A Work Project, presented as part of the requirements for the Award of a Master's degree in International Management from the Nova School of Business and Economics.

PLATFORM-ENABLED INTERNATIONALIZATION REVISITED: PERSISTENT AND EMERGING BARRIERS FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN CROSS-BORDER E-COMMERCE

MARIA CHRISTINA HEIM

65699

Work project carried out under the supervision of:

Elizabete Cardoso

01/2026

Abstract

The rapid digitalization following COVID-19 expanded SME access to foreign markets, yet cross-border participation remains limited. This thesis examines the barriers SMEs encounter when selling internationally through global e-commerce platforms. Drawing on qualitative interviews with eleven Spanish SMEs and a thematic analysis of their experiences, the study identifies five persistent constraints: fiscal and regulatory complexity, logistical and operational frictions, platform governance challenges, pricing opacity, and strategic withdrawal decisions. The findings offer an updated view of post-pandemic e-commerce conditions and provide recommendations for both SMEs and platform providers seeking to improve the viability of cross-border expansion.

Keywords: cross-border e-commerce; SMEs, digital platforms; internationalization barriers; platform governance; qualitative research

This work was funded by Fundação para a Ciência e a Tecnologia (UID/00124/2025, UID/PRR/124/2025, Nova School of Business and Economics) and LISBOA2030 (DataLab2030 - LISBOA2030-FEDER-01314200).

Table of Contents

1. Introduction

Small and medium-sized enterprises are central to the European economy, representing 99.8% of all EU businesses and generating over half of total economic output (European Commission 2025, 6). Yet despite their structural importance, their participation in international trade remains limited. Fewer than 30 percent of EU SMEs export, and an even smaller share engages in digital cross-border commerce (European Commission 2025, 79-81). This gap persists even as the COVID-19 pandemic accelerated digitalization and pushed firms toward online sales channels. According to Eurostat (2022), more than one in five European enterprises expanded their online sales during the pandemic, while global e-commerce volumes grew by more than 20 percent in 2020 alone (International Trade Administration 2021). As Derindag (2022, p. 358) argues, the pandemic served as a digital catalyst, forcing firms to adopt online tools and reorganize their business models. The expectation following this acceleration was that digital platforms would unlock broader cross-border participation for SMEs. However, the reality shows that cross-border expansion has not developed as fully as one might anticipate.

Digital marketplaces such as Amazon and eBay are often portrayed as reducing traditional barriers to internationalization by providing access to logistics networks, secure payment infrastructures, and algorithmic visibility (Hossain et al. 2020, 70). In principle, these platforms allow firms of any size to reach foreign customers without a large upfront investment. Yet empirical evidence suggests that this potential has not translated into widespread SME engagement (Gomez-Herrera, Martens, and Turlea 2014, 84-90). Prior research has documented persistent constraints such as regulatory fragmentation, linguistic and cultural distance, limited digital capabilities, and high cross-border logistical costs that continue to hinder participation in platform-enabled international commerce (Coad and Duch-Brown 2017, 30; Eduardsen et al. 2023, 7-9; Liu, Cai, and Cai 2023, 14). These findings indicate that while digitalization expands theoretical access to foreign markets, structural and operational barriers remain influential in practice.

Against this background, the present work project investigates which of these challenges continue to persist today and whether new ones have emerged. Much of the existing literature predates the rapid evolution of European e-commerce infrastructures over the past five years, including new fiscal mechanisms, automated fulfillment systems, and more complex platform governance structures. The relevance of this study lies in reassessing these dynamics under current conditions and understanding how SMEs that already sell online domestically experience cross-border expansion through digital platforms. Accordingly, this study aims to answer the following: *What barriers do SMEs face today when expanding cross-border through global e-commerce platforms, and how can these be overcome*?

To achieve this aim, the project combines a literature review with a series of qualitative interviews conducted with SME decision makers who have operated in one or more European marketplaces. The literature review synthesizes academic research on the opportunities and constraints associated with platform-enabled internationalization, while the interviews capture how these dynamics manifest in practice. Together, the two approaches provide an updated understanding of the realities SMEs face when expanding beyond national borders through online platforms.

The remainder of this thesis is structured as follows. Chapter 2 reviews the academic literature on digital platforms, success factors, and barriers in cross-border e-commerce. Chapter 3 outlines the qualitative methodology, including the research design, sampling approach, and analysis procedures. Chapter 4 presents and discusses the empirical findings in relation to the literature. Chapter 5 concludes with the study's key contributions, recommendations, and implications for future research.

2. Literature Review

2.1 Digital Platforms and Cross-Border E-Commerce

Digital platforms have emerged as central actors in shaping cross-border e-commerce and enabling SMEs to internationalize. The European Commission (2015, 3) has underlined this potential in its Digital Single Market Strategy (DSM), noting that "bringing down these barriers within Europe could contribute an additional EUR 415 billion to European GDP," framing the DSM as an effort to reduce regulatory fragmentation and unify Europe's digital space. A European Parliament study has reinforced this outlook, estimating that measures enacted under the DSM could generate "some EUR 177 billion in potential annual economic gains" (Marcus, Petropoulos, and Yeung 2019, 8). Taking a closer look at more recent figures, the Annual Report on European SMEs 2024/2025 shows that SMEs make up 99.8% of all enterprises in the EU non-financial business sector, provide employment to nearly 90 million people, and account for over half of the sector's economic output (European Commission 2025, 6-11). These numbers highlight both the scale of SMEs' contribution to the European economy and the strategic importance of digital platforms as vehicles for unlocking their cross-border potential, making clear why the internationalization of SMEs through e-commerce warrants closer academic investigation.

On that account, the contribution of digital platforms extends beyond access, fostering innovation and firm upgrading. Wang and Zhou (2025, 10) observe that "cross-border e-commerce participation can improve export product quality," a relationship they attribute to increased innovation capacity and greater transaction efficiency. In a related study, Pan et al. (2025, 1) find that "engaging in cross-border e-commerce (CBEC) significantly improves an SME's position in the global value chain", as participation encourages firms to reconfigure internal resources and capabilities to fully benefit from such platforms (2025, 4-6). They further note that entrepreneurial orientation mediates this process, allowing SMEs to transform platform participation into sustained upgrading and competitiveness (2025, 8). Together, these studies indicate that platforms enable not only expanded market reach but also processes of learning, innovation, and capability development that strengthen SMEs' international performance.

Earlier research has also emphasized the role of platforms in reducing some of the classic frictions associated with international trade. In their study on how eBay reduces trade costs, Lendle et al. (2013, 3) found "the distance effect to be 65% smaller online than offline", showing that digital platforms make geography less of a constraint on trade. In other words, e-commerce reduces the transport costs of information by making it easier for buyers and sellers to connect and transact. However, these benefits have also been found to introduce new challenges. Gomez-Herrera, Martens, and Turlea (2014, 90) concluded that "distance matters far less online than offline" but cautioned that online trade is subject to "new sources of trade costs such as parcel delivery and online payments systems" (2014, 84), as well as "linguistic market segmentation" (2014, 93). Thus, while digital platforms have helped lower traditional barriers such as geographic distance, studies have also pointed to the emergence of new forms of friction that do not arise in conventional trade. This double-edged nature underscores both the promise and the limitations of platforms, setting up the discussion in the following section on the barriers that the literature has documented as constraining SME participation in cross-border e-commerce.

2.2 Barriers to Cross-Border E-Commerce

Prior studies have identified a wide range of structural, cultural, and operational factors that have limited SME participation in cross-border e-commerce. In the European Union, Cardona and Martens (2014, 3) have linked the slow progress of cross-border online trade to supply-side frictions. They reported that while 97% of domestic orders were successfully shipped, only 48%

of cross-border attempts succeeded, pointing to fragmentation in payments, logistics, and market practices (2014, 12). Coad and Duch-Brown (2017, 4, 24) have similarly found that regulatory heterogeneity, spanning divergent tax regimes, consumer protection rules, and cross-country legal requirements, has been among the most significant barriers to market integration. They have shown that firms attempting to sell abroad are especially vulnerable to such discrepancies, which are "negatively associated with online sales performance" (2017, 30). Beyond Europe, Ding, Huo, and Campos (2017, 372-373) have observed that differences in data protection, taxation thresholds, and consumer policies further restrict cross-border operations and reduce competitiveness among smaller firms that depend on standardized digital processes.

Cultural and linguistic factors have also been widely recognized as shaping online trade dynamics. Lendle et al. (2013, 10) found that although digital platforms help mitigate the effects of distance, "the absence of a common language seems to matter more online than offline", underscoring the importance of communication and trust in cross-border exchanges. Gomez-Herrera, Martens, and Turlea (2014, 90) have similarly identified "language" as one of the most persistent information-related trade costs in online commerce, while Coad and Duch-Brown (2017, 20) have described linguistic and cultural segmentation as a key limitation to e-commerce integration within the EU. In line with these findings, Eduardsen et al. (2023, 3) emphasize that adapting to foreign markets requires significant investment in localization, customer service, and market knowledge, all of which constitute efforts particularly resource-intensive for SMEs with limited managerial and financial capacity.

Logistics and payment systems have also been documented as critical factors influencing firms' internationalization prospects. Studies have reported that long delivery times, high shipping costs, and complex return procedures discourage consumers from purchasing across borders (Cardona and Martens 2014, 2, 5-6; Ding, Huo, and Campos 2017, 373-374; Zhu et al. 2023, 27-28). Restrictive distribution practices have also been shown to add another layer of difficulty. Coad and Duch-Brown (2017, 16) observed that “suppliers may restrict distributors from selling in different countries by means of exclusive territory contracts or selective distribution agreements,” and that “manufacturers could ban online sales for reputation issues”. Ding, Huo, and Campos (2017, 374) further noted that outdated customs procedures and complex clearance systems add extra costs that can make operations infeasible for small e-retailers. Combined with the lack of interoperable payment systems between EU member states (Gómez-Herrera, Martens, and Turlea 2014, 84, 93), these findings portray a fragmented institutional and infrastructural environment that has complicated SMEs’ ability to scale internationally through digital means.

At the firm level, internal limitations have also been found to amplify these external barriers. Eduardsen et al. (2023, 2) identify five recurring categories of internal constraints: “financial complexities, coping with foreign markets, supplier restrictions, technical difficulties, and product limitations”. Their analysis shows that “the severity of cross-border e-commerce barriers has a significant and negative effect on SME online export performance” (2023, 7) and that these effects are influenced by the quality of digital infrastructure and internet penetration in both home and destination markets (2023, 4). Overall, previous research has depicted cross-border e-commerce as shaped by a combination of institutional fragmentation, logistical inefficiencies, and firm-specific weaknesses that have limited SMEs’ ability to operate internationally.

2.3 Addressing the Paradox: Why Not More SMEs Expand Internationally?

Despite the growing digitalization of trade, international participation of SMEs in cross-border e-commerce remains remarkably limited. According to the European Commission (2025, 81), while nearly all SMEs across the EU have access to digital technologies, only 28% actively engage in cross-border online sales. Understanding the factors that explain this limited participation is therefore essential for developing strategies and policy measures that can better support SMEs in realizing their international potential.

A first dimension of this paradox has been linked to firm-level inequalities. While platform participation can enhance export quality through efficiency gains and faster learning (Wang and Zhou 2025, 10), such advantages have mainly benefited firms with the managerial experience and financial capacity to adapt strategically (Eduardsen et al. 2023, 7-8). As Meyer et al. (2023, 579-580) note, internationalization through digital platforms requires organizational learning and agility that many smaller firms struggle to develop.

A second dimension has been associated with institutional fragmentation. Divergent tax regimes, inconsistent consumer protection standards, and restrictive supplier practices have long been documented as major deterrents to cross-border trade (Coad and Duch-Brown 2017, 16, 24-27; Cardona and Martens 2014, 3). Festing and Proff (2024, 36-38) describe this as part of a broader de-internationalization paradox, in which firms are encouraged to globalize yet face growing institutional and geopolitical complexity.

At the platform level, Gawer (2022, 113-115) has emphasized a persistent tension between openness and control: while platforms offer scalability and visibility, they also centralize power and create dependencies that can restrict SMEs' autonomy in foreign markets. Similarly, Meyer et al. (2023, 578-580) highlight that despite reduced coordination costs, firms remain embedded in national legal, cultural, and infrastructural contexts that shape their international strategies. Linguistic and cultural frictions have also been found to limit trust and communication despite the technical ease of online exchange (Lendle et al. 2013,10; Gómez-Herrera, Martens, and Turlea 2014, 90).

In summary, existing research has provided valuable insights into the structural and institutional determinants of SME internationalization but offers a limited understanding of the decision-making processes underlying non-participation. We know that digital platforms create opportunities for efficiency, visibility, and innovation, yet it remains unclear why many SMEs, despite these advantages, choose not to expand cross-border. Understanding how small business owners make sense of this decision-making process is therefore essential to bridge the gap between theoretical opportunity and practical realization. Accordingly, this study seeks to answer the following research question:

What barriers do SMEs face today when expanding cross-border through global e-commerce platforms, and how can these be overcome?

Building on these insights, this study adopts a qualitative approach to gain a contemporary understanding of how SMEs experience cross-border e-commerce in practice. Since much of the existing literature has drawn on pre-2020 data or broad quantitative assessments, in-depth interviews offer a means to explore the lived realities of firms operating in today's post-pandemic, highly digitalized marketplace. Through this approach, the research seeks to identify which of the previously documented barriers remain relevant, which new challenges have emerged, and how SMEs perceive the evolving role of digital platforms in enabling or constraining their international growth.

3. Methodology

3.1 Research Philosophy and Design

This study adopts a subjectivist, exploratory qualitative approach aimed at understanding how SME decision-makers perceive barriers to cross-border e-commerce in today's post-pandemic environment. In line with Saunders, Lewis, and Thornhill (2023, 158–160), it follows an interpretivist epistemology, recognizing that business realities are shaped by individual meaning-making. An inductive logic guides the study, addressing the limitations of pre-COVID survey-based research by generating contemporary, experience-driven insights into why specific barriers arise and how they shape SMEs' capacity to internationalize.

3.2 Research Strategy and Data Collection

The empirical component is based on semi-structured interviews with Spanish SMEs selling consumer products online and operating at least one additional EU marketplace through Amazon's Pan-European (Pan-EU) fulfillment model. This program facilitates cross-border operations but also exposes firms to fiscal and logistical complexity. Including only sellers with actual Pan-EU experience ensured that findings reflected real operational challenges. Semi-structured interviews allowed for focused yet flexible inquiry.

Each interview lasted approximately fifteen minutes; a duration suited to the time constraints of entrepreneurs while still yielding thematic saturation due to the specificity of participants' Pan-EU experiences. Saturation was considered achieved when no substantively new first-order codes emerged after the eighth interview, with subsequent interviews reinforcing existing patterns. Interviewees were contacted through the researcher's role at Amazon, provided with study information in advance, and reminded orally of the voluntary and anonymous nature of participation. With consent, interviews were recorded, transcribed verbatim, and translated from Spanish to English. The interview guide evolved iteratively as recurring issues such as VAT registration, pricing transparency, and warehouse inconsistencies emerged. Later interviews, therefore provided greater thematic depth. All interviews were conducted in Spanish by phone between October and November 2025.

