

The state of cross-border eCommerce:

Key trends of 2024



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The eCommerce industry is evolving, as the rapid growth of cross-border consumption demands **agility and adaptability**.

The writing's on the wall; the value of globalised sales models is indisputable. Estimates suggest that the cross-border eCommerce market will reach USD\$7.9 trillion by 2030¹. Closer to home, cross-border eCommerce sales now account for approximately AUD\$18bil, making up 29%² of transactions from the industry.

From a broader view, our recent research³ shows that 34% of Australian SMEs are operating in an international market, with a further 35% wanting to go global. For those businesses already operating overseas, the move has been lucrative; unlocking access to new customer communities and broadening their overall market share.

This suggests that although Australian businesses are eager to embrace global customer bases, there's still a huge opportunity to scale – and money to be made.

In order to fully harness your international sales potential, it's critical to understand consumer trends and behaviours around the world. That's why we've conducted this original research, collected between 17-22 January 2024, with the support of consulting firm Edgar, Dunn & Company. We've gathered results from over 3,000 consumers in the US, the UK, China, Hong Kong, Singapore and here in Australia – and the insights are illuminating.

1. Koen Van Gelder, 'Cross-border business-to-consumer (B2C) e-commerce market value worldwide in 2021 and 2030', Statista, 11 July, 2023

2. PPRO Country Reports, [Australia](#), EDC Analysis

3. [Australian Business Growth Index 2022](#), Airwallex

In this report, we'll examine how emerging technologies and shifting consumer behaviours are driving an upswing in cross-border eCommerce, and explore how you can leverage trends country-by-country to win and retain more customers in an increasingly competitive landscape.

Cross-border eCommerce is an opportunity that you can't afford to miss. As consumers grow increasingly impervious to borders, it's important to invest in building customer experiences that are as seamless as your domestic ones. Marketing strategy, payments technology, and logistics infrastructure will all play a part in helping businesses offer dynamic customer experiences at a global scale.

Are you ready to grow your business in 2024? Take control of your global customer base, and set yourself up for success. Read on.

The Airwallex ANZ Team

Index

01	Executive Summary & Key Findings	01
02	Spotlight: Spend potential	02-03
03	Spotlight: Shopping trends	04-08
04	Spotlight: Payment preferences	09-12
05	Spotlight: Logistics	13-15
06	How can you use these findings? <ul style="list-style-type: none">• Capitalise on the ‘impulse purchase’ mindset• Leverage influencers and social proof to build trust• Create streamlined payment experiences• Build consumer confidence with quality logistics	16-21
07	Airwallex: The payments and financial platform built for global eCommerce businesses	22-25
08	Ready to get started with Airwallex?	26
09	Case study: July	27
10	Case study: Vinomofu	28

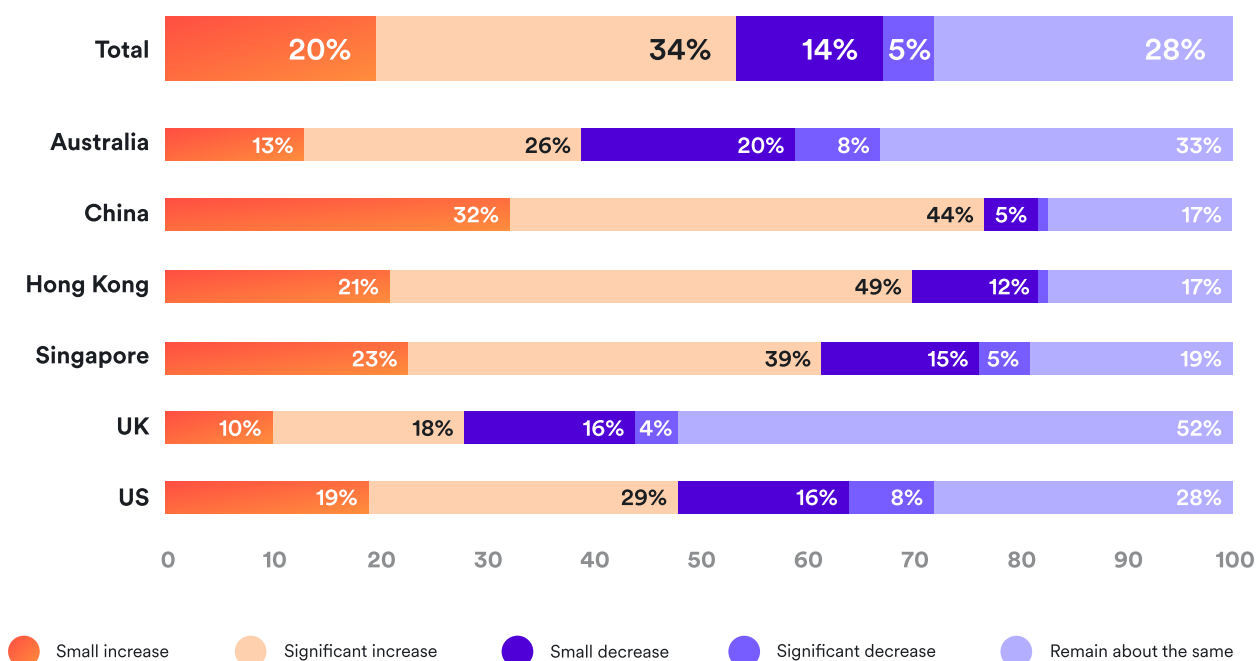
Executive **summary** & key findings

- **During 2024, over half of global consumers expect to increase their purchase frequency from overseas merchants.** This trend is particularly strong amongst consumers in China, Hong Kong, and Singapore – the three markets that are most likely to shop from Australian merchants.
- **The majority of respondents (61%) perceive international merchants to be trustworthy.** Respondents in China (87%), Hong Kong (77%), and Singapore (65%) indicated a greater sense of trust towards international merchants, while those from the US (58%) and the UK (42%) tend to be slightly more sceptical.
- **93% of consumers claimed that seeing products priced in their local currency impacts their decision to purchase, and 77% claimed they are likely to abandon their cart if their preferred payment method is unavailable.**
- A significant proportion of consumers **locally (37%), in the UK (33%) and the US (27%), now prefer to pay via global digital wallets** such as Apple Pay, Google Pay, and PayPal. **Almost half of consumers in China (48%) prefer to pay via digital wallets** including local options such as AliPay and WeChat Pay.
- **75% of consumers say that endorsement from international influencers is likely to impact their trust in overseas merchants** and their overall purchase decision when shopping on social media channels. This is **especially true in Australia's key markets of China, Hong Kong, and Singapore.**
- **Merchants should invest in logistics solutions to optimise their shipping, returns, and refunds processes.** 47% of consumers say that lengthy refund processing times present a challenge when shopping online from international merchants, and 43% of consumers cite the cost of return shipping as an issue.

Spotlight: Spend potential

The cross-border eCommerce market is growing rapidly. According to our report, over the next 6-12 months, 54% of consumers will increase the frequency with which they purchase from overseas merchants. In Australia's key markets of Hong Kong and China, that number rises to 76% and 70% respectively.

