getting the consumer to convert right then and there.

Consumers, however, are telling a different story – they will click through a post and make the purchase if the product is right. This leads to new opportunities and potential for both influencers and marketers going forward.

And these influencers also transcend regions. The study shows almost 70% of consumers follow an overseas influencer. A question many marketers will need to ask themselves is not “how will this affect our sales if we’re getting traffic from other countries via influencers”, but rather “are we prepared to deliver a borderless shopping experience for international shoppers?”

Though each region follows international influencers differently, marketers must consider who they’re reaching when they partner with influencers – and if it’s possible to win the business of those international consumers.

For brands with a more limited reach or brands with small (or no) expansion goals, this may not be a priority.

However, for brands looking to successfully expand their business internationally, they’ll want to take extra consideration in creating a seamless experience when customers engage with an influencer that in turn brings them to

an international site.

### Measuring their impact

Understanding how effective influencers are being relies not just on assessing shopping habits, but also on a range of other KPIs. These allow brands and their marketing partners to assess, on an ongoing basis, how the influencer campaign is performing. This also allows brands to analyse where campaigns need adjusting.

Just looking for likes is not the answer. ‘Likes’ are arbitrary and can be ‘gamed’ by influencers. More powerful metrics, some of which can be expensive to measure, include purchase intent, brand affinity or sentiment. Easier metrics to track include reach and brand awareness, as well as conversions to either a lead or a sale.

However, brands and influencers must agree on how to best track success. For example, a recent study by InfluencerDB<sup>4</sup> indicates that the average engagement rate for sponsored influencer posts in Q1 of 2019 fell to 2.4% from 4% in just three years. With declining engagement on Instagram, the platform, influencers and brands need to get creative with content and measurement. ■

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## CASE STUDIES: GROWTH STRATEGIES IN PRACTICE

### FitFlop drives awareness in the US and EU

The world needs more shoes that are engineered for comfort and have uncompromised style. This is the mission of footwear brand FitFlop, which is turning to sophisticated influencer marketing – and the measurement thereof – to grow in a range of new territories.

Fitflop was founded in 2007 by entrepreneur Marcia Kilgore with the mission of getting people to lead active and fulfilling lives through its innovative footwear ranges. With steady and impressive growth in the UK, the company has been looking since 2011 to scale its reach in the US, Canada and Europe through a combination of traditional marketing alongside influencer marketing in these target areas.

As data science and marketing tech has evolved, so have FitFlop's strategies. Today, the company runs sophisticated and highly measurable campaigns using Rakuten Advertising's data platforms including the influencer platform, cross-channel reporting capabilities and data from the affiliate network.

This combination working in tandem allows FitFlop to understand the value that influencer marketing drives across the full customer journey for future investment.

John Sadeghipoor, Global Head of Digital Marketing at Fitflop explains: "We focused on growing our core UK audience with additional investment



Image: FitFlop

in US and Canada – which are rapidly overtaking as our biggest combined '.com' markets – as well as Germany, which has huge potential and the highest growth YoY.

"[This is] to drive awareness through upper-funnel tactics working with influencers, new test platforms – Rakuten Advertising's Influencer Network, YouTube, Outbrain and others," he says.

Fitflop was looking to reach new influencers in these regions, but the brand needed to make sure that it measured the effectiveness of campaigns beyond last-click measurement, so that it could delve deeper into ad data to give a better insight into the influencer selection and optimisation to make the campaign ever-more effective.

"To do this," Sadeghipoor explains, "we used data and audience analytics to identify influencers beyond the

traditional 'followship' reach numbers. Rather than focussing on reach, he says, we focussed on quality and picked influencers based on the assessment of several attributes that included audience insights, relevancy and platform use."

Sadeghipoor adds that the company also analysed 'followship' trends to ensure influencers had a true audience that wasn't masked by fake followers or bots.

### **The strategy**

Each influencer was connected to the FitFlop affiliate programme to measure traffic and sales outside of reach and engagement metrics that were delivered by the influencer platform. The influencers' unique publisher IDs were also pulled into Rakuten Advertising's attribution platform to deliver post-campaign insights to give a full view of the impact of their content across the entire user journey beyond affiliate last-click data.

By leveraging all available data points and cross-channel tracking, Rakuten Advertising was able to measure the success of the entire campaign against the core objectives of reaching new audiences, driving new customer visits and influencing sales.