3.3 Sampling Procedure

Sampling followed a non-probability, criterion-based approach. Participating firms met three conditions: being Spain-registered SMEs selling physical products online; having cross-border experience through additional EU marketplaces; and expanding post-COVID. This ensured that all interviewees had confronted the real implications of internationalization, including VAT obligations, stock redistribution, fee variability, and customer-behavior differences. Eleven interviews were conducted, providing sufficient variation to identify recurring patterns while maintaining qualitative depth. Although not statistically representative, the sample captures a relevant cross-section of SMEs navigating diverse fiscal and logistical conditions within the EU single market.

3.4 Data Analysis

The interview data were analyzed using thematic coding combining deductive and inductive approaches. Deductive codes reflected prior literature on regulatory fragmentation, logistical burden, platform dependency, and pricing opacity. Inductive codes emerged from the transcripts, revealing themes such as fee uncertainty, warehouse inconsistencies, and selective withdrawal from international markets.

Statements were first coded into first-order concepts, grouped into second-order themes, and consolidated into five aggregate dimensions: (1) Fiscal & Regulatory Complexity; (2) Logistics, Returns & Operational Risk; (3) Platform Governance, Support & Communication; (4) Market Differences, Language Barriers & Localization Costs; and (5) Strategic Decisions, Withdrawal & Future Intentions. This structure ensures transparency in how interpretations were derived and supports an assessment of which barriers persist, which have evolved, and how SMEs evaluate the opportunities and constraints of platform-enabled internationalization.

3.5 Ethical Considerations

All interviews followed Nova School of Business and Economics' research ethics guidelines. Participants were informed of the voluntary and anonymous nature of the study, after which verbal consent was obtained before recording. No personal data beyond company characteristics were collected, and transcripts were securely stored for academic use only.

3.6 Reliability and Validity

Reliability was supported through a consistent semi-structured interview format, including a standardized introduction and stable question flow. While the guide evolved as insights emerged, core thematic blocks remained constant. Validity was strengthened through triangulation between the literature review and empirical data, and through combining deductive and inductive coding to balance theoretical grounding with openness to new insights. Although not generalizable statistically, the results offer analytical generalization, providing rich insight into the persistent and emerging barriers SMEs face when expanding across borders through digital platforms.

4. Results and Discussion

4.1 Sample Description

The sample consists of eleven Spanish SMEs operating across cosmetics, baby products, toys, sunglasses, sports equipment, home goods, footwear, and automotive accessories. All interviewees were directly responsible for international decisions, and all expanded after 2020. Their cross-border activity involved listing products in multiple EU marketplaces, wherein experiences ranged from successful expansion to complete withdrawal due to excessive fiscal, logistical, or strategic burdens. An overview of the participating SMEs is presented in Table 1.

This profile reflects the type of digitally active, but resource-constrained SMEs described by Hossain et al. (2020, 70), who argue that platforms provide access to wider markets while firms still struggle with limited managerial resources. Eduardsen et al. (2023, 7-9) similarly emphasize that SMEs often lack financial capacity, foreign market knowledge, and technical capability when expanding abroad. The firms in this study match this profile, as their internationalization was enabled by a global platform yet constrained by operational and institutional barriers.

Table 1. Overview of Interview Participants

Seller	Product Category	Cross-Border Markets	Years Selling Online
A	Drive belts for washing machines and dryers	Germany, Italy	2+
B	Books and office appliances	France, Germany	3.5+
C	Home improvement appliances	France, Germany, Italy	>1
D	Jewelry	Germany, Italy	2+
E	Sports equipment	France, Germany, Italy	3+
F	Sunglasses	France, Germany, Italy, UK	5+
G	Toys	France, Germany	2+
H	Cosmetics	France, Germany, Italy	3+
I	Perfumes and fragrances	France, Germany, Italy	<1
J	Shoes	France, Germany, Italy	3+
K	Home and kitchen appliances	France, Germany, Italy	4+

Analysis of the transcripts revealed five distinct dimensions that consistently shaped sellers' experiences abroad. These dimensions bring together the operational, institutional, and strategic issues most frequently raised by participants and provide a coherent structure for presenting the findings that follow.

4.2 Fiscal and Regulatory Complexity

Fiscal and regulatory obligations appeared as the strongest shared challenge across the interviews. Several sellers described severe difficulties in VAT registration, verification, and compliance, especially when multiple countries were involved. One seller described early complications bluntly: *"VAT registrations in multiple countries, compliance, the constant changes, you feel lost"* (Seller A). Another recounted being exposed financially because a provider failed to file returns, explaining that *"none of the information was being sent to the tax agencies"* (Seller A). Others noted prolonged delays: *"The VAT numbers in France and Germany never arrived"* (Seller B) and *"Germany is extremely slow"* (Seller B). Some sellers described contradictory system messages, as when one noted that *"the system said our VAT number there was not valid, even though we had already deregistered it"* (Seller F).

These results align strongly with Coad and Duch Brown (2017, 30), who identify divergent tax regimes and consumer rules as major constraints on EU cross-border e-commerce. Cardona and Martens (2014, 3, 12) similarly argue that inconsistent regulatory frameworks reduce the operational success of cross-border orders. The interviews confirm that these structural barriers persist. Moreover, this study reveals a newer dynamic not covered in earlier research. Several sellers highlighted that fiscal obligations were triggered automatically when inventory moved abroad. One seller noted that *"the moment stock moved into another country, everything became more complicated"* (Seller I). This automation-driven spillover effect extends the literature by showing how platform logistics can unintentionally impose fiscal burdens on SMEs that did not explicitly choose to enter a specific market.

4.3 Logistical Costs, Returns, and Operational Frictions

Although many sellers praised the overall logistics infrastructure for domestic operations, significant challenges appeared once products crossed borders. Return rates were frequently described as higher abroad, especially in France. One seller noted that *"returns were more frequent, and sometimes products came back in bad shape"* (Seller B). Another emphasized the financial burden that returns create, explaining that "*we get products back in terrible condition. Used, broken, boxes destroyed"* (Seller E). Warehouse operational inconsistencies also emerged. One seller repeatedly faced pallet disputes at a specific warehouse, stating that *"when it is Onda, there* *is always some extra step"* (Seller E). Others highlighted mismeasurement problems that increased fees, saying *"they measured our products wrong, classified them as larger than they were, and charged us a fortune"* (Seller G).

These testimonies directly reflect the logistical fragmentation described in the literature. Cardona and Martens (2014, 5-6) found that long delivery times and complex return systems are central barriers to cross-border e-commerce. Ding, Huo, and Campos (2017, 373-374) likewise report that divergent logistics and parcel handling systems introduce significant inefficiencies for SMEs. The interviews extend these findings by showing that not only country-level differences, but also warehouse-specific inconsistencies have substantial operational consequences. This granularity is less present in earlier work and highlights new frictions created within digitally coordinated distribution systems.

4.4 Platform Governance and Support Asymmetry

A strong and consistent theme across all interviews was dissatisfaction with platform governance and support services. Sellers described repeated experiences of unresolved cases, inconsistent instructions, and long periods without clear explanations. One seller summarized the core issue: *"Support teams seem focused on responding fast and closing cases — not on solving them"* (Seller C). According to Seller G, *"they blocked our account right during the Christmas campaign,"* emphasizing that no explanation was provided and that there were no clear escalation paths.

These findings echo broader concerns identified in the literature regarding the complexity that SMEs face when operating within highly structured digital environments. Festing and Proff (2024, 36-38) highlight the growing institutional and procedural complexity firms must navigate when internationalizing, and the interviews illustrate how this complexity materializes in day-to-day interactions with platform governance systems. Likewise, Gomez-Herrera, Martens, and Turlea

(2014, 84-90) point to the ongoing presence of frictions in online trade that arise from fragmented processes and rules, which is consistent with sellers' accounts of contradictory instructions and inconsistent case handling.

A new insight emerging from this study concerns automation-related governance issues. Multiple sellers described cases in which automated systems misclassified products, blocked listings, or failed to update international content. For instance, Seller H noted that "*Amazon's AI sometimes misclassifies products,"* while Seller K explained that images containing Spanish text continued appearing in Italy due to incomplete synchronization. These automation-driven frictions are not explicitly discussed in the earlier literature and thus represent an emerging challenge specific to modern platform infrastructures.

4.5 Market Differences, Language Barriers and Localization Costs

All interviewees highlighted strong cross-country differences in customer expectations, search behavior, and return tendencies. German customers were often described as especially demanding, with one seller reporting that *"German customers want very precise wording"* (Seller A). France was consistently associated with higher return rates, with a seller noting that *"France definitely has the highest return rate"* (Seller I). Italy, by contrast, was frequently characterized as a strong-performing but unpredictable market.

These observations reinforce findings in the literature on linguistic and cultural frictions in online trade. Lendle et al. (2013, 10) show that linguistic distance continues to shape online market interactions, while Gomez-Herrera, Martens, and Turlea (2014, 90) identify language segmentation as a persistent barrier to e-commerce integration. Sellers in this study confirmed these dynamics in practice, explaining that automated translations were often insufficient and required manual revision. As one seller summarized: a product *"does not sell at all in France* *unless you rewrite everything and change the photos"* (Seller J). These results also resonate with Eduardsen et al. (2023, 8), who emphasize that adapting to foreign markets requires managerial capability and additional effort, a challenge that SMEs with limited resources struggle to meet.

Profitability concerns also appeared across all interviews, regardless of category, size, or years of experience. Sellers emphasized that while international reach increased, margins declined sharply once cross-border fees, advertising costs, and return-related losses were accounted for. One seller noted that *"you earn more, but you also spend more"* (Seller A). Another expressed frustration at the lack of clarity, stating that *"the clarity didn't really come from Amazon; it came from hours of reading and asking around"* (Seller I). Others felt that the platform captured a disproportionate share of value, with one seller remarking that *"the feeling is that the platform makes more than you do"* (Seller F).

These results align with findings by Meyer et al. (2023, 578-580), who argue that platforms reduce coordination costs but embed SMEs in complex structures that limit value capture. They also support Eduardsen et al. (2023, 7), who identify financial complexity and foreign cost structures as major determinants of poor online export performance.

A contemporary insight concerns pricing opacity. Sellers repeatedly described algorithmic pricing features that generated unexpected losses. One seller reported that automated pricing *"works sometimes. Other times, I lose money, and Support can't explain why"* (Seller C). This algorithmic uncertainty adds a new layer to the platform dependency highlighted by Festing and Proff (2024).

4.6 Strategic Reassessment and Future Intentions

For many SMEs, the cumulative effect of fiscal, logistical, and governance frictions shaped whether they remained active in cross-border e-commerce. Several sellers described withdrawing from specific markets after repeated administrative or cost-related burdens. One seller explained that VAT delays and high logistics costs led them to *“pull out of Germany and France completely”* (Seller B), while another described seasonal account blocks as the turning point that pushed them to leave the platform, noting that *“the decision was clear: we would leave the platform altogether”* (Seller G). These patterns reflect Festing and Proff’s (2024, 36-38) observation that firms may retreat from internationalization when institutional complexity outweighs perceived benefits.

Other SMEs adopted a selective approach, maintaining operations only where cost structures remained viable. Seller B noted, *“Italy and Spain made sense for us,”* and Seller F emphasized that Spain continued to outperform other markets. This aligns with Eduardsen et al. (2023, 7-8), who highlight that SMEs often narrow their international presence to match internal capacity and market conditions.

Despite current constraints, several participants expressed conditional willingness to re-expand if transparency and guidance improved. One seller stated they *“would try again if the VAT process worked”* (Seller B), while another described needing clearer cost visibility, explaining that a unified dashboard *“would make a huge difference”* (Seller I). Seller K similarly emphasized returning only with *“more information”* and stronger preparation.

Overall, strategic decisions were dynamic rather than binary. SMEs recalibrated their involvement based on operational strain and perceived long-term viability, echoing Meyer et al.’s (2023, 579-580) argument that continued international engagement depends on organizational learning and the ability to navigate complexity.

4.7 Understanding Contemporary Barriers to SME Expansion

Findings across the five dimensions show that the barriers documented in earlier research remain highly relevant in the post-pandemic environment. Regulatory fragmentation, logistical costs, linguistic frictions, and resource limitations continue to shape SME outcomes, confirming insights from Coad and Duch-Brown (2017), Eduardsen et al. (2023), and Lendle et al. (2013). At the same time, the interviews reveal newer challenges tied to platform-specific features, including automated stock redistribution that creates unforeseen VAT obligations, inconsistent warehouse performance, unresolved support cases, and algorithmic misclassification or pricing errors. These findings extend the literature by demonstrating that while modern e-commerce platforms reduce some traditional barriers, they simultaneously introduce new structural frictions that disproportionately affect SMEs. Sellers consistently expressed a need for clearer guidance, more transparent cost structures, and more balanced governance if cross-border scaling is to be viable for small firms.

5. Conclusion and Recommendations

5.1 Academic Contributions

This study set out to understand the barriers that SMEs face when expanding cross-border through global e-commerce platforms and to reassess whether previously documented challenges remain valid in today's post-pandemic environment. Drawing on eleven qualitative interviews with Spanish SMEs active in multiple European marketplaces, the findings demonstrate both strong continuity with earlier research and the emergence of new, platform-specific frictions that have intensified the complexity of international expansion.

First, the study confirms that institutional fragmentation remains a fundamental constraint. Consistent with Coad and Duch-Brown (2017) and Cardona and Martens (2014), interviewees reported persistent difficulties with multi-country VAT obligations, contradictory regulatory requirements, and slow verification processes. These issues continue to act as structural barriers that disproportionately affect SMEs, which lack the administrative capacity to navigate divergent tax regimes efficiently.

Second, the research reinforces earlier findings on logistical and cultural frictions. As documented by Ding, Huo, and Campos (2017) and Gomez-Herrera, Martens, and Turlea (2014), sellers in this study experienced higher return rates in some countries, misaligned customer expectations, and difficulties with linguistic adaptation. These findings further validate that logistical fragmentation and cultural distance continue to shape online trade dynamics.

Third, the study extends the literature by revealing a set of emerging barriers linked to the internal functioning of digital platforms, which earlier research could not fully capture. Interviewees described automated stock redistribution triggering unintended VAT obligations, warehouse-level inconsistencies in receiving and measuring inventory, and algorithmic misclassification of products that resulted in listing blocks or incorrect fee structures. These challenges are not accounted for in earlier academic work, which focused primarily on structural market barriers rather than platform-governance mechanisms. These insights contribute to contemporary debates on platform governance by showing how algorithmic opacity and automated decision-making generate institutional spillover effects, shifting compliance risks and operational uncertainty onto SMEs. This perspective moves beyond traditional accounts of structural market barriers by highlighting how digital infrastructures themselves have become sources of friction in cross-border expansion.

Finally, the study contributes to the literature by highlighting how SMEs strategically reassess and recalibrate their involvement in cross-border e-commerce. Several interviewees adopted selective market participation or withdrew entirely from certain countries, mirroring Festing and Proff's (2024) arguments that firms may de-internationalize when institutional complexity outweighs perceived benefits. This insight adds nuance to existing debates on SME internationalization, highlighting that engagement with digital platforms is dynamic, contingent, and often reversible.

