

The European Ecommerce Report 2018: relevant findings outlined

Internet penetration growth in Europe is increasing at a steady pace, with a projected 83% of individuals being connected in 2018. Northern Europe has the lead in this regard, with almost 95% of the population having internet access.

Levels of online shopping differ greatly across the region and represent a large potential audience with which to grow the consumer-base in the future. Countries such as the Netherlands, Sweden and the UK represent markets that have mature ecommerce consumer-bases and are accustomed to ordering goods/services over the internet (82%, 81%, and 78% respectively). However, nations such as Macedonia, Romania, and Montenegro are much lower, even with relatively high internet penetration levels.

When looking at the amounts spent online, most people spend on average between €100 and €499. In terms of the category of goods most frequently bought by consumers, Clothing and Sports Goods are top of the list. This is closely followed by Media & Computer Software and Travel and Holiday Accommodation.

Among the countries covered in this report, the overall B2C ecommerce turnover was €534 billion for 2017, forecasted to grow to €602 billion in 2018. This demonstrates an impressive growth rate from the 2013 figure of €307 billion.

B2C Ecommerce expected to rise to €602 billion in 2018

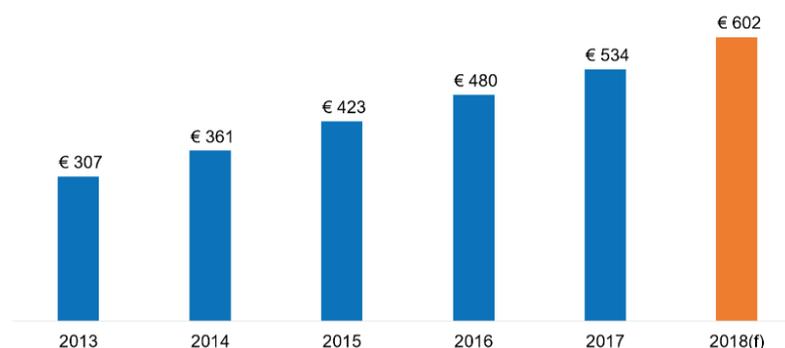


Figure 1. B2C Ecommerce expected to rise to € 602 billion in 2018

Of this turnover, Western Europe takes the lion's share (67%). Reasons for this include the advanced infrastructure, high internet penetration and high level of consumer trust and familiarity with online shopping. Following Western Europe in the share of B2C turnover is Southern Europe (12%), Northern Europe (8%), Eastern Europe (6%) and finally Central Europe (5%). The largest Ecommerce market found within Europe is the UK (€178 billion) with France (€93.2 billion) and Germany (€93 billion) following closely behind. The UK also holds the top position for E-GDP (Total Ecommerce Turnover / GDP = Ecommerce Share of GDP), with a 2017 rate of 7% and a projection of 8% in 2018. Ecommerce sales in Southern Europe are on the rise with a projected jump of 4% between 2017 and 2018 (from



14% to 18%). On a country-by-country basis, Romania has seen the largest ecommerce growth, with a significant growth rate of 37%.

When looking at e-shopping, 38% of consumers decided to buy cross-border in 2017. Of those, half chose to buy from an e-retailer based in their own country. Only 19% bought from another EU country and 13% bought from an e-retailer outside the EU. Ecommerce, by its very nature, facilitates the movement of goods and services across the border, yet not all countries feature cross-border ecommerce at the same level. Of all the countries featured in this report, Macedonian and Portuguese consumers are the most likely to purchase from a foreign e-retailer, with a rate of 85%. This level is in stark contrast with other countries such as Turkey (2%), Romania (3%) and Poland (6%). Among the challenges facing ecommerce consumers the speed of delivery tops the list (17%), with technical failures also being a big issue for consumers (11%).

Logistical performance plays a crucial role in the success of ecommerce penetration and integration within a nation. Germany, Luxembourg, The Netherlands, and Sweden excel in this regard, topping the list of European countries according to the Logistical Performance Index from the World Bank. The Ease of Doing Business in a country also plays an important role in attracting and retaining ecommerce businesses. When looking at European countries, Denmark, the UK, and Norway top the list whilst the Ukraine, Malta, and Bosnia and Herzegovina are at the bottom.

Amongst the different retailers operating in Europe, it comes as no surprise that Amazon remains the leader, with Argos and Bonprix close behind.

