



GLOBAL ECOMMERCE MARKET RANKING 2019

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For any brand looking at the cross-border growth opportunity, there is one crucial question: which countries are likely to offer the easiest path to success? This is often not an easy question to answer as there are multiple influencing factors, such as shopper demand, ease of doing business, and number of cross-border shoppers.

We have compiled the latest industry data to create a global eCommerce market ranking that compares markets across a number of key, weighted criteria. Some of the results will come as no surprise – it's hard

to de-emphasise the sheer scale of the markets in the USA and China. However, there are other important criteria that allow markets such as Korea, India and Mexico to perform well in the ranking.

In this whitepaper, we take a look at factors such as logistics and average shopper spending, and cover which markets to watch, the state of cross-border shopping, and emerging markets with potential for growth.

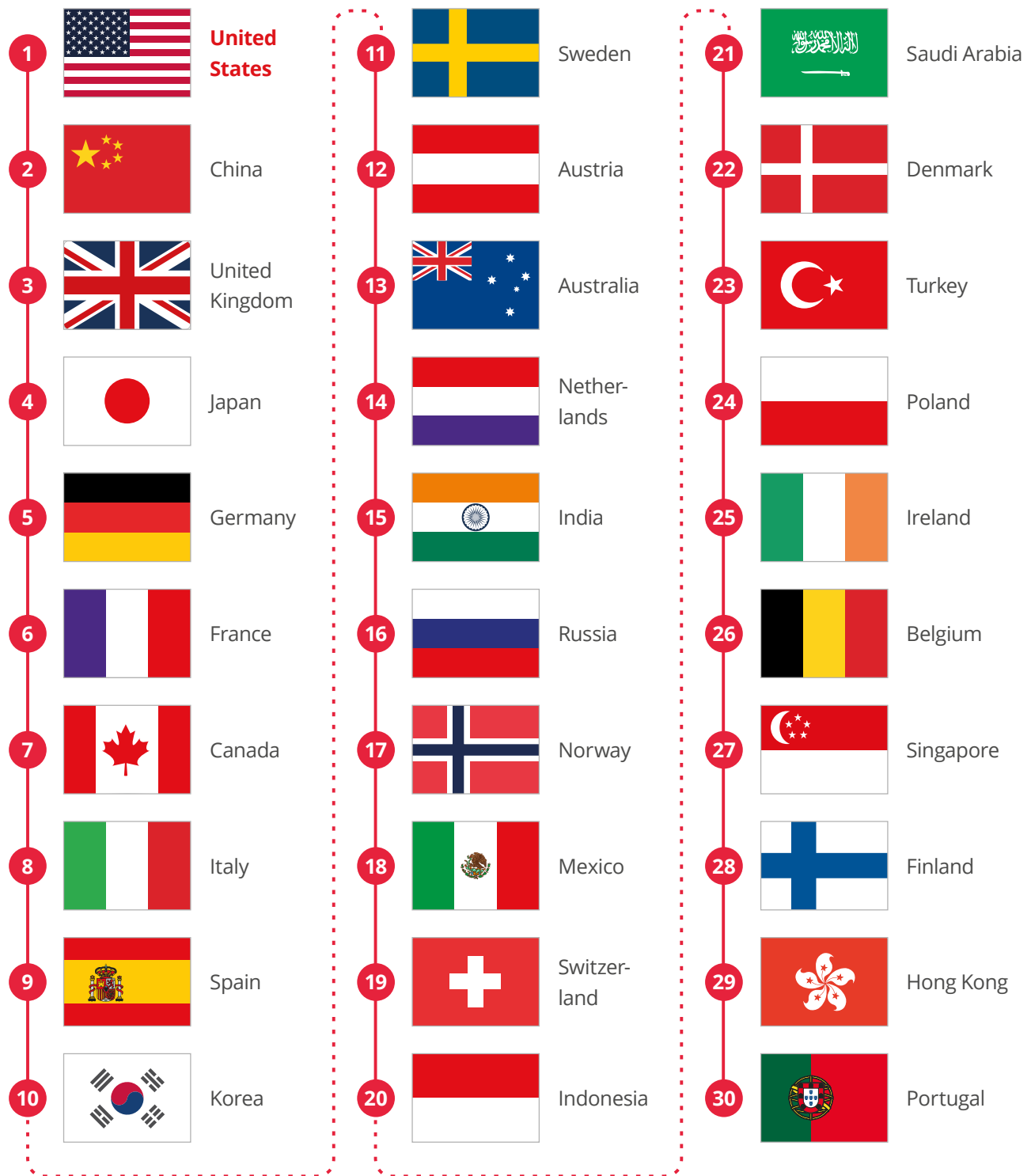
Let's get started!