Overall, the research advances academic understanding by integrating pre-existing structural explanations with new platform-induced frictions, offering an updated empirical perspective on why cross-border participation among SMEs remains limited despite the growth of digital commerce.

5.2 Practical Recommendations

The findings have direct implications for SMEs and e-commerce platforms operating within the European Single Market. While platforms provide unprecedented access to foreign customers, real-world participation requires addressing the operational and institutional gaps uncovered in this study.

5.2.1 Recommendations for SMEs

SMEs planning cross-border expansion should approach platform internationalization as a staged and selective process rather than a uniform step toward multiple markets. Interviewees' experiences suggest three core strategies.

First, SMEs benefit from prioritizing markets with manageable fiscal obligations and proven demand. Sellers who focused initially on Germany, France, or Italy, rather than activating all marketplaces simultaneously, were better able to manage compliance and maintain profitability. Concentrating resources where return behavior, fee structures, and customer expectations are clearer reduces exposure to unforeseen costs.

Second, SMEs should invest in localized content and systematic testing of listings, particularly in linguistically distant markets. Several participants noted that manual adaptation of product descriptions, keywords, and images was essential for performance abroad. This aligns with the literature emphasizing the importance of cultural and linguistic adaptation for online engagement. Even small adjustments like rewriting titles, modifying images, and adjusting SEO terms had measurable effects on visibility and conversion.

Third, SMEs should adopt proactive financial planning and margin tracking. Interviewees frequently emphasized the opacity of pricing tools and the difficulty of understanding marketplace-specific fee structures. Developing simple internal spreadsheets to track margins by country, fee type, and product category can help firms anticipate losses before they occur. Where possible, SMEs should avoid full automation in pricing until profitability in each market is well understood.

5.2.2 Recommendations for E-Commerce Platforms

From a platform perspective, the findings underline several areas where improved guidance and system design could substantially enhance the viability of cross-border expansion for SMEs.

First, platforms should provide more transparent and consolidated information on fiscal obligations. Several sellers were caught off-guard by automatic compliance requirements triggered by cross-border stock redistribution. A clear VAT-impact dashboard, indicating obligations, thresholds, and pending verifications, could prevent significant administrative risk.

Second, platforms could improve warehouse-level consistency and visibility. Interviewees described measurement errors, disputed pallet counts, and unexplained fee discrepancies. Enhanced traceability tools, standardized photography at receiving, and faster dispute resolution channels would reduce operational uncertainty and limit financial exposure for SMEs.

Third, platforms would benefit from strengthening specialized support for cross-border issues. Many sellers experienced repetitive case cycles with no substantive resolution. Providing dedicated cross-border support teams, clearer escalation paths, and more transparent reasoning in case outcomes would significantly reduce seller frustration and enhance trust.

Fourth, platforms should improve algorithmic classification and explainability. Automated misclassification of products not only blocks listings but also affects fee calculations and search visibility. Increasing the accuracy of classification models and providing sellers with clearer explanations when errors occur would address a recurring source of friction identified in this study.

Collectively, these recommendations reflect the need for platforms to evolve from being access providers to becoming more supportive institutional partners, especially for SMEs with limited internal resources.

5.3 Limitations and Directions for Future Research

As with any qualitative inquiry, this study faces several limitations. The sample is limited to eleven Spanish SMEs, which restricts the geographic and sectoral diversity of perspectives. Although the findings yield strong thematic saturation, they cannot be generalized statistically across the broader SME population. Future research should expand participation to SMEs in other EU member states and include comparative analyses across different regulatory settings.

The study also relies on individual interviews, which, while effective for capturing personal experiences and decision-making rationales, cannot reveal how collective interpretations evolve through group discussion. Focus groups or observational studies could complement these findings by highlighting shared norms, negotiation processes, and collaborative meaning-making among SMEs.

A quantitative follow-up survey would additionally allow researchers to test the prevalence and relative importance of the barriers identified here, providing broader empirical validation of the themes uncovered. Moreover, as the researcher is professionally affiliated with Amazon, it is important to acknowledge the potential for perceptual bias. To minimize this risk, interviews were conducted using a standardized script, and analysis followed a strict coding framework based solely on participants' verbatim accounts. Nevertheless, future work conducted entirely independently from platform ecosystems would further enhance objectivity.

Finally, the exclusive focus on EU-based sellers limits the scope of conclusions. Including non-EU SMEs operating on global platforms would enable richer comparisons of fiscal, logistical, and cultural environments, clarifying which barriers are uniquely European and which are universal.

5.4 Final Conclusion

This research sought to understand the barriers that SMEs face when expanding cross-border through global e-commerce platforms and to explore why participation has not grown as rapidly as digitalization might suggest. The findings show that while platforms have lowered traditional barriers of market entry, significant fiscal, logistical, and governance-related obstacles continue to limit SME participation. New platform-specific frictions such as automated stock redistribution, algorithmic misclassification, and inconsistent case handling add layers of complexity not previously captured in the literature.

Taken together, these results highlight that digital platforms are powerful enablers but not yet universally supportive ecosystems for SME internationalization. By understanding the constraints documented in this study, SMEs can better design their expansion strategies, and platforms can reassess their systems to reduce friction and enable more inclusive cross-border participation.

References

Cardona, Melisande, and Bertin Martens. 2014. "Supply-Side Barriers to Cross-Border E-Commerce in the EU Digital Single Market." *JRC Digital Economy Working Paper* 2014/13. European Commission, Joint Research Centre. https://hdl.handle.net/10419/202201

Coad, Alex, and Néstor Duch-Brown. 2017. *Barriers to European Cross-Border E-Commerce*. JRC Digital Economy Working Paper No. 2017-03. Seville: European Commission, Joint Research Centre. https://hdl.handle.net/10419/202225

Derindag, Ömer Faruk. 2022. "Rise of Cross-Border E-Commerce: A Systematic Literature Review." *Journal of Applied and Theoretical Social Sciences* 4(3): 352–372. https://doi.org/10.37241/jatss.2022.71.

Ding, Feng, Jiazhen Huo, and Juliana Kucht Campos. 2017. "The Development of Cross-Border E-Commerce." *Advances in Economics, Business and Management Research* 37: 370–383. https://doi.org/10.2991/ictim-17.2017.66

Eduardsen, Jonas, Svetla Marinova, Leonidas C. Leonidou, and Paul Christodoulides. 2023. "Organizational Influences and Performance Impact of Cross-Border E-Commerce Barriers: The Moderating Role of Home Country Digital Infrastructure and Foreign Market Internet Penetration." *Management International Review* 63(3): 433–467. https://doi.org/10.1007/s11575-023-00500-w

European Commission. 2015. *A Digital Single Market Strategy for Europe*. COM(2015) 192 final. Brussels: European Commission. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015DC0192

European Commission. 2025. *Annual Report on European SMEs 2024/2025*. SME Performance Review. Luxembourg: Publications Office of the European Union. https://data.europa.eu/doi/10.2760/7714438

Eurostat. 2022. "Impact of COVID-19 on e-sales of enterprises." Statistics Explained. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Impact_of_COVID-19_on_e-sales_of_enterprises

Festing, Christian, and Heike Proff. 2024. "Mediating the Paradoxes of (De-)Internationalization through Digital Platforms." *International Journal of Business Science and Applied Management* 19(2): 35–58. 10.69864/ijbsam.19-2.187

Gawer, Annabelle. 2022. "Digital Platforms and Ecosystems: Remarks on the Dominant Organizational Forms of the Digital Age." *Innovation: Organization & Management* 24 (1): 110–124. https://doi.org/10.1080/14479338.2021.1965888

Gomez-Herrera, Estrella, Bertin Martens, and Geomina Turlea. 2014. "The Drivers and Impediments for Cross-Border E-Commerce in the EU." *Information Economics and Policy* 28: 83–96. https://doi.org/10.1016/j.infoecopol.2014.05.002

Hossain, Md Azhad, Mahafuj Hassan, Rabeya Khatoon, Md Kamruzzaman, and Anupom Debnath. 2020. "Technological Innovations to Overcome Cross-Border E-Commerce Challenges: Barriers and Opportunities." *Journal of Business and Management Studies* 2(2): 70–81. https://doi.org/10.32996/jbms.2020.2.2.7

International Trade Administration. 2021. "Impact of COVID Pandemic on eCommerce." Trade.gov. https://www.trade.gov/impact-covid-pandemic-ecommerce

Lendle, Andreas, Marcelo Olarreaga, Simon Schropp, and Pierre-Louis Vézina. 2013. *There Goes Gravity: How eBay Reduces Trade Costs.* World Bank Policy Research Working Paper No. 6253. Washington, DC: World Bank. https://www.researchgate.net/publication/254400967_There_Goes_Gravity_How_eBay_Reduces_Trade_Costs

Liu, Siqin, Hanquan Cai, and Xiaotong Cai. 2023. "The Paradox of Digitalization, Competitiveness, and Sustainability: A Firm-Level Study of Natural Resources Exploitation in Post COVID-19 China." *Resources Policy* 85: 103773. https://doi.org/10.1016/j.resourpol.2023.103773.

Marcus, J. Scott, Georgios Petropoulos, and Timothy Yeung. 2019. *Contribution to Growth: The European Digital Single Market. Delivering Economic Benefits for Citizens and Businesses*. Study for the IMCO Committee, Policy Department for Economic, Scientific and Quality of Life Policies. Brussels: European Parliament. https://www.europarl.europa.eu/thinktank/en/document/IPOL_STU%282019%29631044

Meyer, Klaus E., Jiatao Li, Keith D. Brouthers, and Ruey-Jer "Bryan" Jean. 2023. "International Business in the Digital Age: Global Strategies in a World of National Institutions." *Journal of International Business Studies* 54: 577–598. https://doi.org/10.1057/s41267-023-00618-x

Pan, Lipeng, Shuchun Liu, Yongqing Li, Kelvin Teo, and Xiao Fu. 2025. "Climbing the Global Value Chain: The Role of Cross-Border E-Commerce in SME Internationalization." *Managerial and Decision Economics.* Advance online publication. https://doi.org/10.1002/mde.70005

Wang, Fei, and Yanping Zhou. 2025. "Cross-Border E-Commerce, Platform Economy, and Export Product Quality." *International Business Review* 34: 102466. https://doi.org/10.1016/j.ibusrev.2025.102466

Zhu, Q., Ruan, Y., Liu, S., Yang, S. B., Wang, L., & Che, J. (2023). Cross-border electronic commerce's new path: from literature review to AI text generation. *Data Science and Management*, *6*(1), 21-33. https://doi.org/10.1016/j.dsm.2022.12.001

Appendix

Appendix A: Interview Guideline

Warm-Up & Introduction

Interviewer:
"Hi, this is Christina. Thank you again for taking the time to speak with me today. As I mentioned in our email exchange, I'm currently conducting an independent research project on how small and medium-sized sellers experience cross-border selling within Europe.

The goal is to better understand the real challenges sellers face; things like VAT, logistics, pricing differences by country, product listings, support, and anything that affects your day-to-day operation when selling outside your domestic market.

Everything you tell me is completely anonymous.
Nothing will be linked to your name or your account, and it will not be used for any operational or account-related decisions. This is strictly for research, so I can better understand the real experience from a seller's perspective and potentially explore improvements or solutions that can be implemented moving forward in the future.

Before we begin, is it okay if I record the call for transcription purposes? It will remain confidential."

Interviewee:
(Provides consent)

Interviewer:
"Perfect, thank you. Before we get into specifics —
Your company has been doing business internationally for some time now, right?"
or
"From what I understood, you've already expanded into a couple of other European markets?"

Follow-up:

"Could you tell me a bit about how you started selling online?"

"What led you to consider expanding beyond your home marketplace?"

Background & Motivation

When did you first start selling on Amazon?

And when did you begin selling cross-border, outside your domestic market?

What motivated your company to expand into other European marketplaces?

- Increased visibility?
- Reaching new customers?
- Taking advantage of logistics programs?

Which markets did you expand into first, and why those specifically?
VAT, Taxation & Regulatory Experience
Conversational preamble: “Many sellers I’ve spoken to mention that VAT and compliance are some of the trickiest parts when selling in multiple countries.” **How was your experience with VAT registration in other countries?** **Were the rules clear, or did you find them confusing or contradictory?** **What role did Amazon play in supporting you with this?**
Logistics, FBA Operations & Returns
Preamble: “Another recurring topic sellers mention is logistics — especially when items move across borders.” **How has your experience been with cross-border logistics overall?** **Have you had differences in return rates between countries?** o France vs Germany vs Italy
Pricing, Fees & Profitability Transparency
Preamble: “One of the strongest patterns so far is the difficulty in understanding pricing and fees for each country.” **How do you manage your pricing across different marketplaces?** **Have you seen significant differences in fulfilment costs between markets?** **Does competition or fee structure make some countries less profitable?**
Market Differences & Performance
Preamble: “And beyond the technical side, countries can behave quite differently commercially.” **Which countries perform best for your products? Why?** **Which are the most challenging?** **Do customers in different countries behave differently? (Returns, expectations, reviews)** **Do you adapt content, pricing, or strategy to each marketplace?**
Platform Support & Communication
Preamble: “Sellers have shared very mixed experiences with support, so I’m curious about yours.” **How has your experience with Amazon been as a support system?**

Are the answers consistent, or do you sometimes receive contradictory information? **Has it been easy to escalate important issues, or more complicated?**
Internal Company Constraints
Within your business, what has been the most difficult part of managing international sales? o Time o Knowledge o Resources o Translations o Navigating different marketplaces **Do you feel you mostly had to "learn by doing"?**
Overall Assessment & Future Outlook
Overall, has cross-border expansion been profitable for you? **Would you consider expanding to additional markets in the future if things were to change?** **What conditions would need to improve for you to join Pan-EU fully or scale further?**
Final Improvement Question
If you could change ONE thing to make cross-border selling easier for small and medium-sized sellers, what would it be? **Is there anything important that we haven't covered that you would like to mention?**
Socio-Demographic Questions
What is your age? Gender? **How many years have you been in e-commerce in general?** **What product categories do you mainly sell?** **Which countries make up your main markets today?**

Appendix B: Interview Transcripts

Interview 1 – Seller A

Interviewer: Christina

Interviewee: Seller A

Mode: Phone Interview

Interviewer:

Perfect, thank you again for taking the time today. As I mentioned by email, this interview is part of my research project on cross-border e-commerce. Everything you share is anonymous and only used for academic purposes following the recording and transcription of our conversation. Is this still a good time for you?

Interviewee:

Yes, yes, no problem. I can talk now.

Interviewer:

Great. To begin, just for context, could you tell me when your business first started selling outside of Spain?

Interviewee:

We started in 2022. We had been selling domestically for years, and then we activated the Pan-European program to expand.

Interviewer:

And what motivated that decision? What was the main reason behind expanding?

Interviewee:

Purely economic. With the program you get local fulfillment fees, so you can sell all over Europe without shipping everything from Spain. Theoretically, you get much more visibility and reach a much bigger audience.

Interviewer:

So, it was mainly the promise of increased reach and better cost efficiency?

