

E-Commerce Solutions

Insights for Online Sellers

ISSUE 2
2016

5 tips for better
selling in Japan

4 ways to grow your Amazon
business from \$1M to \$10M

E-commerce success story:
Death Wish Coffee

Tips to minimize loss
& maximize profits

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Welcome!

As the long summer days come to an end, many of us are putting away the flip flops and gearing up for the key shopping season -- from Halloween to the prized holiday stretch. And simply put, if your goal is to expand your e-commerce business, our goal is to help you be successful.

Based on our experience helping online sellers like you, we think one of the smartest ways to increase profits is to start selling internationally. That's why in this issue of E-Commerce Solutions, we'll talk about some key things to consider before you go global and share a case study about how e-commerce company Death Wish Coffee, which produces the world's strongest coffee, became more profitable selling abroad.

Also in this magazine, our partner and award-winning e-commerce repricing specialist Feedvisor will share little-known tips to grow your Amazon business.

We'll also reveal a promising e-commerce market overseas that's expected to swell 50% in size by 2019.

To help you protect your profits, we'll show you how to avoid surprise VAT bills as you grow your business overseas. And to ensure your online stores stay up and running at full speed, our partner SellerEngine will discuss how to prevent being suspended on Amazon marketplaces.

It's an exciting issue to say the least! But before we dive in, we should point out that the views given in this magazine are those of the individual authors, and not those of World First USA Inc.

We hope this issue gives you insight on becoming a global success in the exciting world of e-commerce. Please enjoy!

04/05

READY TO EXPAND YOUR BUSINESS? 4 THINGS TO KNOW FIRST
Mike Ward, World First

06/09

SELLING OVERSEAS? DON'T BE BLINDSIDED WITH HEAVY "VAT" CHARGES
Christian Hudspeth, World First

10/11

4 ACTIONABLE WAYS TO GROW YOUR AMAZON BUSINESS FROM \$1M TO \$10M
Peter Kearns, Feedvisor

12/14

E-COMMERCE SUCCESS STORIES: DEATH WISH COFFEE
Sarah Sayed, World First

15

TIPS TO HELP AMAZON FBA SELLERS MINIMIZE LOSS AND MAXIMIZE PROFITS
Justin Jacobs, Refunds Manager

16/17

7 SMART WAYS TO AVOID BEING SUSPENDED ON AMAZON
Irina Iancu, SellerEngine

18/21

5 TIPS FOR BETTER SELLING IN JAPAN
Christian Hudspeth, World First

Ready to expand your business? 4 things to know first

Mike Ward, CEO at World First USA, Inc. breaks down the most important considerations for successfull taking your business to new markets.

With more and more consumers around the world turning to the internet to make purchases, the incentive to expand your business abroad is stronger than ever. 24% of frequent online shoppers purchase from abroad according to a 2015 UPS/comScore study, with half of them shopping on US marketplaces.

Global expansion can be game changing. The swelling middle class population in emerging markets brings with it an influx of new money, though eCommerce in developed nations in Europe and the US are far from saturated.

Improving technology has made it not only easier for clients to access your goods, but also more efficient for businesses to expand. Today, even the smallest of companies can become mini-multinationals.

If you're considering going abroad, you will need to navigate several critical time and money expenses. Many entrepreneurs try to test things out by going international on the cheap with costs like localization and translation, but in my experience this strategy almost always fails, and it's difficult to rebound from such a failure.

To avoid this fate, consider these tips on where to invest your time and money.



Choose your market carefully

In brick-and-mortar it's all about location, location, and the world of eCommerce isn't so different. Give the same consideration to your digital marketplace as you would a storefront, as there may be local marketplaces you're not familiar with. Amazon is the most obvious digital marketplace, but we work with over 50 worldwide.

If you're not sure where to start, ask your international suppliers who are likely experienced in key markets in areas where you might be unfamiliar.

Create a complete experience

Because many customers will meet you for the first time online, pay as much attention to your online presence as you would a display window at a brick-and-mortar spot on Main Street. This starts with mobile. It's much easier to create a stripped-down mobile site and build up for a desktop platform than to start with desktop and then optimize for mobile.

Think you can skimp on responsive design in emerging markets? Quite the opposite. In India for instance, 41% of eCommerce sales (representing \$6 billion) are made on mobile devices*, compared to 30% in the US. Your website should mimic the core aspects of the in-store experience, and vice-versa. This means filling your website with engaging photos that work on both desktop and mobile.

“Unnecessary transfer fees and unfavorable exchange rates can seriously damage your margin. Currency transfer specialists often offer significant savings”

Customize for Culture

While you do want the shopper to have the same experience across channels, you might not necessarily want the same experience across countries.

Ask yourself what your customers want to see — and consider that this might not be the same in every market.

If you're not familiar with the buying personalities of residents, enlist a consultant who is. The minimal upfront fees will pay dividends when your product sells quickly. Cultural insight can inform you about things like China's Singles' Day, which in 2015 led to greater sales than Black Friday and Cyber Monday combined.

A new market also means a reconsideration of your pricing strategy. Take into account how much additional shipping could cost, which efficiencies you might experience at greater scale, and what locals are willing to pay for a given product. In many cases, entrepreneurs are able to charge a premium for a foreign good, simply because of its scarcity in the new market.

