

PayU  GPO

martes ^{S P O R T}

Martes Sport

From an offline store to cross-border e-commerce on 7 markets



Introduction

Cross-border e-commerce is one of the dominant trends in online sales and a direction of growth for many businesses operating in the e-commerce sector. Cross-border sales open the door for companies to a powerful international – and sometimes even global – market made up of e-consumers with varied preferences, who look for innovative products and competitive prices.

Entering the cross-border sales path can become a significant source of additional revenue for online shops that are already well-established

and have an extensive customer base in the local market. How to prepare for the expansion? What should you know about cross-border e-commerce? What are the challenges of cross-border sales? Martes Sport, an online shop with several years of experience in online sales, which is currently present in seven markets: Poland, the Czech Republic, Slovakia, Romania, Austria, Hungary and Germany, offers a few tips.



‘The success of Martes Sport is closely associated with a recognisable brand that is already present in around 370 locations in Poland, the Czech Republic and Romania. The long-standing leading position of the Martes Sport chain of shops in Poland and the recognition of our own brands are two factors underlying the success of sklepmartes.pl.’

Piotr Szalaśny, Martes Sport eCommerce Manager



‘Cross-border sales create an opportunity for further growth for online shops of all sizes. The story of Martes Sport shows that nothing is impossible, and a cohesive team, dedication, and focus on the customer’s needs bring results.’

Joanna Pieńkowska-Olczak, CEO PayU GPO in the CEE region



First steps of online sales

Martes Sport Capital Group, established in 1993, comprises companies involved in the production, distribution and retail of sporting goods in the Central and Eastern European market. The company's success is driven by more than 3,500 employees working in various locations in 7 markets.

The first two online shop concepts – sklepmartes.pl and sklepiguana.pl – were established several years ago. The first one was an online supplement to stationary shops (orders were also mostly fulfilled from stationary shops), the second one was a concept dedicated to the development of private label sales. The third and newest concept of online shops of CG Martes Sport is Fitanu.com.

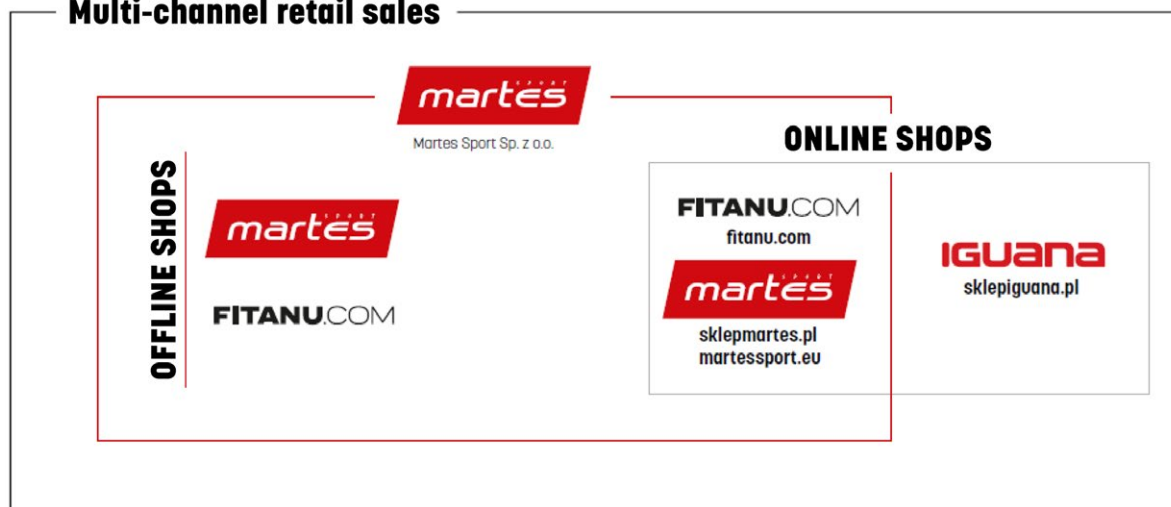
The Martes Sport shop offers a range of sports brands such as adidas, Iguana, Bejo, Puma, ASICS, Salomon, Jack Wolfskin, Elbrus, Hi-Tec, Arena, O'neill, Aquawave, Craft or Radvik.