TOP 30 MARKETS

Our top 30 ranking was scored and weighted along the following key metrics:

- Logistics ranking
- Average revenue per shopper
- Total market revenue
- Percentage of population shopping online
- Number of online shoppers
- Percentage of cross-border shoppers
- Number of cross-border shoppers
- CAGR 2018-2022



In the next section, we will take a closer look into the top 5 markets in the ranking.

SPOTLIGHT ON: USA

The United States is the number one eCommerce market in the world for 2018. This is largely due to the ease of doing business in America – there is great logistics infrastructure and high demand for cross-border retailers with eCommerce market revenue totalling \$504.58 billion USD this year alone.

The US is a formidable online force – it was the birthplace of the online marketplace and largely, Americans are very trusting online shoppers who have a high level of comfort shopping online – around 79% of the population, or 258.5 million people, has made a purchase in the past year. This level of comfort is also evident in both the amount of money spent on average per shopper (\$1951 USD annually) and the size of the overall US eCommerce market.

A key metric that has placed the US at the top of our ranking this year is the number of cross-border online shoppers. The US has the second highest number of cross-border online shoppers in the world – 82.72 million – although as a percentage of total online shoppers, it places significantly lower.



SPOTLIGHT ON: CHINA

China is second in our ranking, which should come as no surprise to brands who are looking to expand cross-border. This booming eCommerce market is home to some of the savviest shoppers in the world, many of whom are cash-rich millennials that covet luxury high-end goods from foreign brands.

China scored highly across a number of key metrics in our ranking, largely in part thanks to a huge population and a keen desire to shop online and across borders. China consistently scored number one in three key metrics: largest market by revenue (\$636.09 billion in 2018), highest number of online shoppers (1 billion), and the highest number of cross-border online shoppers (149.42 million).

As the largest eCommerce market in the world, China is a popular choice for foreign brands, however it should be noted that the ease of doing business in the region can be regarded as somewhat complicated. Brands need to assess the demand for their products in China, and be prepared to apply local marketing strategies, especially via social media platforms such as WeChat and Weibo.



SPOTLIGHT ON: UK

In third place is the UK, another very lucrative eCommerce market for international brands. The market is driven largely by millennials who love fast fashion and want to find the best price possible. Despite a desire for bargains, UK shoppers spend a huge amount online annually – nearly \$1650 USD per shopper, with an overall market revenue of \$86.45 billion. Not only that, but the UK has the third-highest number of online shoppers in the world by percentage – almost 80% of the population.

UK online shoppers have high expectations for foreign brands and want fast shipping and a flexible free returns policy. They also love to shop on mobile, therefore brands considering expanding into the UK need to provide a localized, dynamic website that offers a seamless shopping experience. These shoppers are fickle and will shop elsewhere if their expectations are not met.



SPOTLIGHT ON: JAPAN

Fourth in this year's ranking is Japan, one of the biggest eCommerce markets in Asia. With \$104.04 billion USD revenue in the past year, and excellent logistics infrastructure (5th globally), the Japanese eCommerce market represents a great opportunity for foreign brands. Japan's 89.9 million online shoppers love foreign brands that they can trust to provide an excellent product. Unlike their counterparts in the UK and the US, Japanese shoppers are willing to pay high prices for quality products, and their love of high-end brands has led to the emergence of a mass-luxury market.

Foreign brands that want to expand into Japan would be wise to enlist the help of a cross-border eCommerce expert to help deal with the nuances of the market, as Japanese shoppers are significantly different to shoppers in Europe and the US – they're older, like to stay at home, and have a high average order spend.



SPOTLIGHT ON: GERMANY

Germany, the biggest online shopping market in mainland Europe, has placed fifth on our eCommerce market ranking. As one of the most mature eCommerce markets in the world, Germany is home to 63.9 million online shoppers who were among some of the first to embrace eCommerce. Additionally, Germany was ranked number 1 for logistics globally, making it the perfect market for brands to consider in their cross-border strategy.