Marketplaces are an ever-present feature of the ecommerce world. The top three players are Aliexpress, Amazon, and eBay, which operate as global players. When looking to Europe, Amazon and eBay are more firmly entrenched with a higher rate of visits from online users. One example of this can be found in the UK, where 33.5% of all UK online spending went through Amazon. But not all marketplaces behave the same, and their strategies for continued growth differ. Growth has taken place primarily through acquisition and investment.

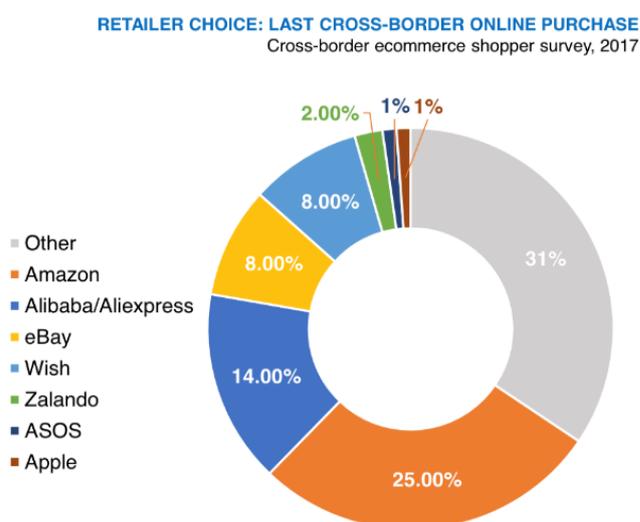


Figure 2. Retailer choice: last cross-border online purchase

Images - European Facts

European Ecommerce report 2018 HIGHLIGHTS

€17 GDP OF EUROPE TRILLION



117.7

UK



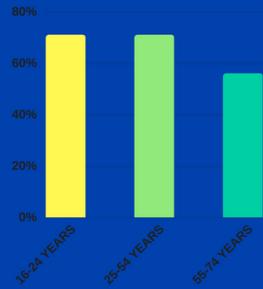
93.2

FRANCE



93.0

GERMANY

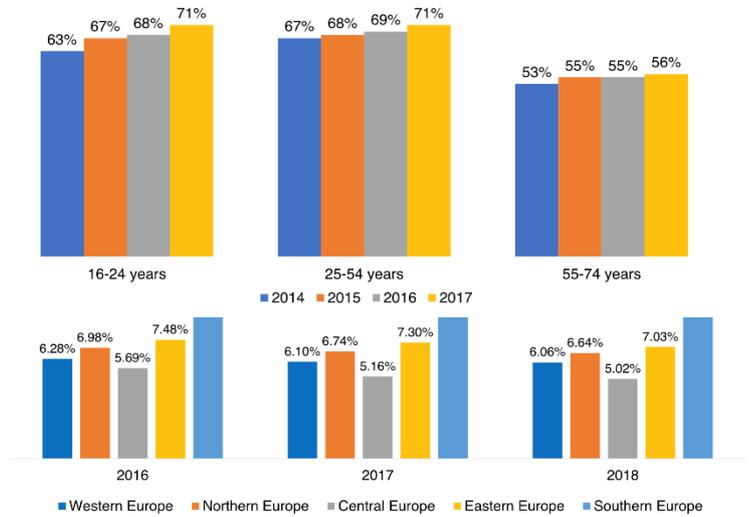


WHO PURCHASED MOST FREQUENTLY ONLINE

24% of all online shoppers bought abroad in 2017

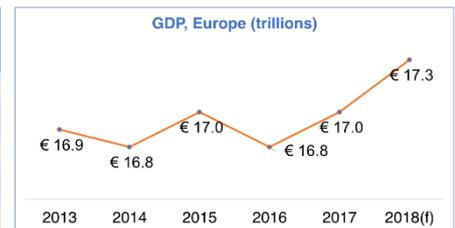


25-54 year-olds purchase most frequently online



GDP of Europe is 17 trillion and increasing

Region	GDP per capita 2017	GDP per capita 2018(f)
Western	€35,515	€36,112
Northern	€41,456	€41,456
Central	€20,903	€21,384
Eastern	€6,904	€6,720
Southern	€16,805	€16,825



RETAILER CHOICE: LAST CROSS-BORDER ONLINE PURCHASE

Cross-border ecommerce shopper survey, 2017

