



GLOBAL eCOMMERCE BOOK

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Preface

Our Global eCommerce Book examines the top 10 eCommerce markets around the world, compiling information on key demographic features, mobile commerce, major shopping days, industry growth projections, cross-border commerce, and much more. The data gathered spans from 2015 and analyzes future estimates to show growth patterns throughout the markets. The additional Emerging Markets section details several up-and-coming eCommerce markets, including the United Arab Emirates, Russia, India, Mexico, and Indonesia.

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PEOPLE'S REPUBLIC OF CHINA

2015 eCommerce Summary

One Sentence Overview

Over 40% of the total worldwide eCommerce spend came from China in 2015.

Mobile Usage

Online shopping via mobile devices is booming in China, with **\$333 billion** in sales in 2015, an 85% increase from 2014.

Omni-channel Presence

Though China has an omni-channel presence, it is still fragmented and evolving.

Major Shopping Days

"Singles Day" is on the 11th of November, a massive digital shopping day celebrating singles in China and the largest online shopping day in the world (**\$14.3 billion** spent in 2015).

Global eCommerce Rank: #1

2015 eCommerce Revenue: \$672 billion (↑ 42%)

Population Density



Demographics

- **Population:** 1.379 billion
- **Urban population:** 56%
- **GDP:** \$11.3 trillion (#2)
- **Average household income:** \$11,000 (72,321 yuan)
- **Average age:** 37.3 years
- **Languages:** Mandarin Chinese (99%)

Why Are Retailers Here?

China has one of the largest economies in the world as well as a quickly developing infrastructure for eCommerce and because of this some retailers have been quick to join the market. The Chinese middle class has also been growing in recent years, as well as their penchant for luxury and Western goods.



eCommerce Outlook

Industry Projections

eCommerce sales in China are projected to reach **\$1.6 trillion** by 2018, accounting for approximately 29% of retail sales within the country.

The number of digital buyers reached 468 million in 2015 and continues to increase, with the total number of digital buyers projected to surpass 556 million by 2018.

Major Holiday

The Lunar New Year (part of the Spring Festival) in 2016 was also a large shopping holiday, with over two billion products ordered off the sites of Chinese eCommerce giant Alibaba within a five day period.

Global Impact

Cross-border

Approximately 58% of Chinese cross-border shoppers favor buying U.S.A. products more than any other nation, largely due to product authenticity and availability.

China is also a major cross-border destination for other countries, with Brazil (63%) and the U.S.A. (52%) being the most popular countries for digital shoppers purchasing Chinese goods.

Payment Methods

Online wallets (31%) are the top payment method of choice for Chinese shoppers, followed by debit cards (26%). Credit cards in general are not overly common in China.

Notable eCommerce Characteristic

Giant, Diverse Economy – China easily surpasses every other nation with the strength and size of its digital economy. Though the country is extremely populous, a considerable majority of the population resides on the eastern side of the country, leaving the western part substantially more rural. This creates an interesting economic split between east and west, and will be fascinating to see how eCommerce develops into the rest of the country over the next decade.

Sources: Alibaba, eMarketer, Forbes, Trading Economics, Worldometers



UNITED STATES OF AMERICA

2015 eCommerce Summary

One Sentence Overview

eCommerce power poised to lead the future of omni-channel through modern technology.

Mobile Usage

Mobile commerce continues to emerge in the U.S.A., totaling **\$75 billion** in sales in 2015, or 22% of all online retail sales.

Omni-channel Presence

The U.S.A. has one of the strongest omni-channel presences in the world, with over 43% of major retailers in the country now offering a form of in-store pickup for orders.

Major Shopping Days

Thanksgiving (fourth Thursday of November) through the following Monday, known as "Cyber Monday".

Global eCommerce Rank: #2

2015 eCommerce Revenue: \$349 billion (↑ 7%)