Engage Strong Partners

Whether it's accounting for taxes, product returns, or navigating exchange rates, going abroad requires getting friendly with a host of partners. Some will be worthy-but-pricey investments, while others can save your bottom line.

Regardless of if you're using traditional or digital sales platforms, how you manage currency risk is a key consideration. Unnecessary transfer fees and unfavorable exchange rates can seriously damage your margin. Currency transfer specialists often offer significant savings over the marketplace default (banks), so be sure to speak to a specialist.



In contrast to currency transfers, attorney fees have a less direct way of saving your bottom line, but are still a must-have conversation. If you've avoided speaking with a tax attorney about your domestic business, the procrastination is over. Taxes change based on country, product, product origin, category, and much more. You'll want an expert on your side.

Other third parties include 3PLs (third-party logistics), which help you manage the inventory and shipping of products to your customers, as well as returns back to your warehouse. The right specialist can streamline your logistics to save time and money, and ultimately build a profitable mini-multinational. When looking for the right specialist, vet carefully and look for companies that provide custom plans and clear feedback to help you navigate any unexpected hurdles.

Selling Overseas? Don't be Blindsided with Heavy VAT Charges

by Christian Hudspeth



Your e-commerce business is booming, and everything's going great. As global consumer buying becomes increasingly easier and more mainstream, more and more buyers from new countries are ordering products from you. Sales are up, the cash is rolling into your accounts, and you're ready to spend more toward building your precious inventory.

But just when you've started getting used to the fresh income from new business overseas, a slew of unexpected, profit-slashing VAT (Value-Added Tax) bills begin to pour in through the mail. To add to the headaches, there's a different VAT bill for each country where you're selling your product.

It's an unexpected pitfall that expanding e-commerce businesses fall into when selling to new markets overseas. And it's no surprise – there are more than

140 countries outside the US that use a VAT/Goods and Services Tax (GST) type system on goods according to research by KPMG.

Sure, you could avoid these risks by shutting off sales to markets outside the US. But that could be a big mistake, especially with e-commerce giants like Alibaba Group expecting the cross-border e-commerce market to more than quadruple in size to \$1 trillion by 2020 and account for a staggering 30% of the global e-commerce market.

So what are e-commerce businesses to do? While VAT charges are almost inevitable if you're selling overseas, there are steps you can take to reduce the surprises and even cut out certain extra charges. Check out this brief guide on how to get over the hurdles of VAT and set yourself up to become a global success.

A value-added tax (VAT), which is most common in the European Union, is a consumption tax tied to a product during its production stage(s) and when the product is sold. As an example, when a European manufacturer builds a television, the manufacturer pays VAT on all of the supplies it purchases to build the television. After it's built, the consumer pays VAT charges at checkout when they buy the television.

VAT charges vary widely by country, so you may want to work with a qualified tax accountant consultancy that can create a customized plan for your specific global expansion goals.

%?
What's VAT
anyway?

1 Know Where Your Customers Are

Becoming VAT-smart starts with creating a simple blueprint of your situation. Our partner and international tax expert, Meridian Global Services, advises its clients to start by creating a list of countries where they sell to and to record the annual sales amount generated in each of those nations. This step may be the easiest, but it's also the most vital as it will help you see if you'll need to register for VAT and steer you toward how much you'll owe.

2 Know Each Country's VAT Threshold

For each country where you sell product, Meridian suggests finding that country's "VAT threshold," or annual turnover (revenue) trigger, and compare it to your country and sales list to see if you're within the threshold. This is important: should your annual sales in a given country exceed that nation's threshold, you'll need to register a VAT account in that country as you're on the hook to pay VAT charges.