The reasons Germany ranks so highly for logistics are numerous: it is a trans-European hub that shares a border with nine neighbouring countries, it is considered the gateway to Europe thanks to its attractive location, and it has some of the most advanced transportation infrastructure in the world. This makes cross-border delivery significantly easier for international brands as there are much lower barriers to entry.



**GLOBAL
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THE RANKING

Discover the top performing markets in each category.

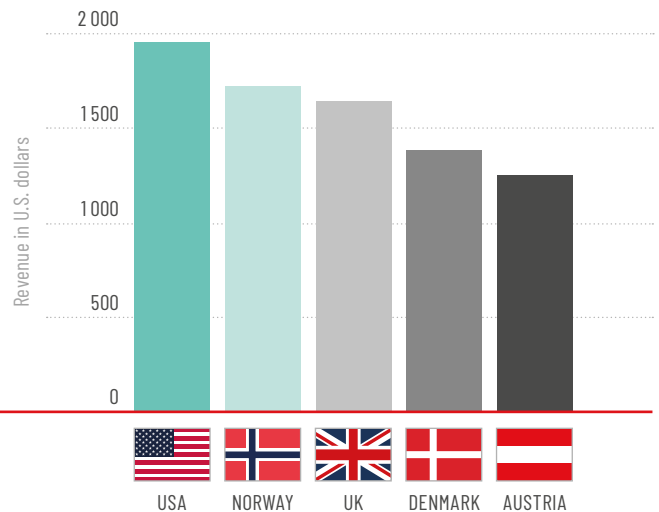


SHOPPER SPENDING

When international brands are formulating their cross-border strategy, they need to think about shopper demand for their product, and average shopper spend in the country.

The top 5 eCommerce markets for revenue per shopper are:

- | | |
|------------|------------|
| 1. USA | \$1 951.11 |
| 2. Norway | \$1 719.96 |
| 3. UK | \$1 639.23 |
| 4. Denmark | \$1 383.15 |
| 5. Austria | \$1 249.62 |



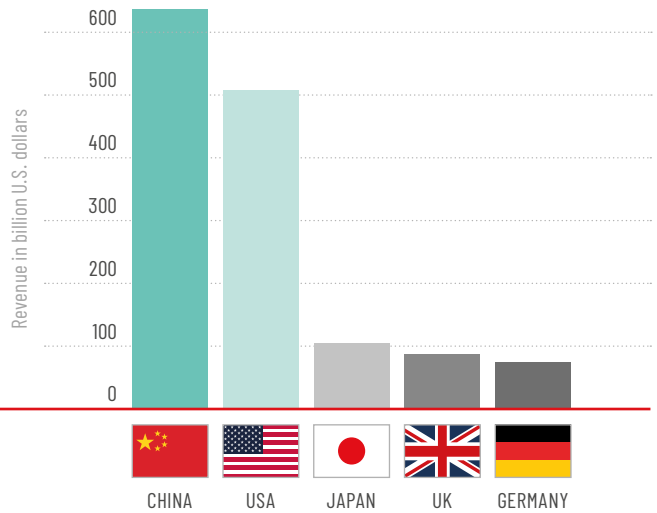


LARGEST MARKETS

As part of general research for a cross-border strategy, it is important for retail brands to have knowledge of the world's largest eCommerce markets.

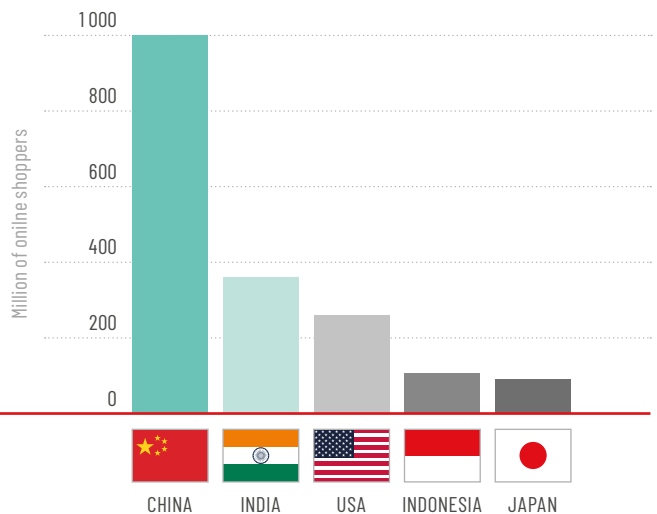
Top 5 eCommerce markets by revenue

- 1. China** **\$636.09 billion**
- 2. USA \$504.58 billion
- 3. Japan \$104.04 billion
- 4. UK \$86.45 billion
- 5. Germany \$70.35 billion