The specific nature of customers and their purchasing needs vary depending on whether the sales take place offline or online, as well as depending on the country in which Martes Sport operates. The online shop offers a wider selection of products. In the online channel, the average shopping basket is larger than in brick-and-mortar shops.

Martes Sport Capital Group - STRUCTURE



Multi-channel retail sales



Development of e-commerce and first cross-border sales

The first decision to initiate cross-border sales at Martes Sport was made as early as in 2017, but only the second attempt, two years later, brought the expected results. The success of the project was determined by the implementation of the new Magento2 system and an integrated central warehouse. That is how the Czech Fitanu.com shop was created.

The motivation for expanding into the Czech market in the first place was primarily the knowledge of the area and local customers. Martes Sport already had several physical shops in Czech cities, which provided a solid basis for the expansion of the online offer. Currently, online shops of Martes Sport and Fitanu.com brands operate on a total of 7 markets (Poland, Czech Republic, Slovakia, Romania, Hungary, Austria, Germany).

There have been quite a few challenges along the path of Martes Sport's international sales development – from the most mundane, namely the linguistic problems, through logistical ones concerning large-volume shipments, to the issues related to the differences in customers' purchasing habits and needs (e.g. Romanian customers ordering cash-on-delivery shipments, and difficulties with delivery due to entering wrong addresses).

In 2022, it was a major risk and challenge, and ultimately a success, for Martes Sport to enter as many as three new markets at once with the Fitanu.com project.



'We started our sales in Slovakia, Hungary and Romania on the same day. Fortunately, we already had experience and good practices that had previously worked well in Martes Sport projects, and which proved very useful when launching those new markets as well. However, the preparation for such an expansion was quite a challenge within the organisation.'

Piotr Szalaśny, Martes Sport eCommerce Manager



Challenges in cross-border sales:



Language

Customizing the website, descriptions and communication in the native language



Logistics and payment methods

Providing a warehouse, delivery issues, availability of payment methods



Customer behaviour and habits

Taking into account consumer habits in a specific market



Legal issues

Preparing documents and regulations



Pricing policy and competition

Market analysis and preparation of the pricing policy



Cross-border e-commerce – further development

One of the first dilemmas that arises when starting cross-border sale is selecting the expansion direction. In the case of Martes Sport, the choice fell first on the Czech Republic and then on Romania. The launch of online shops for these two markets was related to the existing presence of Martes Sport brick-and-mortar shops in the two countries, and therefore the support of the local team.

Slovakia and Hungary were the next expansion directions, followed by Germany and Austria. In those cases, the decision was supported by solid business analyses, taking into account competitive advantages and information obtained directly from the markets as well as from partners. Logistical costs and the possibility to provide ongoing service and marketing in the native language were also taken into account.

Payments – an element that binds and influences consumer decision-making

Adapting payment methods to local markets is extremely important, as consumers have their own habits in this area as well, and it is the role of the online shop to respond to them. According to a survey conducted by PayU, almost a third of respondents (32%) who use cross-border shopping are willing to look for a product elsewhere if their preferred payment method is not offered by the shop where they previously intended to make a purchase. In addition, as many as half of the people (50%) who buy from foreign shops would like to know which payment provider will process their payment and they indicate even that this influences their purchase decision.

One of the key elements of a successful international expansion strategy is the selection of a payment operator that provides both local

payment methods as well as global payment standards and ensures the security of each transaction. PayU has been a partner of Martes Sport for many years and participates in the brand's expansion into foreign markets.