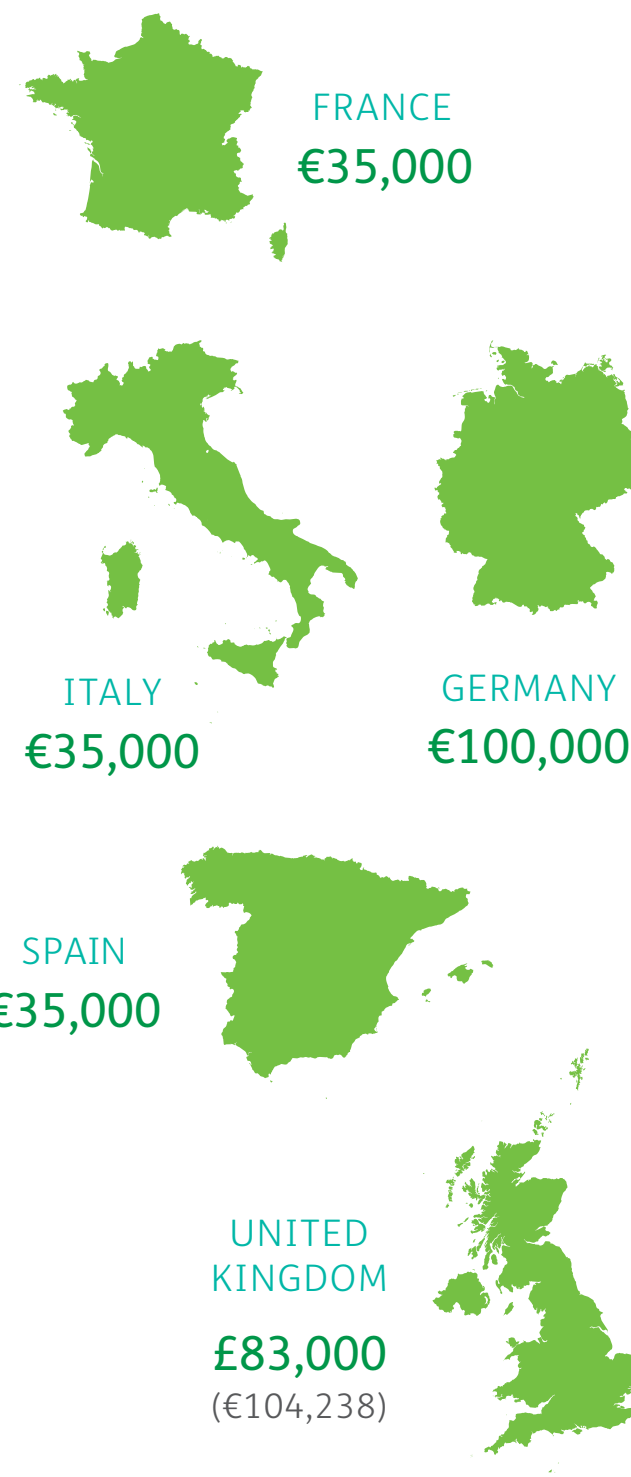
As an example, if you're considered a "distance seller" (i.e. an international e-commerce business) with products going into the UK, you are required to register for VAT if your annual sales exceed £83,000 within the nation's borders. By the way, if you discover that you owe VAT charges for past years, be sure and pay them promptly as Tax Authorities can seek unpaid VAT bills based on sales you made as far back as 10 years, depending on the country.

While it's best to work with a VAT-compliant tax accountancy to help you on a personalized basis, you can get a general idea of each country's VAT threshold on Meridian's Distance Selling Threshold table. We've also highlighted a few country thresholds below.

DISTANCE SELLING THRESHOLDS (FOR 2016)

Where is your business?

You may need to register in one or more foreign jurisdictions if you sell into these countries and exceed these thresholds.



3 Know Each Country's VAT Rate

If you find your sales in an overseas country exceeding that nation's threshold, you'll likely want to know that country's VAT rate to get a general idea of the tax liability you can expect. Much as US sales taxes vary by the state, VAT rates differ by the country, and typically range from 10% to more than 25% (such as in Hungary). You can view a few of the most referenced VAT rates below, or see a full list of the 2016 VAT rates for every EU nation and the UK on Meridian's Standard VAT Rate table.

STANDARD VAT RATES OF SELECT EUROPEAN COUNTRIES

AS OF JANUARY 2016



ITALY
22%



GERMANY
19%



SPAIN
21%



FRANCE
20%



UNITED
KINGDOM
20%

Once you know the VAT rate in one of your markets, you can match it to your annual sales there to estimate the amount of taxes you'll owe. For example, if you're a US seller that generated £100,000 in non-VAT-exempt sales in the UK where there's a 20% VAT rate, you may owe roughly £20,000 in taxes. Remember that every seller's circumstance is unique, however, so be sure to work with your tax consultant to get a clearer picture of what you might owe.

4 Know The Two Most Common Types of VAT Charges

Fulfillment by Amazon (FBA) sellers and others looking to ship inventories in bulk either by themselves or through a fulfillment partner need to be aware of two common VAT triggers.

The first VAT trigger comes when your products initially enter the country you're exporting to, though Meridian says you may be able to recover this one if you handle it right. If you're using third parties to warehouse and fulfill your inventory stock, it's crucial to know where they are storing your inventory and what jurisdictions you need to do your VAT research on. Even though these third parties handle the logistics, you're still liable for the VAT charges tied to where they're sending your products.

The second VAT trigger happens at checkout, where it is passed on to the consumer abroad when they buy your product online. To help you better account for the consumer-facing VAT charges you'll have to collect, and so your shoppers avoid sticker shock when it's time to place an order, it's easiest to price your products with the VAT charge already included. For example, if you're a US merchant selling an item on the Amazon UK marketplace for £100, and the product's VAT will be £20, price the item for £120. On your checkout pages, be sure and list the item's original price and VAT charge separately to show your buyers you're being fully transparent (and because Consumer Protection laws in the EU require fully-detailed pricing information on checkout pages anyway).



Pro Tip:

Avoid Paying for Double Conversion Charges and Boost Your Bottom Line

You should know this tip if you're selling overseas through Amazon or another e-commerce marketplace. Sellers often have their overseas profits automatically repatriated by the marketplace provider (at a time and currency exchange rate of the provider's choosing) and converted back into their home currency for a fee. Later, when the VAT bills come in, sellers will need to convert their money again (and pay fees to convert for a second time) to settle the VAT in each foreign country.

