THE | PAYPERS

Insights into Payments and Beyond

Cross-Border Payments and Ecommerce Report 2022-2023

Latest Insights into B2C and B2B Commerce and How to Sell Successfully across Borders

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Digital River

The Paypers interviewed Ted Rogers, Chief Revenue Officer at Digital River, to find out what D2C brands need to include in their 2023 growth strategy.

Ted Rogers started at Digital River in 2017 and brings a unique perspective to the business, with past roles spanning from marketing to credit and fraud to operations. He served first as vice president and general manager of MyCommerce, then vice president of global expansion and fulfillment operations, and Chief Marketing Office before being named Chief Revenue Officer. His focus lies in delivering value and driving growth for customers and partners by taking a global, scalable, and quantitative approach.

Ted Rogers ▪ *Chief Revenue Officer* ▪ Digital River

Are marketplace platforms like Amazon or eBay friends or foes to D2C brands? What impact do marketplaces have on brands' visibility?

The impact that marketplace platforms such as Amazon or eBay have on the strategies put in place by D2C brands is both positive and negative.

Positive: Shoppers love online marketplaces for convenience. Over half of all worldwide ecommerce revenue comes from online marketplaces such as Amazon and Alibaba. Because marketplaces are so popular, it's difficult for brands to ignore where shoppers are.

> " With the risk of recession ahead, it's even more important than ever that brands understand their customers' needs and wants and provide an experience that matches those expectations.

Negative: In spite of larger sales volumes, marketplace platforms take a significant percentage of each sale, making for very slim revenue margins. Brands selling on marketplaces also have less control over the brand experience than selling directly to consumers. On top of the loss of brand control, brands generally lose all data regarding their end customer. They may know the volumes of what's selling and where, but brands can't build a direct connection to who is buying, how much they are buying, and how often they are buying.

How can a D2C brand create a better or more consistent payment experience for consumers in a new market where established players have strong roots?

Act like a local. The checkout experience should allow customers to pay in their local currency and with their preferred local payment methods. Without a localised checkout experience, brands risk high cart abandonment rates, leaving signific revenue on the table. Localised checkout is essential for growing your international ecommerce business and critical for conversion.

What are the key aspects of localisation that a business should consider when expanding into high-growth markets with competitive landscapes?

Beyond a localised checkout, brands have to take care of the entire customer journey from the moment the buyer lands at their store. Language consistency as well as transparent messaging on pricing leading up to the checkout will increase cart conversion rates. Translations are obviously important, as well as having local knowledge of cultural nuances.

Another important consideration for your store's checkout is compliance. The global landscape of regulatory compliance is complex and ever-changing. If your store is not compliant with local regulations, you can put your business at risk. ➔

Local acquiring, where transactions are routed through local banks instead of foreign ones, is a way for brands to increase acceptance rates and customer satisfaction. No one wants to see card declines, and foreign transactions run the risk of having a higher decline rate.

How can brands reduce the costs and complexities of the supply chain?

Working with an established logistics partner drives down cost and complexity. A partner that handles large order volumes will be able to drive down freight rates. An experienced logistics partner can simplify customs clearance and properly calculate duties, taxes, and shipping so that customers aren't surprised by additional fees upon delivery.

Solving international shipping is no easy task. Third-party logistics (3PL) firms can provide a simple solution for many brands. These companies have shipping networks in place, understand the nuances of different shipping regulations, and can help negotiate better rates. In effect, 3PLs will handle the challenges of cross-border shipping compliance for you, but that convenience comes at a price. While there is no single solution for international expansion, a strong network of expert partners can alleviate much of the stress of international selling. Shipping partners and **tax experts** can be a good place for brands to start learning about the requirements and considerations applicable to their specific products or services.

Brands might also consider partnering with a **Merchant of Record** (MoR) provider. MoRs act as international resellers, taking on the burdens of payment processing, tax compliance – even shipping – and all the international back-office operations risks that come with them. This can dramatically reduce the burden, cost, and risk of cross-border selling – and enable the brand to focus on the most important thing: building sustainable customer relationships.

What is Digital River's role in supporting D2C brands in their expansion journey?

Digital River helps brands enjoy fast, easy, risk-free expansion by acting as MoR and taking on complex back-office challenges related to international payments, fraud, taxes, and regulatory compliance. A single integration into a brand's commerce platform of choice unlocks a global expansion accelerator that localises checkout experiences, increases conversions, and reduces risk.

Localising your checkout experiences is essential for growing your international ecommerce business – and now, with Drop-in from Digital River, it's easier than ever to do. Drop-in is part of Digital River's **Global Seller Services**, a MoR solution that simplifies checkout and all complexities that happen after the 'PAY NOW' button. Brands choose Digital River for our 25+ years of ecommerce experience and guidance, along with our ability to eliminate risk and complexity.

Digital River

Digital River provides a comprehensive back-end solution for brands to integrate with their front-end commerce platform. Far more than a localised payment solution, we fight fraud while taking on global tax and compliance challenges. As the Merchant of Record, we shoulder the financial and legal responsibilities of selling online globally.

Year founded	1994
Head office	Minnetonka, MN
Core solution	Global Seller Services is our back-end Merchant of Record solution managing payments, taxes, fraud, compliance, and logistics while accelerating global expansion and reducing risk, complexity, and operating costs.
Target market	Merchants – main verticals: consumer electronics, games, industrial manufacturing, software (B2B and B2C), apparel and accessories, garden and home improvement, housewares and appliances, sporting goods, consumer packaged goods, food and drink (non-perishable)
Geographical presence	US, Europe, Middle East, APAC, Africa, LATAM, India, China
Member of industry associations and/ or initiatives	MRC, MAG
Payment methods supported	74
What is unique about your company?	We have 25+ years of experience and expertise in ecommerce. As Merchant of Record, we eliminate risk and complexity by taking on operational challenges beyond the 'Buy now' button. Our simple back-end API integration is compatible with many commerce platforms, and it features a deep network of payment connections to maximise conversions.
Future developments	Our 2023 roadmap will be focused on simplifying, streamlining, and scaling our Merchant of Record solution. We will be delivering our next-generation cross-border capabilities as we expand and improve our implementation options. We will maximise our extensive network of connected partner capabilities to help brands grow their global business.
Main clients/references	Lenovo, Fitbit, Autodesk, Logitech, Avid, ASUS, Gallop, Motorola, Cisco, LG, Therabody, Xbox, Jamf, Hitachi, Tresspass, Ergotron

View company profile in online database*

*The data present at the time of publication might be subject to changes and updates. For the latest stats and information, we invite you to check the profile in our **online company database**.