Population Density



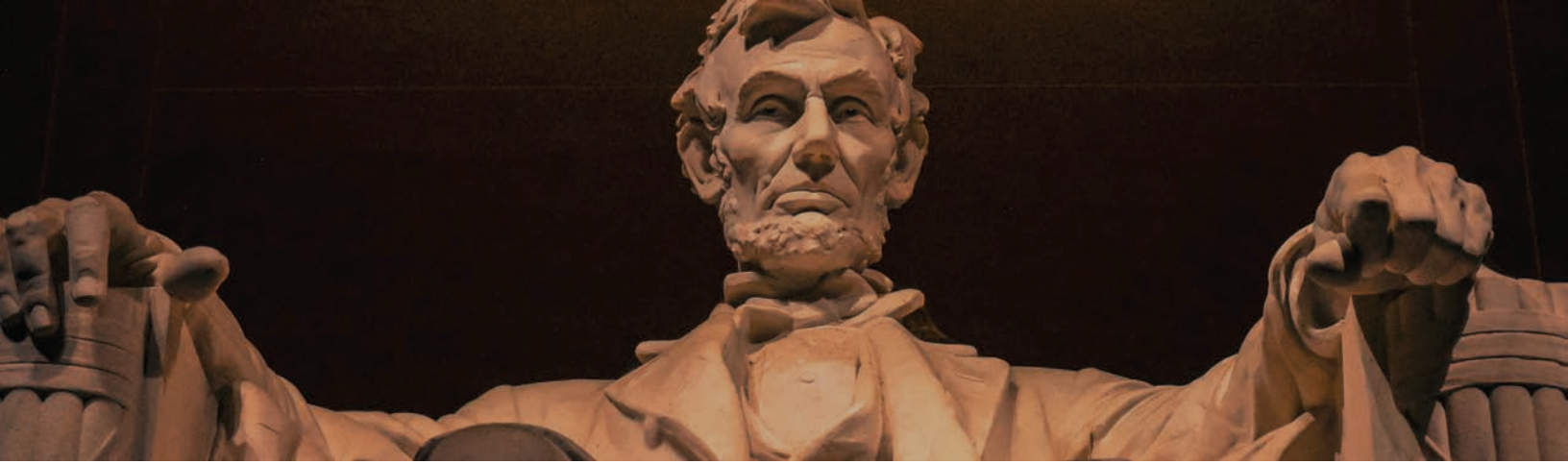
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Demographics

- **Population:** 318 million
- **Urban population:** 82%
- **GDP:** \$17.3 trillion (#1)
- **Average household income:** \$52,000
- **Average age:** 37.6 years
- **Languages:** English (80%), Spanish (13%)

Why Are Retailers Here?

Retailers possess or seek a strong presence in the U.S.A. because it is one of the largest economies in the world. The uniformity of the country from a general taxation and language perspective also makes selling online in the U.S.A. easier than other countries. Finally, a sophisticated global infrastructure allows for the deployment of modern logistics capabilities.



eCommerce Outlook

Industry Projections

eCommerce sales in the U.S.A. are projected to reach **\$482 billion** by 2018, accounting for approximately 9% retail sales within the country.

The number of digital buyers reached 171 million in 2015 and continues to increase, with the total number of digital buyers projected to surpass 190 million by 2018.

Major Holiday

Led by Cyber Monday (November 30) with **\$2.28 billion** in sales, consumers spent **\$69 billion** online during the 2015 holiday season and double digit growth percentages are projected for the next five years.

Global Impact

Cross-border

U.S.A. is one of the most popular countries in the world for ordering products online from other countries, with price (49%) being the primary reason for engaging in cross-border commerce.

Many consumers around the world also look to the country for products, with 75% of cross-border consumers who have made a purchase from the U.S.A. listing it as their top international online shopping destination.

Payment Methods

Credit and debit cards (73%) are the payment method of choice for U.S.A. online shoppers with digital payments (16%) increasing in popularity.

Notable eCommerce Characteristic

Holiday Season – While holiday season shopping at the end of the year is popular with other leading eCommerce countries, the U.S.A. faces some very specific challenges. With large population clusters on total opposite sides of the country and unpredictable climates, online shoppers in the country have become conditioned to order products further away from the end of 2015 to make sure their gifts arrive in time for the holidays.

Sources: Forrester, eMarketer, United Nations, U.S. Census, comScore, DHL, TSYS



THE UNITED KINGDOM

2015 eCommerce Summary

One Sentence Overview

The U.K.'s eCommerce market is the strongest in Europe and the third strongest in the world.

Mobile Usage

The U.K. has displayed impressive growth in mobile-based buying, accruing over **\$28 billion** in sales in 2015.

Omni-channel Presence

Omni-channel initiatives are common in the U.K. due to the small country size and the well established fulfillment infrastructure.

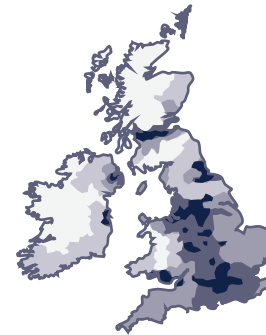
Major Shopping Days

Black Friday eCommerce spending grew by 259% in 2015, making it the largest U.K. eCommerce holiday.

Global eCommerce Rank: #3

2015 eCommerce Revenue: \$99 billion (↑15%)

Population Density



Demographics

- **Population:** 65 million
- **Urban population:** 82%
- **GDP:** \$2.9 trillion (#5)
- **Average household income:** \$60,778 (£43,679)
- **Average age:** 40.0 years
- **Languages:** English (97%), Scottish (2%), Welsh (1%)

Why Are Retailers Here?