Interviewee:

Exactly. And also, having all sales in one place, instead of managing different websites or channels.

Interviewer:

Right. And so, thinking back to the beginning, what were the biggest challenges you faced when you started selling internationally?

Interviewee:

The beginning was… chaotic. Taxes, mainly. VAT registrations in multiple countries, compliance, the constant changes — you feel lost. And if you pick the wrong consultant, it becomes a disaster.

Interviewer:

Did something like that happen in your case?

Interviewee:

Yes. We used ***Tax. It turned out to be a scam. They registered us, but they didn't file our VAT returns. They sent us summary reports, so we thought everything was correct, but none of the information was being sent to the tax agencies.

Interviewer:

How did you find out?

Interviewee:

We started getting letters and warnings. We were exposed financially and legally without knowing. Fixing it took months and cost us a lot of money.

Interviewer:

I imagine that must have been extremely stressful.

Interviewee:

Very. You feel powerless. Because you rely on these consultants, you cannot manage VAT in five countries yourself. And the platform doesn't protect you; you're still responsible.

Interviewer:

And in the midst of all this, how was the platform supporting you? I mean, in terms of seller support, customer service, or even account health — how would you describe that relationship? I guess I'd like to understand a bit more how things worked on their side while you were dealing with all these issues.

Interviewee:

Honestly? Frustrating. The platform prioritizes buyers completely. If a customer complains, even unfairly, you get penalized. And when you try to appeal, you receive generic emails. There's no human who actually owns your case.

Interviewer:

So, you feel the seller's side has little protection?

Interviewee:

Exactly. Not ignored but crushed sometimes. You get the sense that you're disposable. And some actions leave you completely defenseless.

Interviewer:

Could you give me an example?

Interviewee:

Yeah sure. So, for instance, we had a buyer who returned a product in terrible condition, clearly used. But the platform refunded them and penalized us. Things like that add up.

Interviewer:

Yeah… I hear this a lot. Those situations, I can imagine, wear you down a lot because you're doing everything right and still paying the price.

And many times, these problems tie back to how things move behind the scenes, like deliveries and returns across countries.

Which, speaking of, how has that part been for you — the logistics, the returns, the differences between markets?

Interviewee:

Intra-EU deliveries work fairly well but returns vary a lot. German clients expect near-perfect service and fast refunds. Italy is much slower and more complicated. France is unpredictable — some days very smooth, other days chaotic.

Interviewer:

And what about shipping cost differences?

Interviewee:

They impact margins significantly. Germany is cheaper than Spain for fees, and Italy more expensive. If you're not careful, profits disappear.

Interviewer:

Did these costs ever make you reconsider expanding further?

Interviewee:

Yes. Because on paper it looks good, but in reality, logistics and returns are costly. If you want to expand to more countries, you need much better systems and more people.

Interviewer:

And how have language differences affected your operations?

Interviewee:

A lot. Each market needs perfect translation, adapted keywords, good product descriptions. Automatic translation tools help, but not enough. German customers, for example, want very precise wording. If something is wrong or unclear, they return the product immediately.

Interviewer:

Do you manage translations internally?

Interviewee:

No, we outsource them, but it’s another cost. Every small detail is time-consuming.

Interviewer:

So, the administrative workload becomes too heavy for a small team?

Interviewee:

Yes. It’s not that the system doesn’t work; it’s that scaling comes with a lot of invisible work.

Interviewer:

I see, and in terms of tools or services provided by the platform, what has helped you the most?

Interviewee:

The FBA network helps — you get some degree of visibility at least. Also, the compliance bulletins are useful; they keep you updated. And some service providers they recommend are good.

Interviewer:

So, despite the challenges, visibility and reach increased significantly, would you say?

Interviewee:

Yes, the sales potential is there. Germany especially. It’s a very good market.

Interviewer:

Right. And, looking back, would you say then, that the international expansion has been profitable overall?

Interviewee:

Yes and no. Revenue increased, but margins are tight. You earn more, but you also spend more — on taxes, consultants, logistics, translations… You must calculate very carefully.

Interviewer:

And what made it worth continuing despite those costs?

Interviewee:

The visibility and the chance to reach new customers. When it works, it works well.

Interviewer:

Given everything, what stops you from expanding into even more countries?

Interviewee:

Time, resources, and complexity. Every new country adds another layer of obligations — taxes, customer expectations, returns, languages. We are too small to manage all that.

Interviewer:

So, it's not a lack of interest, but capacity constraints?

Interviewee:

Exactly. If there were a simpler way — one VAT, one return center, one support system — we'd expand immediately.

Interviewer:

Yeah, that makes total sense. And hearing how much you've gone through; I think your perspective could really help others who are thinking about doing the same.

So, that being said, last question: what advice would you give a small business considering cross-border expansion?

Interviewee:

Don't rush it. Study the numbers, find a reliable tax firm, understand the return policies, and plan for much higher fixed costs. With good preparation, it can work. Without preparation, you'll drown.

Interviewer:

That's extremely helpful. Thank you so much for your time and honesty — this really provides valuable insight.

Interviewee:

Of course. I hope it helps your project.

Interview 2 – Seller B

Interviewer: Christina

Interviewee: Seller B

Mode: Phone Interview

Interviewer:

Hi, good afternoon, this is Christina calling. Thank you again for agreeing to talk to me today. As I explained in the email, I'm doing a short study on the cross-border experience of SMEs selling online, and your insights are incredibly helpful.

Before we get started, is now still a good moment for you?

Interviewee:

Yes, yes, it’s fine. I have a few minutes.

Interviewer:

Perfect. And just so everything is clear — your answers will be anonymous, and nothing will be linked back to you or your company. If it’s alright with you, I’d like to record the call so I can transcribe it accurately later. Is that okay?

Interviewee:

Sure, no problem. Go ahead.

Interviewer:

Thank you. So, to get a bit of background, when did you first start selling outside of Spain at a Pan-European level?

Interviewee:

We started around late 2021, maybe early 2022. That’s when we activated storage in Germany and France. Italy came soon after because we saw demand there.

The idea was simple. If something sells well in Spain, why not try Europe? We’re a company with a lot of stock and several product categories, so it felt like a natural step.

Interviewer:

I see. And what was the main motivation behind expanding at that time? Was it purely growth, competitor pressure, or something else?

Interviewee:

Mostly growth. We thought being present in several European marketplaces would multiply our visibility. And back then, the umbrella category was performing very well, so we wanted to capitalize on that.

Interviewer:

Great, that helps a lot. Now, thinking back to the first months of operating in other countries, what would you say were the biggest challenges?

Interviewee:

The number one challenge was VAT. Honestly, the whole fiscal part was a nightmare. We hired ***, as you know, and they charged us around four thousand euros.

But the VAT numbers in France and Germany never arrived. Italy did, but even that took longer than expected. And without those VAT numbers, you’re blocked. You cannot sell legally, and meanwhile, you’re paying storage fees, shipping fees, everything. It’s money going out and no money coming in.

Interviewer:

That’s really tough. And was the issue mainly the provider, or the bureaucracy of the countries themselves?

Interviewee:

A combination, but mostly the bureaucracy. Germany is extremely slow. France too. The provider didn't help much because they weren't transparent about delays.

My boss eventually said, "We're not going to keep paying for something that isn't progressing." So that's when we decided to pull out of Germany and France completely.

Interviewer:

I understand. And in the middle of all these complications, I'm curious, did the platform itself offer any meaningful support?

I mean, did you feel they were guiding you through these processes, or checking whether things were on track?

Interviewee:

Not really, no. On the operational side — listings, catalog, pages — the platform works beautifully. It's very optimized.

But on VAT, compliance, the back-office things… they basically redirect you to a third party and that's it. There's no follow-up, no monitoring. If the provider forgets something or delays something, you're the one who suffers the consequences.

So, we felt very much on our own.

Interviewer:

That's something I've heard from other sellers as well — that visibility and demand are strong, but navigating the system behind it requires a lot of extra work.

Interviewee:

Exactly. The platform brings sales, yes. But the administrative part is your problem, not theirs.

Interviewer:

And moving to logistics — deliveries, returns, processing fees — how was your experience there across different countries?

Interviewee:

Logistics was another big headache. Costs were extremely high in Germany and France. Even when we sold, the margin was tiny or even negative.

Returns also varied by country. For example, Italian customers tend to keep products more often, while in Germany returns were more frequent, and sometimes products came back in bad shape.

And because the platform usually prioritizes the buyer, sellers often end up absorbing the loss. It's not easy.

Interviewer:

So even when you were selling well, the profitability wasn't guaranteed?

Interviewee:

Exactly. You might sell 200 umbrellas, but after fees you realize the business isn't as profitable as it appears.

Interviewer:

And how do you decide which products are worth selling in multiple countries?

Interviewee:

We look at volume, size, and continuity. Products that are bulky or slow-moving are not suitable at all. We tried hardware items — we had tons of them — but they just didn't convert enough, so we removed them.

For umbrellas and books, it works. They're consistent, they restock well, and the logistics costs are reasonable.

Interviewer:

And you mentioned your catalogue changed a lot over time.

Interviewee:

Yes, because our company buys other companies. So, one day we're selling umbrellas, the next we're selling English books from a language school we acquired, and another day we have Christmas gift boxes.

Every product requires a new strategy. It's very time-consuming.

Interviewer:

So ultimately, what were the final reasons for withdrawing from Germany and France?

Interviewee:

Three reasons:

VAT delays — we still don't have the French VAT number today.

High logistics costs — some months we lost money.

Product variety — too many categories, not enough continuity.

Italy and Spain made sense for us, so we stayed there.

Interviewer:

And did you ever consider switching accountants or trying again later?

Interviewee:

We did switch. A different company got us the Italian VAT number quickly, but Germany and France were still impossible. After months of waiting again, we said, "Enough."

Interviewer:

You mentioned you've been selling since before COVID. Did the pandemic change cross-border sales for you?

Interviewee:

During COVID, online sales went up a lot — but mostly in Spain. Internationally, it depended on stock and timing. For umbrellas, yes, we saw a bump.

But after the pandemic, everything normalized again. The platform didn't suddenly make internationalization easier. It still requires time, effort, consistency, and good pricing.

Interviewer:

And did you notice strong differences between markets?

Interviewee:

Very strong. Italy is now one of our best. France could have been, but without VAT you cannot do anything. Germany is very strict and bureaucratic. Each market is a world of its own.

Interviewer:

Last question: if another small business asked you for advice about selling across Europe, what would you tell them?

Interviewee:

I'd tell them to evaluate the product very carefully first — price, size, competition, demand.

Then calculate all the costs in detail: logistics, storage, VAT, compliance. Many people underestimate these things.

And finally, have patience. International sales come with surprises. Sometimes good ones, sometimes not so good ones.

Interviewer:

That's extremely helpful. Thank you so much for sharing all of this — it really gives me a much deeper understanding of the challenges SMEs face today.

Interviewee:

No problem. I hope it helps you with your study.

Interviewer:

Yes, thanks again, and have a great day.

Interviewee:

You too. Goodbye.

Interview 3 – Seller C

Interviewer: Christina

Interviewee: Seller C

Mode: Phone Interview

Interviewer:

Hi ***, good afternoon, this is Christina. Thank you again for agreeing to take this call today. As I mentioned in my email, I'm doing a short study to better understand seller experiences with cross-border expansion through online platforms.

Before we get started, is now still a good time?

Interviewee:

Yes, absolutely.

Interviewer:

Great! And just to remind you again as mentioned in my email, your answers are completely anonymous. Nothing will ever be linked to your name or your company.

Would it be okay if I record our call so I can transcribe it accurately later?

Interviewee:

Yes, that's fine. Go ahead.

Interviewer:

Great. To start off, very simply, what originally motivated you to activate Pan-European storage and begin selling in other European markets?

Interviewee:

Well, the reason was straightforward. We wanted access to a much larger market. Spain alone is limited. Europe has many more potential customers, so the idea was: more countries, more visibility, more sales.

Interviewer:

Right, so the intention was really to scale up through cross-border exposure.

Interviewee:

Exactly. That was the whole point.

Interviewer:

And thinking back to those first months — what were the toughest initial challenges you faced?

This could be tax management, VAT registration, compliance, returns, anything operational.

Interviewee:

Oh, I have a lot to say about that topic. Honestly, there were many challenges.

I think the biggest issue is the mismatch between how the opportunity is presented and what actually happens.

Amazon, or any platform really, promotes the Pan-European model as something easy and seamless. It sounds fantastic: “With one click, you can sell everywhere.”

But then you start the process… and it’s not that straightforward.

For example, if you want to sell legally in Italy or Germany, you need VAT registration. That part is not Amazon’s fault — it’s the law.

But it’s not communicated clearly that every VAT number comes with costs: registration fees, periodic filings, compliance checks, and penalties if something is late.

And if you don’t have the VAT number in a given country, your listings can be deactivated, or your account flagged.

And these penalties can come very fast. Regulations also change every year, sometimes every few months. Keeping up requires constant attention, time, and money.

Interviewer:

So, from the very beginning, the administrative side already required more effort than expected?

Interviewee:

Exactly. It’s not that the platform is at fault for those tax rules, but communication and guidance on their end would most definitely minimize the complexity we face.

Interviewer:

And on the platform side specifically — how has your experience been?

Interviewee:

That’s where I see more issues.

For example, Amazon says “You have one unified store for all of Europe.” But that’s simply not true. Most communications don’t even specify which country they’re referring to.

They’ll send an email saying: “There’s an issue with this ASIN.”

And I’m left thinking: okay… but where? Spain? France? Italy? Germany?

Something as basic as editing a product’s description becomes a puzzle.

In Spain, sometimes it works fine.

In Italy, it works inconsistently.

In France, it feels impossible.

In the UK, extremely complicated.

And then you ask the Support Support what the character limit is for an attribute — some say 200, others say 250, others say it's unlimited, and then Amazon itself says it's optional.

So, the problem is that each marketplace has different requirements, and the seller ends up managing everything separately. It's like having four or five different stores.

Interviewer:

And if you have a large catalog, that must be incredibly hard to maintain.

Interviewee:

Exactly. If I have two ASINs, okay. If I have 200 or 300, managing all that becomes almost impossible.

And we don't get much help from the platform.

Interviewer:

So, would you say there's not much direct support for sellers?

Interviewee:

None, honestly.

Amazon is completely customer-oriented, which is great for buyers. But sellers? We are the last on the list.

Many times, it feels like there are internal policies that aren't transparent. I want to change something simple, like a detail in a listing, and I'm told: "You can't."

But if I can create the ASIN from scratch, why can't I edit it later?

And 90 percent of Seller Support responses are: "There is nothing we can do." That's their way of closing tickets quickly.

Interviewer:

It sounds very frustrating.

Interviewee:

Very. Support teams seem focused on responding fast and closing cases — not on solving them.

They consider a ticket "resolved" if they give any answer, even if nothing is actually fixed.

Meanwhile, we need the system to work. If it doesn't, we cannot sell.

Interviewer:

And is there any feature, tool, or part of the platform that you would say does work well for you?

Interviewee:

Yes — the platform itself is powerful. The catalog tools, the visibility mechanisms, the customer reach — all fantastic.

