



Introduction to Amazon Store

Chapter 2

Amazon Global Selling is a program that allows you to sell your products internationally through Amazon. At present Amazon has 20 stores across the world, providing you with direct access to millions of customers. With this course, you will learn what Amazon Global Selling is, how to select target store and features of stores available to Selling Partners. This includes the current development of retail sale and e-commerce and buying habits. With this information, Sellers can decide which store to sell in based on their export cross-border e-commerce business.

Contents

2. <u>Choose a Store for Your Global Business</u>	3
2.1 <u>What is Store</u>	4
2.2 <u>Selection of Target Store by Export Cross-border E-commerce Businesses</u>	5

There are nine chapters in this course. If you wish to learn about other chapters, please look for them under Related Topics.

2. Choose a Store for Your Global Business

Amazon has currently 20 stores. This chapter is designed to help you find out which store best suits your needs. We will also introduce features of the stores available to Selling Partners. They include the current state of their economic development, retail and e-commerce, and consumption characteristics.

2.1 What is Store

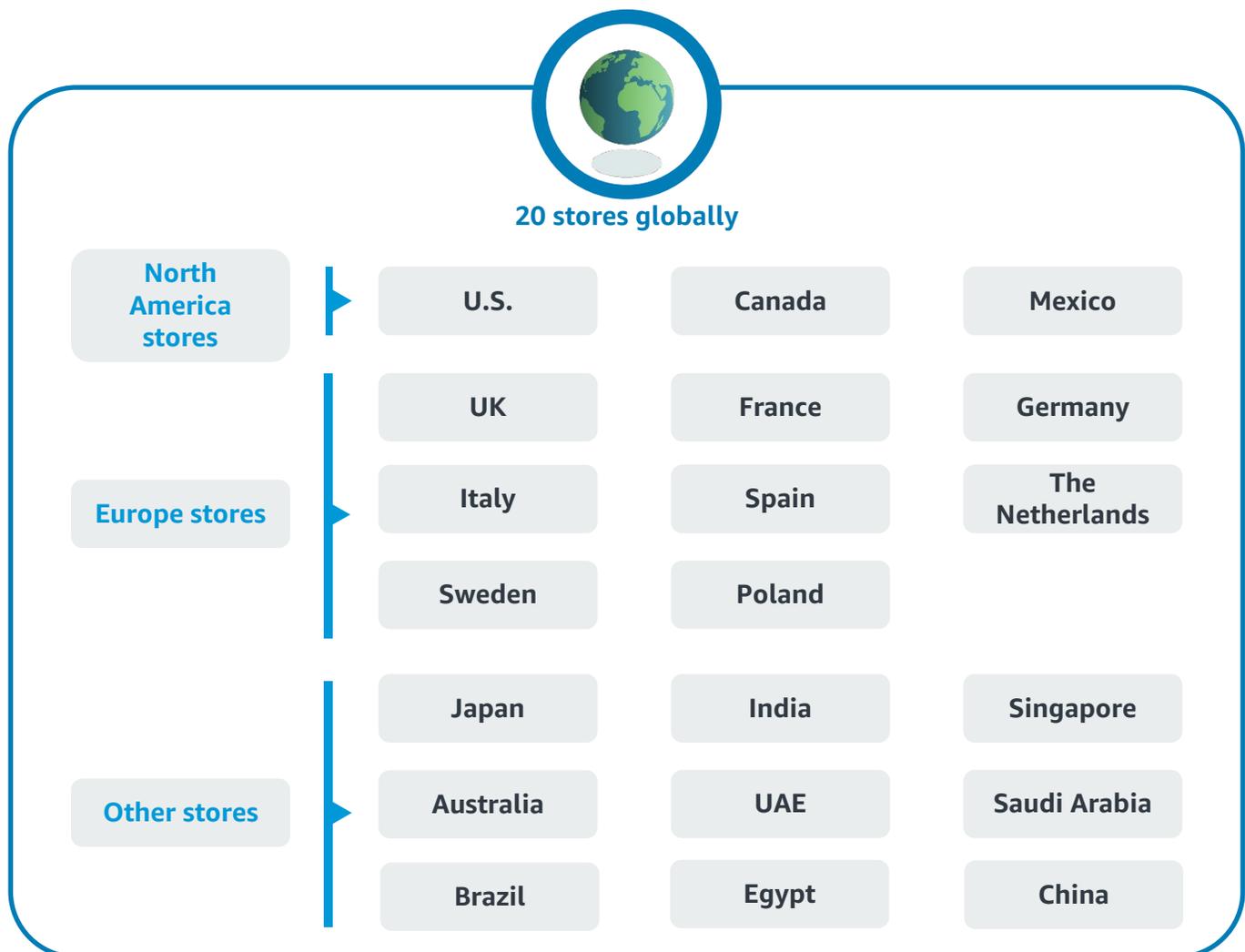
2.2 Selection of Target Store by Export Cross-border E-commerce Businesses