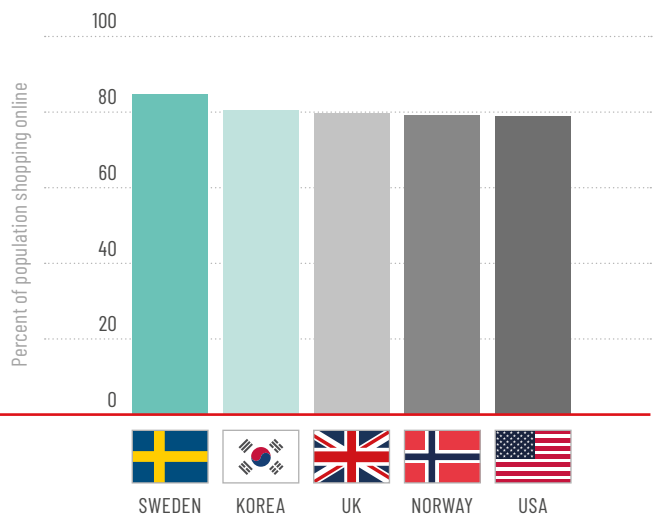
Top 5 markets by total number of online shoppers

- 1. China** **1 billion**
- 2. India 360.1 million
- 3. USA 258.5 million
- 4. Indonesia 107 million
- 5. Japan 89.9 million



Top 5 markets by number of online shoppers (% of population)

- 1. Sweden** **84.65%**
- 2. Korea 80.56%
- 3. UK 79.8%
- 4. Norway 79.25%
- 5. USA 78.9%










LOGISTICS

Logistics are one of the most crucial considerations for any brand expanding internationally. A successful logistics strategy not only requires an excellent delivery experience, it encompasses the entire supply chain: inventory, fulfilment and warehousing, customs processing and reverse logistics. The World Bank's LPI Ranking is the global standard for logistics and compares 160 countries across 6 subindicators: customs, infrastructure, international shipment, logistics competence, tracking and tracing, and timeliness. Three particularly important metrics in the LPI Ranking are:






The top 5 countries for logistics globally:

- 1  **Germany**
- 2  Sweden
- 3  Belgium
- 4  Austria
- 5  Japan

The top 5 countries for international shipments:

- 1  **Belgium**
- 2  Sweden
- 3  Austria
- 4  Germany
- 5  United Arab Emirates

The top 5 countries for customs:

- 1  **Germany**
- 2  Sweden
- 3  Japan
- 4  Denmark
- 5  Netherlands

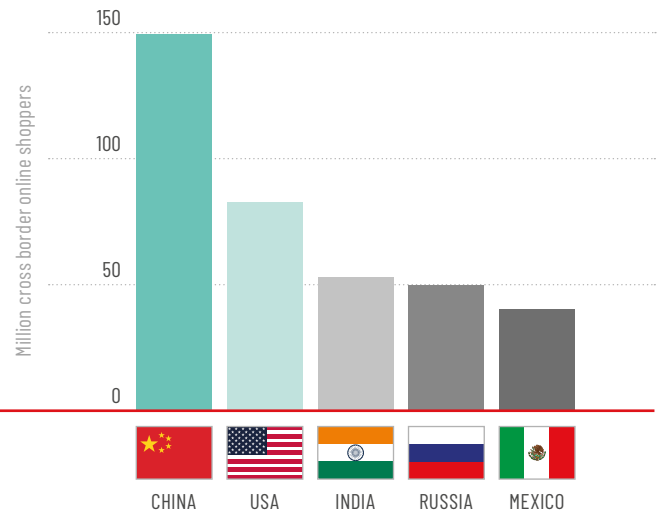


CROSS BORDER SHOPPING

As consumer trust for eCommerce grows, a significant amount of online shoppers are now shopping across borders. This is an important metric for brands as it will provide insight into the appetite for international brands within a region.