But again, the communication ruins it. I often get notifications that something needs to be fixed… but the message doesn't specify which SKU or which country.

When you have 300 products, that's chaos.

Interviewer:

I see. And what about synchronized listings?

Interviewee:

That's another big issue.

Let's say I create a listing in Spain. Then I sync it to Italy, France, and Germany. You would think it copies everything correctly, right?

Wrong. Sometimes the attributes don't match. Or the category doesn't exist in another marketplace. Or the translation is completely wrong.

I've had cases where a glass — a normal drinking glass — was translated into something like a phone.

How can that happen? And when it does, it's very hard to monitor everything constantly.

Interviewer:

Yes, that makes it really difficult.

And, just for context — when did you start selling Pan-European FBA?

Interviewee:

In 2023. We activated it immediately with the European model.

Interviewer:

And how have you seen performance vary across countries?

Interviewee:

Immensely. The same product can sell extremely well in Spain and not move at all in France. Or it does great in Italy but fails in Germany.

Each marketplace behaves differently — and you need to know where the balance is, where the additional VAT and management costs still make sense.

Profitability is not transparent. At all.

One sale can give me a profit of 10 euros. Another sale of the exact same item in another country gives me 2 euros. Sometimes I even lose money.

Interviewer:

And that lack of transparency — is it related to the automated pricing systems too?

Interviewee:

Yes. There's something called "Biller Pricing."

You set the price in Spain, and the system supposedly adjusts the price in other stores automatically. In theory, it should be great.

In practice… it works sometimes. Other times, I lose money, and Support can't explain why.

It's a black box. You can't plan properly because you don't know how it's calculating things.

And if you want to adjust prices manually per country, you have to go marketplace by marketplace. There's no unified control panel.

So yes — the intention is good, but the execution is not.

Interviewer:

Thank you for explaining that so clearly. To finish, what advice would you give another SME considering expanding across Europe?

Interviewee:

I would say, first, analyze your product deeply. Its price, size, competitiveness, everything. Not all products work cross-border.

Then, calculate actual costs. Don't just look at sales — look at what's left after fees, VAT, logistics.

And finally, be patient and know your limits. If a country becomes too expensive, leave it. Focus on the ones that work.

Interviewer:

Thank you so much. This has been incredibly valuable. I really appreciate your time and honesty.

Interviewee:

You're welcome. I'm glad to help.

Interviewer:

All responses are anonymous, but personally, I wanted to thank you for taking the time. Have a great day.

Interviewee:

You too. Have a good weekend!

Interview 4 – Seller D

Interviewer: Christina

Interviewee: Seller D

Mode: Phone Interview

Interviewer:

Hi, this is Christina speaking, thank you again for taking the time to talk to me today. As I mentioned in my email, I am doing a small study about how small and medium sized businesses experience selling across Europe through online platforms.

Before we start, I just want to confirm that you are still okay with participating and that you agree that I record the call so I can transcribe it later. Your answers will be treated anonymously, so your name and company will not appear anywhere. Is that alright?

Interviewee:

Yes, no problem. You can record it, that is fine.

Interviewer:

Perfect, thank you.

To begin, just for context: since when have you been part of the Pan European program, and what motivated you to try that route in the first place?

Interviewee:

Well, we have been selling on Amazon for about ten years now.

During that time, we launched several brands and tried to grow them all at once. But around one and a half to two years ago, we decided to focus on one main brand and slowly phase the others out.

At the beginning, we worked with smaller products, light items. With those, we did test other markets, but Spain was always the market where we felt things worked best and where we understood the customer better.

The Spanish market has always been challenging for growth, but at least we know it.

Right now, our main focus is on a baby brand. The products are things like playpens, cribs, and highchairs. They are not extremely large, but for FBA (Fulfillment by Amazon), they count as bulky and are expensive to move and store.

So, we have not dared to expand too much. We are running some tests in a few other countries, but we have not done a full European expansion because shipping, storage, and especially returns become very costly very quickly.

So, we feel more comfortable staying in Spain for now. We still have not found the right formula to scale properly across Europe.

Interviewer:

When you say that earlier you worked with smaller products, just to be sure, is that the jewelry brand I remember seeing in your account? Earrings, bracelets and that kind of thing?

Interviewee:

Exactly, that is the brand we originally used for expansion into other European markets.

But that is one of the brands we are now phasing out and liquidating. It was easier in terms of size and logistics, but we decided strategically to focus on the baby products.

The new brand has items like playpens, cribs, and highchairs. As I said, they are not huge, but in FBA, they are considered large enough to be expensive to move around, especially across borders.

Interviewer:

Right, I see. And you mentioned returns as a big concern, especially with FBA and Pan European.

I would like to go a bit deeper into that. When you began trying to sell in other European countries with this baby brand, what were the main difficulties you faced? This could be around compliance, taxes, logistics, or anything else.

Interviewee:

Do you mean the entire ten-year journey, or specifically this last phase with the baby brand?

Interviewer:

Mainly this last phase, with the brand that you are trying to build now.

Interviewee:

Okay. With this brand, the biggest issue has been regulatory compliance.

Amazon asks for documentation all the time, and sometimes it feels never-ending.

For example, this week our best-selling product in Spain, a playpen that is clearly not a toy, was suddenly classified as a toy. That triggered a whole set of new requirements and possible suspensions.

It feels like one roadblock after another. You never feel fully safe.

There is always a bittersweet feeling. You see the sales, you see that you are number one in the category, but at the same time, you know that at any moment a new requirement can appear and complicate everything.

Also, might I add, the way Amazon communicates documentation and certification issues is very aggressive.

They don't say: "You are missing this document, you need to provide X and Y for these reasons."

Instead, the tone feels like a judge speaking. I feel like I am being accused of something.

At the end of the day, nobody has taught us how to be business owners. We are learning along the way. And Amazon does not make us feel supported; it does not make us feel like a partner.

Interviewer:

So, you do not feel treated like a partner in the process?

Interviewee:

Exactly.

Sometimes they close a product listing because a document is missing. I understand there are rules, but at least give me some time to obtain the document, explain clearly what is missing, and why.

Instead of that, the feeling is: “You did something wrong, we close this.”

It feels like pointing fingers rather than helping.

Interviewer:

Yes, I’ve heard from other sellers as well that the final customer is given a lot of priority.

Interviewee:

Yes, the customer is always right, even when they are not.

Many returns are not honest. Some people use the product and then send it back. The return process is so easy that the customer is always the good one and the seller is always the bad one.

But in reality, the customer is not always right. And when you add that to the extra costs of cross-border logistics, it becomes very risky.

Interviewer:

And regarding invoicing and VAT in other countries, how was that part of the process for you?

Interviewee:

Invoicing itself is not the main problem. Automatic invoicing on Amazon works quite well.

Interviewer:

So, the technical invoicing is okay. But when you first had to register VAT numbers in other countries, how did you experience that tax management part?

Interviewee:

At the beginning, it was very expensive.

Margins were extremely tight, and basically, we did not earn very much.

To make the Pan European model work, you need a certain volume. You need to sell a lot; otherwise, the fixed costs eat everything.

Not all sellers have that volume.

In our case, paying accountants in each country was a heavy burden.

At first, we were paying around three thousand six hundred euros per year just for tax management. And our sales did not justify that cost.

We earned something, yes, but not enough to cover those fees comfortably.

Now there are cheaper services, but the quality of service is not always good. So, you are constantly balancing cost against risk. It becomes a constant struggle.

Interviewer:

I see. And if we look ahead a bit, what would need to change, either on the platform side or in the system more broadly, for you to feel confident about truly expanding into more countries?

Interviewee:

It would be a combination of things, not just one.

Sellers should feel that the platform is on their side, that it acts as an extension of our business rather than as a constant obstacle.

Clearer communication about documentation, a more supportive tone, realistic deadlines, and a better balance between protection of the buyer and protection of the seller.

Right now, I do not know if Amazon wants to change that or not.

Interviewer:

And in terms of your sales channels, do you sell only through Amazon or also in other places?

Interviewee:

We have our own website, and we sell a bit there, but the majority of our sales are through Amazon.

Interviewer:

I see. Before we close, is there anything else you feel is important to add about your experience with cross border expansion or about what holds you back?

Interviewee:

Not really, nothing specific comes to mind now.

We are basically in that tension: on one hand, you see the potential of Europe, on the other hand, you are afraid of the costs, the returns, and the constant compliance issues.

Interviewer:

I understand. For me, it is very valuable to hear these experiences directly from sellers.

Interviewee:

We have had calls in the past with Amazon about scaling, but the help offered cost around one thousand euros per month.

And we already pay enough in commissions and advertising. Sometimes it feels like Amazon earns much more than we do, even though we are the ones taking the risk.

So, if support is meant to help us grow, ideally, it should not always come with extra fees.

Interviewer:

I understand completely.

Thank you very much for being so open and for taking the time to speak with me today. You already have my number, so if anything comes up or if you think of something you deem relevant and did not come up today in our conversation, you can always reach out.

Interviewee:

Thanks a lot. Best regards!

Interviewer:

No, thank you! Have a great day.

Interview 5 – Seller E

Interviewer: Christina

Interviewee: Seller E

Mode: Phone Interview

Interviewer:

Hi, this is Christina. Thank you again for agreeing to speak with me today. As I mentioned in my email, I am doing a short study to better understand how sellers experience selling across Europe through online platforms like Amazon, in your case.

Before we begin, I would like to confirm that you are still happy to participate and that you agree that I record the call so I can transcribe it later. Your comments will remain anonymous in the study. Is that okay?

Interviewee:

Yes, that is fine. Go ahead and record.

Interviewer:

Perfect, thank you.

To start, you mentioned in your email that the account has dropped quite a bit this year. Could you tell me in your own words what has been happening with your business on the platform recently?

Interviewee:

Yes. This year we have had some stock issues, but in general we are quite unhappy, especially because of returns.

Our products are sports equipment, in the range of fifty to one hundred thirty euros. We try to offer a professional service, and on top of that, we pay high logistics costs.

We spend a lot on logistics, and then we get products back in terrible condition. Used, broken, boxes destroyed. We cannot resell them as new.

I understand that customers have the right to return items. That is part of the platform's promise. But there is a big difference between a normal return and items coming back completely destroyed.

Margins drop a lot. Some customers buy without fully understanding the product, others use it for videos or to test it once, and then send it back scratched or badly packed.

Interviewer:

So, it is not just the volume of returns, but the condition in which they arrive.

Interviewee:

Exactly.

Do you know what it means to invest in high-quality images, branding, and packaging for a product worth seventy or eighty euros, and then have a percentage of those units come back in a state that is only good for the trash?

For us, at the end of the year, it is a huge cost.

For now, we are putting up with it because we still have some sales, but the numbers do not work.

We pay around fifteen percent commission, plus shipping, storage, return processing, and in many cases, we cannot resell the product afterwards.

Interviewer:

Of course, so I'm guessing those items cannot be sent again to another customer?

Interviewee:

No, not as new. We sometimes keep them to use in the future for events, maybe to open a gym, or we sell them at ridiculous prices locally. But we cannot send that to a customer who pays full price.

The same happens with packaging. It all comes back destroyed. So even if the product itself is okay, the box is in such bad condition that we cannot use it.

There is no control from the platform's side. The customer prints a label, sends it back, and that is it.

This works very well for selling, but if they do not take care of the product, we, as sellers, will end up removing it from the platform.

Last year we sold around seventy-five thousand euros. This year, the target was one hundred thousand, and we will close at about fifty thousand. We are very unhappy.

Interviewer:

Even if there is still some profit, you feel that it is not sustainable.

Interviewee:

Exactly. You might earn something, but with that level of risk and product loss, it does not make sense in the long term.

Interviewer:

And since you mentioned returns, this mainly affects FBA, right?

Interviewee:

Yes. Our product has competition, but many customers specifically choose Amazon because they want fast delivery.

I cannot switch everything to FBM (Fulfilled by Merchant). If I do, sales collapse.

I have pallets of kettlebells, heavy items, different sets, products around one hundred euros, and they end up coming back damaged.

If I try to do FBM, I would need another person just to handle shipments and customer service.

And customers do not understand delivery times outside FBA. For example, someone orders on Wednesday, sees "24 or 48 hours", and if by Monday it has not arrived, they complain.

With FBM, that would be constant. People do not always understand the reality behind logistics. The platform creates the expectation that everything is instant.

For us, the business model would not make sense like that.

Interviewer:

You also mentioned earlier that you had a specific problem with a certain warehouse. Could you tell me a bit more about that?

Interviewee:

Yes. The warehouse in Onda, in Castellón. For us, it has been a disaster.

Normally, we send to MAD6, ZAZ1, and the warehouse in Onda.

Every time the system assigns us Onda, we get nervous.

There are always incidents. They say the pallet does not meet the required size, or that something is wrong, even though the pallets are certified, and we use the same specifications for all warehouses.

Then I have to measure everything, take photos, argue, and justify things that should already be standard.

When it is Onda, there is always some extra step. That means more time, delayed check-in, and sometimes out of stock.

I need to trust that when I send stock to a warehouse, things will work. I should not have to pull out a measuring tape every time to check if they think something is three millimeters too big.

And sometimes it is not even correct. I measure, and everything is within the rules, but the ticket is already open, and we have to invest time in solving it.

Interviewer:

So, for you, the two biggest issues are logistics and returns. Are there any other areas that have been particularly difficult?

Interviewee:

Yes, logistics and returns are the main ones. But I would add the European tax and documentation part.

Every country seems to ask for something different. A certain certificate here, another document there, terms that sometimes do not even make sense from a Spanish business perspective.

I am a Spanish company. I invoice correctly with the corresponding VAT. But then I am asked for identifiers or documents that are not really necessary in practice, and if I do not provide them, my sales can be blocked.

So even though I have VAT configured per country, I still need to manually review everything, country by country.

For example, Portugal is served from Spain, but the system counts it as a Spanish sale in some respects and as something else in others. It becomes a bit of a mess.

Some documents are also very hard to obtain, and that delays or blocks sales.

Interviewer:

Since you started with the Pan European model and had to manage tax in several countries, did you see a clear increase in sales that justified the complexity?

Interviewee:

Honestly, no.

The Spanish marketplace still sells, but the overall account is declining.

Some products have grown a bit, but others have dropped more. Overall, turnover has gone from seventy-five thousand to around forty thousand.

We lost stock at some point, yes, but that alone does not explain such a big drop.

It is not that we lack product. It is more the combination of returns, blocked listings, and general instability.

Interviewer:

And when did you start with the Pan European tax management, approximately?

Interviewee:

I would say last year we already had it in place.

Everything was corrected by country.

I am quite sure it started around the year before last.

Interviewer:

Thinking ahead now, what would the platform need to change for you to feel that cross-border expansion is truly worth it? What would make a real difference for you?

Interviewee:

For me, the key is that the platform needs to take better care of its partners, meaning the sellers.

Right now, it feels like the customer is always right and the seller is always the one who pays. But we pay commissions, storage, returns, and advertising. We are not just users; we are clients of the platform.

There should be more protection against abusive behavior. Some buyers clearly use products and then return them, or order multiple units just to test and send back what they do not like.