The U.K. is leading the eCommerce expansion throughout Europe and has quickly become one of the top countries cross-border shoppers purchase from. Retailers are also eager to tap into the rapidly growing mobile shopping market. For example, PayPal has reported that 59% of online transactions in the U.K. are made via mobile devices. The language uniformity and comparably smaller surface area of the country allow for a streamlined fulfillment infrastructure and simplified selling process.



eCommerce Outlook

Industry Projections

By 2018, the U.K.'s eCommerce revenue is projected to total nearly **\$114 billion**, or 18% of the country's total retail sales.

There were approximately 40 million digital buyers in the U.K. last year, with the total expected to surpass 43 million by the end of 2018.

Major Holiday

Black Friday (November 27th) was the largest Holiday shopping day, with over **\$1.5 billion** in sales. Cyber Monday (November 30th) came in a close second, totaling **\$1.3 billion** in overall sales.

Global Impact

Cross-border

Though the U.K.'s digital buyer penetration is the highest in Western Europe (86% in 2015), only 36% of these digital buyers made a cross-border purchase last year. However, cross-border spending is expected to increase in 2016 to approximately 50%.

Shoppers worldwide seek British goods, especially cross-border consumers from the U.S.A. (21% of cross-border purchases) and China (15%).

Payment Methods

Approximately 75% of online sales are paid for by debit and credit cards. Online wallets such as PayPal are also popular and account for just over 20% of purchases.

Notable eCommerce Characteristic

Groceries – Approximately 23% of U.K. digital shoppers purchased groceries online at least once last year, a number expected to increase as fulfillment operations become tailored to this unique industry. Online grocery sales accounted for almost 12% (or \$12 billion) of the total eCommerce market in the country, third only to electronic goods and apparel. The market is projected to total \$28 billion by 2020.

Sources: Country Meter, eCommerce News (EU), eMarketer, Forrester, Worldometers, The Telegraph (U.K.)



JAPAN

2015 eCommerce Summary

One Sentence Overview

Japan has a well-developed eCommerce infrastructure and a digitally sophisticated population that drives mobile sales.

Mobile Usage

In 2015, half of all eCommerce transactions were conducted via mobile devices (44% smartphone, 6% tablet) totaling over **\$44 billion** in sales.

Omni-channel Presence

Although Japan has a strong fulfillment infrastructure able to support a mature presence, omni-channel initiatives have not had the same level of consumer demand as other countries.

Major Shopping Days

eCommerce spending increases during the White Day holiday (March 14th), Japan's summer bonus season, and the international holiday season.

Global eCommerce Rank: #4

2015 eCommerce Revenue: \$89 billion (↑ 14%)

Population Density



Demographics

- **Population:** 126 million
- **Urban population:** 93%
- **GDP:** \$4.9 trillion (#3)
- **Average household income:** \$46,000
- **Average age:** 46.9 years
- **Languages:** Japanese (99%), Korean (1%)

Why Are Retailers Here?

With a developed economy, small country size, highly urban population, and an exclusively uniform language, the Japanese market is attractive to online retailers. Omni-channel initiatives show future growth potential due to the country's strong fulfillment infrastructures, especially as Japanese shoppers become more comfortable with these solutions and cross-border shopping.



eCommerce Outlook

Industry Projections

Japan's eCommerce sales are projected to increase almost 40% by 2018, a market total of over **\$122 billion**.

With the highest digital buyer percentage in the Asia-Pacific region, Japan had 77 million digital buyers in 2015 and by 2018 the total is expected to surpass 80 million.

Major Holiday

Japan consistently has higher online spending in the summer months when Japanese firms are known to give yearly summer bonuses. In 2015, the average bonus was approximately **\$2,900** and spending primarily focused on luxury goods, leisure, and travel.

Global Impact

Cross-border

Just 12% of Japanese shoppers purchased from abroad last year, which is the lowest level of foreign buying activity in the Asia-Pacific region. This could be due to the availability of goods within the country or consumer preference to support in-country businesses.

Though much of the world doesn't look to Japan as a cross-border destination, other countries within Asia favor Japanese goods, especially India (45% of shoppers choose Japan as a top cross-border destination) and South Korea (48%).

Payment Methods

Over 66% of shoppers prefer to use credit and debit cards as payment when shopping online, with online wallets as the second most preferred method.