Increases/decreases in international spending



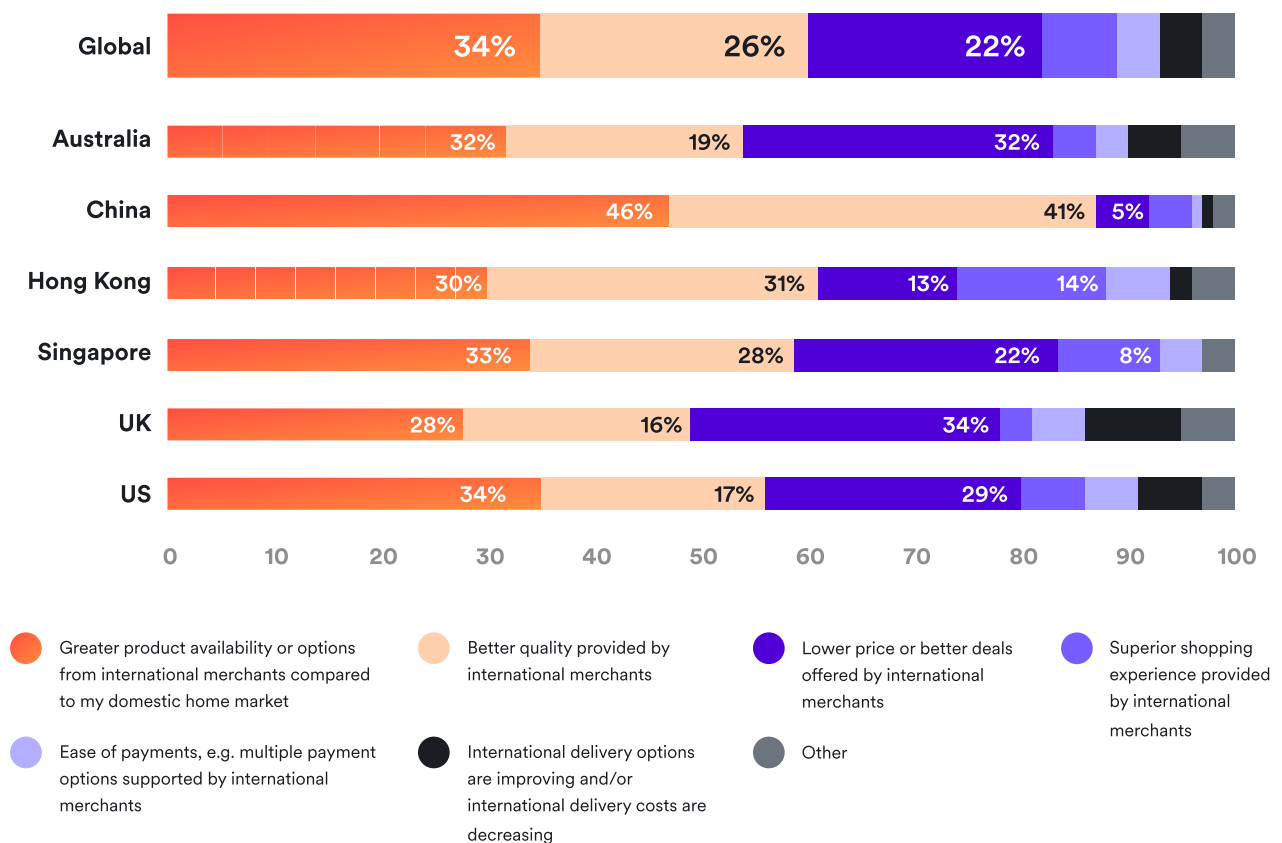
Local Focus: Looking closer to home, Australian consumers were the most likely to signal that they are looking to decrease (20%) or significantly decrease (8%) their international online shopping. This could suggest that there is a greater opportunity to sell products and services domestically, as well as to international customer bases.

Insight: Retailers are being chosen for uniqueness and quality

When it comes to motivations for international shopping, our data suggests that shoppers in China are motivated by the greater choice and quality of products offered by overseas merchants. Whilst in Singapore, product quality, price, and diversity of choice are all driving factors.

We believe this suggests that international shoppers are looking for unique and well-made products. Australian retailers should feel encouraged to take pride in their niche, and make their quality and originality a key theme in their cross-border promotions.

Consumer motivations for cross-border shopping



Spotlight: Shopping trends

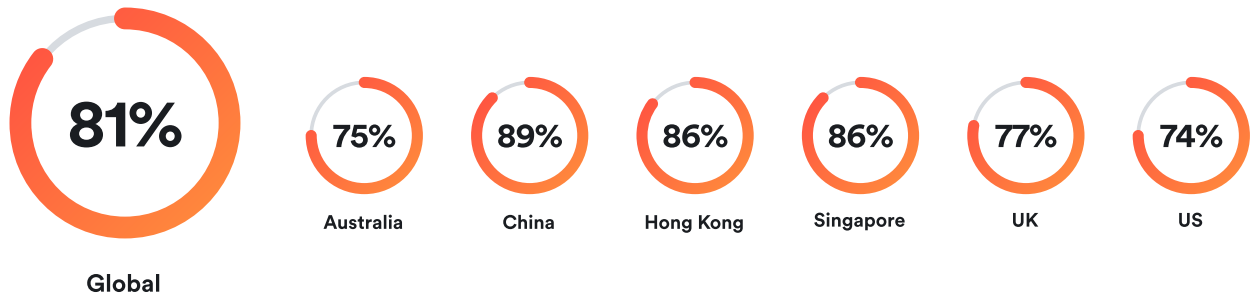
From social media influence to local payment preferences, merchants should take the time to understand regional shopping habits before launching in a new market. By taking a localised, data-driven approach to the user experience, merchants can strike the right note with global customers, building trust and brand interest.

Insight: Product discovery opportunities are diversifying

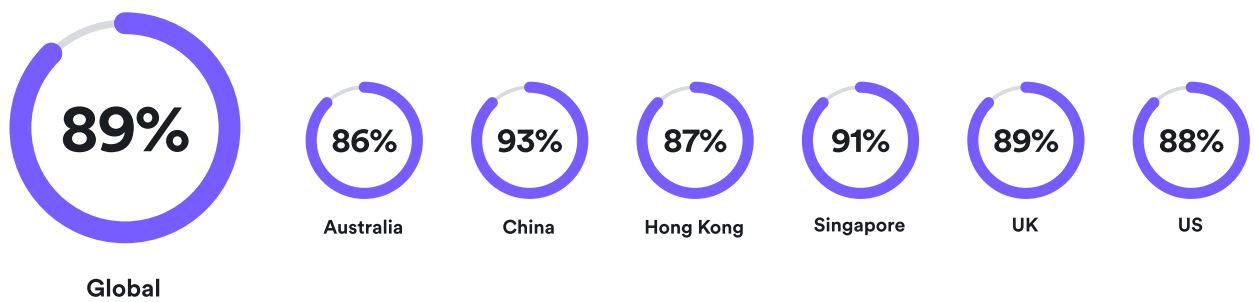
Savvy eCommerce businesses will create a range of pathways to their products. Our research found that, when buying from overseas merchants, consumers in all markets are likely to shop from a range of channels, including direct from merchant websites, global marketplaces such as Amazon and Alibaba, niche marketplaces, and social media platforms.

Platforms that consumers are likely to buy overseas goods from

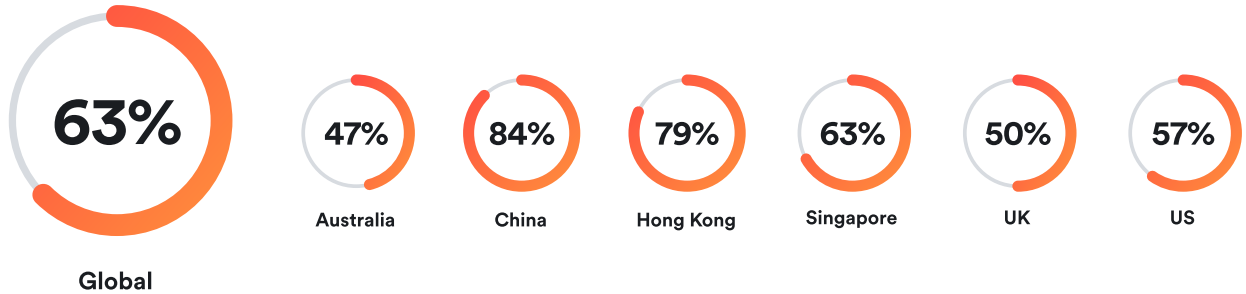
Directly from merchant's website:



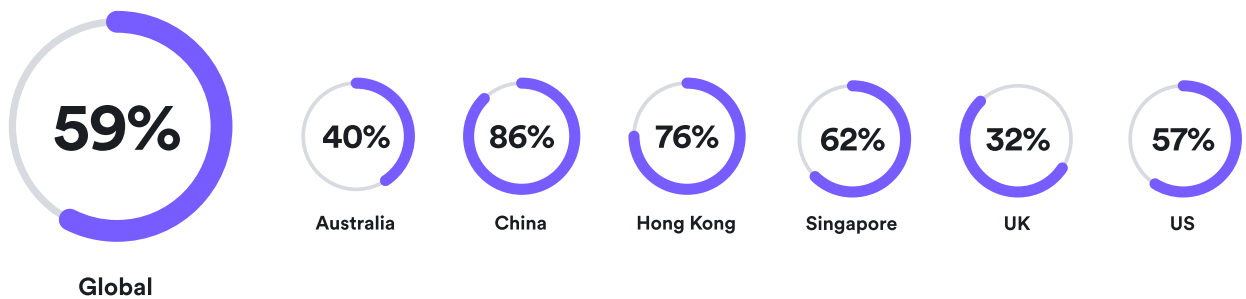
Large international marketplaces, e.g. Amazon, eBay, and AliExpress:



Smaller, niche marketplaces:



Social media platforms, e.g. Facebook, Instagram, and TikTok:



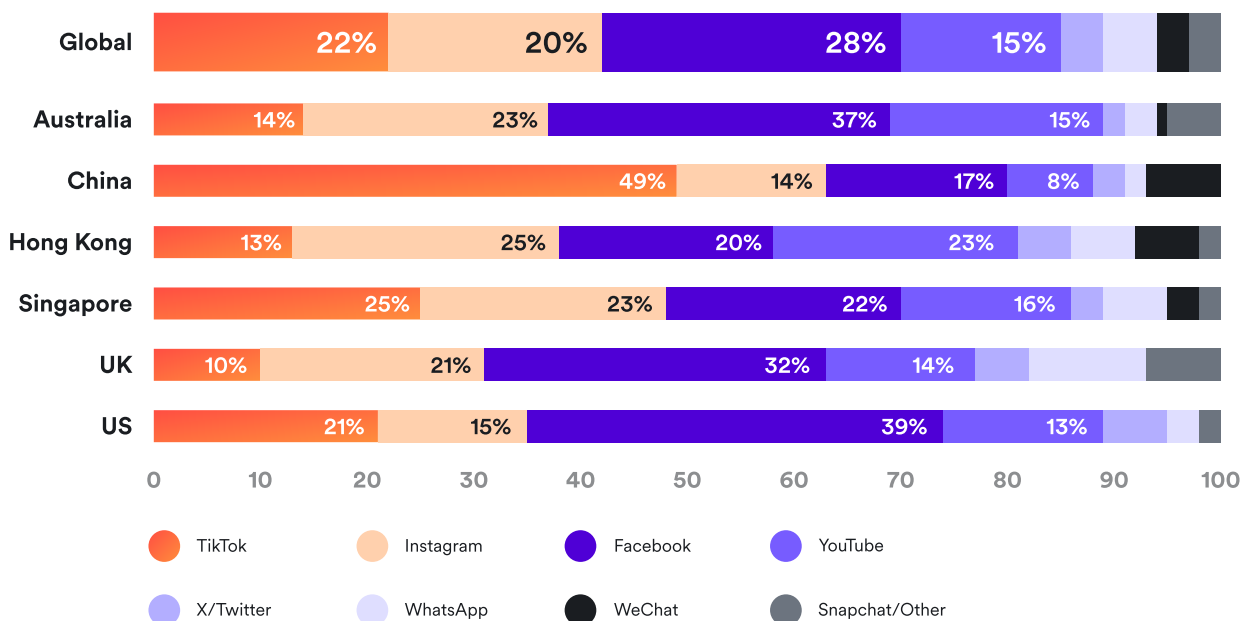
Insight: Social media purchase pathways are essential

If you're not marketing your products on social media, you're missing a key opportunity with Australia's main markets.

Access to deals and special offers, as well as speed and ease of purchasing, are key motivations for shopping cross-border via social media. For consumers in China, Hong Kong and Singapore, interactive online selling, such as 'live shopping' on TikTok, was highlighted by consumers as one of the main reasons for shopping from overseas merchants.

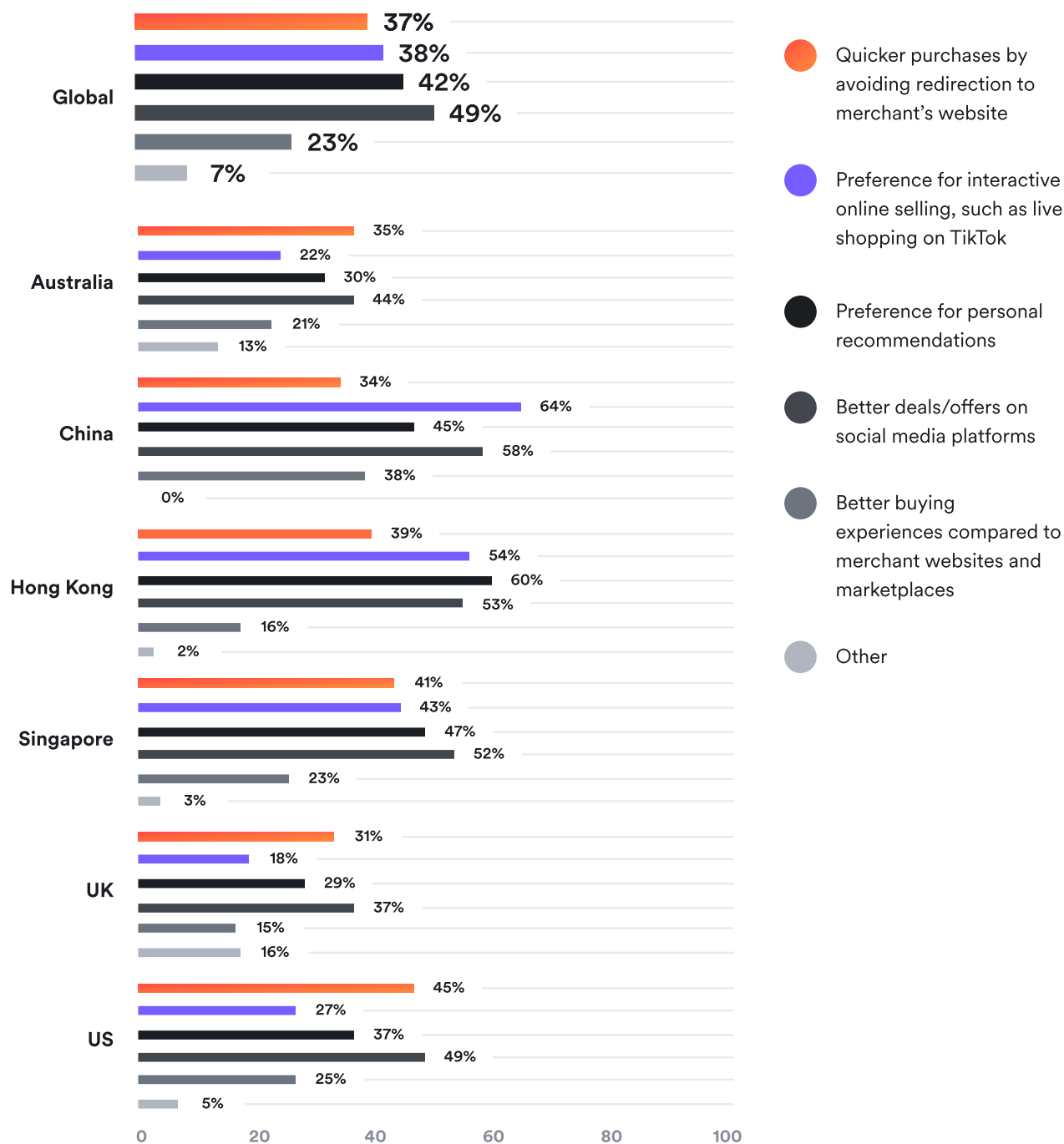
The popularity of the short-form video app is soaring, especially in China, where 49% of respondents are using this platform to make purchases online from international merchants. In Hong Kong, Instagram is the most popular social media platform to make international online purchases, with 25% of respondents making purchases on this platform, followed by YouTube (23%). In Singapore, purchasing is split relatively evenly between TikTok (25%), Instagram (23%) and Facebook (22%).

Most popular social media channels for cross-border purchases by region



Globally, Facebook is ranked as the most used social media platform when making purchases online from an international merchant (28%) followed by TikTok (22%) and Instagram (20%). Consumers in the UK and local consumers are the least likely of the markets we surveyed to purchase international goods via social media.