If a product is returned in bad condition, the platform should either reject the return or take responsibility and not charge the full fees to the seller.

In a traditional store, if you bring back something clearly used, they do not accept it. Here, everything is accepted, and the cost falls on us.

We sell through the platform because the potential is huge. But if I sell one hundred thousand euros and at the end of the year my real profit is four thousand, it does not make sense.

I do not want to leave, but the model cannot be configured in a way that only the platform wins.

For example, if you look at our account, we have two star products: wrist wraps at fifteen euros and two categories of equipment, like maces and kettlebells.

Just with the maces, there have been two returns this week alone. We sponsor championships, and we have a brand reputation.

With kettlebells, we should be selling thirty to forty thousand euros easily. Now we do not even sell one per day.

We also have a certified pet brand and a magnesium product that used to sell very well but is now blocked.

I uploaded the documentation sixteen times and nothing moved.

There is another format of the same product that is allowed, which shows that the criteria are not consistent.

And because of that, we cannot even participate in Black Friday promotions with that product. Nobody replies clearly about what is wrong.

Interviewer:

And what about your account manager, do you feel supported from that side?

Interviewee:

It has been getting worse.

I only take care of sending the stock. The person who manages listings and ads on our side cannot even apply discounts sometimes because the listings are blocked, or there is no clear response.

Same product, different format, and one is allowed, and the other is not. There is no clear logic.

Another example is magnesium in bags. It often arrives torn during shipping.

The platform sometimes sends it in envelopes instead of boxes, which is not appropriate for that kind of product.

The customer then leaves a negative review: “The product arrived broken.” And again, responsibility is placed on us.

Interviewer:

So, there is no assumption of responsibility from the platform for that damage.

Interviewee:

Exactly. They might refund the shipping partially, but they keep commissions or other fees.

From our perspective, nothing really works in a way that protects us when there is damage.

For fragile or heavy products, the current system simply does not work well.

If this continues in the same way, I am really considering leaving the platform in 2026.

Interviewer:

It is completely understandable that you feel that way.

Just to balance the picture a little, is there anything positive that you would still highlight about the platform from your experience?

Interviewee:

If I am honest, the main positive is the reach. But visibility only really comes if you pay a lot in advertising, so I am not sure if that counts as a true advantage.

The interface is indeed intuitive.

Working in the backend, uploading products, printing labels, sending shipments, all of that is easy and well-designed.

The real problems start once the products leave the warehouse and when they come back as returns.

Interviewer:

Yes, and from what you describe, there are many of those problems.

Thank you so much for sharing all of this. As I mentioned, my goal is to understand the reality of sellers today, not the official version. Your examples are very concrete and very helpful for my study.

Interviewee:

Thank you as well.

Interviewer:

You have my number, so if anything else comes to mind or if your situation changes, feel free to send me a message. Otherwise, I wish you a very good week.

Interviewee:

Perfect, my pleasure, thanks a lot.

Interviewer:

Thank you, Goodbye.

Interview 6 – Seller F

Interviewer: Christina

Interviewee: Seller F

Mode: Phone Interview

Interviewee:

Thank you very much for taking the time to talk to me today. As I mentioned in my email, I am doing a study to better understand how small businesses experience selling across Europe through online platforms.

Before we start, I just want to confirm that you are okay with participating and that I can record the call so I can transcribe it later. Your comments will be used anonymously, so your name or company will not appear anywhere. Is that okey with you?

Interviewee:

Yes, of course. No problem, you can record.

Interviewer:

Perfect, thank you.

To get started, you mentioned earlier in your email that you had some issues with taxes, but that they are more or less sorted now. Could you briefly explain how things are at the moment with taxes and shipping?

Interviewee:

Sure. The issue with taxes and the tax agency was complicated, but we have managed to resolve it more or less.

In terms of shipping, that part is very good. Since Amazon handles the logistics, from our perspective, it works really well. We send the stock and then forget about it.

Interviewer:

That is good to hear about logistics.

Just to have the timeline clear: since when have you been explicitly part of the Pan European program?

Interviewee:

We started many years ago already. I would say around five years, more or less, from memory.

Interviewer:

About five years, great. And at that time, which markets did you decide to expand to first? Italy, France…?

Interviewee:

We expanded to Italy, France, and Germany. We also used to be in the United Kingdom, but at this point almost not anymore.

In Italy, we actually stopped storing inventory. We sold very little there, so we decided not to keep stock in that country. Now we send everything from other fulfillment centers.

Interviewer:

Understood. Since you have been selling abroad for several years, it would be helpful to understand your initial motivation.

When you first decided to activate storage outside Spain and sell across Europe, what was the main reason? More sales, visibility, or something else?

Interviewee:

Mainly, we saw that we had a stable level of sales in Spain, and we thought it made sense to explore other markets in Europe.

We sell sunglasses and reading glasses, and we wanted to see whether the product would work in other countries as well. So, we said, “Let’s try it and see how it goes.”

Interviewer:

That makes sense. And in terms of the operational side, you mentioned logistics works very well for you.

Just to clarify: you send the stock to Spain, and from there the platform distributes it to other countries, correct?

Interviewee:

Exactly. We send the pallets here, and from Spain, everything gets redistributed. For us, that part is very convenient.

Interviewer:

And when it comes to returns, lost parcels, delays — have you experienced any major issues on the logistics or returns side, or has that generally been manageable?

Interviewee:

On the logistics side, honestly, we have not had major problems. Returns are part of the game, but nothing exceptional.

The biggest problem for us has definitely been taxes.

Interviewer:

So, the main pain point has been tax management.

When you say "taxes," do you mean the cost itself, or more the complexity of understanding what to do in each country?

Interviewee:

More of the second part: understanding how everything works.

For example, how to read and interpret the platform's reports in order to calculate VAT correctly, how to register in Germany, in France, and so on. None of that is straightforward, especially for a small company.

It is not that we refuse to comply, but the process is not easy at all.

Interviewer:

At the beginning, when you started expanding, did you receive any support or guidance from the platform on that? Or was it more trial and error?

Interviewee:

At the time, it was quite hard.

We used a service that Amazon offered for tax support, and that helped at first. But later, that service was removed, and from then on, everything became more complicated again.

Right now, we manage, but it has taken a lot of time and learning.

I do think the platform should provide more continuous support for sellers in tax matters, especially for small businesses that do not have an internal finance department.

For example, we stopped storing stock in Italy, and then the system said our VAT number there was not valid, even though we had already de-registered it.

Just today, I had to talk to some colleagues over at Amazon to fix that issue on the platform. These types of things take time and create uncertainty.

Interviewer:

I see. So even once you have done everything correctly on the regulatory side, aligning that with the platform's systems can still be a challenge.

Interviewee:

Exactly. In the end, we manage as best we can, but it is not simple.

Interviewer:

And looking at the positive side for a moment: did you notice a clear increase in sales when you expanded to other European markets, or has Spain remained the main driver?

Interviewee:

We did see an increase in sales overall, yes. But the country where we sell the most is still Spain.

I am not entirely sure why. It could be because the original listings are written in Spanish and maybe the descriptions are not as clear in other languages.

In any case, Spain remains our strongest market by far.

Interviewer:

And just to confirm, all your glasses are under the brand "***," right?

Interviewee:

Yes, all of them.

The original listings are in Spanish, and then we translate them into other languages for the different stores.

Interviewer:

Understood. And have you noticed that translations or product content in other languages affect how well the product sells in France, Germany, etc.?

Interviewee:

I think so, yes. It is not only the translation, but also how people search, what they value, and how they read the listing.

Sometimes we translate literally, but maybe it does not reflect how a German or French customer would search for the product.

Interviewer:

That is very helpful.

Now, focusing on what has worked: is there any tool or service from the platform that you would highlight as having been genuinely useful in overcoming challenges?

Interviewee:

Yes. Although the costs are high, what helps us a lot is that Amazon arranges the pick-up of the goods and distributes them themselves.

For us, that is extremely convenient. We do not have to coordinate shipments to each country; we just prepare the pallets, and everything goes through the same logistics chain.

Interviewer:

So, UPS collects the stock directly from your warehouse, right?

Interviewee:

Yes, UPS collects the boxes here and takes them to the fulfillment centers for distribution across Europe.

Interviewer:

And when a customer in France or Germany places an order, you cover the shipping cost through the platform fees and still have some margin, or is that a struggle?

Interviewee:

We do still have some margin, but it is tight.

Let’s say you make a little, but the feeling is that the platform makes more than you do. Some days, advertising costs go up a lot, and then we earn very little on those sales.

On top of that, sales have gone down recently. We used to sell much more.

I do not know if it is increased competition, changes in the algorithm, or that the product does not stand out as much as before, but the drop has been quite noticeable.

Interviewer:

And in terms of visibility on the platform, have you worked with the advertising tools or the Ads team to try to maintain or boost sales?

Interviewee:

Yes, in the past we invested more in advertising. We also had more direct contact with people from the Ads team, and we reviewed the campaigns more often.

Lately, we have reduced the budget a bit because costs started to get out of control.

At first, when we reduced spending, sales stayed more or less stable. But in the last year, we have seen a clear decline.

The drop compared to last year has been significant.

Interviewer:

That makes sense.

I’m curious, if a friend or another small business owner told you they were considering joining the Pan European program, what would you advise them? Maybe something you would do differently if you were starting again today.

Interviewee:

I would advise them to be selective with where they register storage.

Personally, I would recommend registering stock only in two countries: Germany and France.

And then handle the rest of the sales through the one-stop VAT system from Spain.

That would be my recommendation: limit the number of countries where you store inventory and use the one-stop system as much as possible.

Interviewer:

And why specifically Germany and France?

Interviewee:

Because otherwise you end up needing accountants in each country, which increases costs and complexity.

If you keep it to Spain plus maybe Germany and France, your accountant in Spain can handle most of the filings through the one-stop scheme, without paying extra for every single country.

It is much simpler. And Germany and France are strong markets, so from a sales point of view, they are worth the effort.

Interviewer:

And in terms of revenue, Spain is still your strongest market, and then Germany comes second?

Interviewee:

Exactly. Spain first, then Germany.

Interviewer:

Perfect, that is very clear.

Before we close, is there anything else you would like to add about your experience with cross-border sales or with the program in general?

Interviewee:

Just that we are selling less than before, and we would really like to sell more.

Logistically, we are very happy — we have no complaints there. The logistics work great.

What we feel is missing is a bit more support from some of the teams at the beginning, during the whole setup and tax process, so that we do not feel so alone with those issues.

Interviewer:

That makes a lot of sense.

Great, thank you again for taking the time to speak with me.

You have my number, so if anything else comes up, or if you remember something you forgot to mention, we can always talk again.

Interviewee:

Perfect, thank you. I am getting another call now.

Interviewer:

Of course, no worries.

Thanks again and have a very good day.

Interviewee:

Thank you very much. Have a good day.

Interviewer:

Bye.

Interviewee:

Thanks, goodbye.

Interview 7 – Seller G

Interviewer: Christina

Interviewee: Seller G

Mode: Phone Interview

Interviewee:

Hi, this is Christina — thank you so much for taking the time to speak with me today. As I explained in my email, I am speaking with a handful of small businesses to better understand their experience selling across Europe. Everything you share will remain anonymous, and the purpose is purely to understand challenges, not to evaluate performance or anything like that.

Is it okay if I record the call just for transcription purposes later?

Interviewee:

Yes, yes, no problem. Go ahead and record.

Interviewer:

Great, thank you.

So maybe we can begin broadly. You mentioned by email that your experience selling on the platform has been quite negative. Could you tell me a bit more about that?

Interviewee:

Well… to be honest, our experience has been terrible. We will almost certainly stop selling cross-border. From the very beginning, we faced constant problems — nothing ever seemed straightforward.

And from what I have seen and heard, we are far from the only ones. A lot of sellers are very unhappy.

When something goes wrong, you open cases, yes… but cases close automatically without anything being solved.

And twice — last year and the year before — they blocked our account right during the Christmas campaign. That is our peak season. Those two years were completely ruined.

After that, the decision was clear: we would leave the platform together eventually.

At this point, my only fear is that even closing the account will become another nightmare.

Interviewer:

I understand. Many sellers I have spoken to mention a similar kind of frustration.

When those blocks happened, did Amazon explain the reason clearly?

Interviewee:

Not clearly, no.

The first year, they asked everyone to verify a new regulation, some kind of documentation. We completed it all correctly and on time.

But Amazon insisted they had not received the files, even though we had proof. They kept saying, “It will be unblocked soon.”

And that “soon” turned into fifteen or twenty days — again, right during Christmas. Then one day, they just unblocked it whenever they felt like it. No explanation.

The next year was basically the same story. And not just in one country: our stores in France, Germany, and Spain were all blocked.

I used to get furious. Now I just take it as a joke. You reach a point where you get tired of getting angry.

Interviewer:

That sounds incredibly frustrating.

Apart from these seasonal blocks, were there many other ongoing issues?

Interviewee:

So many that I could talk for hours. Honestly, if you look at our case history… There are hundreds.

Cases opened, closed, reopened, escalated, re-escalated — and always the same answer: “tomorrow”, “in 48 hours”, “we are reviewing it.”

Nothing ever gets resolved.

The worst part is the feeling of complete lack of visibility. Problems appear out of nowhere, and you don't know who to contact or how to escalate them.

Interviewer:

I see. And regarding international expansion, the tax side is often a challenge.

How was the experience managing VAT registrations and filings in other countries?

Interviewee:

In that sense, we were lucky. We work with an external company, ***, and they handle everything. So, taxes have not been our main issue.

Whether everything is perfectly filed… we will only know if the day ever comes that the tax authorities audit us. But so far, no problems there.

Interviewer:

Understood. So, the main trouble has been less about fiscal matters and more about day-to-day operations and account management?

Interviewee:

Exactly.

Interviewer:

And in terms of logistics — storage fees, returns, damaged goods — how has that part been?

Interviewee:

Another disaster. We complained thousands of times about incorrect handling fees.

They measured our products wrong, classified them as larger than they were, and charged us a fortune for storage and fulfillment.

We proved it multiple times, sent photos, dimensions, and invoices — nothing. No refunds, no corrections.

Always the same: "We will review it."

But the truth is, nothing was ever reviewed.

It's always a battle. A new issue every week. And zero visibility about what is happening inside the warehouses.

Interviewer:

I can see how that creates a lot of uncertainty.

Interviewee:

The biggest problem with Amazon, in my opinion, is the sense of helplessness.

You speak to many different people, but none of them has decision-making power. They all say the same: “We will escalate,” “Call back in two days,” “We cannot do more.”

And you never reach someone who can actually solve the issue. Ever.

And most problems are not complex. They are obvious things that should be fixed in five minutes.

Interviewer:

Yes… I hear that often. And I understand your point — even from our team, it is frustrating when there is no way to escalate properly.

Interviewee:

Exactly. I don’t blame you personally. I know your hands are tied, too.

But the system is simply not designed to resolve things efficiently.

Interviewer:

Another recurring theme is the “customer first” policy. How has that impacted your experience?

Interviewee:

That’s exactly the problem. “Customer first” is fine — we agree with that.

But without sellers, there is no product, no marketplace.