2.1 What is Store

To sell items on Amazon, you must register a Seller's account. Registration of Seller's account on Amazon is based on store. Once a store account is registered, you can begin to sell in the store. If you wish to sell items in another store, you are required to register for an account in that store.

You should note that when applying for an account, if the store corresponds to a region, then opening an account there would allow you to sell in the stores of the region. For example, if you have opened an account in the U.S. store, you will be able to simultaneously sell in Canada and Mexico. You will only need to submit one set of registration documents to successfully register at the respective stores in the U.S., Canada and Mexico, while managing and selling through one account only. Similarly, once you have registered an account in the UK store, you will be able to sell in 8 stores namely UK, Germany, France, Italy, Spain, the Netherlands, Sweden and Poland .

At present 20 overseas stores are available to Selling Partners. They are namely the US, Canada, Mexico, Brazil, UK, France, Germany, Italy, Spain, the Netherlands, Sweden, Poland, Japan, Australia, India, UAE, Saudi Arabia, Egypt, Singapore and China.

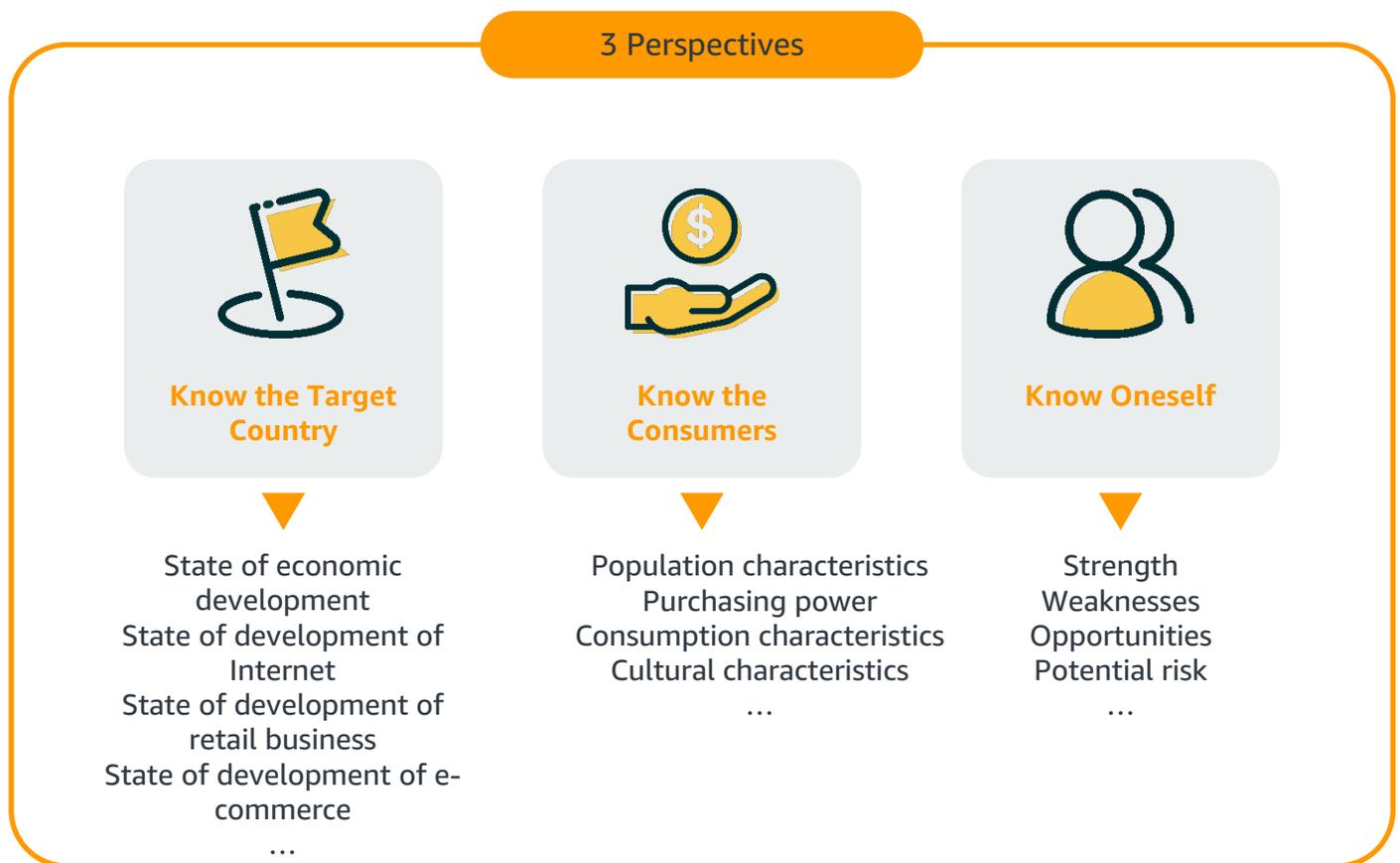


2.2 Selection of Target Store by Export Cross-border E-commerce Businesses



Amazon has made available 20 stores to Selling Partners. So how should Sellers choose which store to begin with?

Amazon Seller University has summarized a set of principles, known simply as “**3 Perspectives**”, namely **Target Country**, **Consumers** and **Self**.



1. Know the Target Country

To sell something in a country, one would first of all need to have a basic understanding of the country's overall situation. A country's economic and social development differs from that of other countries, as are its needs. Moreover the mode of selling things and emphasis are also different.

To put it simply, it is possible to view a country from point of view of export cross-border e-commerce business from the following:



The scale and growth rate of the country's retail business

One can liken a country's retail business to a piece of cake. The bigger the cake, the greater the room for growth. Nevertheless countries with a big retail economy are typically more well-developed, and it is likely to have many more businesses jostling for the cake. Therefore competition is likely to be more intense.

That does not mean there are no opportunities in countries with modest retail economy, because another important factor is its growth rate. The 'cake' may appear small in some smaller countries or less-developed countries, but it may be rapidly growing along with the host economy. One might make much more than in developed countries if one was able to take the plunge ahead of others.



The country's e-commerce sales as a proportion of its total retail and their growth rate

For an export cross-border e-commerce business, e-commerce sales as a proportion of a country's total sales and their growth rate are often more important than development of that country's retail business. This is because in countries with relatively health economy growth, the lower their e-commerce sales the greater room for their growth in the future. A country with low proportion of e-commerce sales which are growing at a high rate is one with ample room for e-commerce growth.



E-commerce penetration and growth rate in the country

E-commerce penetration refers to the proportion of a country's population for online shopping.

Thus, if a country's e-commerce penetration rate is low but shows signs of rapid increase - particularly in respect of mobile phone-based e-commerce - the country is said to be at the cusp of a rapidly-growing e-commerce era.

It should be noted that in countries with lower e-commerce penetration rate, their economic growth is likely to be at an early or middle stage. There is therefore probably insufficient selection of offline products, and so e-commerce players with wide range of items on sale will be more popular with those countries' consumers. In those countries, it is only a matter of time for e-commerce to attain explosive growth.

