4 critical steps to a successful e-commerce business

How no-name brands can beat top brands on Amazon

Beyond Amazon and eBay - 5 international marketplaces to sell on

E-commerce case study
Welcome!

New year celebrations and resolution-making may be over, but the chance to dream big things for your eCommerce business and hit “refresh” on your growth strategy never gets old. Whether you want to increase your sales, make your brand stand out, understand sales tax, go where there’s less competition, or expand your business to new markets, we’ve compiled an exciting collection of articles from eCommerce leaders to guide your journey.

For Amazon sellers who’re just starting out, an executive at a company that has worked with over 15,000 Amazon sellers gives tips on how to beat the marketplace’s top brands. If you’re looking to maximize your business’ visibility, we’ll look at four key steps that a 20-year-veteran marketing consultant says has led to great success among her eCommerce clients.

For entrepreneurs wanting to tackle new markets abroad, we’ll talk about five global marketplaces beyond Amazon and eBay that your competitors may not know about. Experts from an eCommerce market analysis platform will also show you some great ways to test demand for your products in almost any geographic market. And to cap it off, this issue walk you through getting started in one of the fastest growing eCommerce markets in the world. To help bring all these tips to life, we’ll share a case study featuring a successful jewelry etailer who started his business in New Jersey but now sells all over the world.

As you’ll see, this issue of eCommerce Solutions is full of tips and tricks to thrive in the competitive eCommerce space! That said, we should point out that the strategies and opinions in this magazine are those of the individual authors, and not those of World First USA, Inc.

We hope this magazine will help you jump start your business on solid footing and we wish you nothing but success in your eCommerce ventures as you continue to grow here and abroad. Please enjoy!

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Two names dominate global eCommerce – Amazon and eBay – so it’s no surprise that most people start their journey as an online seller on one or the other. Expanding to new marketplaces continues to be one of the safest and quickest ways to scale your online business and access new international markets.

While most forays into international sales start with these household names, there are further opportunities for growing your international sales volume. Here are some others that are definitely worth a look, along with the markets they serve:

**Cdiscount Marketplace**

Cdiscount is France’s largest online retailer. Launched in 2011, its marketplace has grown remarkably and now has more than 15 million product offerings from over 8,500 vendor partners.

**Markets you can access:**
France, Belgium, Colombia, Ivory Coast, Ecuador, Thailand, Vietnam, Senegal, Brazil, Cameroon, Panama

**PriceMinister.com**

A subsidiary of Rakuten, PriceMinister.com is the second most-visited eCommerce site in France. It has more than 23 million visitors a month, and is home to a wide variety of products including books, video games, clothing, home and food. A very colorful website, PriceMinister might be the most aesthetically pleasing of these international marketplaces.

**Markets you can access:**
France

**Newegg.com**

Founded in 2001, Newegg is an electronics-focused marketplace that caters to savvy customers who know exactly what they’re looking for. With over 28 million registered users, Newegg offers technology products at competitive prices. Newegg is well known for its low rates of commission too, making it a cost-effective market for sellers.

**Markets you can access:**
USA, Canada, China, Taiwan

**Rakuten**

Founded in Japan in 1999, Rakuten has expanded at a fast pace. They are now in major Asian, European and South American countries. Rakuten makes it easy to sell your products internationally through regionally-focused websites.

**Markets you can access:**
France (PriceMinister), UK, Germany, Brazil, Malaysia, Indonesia, Japan, Singapore, Spain, Taiwan, Thailand (Tarad).

**Wish.com**

Wish.com is an eCommerce mobile app that has grown rapidly over the last 3 years and claims to have hundreds of millions of users. Wish caters to a younger market, as seen through their motto “Shopping made fun.” The transaction fee for merchants is high, clocking in at 15%, but the large user base offsets the higher cost.

**Markets you can access:**
China, North America, South America, UK, Europe, pretty much anywhere!
How no-name brands can beat top-named brands on Amazon

Jeff Cohen, Seller Labs

Top brands are slowly waking up to the fact that Amazon doesn’t work like the retail world they are familiar with. These brands spend piles of money for prime shelf positions in big box stores to catch the eyes of shoppers. But Amazon works differently. The online retail giant gives no-name brands the opportunity to win market share and drive sales ahead of household name brands.