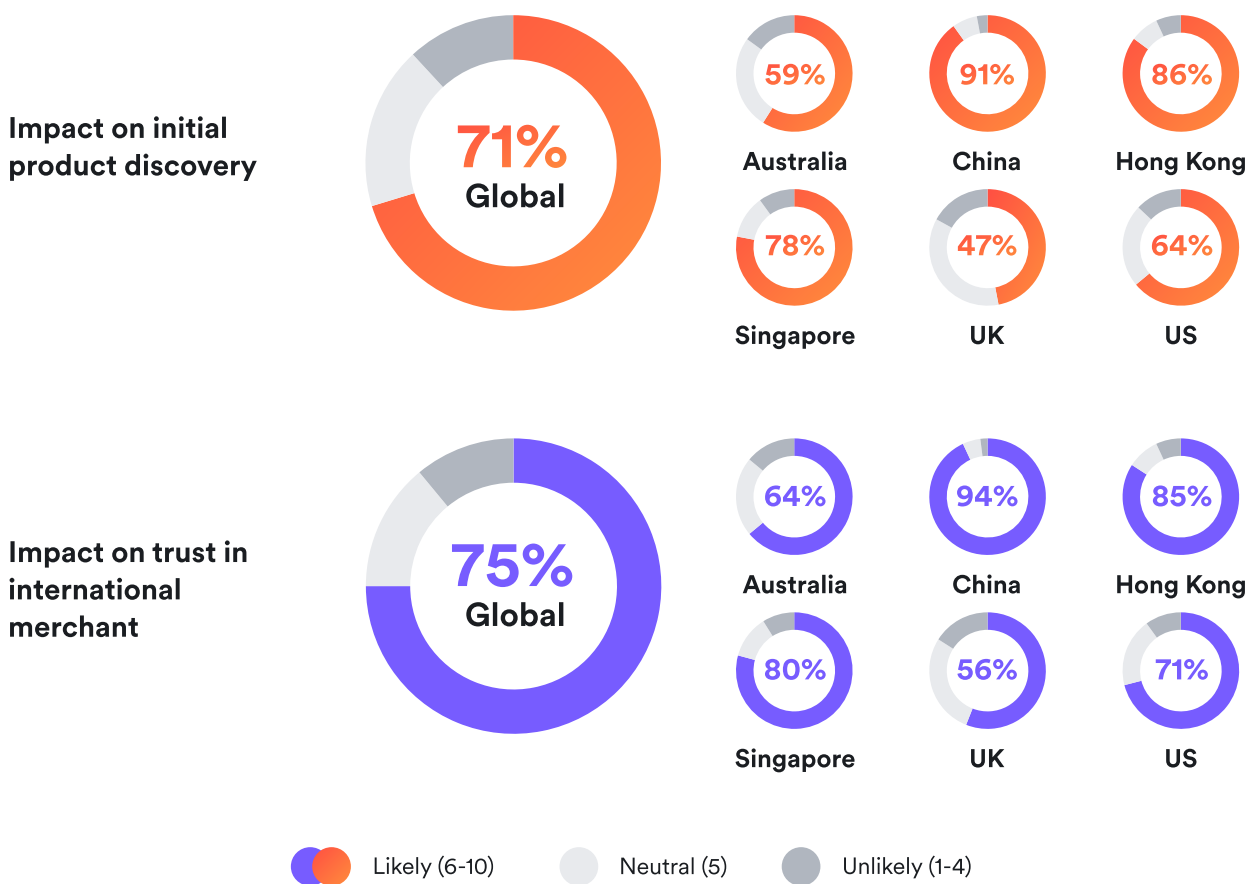
Reasons consumers buy from international merchants via social media



Insight: Influencers' authority is skyrocketing

When it comes to both product discovery and trust in your brand; influencers have the power to make a huge impact.

How influencers impact consumer trust and purchase decisions



Consumers in all markets say that endorsement from international influencers and content creators is likely to impact their trust in overseas merchants, their discovery of products, and their overall purchase decision.

In China, 91% of surveyed consumers say that their initial product discovery is impacted by influencers and content creators, while 94% say an influencer or content creator can improve their sense of trust with a brand.

Spotlight: Payment preferences

The rise of digital payment methods is a key reason today's consumer feels comfortable buying goods and services from anywhere in the world⁴. But as payments technology has improved, consumer expectations have also risen.

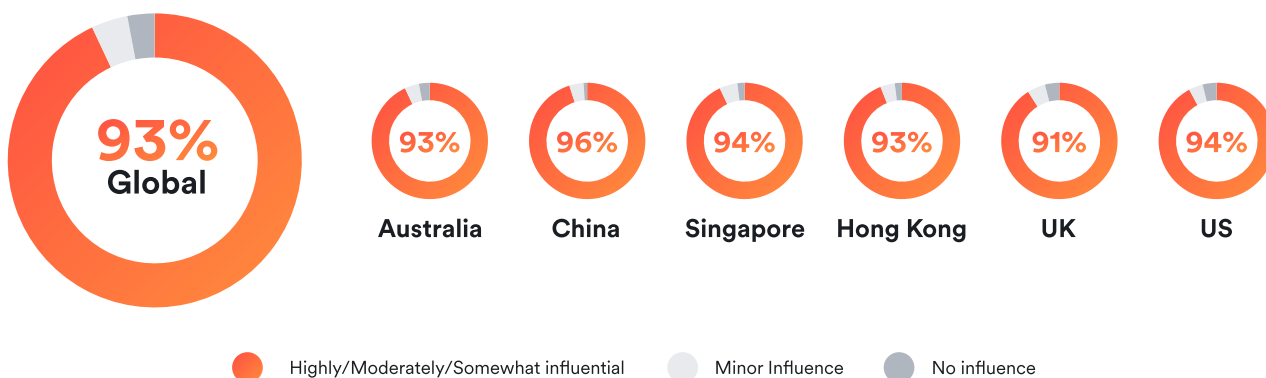
Insight: Consumers expect localised payment options

When shopping from overseas merchants, consumers now expect to see products priced in their local currency, they expect to be able to pay via the payment method of their choice, and they expect the payment process to be smooth and transparent.

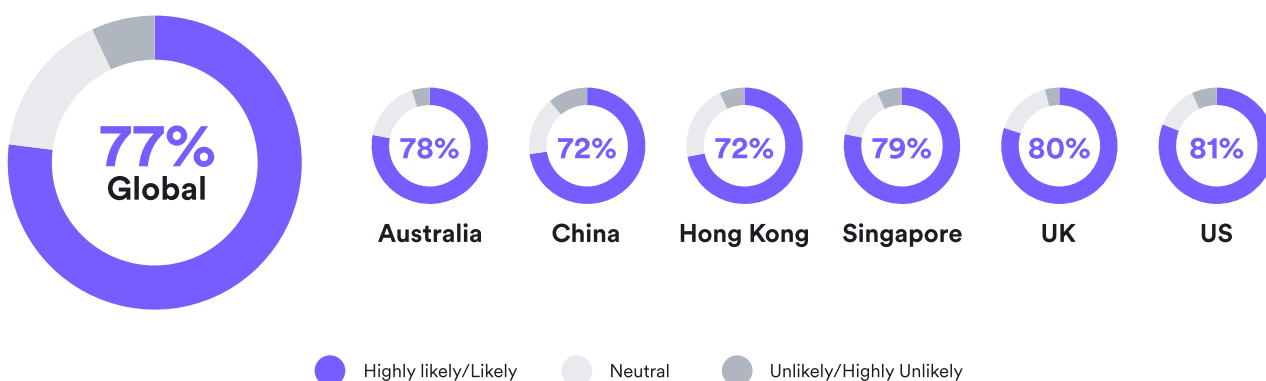
Merchants that don't leverage world-class payments technology to achieve the ideal user experience risk an increase in cart abandonments. This issue is especially prevalent locally – cart abandonment rates are higher among APAC merchants that do not offer localised payment options, compared to other markets⁵.

Across markets, 93% of consumers claim that seeing products priced in their local currency impacts their decision to purchase, and 77% say they are likely to abandon their cart if their preferred payment method is not available at checkout.