2. Know the Consumers

Countries differ from each other in terms of their geographical location, demographics, culture and economic development. The purchasing habits of their population also differ, as do the type, price and design of products. Put simply, the information on a country's consumers can be analyzed from 3 perspectives:



Geographical location

This is easy enough to understand. For example, Canadian consumers who live near the Arctic Circle would need a lot of feather down products, but those in the Middle East would have almost no need for them. Geographical location also entails different freight cost. The same products would have different profit margin when shipped to different locations.



Demographics

Demographics is another key factor. For example. In countries with an aging population, consumers tend to be more rational and prefer products that suit them and are value-for-money. Conversely, young consumers in countries with rapid economic growth tend to prefer only products that suit their taste without considering other factors.



Cultural difference

Cultural difference has even greater impact on consumption. For example, consumer in Japan have rather similar purchasing habits to those in China, seeing that both countries are in East Asia - home decoration items often have Oriental design - while consumers in India, by virtue of their religious practice and customs, prefer home decoration items with richer colors.

Another example is Germany and the United Kingdom. Although both countries are European neighbors, differences in their history and culture have resulted in different purchasing habits.

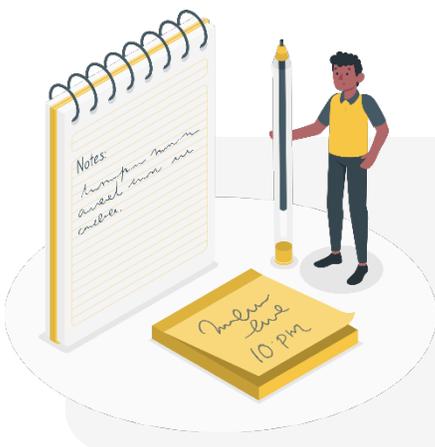
3. Know Oneself

Once you have basic understanding of a country's retail economy and consumer habits, you can decide whether or not it is suitable for you to enter that country, taking into consideration your own circumstances. Here, there are four aspects to consider.

Strength	Weaknesses
<p>The Seller's own strength such as language, life experience, overseas relationship and experience and the relevant industry section. One advantage could also be the Seller's supply chain resources, including those involving manufacturers, retailers and export.</p> <p>Such advantages can help Sellers in various aspects. For example, if you know the language of a specific country, the description of products on your website may appeal more to consumers in that country. If you have studied or have relatives in that country, the products that you select may be more popular among consumers in that country since you will have better understanding of that country's customs.</p> <p>In terms of supply chain, if you have your own factory or have maintained excellent relationship with factories making certain products, you will likely be able to devote more energy in research and development as well as improvement of the products, or be better in controlling product quality. In this way you will gain better reputation among consumers.</p>	<p>In addition to strength, one would need to also consider one's weaknesses. No one possesses only strength, there must also be weaknesses.</p> <p>It is normal to possess weaknesses. What is really important is to be able to objectively analyze and recognize one's own weaknesses, and then to seek improvement in one's operations, or avoid areas in which one does not possess any competence.</p> <p>Just as long as one is able to objectively view one's weaknesses and seek to improve accordingly, weaknesses by themselves are not something to worry about.</p>

Having analyzed a country's circumstances and one's own strength and weaknesses, you can then examine what opportunities that may suit you.

Opportunities	Potential risk
<p>Some countries in the Middle East enjoy highly-developed economy but have low e-commerce penetration rate. It so happens that you have relatives residing there and they understand local customs. They know what the local people like and what items are in short supply. Therefore the Middle East may be a perfect opportunity for you.</p> <p>There were Sellers who came to realize that Japanese consumers use bath towel packs as gifts in keeping with their custom, and so set about improving the packaging of their products while also adding attractive gifts cards with relevant well wishes in Japanese language to such products. The products turned out to be exceptionally popular.</p>	<p>Potential risk typically lies in changes in the target country's policies and regulations, such as trade and tax policies, supervision of specific products and stability in foreign exchange.</p> <p>Therefore if you wish to sell items in a country, you must always be sensitive to events that happen in that country.</p>



Finally, it is important to remember that the analytical process is not one-off - it needs to be constantly repeated. This is because circumstances are always changing, and Sellers are constantly improving themselves. Thus, any fresh analysis may allow Sellers to identify new opportunities, or avoid potential risk.

