

The Performance Marketing Guide to **Going Global**

Rakuten Marketing



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Introduction

The jury is still out on how Brexit will impact UK brands and businesses are still grappling with uncertainty. However, unclear times don't have to negatively affect your sales strategy for the remainder of 2018 and beyond. In fact, starting today, you can instead make the most out of the global opportunities Brexit actually presents.

British brands enjoy worldwide appreciation partly due to their heritage and the quality of the merchandise they produce. Couple that with the devaluation of the pound post-Brexit, making British goods more affordable in other markets, and you can see why overseas shoppers are organically and increasingly seeking out UK products.

New technologies, advances in transportation, the evolution of e-commerce platforms and the popularity of international sales peaks continue to enable brands to widen the scope of their relevance and operational power on a global scale. Similarly, thanks to brands who have worked on their customer experience (e.g. localising their sites and curating their advertising campaigns to the target market), shoppers from overseas continue to become more accustomed to international transactions.

As globalisation makes it possible for brands to search for new sources of business growth outside their country's borders, businesses now expect marketers to look beyond domestic consumers and reach, convert and nurture new customer bases overseas. However, targeting new areas of the world can seem like an overwhelming task to undertake. Even more so if like most UK marketers with programmes outside their home regions (61%)¹, you don't have the luxury of marketing teams dotted around the world and you rely on yourself to launch campaigns internationally. In this chapter we introduce the fundamentals of how you can capitalise on the latest trends and technologies in global marketing to maximise your chances of success when venturing outside the UK.

State of play for 2018

A recent study² revealed that only 11% of UK marketers rely on overseas marketing teams to deploy international campaigns. However, not having ancillary marketing teams across the globe should not deter you from promoting your brand to new customers beyond the UK.

There is immense opportunity beyond British borders for UK brands given the international appetite for UK products. This is highlighted by the fact that 36%³ of sales for UK brands are now taking place overseas and also by the way in which international consumers are willing to pay a premium for British-made products.

Minimise the risk

One of the main concerns retailers express when it comes to global expansion is the financial risks involved. Overheads and budget constraints are often cited as reasons for not venturing outside territories where brands already enjoy transactional success and loyal advocates. But brands can ease these fears by avoiding finger-in-the-air gambles and focusing on leveraging performance marketing channels.

With performance marketing campaigns, you only pay when an action is completed. Arguably one of the best performance marketing channels to utilise when testing the waters of a new market is affiliate marketing. The cost-per-acquisition (CPA) model means that you only pay when a sale is actually made. Additionally, publishers can do the heavy lifting for your brand. By working with key publishers for a given region, you have immediate access to the right types of audiences for your products and you can benefit from their local expertise. In a nutshell, affiliate marketing can aid your international expansion, offering great ROI and shortening the overseas learning curve.

Find the right partners

Top publishers in market

From the way consumers engage with brands, to the technologies target audiences utilise and the retail dates that resonate with them, each market has its own unique peculiarities. Combine these with how little time the average modern marketer has and the limited resources they are likely to have access to and one can understand why you might be apprehensive about getting started. That's why the right partners can significantly improve your expansion strategy.

A seasoned publisher is crucial to the success of your brand when using affiliate marketing to target new markets. Identify the most promising market for your brand to enter and find out the most popular publisher types and top performing publishers there. By doing thorough research and carefully selecting key players in the market, you can take advantage of their knowledgeable advice and experience in the region – which will undoubtedly increase your campaign's chances of success.

Relevant micro-influencers

It's no secret that influencer marketing has shown incredible growth and stability over the last three years and is increasingly becoming a staple part of many brands' marketing mixes. Aided by social platforms, influencers amass huge followings and can deliver high engagement for brands who partner with them. Influencers with devout followers in your target markets can help you reach consumers in a way that is perceived as genuine and personal, yet offering scalability. What's more, influencer campaigns are highly effective at generating brand awareness and new business, with 84%⁴ of revenue driven by content publishers (including bloggers and influencers) coming from new customers.

Focus on quality rather than quantity and make sure that you aren't simply seduced by an influencer's following. Instead, pay attention to how relevant they are to your brand. You want your partnership to feel honest and be lucrative. A good way to kick off your strategy is to find influencers who are already spreading the love for your brand on social media. Also, remember that research has found that micro-influencers have the most engaged audiences. Therefore, influencer partnerships don't have to break the bank if you choose wisely.