How pricing in local currencies affects consumer purchase decisions



How likely consumers are to abandon their cart if their preferred payment method is not available

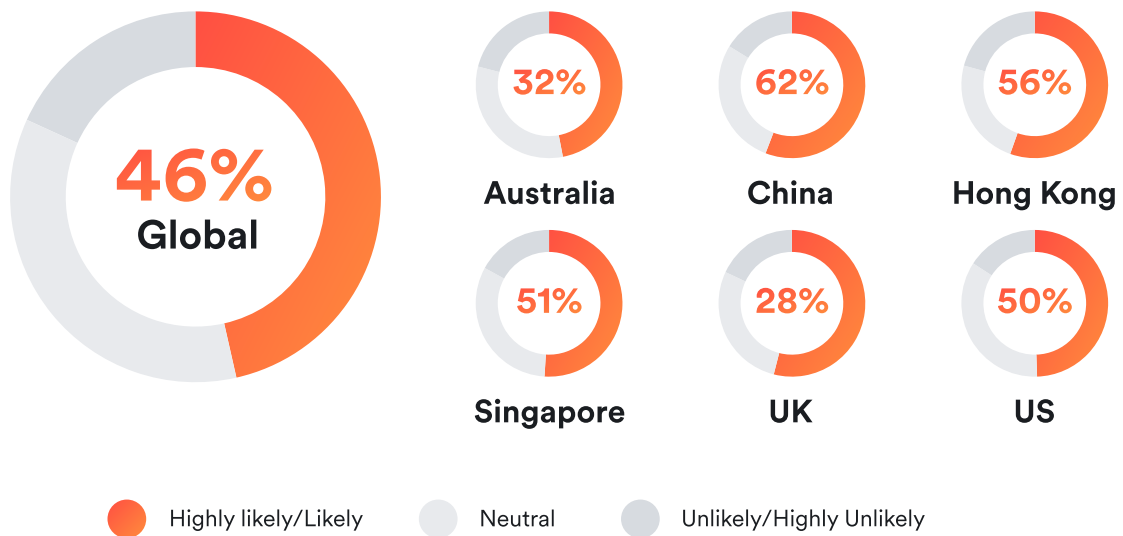


Insight: Hidden fees are impacting customer trust

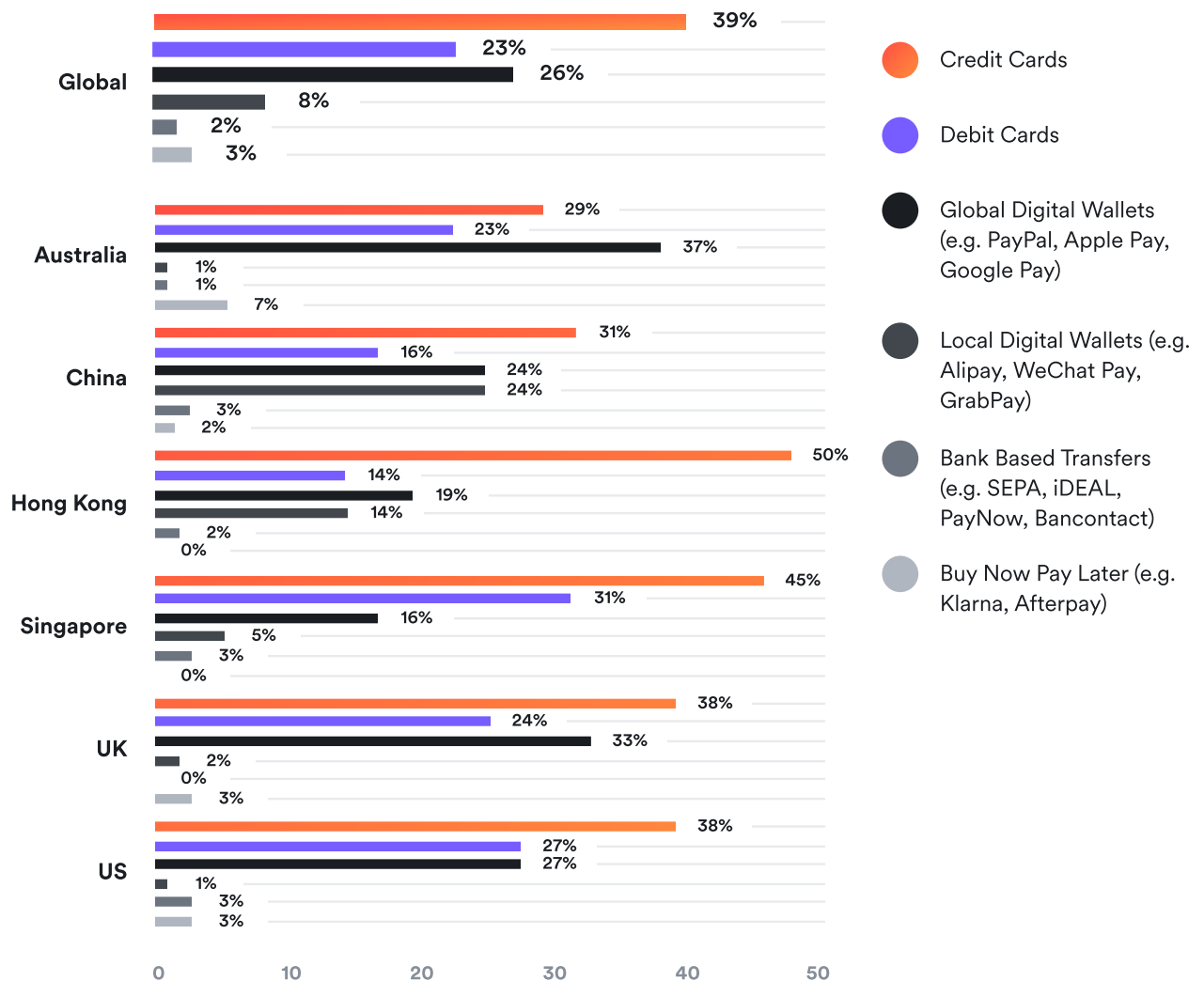
Hidden costs, such as currency conversion and international fees, influence customer loyalty. 35% of consumers claim they are unlikely to return to a merchant after being charged hidden fees. According to our survey, most consumers expect to pay 1-2% in foreign exchange fees when buying from international merchants.

Transparency with customers around fees is a great place to start, but reducing or removing fees altogether is ideal. Merchants can gain a competitive advantage by leveraging multi-currency payments technology to reduce currency conversion fees and pass savings on to customers.

How likely customers are to return to an international vendor after being charged hidden costs such as currency conversion fees



Preferred payment methods for cross-border purchases





One thing was clear: We needed a simple-to-use, truly global financial solution that allowed us to seamlessly accept money from customers in multiple markets, convert it to other currencies only when needed, and pay vendors in different countries. In other words, we needed to trade globally — not just Australia.

Richard Li

Co-Founder & CEO, July

Insight: Global digital wallet use is surging

Although credit and debit cards are still the most popular payment method across regions, things are shifting rapidly. 33% in the UK, and 27% in the US now prefer to pay via global digital wallets such as Apple Pay, Google Pay and PayPal. 51% of consumers in China prefer to pay via alternative payment methods such as digital wallets and Buy Now Pay Later (BNPL) options.