This unique data-driven approach to influencer management gave FitFlop a view of the campaign's effectiveness, as well as the individual performance of each influencer. As a result of post-campaign performance and attributed data analysis, Rakuten Advertising was able to give FitFlop

future recommendations on which influencers to partner with on which channels in order to reach its new customer and sales goals.

### **The results**

According to Sadeghipoor, the campaign outperformed both its core and additional objectives, showcasing that influencer marketing has the potential to drive future sales for FitFlop beyond brand awareness.

Reach was exceeded by three times, generating 3.2 million views, while 91.2% of those reached by the campaign were aged under 44. Around the times the influencers posted campaign content, FitFlop saw a 55% uplift in overall new user visits. These influencers drove more new visitors than any other channel: of the FitFlop site visitors driven by influencers, 68% were new users, versus a site average goal of 44%.

Additionally, three-quarters of the influencers beat the target average of new customer visits to the FitFlop site, driving an 84% new visit rate during the campaign. By overlaying referral data from Instagram and Facebook domains, traffic coming in from these sources across the campaign dates could be attributed to the influencer activity.

Of all the sales logged during the campaign, 67% of them converted with no other channels or publishers involved in the user journey. Demonstrating that influencers drive incremental sales as well as new visitors, this data helped FitFlop identify influencers that were suitable

for ongoing partnerships. Armed with rich data and insights from this campaign, FitFlop confidently committed to reinvesting more budget into the influencer channel through Rakuten Advertising.

### Challenges and learnings

While the campaign produced some stunning results for FitFlop and led to on going growth in the target markets, it wasn't without its challenges.

As expected, 'localisation nuisances' were a factor that had to be accounted for, believes Sadeghipoor, and these had to be allowed for. "The ongoing gathering of data helped to understand these localisation issues

and the campaign could be adjusted accordingly," he says.

A less expected challenge lay in seasonality and the demand by shoe silhouette, content and platform consumption, says Sadeghipoor. This too came to light by ongoing analysis of the data.

"Customer journeys starting on different platforms, payment gateways, shipping fees, and location of DC [distribution centres]," were also problems, says Sadeghipoor. However, working with a partner, such as Rakuten Advertising, that can create the kind of analysis that offers insight on an ongoing basis helps work around these challenges, he believes.

## STYLEBOP.com takes luxury to new markets

With headquarters in Germany, STYLEBOP.com has become one of the world's premier destinations for luxury fashion online. Currently, the site provides access to 200 international fashion brands and reached a worldwide audience on desktop, mobile and iOS App.

STYLEBOP.com already has a thriving presence across Europe, America, Asia, Australia, the Middle East, and beyond and has a longstanding partnership with Rakuten Advertising, which has seen the luxury retailer leverage Rakuten Advertising's vast pool of luxury, fashion publishers, allowing STYLEBOP.com's affiliate programmes to go from strength to strength.



Image: StyleBop

After years of international growth, STYLEBOP.com sought to fast-track its global reach further through affiliate partnerships. The brand also wanted to increase its global brand awareness

amongst affluent consumers with an interest in high-end and luxury fashion to drive online sales.

To increase its global reach, the retailer has launched additional affiliate programmes in APAC and Europe – one that covers Germany and Austria and one programme that covers France, Italy and the Netherlands.

“We chose to partner with Rakuten Advertising to achieve our goal of global expansion due to their proven expertise in the fashion space and the APAC region,” says Kristina Pohn, Online Marketing, Affiliate & Cooperations, STYLEBOP.com. “Together with their vast pool of luxury publishers and excellent customer service, we were confident that they would have a significant impact on our objective of increasing brand awareness among high-end fashion customers in APAC.”

### **The strategy**

STYLEBOP.com continuously partners with new publisher models and innovative technology solutions. The team builds strategies around the brands key USPs to ensure that STYLEBOP.com remains a leader in the luxury fashion space.

The addition of several new key target markets and a time difference of up to 10 hours presented unique challenges, particularly with the brand, who runs all marketing operations from its German headquarters.

To combat this, STYLEBOP.com holds regular calls with their Rakuten

Advertising team in each market for strategic guidance to ensure a consistent strategy across markets, including recruitment and growth opportunities.

Being a luxury fashion retailer, STYLEBOP.com is very selective when it comes to publisher recruitment. Their focus lay on partnering with high-quality luxury fashion and influencer sites by offering exclusive commission rates and close relationship management.