Have you ever heard of Bear Paws, Firmstrong, Anker, DeeBot or Kayizu? These are some of the top-selling brands on Amazon, and they are beating brands like Huffy, Schwinn, Hanes, Fruit of the Loom, iRobot, and Hamilton Beach. While these brand names might rule in the department store, they play second fiddle on Amazon.

Every year I partner with Eric Heller, CEO of Marketplace Ignition, for a pre-conference workshop at Retail Global where we focus on recent Amazon trends. The trend of new brands hitting it big on Amazon is what Eric has named “No One Knows You’re a Dog on Amazon.” Eric’s company works with Fortune 1000 brands to position their products on the Amazon Marketplace.

These brands are always surprised that they are losing market share to small, no-name brands on Amazon, nobody cares about the brand name. Shoppers care about quality and value – while search position rules all. If you can create a better product, a better listing and provide value, you can be hugely successful on Amazon.

The magic formula

I recently returned from China. While I was there I was asked ad nauseam for the “secret formula” or the “magic bullet” to win on Amazon. I usually responded with simple answer: “The secret formula is hard work, and the magic bullet is understanding your customers.” But if you spend the time to study Amazon, you can actually find a magic formula. It’s pretty simple. You need a quality product at a great value to win. There...I said it... now go off and get rich! But we all know it is not that simple. Let me break it down a bit more.

What is a quality product? A quality product is something that exceeds a customer’s expectations. On Amazon, it’s clear how you can determine a customer’s expectations, it’s called the product review. If you look at your competitor’s products and you read their reviews, you will find a blueprint to a better product. Customers will share exactly what they like and dislike about a product. All you have to do is innovate to create a better mouse trap.

If you’re just placing the same product in the same market, you won’t be providing anything that’s improving the customer’s experience; you’re not giving your customers a reason to buy your product over your competitors.

When I mentioned value, I hope you noticed I didn’t say “lower price.” Price isn’t always king. If you have a better product, you can typically sell it for a higher price. One successful client I work with sells a high-quality Bluetooth speaker. They created a better product with a sleek design and sell it for $299 in a category dominated by products selling below $30, yet they still have a category rank below 100. My client will probably never dominate the top of the category, but that isn’t what they are seeking to do. They are seeking profitability.

Set realistic expectations

Brands must set realistic expectations for the customer they are seeking and the sales they want to generate. While Amazon is the largest shopping site in the US, there is a limit to the number of people who are searching for a particular product. Meaning that you can’t generate demand unless you are driving outside traffic. The easiest way to test demand for your product is to follow your competitor’s best seller rank (BSR) and track it over time. By understanding where BSR rank is over time and how that changes in different seasons, you will get a realistic expectation for how many sales you can generate.

Another great data point to track is keyword ranking. Understand which keywords your product ranks for, as well as your competitors’. Understanding top-performing keywords will provide you with a guide as to how well you rank in Amazon search. You can track your keywords and your competitors’ keywords manually, or you can use a third-party software program like Scope to help you collect the data.

Know your numbers

Now that you have a realistic expectation for how many sales you can generate, you need to determine where to focus your time. Before jumping into this process, you need to know a few additional numbers to identify where you’ll get the best results.

“Price isn’t always king. If you have a better product, you can typically sell it for a higher price.”
Understanding the metrics for these four areas will help sellers discover more about their products, their customers and any performance issues.

**Impressions** are the total number of times your product shows up for a keyword or in a Sponsored Products ad. Impressions are search result views, and if you are not showing up then consumers will never find your product.

**Sessions** are the number of unique daily visits to your product detail page. On Amazon, customers must go to a product detail page before they can add an item to their cart. Sessions give you a clear understanding of how many people are moving from search results (impressions) to your page (sessions). If you see low sessions, this is an indication that you need to work on keyword optimization to increase the number of keyword terms a shopper would use to find your product. You may also want to consider a product promotion to increase your sales velocity. Both of these factors will improve your BSR and the total number of impressions your product receives.

**Conversions** are simple to understand and essentially mean that the people who are landing on your product page (sessions) are making a purchase (conversion). The higher your conversion rate, the stronger the indication is to Amazon that buyers are finding what they want. If you see high sessions and conversions, then your effort is best used to improve your landing page either by updating your title, bullets, descriptions, photos or upgrading your detail page to Enhanced Brand Content (A+ Content for Vendor Central).

