



Expanding into East Europe and Asia

Useful tips for beginners and experts

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November 2008



- 1. Trends in Online Shopping**
- 2. Presenting Markets**
 - 1.1 European Market
 - 1.2 Pointing out Central and East Europe
 - 1.3 Asian Market
- 3. Best practices: Reaching Target Markets**

AGENDA



1. Trends in Online Shopping

2. Presenting Markets

1.1 European Market

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1.3 Asian Market

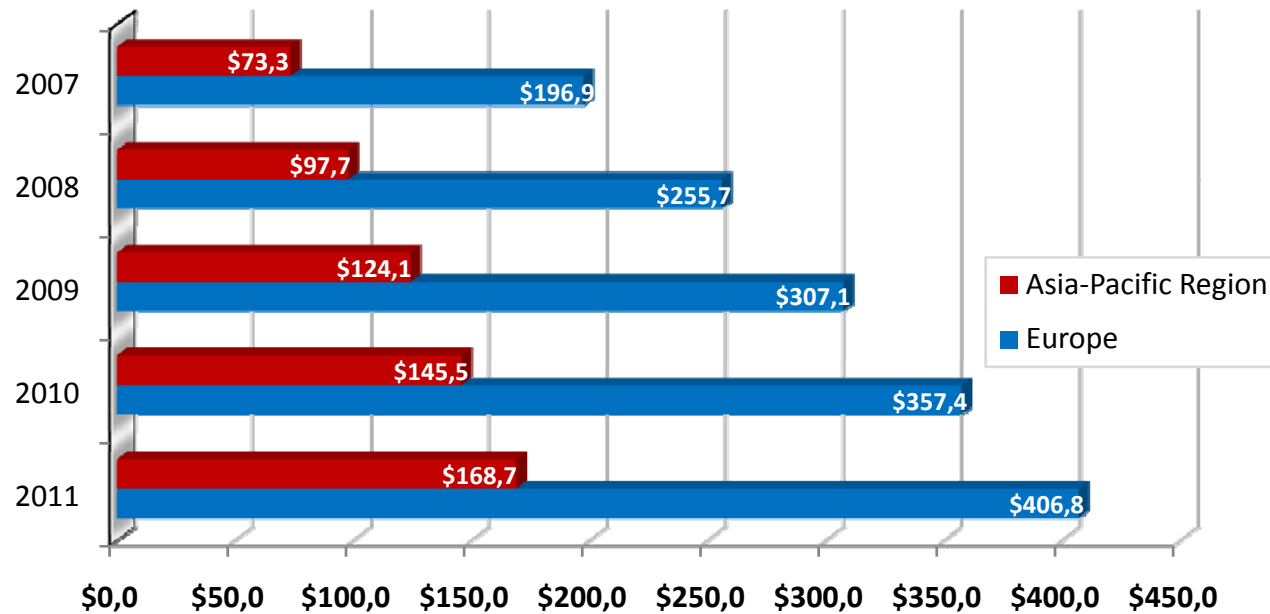
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Trends in Online Shopping

General Trends in Europe and in Asia-Pacific Region Gross Revenue in USD (2007 - 2011)



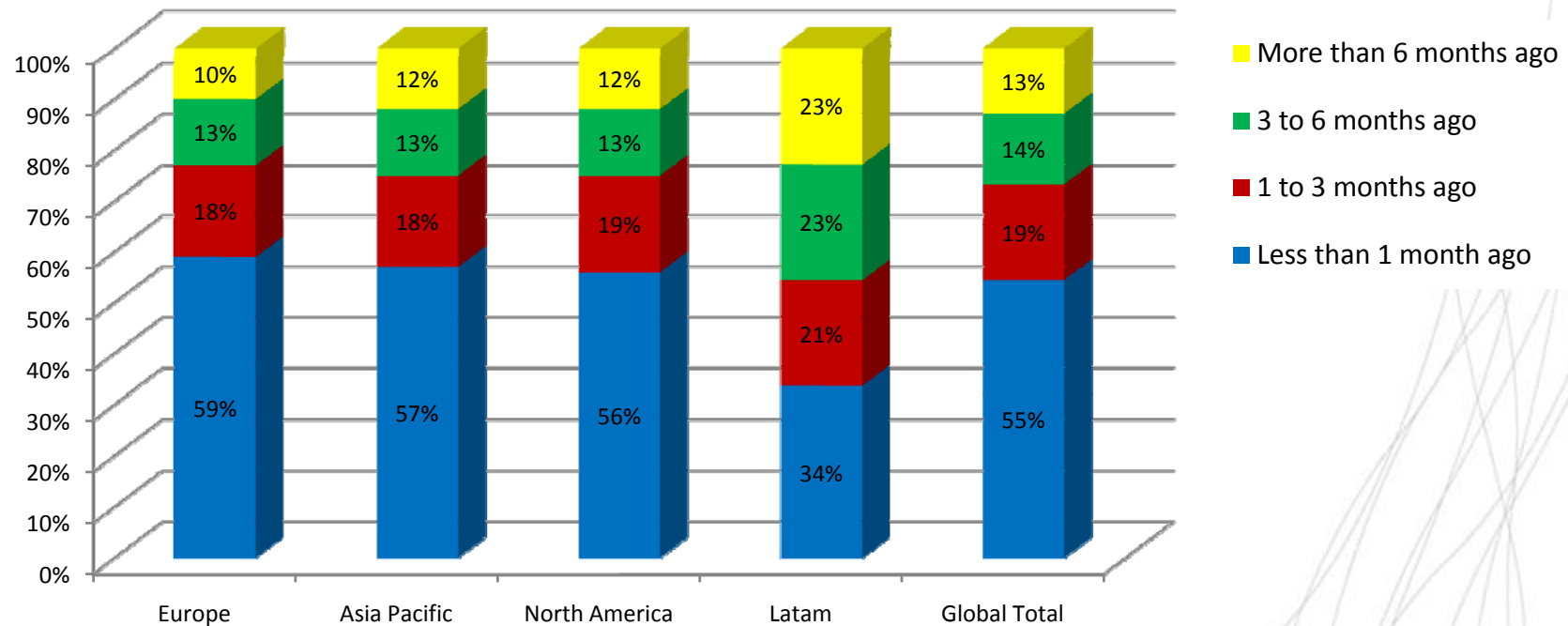
- With an annual growth rate of 25% over the next five years, the European market will reach nearly \$407 billion by 2011.
- Sales for the Asia-Pacific totaled \$73.3 billion in 2007 and will reach \$168.7 billion in 2011.