Notable eCommerce Characteristic

eCommerce Innovation – As a country, Japan is a pioneer in technology innovations and is home to one of the most inventive commerce companies in the world (Rakuten). As an example, Japan's mobile conversion rate is the highest in the world among leading eCommerce countries and is more than double the conversion rate of the United States of America.

Sources: Country Meter, eMarketer, Knoema, Reuters, Statistics Bureau, The Economic Times, Worldometers



2015 eCommerce Summary

One Sentence Overview

The second most populous nation in Europe, Germany has a sizeable eCommerce market and supports unique payment methods.

Mobile Usage

In 2015, 32% of all eCommerce sales were attributed to mobile shoppers, with 16% of sales originating on tablets and 16% on smartphones.

Omni-channel Presence

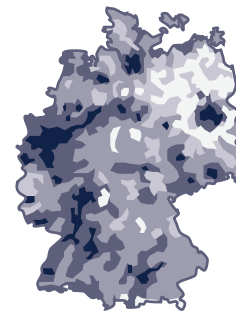
Over 60% of large online commerce stores support omni-channel initiatives, with many more looking to expand and develop their solutions.

Major Shopping Days

Home to some of the first Christmas tree and advent traditions, Germans spend more near the Christmas Holiday.

Global eCommerce Rank: #5
2015 eCommerce Revenue: \$62 billion (↑12%)

Population Density



Demographics

- **Population:** 81 million
- **Urban population:** 75%
- **GDP:** \$3.3 trillion (#4)
- **Average household income:** \$49,000 (€43,847)
- **Average age:** 44 years
- **Languages:** German (95%), French (3%), English (2%)

Why Are Retailers Here?

As the second largest eCommerce market in Europe and the second most populous nation on the continent, Germany offers a buyer-rich landscape for retailers looking to capitalize on the European market. Fulfillment infrastructures are well developed and shoppers have a large and increasing disposable income (approximately \$31,000 or €27,700 for an average household per year).



eCommerce Outlook

Industry Projections

By 2018, eCommerce sales are expected to rise by 34%, bringing the total market to nearly **\$83 billion**.

Germany rounds out the top five largest digital buyer populations in the world with 47 million digital buyers, a figure expected to grow to 49 million by 2018.

Major Holiday

In 2015, consumers spent **\$13 billion** online during the fourth quarter holiday season, resulting in double digit growth from the previous year and accounting for 27% of all holiday sales.

Global Impact

Cross-border

German cross-border shoppers primarily look to the U.K., the U.S.A., and France for goods, with better product availability cited as the top motivation for shopping abroad.

Germany is a popular shopping destination for European nations, especially Italy (23% of digital shoppers buy from Germany), Spain (17%), and Sweden (15%).

Payment Methods

Non-credit card payments such as SEPA direct debit and SOFORT/Giropay account for 51% of payments, with credit cards (24%) and open invoicing (15%) being viable alternatives.

Notable eCommerce Characteristic

Payment Types – Compared to other leading countries, open invoice and direct debit are somewhat common forms of accepted payment in the more conservative German fiscal market. By utilizing open invoicing methods, a third party pays merchants for products purchased and collects a shopper's payment after the products are delivered.

Sources: Adyen, Deloitte, eMarketer, EuroCIS, QUARTZ, The Paypers



FRANCE

2015 eCommerce Summary

One Sentence Overview

With a mature economy and healthy appetite for fashion, France continues to be a leader in European eCommerce.

Mobile Usage

One in five eCommerce purchases in France is conducted via mobile devices, with mobile commerce totaling nearly **\$10 billion** in sales last year.

Omni-channel Presence

France has a growing omni-channel presence as more shoppers switch between digital and offline channels throughout their buying journey.

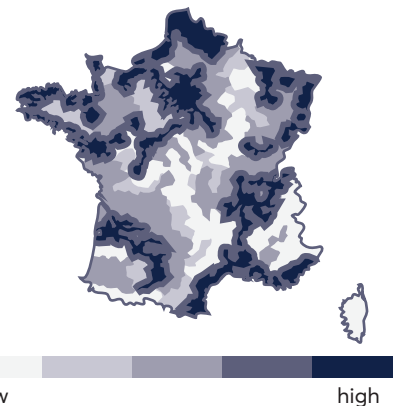
Major Shopping Days

Online shopping sales increase during November and December due to the holiday season.

Global eCommerce Rank: #6

2015 eCommerce Revenue: \$42 billion (↑ 11%)

Population Density



Demographics

- **Population:** 65 million
- **Urban population:** 80%
- **GDP:** \$2.4 trillion (#6)
- **Average household income:** \$46,000 (€40,750)
- **Average age:** 41.1 years
- **Languages:** French (95%), German (3%), Italian (1%), Arabic (1%)

Why Are Retailers Here?