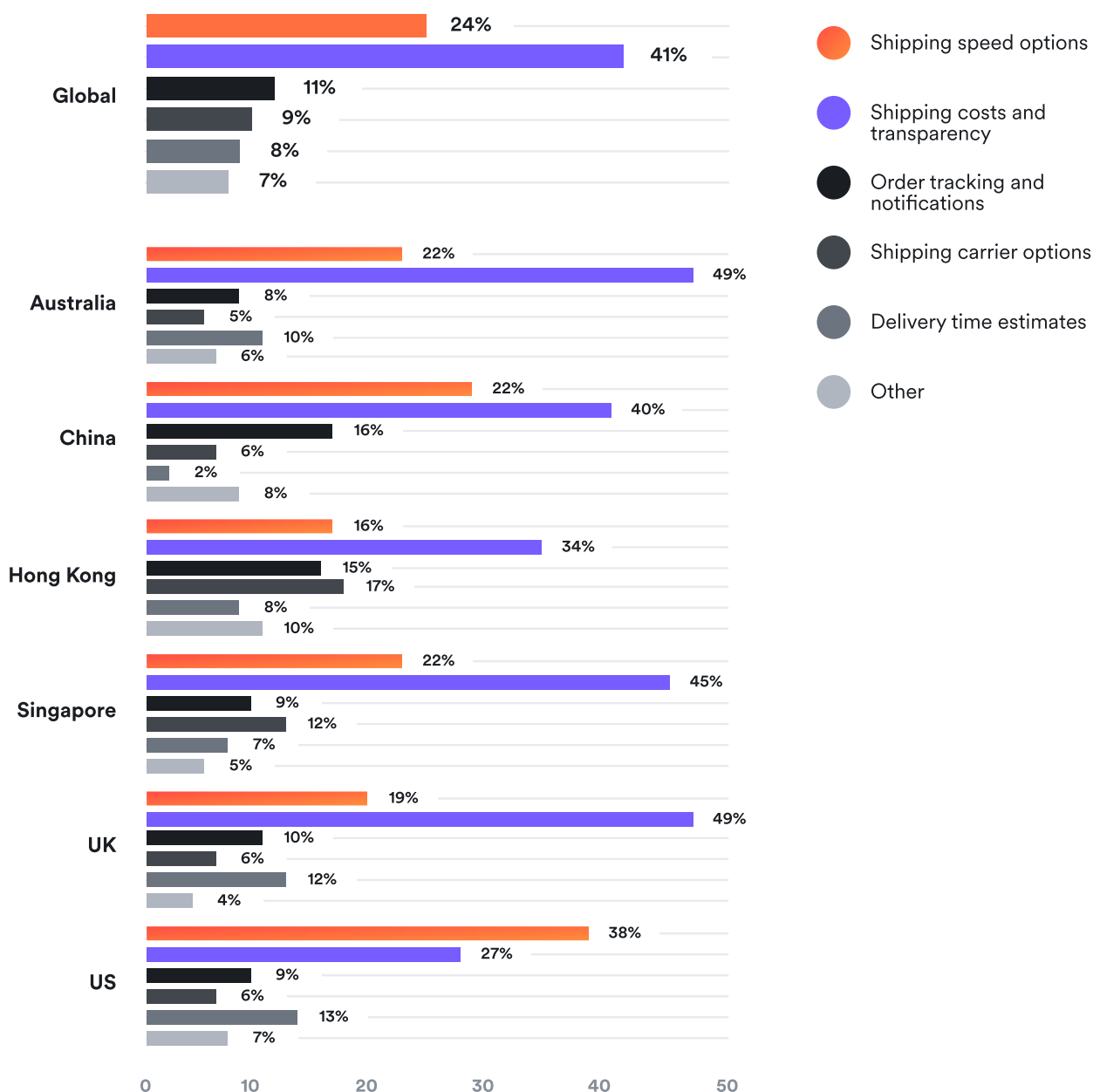
Local payment methods such as Alipay, WeChat Pay, and Grab Pay, have become increasingly important in Asian markets. 24% of consumers in China, 14% in Hong Kong, and 5% in Singapore prefer to use these local payment methods.

Local Focus: Out of all markets, Australian consumers were most likely to use digital wallets. Championing this payment method could yield great results for both local and international customer bases.

Spotlight: Logistics

As with payments technology, advancements in eCommerce logistics, spurred on by global marketplaces such as Amazon, have led to higher consumer expectations. Today's consumer wants products to arrive in good time even when purchasing from overseas merchants and, if a product is not to their liking, they expect to be able to follow a simple returns process.

Most important features consumers look for when evaluating an international merchant's shipping policy



Insight: Costs and transparency are king with shipping

Our report suggests that, when evaluating the shipping policy of an international merchant, shipping cost and transparency are the most important considerations for consumers in all markets except the US, where speed of delivery is the most important.

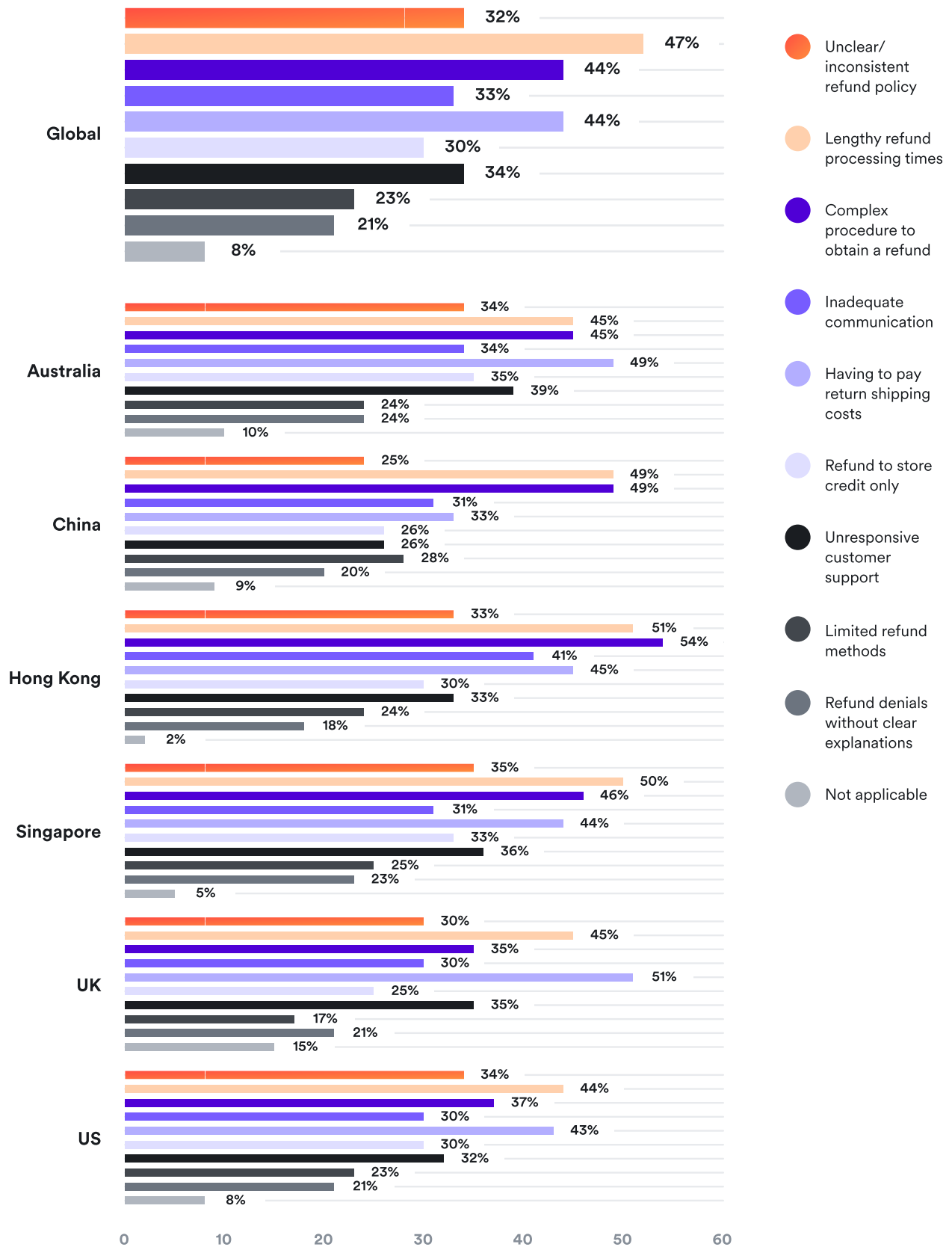
The survey also suggests that most consumers are happy to pay extra for faster delivery and tracking when shopping from international merchants versus domestic merchants. This is particularly the case in China (82%), Hong Kong (69%) and the US (68%).

Insight: Refund and returns processes should be sophisticated

When it comes to returns and refunds, there are many pain points consumers face when shopping from overseas merchants. 47% highlight lengthy refund processing times as a challenge, 44% say having to pay return shipping costs is a problem (this rises to 51% in the UK), and 44% point to refund procedures being too complex.

Overly-complex refund processes can also have a damaging effect on customer loyalty, with 37% of consumers claiming they are unlikely to revisit a merchant if the refund process is substandard.