Trends in Online Shopping

When was the last time you made a purchase over the Internet?



- Online shopping in Europe, Asia Pacific and North America takes off
- 59 % of the European and 57 % of Asian online population has used the Internet to make a purchase less than 1 month ago





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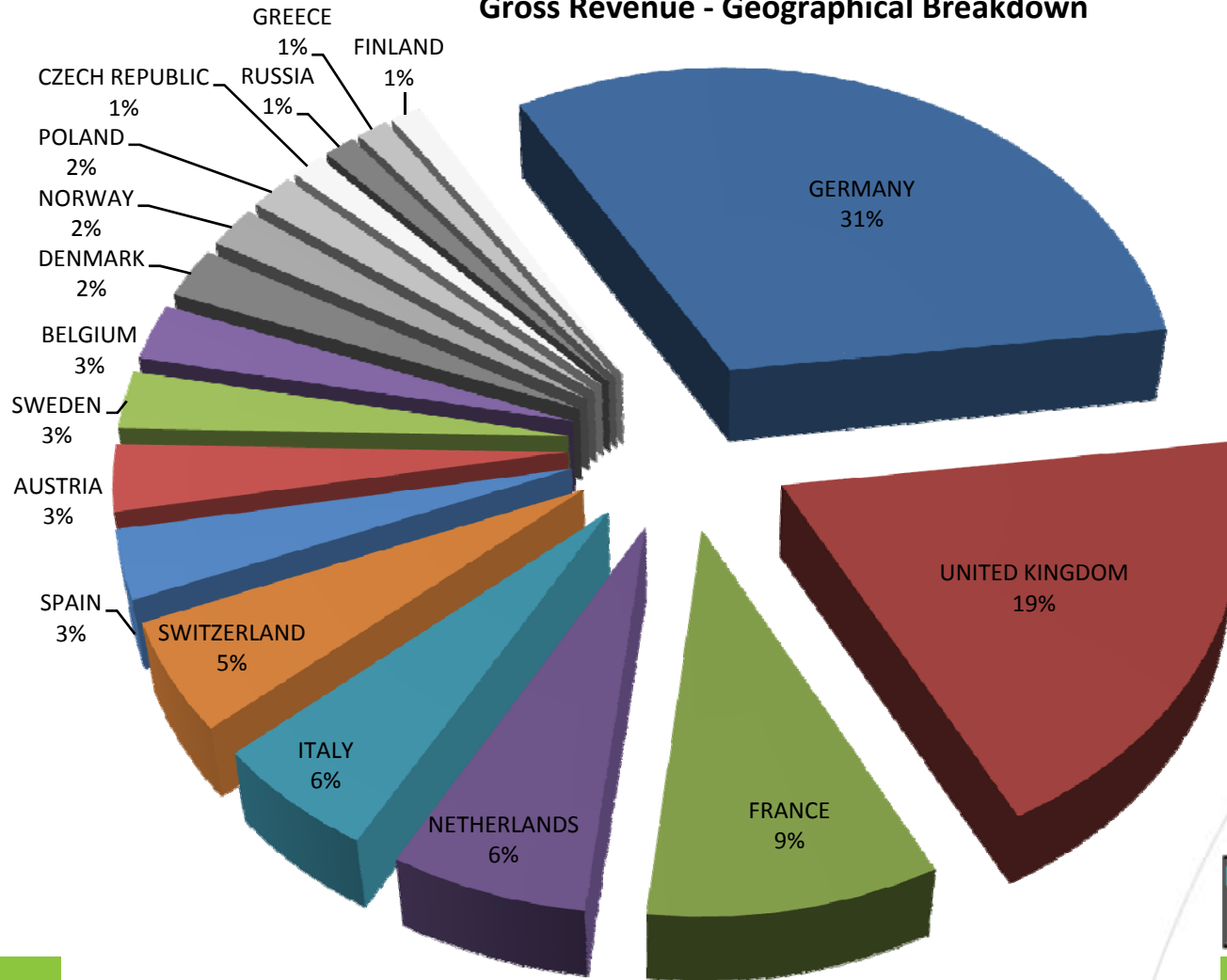
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European Market

The European share-it! Software Consumer Market 2008 - Gross Revenue - Geographical Breakdown