With an established economy and a developed fulfillment infrastructure, retailers find the French eCommerce market appealing due to its growth, consumer demand, and centralized location not only within Europe but also between North America and Asia.



eCommerce Outlook

Industry Projections

eCommerce sales surpassed **\$42 billion** last year and are expected to reach **\$53 billion** by 2018.

The amount of digital buyers in France is growing steadily, with nearly 30 million in 2015 and a projected total of 32 million by 2018.

Major Holiday

Last year, 18% of the country's total digital retail sales occurred in November and December alone, with shoppers spending a total of **\$14.5 billion** online.

Global Impact

Cross-border

French consumers prefer to buy from other European countries when shopping abroad, with average orders totaling \$80 more for EU purchases compared to other non-EU nations (\$249 vs \$169).

As a cross-border shopping destination, France is largely popular with other European countries, especially Italy (10% of sales) and Spain (13%).

Payment Methods

Credit and debit cards are the most popular payment method with French consumers (52%) followed by online payment systems (35%).

Notable eCommerce Characteristic

Package Pickup Methods – Unlike other leading eCommerce countries in Europe, 48% of digital shoppers in France chose to pickup items in a local shop or pickup point last year, more than double the percentage of U.K. (22%) or German shoppers (21%). This method eliminates delivery times for French consumers who generally place a high priority on receiving their goods promptly after purchase and look to avoid traditional carrier delivery practices.

Sources: BBC, CIA, eCommerce News Europe, Forrester, eMarketer, GEOHIVE, Knoema, United Nations, U.S. Census, comScore, DHL, TSYS



SOUTH KOREA

2015 eCommerce Summary

One Sentence Overview

A leading technology country, South Korea is home to the third largest Asia-Pacific retail eCommerce market.

Mobile Usage

As the most popular mobile country in the world, almost 90% of South Koreans now own a smartphone and mobile sales have increased 64% over the past two years.

Omni-channel Presence

While traditional omni-channel commerce is not popular, South Korea is a worldwide leader in terms of shoppers who showroom products.

Major Shopping Days

Shoppers spend more during White Day (March 14th) and during the U.S. Thanksgiving holidays.

Global eCommerce Rank: #7

2015 eCommerce Revenue: \$38.9 billion (↑11%)

Population Density



low

high

Demographics

- **Population:** 49 million
- **Urban population:** 82.5%
- **GDP:** \$1.4 trillion (#11)
- **Average household income:** \$48,000 (₩5.57M)
- **Average age:** 40.2 years
- **Languages:** Korean (97%), Chinese (2%), English (1%)

Why Are Retailers Here?

As technology has developed and become increasingly widespread, South Korean shoppers rely less on local shops and more on digital storefronts. The country boasts some of the fastest internet speeds in the world, making it an increasingly attractive market for online retailers.



eCommerce Outlook

Industry Projections

eCommerce sales in South Korea are expected to grow 30% by 2018, surpassing a market total of **\$50 billion**.

South Korea has the second highest digital buyer percentage in the Asia-Pacific region, with 65% of internet users shopping online.

Major Holiday

Originating in Japan, White Day (one month after Valentine's Day) is a gift-giving holiday that creates a spike in online sales.

Though South Koreans don't observe U.S. Thanksgiving, they shop more during the season due to the availability of deep discounts. Cross-border purchases from the U.S.A. increased by 109% during the 2015 Black Friday holiday.

Global Impact

Cross-border

Cross-border shopping is most common among digital buyers ages 25 to 34 (46%) and in households with children (45%). South Korean shoppers primarily buy from the U.S.A., Japan, and China, with better product quality and price cited as the leading reasons for shopping abroad.

Though South Korea is not a popular shopping destination, consumers in Singapore (21% of shoppers chose South Korea as a top destination) and China (16%) consistently purchase from the nation.

Payment Methods

The top payment method used for digital purchases is credit and debit cards (52%), followed by direct debit (16%), and bank transfers (10%).

Notable eCommerce Characteristic

Fast Shipping – Due to South Korea's small country size and high population density, the nation has exceptionally fast fulfillment rates compared to other leading online retail countries. Online marketplaces have deployed initiatives to build networks of distribution centers, allowing for delivery systems that are capable of consolidating products purchased from different sellers into one single box.

Sources: CNN, eMarketer, Forbes, Geoba.se, GeoHive, IndexMundi, Knoema, Yahoo Finance



CANADA

2015 eCommerce Summary

One Sentence Overview

Though Canada has a sophisticated economy, the eCommerce industry has grown slowly due to fulfillment obstacles.