**Reviews** are the social proof. They explain to shoppers that the product they are researching is what they really want and its quality meets or exceeds their expectations. Amazon places the customer’s experience before everything and reviews are an indication as to whether a shopper is delighted or displeased. If you are getting negative reviews on your product, you should consider making product updates or enhancements. If you are not getting reviews, then you should be contacting each buyer and asking them to review your product.

“Being successful on Amazon requires hard work. But if you know the right formula and understand your customers you’re preparing yourself to win”

Jeff Cohen is an executive at Seller Labs and a highly sought-after international speaker. Seller Labs works with more than 15,000 Amazon sellers who did more than six billion in sales on Amazon in 2016.
Starting a new business is fun, but it takes careful planning to do it right.

As a marketing consultant, I’ve spent the past 20 years helping small business owners backtrack and fix some of their most faulty foundational issues to better help them grow. And many of them say they had wished they had called me sooner.

The good news is that while these small business mistakes are common, they’re completely avoidable. Here are some of the key steps that my most successful business clients have learned to take when starting out:

1. Write a marketing plan.

Most entrepreneurs write a business plan but forget to include key marketing research and strategies. An effective marketing plan includes:

   - **Research your competition.**
     This will help you better position your company as far as what makes you unique and how to price your products – both part of developing your unique selling proposition (USP). Ultimately, a plan that shows what sets you apart from your competitors and why your product is better will be key to your success.

   - **Research your target audience.**
     Who is most likely to purchase your product? Look into market segmentation, and develop different content for different segments. This will help you better understand your customers so you can target them in your marketing more effectively.

   - **Create marketing strategies and goals.**
     How will you attract your buyers? Your strategies may include direct mail, email, public relations, social media, content strategy, couponing, webinars, events, blogs, partnerships, and other activities that will help attract and maintain customers. An open house or “launch” event is a good start; include press releases and news stories.

   - **Optimize your social media.**
     Get your name on the Internet in as many places as possible – LinkedIn, Facebook, Twitter and any other social media channels you can imagine. From there, give your followers content and photos that give them something with value (i.e. tips, advice, or something fascinating)! Don’t just sell to them. Finally, post on as many channels as you wish, but remember to use the same mailing address, URL, and phone number, as search engines will reward you for being consistent.

   - **Develop a monthly marketing budget.**
     Test different strategies to see what’s working. If something isn’t working, stop and try another strategy. Stay in budget. Research what your competitors are doing. Get new ideas.

   - **Track your progress.**
     Use Google Analytics to get access to URL tracking codes, then use them on every page of your website so you can track to see which pages are getting the most attention. Track your growth and improve where you’re lacking.

4 critical steps to a successful ecommerce business
2. Set up a search-friendly Internet business.

Some web designers may be great with HTML but are not SEO specialists. That’s a big problem, because without some very important components (proper URL, relative keywords, or H1/H2 headings), a website can be poorly ranked by Google and other search engines and thus will not show up on an internet search with your competition. Avoid this mistake by asking your web designer to do the following:

Know your search engine keywords.

Find out what your customers are searching to find you (Hint: it’s usually not your company name if they don’t yet know you). There are many tools to help you come up with the keywords for your pages, including Yahoo Keyword Tool and Google Adwords keyword planner.

Use those keywords all over your website.

Each page on your website should have a title heading in large bold letters with keywords and use the keywords in the content at least three times. Also remember to put the keywords on your web pages’ back end SEO titles.

Purchase and use keyword URLs to expand your reach.

URLs with keywords are more likely to be found on search engines and make a huge difference. For instance, “www.davidsflowers.com” is a business owner’s URL. But by also owning “flowersmidwestcity.com,” that seller could also capture the interest of someone in Midwest City, OK searching for “Flowers, Midwest City.”

Another example from my own experience: When I added the “marketingconsultantreno.com” URL and made it redirect to my business website, I received a call to consult for Nascar who would never have found me otherwise.

3. Launch with a full online presence.

When small businesses don’t set up their complete online presence correctly the first time, their websites don’t show up in organic searches and the competition gets all the business. That’s why your website should be listed on all channels at once to optimize its SEO ranking.