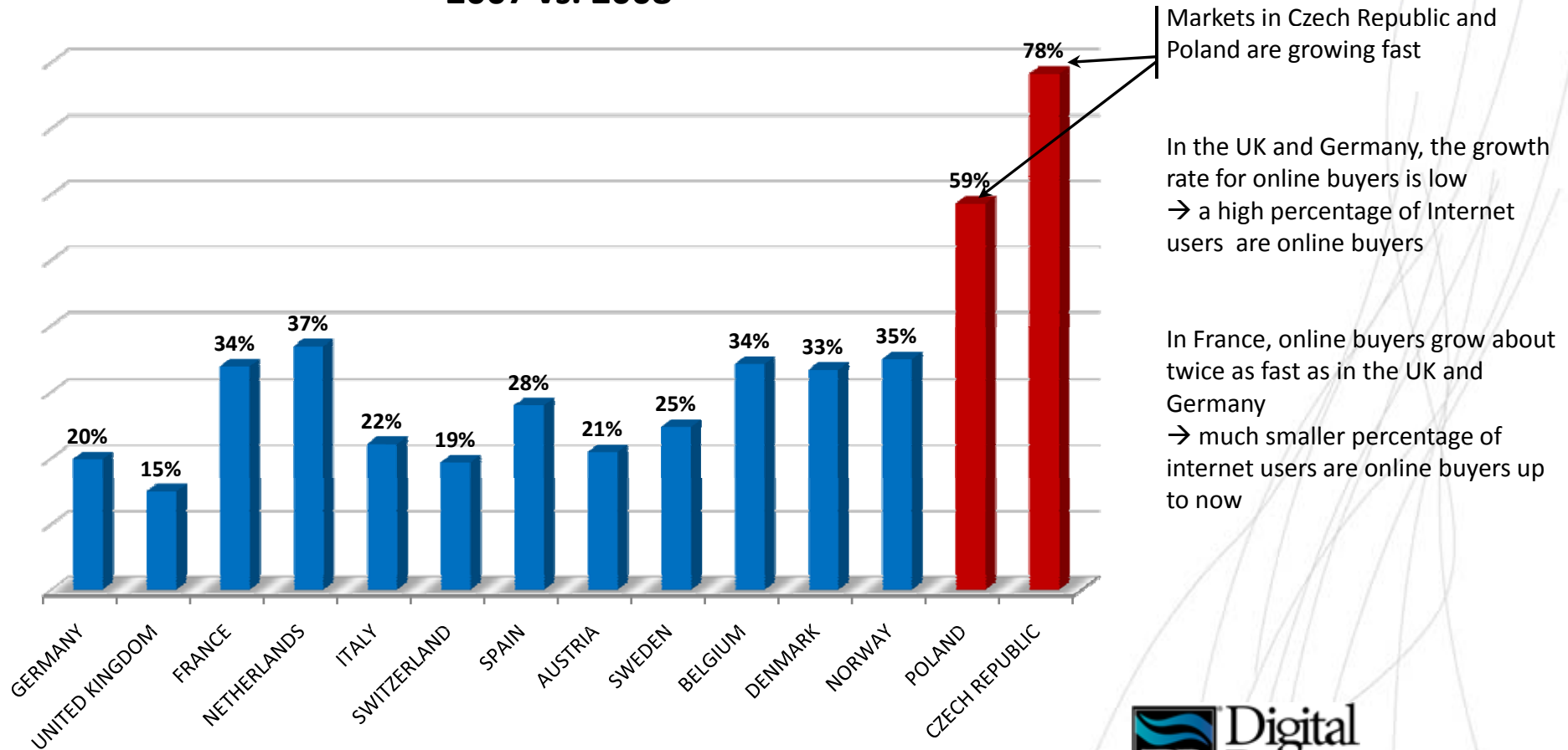
- Most frequent online shoppers come from Germany, UK and France
- Germany obtains one third of the European Market
- Top 3 regions represent 60 % of our clientele





European Market

share-it! Software Market Growth Comparison 2007 vs. 2008





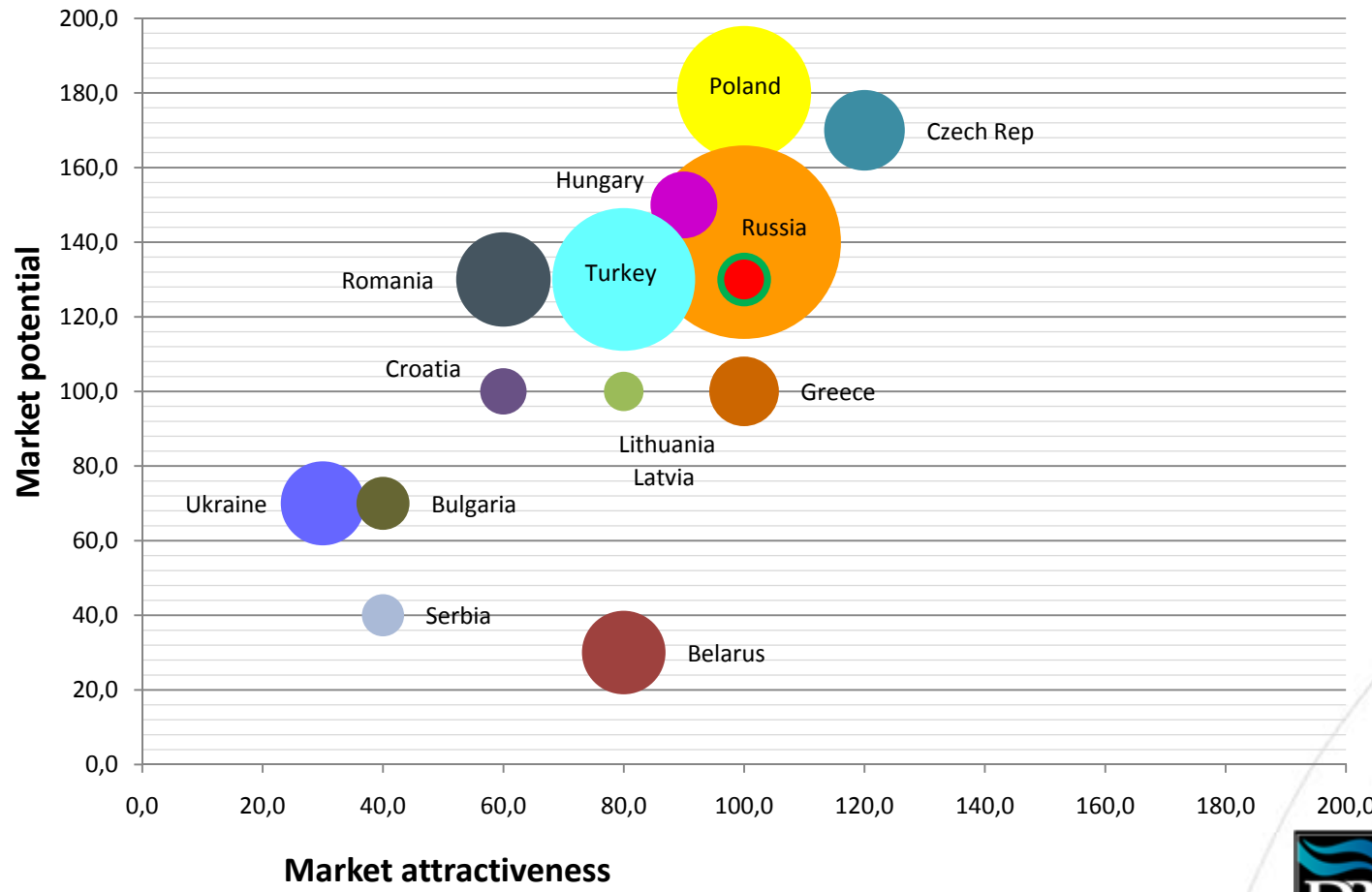
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Central and East Europe