Mobile Usage

Over 17% of Canadians make online retail purchases with their mobile devices more than once a week. Millennial consumers (ages 18-34) lead the trend, with 30% of these shoppers purchasing via digital devices at least once a week.

Omni-channel Presence

Omni-channel fulfillment programs are more popular with large retailers, as smaller Canadian merchants have generally not implemented these initiatives.

Major Shopping Days

Canada sees a rise in sales around the fourth quarter holidays, most notably Cyber Week.

Global eCommerce Rank: #8

2015 eCommerce Revenue: \$27 billion (↑16%)

Population Density



low

high

Demographics

- **Population:** 36 million
- **Urban population:** 80%
- **GDP:** \$1.6 billion (#10)
- **Average household income:** \$60,000 (C\$79,000)
- **Average age:** 39.9 years
- **Languages:** English (66%), French (21%), Other (13%)

Why Are Retailers Here?

Due to its strong economy and close proximity to the U.S.A., retailers aspire to tap into the growing eCommerce market in Canada. For U.S.A. retailers selling beyond their borders for the first time, Canada offers an easy cross-border expansion opportunity because of its similar taxes, fees, and shipping safety.



eCommerce Outlook

Industry Projections

eCommerce sales are projected to increase 48% by 2018, bringing the market total to nearly **\$40 billion**.

There were over 18 million digital buyers throughout the country in 2015, and by 2018 this amount is expected to increase to 20 million digital buyers.

Major Holiday

Holiday digital retail sales accounted for over 18% of the total digital retail sales in 2015. Canadian eCommerce orders grew by 46% for Cyber Week sales between the 2014 and 2015 holidays.

Global Impact

Cross-border

Canadians shop more abroad than domestically, with 67% of digital shoppers purchasing from other countries. Top cross-border destinations include the U.S.A. (62% of purchases) and China (19%).

Likely due to its small population size and distance from other nations, Canada is not a popular cross-border shopping destination.

Payment Methods

Credit cards are preferred as the top payment method (93%), with Interac (the Canadian version of PayPal) being the second option of choice (7%).

Notable eCommerce Characteristic

Linguistic Duality – Easily the most multi-lingual country out of the top 10 eCommerce markets studied, Canada is home to over 200 living languages, two of which (English and French) are listed as the official languages. Approximately 98% of the Canadian population reported that it was able to hold a working conversation in either English or French. This linguistic duality presents an obstacle for retailers, sometimes requiring multilingual customer care and sites in both French and English in order to be successful.

Sources: Comscore, eMarketer, Global News, Government of Canada, Historica Canada, Knoema, Statistics Canada



BRAZIL

2015 eCommerce Summary

One Sentence Overview

With an expanding middle class and digital ecosystem, Brazil has the largest eCommerce market in Latin America.

Mobile Usage

In 2015, nearly 19% of all eCommerce transactions in Brazil were mobile purchases. In 2016, mobile sales are expected to exceed **\$11 billion**.

Omni-channel Presence

As eCommerce is still establishing itself in many parts of the vast nation, omni-channel initiatives are not a priority for many retailers regardless of growing demand.

Major Shopping Days

The Christmas holidays create sales and increased online shopping revenue, especially during Black Friday and Cyber Monday.

Global eCommerce Rank: #9

2015 eCommerce Revenue: \$20 billion (↑17%)

Population Density



low

high

Demographics

- **Population:** 204 million
- **Urban population:** 86%
- **GDP:** \$1.8 billion (#9)
- **Average household income:** \$8,000 (R\$28,600)
- **Average age:** 31.1 years
- **Languages:** Portuguese (98%), Spanish (2%)

Why Are Retailers Here?

With the largest economy and eCommerce market in Latin America, Brazil has surfaced as the eCommerce leader in South America. Due to its large country size and emerging middle class, retailers who want to establish an eCommerce presence in South America typically select Brazil.



eCommerce Outlook

Industry Projections

Brazil's eCommerce market is projected to increase nearly 40% by 2018, surpassing **\$27 billion** in online sales.

The amount of digital buyers is steadily rising, with over 37 million shopping online currently and 47 million projected to shop online by 2018.

Major Holiday

Black Friday sales rose 38% last year while Cyber Monday sales increased by 56%. Average order values on Black Friday (\$163) were \$40 higher than on Cyber Monday (\$123).

Overall, holiday season sales (from Black Friday through Cyber Monday) surpassed **\$850 million** in 2015.

Global Impact

Cross-border

Approximately 49% of digital buyers in Brazil make cross-border purchases, with lower prices cited as the top reason for shopping abroad. Brazilians primarily buy from the U.S.A. (31%) and China (29%), with clothing and accessories (36%) cited as the primary product category.