Here's how to avoid paying twice for the conversion and keep more of your overseas profits, especially if you're selling in the UK, Europe, Canada, or Japan. Let's say you're a US e-commerce business selling overseas to customers in the UK and you earn £100,000 in sales. If you open an account with World First USA, they can set you up with a receiving account in the UK from which you can directly pay your VAT bills, no conversion required. From here, you can choose when to bring your money home, lock in a great exchange rate, and skip having to pay for a second conversion charge when you pay your VAT bills.

Finally...

If you want to maximize your bottom line while minimizing unexpected tax audits and VAT charges, it's crucial to know where you're selling, where your products are being stored, and what types of VAT charges to expect.

We hope this guide provides a good starting point to help you anticipate and plan for the potential challenges of VAT around the world. That said, because VAT charges are so complex and vary from country to country, you should consult a tax expert who can work with you on the specific VAT requirements that you may face as your sales grow overseas. Best of luck!

4 Actionable Ways to Grow Your Amazon Business from \$1M to \$10M

Peter Kearns is the Director of Customer Success (West Coast) at [Feedvisor](#) and a former Amazonian.



If you're bringing in an annual profit of around \$1 million, it's a safe bet that your business is already on the right track. But moving from \$1M to \$10M comes with its own set of challenges. Feedvisor, the award-winning algorithmic repricer, has teamed up with Amazon seller Michael Ward to show you how to attain the highest rungs of profitable growth.

Michael, who won the Inc. 500 award for owning the 140th fastest growing company in the U.S., attributes his success to using these best practice and strategic methods on Amazon.

1. Make strategic purchases

A great Amazon business starts with great products. But what exactly characterizes a great product? When browsing potential items, it's important to always think strategically:

Read product reviews. A high number of positive customer reviews is important. Just remember that not all reviews are relevant to the actual product.

Examine patterns in price history. Extreme fluctuations can indicate price wars.

Amazon Search results placement. An ASIN that appears on the first or second page is likely high ranking already. One that's further back offers new opportunities.

PRO TIP

Don't be afraid to expand into new categories. You may specialize in selling from one category, but there's nothing stopping you from selling in another.

2. Keep a lean operation

Running a lean operation is instrumental to maximizing your revenue and profitability. There are two key strategies used to achieve a lean business with a growth mindset: using Fulfillment by Amazon (FBA) and adopting technology.

Making the most of the latest technology is a cost-effective way of maintaining a scalable business. There is plenty of software that helps to automate your operational process and keep your headcount down.

FBA is another strategic way to save on manpower. By essentially outsourcing the packing, shipping, and customer service to Amazon's experts who are already running a well-oiled machine, FBA is one of the easiest ways to expand your customer base and reach Amazon's best customers: the Prime members.

PRO TIP

Focus your business on what matters; jumping on the FBA bandwagon allows you to ride on Amazon's reputation and keep your day-to-day operations streamlined and under control. This will have the advantage of increasing your bottom line.

3. Stay in stock

Amazon favors stable sellers who have a history of staying in stock, a healthy inventory and can keep up with the demand that winning the Buy Box creates.

Anticipating increased demand of seasonal items will allow you to keep an eye on your lead time and order enough stock in advance.

PRO TIP

Make sure you're regularly checking up on your Amazon Seller Central account to ensure you're still in stock. Technology can assist with key areas such as velocity control and replenishment.

4. Invest in a repricer

When you start experiencing more serious levels of business growth and are selling hundreds of SKUs on the Marketplace, you stand to gain from selecting automated software to reprice your products.

According to a 2016 survey by Feedvisor and Web Retailer, 64% of the highest-rated Amazon sellers (with yearly revenue of \$2.5 million to \$10 million) report using a repricer.

Why is repricing software so important? First, it frees you up from the time-consuming and laborious task of setting the prices yourself, allowing you to focus on managing business critical activities. And second, it constantly scans competitors' prices – meaning your price is more likely to reflect the dynamic market.

But not all repricers are created equal. Here are two ways to determine that you're looking at a winner:

Repricing is in real time. Remember, Amazon's prices change as often as every 15 minutes.

Price points are optimized. Merely lowering prices, without taking into account vital seller performance variables, can lead to price wars – and leaving money on the table.

PRO TIP

Look out for an algorithmic repricer. Algorithms are self-learning and data-driven. Unlike rule-based repricers which are subject to human error, algorithmic repricers are designed to maximize profits by analyzing and connecting multiple data points in real time.

Growing Into The Future

Strategic business growth comes from making smart decisions. If you want to turn your business into a multi-million dollar success, you need to strategically evaluate which software solution works best for your specific business needs. An algorithmic repricer is frequently the most profitable option for larger retailers.

E-COMMERCE SUCCESS STORIES: DEATH WISH COFFEE

By Sarah Sayed

Meet **Eric Donovan**, Production and Shipping Manager at [Death Wish Coffee](#), the world's strongest coffee. He talks to us about growing an international eCommerce business that's been featured on *CNN Money*, *Good Morning America*, and *Forbes* – to name a few – and is taking the coffee world by storm.



Death Wish Coffee became a household name when it won a Super Bowl commercial, introducing the brand to over 160 million viewers. But tell us the backstory.

