

Online Payment

Almost all United Kingdom–based online businesses allow customers to use credit or debit cards. Visa and MasterCard are almost universally accepted. American Express, Diners Club, and JCB are less popular. Many websites use PayPal or other similar services. UK consumers are becoming much more aware of the issue of online identity theft and will generally conduct financial transactions only on secure websites.

Popular payment methods include:

Credit cards	40 percent
Debit cards	35 percent
PayPal	21 percent
Other	4 percent

VAT Taxes

VAT taxes are similar to a sales tax in the United State (VAT is applied every time value is added– from the raw material supplier, to the manufacturer and finally to the end consumer). When the goods you export arrive at their destination, the UK requires that all applicable tariffs and local taxes, including value-added tax (VAT), be paid. Many companies require the buyer to pay these tariffs and taxes. In the UK most buyers typically want to know the final price, with shipping and taxes included (known as the “landed cost”), before they agree to buy. When selling online, clearly provide the price as well as delivery options, associated costs, and return policies. For most U.S. goods the UK VAT of 20% is normally paid on import, and a UK VAT-registered business can reclaim that same amount from the UK tax authorities as input VAT of their regular VAT return. Most fulfilment centers and customs brokers can assist in documenting this.

Get Help

Export.gov is the U.S. federal government’s export portal.

The eCommerce Export Resource Center has videos and other resources available to help you optimize your overseas ecommerce sales.

<https://www.export.gov/ecommerce>

Learn about market conditions, opportunities, regulations, and business customs for over 125 countries with our Country Commercial Guides.

<https://www.export.gov/Market-Intelligence>

Do you need a business advocate to ensure that your access to the digital economy and new markets has not been restricted? Contact a Digital Attaché today

<https://www.export.gov/Digital-Attache>

Creating a digital strategy for your ecommerce sales channels requires you to abide by international trade laws while building your business’s reputation. Consider contacting an International Trade Specialist near you for expert assistance as you develop your strategy.

<https://www.export.gov/locations>

SBA’s resource network of District Offices, Small Business Development Centers, SCORE chapters, and Women’s Business Centers have ecommerce expertise. Small businesses can explore the availability of these resources locally, attend ecommerce trainings, and receive counseling on how to finance global intellectual property protection costs through SBA’s trade finance loan guaranty programs.

<https://www.sba.gov/tools/local-assistance>

The eCommerce Business Service Providers (BSP) Directory is intended to provide you an unbiased resource of business service providers that operate in or cater to the cross-border ecommerce sales channel. This list contains basic factual information on various service providers that U.S. businesses need for implementing a successful digital strategy for your ecommerce sales channel, allowing you to optimize your digital real estate in pursuit of increased online sales.

<https://www.export.gov/article?id=eCommerce-BSP>

eCommerce Guide for U.S. Small Businesses to Sell Online in the UK



INTERNATIONAL
TRADE
ADMINISTRATION





What is eCommerce?

eCommerce can be used to sell products online across a border, such as a U.S. company selling a product or service to a UK customer.

Buyer behavior is motivating companies to adopt a digital-first approach to selling, a direct result of the emergence and rapid growth of the digital economy. 21st century firms are adapting their internal business processes to develop a formal plan that prioritizes online customer needs in response to a radical shift in the business landscape.

Steps to Develop an eCommerce Strategy

1. Objectives: What do you want your online presence to achieve? Are you looking for an active sale through your website, or are you educating potential buyers about your brand and products?
2. Resources: What are your contingency options for sales? The return on investment you put into building your online consumer networks may be months away.
3. Target Market and Audience: Who are your buyers? Businesses? Young consumers? This will determine how to build your online presence.

4. Competitor Analysis: Who are your closest competitors? What makes them successful online?
5. Website Feature List: Create a simple mockup of what functions and abilities you want your site to have before you decide on a professional web developer to help you. Will it be mobile-friendly? Do you need to have a separate mobile app?
6. Choose the Right Channel Mix: Select the best ecommerce sales channels to pursue sales in your target market(s) so that consumers can easily find your company and products and learn about your company.
 - ◆ Your Website – leverage your website to educate potential buyers for a passive sale or actively process sales. This can be your U.S.-based site, or a country-specific site created by your web developer.
 - ◆ Online Marketplaces – large ecommerce platforms that attract UK customers include Amazon, eBay, Magento, Shopify, etc.
 - ◆ Third Party Distributor – an option for selling your product or service through third-party websites, utilizing existing in-country sales and marketing networks.
 - ◆ Social Media – includes useful tools to establish a market presence and build brand awareness, and increasingly used to make direct sales. A local marketing firm can curate a social media presence that is aware of and sensitive to homegrown culture and traditions.