The next chapters deal with countries which have been made available to Selling Partners. Use the "3 Perspectives" to identify the countries best suited to your business.

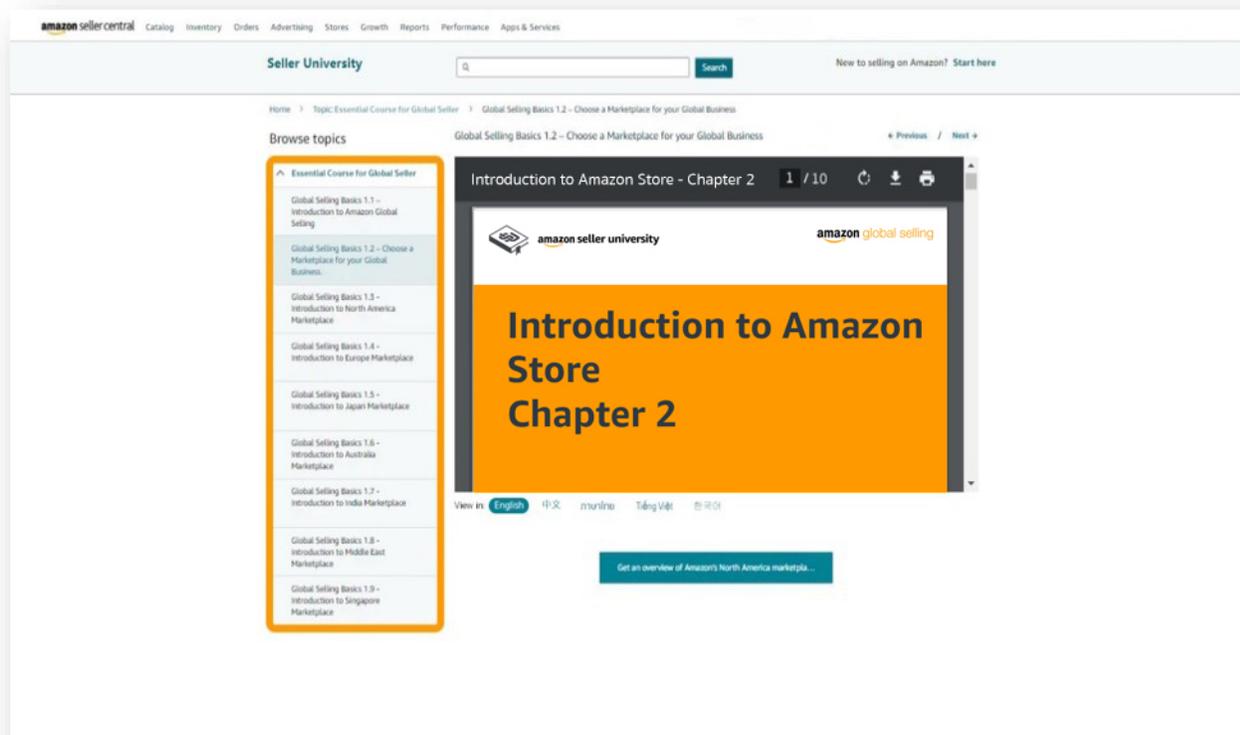
Related Topics

Introduction to Amazon Store

- Introduction to Amazon Global Selling
- Choose a Store for Your Global Business
- Introduction to North America Stores (U.S./Canada/Mexico)
- Introduction to Europe Stores (UK/France/Germany/Italy/Spain/the Netherlands/Sweden/Poland)
- Introduction to Japan Store
- Introduction to Australia Store
- Introduction to India Store
- Introduction to the Middle East Store
- Introduction to Singapore Store

Paths: Amazon Seller Central > Performance > Seller University > Search course name

Quick links: Amazon Seller University [North America Stores](#), [Europe Stores](#), [Japan Store](#)



Learn more about related courses:

- To learn more about Amazon programs and resources, search “Amazon Programs”