How did the company come about?

Mike Brown, founder of Death Wish Coffee, owned a coffee shop in upstate New York, which he still runs. He kept getting customers asking him for the strongest coffee he had. That was really the impetus for him to start working on a blend of strong coffee that would taste great. When we had that, we got a website up and would take orders from the website. To help get the word out, we were reaching out to bloggers and newspapers and publishers, anyone who could try our coffee out and do a story on us. We knew we had a great product and really believed in it.

What were the challenges starting and growing a new business?

In the beginning, we were doing everything manually. We would package the coffee by hand, and carry it to the post office down the street, stand in line and have them scan it. It was very personal, but also very time intensive.

Getting a brand out is hard work. The most important step at that time was reaching out to people who would be interested in the product, and figuring out how to present the brand within limited resources. Luckily for us, people love coffee, and they love strong coffee!

Getting featured on Good Morning America in 2013 was really the tipping point for Death Wish Coffee. All of a sudden, things changed. We weren't ready for the success of that. We had a single computer. From a couple hundred a month, there were now thousands of orders coming in. We had been cutting stickers with scissors, and now we were rushing to make all our processes faster to keep up with the demand. There were certainly some mistakes and growing pains!

Where does your coffee come from?

We source green coffee from India, South America and Africa, working closely with importers to bring the



coffee in. We then inspect the product to make sure it's quality coffee. If it passes the test, we start roasting, right out of our warehouse. We roast around 2,500 pounds a day of coffee! We're really caffeinated at the office! We then get the coffee ready for sale and ship it to the distribution center, from there it either goes to Amazon or to the consumer who has purchased from our website. From importing to distribution center, our goal is to have the coffee as fresh as possible. We're continually roasting. We want our customers to be wowed by our coffee, to love the taste, to love the caffeine kick, to love the company.

When people think of coffee, they mostly think of coffee shops. How did Death Wish Coffee go down the online selling route?

Our goal from the get-go was to be an eCommerce brand. We wanted maximum reach. 90 to 95% of our sales come online. From our inception, we've been selling from our website and through Amazon. My role is managing the shipping and logistics, running the Amazon platforms, setting up new eCommerce platforms, and handling the retail operations.

When did you start selling internationally and why?

Appearing on Good Morning America was really the game-changer for us. Suddenly all the hard work started paying off and we were getting more recognition. A few months after the show in mid-2013, we got involved in international Amazon sites using Fulfillment by Amazon, as we saw lots of opportunity abroad.

What has it been like selling overseas?

A learning process! I'm still learning about VAT, taxes and duties. Shipping was also a challenge. These two factors can deter people from moving into international markets, but going that extra mile means you have access to a loosely tapped market, which means less competition and more sales. Having partners in place to help answer questions has been really helpful in overcoming that initial hump.

Where are you selling?

Currently we sell all over the world through our website except for Brazil and Russia. Through Amazon, we sell in the US, Canada, and the UK, with goals to be in Japan by early next year. 10% of our sales come from abroad, which is fairly significant and we only expect that to grow. We want to become a truly global brand.



How has World First helped you sell abroad?

Early on we didn't even realize we had an option to use a service like World First to save money. Working with TJ and Megan, our account managers at World First, has been really helpful in terms of overcoming the challenges of selling internationally, and the online platform is also very easy to use. We've saved quite a bit on all transactions. For example, we sell in the UK and worked with World First to switch money before Brexit, which saved us on the conversion rate, and also meant we didn't have to wait on Amazon.

What's next for Death Wish Coffee?

Right now we're working on different products, including cold brew cans coming to a grocery shelf near you, coffee vodka, and coffee personal care products.

If you could give advice to other ecommerce companies and online sellers, what would it be?

Be persistent in reaching out and talking to people. Before we started selling internationally, I had no real experience managing overseas sales and setting up platforms. I've really relied on knowledge from experts like World First. Don't be afraid to ask people who know about selling internationally.

Tips to Help Amazon FBA Sellers Minimize Loss and Maximize Profits

Justin Jacobs is founder and CEO of [Refunds Manager](#), whose mission is to retrieve and recover lost funds owed to Amazon FBA sellers through a fast and simple process.

If you're an online seller that uses Fulfillment by Amazon (FBA), then you likely know the incredible benefits that the service provides. With FBA, Amazon acts as your virtual storekeeper, inventory manager, and cashier. For a small commission fee, they take orders on your behalf, interact with your customers, and handle all of your payments, shipments, and returns. It's an amazing value.

But even with the automated wonders of FBA, the fact that there are millions of shipped and returned items flowing through warehouses every day means costly processing mistakes are inevitable. And being hundreds of miles removed from the process, many sellers may not realize that they could be leaving money on the table in the form of forgotten reimbursement funds.

That's why even if you use a service like FBA, it's important to your bottom line to stay on top of your own daily processes like sales, returns, and restocking. To help you with that, let's talk about some common places where you may find forgotten reimbursement money that may be owed to you.

A glitch that occurs all too frequently happens when products are returned after the due date. Amazon's policy is that if a customer contacts them wanting to return a product, they refund the money instantly and give the customer up to 45 days to return the item. If the item is not returned on time, Amazon's policy is to charge the customer for the product and turn the money over to the seller.