Aspects of the refund process which cause the most problems for consumers shopping cross-border



How can you use these findings?

It's clear from our report that eCommerce businesses must leverage regional shopping trends, world-class payments technology, and premium logistics infrastructure in order to attract, convert, and retain overseas customers. Inspired by our findings, we see four clear actions which could help boost your cross-border potential in 2024.

Capitalise on the ‘impulse purchase’ mindset

Whilst some regions are more engaged with social commerce (the act of purchasing via social media) than others, there is no doubt that social media has significantly impacted the eCommerce landscape, particularly in regards to cross-border selling.

Social media’s trump card lies in its ability to enable each step of the customer journey on a single platform. From product discovery and community building to customer service and checkout, social media allows consumers to go from mindless scrolling to spontaneous purchasing without breaking step. This gives merchants an unparalleled opportunity to capitalise on the ‘impulse purchase’ consumer mindset.

\$71B

in 12 months

combined spend by an average impulse buyer on products from social media⁶

In 2023, the average impulse buyer in the US spent USD\$754 on products from social media⁶. Every eCommerce business has the potential to tap this audience, all they need to cut through the noise – and provide a streamlined and integrated purchasing experience.

Embedding [Payment Links](#) into social media channels can help you create this experience. Payment Links enable merchants to collect payments globally without directing customers to their website, facilitating a payment experience that is secure and globally compliant.

Leverage influencers and social proof to build trust

In 2019, beauty brand E.l.f. Cosmetics launched a TikTok campaign which inspired over three million user-generated videos, including unsponsored content from celebrities such as Lizzo, Ellen DeGeneres, and Reese Witherspoon. The campaign is recognised as one of the most successful TikTok marketing drives of all time, generating billions of views worldwide⁷. Whilst this may be an extreme example, it demonstrates the full potential of influencer and user-generated content if leveraged correctly.

As well as generating awareness, influencers help brands build trust with consumers in markets where they are not yet established. Although, in order to reach the desired outcome, influencer endorsements must come across as authentic rather than transactional. To achieve this, merchants should choose influencers that align with the company's brand values and have a genuine connection with their followers.



Customer reviews are also critical to building consumer confidence in expansion markets. Merchants should spend time generating authentic customer reviews on local websites. These reviews serve a double function of increasing consumer trust and helping brands rank on local marketplaces and search engines.

Create streamlined payment experiences

Once a merchant has successfully convinced a customer that they must have a product, the sale is theirs to lose. Unfortunately, as our report highlights, there are many reasons a customer might be dissuaded from purchasing at the last minute.

In order to increase checkout conversion rates, merchants should do everything in their power to streamline the customer experience.



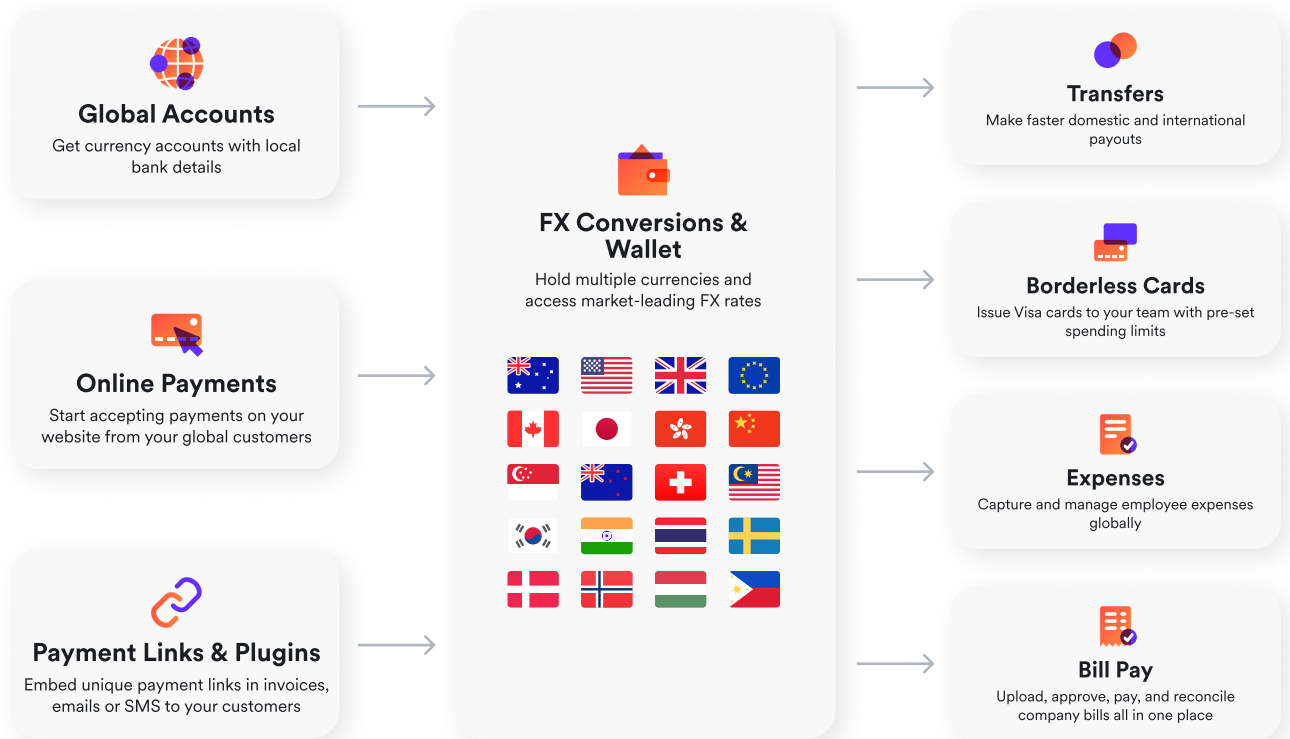
Payments technology plays an essential role in helping merchants improve the customer experience. With the right payments partner, merchants can price in local currencies, offer local payment methods such as Alipay, SEPA, and WeChat Pay at their checkout, and avoid unnecessary currency conversion costs that could make them less price competitive than their domestic counterparts.



While there are plenty of solutions that can help merchants resolve specific pain points, using an end-to-end provider can not only enable a better customer experience, but also, reduce the operational complexity of managing global fund flows.

In practice, this means a merchant can collect payments from customers in multiple currencies, settle payments ‘like for like’ (without having to convert currencies) into their accounts, and use funds to pay overseas suppliers, all whilst avoiding costly foreign exchange fees. Merchants can also leverage multi-currency accounts to collect funds from global marketplaces such as Amazon and Alibaba, thereby avoiding the currency conversion fees and international settlement costs that marketplaces charge.

For example, Airwallex allows merchants to collect payments, convert currencies, transfer funds, pay bills, manage team expenses, and more on a global scale from a single platform.



Build consumer confidence with quality logistics

According to our survey, consumers hold some anxiety around the shipping, returns, and refunds process when purchasing from overseas merchants. In order to reassure customers, **merchants should clearly display their international shipping policies on their website**, including costs, estimated delivery times, and any additional fees and taxes that the customer may be required to pay.

Merchants can overcome the challenges posed by overseas shipping by partnering with an international logistics company such as [ShipBob](#) or [Easyship](#). These third party logistics (3PL) companies help merchants establish an efficient international eCommerce supply chain and expedite the shipping process to international customers. That includes managing international customs and taxes, storing goods in local fulfilment centres, managing inventory, and processing returns. Our report suggests that customers are willing to pay extra for faster shipping and tracking, which 3PL services can also enable.