The STYLEBOP.com team are huge advocates of developing personal relationships and attends marketing and networking events across the globe and face-to-face meetings with publishers to build strong relationships. To date, this has included attending Rakuten Advertising speed networking events in Australia, DealMaker events in London and Munich and Rakuten Optimism in San Francisco.

### **The results**

STYLEBOP.com continues to achieve its objectives to build a high-volume, luxury, global affiliate programme through hundreds of high-end content and shopping partners.

The global programmes continue to grow YOY and exceed targets of 19% increase in sales YoY, 182% increase in sales from the APAC programme – which has become a top performing market for the brand – and a high number of order-active publishers in comparison to click-active due to STYLEBOP.com’s strong publisher partnerships.

## FORZIERI: Innovative advertising for global expansion

Founded in 1992 as a family-owned boutique in Florence, FORZIERI is a global luxury concept store focused on accessories. Like many such stores, FORZIERI has leveraged ecommerce and has developed into a global online shopping destination, shipping to more than 150 countries worldwide.

Working with Rakuten Advertising since 2013, FORZIERI has programmes running across the EU, US and APAC and has seen affiliate marketing become ever-more important to its growth and expansion.

In fact, an innovative and flexible approach has seen net sales increase by 151% since starting working with Rakuten Advertising, with an impressive 20% of online sales now driven from the affiliate channel.

Such has been the success of the affiliate programme, FORZIERI has transitioned from Rakuten Advertising's self-managed to advisory service to gain a deeper view of markets across the globe.

FORZIERI sought to increase global reach and sales with a focus on engaging new customers in the APAC region, where is a growing desire for western luxury goods.

The brand has established itself as an innovative advertiser when it comes to global expansion and is open to trailing new opportunities across a wide range of publishers with a test and learn approach.

FORZIERI invests time in developing strong relationships with key publishers who provide regional expertise across different markets.



Image: uk.forzieri.com

By being flexible with publisher incentives – whether that be by increasing CPA, or gifting products to key influencers, the brand responds to the needs of long-tail publishers such as content sites and influencers, and understands the value these publishers provide.

To mitigate the challenges and risks associated with expanding into the APAC market, FORZIERI use the affiliate channel to test activity through CPA campaigns to reduce risks associated with fees and local agency costs.

FORZIERI was the first advertiser to take advantage of Rakuten Advertising's exclusive partnership with AMEX Korea. This partnership generated exposure across Navar, AMEX and other partner channels which has helped FORZIERI build a positive reputation and confidence via alignment with local banks and card issuers. It has been so successful, they have consequently run three further campaigns with AMEX Korea.

And the results have been impressive. Since joining the UK network, FORZIERI has seen 151% increase in sales, 49% increase in orders, a 51% increase in net sales and 19% increase in order-active publishers across all global programmes.

# Growth strategy takeaways

In these uncertain times, growth beyond the UK – even beyond Europe – has never been more important. While some of your international growth may well come just from organic growth, where overseas customers simply find you, to leverage this retailers need to look at how to get their products and brand in front of the right people.

To do this, retailers need to look at the options on the table to reach the right people. Here are some key things that you can do today to take you into overseas markets.

## Marketing into growth

Driving international growth organically requires marketing reach into those markets, which means understanding local mores and customs, trends and market demand in those markets and acting on it. Creating marketing campaigns for specific markets means truly understanding what it is about that market that is going to be attracted to your product.

Marketplaces can do this for you, but doing it yourself requires a depth of local knowledge that can be hard to come by without working with locals or living in that country or region for a period.

This is where influencers and third parties come into play, as we shall see.

## Affiliate and performance marketing

Affiliate marketing – and working with a network of already established local

publishers – offers an excellent way to get a foothold in local markets. Such a strategy also offers direct access via publishers and content partners that are already well established and have a dedicated and relevant audience in those markets and so offer excellent reach. Performance marketing also offers a low-risk way to enter into new international markets, as you pay on performance – the cost only rising as you successfully get more clicks or sales. Together, affiliate and performance marketing offer the key way to get your messages across to the right audience in any region, displaying it against relevant content in the relevant language, currency and with the right offers and messaging.

## Tactics to winning loyalty

Given the diversity of consumer expectations, it's vital marketing efforts are responsive. For instance, enabling consumers in APAC with bespoke discounts can help purchase decisions. 57% of APAC consumers require at least a 25-49% discount from the full price of an item of apparel when considering a purchase. Just over a third are waiting for a discount between 50-74%<sup>1</sup>.