In some cases though, buyers who don't meet the deadline are mistakenly not charged, leaving the seller a reimbursement check short. For high-volume sellers, these missed reimbursements can really add up if the mistakes go undetected.

Other scenarios that often create missing money situations include:

- Unpaid restocking fees for orders returned after 30 days,
- Orders debited to sellers that were never actually returned,
- Items damaged by the inbound shipper,
- Overcharges on weight or dimension fees,
- Items lost in Amazon's warehouse,
- Chargebacks not refunded,
- And mistaken debits from customer accounts.

So what should Amazon sellers do?

Stay involved with your sales process, even if it's mostly automated through FBA. Be diligent about checking your shipment history on a daily, weekly, or monthly basis depending on the volume of items you ship. Try and reconcile your reports with Amazon's as much as possible to find the money you're rightfully owed.

If the work gets to be too much, know that there are refund management software programs that are available that can automatically search for these discrepancies and file cases with Amazon on your behalf.

Whatever you decide, you owe it to yourself – and your bottom line – to know all the places where you may be missing money on the table. So stay sharp and don't take your hands off the wheel.

7 smart ways to avoid being suspended on Amazon

There's nothing worse than having your Amazon account suspended. But how do you avoid it? [SellerEngine](#)'s Amazon Account Manager, Irina Iancu, has a few pointers.



Warning emails and account suspensions become the norm when buyers don't receive exactly what they ordered. That's why using a proactive approach in learning about seller restrictions and privileges can go a long way in saving you time, effort, and company resources. Here are seven smart tips to help keep Amazon account suspensions at bay and keep your business charging ahead at full speed.

Tip 1: Be ahead of your customer feedback.

Amazon doesn't like to keep sellers who don't take care of their customers. Be proactive and set your own high-performance standards to keep your customer complaints, negative feedback, poor reviews, and return requests to a minimum. If you have employees, have measurable standards that you can enforce and resolve your customer complaints before they reach Amazon.

Tip 2: Hold your supply chain to a higher standard.

When a customer gets a defective item shipped to them, you're the one on the line – even if your supplier is the one at fault. For your frequently sold items with the same SKUs, keep an eye on your Imperfect Orders Reports to identify bad customer-feedback patterns. Hold your suppliers accountable if you track down one that's at fault.

Tip 3: Opt out of commingled inventory.

Amazon's commingled inventory option is popular for FBA users who want to quickly ship common items that are already sitting in Amazon warehouses. But because these items can come from suppliers that aren't your own (or sometimes even bootleg suppliers), you have little control over the quality of the items being shipped in your name. Instead, go with the "Labeled Inventory" option if you want to have more transparency and to share less responsibility over other people's mistakes.

Tip 4: Be sure existing product listings actually match your product.

Anything that makes your offer even slightly different from what the product page says will probably trigger a reaction from Amazon. When you use an existing listing to sell your product on Amazon, check that the pictures, titles, publisher/manufacturer, color, and formats on the pages all 100% match your product's specification. If any of these things are in doubt, just make a new listing for the product to keep out of trouble.

Tip 5: Steer clear of using brands and trademarks.

Even if you're selling under private label, using a product's intellectual property on your listing pages without the manufacturer's permission can lead you down the path to Amazon suspension. Look through your product pages and be sure that all images, brand names, stamps, logos, slogans, hallmarks, logotypes and monograms that belong to other companies are filtered out of your listings.

Tip 6: Watch the Seller Forums for suspension campaigns.

Amazon carries out suspension campaigns every now and then, so take heed when the Seller Forums are buzzing with a particular type of suspension.

Tip 7: Try hard not to outsource.

Ultimately, if you want something done right, you've got to do it yourself. Minimize your customer complaints by taking care of listing, packing, and everything in between personally so that your quality standards are met.

Just remember that in the end, you're selling on a market that's not your own. **So take Amazon warnings seriously, handle them urgently, and don't underestimate their potential to suspend you if you're not dealing with the underlying issues on your listings.** Be vigilant on your own (or work with an Amazon Account Rescue Specialist) so you can focus on what's really important -- growing your business.

5 Tips for Better Selling in Japan

By Christian Hudspeth

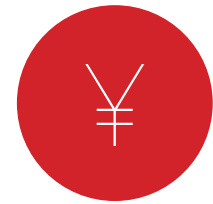
If you haven't already looked into selling to online shoppers in Japan, now's your chance to see why the market is ripe for opportunity. That is, if you know how to navigate the market's landscape.

For starters, the country with the fifth-largest economy also hosts the fourth-largest e-commerce market in the world, with a total of almost \$80 billion in e-commerce sales last year (equal to around 10% of all global e-commerce sales) according to a 2015 report by Remarkety.