As Brazil's eCommerce industry is still developing, the nation is not a large destination for other leading online retail markets.

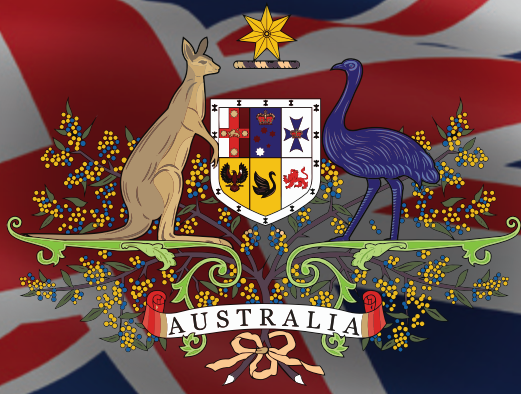
Payment Methods

Credit and debit cards (75%) are the most popular payment methods for Brazilians, though Boleto Bancário payments (similar to digital money orders) are prominent and are utilized by by nearly 20% of shoppers.

Notable eCommerce Characteristic

Installment Payments – As the country's economy continues to develop, many shoppers opt for installment payments to pay for their eCommerce purchases. This method has become so popular that nearly 80% of all eCommerce payments are made in installments, where shoppers make partial payments over a period of time to finance their online purchases.

Sources: Adyen, CIA.gov, eMarketer, Forrester Research, Knoema, The Brazil Business, The Wall Street Journal, TheStreet, Trading Economics



2015 eCommerce Summary

One Sentence Overview

With the second largest online population in the Asia-Pacific region and a stable economy, eCommerce in Australia continues to grow.

Mobile Usage

By the end of 2015, 35% of eCommerce transactions in the country were completed on mobile devices.

Omni-channel Presence

Omni-channel initiatives are gaining momentum in Australia, with roughly 50% of large retailers offering multiple delivery options.

Major Shopping Days

Along with Christmas and Boxing Day, Click Frenzy (the third Tuesday of November) is a major shopping day unique to Australia.

Global eCommerce Rank: #10

2015 eCommerce Revenue: \$19 billion (↑9%)

Population Density



low

high

Demographics

- **Population:** 24 million
- **Urban population:** 89%
- **GDP:** \$1.6 trillion (#13)
- **Average household income:** \$59,000 (A\$80,000)
- **Average age:** 37.6 years
- **Languages:** English (98%), Other (2%)

Why Are Retailers Here?

With a mature economy and steadily growing eCommerce market, Australia offers a stable and sizable English language online retail market in the Asia-Pacific region. Many online retailers based in North America and Europe choose to base their Asia operations out of Australia due to its geographic proximity to Japan and China.



eCommerce Outlook

Industry Projections

eCommerce sales are expected to rise 21% by 2018, creating a market total of approximately **\$24 billion**.

In 2015, the digital buyer percentage was just over 79% and is projected to surpass 81% by 2018.

Major Holiday

Altogether, end-of-year holiday sales in 2015 were record setting, with Christmas and Boxing Day sales surpassing **\$2.5 billion**. Click Frenzy, an Australian shopping day launched in 2012 to boost digital sales, generated over **\$200 million** last year (November 17th).

Global Impact

Cross-border

Approximately 69% of digital buyers in Australia make cross-border purchases primarily from the U.S.A. (40% of shoppers), China (32%), and the U.K. (22%) due to lower prices and product availability.

Australia is not a very popular cross-border shopping destination globally, with countries such as China and New Zealand occasionally making purchases.

Payment Methods

Approximately 85% of Australians utilize credit and debit cards when shopping online, with PayPal payments accounting for 13% of purchases and POLi payments (an Australian alternative to PayPal) accounting for 2%.

Notable eCommerce Characteristic

Cross-Border Popularity – One of the top six nations in online retail imports and the leading cross-border spender in Asia-Pacific, Australia has a tax exemption on foreign purchases under A\$1,000 (or \$765). This Low Value Threshold (LVT) exemption allows Australian consumers to import duty-free when they buy from foreign retailers. Furthermore, approximately only half of Australia's retail businesses have an online presence, which forces digital consumers to shop abroad. This cross-border trend is driven by younger adult shoppers, with those in the 18-39 age range making 54% of cross-border purchases.