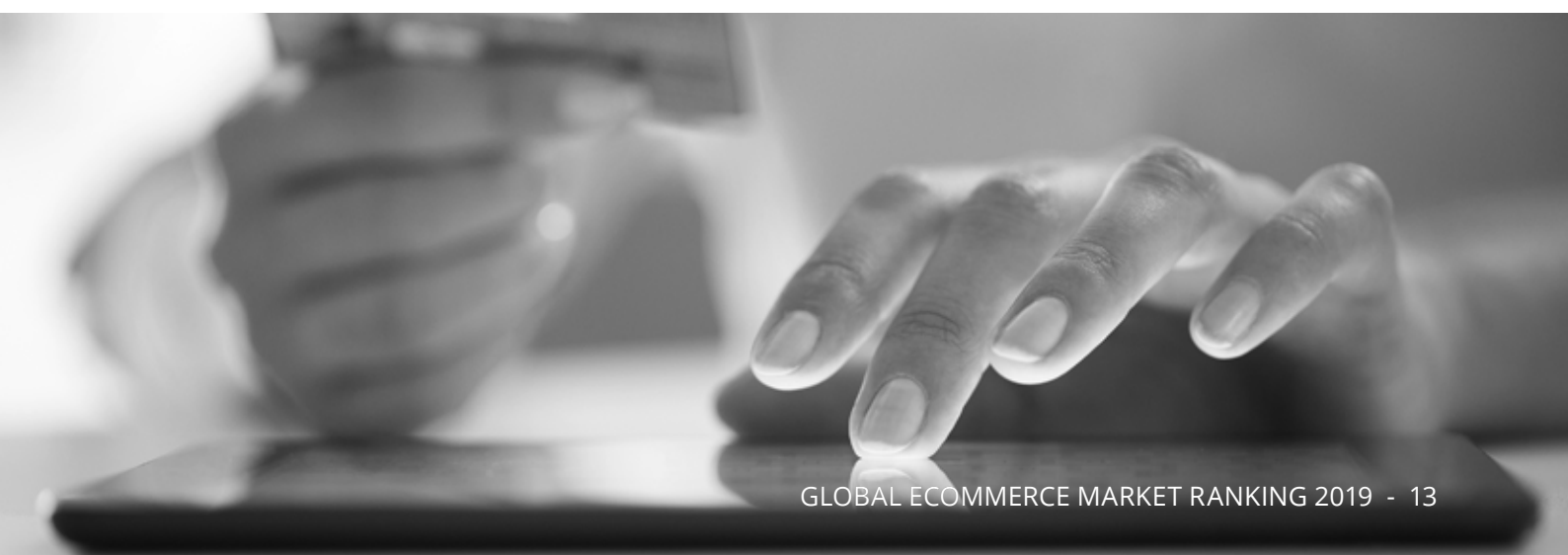
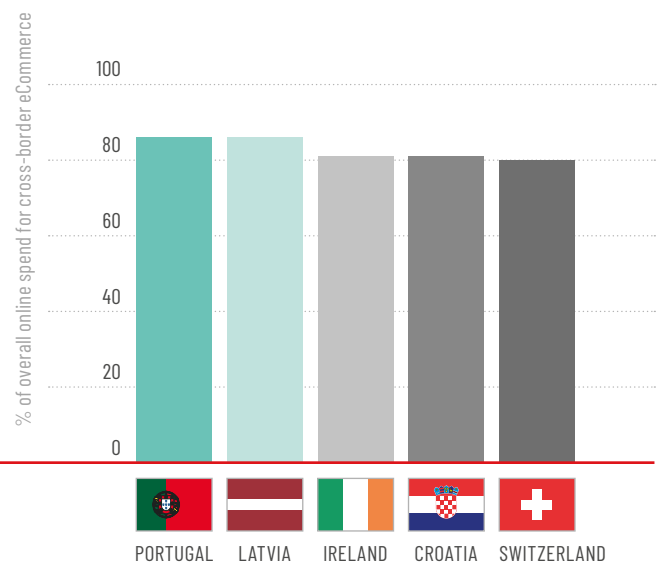
Top 5 countries by number of cross-border online shoppers

