

Currency

FastSpring has extensive research on cross-border shopper behavior.

Between October 16 and November 2 2012, questions were sent to self-identified online shoppers residing in Australia (16,086), Canada (17,255), Germany (19,302) and the United Kingdom (17,793). The findings of this survey confirm the reasoning behind the attainable growth estimates when localizing your payments.



United Kingdom

British respondents were the most vociferous in their aversion to USD-only websites, with 62% of respondents considering themselves as very active online shoppers, UK respondents shop online the most and were the least likely to see ecommerce websites that offered pricing in USD only. UK respondents also showed the highest preference for websites that priced products in their local currency. 65% said they would leave the site to verify the local currency amount they will pay for an item.



Germany

48% of German respondents stated they were likely to abandon a purchase upon discovery of USD-only pricing. With German as the country's official language – as opposed to the other three countries who speak English – respondents report strong opposition to USD-only pricing.



Australia

40% of Australian respondents identified themselves as very active online shoppers, and 26% of them answered they were likely to abandon a purchase once discovering USD-only pricing. The majority of respondents, 70% from Australia, expect to do more online shopping in the next 12 months.



Canada

Canadians were the least likely of the four nationalities to respond negatively to USD-only pricing. 83% of Canadian respondents considered making a purchase from a website that offers pricing in USD-only. At 48%, Canadians are more likely to revisit a website known to price in USD-only.



Additional questioning provided the following data:

Local Preference

A clear majority of consumers prefer to make purchases from local websites (over 75%).

Lost Sales

Over 65% of consumers will find products on a USD only website and then search for them on an alternative, locally priced website to make their purchase.

Conversion Rates

A majority of consumers will leave a USD only website to calculate exchange rates before deciding to purchase (interrupting the sales process).

Web Traffic

Consumers report that they are unlikely to revisit a site known to offer only USD prices (57% Germany, 49% UK, 26% Australia, 22% Canada).

Increase in Sales

Tapping into the proven demand can lead to substantial growth. FastSpring monitored the effect of adding currencies within our client base over the last twelve months (ending April 30, 2014). Across the board, clients that have added local currencies have typically seen conversions increase in the range of 5% to 20% (although this depends of course on competitive landscape, industry sector etc).

Enhanced Consumer Experience

The simplest solution is to display pricing and add a local currency. Further steps after this would include the following, to optimize the experience for both you and your international consumers:

1. Determine what currency optionality to provide to your consumers (e.g. using geo-location technology you can identify consumer location; do you mandate a currency based on this, or offer a small or extensive selection).
2. Displaying the appropriate country website / or payment page as a visitor enters the site or payment page. This allows international shoppers to experience your site as though your business were based in their own country.
3. Local shopping experience extends to method of payment, with support for credit cards, debit cards, direct debit and alternative local payment methods.

Still need more information? Let's connect. Contact FastSpring by emailing us at sales@fastspring.com or logging on to fastspring.com.

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