When you’re ready, publish and test your website. When it’s working perfectly, set up your social media and YouTube pages, and list your site on Yahoo Business and other online business directories like Yellow pages and Yelp (good customer ratings help improve your SEO ranking).

One more tip: Google likes you to use Google products. So by setting up, verifying and populating your Google Plus page with different and unique content and keywords, you can help improve your chances of showing up in the directory listings.

4. Utilize a shipping and inventory management software.

Find software that helps you manage your business more efficiently. Quickbooks, and other order management and inventory management software can be very helpful in growing your business, because you eliminate countless hours of manual entries and mistakes. Software like Teapplix offers built-in multi-channel inventory management, order management, shipping automation and Quickbooks integration. You also save on shipping with USPS discounts. When searching the internet for the right solution for the marketplace your products are on, try searching for inventory management and shipping software.

The takeaway

Find software that helps you manage your business more efficiently.

By planning smart and avoiding common mistakes, you can increase your website visits, and in turn, sell more products. Use this guide to ask your staff the right questions. Become your own customer and test your website experience, from Google search to checkout. Then move forward with what is working and get rid of what’s not. Best of luck and happy marketing!

Teapplix automates, organizes and manages shipping, inventory tracking and QuickBooks integration for small and medium-sized businesses operating on eBay, Amazon, Buy. com and other eCommerce platforms.
3 steps to global expansion

What an unbelievable time to be in eCommerce and take part in the ever-growing global market. As Bill Gates once said: “the internet is becoming the town square for the global village of tomorrow”. Online sellers are privileged to take advantage of these opportunities and use data to make informed decisions on where to sell and the associated profits.

Taking your local business global isn’t always easy, calculated or profitable. With years of industry experience we have seen many companies take the leap across borders. The truly successful companies have been those that use data to help them navigate the untapped demand on the other side of the word. We’ve identified 3 steps that the successful companies have followed.

1. Identify demand for your products (in different countries and markets);
2. Understand your expected expenses breakdown;
3. Know your margins.

If your research is comprehensive and accurate, you will find the answers to various questions, such as: How much inventory should you buy? What is the expected margin after taking into consideration costs related to selling your products? And many more.

At the end of the day, success in new markets will boil down to better sourcing, choosing the right market and most important, whether the cost of going global makes financial sense.

To illustrate the point, meet John, who sells motor sport products. Winter is coming, and John just received a price quote from one of his suppliers, offering him dozens of products by a brand he has never heard of, Mechanix, which specializes in gloves.

Let’s see how John walks through the 3 steps to International success.

1 According to a survey of 500 small business owners conducted by Palo Alto Software, 81% of small business owners say they’re planning to invest in more technology in the year ahead. 2 This is what will determine whether you are going to be competitive seller or not.
1. Identify demand

There are a few ways to identify demand. We’ll demonstrate using a few main channels and solutions:

### Identifying demand on Google

Understanding the demand level in a specific region will allow you to evaluate which products will sell and which ones won’t. Google Trends can show you the interest level over time for a specific search term and you can filter the results by a geographic location or a specific language. John can check the general trends by searching “Motorcycle Gloves”. When he does a search over a 5-year period, he can easily see that there is a cyclical peak season in the winter in the US. Now that John knows there is a cyclical demand for Motorcycle gloves, he can analyze the brand to understand if it follows the same trend.

If John would like to sell in countries other than the US, he should run this search for each different country he’s considering.

Another data point that can help in analyzing demand is Google Keyword Planner. This tool is great for estimating the monthly search volume for this brand and the average CPC (Cost Per Click) for each keyword.

First, John wants to know how many people in the US searched for Mechanix Gloves in the last month:

<table>
<thead>
<tr>
<th>Keyword [by relevance]</th>
<th>Avg. monthly searches</th>
<th>Competition</th>
<th>Suggested bid</th>
<th>Ad impr. share</th>
<th>Add to plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>mechanismx gloves</td>
<td>10K - 100K</td>
<td>High</td>
<td>$1.83</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

John can understand that there is a reasonable number of people searching for this brand on a monthly basis and the suggested Cost Per Click for advertising in the US is $1.83. (The same can be done for different countries in order to evaluate demand fluctuations).