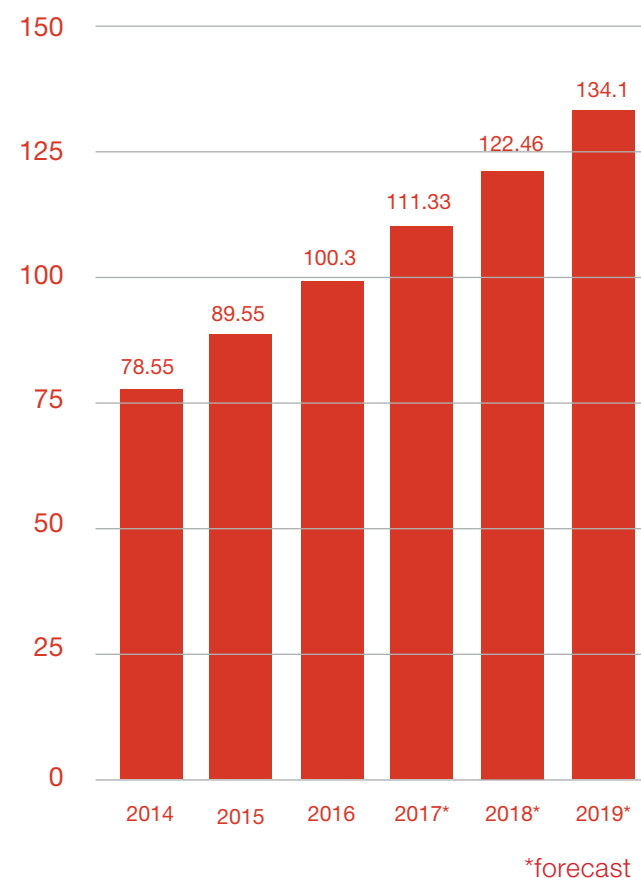
Sure, that figure may be dwarfed by China's \$560 billion market and is around a quarter of the size of the US e-commerce market. But with Japan's e-commerce market growing by 14% in 2015 alone, and with statistics researcher Statista expecting the market to swell 50% to \$134.1 billion by 2019, there's plenty of opportunity for international online sellers to grow there.

It's no surprise that Japan is a prime target for overseas sellers. A staggering 86% of the population is online according to the CIA Factbook, which is on par with the market in the US. More importantly, almost 80% of the country's population (100 million) shop online according to a late 2015 report by online data measurer comScore, besting the US market's online shopper rates of around 70% last year.

The country also happens to be a relatively easy place to set up shop and reach a large audience online, especially since Japan's shoppers use just a handful of large online marketplaces. In fact, Japanese marketplace giant Rakuten alone hosted 27% of all e-commerce sales in the country last year as reported by WSJ, while Amazon Japan and Yahoo! Japan Shopping split another nearly 20% of the market. The less time you have to spend checking your sales across different storefronts, the more time you have to spend growing your business.



Retail e-commerce sales in Japan from 2014 to 2019
(in billion US dollars)



Of course, just because the country's fundamentals are good doesn't mean all overseas sellers will see success. Here are a few ways you can make the biggest inroads among Japanese shoppers.



1. Know the culture.

Almost all of the 125 million people living in Japan speak Japanese exclusively according to the CIA Factbook, with one scholarly source pegging the exact figure at 99% of the population. In other words, you'd be well served to have good translators who also understand the Japanese cultural and consumer trends working on your product listings and online sites.

To offer service that's a cut above, you may also want to employ Japanese-speaking customer service staff as well. This tip may actually be enforced depending on where you sell -- Amazon Japan requires sellers to have Japanese-speaking customer service staff to keep their ratings in good standing with Amazon.

2. Showcase the most popular items.

The four most popular types of products sold on Rakuten -- Japan's largest marketplace -- are food and beverages, drugs, beauty care, and consumer electronics according to a report by marketing research firm McKinsey & Company. Shoppers favor relatively lower-priced items, too -- according to late 2015 research by comScore, more than half of all shoppers bought goods and services that were priced less than ¥20,000 (around \$195), on average.

3. Use overseas warehousing to ship your goods fast.

Because Japan's geography spans an area smaller than the state of California, it only takes 1-2 days for local sellers to ship to their customers. If that isn't pressing enough, a 2013 survey by Accenture found that 26% of Japanese consumers think same-day delivery is important. Not to worry, you can speed up your delivery times by utilizing overseas warehousing services or choosing to use Fulfillment by Amazon (FBA).

4. Have top-notch help channels to foster future business.

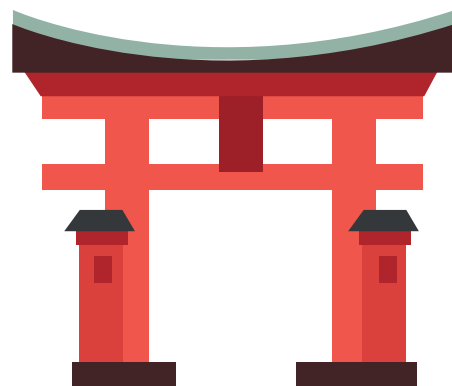
It's simple: customers who can easily get help – online or offline – are more likely to leave a good review and thus spur more business for you down the road.

According to a late 2015 survey by Worldpay, 65% of Japanese shoppers consulted an online shop's FAQ section for help with a payment-related query, while over one-third used email customer support, contact us forms, and/or customer service via phone. To keep your shoppers happy, you may want to check in on these channels periodically to make sure all of your support systems are current and running smoothly.