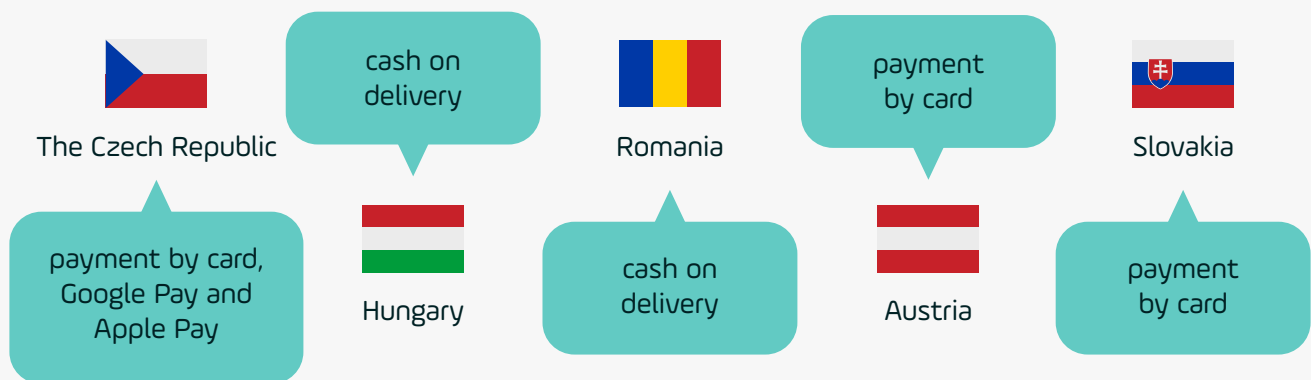
The development of individual payment methods in the markets concerned and the launch of additional options can increase the value of the shopping basket. An example may be the cooperation between Martes Sport and PayU on the Czech market, where after the inclusion of deferred payments and instalments, the average value of the shopping basket increased by more than 18%. This proves that properly adapted payment solutions can positively influence customer behavior and translate into increased revenue for shops.



'PayU is a proven and reliable partner. The cooperation has always been exemplary. What's more, we also have a lot of automated processes which helps us in our daily settlement work and makes the team's work more efficient. Due to PayU's extensive capabilities also in foreign markets, we did not even think for a moment about changing operator. Currently, all payments in our foreign shops are handled by this payment operator.'

Piotr Szataśny, Martes Sport eCommerce Manager

Most popular payment methods for markets



Customer loyalization

Customer loyalization is another key element of a development strategy that is of paramount importance to the long-term success of a business. In the context of cross-border sales, it is worth taking care of this aspect as well. Building relationships with customers, delivering value to them and continually ensuring their satisfaction by simplifying the purchasing process at every stage can be a significant competitive advantage.

Satisfied customers return, and they recommend shopping at a particular online shop to others. Martes Sport, especially in the Czech Republic, enjoys a high proportion of loyal consumers. The brand is building a loyal customer base, e.g. using its own mobile app available in Poland, the Czech Republic and Romania. Those using the app can use it to purchase Club Member products both online and offline.





'An increasing number of e-businesses opt to expand their products and services abroad, confirming the direction of e-commerce development. At PayU, we support our clients in this process and celebrate the successes achieved.'

Joanna Pieńkowska-Olczak, CEO PayU GPO in the CEE region

Cross-border e-commerce – first steps

- 1 Start by analysing the potential of a given market for your industry.
- 2 Prepare technical solutions: adapting e-commerce platform to handle international transactions, automation, integration, consistent order fulfilment processes.
- 3 Get to know the specific nature of the market and the customers, and remember that the return on investment will be noticeable when a certain volume of sales is reached.
- 4 Prepare a marketing plan.
- 5 Optimize costs, observe and act according to the plan.

Consumers in 7 countries have already trusted Martes Sport, and further expansion is planned in the near future. The brand is constantly developing, and it is an excellent example of the successful cross-border e-commerce player.

About PayU GPO

For the last 20 years, PayU GPO has been a leading online payment service provider, operating in 50+ high-growth markets in Latin America, Africa, and Eastern Europe, dedicated to creating cutting-edge financial services tailored to the needs of over 450,000 merchants and millions of consumers. PayU GPO is focused on empowering people through financial services and creating a world without financial borders where everyone can prosper.

As an online payment service provider, it deploys hundreds of payment methods and PCI-certified platforms to process approximately 10 million payments every single day. It also specialises in innovative consumer and small business solutions that improve access to credit and banking services in markets that are underserved by traditional financial services providers. For more information, please visit: <https://corporate.payu.com/>.