### Analyzing demand on Amazon

Amazon provides a few great signals on an item level. First, there are over 1,000 reviews for this product and the overall score is 4.4/5 - so it’s a good start. If we assume that 20% of people rank a product they buy on Amazon, this means that over 5,000 people bought this product and are happy with it. We can also see there are over 40 answered questions, which shows curiosity and engagement with the product. The product is distributed from Amazon’s Fulfillment Center (FBA), which often indicates a high demand level. Finally, we can see that there are over 50 sellers competing to sell the same product. Furthermore, John can scroll down to the bottom of the page and get Amazon’s Best Sellers Rank.

First, John wants to know how many people in the US searched for Mechanix Gloves in the last month:

The rank is a score from 1 to over a Million per product category, 1 means the highest demand level and a product that is scored 100,000 is also selling several units a day on Amazon, if the product category is popular.

This item has a fairly good ranking in Amazon’s catalogue. Although he can’t estimate how many units are sold each month with this information, there are solutions out there that can assist him with this estimation. We will suggest a few later in this article.

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Another data point John should consider looking at is eBay’s monthly sales volume per item, which gives a great indication about the product sales volume in a specific eBay market. This information is not accessible on eBay but can be provided by a few SaaS online providers.

To summarize, John collected 4 data points from 4 different sources in order to identify the demand level:

1. Google Trends (US);
2. Google Adwords (US);
3. Amazon (US);
4. eBay (US);

To make a real data-driven decision, John should collect dozens of data points, and if he wishes to expand his business internationally - he should do it for each country he would like to sell in and every channel. A great way to show a demand differentiation would be to check the same product on Amazon UK and determine how the demand varies by region. By knowing the demand level in each country and each marketing channel, John can calculate the expected sales related costs in every channel.
2. Understand your expenses

First, find the market price in various marketplaces

Now that John knows what products have high demand, he can explore the real expected sale prices in different countries and channels. When you’re looking to find your product price on different marketplaces, it’s best to use product identifiers (UPC, EAN, MPN or even ASIN) to ensure you get the right products and compare apples with apples.

When searching on marketplaces like eBay, you should always look for high performing merchants who have high feedback scores. This is what buyers are looking for, and the prices of these merchants should be your reference price.

Additional fees

If you sell on a 3rd party marketplace (such as eBay or Amazon), there will be some additional fees (i.e. “Final Value Fees” or “FVF”). Each marketplace has different FVF, and even in the same marketplace, different categories have different fee structures.

John discovered that the real sale price on Amazon US is $19.86, so the FVF would be $2.98 (15% of the sale price). However, if John were to sell the same product on Amazon UK, the price would leap to £23.91, which is ~$30 USD (a higher price than Amazon US). Amazon’s UK final fee would be £2.87 (12% of the sale price).

This is a great example of how the same marketplace (Amazon), offering the same product in two different countries (US and UK), shows different demand levels, different prices and different marketplace fees (15% in US / 12% in UK).

Clearance costs. i.e.: PayPal fees.

There are some marketplaces (such as eBay or Etsy) that accept payment through a 3rd party clearance supplier, like PayPal. In this case, additional expenses are applied. These include marketplace and clearance fees, import tax, VAT, shipping and more.

Shipping costs

Shipping cost is another key factor to take into consideration: Large, fragile or heavy items (i.e. a refrigerator or TV) can be very costly to ship to customers. Various sites deal with shipping expenses differently; some add it on top of the selling price and others charge it directly to the customers.

Calculating shipping involves taking into consideration the following:

1. Seller origin
2. Buyer origin
3. The product dimensions
4. The product weight

Taxes

Taxes can have a huge impact, with every country having varying levels of tax implications. Be sure to check the tax rates and import laws to fully understand the impact ahead of time.

3. Know your expected margins

Now, after John has identified the demand and understands his anticipated expenses, he knows what his margin is going to be.

Going through this process can often be time consuming and monotonous, leaving room for error or worse yet, not discovering opportunities in remote markets and operating a low margin business. What if John wants to sell thousands of products in various markets? How would you examine a price quote from a new supplier? For exactly these problems, we have developed Algopix, an end-to-end product/market analysis platform for eCommerce Sellers.