## Using influencers

Influencer marketing is increasingly key to building brand awareness, loyalty and sales – both domestically and in generating overseas growth.



Social media and the attendant affiliate marketing that operates around it – and other key high traffic media-led sites – are key to driving awareness. Getting that awareness created by influencers who can advocate the brand to people who are also going to be into the brand is an ideal way to create interest and drive sales.

#### **Use both short- and long-term influencers**

These influencers need to be both long-term brand advocates to carry messaging forward, as well as short-term influencers to get the initial message across. Finding influencers who can, in the short-term, push out your message to a large number of people helps to build awareness. Leveraging longer-term influencers to keep that message alive and to react to changing trends, seasons and other factors is also key.

#### **Measure that influence and refine**

Measuring how that influence is working, what it is achieving and how the market is shifting is crucial to keeping growth going. How you start a campaign to market yourself into new territories is going to be different to the kind of marketing you need to do a year later when you are more established.

Understanding what works and what doesn't is vital at the get go. Knowing, too, how the market is changing – culturally, seasonally and around other variables – is also vital.

For these reasons, measuring what works and what doesn't is both vital and ongoing.

#### **Adapt as the market changes**

Changes wrought by maturing presence, cultural and seasonal local market changes and even just evolving trends can all be measured – and all have to be adapted to as your journey into international growth plays out. Use all the data you have – empirical and theoretical – to constantly shape and refine how you build loyalty and sales in any region you enter.

#### **Use third parties to find those influencers**

Working with third parties that can help find those influencers and run those affiliate campaigns is vital for most retailers looking to expand overseas into new markets. Not only does it take the legwork out of growing the influencer network, but it can also leverage third-party knowledge and presence in the very markets that you are looking to influence.

Using third parties can also help manage and measure what is going on and shift any marketing campaign and attendant influencers as trends change or the market matures.

#### **Meeting consumer needs at purchase**

Aligning marketing with the individual consumer need is even more important given 63% of global consumers surveyed by Rakuten Advertising<sup>1</sup> state they typically only consider one or two brands when purchasing something online. Two-thirds of consumers stress the importance of breadth of selection and simplicity of the shopping experience, with millennials in particular having high expectations.



Image: shutterstock.com/Sergey Nivens

Simply being online is not sufficient – to succeed, brands must excel at delivering the expected breadth and removing the largest barriers. It can feel quite alien to suddenly lead your campaigns with an entirely different message for a new market, but it's important to realise this is the first step in proving to global consumers that you understand their needs and deserve their loyalty.

### **Localised experience**

Localising what you do is perhaps the most important element to international growth. Doing things in the local language is vital, as is understanding and working within local customs and practices.

It is also vital to localise payments into the local currency and adopt the payment methods locally favoured: not

all markets are based around credit or debit cards. For instance, in Germany many ecommerce shoppers pay by cheque to the delivery driver.

Delivery and returns also have to be as localised as possible. While it is relatively straightforward to ship from overseas – although you have to factor in the cost and time elements this incurs – returns are trickier. Working with a local agent to handle returns is vital. ■

### **References**

1. <https://rak.marketing/IRInternational>

# Summary

For many UK-based retailers, growth in domestic markets is, at best, low. However, opportunities abound overseas, especially in new territories such as APAC, North America and Eastern Europe.

Tapping into these markets promises potentially big rewards, but making it happen is not so much a question of pointing your website at them and they will come, but more a complex dance of building awareness, creating demand and tapping into nascent trends in these new markets.

Making this happen requires first and foremost finding the way to get your products in front of the right people at the right time, and then making sure that you are speaking their language,

charging them in their currency and getting the goods to them as quickly and cost-effectively as possible.

This requires pulling together a range of marketing and messaging techniques, from identifying where some of the key growth markets are for UK businesses, to how to create awareness and sales using influencer and affiliate marketing techniques, marketplaces and more.

Creating the right strategy overseas is difficult, but working with third parties, such as Rakuten Advertising, lessens these challenges.

With uncertainty hanging over the retail sector, now is the time to look outwards to grow. ■

**Editor:** Paul Skeldon

**Editor-in-Chief:** Ian Jindal

**Design Manager:** Julia Webber

**Marketing and Circulation:** Addison Southam  
membership@internetretailing.net

**Commercial Director:** Andy James  
andy.james@internetretailing.net

**Group Creative Solutions Director:** Marvin Roberts  
marvin@internetretailing.net

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**InternetRetailing Media Services Ltd**

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