Sellers are partners, or at least they should be. But we don’t feel treated like partners.

Amazon doesn’t seem to care because there is always a new wave of people wanting to sell.

But more and more, sellers are waking up.

And if Amazon doesn’t change this, in the long run, they will lose sellers. There are alternative platforms now — real ones. That wasn’t the case ten years ago.

Interviewer:

And are you actively moving towards those alternatives?

Interviewee:

Yes. Many of us are. Other platforms, direct sales… anything that gives us more control.

Interviewer:

That is very valuable feedback.

Before we wrap up, is there anything you wish had been different, anything that could have kept you selling at a Pan-European level and on the platform altogether?

Interviewee:

Transparency. Real support. Someone with actual authority to fix simple issues.

And faster resolution times.

If a listing is blocked, you lose days or weeks of sales. That kills small businesses.

It should not be so hard.

Interviewer:

Thank you so much for sharing all of this. I really appreciate your honesty.

You already have my number, so if anything else comes up, feel free to reach out.

Interviewee:

Perfect. Thank you for calling.

Interviewer:

Have a great day.

Interviewee:

Goodbye.

Interviewer:

Bye.

Interview 8 – Seller H

Interviewer: Christina

Interviewee: Seller H

Mode: Phone Interview

Interviewer:

I'll explain very briefly. Everything is completely anonymous — nothing will be linked to your name or your account, and it is not used for operational decisions. It is only to understand what your experience selling cross-border has been like. As mentioned in our email exchange, I will be recording and later transcribing our conversation for academic purposes. Is that still alright with you?

Interviewee:

Sure, perfect.

Interviewer:

So, to start with some basic context, when did you begin selling outside your domestic market, and what was the main reason for expanding internationally?

Interviewee:

Since the beginning, I think. Around 2021 we were already selling across all of Europe. The whole appeal of Amazon is precisely that — reaching other markets.

Interviewer:

Right. So the main motivation was more visibility and more sales?

Interviewee:

Exactly.

Interviewer:

And you are currently active in all the main European markets — Spain, Italy, France, Germany…?

Interviewee:

Yes, in all of them. Recently, we also registered for VAT in some countries where we previously hadn't, because the sales volume did not justify it. Now we are in all of them.

Interviewer:

Perfect. On the VAT and compliance side, what would you say were the biggest difficulties — registration, understanding the rules, monthly declarations? Did you experience any issues?

Interviewee:

Honestly, no. It was pretty straightforward. Until last year, Amazon worked with VAT providers directly. Now they only recommend companies, and you contact them yourself, but it is still easy.

Interviewer:

So, in your case, everything was handled through Amazon rather than an external platform?

Interviewee:

Yes. Amazon worked with ***, but it was integrated within Amazon.

Interviewer:

I see. So, you didn't need a separate system to see reports or calculate declarations — everything was visible within Amazon?

Was anyone supporting you directly, like an account manager focused on taxes?

Interviewee:

No, no one directly. Everything was on the platform. If you had a question, there was a generic support email.

Interviewer:

And overall, you felt you had enough information to manage VAT?

Interviewee:

Yes. If anything, a personal tax advisor might advise you differently because there are different ways to pay VAT in Europe. For example, you can use OSS — the One Stop Shop — where you file a single declaration in your home country. In my case, I file separately in each country. But I never had problems.

Interviewer:

Got it. Moving to logistics — how has your experience been with international logistics, returns, and inventory management? Some sellers mentioned damaged goods or warehouse issues when selling abroad.

Have you noticed differences between countries in delivery times or returns?

Interviewee:

No major problems. We don't get many returns because we sell cosmetic products, and once opened, they cannot be returned unless damaged.

We also have a rule that returned items are not repackaged; they all come back to our warehouse. That way, we avoid problems where Amazon might resell something that is not in good condition.

The only real issue is that food or food-like products are not fully included in the Pan-European model. Shipping is much more expensive. Sellers of these products are less competitive abroad. And sometimes our cosmetic products are misclassified as such.

For example, in Spain I can price my product better than an Italian seller, but in Italy they can price lower than me because cross-border food shipping is more expensive for us.

And it doesn't make much sense because not all food requires special transport. Our products are stable and do not need temperature control.

Interviewer:

So, the products are distributed across Europe, but the storage and handling fees are higher?

Interviewee:

Exactly. They are stored like other Pan-European products, but the fees are higher — more than for a simple tool, for example.

Interviewer:

Maybe it is because Amazon uses special trucks or temperature-controlled logistics?

Interviewee:

Possibly, but in our case it is unnecessary. And it affects competitiveness. For example, a product I sell for 30 euros in Spain ends up costing 32 euros in Italy just because of shipping, and that hurts both us and Italian customers.

Interviewer:

Right, and I imagine this impacts your margins.

Interviewee:

Yes, a lot. It is the biggest issue we have with Pan-European for our type of products.

Interviewer:

Understood. Moving to communication and support — how clear or helpful have Amazon's tools and support been for managing listings across countries?

Interviewee:

There are two recurring issues.

First, Amazon's AI sometimes misclassifies products. It may flag them for violating rules and block them, even when everything is correct.

For example, we have a cosmetic oil, and sometimes the system automatically reclassifies it as a food product. Then shipping fees go up, and we only notice when reviewing reports.

And when we contact support, the experience is not great. The support team is not local, often does not speak our language, and you end up exchanging five or six messages to fix something simple.

Interviewer:

And that contact goes directly to an international team, right? Not to someone in Spain?

Interviewee:

Yes, it goes to a generic team. And each reply often comes from a different person, so they do not read previous messages. You go in circles.

Interviewer:

I have heard similar feedback — a lack of continuity.

Interviewee:

Exactly. It happens less once your listings are well optimized, but every time you launch a new product, it starts again. You get warnings like "This listing has been blocked for selling medicine" when it is not a medicine at all.

Interviewer:

Right. And how about translations and product information across markets?

Interviewee:

Automatic translations are decent, but we always review them. Each country has its own fields and requires information. Sometimes, Amazon does not transfer all the data from the original listing to other marketplaces.

Then they send messages like "You are missing the ingredients list," even if the original listing had it.

Interviewer:

I see — small but annoying issues.

Interviewee:

Yes. Once you know, you adapt, but at the beginning, these things pile up.

Interviewer:

Internally, what has been the most challenging part of selling internationally? Time, knowledge, resources?

Interviewee:

Two things:

First, understanding consumers in other countries — they do not expect the same things, and literal translations do not always capture meaning.

Second, reliable translation review — automatic translations into non-Latin languages can be completely off.

Interviewer:

Makes sense. And overall, has international selling been profitable for you?

Interviewee:

Yes, definitely. Half of our sales come from international markets.

Interviewer:

That is great.

Interviewee:

We would like it to be even more. If we sell ten units in Spain, we should sell ten in Germany too. But reaching customers and maintaining inventory levels is more complicated. If Amazon detects low stock in Spain, it reduces visibility in other countries.

Interviewer:

Understood. And I'm curious, if you could change something to improve the international selling experience for SMEs across platforms like Amazon, what would it be?

Interviewee:

Honestly, I think the most impactful improvement would be on the operational and support side. There should be more human background checks so that products are not misclassified or stuck due to automatic flags that do not reflect the reality of what we sell.

At the same time, sellers who choose the Pan-European route need more structured support from Amazon, because expanding abroad is complex and the guidance is not always clear.

In the end, if we perform better internationally, Amazon benefits first, so it would make sense to strengthen that part of the system to help us optimize our sales in other markets.

Interviewer:

Perfect. That is extremely helpful. Thank you so much for your time.

Interviewee:

Thank you. Have a good day.

Interview 9 – Seller I

Interviewer: Christina

Interviewee: Seller I

Mode: Phone Interview

Interviewer:

Before we begin, let me briefly remind you that everything you share is anonymous and will not be linked to your account. Do I still have your consent to record and later transcribe our conversation for the purposes of my research as previously discussed in our email exchange?

Interviewee:

Yes, of course. That's fine.

Interviewer:

Great. You mentioned earlier in your email that you started recently. When exactly did you begin selling on Amazon?

Interviewee:

Around March or April. April is when we really got the store up and running. We started in Spain, and after about two months, once we had the listings stabilized, we activated Italy and France. Germany followed after that, although Germany is definitely the most complex market for us.

Interviewer:

And before Amazon, were you selling on other platforms?

Interviewee:

Yes, mainly on Vinted and Wallapop. But at some point, we realized that those platforms couldn't give us the visibility or scale we needed. Amazon was the next step, even though we knew it was more demanding.

Interviewer:

When you expanded abroad, how was the whole VAT process for you?

Interviewee:

Honestly, more confusing than we expected. We had OSS, which helps with reporting, but once Amazon started sending inventory into other countries — especially automatically — things became much less clear. Italy and France were fine, but Germany took much longer, and the information felt contradictory.

The thresholds weren't intuitive, and we had to do a lot of research ourselves to fully understand the obligations. Nothing disastrous happened, but the clarity didn't really come from Amazon; it came from hours of reading and asking around.

Interviewer:

I understand. And what about logistics? Delivery times, returns, and warehouse operations across Europe.

Interviewee:

Logistics work well overall — that's one of Amazon's strengths. But every country behaves differently. France definitely has the highest return rate, and a lot of those returns come without a clear reason. Germany is very strict; small details lead to returns easily. Italy sells incredibly well, but we did have a few issues with inventory being received incorrectly or sent to the wrong warehouse.

We also had one or two lost units in Spain, and some items arrived damaged in France, although we were reimbursed. Nothing catastrophic, but it all adds extra work.

Interviewer:

And regarding Amazon support — has it been clear and helpful throughout the process?

Interviewee:

It depends. If we're talking about Alicia specifically, she's been extremely helpful. She explains everything clearly and always gives practical solutions. But once you move beyond the basic questions, the cross-border side becomes much less clear.

Different agents sometimes give different answers, especially around VAT triggers or how fees work in each country. It's not that the support is bad — it's that cross-border topics require more specialized knowledge, and that part doesn't always come through.

Interviewer:

What types of products are you selling?

Interviewee:

Mainly cosmetics and toys.

Interviewer:

And no problems with misclassification?

Interviewee:

We did have perfumes automatically flagged as hazardous goods, and that led us to enroll in the hazardous materials program, which thankfully was approved quickly. Germany is stricter with categorization, while Italy is more relaxed — so marketplace differences definitely exist.

Interviewer:

I see. And within your own business, what has been the biggest challenge of managing cross-border sales?

Interviewee:

Learning the entire system. Amazon already has a steep learning curve, but managing multiple marketplaces is something else entirely. Fees differ, competitive conditions differ, customer expectations differ, and even the listing requirements vary slightly from marketplace to marketplace.

Amazon presents Europe as one unified market, but the reality is that you still manage each country separately. It's very time-consuming.

Interviewer:

And pricing across countries, has that been difficult?

Interviewee:

Yes, that has probably been the biggest challenge of all. The pricing system is not transparent enough. We get warnings about price competitiveness, but the warnings don't reflect the different fulfilment fees, return fees, or competitive pressures in each country.

For example, France has higher FBA fees, so we had to increase prices there. Germany is extremely competitive, so we had to reduce prices, which cuts margins a lot. There's no straightforward tool showing, "Your margin in France will be X, in Germany Y," so you end up doing lots of manual calculations. It becomes guesswork, and that's risky for small sellers.

Interviewer:

Looking ahead to next year, what would need to happen for you to feel fully comfortable joining the Pan-European program in its full extent?

Interviewee:

We would need two things: more predictable sales and much clearer visibility. Predictable sales so we can justify sending stock widely, and visibility in terms of fees and VAT.

We don't mind following the rules; we just need transparency.

A single dashboard showing obligations and costs for each marketplace would make a huge difference.

Interviewer:

Yes, I believe that would be very useful too. Is there anything else you think Amazon could do to make the cross-border selling experience easier?

Interviewee:

Well, as I said, If I had to summarize it into one word, it's transparency. Clearer breakdowns of fees by country, clearer explanations of VAT obligations, clearer pricing guidance, and more structured information overall.

Right now, the information exists — but it's scattered across different help pages, emails, and support threads. That uncertainty makes me hesitate before expanding further because I can't predict margins with confidence.

Interviewer:

Thank you so much — this level of detail is extremely helpful for my research. I really appreciate your time and openness. And please know you can always reach out if you want to share any additional feedback. I

Interviewee:

Perfect. Thank you very much.

Interviewer:

Thank you! Have a great day.

Interviewee:

Thank you. Goodbye.

Interview 10 – Seller J

Interviewer: Christina

Interviewee: Seller J

Mode: Phone Interview

Interviewer:

Before we start, I want to reassure you that this is entirely anonymous. Nothing you say will be associated with your identity or your account. The goal here is simply to gather insights on your cross-border selling experience, which will assist me in my research project I described in my email. Do I still have your consent to record and transcribe this conversation?

Interviewee:

Yes, no problem, understood!

Interviewer:

Great! So, just to confirm the timeline. Since when would you say have you been using the Pan-European program?

Interviewee:

More or less, since I found out about the program. I think it was after about a year of selling on Amazon. So maybe three or four years ago.

Interviewer:

So that would be around 2020, after COVID. That is just to understand the timing a bit better. Great.

I have spoken with several sellers already, and I would like to understand from your side how the expansion process went. In particular, whether there were any issues related to VAT, registrations, or regulatory compliance.

Interviewee:

Yes, actually, funny you ask. Right now, I am actually having problems with new products because I do not have VAT numbers for some countries such as the Netherlands or Belgium. I have discovered that you cannot participate fully in the Pan-European program without those VAT numbers, or you have to sign up for the OSS system.

Interviewer:

From what I see in Seller Central, to be part of the Pan-European program, you only need one VAT number in addition to the Spanish one. However, if you want to sell and store inventory in specific countries like the Netherlands or Belgium, then you do need VAT numbers there too, and their marketplaces must be enabled.

Interviewee:

Right, but at the moment, it seems I cannot add new European VAT numbers.

Interviewer:

Which VAT registrations do you currently have?

Interviewee:

I have the basic ones. France, Italy, Germany and Spain. My Netherlands and Belgium accounts are currently closed.

I have been told that I must be under the OSS system or something similar. So, for now, I have not uploaded any new products.

Interviewer:

So, I imagine this is the main problem you are facing now. Issues related to VAT that sometimes even result in account blocks, without a clear explanation.

Interviewee:

Yes. The problem now is that I cannot upload new products because I do not have OSS or VAT numbers for the newer countries, like the Netherlands and Belgium. They do not let me publish new products. I have also received emails saying that to keep the Pan-European program active, I must have the Netherlands and Belgium marketplaces enabled. Otherwise, it is not possible.

Interviewer:

And I imagine they have not clearly explained how to activate those marketplaces.

Interviewee:

They told me I need to register for OSS, the One Stop Shop, because they say you cannot add new European VAT numbers anymore. The only option they give me is OSS, but I am not interested in that. With OSS, you pay all your taxes to the Spanish government, and then Spain distributes the amounts to the other countries. On top of that, you get invoiced with international fees. So, it does not really work for me. It may be useful for small sellers with low sales volume, but not in my case.

Interviewer:

That does sound strange.