Algopix helps sellers make faster and more educated business decisions around product sourcing and sales related costs, and enables sellers to conduct multi-product/multi-market analysis to get real-time results across marketplaces they might not have even considered.

Bottom line? The ability to conduct this research quickly and accurately allows you to identify global opportunities while minimizing risks such as overstocking.
3 ways to start selling in Japan

Munish Gupta, Supply Chain Advisory Group

Now is a great time for e-commerce sellers to enter Japan. The world’s fourth largest e-commerce market is expected to grow more than 30% to $134 billion by 2019 according to statistics researcher Statista. And online data measurer comScore says almost 80% of the country’s population shops online.

But what’s the best way to start selling there? Should you sell directly from your online store in US and ship cross-border to Japan? Would it be more logical to set up operations in Japan? Or should you tap into marketplaces like Rakuten or Amazon Japan, which dominate the online ecommerce market? Here we’ll discuss the different pros and cons of each.

Option 1: Ship directly to Japan from your US storefront

You can adopt a cross-border model by shipping your products from your US-based warehouse, using FedEx or DHL to ship directly to Japan. If your manufacturing base is in China, you can also ship from there to Japan.

The plus side of this approach is that you are not the importer of record (IOR) and consequently do not bear responsibility of all customs duties and taxes. You also don’t need to deal with tax liability in Japan, as the end customer is responsible for them.

In my experience, the Japanese are online shopping-savvy people and are willing to spare a bit of their patience for shipping time, especially if they’re ordering a unique product that they cannot source locally or purchase at a reasonable price in Japan.

That said, the relatively high shipping cost from Japan and the longer transit time for this approach may be an issue for both you and your customers, especially if unforeseen delays and roadblocks arise in shipping, entry to Japan, and/or delivery of the products. Be sure to communicate with your customers if any issues pop up to keep them happy.

Option 2: Setting up a new entity in Japan

If you already enjoy a large volume of transactions, you will have more control over your office, customer service staff, and local fulfillment by setting up your operations in Japan.

In addition to the local laws and business partners you must work with, you have to think about overhead costs, HR matters, and local taxes. Given the complexities, I would only recommend this option for those who can afford the aforementioned aspects of setting up in Japan like a local entity.

Option 3: Using Japan’s top e-commerce marketplaces

If you don’t have your own online storefront or a solid payment infrastructure, you may want to sell through Rakuten Japan and Amazon Japan – the country’s two largest e-commerce marketplaces that make up almost half of the online sales in Japan.

Amazon Japan and Rakuten handle their transactions slightly differently. Rakuten requires interested sellers to register as a Japanese company and submit a certain set of business documents before selling. By comparison, Amazon Japan has easier rules for overseas sellers to get started. Here are their respective rules in a nutshell:

Amazon Japan

Aside from the local laws, Amazon Japan enforces less-than-typical rules for their sellers. One of them requires sellers to have a Japanese-speaking customer service staff to ensure smooth customer service support and operations -- which are also crucial components in keeping your customer ratings high. You should also know that Amazon Japan requires you to include applicable charges and taxes in the listed price of your products.

If you plan to ship goods to Fulfillment by Amazon (FBA) in Japan, you’ll need to find an authorized importer of record (IOR) agent that communicates with the Director-General of Customs, as overseas sellers are not authorized to send goods to Japan on their own. The IOR agent, which typically charge a commission on shipped products, should be handling all customs-related matters between you and Amazon.

Your shipped products can be delivered to the Amazon warehouse and sold to the customers once the agent completes the necessary requirements and imports the products from overseas to Japan.

Rakuten

Rakuten’s model categorizes products much like Amazon but offers a more relaxed listing-based approach more like that of eBay. As a third-party marketplace, Rakuten allows sellers to have their own landing page within Rakuten’s website. It also takes the visitors straight to their store on the marketplace. As a seller, you have complete control over how your products are displayed.

While Rakuten’s marketplace offers more flexibility, it requires more paperwork to get started. For example, a seller needs to have both a local business entity and local bank account to sell on Rakuten. The import and entry process for products also takes more work with Rakuten than with Amazon, though it’s a different story once the seller is established on the marketplace.

The path forward

Japan offers plenty of opportunity for online sellers seeking growth in new markets overseas. Hopefully, this discussion on compliance, customs, and various paths to setting up shop will encourage you to find your place in Japan’s burgeoning e-commerce landscape.