1. China	149.42 million
2. USA	82.72 million
3. India	53.02 million
4. Russia	49.66 million
5. Mexico	40.33 million



Top 5 countries for cross-border eCommerce by % of overall online spend

1. Portugal	86%
2. Latvia	86%
3. Ireland	81%
4. Croatia	81%
5. Switzerland	80%





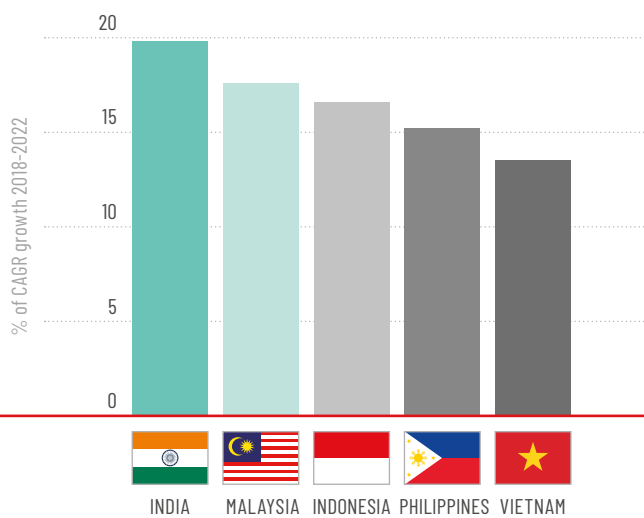
GROWTH

The high-growth region of Southeast Asia represents a huge opportunity for international brands. This exciting region is home to over 350 million online shoppers, however it is has not yet been saturated by international retail players, unlike China or Japan.

Double-digit eCommerce growth in emerging Asian markets has been triggered by the introduction of marketplaces such as Flipkart in India, and increased logistics and broadband infrastructure.

Top 5 countries by % of CAGR growth 2018-2022

1. India	19.8%
2. Malaysia	17.6%
3. Indonesia	16.6%
4. Philippines	15.2%
5. Vietnam	13.5%





MARKETS TO WATCH

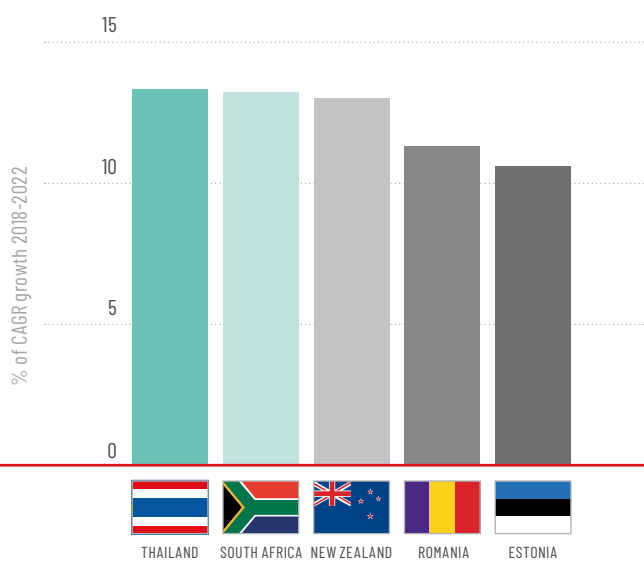
Outside of the top 30 ranking, there are some other very interesting markets that should not be ignored when it comes to CAGR. The following countries have seen incredible growth in the past few years and are forecasted to continue the same trajectory until 2022.

These five countries are experiencing extraordinary growth in the eCommerce sector thanks to a strong population of internet users that are well-versed in the use of digital technologies, mobile and online shopping.

Growing internet users mean these countries are ideal markets for foreign brands to sell into.

Top 5 countries to watch (beyond the top 30)

- 1. Thailand - 13.3%**
2. South Africa - 13.2%
3. New Zealand - 13%
4. Romania - 11.3%
5. Estonia - 10.6%