Consumer eCommerce in the UK

The UK, on a per capita basis, spends more money on Internet shopping than any other country. Consumers in the UK spent \$173 billion online in 2016, up 16% from 2015.

Consumer ecommerce now accounts for about 25% of the total retail market in the UK. Consumer electronics, consumer appliances, and toys and games are the top selling products as a percentage of overall retail sales.

Social Media

Small businesses can promote products and broaden their global customer base through social media. Sixty-six percent of adults aged 16 or older accessed social media sites in 2017. Popular social media services in the UK include:

Social Media	UK users
Facebook	32,000,000
Twitter	20,000,000
You Tube	19,100,000
LinkedIn	19,000,000
Instagram	14,000,000
Snap Chat	13,600,000
Google+	12,600,000
Tumblr	9,000,000

Protecting IP on eCommerce Sites

eCommerce sites have different rules for protecting intellectual property and enforcing against infringement.

Since intellectual property is territorial, businesses should obtain protection for their patents and trademarks in countries where they sell and manufacture, including countries where their products are available on ecommerce platforms.

In the UK, copyright protection is automatic for the creator of original literary works; non-literary written works; sound and music recordings; film and television recordings; broadcasts; and the layout of published editions of written, dramatic, and musical works. There is no formal system for copyright registration.

Businesses should undertake regular searches to ensure that their copyrighted materials and trademarks are not being used to sell counterfeit goods. For more information about protecting your intellectual property, please review the online intellectual property toolkits available at www.stopfakes.gov. For specific information about protecting your intellectual property in the UK, please visit <https://www.gov.uk/government/publications/protecting-intellectual-property-in-the-united-kingdom/uk-toolkit-for-us-smes>.

Popular eCommerce Sites

The top 20 UK ecommerce sites (in order of popularity) are:

- amazon.co.uk - general ecommerce
- ebay.co.uk - general ecommerce
- rightmove.co.uk - residential property
- gumtree.com - general ecommerce
- tesco.com - food/groceries
- apple.com - technology
- netflix.com - movies/television shows
- autotrader.com - automobiles
- booking.com - travel/vacations
- zoopla.co.uk - residential property
- johnlewis.com - clothing/home goods
- asos.com - fashion
- marksandspencer.com - clothing/home goods
- diy.com - home improvement
- asda.com - food/groceries
- next.co.uk - fashion
- etsy.com - arts and crafts
- currys.co.uk - appliances/electronics



Consumer Privacy

The General Data Protection Regulation (GDPR) is the EU's new data protection law, regulating the processing and transfer of personal data of individuals in the EU. The GDPR was adopted in 2016 and went into force in May 2018. The GDPR applies to all member states including the UK. GDPR violations can bring fines as high as 4 percent of global annual revenue or 20 million Euros, whichever is greater. In addition to companies in the EU that process personal data, the GDPR applies to organizations based outside of the EU that process the personal data of individuals in the EU where the processing activities are related to:

- (a) the offering of goods or services, irrespective of whether a payment of the data subject is required, to such data subjects in the Union; or
- (b) the monitoring of their behavior as far as their behavior takes place within the Union.

Privacy Shield

To help U.S. businesses processing personal data from the EU, the U.S. Department of Commerce's International Trade Administration negotiated and administers the EU-U.S. Privacy Shield Framework. Privacy Shield is not a GDPR compliance mechanism, but rather is a mechanism that enables participating U.S. companies and their business partners in the EU to meet the EU requirements for transferring personal data to non-EU countries, discussed in Chapter V of the GDPR. More than 3,500 organizations have already joined the Privacy Shield program. While joining the Privacy Shield is voluntary, once an eligible organization self-certifies to the Department and makes the public commitment to comply with the Framework's requirements, the commitment becomes enforceable under U.S. law. This arrangement between the United States and EU enables U.S. organizations that have successfully self-certified their participation in the program to receive EU personal data to the United States, in a manner consistent with EU data transfer requirements. When transferring personal data from the EU to United States without relying on Privacy Shield, an organization may rely on Binding Corporate Rules or Standard Contractual Clauses to satisfy EU data transfer requirements, but these options are costly, complex, and cumbersome.

To learn more, please visit www.privacyshield.gov.

Furthermore, the UK's Privacy and Electronic Communications Regulations (PECR) outlines electronic marketing communications. e-Commerce sellers should be familiar with UK rules for marketing emails and text messages.