Munish Gupta is a consultant with the Supply Chain Advisory Group. SCAG helps e-commerce companies with their complete logistics both in the US and internationally. It provides end-to-end services such as international entity set-up, regulatory compliance, customs clearance, transfer pricing, warehousing and more.
Selling in Japan: Getting your products in compliance

Japan values sellers who cater to the local language and cultures of the country. That’s not surprising, as almost all of the 125 million people living in Japan speak Japanese exclusively according to the CIA Factbook.

More importantly, you can’t sell to Japanese customers if you lack the correct labeling and translations required by law. Your product will get stuck at Japanese customs and will not be allowed into the country. So how can you minimize the chances of having your products held hostage by customs? Here are some of the product labeling and translation rules you should know, listed by product category:

**Household Goods**
The Household Goods Quality Labeling Law requires sellers to follow certain labeling guidelines for consumer protection. For example, products that can’t be immediately evaluated at the time of purchase need to be labeled by category, such as: electrical appliances, plastic manufactured goods, textile goods, and miscellaneous manufactured goods.

Every product should also have something that indicates the manufacturer, vendor, or the labeling agent that provide labeling on behalf of first two. Additionally, there needs to be standardized labeling on all of your shipped goods with disclosures such as uses, components, performance, cautions for use (display items), and rules for labeling (observance items). It’s especially important for the first four pieces of information to be translated in Japanese.

**Consumer Goods**
Under Japan’s Consumer Products Safety Act, products like baby beds, CRT-based televisions, oil water heaters, and ventilators need mandatory approval before they are issued a PSC mark to be sold in Japan.

**Electrical Appliances**
The Electrical Appliance and Material Safety Law, which prevents entry of hazardous electrical appliance in the market, requires sellers to get the compliant-certifying PSE mark on their electrical products. Products that emit radio frequencies and are used in telecommunications need the Technical Conformity Mark to be Radio Law-compliant.

**Food Products**
The Food Sanitation Act requires food and beverages to be labeled in Japanese to inform consumers of their origins, ingredients, and nutritional information. The law also applies to products for infant and small children such as eating utensils, feeding bottles, plates, and toys.

**Medical & Pharmaceutical Products**
If you plan to sell medical and pharmaceutical products in Japan, it is highly advisable to consult with a certified professional to be compliant with the Pharmaceutical Affairs Act.

**Customs tip**
When it comes to customs and duties, it’s a good idea to familiarize yourself with the Import Consumption Tax, which is similar to the Value-Added Tax systems in the European Union and China. A customs broker or freight forwarder should be able to assist you in properly classifying your products, and should be able to help you process your customs-related payment as well.

**Getting started**
Need help with your labeling and translations? Agencies like Supply Chain Advisory Group can help you with product labeling, customs clearance, and most importantly, finding a local agent to be the importer of record.
New Jersey-based online seller Jorge Bustillo has been in the eCommerce business for 9 years. After working at an eCommerce company in New York City for three years, he broke out on his own to specialize in selling jewelry through his website and online marketplaces. Jorge talks to us about his eCommerce business and his favorite time of the year: the busy holiday selling season and how he plans for it.

A jewelry business is born

You know, I was never a jewelry person. I was the kind of guy who only wore a watch. But while working in NYC, one of the fashion capitals of the world, I learned about the great jewelry houses making incredibly intricate pieces and I started appreciating jewelry as an art. There is so much labor and creativity involved in creating jewelry. And from a business-perspective, it was a great choice. People really appreciate a quality jewelry piece and they like to invest in jewelry for special occasions. In the retail business, jewelry does pretty well.

An always-open storefront through eCommerce

eCommerce provides so much more visibility than traditional retail. As a business owner, it also gives you flexibility. Traffic in brick and mortar stores is limited and you have to be there in the shop on a certain schedule. For example, if you’re selling in the malls, you have to be there on the weekends, because that’s when people go. But online, you have your store open all the time. There’s unlimited traffic because you’re there for all the world to see. When you work on your website, marketplace listings and social media, you get a lot of exposure for the time you put in. My number one advice for other small businesses is to be online! Again, selling jewelry was a great fit for eCommerce. The stock doesn’t require a lot of space and you can keep your inventory without a lot of warehousing expenses. That was a huge plus for me.