Keep an open mind

As mentioned above, it's crucial that you're prepared to not only study a foreign market but also embrace different possibilities by testing various performance marketing channels and technologies – with the aid of partners who are knowledgeable about the region in question. Through informed trial and error, by running small experimental campaigns you can gather enough first-hand experience and insight into what strikes a chord with international consumers. This can be a very informative and rewarding experience for you too, as you learn more about how your brand is perceived around the world.

Below are some key marketing considerations and strategies to help you reach and engage consumers in the top three emerging international markets.

APAC

- Though grouped together, each country in Asia-Pacific is wildly different since they're at various growth stages and will therefore require different marketing strategies
- Your most valuable consumer overall will be in the budding young and affluent groups in these regions
- Most purchasing journeys are cross-device – highlighting the need for robust mobile and desktop experiences
- You don't need to offer international shipping options as consumers will often use freight forwarding services – balancing the cost through cashback sites
- In China and Korea, online purchases are primarily driven by social media – but western platforms such as Facebook are not widely used
- In Korea, be ready to push your products through Naver, the region's top search engine
- In China, the most popular social media platform is Weibo and the messaging, social media and mobile payment app WeChat is king of the social marketplace

Middle East

- The fastest growing e-commerce market is found in Qatar, Saudi Arabia and the UAE – but remain acutely aware of the important cultural differences between these regions
- Although this market is renowned for premium buyers, offering great deals will improve your market share
- Offset privacy concerns and online payment worries by building trust through rolling out Arabic-language sites
- Because most of the region has no postal codes, reliable delivery tracking and GPS technology will be necessary
- Shoppers use social media to settle on products to purchase and paid Facebook campaigns tend to yield great results
- Ensure you align your marketing efforts with cultural and religious calendars of the region

Europe

- Despite uncertainties around Brexit on the horizon, Europe is still a very lucrative market with revenue in the e-commerce market expected to reach \$482,510m in 2022
- Both Germany and France continue to grow steadily, with these countries representing the fifth and sixth largest e-commerce markets in the world, respectively
- Generally speaking, consumers are digitally savvy and social marketplaces continue to flourish rapidly in most territories
- Affiliate campaigns are particularly effective at driving conversions, overshadowing the importance of traditional sales peaks
- Research the country's favoured payment method and make sure you can process your target market's preference
- Delivery options are a big deal in the region with free/inexpensive postage, real-time tracking and hassle-free returns/exchanges being of utmost importance

Capitalise on global sales peaks

Aside from region-specific factors, there are basic general considerations that will ensure your customers have a great experience regardless of where in the world they are shopping from:

1. Localise your website to display the target country's main language and currency
2. Be honest about potential custom charges and/or handling fees
3. Provide multiple shipping options at reasonable prices
4. Offer exceptional customer service to gain trust
5. Plan ahead to make the most of international shopping peaks

It's worth delving a little deeper into the last point above as one of the best ways to grow sales in international markets is to identify significant retail events in your target markets and launch timely promotions to coincide with these.

Christmas is obviously the biggest gifting day in the domestic retail calendar, with Boxing Day being a significant shopping day in the UK but also throughout the British Commonwealth (including mature markets such as New Zealand, Canada and Australia). But there are other major holidays when people exchange gifts the world over, such as Chinese New Year (China; Feb 5, 2019) and Diwali (India; Nov 7, 2018) – observed by over one billion people each – Three Kings' Day (Spain; Jan 6), Befana (Italy; Jan 6) and Sinterklaas (Netherlands; Dec 5).

Other important sales peaks are Black Friday (Nov 23, 2018) and Cyber Monday (Nov 26, 2018). Originating stateside as a result of post-Thanksgiving bargain-hunting fever, these shopping events have become global phenomena, launching the winter holiday shopping season. However lucrative these dates are, the world's biggest online shopping day is by far Singles' Day. Taking place in China on November 11, Singles' Day started in the 90s as an anti-Valentine's celebration for single people. Last year alone, Alibaba's Singles' Day generated a staggering recording-breaking \$25.3 billion in revenue in 24 hours. To put this figure in perspective, Black Friday and Cyber Monday in the US delivered a combined \$6.79 billion in 2016.

If you have an e-commerce site, think ahead and you'll be able to reap the benefits of the main sales peaks worldwide throughout the year.

Find a specialist global partner

Ensuring you deliver a great localised shopping experience needn't involve painful negotiations with the local supply chain. Instead, partnering with a global expansion specialist that can offer local market knowledge will give you a leg up.