Market Size by Internet Users



- Romania
- Belarus
- Croatia
- Czech Rep
- Poland
- Russia
- Serbia
- Greece
- Slovakia
- Slovenia
- Hungary
- Turkey
- Ukraine
- Bulgaria
- Latvia
- Lithuania

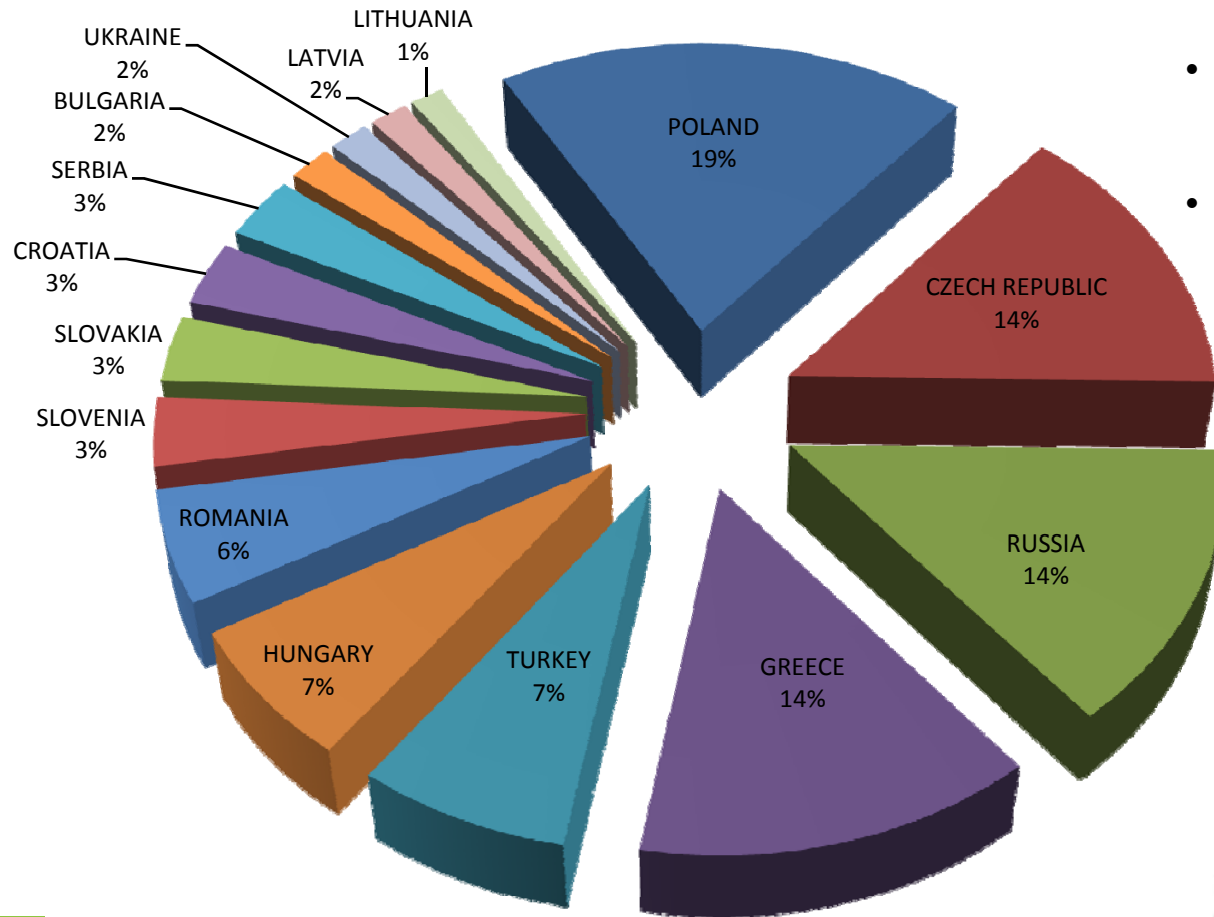
Bubble size denotes internet users; Latvia and Lithuania in same position





Pointing out Central and East Europe

The Central and East Europe share-it! Software Consumer Market 2008 Gross Revenue - Geographical Breakdown