Sources: ABC News Australia, Adyen, eCommerce Worldwide, eMarketer, Forrester Research, SecurePay, Trading Economics, Worldometer

eCommerce Market Summary

Though not among the top 10 largest eCommerce markets worldwide, Russia, Indonesia, India, Mexico, and the United Arab Emirates exemplify quickening growth in the industry as well as unique eCommerce characteristics. Already home to four of the top markets (Japan, China, South Korea, and Australia), the Asia-Pacific region is becoming more prominent with two additional emerging markets. Slated with the largest projected growth percentages, Indonesia and India are home to rapidly widening internet accessibility and developing fulfillment infrastructures, making eCommerce available to the growing middle classes in each country. Russia has developed a unique cross-border trade route with China due to their appealing low prices, with over half of Russian digital shoppers purchasing Chinese goods. Online shoppers in Mexico and the United Arab Emirates prefer to pay with cash, prompting retailers to create alternative transaction options.



Demographics

Population: 144 million

2015 eCommerce Revenue: \$17 billion

Population Density



2015 eCommerce Summary

eCommerce sales accounted for 2% of the overall Russian retail market in 2015, with consumer demand growing quickly in small cities and villages through increased access to fast and reliable internet. Online retail revenue is expected to grow over 50% by 2018, surpassing **\$25 billion** for the first time. Several Chinese retailers have been quick to launch Russian versions of their sites as the Russian cross-border market size exceeded **\$3 billion** alone in 2015. Approximately 52% of Russian digital shoppers choose to buy from China, citing low prices as their top purchasing driver.



Indonesia

Demographics

Population: 255 million

2015 eCommerce Revenue: \$3 billion

Population Density



2015 eCommerce Summary

With a growing middle class and an advancing economy, Indonesia's smartphone population and internet connectivity are expanding. Retail eCommerce sales grew over 65% last year, and the country will likely remain one of the fastest growing eCommerce markets in the Asia-Pacific region in the coming years. By 2018 the market is expected to increase over 239%, totaling approximately \$11 billion in sales. However, as Indonesia is comprised of roughly 17,500 islands, the fulfillment landscape is fragmented and provides a hurdle to the expansion of eCommerce in the country. Some innovative start-up companies have been employing assisted eCommerce for rural customers, utilizing technology to connect local stores with product distributors to facilitate cash transactions, which are more popular for people who do not utilize credit cards.



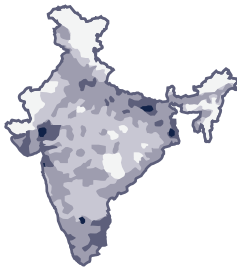
India

Demographics

Population: 1.3 billion

2015 eCommerce Revenue: \$11 billion

Population Density



2015 eCommerce Summary

India's eCommerce market is the fastest growing market in the Asia-Pacific region and is expected to surpass \$38 billion by 2018. This equates to approximately 248% growth in online sales over the next three years. Though smartphone usage is not currently as widespread as other countries, mobile commerce represented nearly 50% of online retail sales in 2015 and is expected to create more revenue than its traditional desktop counterpart. Even though smaller cities with lower household income have limited broadband accessibility, they drive about half of online retail sales because brick-and-mortar stores are less accessible and eCommerce is needed to fill the gap.



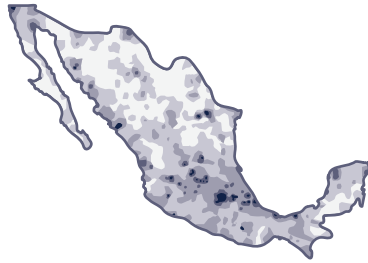
Mexico

Demographics

Population: 123 million

2015 eCommerce Revenue: \$6 billion

Population Density



2015 eCommerce Summary

eCommerce sales represent approximately 2% of the total annual retail sales in Mexico, though this segment has more than quadrupled in the past five years and is projected to exceed **\$11 billion** by 2018. As only 18% of the population utilize credit cards and even fewer trust online sites with their payment information, the largest opportunity for growth is among shoppers who prefer to buy with cash (80% of shoppers). Large online retailers have been quick to offer alternative payment options like prepaid cards to combat the trend, including reloadable shopping cards that can be accepted on their sites. Some sites even accept direct cash payments at partnered convenience stores, as well as MercadoLibre (a PayPal-like payment provider in Latin America).



U.A.E.

Demographics

Population: 9.3 million

2015 eCommerce Revenue: \$2.3 billion

Population Density



2015 eCommerce Summary

The United Arab Emirates (UAE) is projected to surpass **\$4 billion** in online sales by 2020 and is home to the largest eCommerce market share in the combined Middle East and Africa region. Approximately 39% of shoppers utilize credit cards when buying online, with the most popular payment option being cash on delivery (51%). A larger share of eCommerce sales come from big cities, as fulfillment infrastructures are much more developed in those areas.

Sources: eMarketer, Entrepreneur Middle East, Forrester Research, Internet Retailer, The Economist, Oxford Business Group, Wall Street Journal, Which-50