The industry has voted us the #1 Affiliate Marketing Network for seven consecutive years and through our global affiliate network, we empower marketers to engage shoppers across the entire consumer journey. Here are some of the capabilities we're proud to offer brands running – or looking to run – global affiliate programmes:

- **Seamless global service:** Our network has expanded organically, rather than through acquisitions, so our advertisers and publishers benefit from one unified platform with localised language capabilities and currency support across all markets.
- **Regional teams and offices:** We service accounts in real time and based on the market the client is in.
- **Tools and technology:** We develop global tools that make affiliate marketing easier to implement, measure and optimise.
- **Multilingual team:** Our international team can help facilitate conversations with non-English-speaking partners.
- **Cross-border insights:** We run global events and webinars that provide our clients with market information.
- **Global events:** Our six annual Symposium events across the globe inspire and educate over 4,000 marketers a year and give them face-to-face time with advertisers and publishers across markets.

Learn more about what makes us your ideal partner for global expansion:

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Case study:

STYLEBOP.com

Luxury Retailer STYLEBOP.com expands reach in APAC

Overview

Founded in 2004, STYLEBOP.com is one of the world's premier destinations for luxury fashion online. After years of international growth, STYLEBOP.com decided to focus even further on increasing its global reach through affiliate partnerships, launching affiliate programmes in Australia and Japan through the Rakuten Marketing Affiliate Network.

Objectives

- Increase global reach
- Engage with new customers in the APAC region
- Increase brand awareness among high-end fashion customers
- Optimise conversions

Strategy

- STYLEBOP.com is a luxury fashion retailer. Therefore, a selective approach to publisher recruitment was essential. High-quality fashion and influencer sites were chosen as partners by offering exclusive commission rates and close relationship management
- A new tiered commission model was introduced, focusing on driving new customers
- All activity was operated on a cost-per-acquisition (CPA) basis to minimise risk

Results

STYLEBOP.com experienced impressive growth across all KPIs within its APAC programmes:

- Sales rose by 80% YoY (Feb-Apr 2016)
- Orders grew by 50% YoY (May 2016)
- Through the careful selection of publishers, the brand has built long-term partnerships with strategic and coherent growth
- The number of order/click-active publishers within the Australian and Japanese programmes increased to a four-digit number

Feedback

“We chose Rakuten Marketing for these markets due to its proven expertise in the fashion space and the APAC region. Together with its broad luxury publisher pool and excellent customer service, we were confident that Rakuten Marketing would have a significant impact on our objective of increasing brand awareness among high-end fashion customers in APAC. Our aim to break into APAC through affiliate partnerships turned out to be a huge success: we see constant growth across all KPIs and gained many new valuable publishers. The successful relationship with Rakuten Marketing helped to achieve our objectives: our global programme is impressively growing due to fantastic account support with a common understanding of growing sales and customer reach globally.”

— **Hanna Tuchnitz, Affiliate Marketing Manager, STYLEBOP.com**

“STYLEBOP.com’s approach for expansion into the APAC region illustrates what successful strategising on a global scale actually entails: keeping a balance between staying true to your brand but also maintaining an unbiased take on what resonates in other territories. From experimenting with new commission models to identifying and joining forces with strategic publishers, their attitude to tackling new horizons epitomises the daring yet pragmatic outlook required to make the most of international opportunity and truly ‘go global!’”

— **Anthony Capano, MD, Europe, Rakuten Marketing**

ENDNOTES

1. Rakuten Marketing commissioned a research study which was carried out in April 2018 by Morar Research. Results are based on survey respondents comprised of 400 active UK marketers of various levels of seniority.
2. Morar Research study completed April 2018. See endnote no 1 (above).
3. YTD, 36% of transactions driven for UK brands by Rakuten Marketing were cross-border sales.
4. Based on Rakuten Marketing’s data for Q4 of 2016.



Across all of our performance marketing channels, Rakuten Marketing has become an extension of our in-house team. They've supported us with global media planning, forecasting, tracking performance and budgets across multiple complex campaigns.

We've seen impressive results and consider them a crucial part of our online success.

Evgeniya Mynzhanova
Global Digital Marketing & Media Planning Manager

BALLY

Effortlessly Influence Consumers to Purchase

We are the global leader in integrated marketing solutions, spanning affiliate, display and search. Our data-driven personalised ad experiences engage consumers and influence them to purchase. We are committed to transparency, empowering performance marketers by providing them with consumer journey insights and using these to continually optimise our campaigns for performance.

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