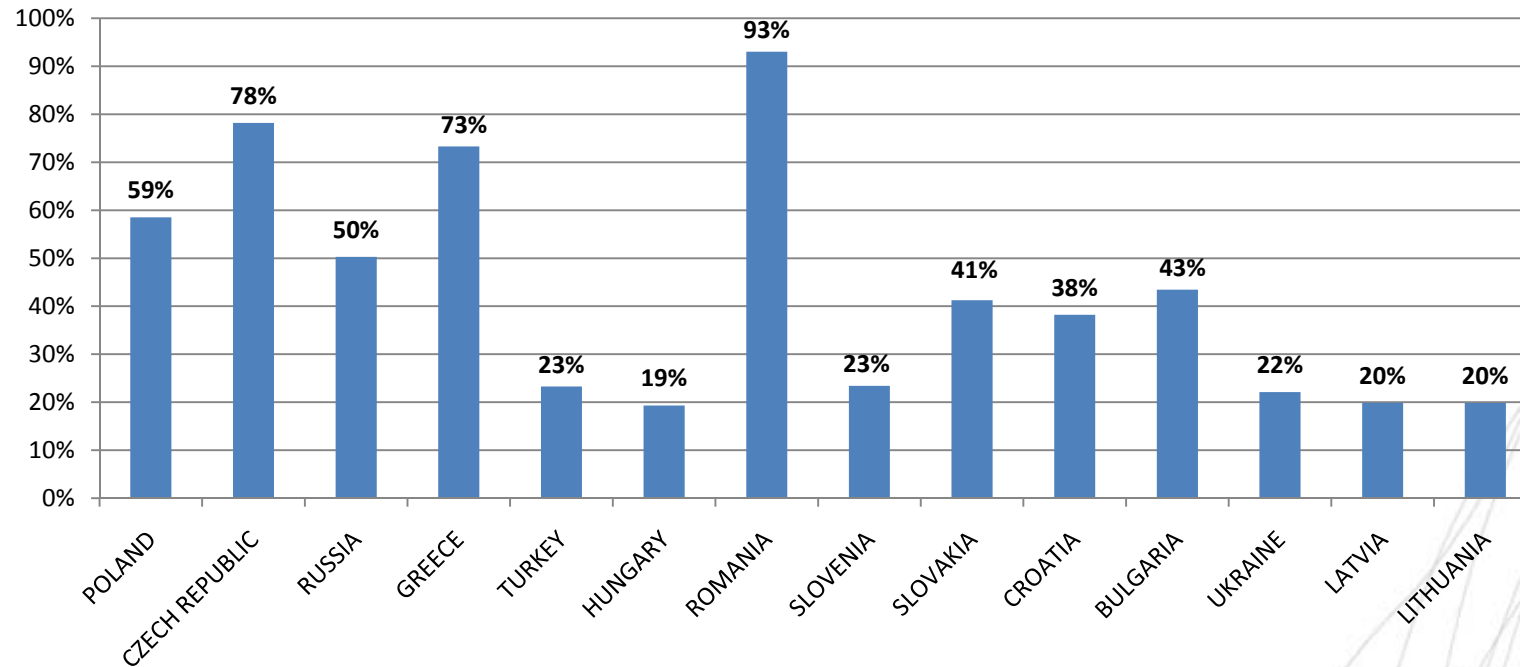
- Poland, followed by Russia, Greece and Czech Republic are leaders in the Central and East European Software Market
- Central and East Europe make 10% of the whole European market





Pointing out Central and East Europe

share-it! Software Market Growth Comparison 2008 vs. 2007



- Huge market potential in Central and East Europe
- In Russia and other countries the software market growth is quite impressive.
- Romania is a mid-sized market and gaining in significance
- Czech Republic is a small market, but very advanced





East European Market: Tips

- **Localize your web sites:** East European consumers prefer shopping at local stores and local web sites
- **Make special offers and discounts** (e.g., coupon promotions)
- **Add links from price comparison sites**
- **Introduce different payment options**
 - *It helps convert shopping-oriented searches into purchases*
- **Make Web sites interactive and allow consumers to post product reviews**
- **Use comparison tables and graphics in the product description**
- **Participate in test reports and surveys**
- **Offer Cross-Selling and Up-selling to East European online users**
 - *East European online buyers have thoroughly demonstrated a willingness to make cross-category purchases*
- **Create extended product ranges, loyalty programs, and promotions**
- **Use E-mail marketing to win East European consumers**
 - *35 percent of online buyers have provided their e-mail address to receive updates and news*





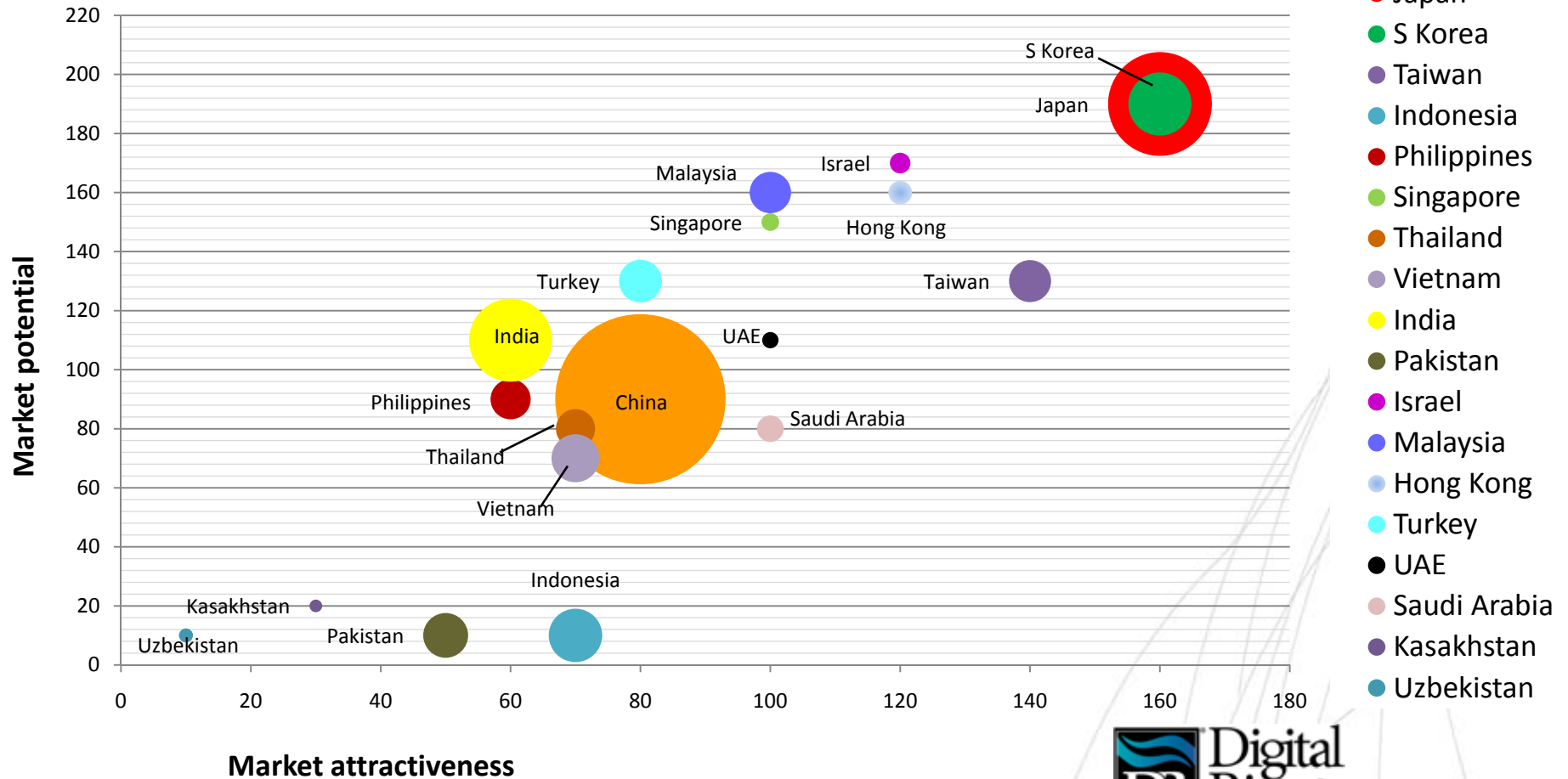
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Asia