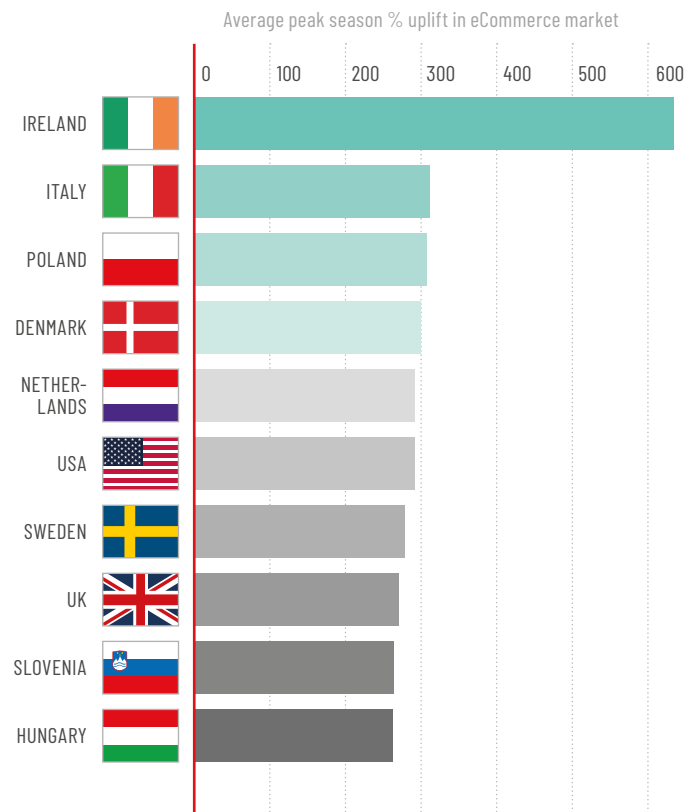
PEAK SEASON

Retail brands need to prepare for an influx of sales during the peak holiday season in that starts in early October and runs until after Christmas. To provide an insight for brands forecasting their peak season sales, we have analysed our own data and found the top performing markets by percentage uplift during the previous 2017 holiday period.

Additionally, we saw significant sales increases during the peak 2016 and 2017 retail periods across our top 5 best performing markets: Australia, Canada, Germany, Mexico and the UK. It is evident from our data that there has been a consistent spike in sales starting around early October, before peaking in late November – Black Friday and Cyber Monday and gradually decreasing back to steady sales through January. Across these 5 markets, our data shows an average order increase of 117% between November 23 and November 24 (Black Friday 2017).

Top 10 eCommerce markets by average peak season % uplift

1. Ireland – 634%
2. Italy – 311%
3. Poland – 308%
4. Denmark – 300%
5. Netherlands – 291%
6. USA – 291%
7. Sweden – 279%
8. UK – 270%
9. Slovenia – 264%
10. Hungary – 263%



CONCLUSION

As the appetite for online shopping grows, retailers need to consider their strategy for gaining cross-border shoppers. Brands should not fear increased competition by expanding internationally – delaying this will be much more detrimental to sales in the long term.

With this in mind, brands wishing to expand should weigh up all the considerations outlined in the above market ranking and compare this to their own figures to decide which markets should be entered.

Brands need also be prepared to enhance every aspect of the end-to-end online shopping experience from fully-landed pricing, localized payment methods, international shipping, customs clearance, international returns to duty drawback.

To do this, consideration should be made to partner with a provider that can navigate each market's intricacies and nuances, so the retail brand can focus on doing what they do best – sell products.



ABOUT ESHOPWORLD

eShopWorld guides the world's best brands and retailers to make global shopping better, safer, simpler and faster, by optimizing the end-to-end cross-border eCommerce customer experience. From local pricing with duty and tax calculations, to optimized checkout, local payments, preferred shipping, customer service and returns, our solution manages the entire shopper journey. Leveraging their existing site, retailers can rapidly enter markets with high converting, hyper-localized experiences that drive profitability and growth.

With mature, in-country solutions across Nth America, Europe and Asia, our platform protects the brand relationship with the shopper at every touchpoint on the shopper journey, and offers full branding, control and flexibility over key propositions such as

promotions, checkout messaging, shipping thresholds, pricing strategies and more. And all shopper data remains the property of the brand.

Our global eCommerce experts and active account managers are located around the world, to guide brands in delivering optimal shopper experiences, market by market. Our deep local shopper knowledge and our suite of reporting and analytical tools give retailers deep insight into what is driving success in each market, with strategic and tactical recommendations on how to maximize performance.

eShopWorld takes the complexity and uncertainty out of global eCommerce, empowering brands and retailers to Sell Global, Feel Local™

Sources include: eShopWorld, Statista, WorldBank, eMarketer, New Zealand

EVERY GREAT JOURNEY BEGINS WITH THE FIRST STEP

That first step is a conversation. If you're ready to talk, we're ready to share with you how we can drive success on your global eCommerce journey.

Ready?



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