



 **VELA**[®]
Payment Matters[®]



Global expansion creates opportunities for businesses, including reaching new customers and increasing brand visibility. With that said, you should consider selling your products or services cross-border. What you need to do this the right way is a multi-currency payment processing solution.

According to the Global Ecommerce Market Ranking 2019, the top 5 eCommerce markets with the highest demand for cross-border retailers are the U.S., China, the UK, Japan, and Germany. However, in Sweden alone, 84.65% of the population has made an online purchase in 2018, while China reported the highest number of cross-border online shoppers – 149.42 million – followed by the USA with 82.72 million consumers shopping across borders.

International brands should plan their activities with both of the following things in mind: average shoppers spend in certain countries and shopper demand.

BECOMING A GLOBAL RETAILER

Expanding into international markets comes with lots of challenges, but it also helps drive more sales and creates a more competitive company that can become a key player on the market.

Before you start selling online, do research to learn what payment methods are most preferred by your target audience. Offering multiple payment options usually improves the number of sales and the conversion rate.

Moreover, prepare to compete for foreign customers. It's good to know about local shopping habits, etc., as this will help you optimize your efforts and achieve the best results.

Making sales in foreign markets should go in hand with payment acceptance in customers' home currencies. There are several solutions you can choose in order to be able to start selling internationally, so it's good to know what to focus on.



FINDING A MULTI-CURRENCY PAYMENT PROCESSING COMPANY

The next step is finding a multi-currency payment processor, so you can accept credit cards from customers in foreign countries. This will enable you to display prices in the customer's local currency and get payouts in your own currency.

When you look for the right multi-currency payment processor, you need to consider several things, such as:

Your Business Location 🌐

Most payment processors provide a list of supported countries and business models on their websites, so make sure your application won't be rejected before you start the entire compliance process.

Desired Processing Currencies 💱

Multi-currency payment processing companies usually offer a broad variety of currencies. But, before you sign a contract, double-check whether all the currencies you need are supported.

Settlement Currencies 💰

Ask a payment processor about settlement currencies to make sure that the funds will be deposited into your business bank account in your desired currency.

Multi-Currency Merchant Account Fees 💳

Take note that a multi-currency merchant account can come with additional fees. Usually, when a merchant accepts payments in the same currency as the one they receive payouts in, payment processors don't charge extra for this. But, when the customer's local currency is different from the one that a merchant receives, the conversion usually comes with a 1% extra fee.

Multi-Language Checkout 😊

How the checkout is designed determines whether a customer completes a purchase; a poorly designed checkout UX can cause friction. This is why it's good to find a multi-currency payment processor that offers a checkout, which is translated into various languages and displayed automatically based on customers' location. Your duty is to do everything in your power to minimize customer frustration.

DISPLAYING PRICES IN LOCAL CURRENCIES

Accepting payments in various currencies is not only convenient for customers but may also mitigate the risk of chargebacks. This way, you can run a global business and yet still make your customers feel at home while shopping.

Listing prices in local currency and allowing users to pay in the currency based on their location really matters. So, you should charge UK customers in pounds, US customers in dollars, Spanish ones in euros, etc.

The reason is simple. People usually check the amount before they buy, but don't always pay attention to the currency. So, when they see a different price on their bank statement (because of currency conversion), they may end up filing a chargeback. You should assume that customers are lazy and won't take any effort to look up the exchange rate.



Let's say you sell t-shirts online and your business is based in the UK. That's why you've decided to list the prices in GBP only, even though you offer international shipping.

Imagine that a buyer from Australia buys a £20 t-shirt on your site and after a few days sees \$32.64 on their bank statement.

Of course, they could have double-checked the price before clicking the "Pay" button but didn't bother, as they expected their shopping experience to be characterized by speed and convenience. Keep in mind that people don't have the time or the patience to deal with a long shopping process, so the currency difference could be easily missed.

Moreover, ever-changing exchange rates may result in higher prices which could lead to the customer getting frustrated (and filing a chargeback).

This is just an example, but it happens so often that you should consider using a multi-currency merchant account to mitigate chargeback risk. Offering the ability to pay in a customer's home currency makes online buying easier and improves customer experience.

FIGHTING GLOBAL FRAUD

Selling globally also comes with a higher risk of fraud. There are several things to watch for in order to mitigate the risk. Here's what you should pay attention to.

Country 🇺🇸

When you sell globally, check the order at least twice. Be especially mindful of orders from Asia or Africa, as these countries come with higher instances of fraud.

Look closely at IP addresses from outside your country, but make sure you're dealing with actual fraudulent activity before you accuse a customer. If you have any doubts, contact the customer to confirm that they, in fact, ordered the item.

Email Address 📧

Email addresses can also set off alarm bells, especially if they contain strange names, such as `hellofromfraudster@somedomain.com` or `ivemethe$$$@gmail.com`. However, this doesn't mean that every ridiculous email address is suspicious. Try not to overreact, but be careful and listen to your gut.

Moreover, look closely at orders where a customer uses an anonymous email service. This is a common method used by fraudsters, as they feel that with such services it's harder to detect them.

Time of Order ⌚

It's the nature of online shopping that it's available 24/7, but you should pay special attention to late-night and early morning orders, as this is fraudsters' favorite time for shopping. You can also look closely at orders with express shipping — one of the most common shipping methods chosen by

cybercriminals. The same goes for making costly orders in high quantities.

Another thing to watch out for are repeated attempts to order an item or service using the same payment card. Overall, unusual orders, such as numerous orders from a specific country or similar regions, and expensive orders should raise a red flag.

Shipping Address 📦

Consider canceling a shipment when you notice that the shipping address looks weird or is different from the billing address. In such a case, it's good to ask the issuing bank to contact the customer. Note that fraudsters often provide wrong phone numbers that don't match the credit cards they use to make an order.

Plus, keep your network security updated and find a company that offers highly effective fraud protection services. This could be, for instance, a multi-currency payment processing company that offers both payment processing and anti-fraud protection.

Keep in mind that issuers monitor shopping patterns, so sometimes when a customer wants to make a payment in a currency different from their local currency, an issuer may suspect fraud.

However, even if you notice the things listed above, it doesn't mean that the transaction in question is fraudulent. Just be careful with the orders made on your website and listen to your gut.

MAIN CROSS-BORDER OBSTACLES

The main reason that more and more consumers buy abroad is that there are lower prices outside their country. There's also a wider range of products and brands, which aren't available in their country.

But, selling globally also comes with certain problems for online buyers.

ANEC research shows that 15.2% of Europeans who have shopped cross-border, have experienced problems with a transaction. Some of the reasons for this include unexpected charges, not offering adequate means for cross-border payment, or not offering information in another language.

CONCLUSION

Online merchants should consider coming up with a strategy for gaining cross-border customers, as there's a growing need for international shopping. Expanding internationally becomes easier with the right multi-currency payment processing company that delivers solutions tailored to various markets.



When you offer multi-currency prices, your customers don't have to pay extra fees for currency conversion, which can have a positive impact on your sales. Customers are more likely to buy from your site repeatedly when you allow them to pay in their local currencies. So, if you want to improve your business performance, it's in your best interest to provide a customer-friendly payment solution.

Creating a checkout experience tailored to a certain market is what customers expect, so allowing them to easily understand the costs, without having to think about conversion fees, measurably reduces the chance of cart abandonment.



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