Market Size by Internet Users



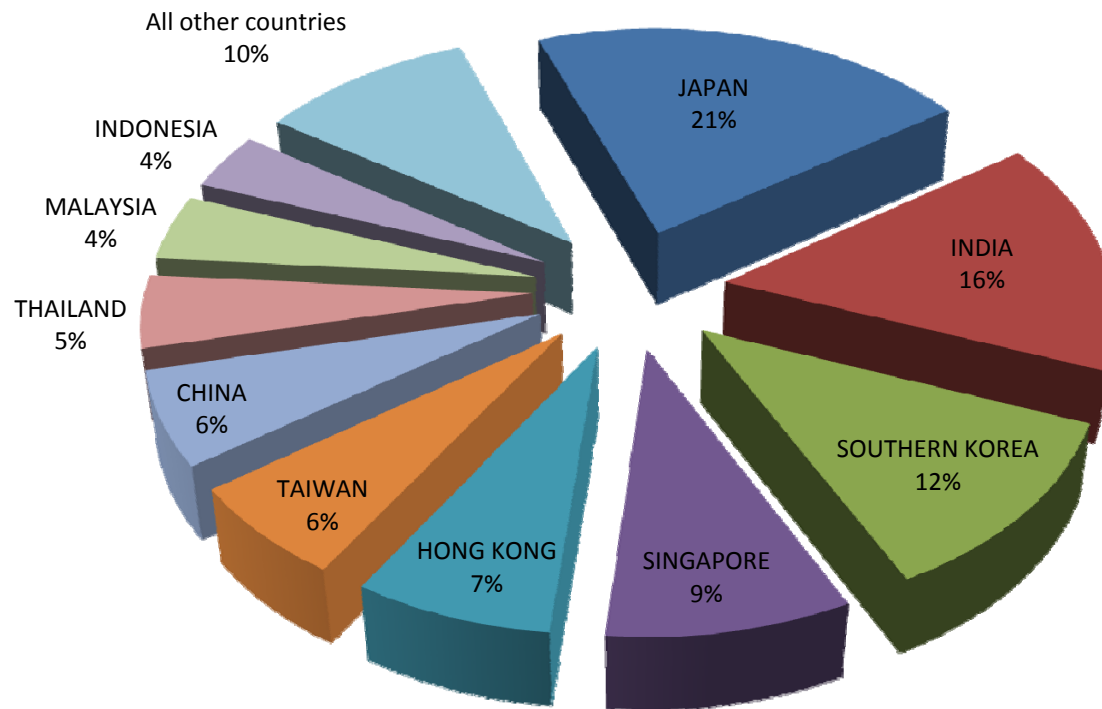
Bubble size denotes internet users





Asian Market

The Asian share-it! Software Consumer Market 2008 Gross Revenue - Geographical Breakdown



- Japan obtains one fifth of the Asian share-it! Market
- India and Southern Korea follow at 16% and 12%, respectively
- The Top 3 countries represent 50% of the market