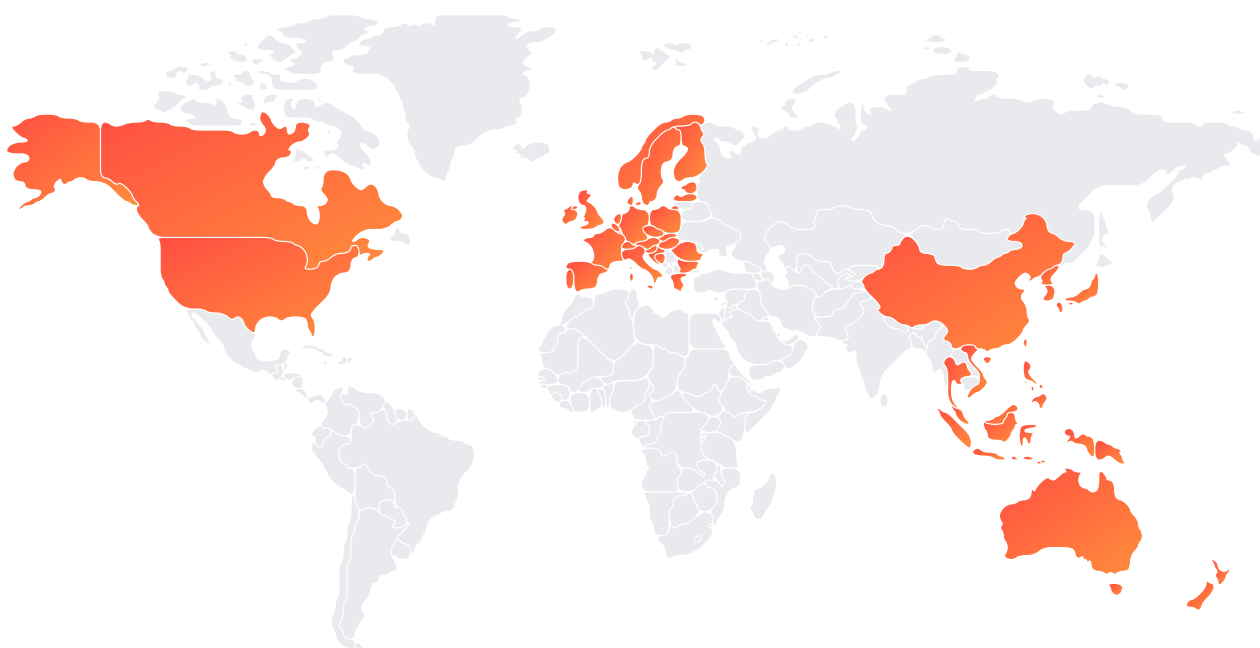
Airwallex: The payments and financial platform built for global eCommerce businesses

Airwallex is an end-to-end payments and financial platform designed to empower eCommerce businesses of all shapes and sizes to scale globally. With Airwallex as a partner, your business can accept payments from overseas customers through a fully localised and optimised checkout, settle multiple currencies into a Global Account without forced currency conversions, and pay international suppliers via high-speed transfers and multi-currency cards.

Global payment acceptance

- Collect one-time or recurring [payments](#) from customers in 180+ countries and regions. Boost checkout rates by pricing in local currencies and allowing customers to pay with over 160+ payment methods, including Apple Pay, Klarna, WeChat Pay, Alipay, and many more.
- Easily integrate Airwallex payment processing with platforms like [Shopify](#) and [WooCommerce](#) and get set up fast with no-code solutions. Alternatively, take full control over your checkout experience by building directly via our API.
- Create, customise, and share [Payment Links](#) via social media, email, or embedded directly into your invoices. No website or coding is needed.
- Benefit from a machine-learning-powered optimisation engine that constantly works in the background to improve payment success rates.

Wide global coverage of 160+ Local Payment Methods



afterpay



Klarna.



G Pay

PayPal

PAYNOW



Multi-currency solutions

- Build a localised checkout experience for each market you operate in and settle multiple currencies directly into your Airwallex account whilst avoiding costly currency conversions.
- Open [Global Accounts](#) that come with local bank details in 23+ currencies. Connect your accounts to eCommerce platforms and marketplaces to settle your earnings without being forced to convert funds.
- Use your multi-currency balances to make [payouts](#) to suppliers and partners across the globe through Airwallex's extensive local payment network.
- Take advantage of the opportunity to earn a competitive return on your funds by investing them with Airwallex [Yield](#)⁹.

Fraud & risk management

- Automatically identify suspicious transactions and reduce disputes with our built-in fraud detection engine and dispute management system.
- Leverage 3D Secure to authenticate shoppers before authorising card transactions and stay compliant with regional compliance requirements.
- Set watch lists and adjust risk parameters to your desired risk tolerance within the Airwallex app.
- Enable your operations team to respond to and track disputes faster with intuitive workflows within the Airwallex app.

Supplier payments & spend management

- Securely [payout to](#) manufacturers, wholesalers, and service providers in over 150 countries and regions, with 110+ countries and regions leveraging local rails.
- Upload, approve, and pay invoices with [Bill Pay](#) and sync data with your accounting systems to speed up reconciliation.
- Empower teams with multi-currency [company cards](#) with specified card limits for software subscriptions or ad spend on Google, Facebook, and other media platforms, while saving on FX fees.
- Issue and manage multi-currency physical and virtual [employee cards](#) for employee expenses like travel, employee benefits, and team offsites and [track spend globally](#). Reimburse employees in their local currency if they spend out-of-pocket.

Software integrations

- From eCommerce platforms to accounting, [integrate](#) Airwallex with the tools you already use to manage your business. Leverage our no-code plugins to sync data, reconcile transactions, and get started in minutes.

Run an eCommerce marketplace?

- Embed Airwallex's [global payment processing solutions](#) into your marketplace, providing an end-to-end solution for processing buyer and seller payments. One of the biggest advantages of using Airwallex is our ability to allow marketplaces to use their pay-in provider or 'acquirer' of choice, whilst leveraging the strengths of Airwallex's global payout and account infrastructure. With our PSP agnostic solution, you can accept payments via the PSP of your choice or multiple PSPs, settle collected funds into an Airwallex account, and choose when funds are to be released to your sellers.

Ready to get started with Airwallex?

Sign up for your free Global Account now.

[Learn more](#)

JULY

Achieved **10% financial savings** in transfer fees by using Airwallex

July uses Airwallex's Global Accounts and Payment Links to easily collect payments from global customers and pay suppliers in their preferred currency. Airwallex Borderless Cards give their staff an easy way to pay for expenses.



“Having Airwallex as our global trusted partner means we can spend less time on the phone to the bank, and more time focusing on growing our business domestically and internationally.”

Richard Li
Co-founder & CEO, July

JULY

The Challenge

Huge growth meant July quickly outgrew their existing banking partner who processed payments slowly and changed rates on the fly. They needed a simple-to-use, truly global financial solution that allowed them to seamlessly accept money from customers in multiple markets, convert it to other currencies when needed, and pay vendors in different countries.

The Solution

With Airwallex as their partner, July now manages global payments on a single platform, improving efficiencies by 50%. They save 10% on transfer fees, and can pay suppliers quickly in their preferred currency. With Airwallex Payment Links, July has reduced payment friction for their customers, allowing them to pay instantly with a handy link. July also uses Airwallex Borderless Cards, so their staff can pay expenses easily anywhere in the world with spend monitoring, limit setting, and approval flows.

VINOMOFO

Sees ripple effect of savings and efficiencies with Airwallex

Vinomofu offers the best wine on the planet without the pretence, serving over 500,000 customers, predominantly in Australia and Singapore.



“There aren’t many initiatives we could implement to save our business around \$100,000 annually without a huge amount of effort. It’s a pretty easy win, to be honest, and something I’d encourage any business with foreign exchange exposure to look into.”

Kieran Donovan
Chief Financial Officer, Vinomofu

VINOMOFO

The Challenge

With a significant customer base abroad, the team was looking for ways to boost their bottom line when they began focusing on operations in Singapore. Initially, the team explored options with their Singapore banking partner but found there was little room to negotiate better terms. Considered too small a player, they found they were paying high fees on each transaction and losing money every time they converted Singapore dollars to Australian dollars. An ideal solution needed to serve an essential goal; reduce the cost of FX without adding any complexity to the business.

The Solution

Airwallex’s intuitive platform was the perfect pairing to Vinomofu’s needs. Airwallex provided the perfect solution to slash the cost of foreign exchange (FX) transactions, speed up payments and streamline processes. Since using the platform, all transactions have been processed with minimal issues, and the team hasn’t received a single call to request manual verification for payments. The platform was straightforward to implement, and quickly adopted by employees, with tens of thousands saved, 11% less conversion costs, better cash flow and happier suppliers with faster transactions.



Airwallex