“The most wonderful time of the year”

November and December in the retail industry are the two months when you get to make profit – big profit! The entire holiday season, with Black Friday, Christmas and other major shopping occasions, are when things get really busy for my business.

Preparing for the holiday season

I generally start preparing for the season early by redesigning or optimizing my website. And because visual is everything online, arranging the best possible shoots for my jewelry leading up to the season is especially important. People get sold by pictures. But descriptions are also really important. Amazon and other marketplaces have requirements for product listings, and you have to make sure you’re meeting those requirements and using the best keywords, with an appealing title and description. We also worked on discounts to get more customers. And while it’s not easy, we offer free and fast shipping, which really helps draw in more buyers at this time of year.

Grow, grow and grow

My number one desire is to keep growing my business. I’m very interested in designing my own collection and seeing my products in fashion shows. I also want to continue selling internationally. From the very beginning, I offered my products to be shipped internationally and those customers have driven a lot of my sales. It’s very nice getting feedback from different parts of the world.

See how World First USA, Inc. can help you sell overseas and bring more of your revenues home.
Many sellers tell us how they enjoy the convenience of Fulfillment by Amazon (FBA) — especially how it’s boosted their sales and broadened their customer base. Unfortunately, many of them also tell us how they wished they’d known that using FBA could open them up to state sales tax liability. That’s right. Every state where your FBA inventory is located can create “nexus” — meaning you must collect sales tax for sales to customers in those states. Few sellers are informed about this, which is why it’s so common for them to unknowingly fall behind on sales tax payments (along with the penalties and interest).

Here’s the good news if you are behind on state sales tax: you can follow these steps to get back on track.

Step 1: Find out where you owe state sales tax
Pull your sales information from your Amazon Seller Central Account. From there, find out when you first had inventory and when you first had a sale in each state. The states where you had both are the states where you’re responsible for sales tax.

Side note: You should never try to avoid claiming prior sales by using the current date as your start date. If you are ever audited, you may be subject to fraud penalties that can equal 50-100% of the sales tax owed, in addition to the sales tax, interest and penalty charges on the sales that were never reported.

Step 2: See how much tax you owe in each state
Tally up your totals for each state, then subtract all product sales that were shipped out of the state or refunded — this is your gross sales number. Next, multiply your gross sales in each state by the state’s average sales tax rate to get an idea of how much you owe in past sales tax.

Step 3: Don’t forget about penalties and interest
Since these are back taxes, you’ll also need to find out how much you owe in penalty and interest charges. You may obtain that directly from each state by Googling “[state’s name] sales tax penalty and interest.”

Now you can add up your state sales tax, interest, and penalties to see the total amount you owe in each state.

Minimize the chance of state penalty charges
State penalties can be high — sometimes up to 30% of the amount you owe in taxes. Fortunately, you can file a Voluntary Disclosure Agreement in each state to help you waive the penalties and skip having to file sales tax permits.

Under the agreement, you will need to pay the past sales tax and interest within 30 to 60 days to get your penalties waived. This process will also give you sales tax permits in the states where you have nexus, except for in Nevada and California where you first must apply for a permit.

How to avoid this mess going forward
After you know the states where you have nexus, you will need to apply for sales tax permits moving forward. You will obtain a license to collect sales tax in each FBA state. Once you have a license and update your Amazon Seller Central Tax settings, your customers will be paying sales tax, not you. This will stop the bleeding and set your customers up to pay sales tax on your future product sales - which is how it should be done.

Need help with any or all of this? You may want to either work with a sales or local tax expert (SALT) or use a less expensive sales tax remitting service like SalesTaxSystem.com to help you find your state tax liabilities and file for you.

State penalties can be high – sometimes up to 30% of the amount you owe in taxes

Scott Letourneau has helped thousands of entrepreneurs launch globally and grow their business with confidence. One of his services, SalesTaxSystem.com, has helped Amazon FBA sellers expand worldwide, apply for sales tax permits, and become compliant with sales tax in different states.
Take control of your international payments

Open up more markets for your business. With an easy to use online payments platform and specialized knowledge, World First can help.

Bring more of your profits home with worldfirst.com