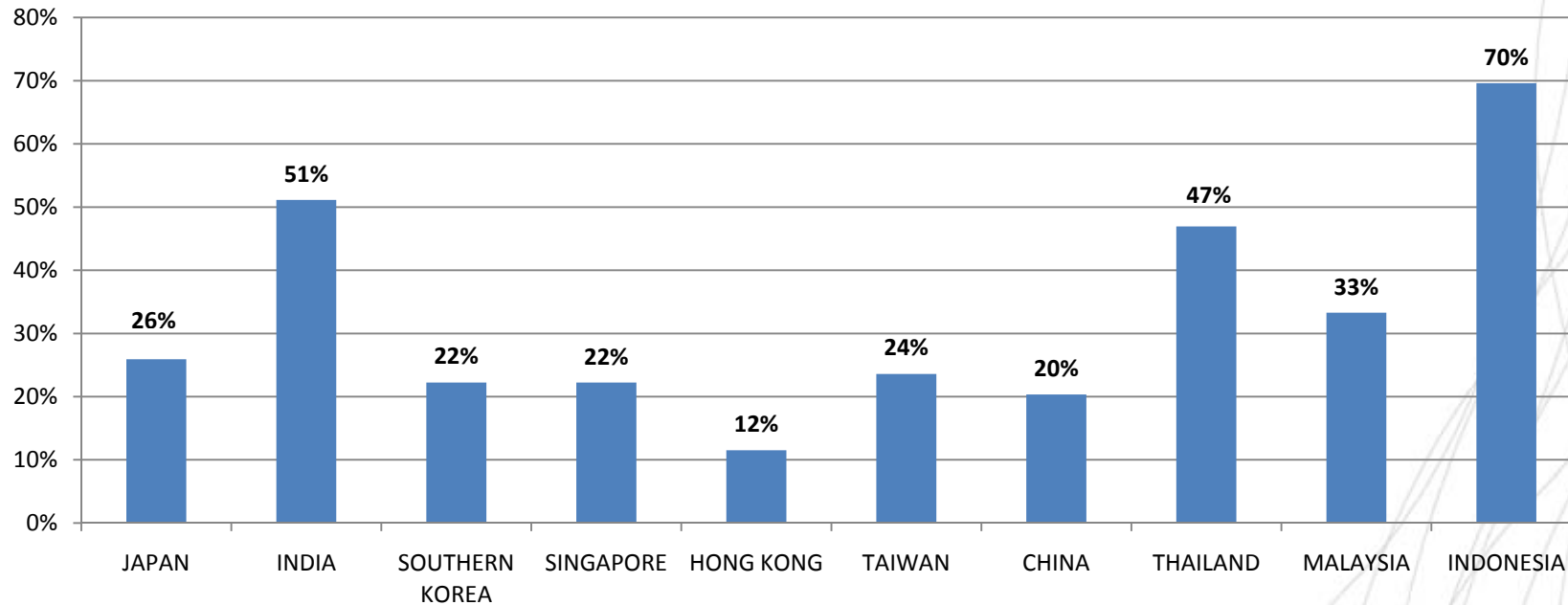


Source: **share*it!**, 2008
a service of digital river



Asian Market

share-it! Software Market Growth Comparison 2008 vs. 2007



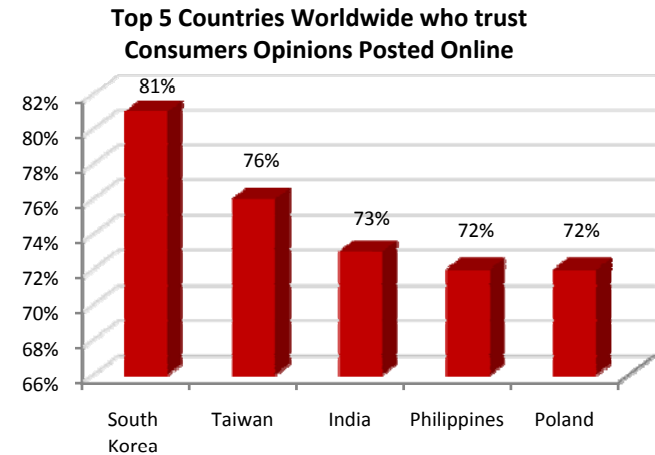
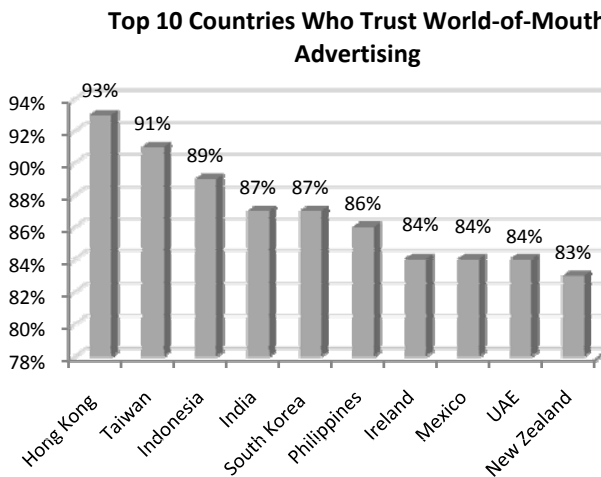
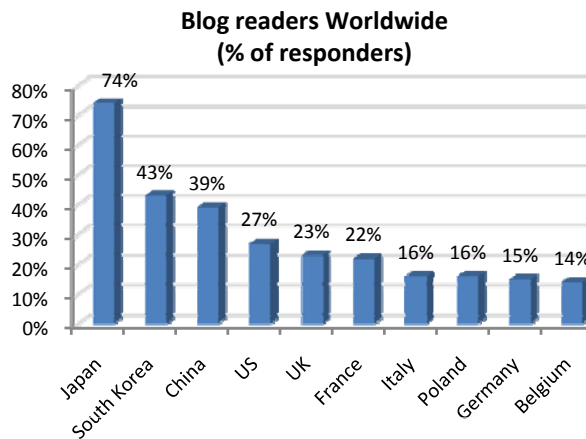
- Asian countries gain in importance as customer markets
- Indonesia and India have the fastest growth
- Thailand, Malaysia and Japan are getting more and more important





Asian Market: Tips

- Localize your web sites and order pages
- Inform customers about your products using blogs and social networks
- Use testimonials as sales tools
 - Testimonials can increase sales in consumer businesses by 30 percent
- Offer credit card payments only protected through “Verified by Visa” and “MasterCard SecureCode”
- Use local payments in combination with protection from fraud and chargebacks (e.g., DR FraudShield®) customized for each country



Source: eMarketer, 2007/2008





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Reaching Target Markets

How to start selling in Europe and Asia?

How to improve your business in these markets?

What have you to be aware of?