5. Have mobile-friendly pages to boost your conversion.

Believe it or not, there are more mobile phones than people living in Japan – so you need to be mobile-friendly. Crucially, 84% of the population shops through their mobile phones, and some \$44 billion worth of sales – half of all e-commerce sales in the country – were made through mobile devices in 2015 according to e-commerce services provider PFSweb. Mobile is important for potential shoppers, too: Amazon Japan says there are more than 25 million mobile visitors (and counting) browsing its marketplace every month, compared to just 20.9 million browsing through their PCs.

In other words, if you want to reach the widest-possible shopper base, make sure your product description and support pages (and preferably your entire website!) are designed to be “responsive” and viewable on smart phones and tablets.

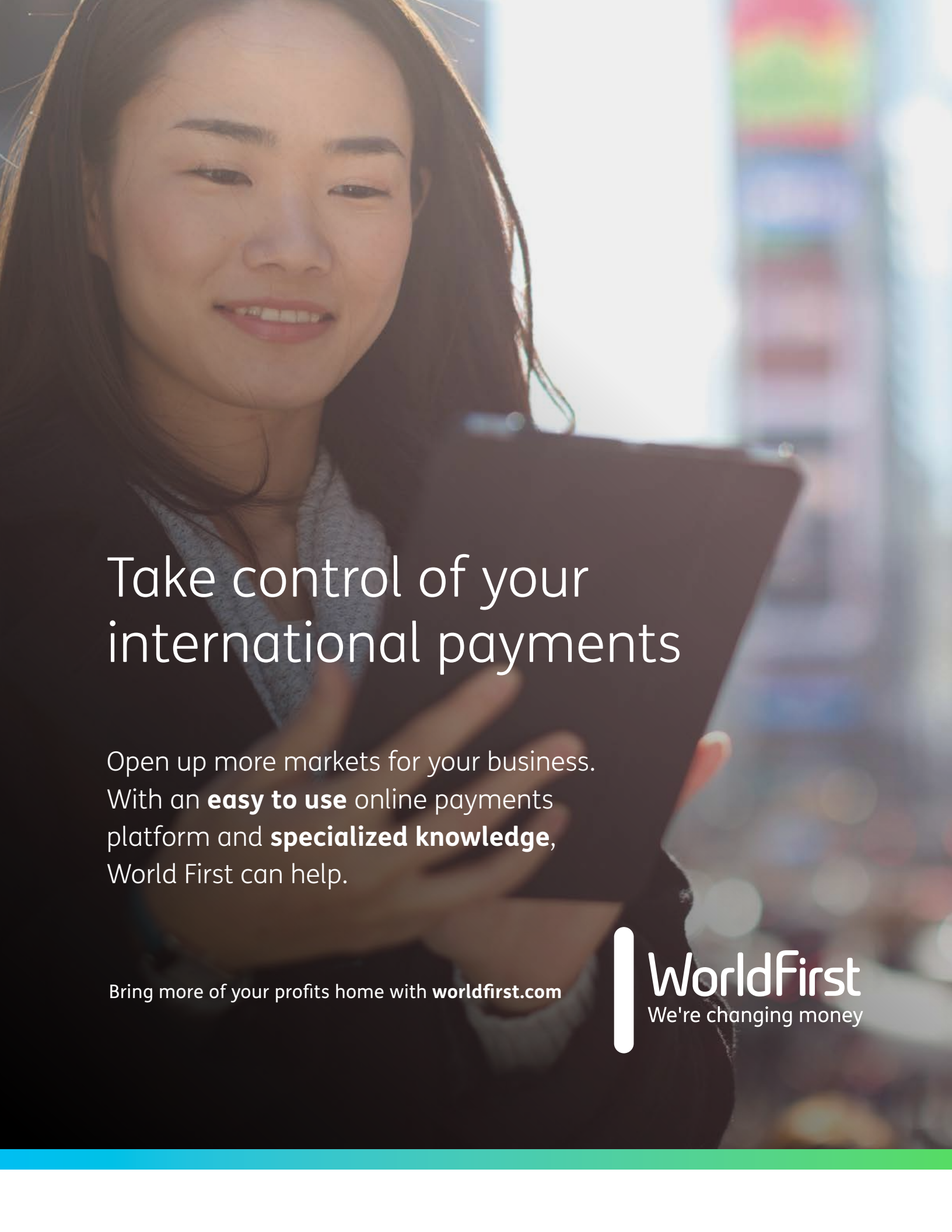


Selling on Japanese Marketplaces

Now that you know more about Japanese shoppers, success feels like it's just around the corner. So how do you start selling? If you don't have an online storefront or solid payment infrastructure, you may find it easiest to sell through Japan's three biggest marketplaces -- Rakuten Japan, Amazon Japan, and Yahoo! Japan Shopping.

While almost half of Japan's online sales are made through these marketplaces, some providers are easier to register and work with than others. Rakuten, for example, may be the nation's largest market, but requires sellers to register as a Japanese company first and submit documents to get started. Amazon Japan on the other hand is a bit easier to register as there are dedicated teams to help overseas merchants register.





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