



An overview of cross-border shopping

In an increasingly globalized world, savvy consumers are crossing borders to find bargains.

Updated: August 30th 2024

Better decisions, faster.



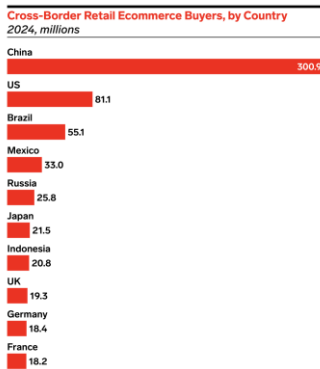
In an increasingly globalized world, consumers are crossing borders to find bargains.

Capitalizing on Global Shopping Events

Consumers are eager to find the best online deals. Whether that's through email promotions or website coupons. [Global shopping events like Black Friday and Cyber Monday make it easier](#), faster, and more reliable for consumers worldwide to find great deals. These events are anticipated well in advance, with consumers preparing to make both big and small purchases. This shift has redefined international trade dynamics, presenting new business challenges and opportunities.

For advertisers, [these events present a lucrative opportunity to introduce their brands and products to a broader global audience](#), resulting in substantial sales.

[In 2024, Amazon's 48-hour Prime Day event generated record-breaking online sales, totaling \\$14.2 billion](#), up from \$11 billion in 2021. The Asian market leverages Double 11 (Singles' Day) as a major online shopping event. [In 2021, Chinese eCommerce giants Alibaba and JD.com reported sales totaling \\$139 billion during this event.](#)



Source: [EMARKETER Forecast, October 2023 - June 2024](#)

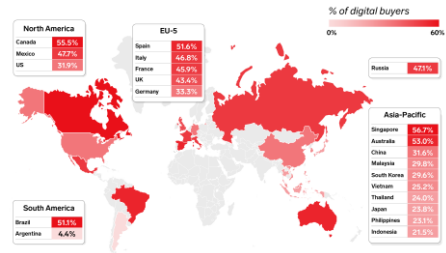
Other factors, such as [inflation, have significantly influenced consumer behavior and global shopping events](#), adding new momentum to cross-border shopping. Rising prices erode brand loyalty, pushing consumers to seek better value for money. Increasing disposable incomes in developing markets make these regions increasingly attractive to global eCommerce advertisers and marketplaces. The future of cross-border eCommerce is promising, with [transaction values expected to grow by 107% globally over the next five years](#). This presents opportunities to expand reach and capitalize on the increasing consumer base.

Cross-border shopping across the world

The global market, driven by evolving consumer behaviors and technological advancements as we have seen in payment solutions, is projected to reach [\\$7.9 trillion USD by 2030](#).

[Amazon, Rakuten](#), and [Mercado Libre](#) platforms provide value-added services like streaming and integrated financial services, to enhance the consumer experience and differentiate them from competitors. [JD.com](#) is renowned for its robust logistics network, which ensures fast delivery times, a critical competitive advantage in eCommerce. The likes of [AliExpress](#) offer considerably cheaper goods, which helps offset longer delivery times. This strategy appeals to cost-conscious consumers.

Cross-Border Retail Ecommerce Buyer Penetration, by Country, 2023



Source: [EMarketer, January 2023](#)

Gaining traction among [US consumers, with 69.8 million cross-border buyers expected in 2023](#) has ranked the US second, globally. This marks a 3.4% year-over-year growth, which is slower than previous years but still significant. Inflation has driven consumers to seek better value, weakening brand loyalty.

It is expected that nearly [a third of all US digital buyers will make overseas purchases online in 2024](#). We expect that 71.8 million US consumers ages 14 and older will be cross-border buyers next year, this is up nearly 25% since 2019. eCommerce giants such as Amazon and Shopify are experiencing cross-border sales becoming a major revenue source.

Despite a post-Brexit decline in shoppers, Europe's cross-border eCommerce market is thriving, driven by [China's eCommerce giants and investments from marketplaces like Amazon and Zalando](#). In 2023, Europe's cross-border online sales reached €200 billion, a 17% increase from 2021. Cross-border buyer growth is expected to rise in [Germany \(3.0%\), France \(2.3%\), and the UK \(2.6%\) by 2025](#), further boosting sales.

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Millennials and Gen Z are the most active cross-border shoppers, particularly for clothing and footwear. These consumers prioritize affordability, variety, and quality. While lower prices are the main motivator for cross-border shopping, concerns about fraud and additional charges remain significant barriers.

The Middle East, historically a nascent eCommerce market, is experiencing significant growth, particularly in luxury goods. High disposable incomes and a tech-savvy young population are key drivers of this growth in the region's cross-border luxury fashion eCommerce market. In 2023, the luxury market reached \$12.5 billion, with fashion being the largest category at \$5.2 billion, closely followed by watches at \$5.1 billion. Many regional luxury shoppers expect personalized customer service online, like what they receive in-store.

This expectation drives the need for eCommerce platforms to enhance their customer service offerings to capture and retain this lucrative market.

Cross-border Shopping Dynamics

In our interconnected world, technology is crucial for eCommerce brands to reach global customers and increase profitability.

Why consumers are turning to cross-border shopping



55%

Prices are lower in foreign online shops



47%

Can't find some products locally



31%

Unique products offered in foreign retailers

Source: [Google/Euromonitor, Europe \(DE, ES, IT, NL, PL, UK\), International Online Shopping Survey, 2020.](#)

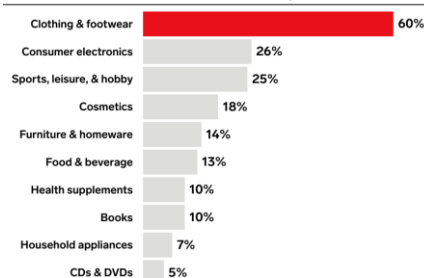
With the prevalence of alternative payment methods, in the evolving eCommerce landscape, the payment gateway is an unsung hero driving cross-border purchases. Beyond facilitating transactions, it ensures security with strict data protocols, AVS, and CVV technologies, while cybersecurity measures protect data and networks.

These solutions align with local consumer preferences, allowing advertisers to cater effectively to these markets.

Jumping into the metaverse, innovations like IoT and AI drive borderless eCommerce and offer new customer experiences. For example, [Charlotte Tilbury's virtual store lets customers view 3D products](#) and engage in [live commerce](#), while [Nike and Gucci showcase fashion in Roblox.](#)

Consumers in Europe Are Most Likely to Shop Cross-Border for Clothing & Footwear

% of cross-border consumers in Europe, March 2023

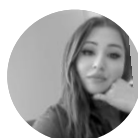


Source: [Emarketer, September 1 2023](#)

Strategies for Global Reach

Effective marketing is essential for reaching international customers. Localization, influencer marketing, and social media campaigns enhance brand visibility and engagement. Localizing content to match cultural nuances significantly impacts consumer perception and sales.

- **Localize the shopping experience** by offering multilingual websites, displaying local prices, and using AI for customer service. Enhance trust with localized social proof.
- **Adapt marketing strategies to cultural nuances** and encourage local reviews to build trust. Utilize influencer marketing and social media for visibility and engagement.
- **Focus on product assortment and competitive pricing** by offering unique products not readily available elsewhere. Conduct market research to ensure competitive pricing.
- **Simplify payment and checkout processes** with secure, easy-to-use, offering various payment methods and transparent pricing.
- **Improve logistics** by investing in international solutions for timely delivery. Offer free or affordable shipping, efficient returns, and partner with marketplaces.



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