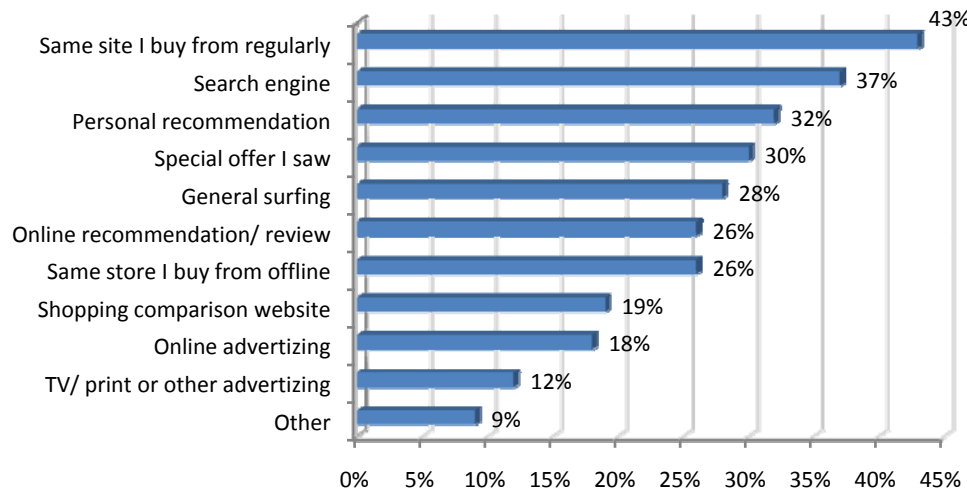


Reaching Target Markets

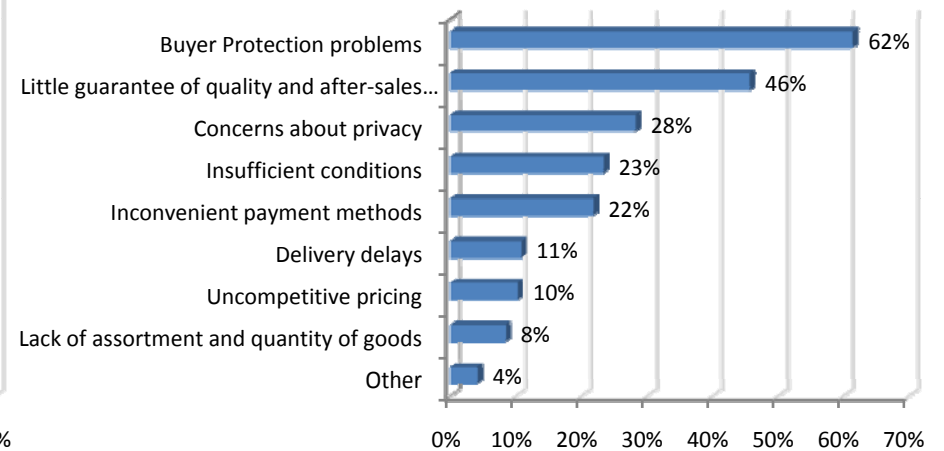
Buying behavior

- understanding the buying behavior
- improving and mobilizing the buying process for a particular product or service category

What helps you decide which site to use for shopping online?



Reasons that Internet Users Do Not Buy Online, June 2006 (% of respondents)



- 43 percent of online shoppers say they buy mostly from the same site
- Creating a positive shopping experience - capturing consumer's loyalty and their money
- One-third used a search engine or just surfed around to find the best online store to select sites for shopping
- Recommendations from fellow consumers play an enormous role in the decision-making process





Reaching Target Markets

Be aware of local differences!

✓ Localization of software products

Check terminology, use idiomatic, standard and economic language, avoid abbreviations and hard-coding, localize images, icons and colors.

✓ Multilingual website and order process

English, German, Spanish, Portuguese, Italian, French, Norwegian, Dutch, Swedish, Russian, Danish, Polish, Czech, Hungarian, Turkish, Greek, Japanese, Korean, Chinese (simplified and traditional)

✓ Fast and efficient customer support in many languages

✓ Web-based multilingual Customer Care Center

✓ International Currencies

US Dollar, Euro, British Pound, Swiss Franc, Norwegian Krona, Swedish Krona, Polish Zloty, Canadian Dollar, Australian Dollar, Japanese Yen, Chinese Renminbi Yuan, Indian Rupee

✓ International Payment Types

- Credit Cards – Visa, MasterCard, American Express, JCB, Diner's Club
- Debit cards: Maestro/Solo (UK)
- Online wire transfers: giropay (Germany), iDEAL (Netherlands), IPS (China)
- and wire transfers, PayPal, checks, money orders, cash, purchase orders, direct debit





Reaching Target Markets

Your checklist “Sales and Marketing”

☑ BASIC: What is necessary to do before entering the market:

Comprehensive plan that includes the following:

1. A solid business model and great products or services
2. An effectively designed website with sales as an objective
3. An online marketing strategy that suits your target markets and fits your budget:

What Internet marketing techniques you will use?

How you will implement?

What kinds of resources you will require?

How long you anticipate testing each technique?

What you hope to achieve?

How you will evaluate your progress and measure success?

☑ Marketing activities:

1. Website Development & Search Engine Optimization (SEO)
2. Submitting your Site to Directories online
3. Self-Publishing Using Low-Cost Internet Tools
4. Publishing on Third-Party Websites
5. Business Blogs
6. Affiliate/Referral Programs



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Reaching Target Markets

Possible Revenue Potentials

share-it! Sales and Marketing Features

- | | |
|--|------------|
| 1. Payment Methods (Differed Payments, Subscription) | 5–10% lift |
| 2. Search Engine Optimization | 3–7% lift |
| 3. Software Submission | 10%+ lift |
| 4. Affiliate Marketing Program Management | 10%+ lift |
| 5. Free Trial Optimization | 10%+ lift |
| 6. Site and Store Optimization (Usability) | 10%+ lift |

Note: % revenue lift is based on many customer engagements. Actual % lift could vary.



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Source:  a service of digital river, 2008



Your Questions?

Looking forward to your questions and to our next conversation!

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