I'm curious, how has your experience been with international logistics in general? For example, returns, damaged goods, or operations in the warehouses.

Interviewee:

Actually, just a few days ago, I had to remove inventory from a warehouse in Poland. I had never activated storage in Poland, but they sent inventory there anyway. Now they are asking me to verify a Polish VAT number, which I do not have. They blocked my entire European account for several days.

Now I have another notice saying I have forty days to verify the Polish VAT. I opened a support case to see how to resolve it. I am worried that after forty days, they will block my account again.

Interviewer:

And you had not enabled Poland in Seller Central at any point, correct?

Interviewee:

No. I did not have storage in Poland activated at all. I have no idea why they sent the inventory there. And because of that, they are asking for VAT verification in Poland. I have already requested that the inventory be removed to see if that clears the VAT requirement, because I do not sell anything there.

Interviewer:

Understood. I am noting that down. So that has been the main logistics problem.

Beyond that, have you had any other issues?

Interviewee:

No. Apart from that, nothing else.

Interviewer:

Have you noticed differences between countries in delivery times, customer behavior, or return rates?

Interviewee:

No, everything else works very well. Everything moves fast. For example, shipping goods from Spain to Italy is very smooth.

Interviewer:

Great. So having the Prime badge has helped?

Interviewee:

Yes, definitely.

Interviewer:

Next, I would like to ask about communication and support. How has your experience been with Amazon support and the tools on the platform for managing listings in different countries? Have there been tools that helped a lot, or, on the contrary, created confusion or extra work?

Interviewee:

In general, everything has been fine. It is quite easy in all countries. If it is something I can solve myself, I research a bit and fix it on my own. The only things I cannot fix are issues like VAT verification.

In those cases, I have to open a support case, and sometimes they do not resolve it properly, and my account ends up blocked. That is very frustrating. But everything else, if I can fix it myself, I do. There is no problem with that. The rest works well.

Interviewer:

Good. Have you had to adjust your product listings, content, or prices for different countries?

Interviewee:

Yes. I have products that are priced under twelve euros. For example, in France, shipping costs are very high, so I could not sell at that price. I had to increase prices in France.

Spain and Italy are fine, and Germany as well. These are the markets where I still have some profit margin. In France, it is almost impossible to sell at that level.

Interviewer:

And how do you detect that the price is not working in a country such as France?

Interviewee:

Simply because nothing sells. There is also a fee table that shows costs by country. In Spain and Italy, I still have a margin, so I kept the price under twelve euros, and sales are much better. In France, with the higher shipping costs, if I raise the price to compensate, there are no sales.

Interviewer:

I see. And do you understand how the Buy Box works?

Interviewee:

I have never really had problems with the Buy Box. My prices are very competitive, so I usually have the Buy Box almost all the time.

Interviewer:

That is excellent.

Looking internally at your company, what has been the most difficult part of managing international sales? Time, knowledge, staff, resources?

Interviewee:

At the beginning, we did not know which products would work. I sell shoes. I had to test many models, and at first, there were issues because some sizes sold much better than others.

Over time, you start to learn what works and what does not. Now everything is going very well. I know which models sell and which do not.

Interviewer:

Very good. So overall, would you say that international selling has been profitable for you?

Interviewee:

Yes, definitely. Selling through the Pan-European program has been profitable overall. There are small issues depending on the country, but in general, it has been positive. France has been the most difficult market, as I mentioned, but overall international sales have gone well.

Interviewer:

Great. To finish, one last question. If you could change just one thing to make selling in Europe easier on Amazon for your company or for other small businesses, what would it be?

Interviewee:

The issue is with the Netherlands and Belgium. They should make it easier to be part of the Pan-European program. The process should be simpler and involve less paperwork. With the language barrier and bureaucracy in other countries, it becomes very difficult. There is too much paperwork.

Interviewer:

Understood. Thank you very much for taking the time to answer my questions. It is very helpful for me and my project.

Interviewee:

I’m happy to help! Thank you.

Interviewer:

Have a great day.

Interviewee:

You too. Goodbye.

Interview 11 – Seller K

Interviewer: Christina

Interviewee: Seller K

Mode: Phone Interview

Interviewer:

Before we begin, let me briefly explain the purpose of this conversation. My research focuses on understanding how the real experience has been for sellers who have used the Pan-European program or who have attempted to expand into other European marketplaces at some point.

Looking ahead, I’m conducting independent research on cross-border selling to better understand the real challenges sellers face — especially around VAT, logistics, pricing transparency, and the complexities of expanding into other European markets. My goal is to identify patterns and eventually propose improvements or potential solutions based on sellers’ lived experiences.

That’s why I’m having short, confidential conversations like this one. Everything you share is completely anonymous — your name, your store, and any details won’t be linked to you or used for any operational purpose.

If you have a few minutes, I’d really appreciate hearing your experience in detail and would like to confirm that I still have your consent to record and later transcribe this conversation.

Interviewee:

Of course. Yes, that’s completely fine.

So, to start from the beginning, for us, the most useful Amazon program we experienced was something called COD. It was a kind of reservation system, and honestly, it was brilliant. With that program, you only needed a single VAT number to operate across all the Pan-European countries. That alone made everything much easier and much more accessible for smaller sellers like us.

When that program was active, you didn’t have to worry about registering in every country, managing separate declarations, or figuring out incredibly different bureaucratic processes. It gave us the possibility to test product performance in multiple countries without assuming all the administrative risk upfront.

Eventually, that program was discontinued, and once the program ended, everything became more complicated. We stopped using it because the replacement system required doing things separately for each individual country, each with its own requirements, timelines, documentation formats, and verification processes.

At the same time, the specific product we had at that moment began to lose traction. Sales slowed down, and the product stopped performing the way we expected. So, the combination of losing that one-VAT system and the product no longer performing well has pushed us away from the Pan-European model in its fullest extent.

Interviewer:

I see.

Interviewee:

Right now, we’re much more focused on Amazon locally, in our domestic market. A lot of new competitors have emerged, and that has forced us to adapt and reinvent our strategy.

We’ve also found some opportunities outside of Amazon — not necessarily retail marketplace opportunities, but other business lines that have opened up because of our audience and visibility. That doesn’t mean we’ve abandoned Amazon completely; we still have products on Amazon, though significantly fewer than before.

In the future, yes, we’d like to relaunch products and eventually come back to the Pan-European program in its entirety, but we want to do it differently. Next time, we want to enter with much more information, with better preparation, and ideally with support from a business advisor. We would only consider it once the store is working better and once we’re confident that we have a product that can perform in any country.

One thing we really don’t want is to take unnecessary risks. Amazon’s international shipping fees keep increasing, and the more they go up, the smaller the margins become. Competition is also growing fast. Put together, that makes international selling much more challenging than it used to be.

Everything is more complicated now — operationally, financially, and strategically.

What we’re doing at the moment is investing much more in our own channels — mainly YouTube and Instagram. We’re in the automotive niche, and we’ve been able to develop a community there. It’s essentially free advertising for us, and it allows us to promote our own brand without depending entirely on Amazon’s ad system.

The idea is to take advantage of the content we create and redirect that audience to our Amazon listings. It’s a strategy that gives us more control over visibility and reduces dependence on paid ads.

On top of our European store, we also operate in the United States under an LLC. And honestly, looking at the numbers, the regulatory environment, and the long-term vision, we think we will eventually phase out our European Amazon operations and focus on the US one.

Interviewer:

I see, and why is that?

One reason is taxation — the US offers more stable or predictable tax benefits for our type of business. Another is that the Amazon ecosystem in Europe has become much more complicated. Margins are low, shipping fees are high, and the layers of bureaucracy make it harder to scale.

Selling on Amazon Europe today is increasingly difficult for small sellers. The ones who really profit long term are either Amazon itself or sellers with enough capital to buy in bulk and ship full containers. Those who handle logistics at scale benefit from rates and efficiencies that small sellers simply don't have access to.

For small businesses or small teams like ours, it's become a much tougher environment.

Interviewer:

And from Amazon's side — in terms of communication, guidance, and support — do you feel you had the necessary clarity to manage listings across countries, understand costs, or plan logistics?

Interviewee:

Honestly, no. There wasn't clarity. You have to do all of the analysis yourself.

No Amazon account manager supported us with calculations, tax explanations, profitability forecasts, or international expansion planning. All of that is left to the seller.

Shipping costs from China, customs, packaging, Amazon fees, FBA fees, international fulfillment fees — everything has to be calculated manually. And when you add the Pan-European component, the costs multiply across different markets.

To be honest, we didn't stay long in the current Pan-EU system, because the COD program we used before was much simpler. But even in that initial phase, we could already see that the lack of clear guidance was a major barrier.

Interviewer:

Do you know why the COD program was removed?

Interviewee:

From what I've heard, the reason is regulatory. Each country has its own tax framework for VAT payments, and you can't realistically route all European VAT through a single VAT registration. Tax authorities want to control the money flow, ensure that VAT is collected properly, and monitor cross-border transactions individually.

So that reservation-style program stopped being feasible from a regulatory standpoint. Eventually, Amazon had to discontinue it.

Interviewer:

Right, makes sense. And, when you were active internationally, did you have to adapt your listings — content, prices, translations, etc.?

Interviewee:

Listings, descriptions, bullet points — all of that was quite straightforward. Amazon's instructions were clear.

The only real complication was the images.

When I changed the main image for the Spanish listing, that image had Spanish text on it. But then, on the Italian marketplace, the image remained the same — still in Spanish. That obviously doesn't work for international customers.

Eventually, I realized that Amazon manages international images in a completely separate section — "Manage Product Images", not the image editor under "Add a Product". It's a different module entirely, specifically designed for multi-country selling.

Finding that out was not intuitive. It took time and trial and error.

Aside from images, the main thing I think Amazon could improve is giving much clearer visibility on shipping costs and fulfillment fees by country. That would allow sellers to calculate margins more accurately and avoid entering markets that simply aren't profitable.

Interviewer:

Right, and did you experience any issues with logistics or returns?

Interviewee:

Returns were complicated because the reason for the return is not clear at first glance. It's not obvious whether it was due to a defect, customer dissatisfaction, or something else.

Amazon has a list of return reasons, but accessing it is not intuitive. You have to download spreadsheets, filter by date, category, and ASIN — it's time-consuming, and the interface is not very friendly.

I also get the sense that Amazon intentionally makes it harder to see details like return-related shipping fees or repatriation costs from other countries. Those fees can affect your margins significantly, and they're buried deep inside reports.

That lack of transparency makes management harder for small sellers.

Interviewer:

If you had to summarize the biggest obstacle for a small or medium-sized business wanting to sell internationally through Amazon, what would you say it is? And what could Amazon do to make it easier?

Interviewee:

The biggest challenge is clarity — especially around tax management and country-specific fees. Each nation has its own requirements, yearly declarations, and procedures. It's very easy to get lost.

Amazon could make it easier by providing clearer cost-by-country breakdowns, clearer logistics fee structures, guidance about VAT per country, and maybe some incentives, like reduced fees or introductory support for testing products abroad.

Anything that helps you assess whether international expansion is viable would be useful.

And it really depends on the product. Something that sells extremely well in Spain might be uncompetitive in Germany or France simply due to competition. So, you have to evaluate the market by market before launching.

Interviewer:

And the Buy Box — was that ever an issue?

Interviewee:

Not at all. Since I sell my own products, I always have the Buy Box. The challenge is not the Buy Box — it's the competition from other sellers with similar products. That's where real work is needed: market research, understanding the niche, analyzing competitors, and seeing if your product can actually perform.

Interviewer:

Perfect. Thank you so much for all the details and transparency. This kind of insight is extremely valuable for me to understand the seller journey, the challenges around Pan-EU, and where things are breaking down in practice.

If you ever want to share more feedback or have an open conversation in the future, you can always reach out using this number.

Interviewee:

Thank you. Will do!

Appendix C: Sample of Thematic Analysis Grid

Aggregate Dimension	Second-Order Theme	First-Order Concept	Verbatim Quote (Seller B)
Fiscal & Regulatory Complexity	Reliance on external tax providers	Dependence on VAT consultants creates risk and vulnerability	**We hired **, as you know, and they charged us around four thousand euros.*
	VAT registration delays & bureaucracy	Slowness and opacity of VAT registration in multiple countries	*But the VAT numbers in France and Germany never arrived.*
	Multi-country compliance burden	Tax rules and reporting are hard to interpret for small firms	*And without those VAT numbers, you're blocked. You cannot sell legally, and meanwhile, you're paying storage fees, shipping fees, everything.*
	Program design (Pan-EU, COD, OSS)	Fragmented compliance replacing earlier simpler schemes	*Germany is extremely slow. France too.*
	Limited fiscal guidance from platform	Sellers feel alone interpreting fiscal rules and obligations	*But on VAT, compliance, the back-office things… they basically redirect you to a third party and that's it. There's no follow-up, no monitoring.*
Logistics, Returns & Operational Risk	Cross-country logistics variability	Delivery reliability & customer expectations differ across markets	*Returns also varied by country.*
	High cost of returns	Returns arrive damaged or unrecoverable	*Sometimes products came back in bad shape.*
	Storage & fulfilment cost pressure	High fulfilment fees reduce margin	*Costs were extremely high in Germany and France.*
Platform Governance, Support & Communication	Lack of effective escalation	Support cases remain unresolved or handled superficially	*There's no follow-up, no monitoring.*
	Inconsistent support quality	Different agents give different or unclear answers	*Some say 200, others say 250, others say it's unlimited… and then Amazon itself says it's optional.*

	Marketplace fragmentation	Each country behaves like a separate system	*Germany is very strict and bureaucratic. Each market is a world of its own.*
	Lack of margin/fee transparency	Sellers cannot see clear profitability breakdowns	*Even when we sold, the margin was tiny or even negative.*
Market Differences, Language Barriers & Localization Costs	Profit–cost imbalance	Increased revenue but shrinking margins	*Even when we sold, the margin was tiny or even negative.*
	Cross-country fee variability	Fulfilment fees differ significantly by marketplace	*Costs were extremely high in Germany and France.*
Strategic Decisions, Withdrawal & Future Intentions	Re-evaluating cross-border participation	Withdrawal or scaling back due to administrative burden	*We're not going to keep paying for something that isn't progressing.*
	Selective marketplace strategy	Focusing only on markets that work	*Italy and Spain made sense for us, so we stayed there.*
	Conditions required to expand again	Need for clearer systems, stability, transparency	*We did switch… After months of waiting again, we said, "Enough."*

Note: Table X reproduces an excerpt of the thematic analysis grid for one participant (Seller B), illustrating the progression from verbatim statements to first-order concepts, second-order themes, and aggregate dimensions. The full thematic analysis grid, containing all coded statements across all eleven interviews, is available in view-only mode at: https://docs.google.com/spreadsheets/d/1tVs2Rx2lPcQUM60O3R9CPYsGg-C7lyAL/edit?usp=sharing&ouid=115410314144993464466&rtpof=true&sd=true

As reflected in the Turnitin similarity report, a portion (≈14%) of the identified similarity relates to this publicly available document authored by the researcher and to the inclusion of verbatim interview excerpts as primary qualitative data, rather than to unattributed third-party sources.