



Ecommerce Report Romania 2017



Zásilkovna.cz



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Thank you...

Thank you for downloading this report. We hope this report will help you take the next step in selling online in Romania.

The Ecommerce Foundation is an independent non-profit organization, initiated by worldwide national ecommerce associations, as well as online and omnichannel selling companies from industries such as retail, travel & finance. Our **mission** is to **foster global digital trade**, as peace is the natural effect of trade. By facilitating digital commerce we hope to make the world a slightly better place.

We especially would like to **thank** our Report Partners; namely **Ingenico, Asendia, Ecommerce Europe, Manhattan Associates and Salesforce**. Without their support, this report would not have been created. Moreover, a great amount of gratitude is extended to the Ecommerce Association of Czech Republic, **Zásilkovna.cz**, for its support in data collection and promotion.

If you like our reports, please visit our report page on www.EcommerceWiki.org. On this page, you will find a large collection of **Ecommerce Country Reports for free**.

Your feedback is also very much appreciated. Please contact us at info@ecommercefoundation.org.



Jorij Abraham
MD Ecommerce Foundation



A word from the founder of Zásilkovna

A message from the founder of Zásilkovna:

I believe that cross-border selling is the fundamental pillar of success of internet shops. Thus, with regards to the development of the European market, those e-commerce players who think globally and who do not omit cross-border selling will succeed and thrive. When it comes to the future of local e-commerce markets, only highly specialized internet shops with original products or/and their own production will be truly successful.

What is your view on e-commerce in Europe?

The method of purchasing goods and services that we know now will increasingly head towards digitalization. At the turn of millennium, consumers had to learn to purchase goods online. Nowadays, they are learning to purchase various other services online. I believe that there will be greater emphasis on the so-called sharing economy as well as various peer-to-peer portals. In my opinion, there is, and will be, a great potential for the rise of new projects. I think that the growth of online services turnover may lead to an even greater increase in the world's digital economy.

How will delivery develop in Europe in the next two to three years?

Large global internet companies are moving their logistic centres to the Czech Republic and other strategic places within Central Europe. I consider this trend to be crucial for the development of delivery in Europe, because it will lead to the gradual elimination of barriers within the EU, and ultimately result in a boom in cross-border selling.



A word from the founder of Zásilkovna continued...



Another trend we can observe is that, in comparison to Western Europe, customers in Eastern and Central Europe still prefer C.O.D. payments. I believe that the preference of C.O.D. in these regions will quickly diminish in favour of other non-cash and digital methods of payments. I also expect that internet shops will begin to put greater emphasis on the time of delivery, and, more precisely, I expect that same-day delivery will be in high demand.

What are the main challenges with delivery at the moment in Europe?

At this moment, the main challenges are automation and robotization of various processes of delivery. Nowadays, a great number of internet shops are working on these improvements, as they are crucial for their future success as well as competitive advantage. In my opinion, the future of delivery processes will be challenged by technological progress. I expect that very soon, we will be dealing with electric cars, autonomous intelligent vehicles, or transport containers in depots and warehouses. These technical improvements will challenge not only the e-commerce field and delivery processes but also the whole transportation system industry and infrastructures.

From all the trends mentioned above, we can observe that in the future, it will be crucial for internet shops to be as „close“ to their customers as possible. And this includes not only their online distribution, but also their offline accessibility (i.e. showrooms, shops etc.). In Central and Eastern Europe, customers prefer pick-up points and showrooms where they can examine their goods prior to purchasing. In Zásilkovna, we are well aware of this, which is why our core business is built on the network of coordinated pick-up points in Central and Eastern Europe.

Simona Kijonková
Founder of Zásilkovna



A Thank You to our Report Partners



Ingenico is the most knowledgeable global Payment Service Provider in the world, processing international ecommerce payments for more than 600 of the world's most recognized ecommerce brands in the digital goods and services, travel, retail and video gaming industries, among many others. Ingenico's business intelligence tools, Managed Fraud Services and more than 400 payments experts help our clients elevate their payment strategies to become a strategic asset to their companies.



Asendia is one of the world's top three international mail, shipping and distribution organizations, delivering your packages, parcels and documents to more than 200 destinations across the globe. Formed as a partnership between La Poste and Swiss Post in 2012, the Asendia business employs more than 1,000 people worldwide, has offices in 15 countries and a global network of delivery partners to get your package where it needs to be, when it needs to get there.



Manhattan Associates is a technology leader in supply chain and omni-channel commerce. We unite information across the enterprise, converging front-end sales with back-end supply chain execution. Our software, platform technology and unmatched experience help drive both top-line growth and bottom-line profitability for our customers. Manhattan Associates designs, builds and delivers leading edge cloud and on-premises solutions so that across the store, through your network or from your fulfilment centre, you are ready to reap the rewards of the omni-channel marketplace.



Salesforce Commerce Cloud was founded as Demandware in 2004 and acquired by Salesforce in July 2016. A cloud-based ecommerce pioneer, our vision is to enable retailers and brands to break free of the shackles of traditional, legacy platforms and truly focus on what they do best – deliver great products and a great brand experience to its customers. Today, Salesforce Commerce Cloud's industry-leading cloud platform is the digital backbone for hundreds of retail brands, and thousands of commerce web sites around the world.

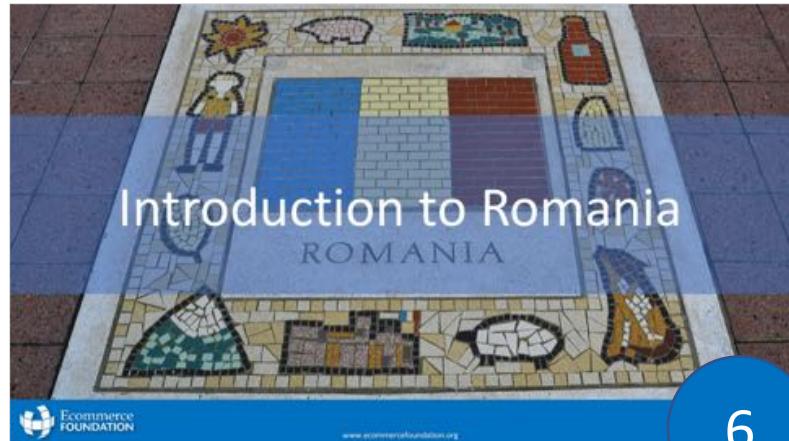


Ecommerce Europe is the association representing 25,000+ companies selling goods and/or services online to consumers in Europe. Founded by leading national e-commerce associations, Ecommerce Europe is the voice of the e-commerce sector in Europe. Its mission is to stimulate cross-border e-commerce through lobbying for better or desired policy, by offering a European platform bringing the European e-commerce sector and other stakeholders together, and by providing in-depth research data about European markets.



Zásilkovna.cz is a logistic company which was found in 2010. It offers low-cost and effective way of delivering goods from internet shops. Customers can pick up their packets personally at any pick-up point of their choice. Great added value is the option to open, inspect and alternatively return the packet immediately at the pick-up point. Zásilkovna.cz also offers an alternative to postal services – less expensive, fast and easy delivery of packets directly to customers' addresses in the Czech Republic as well as neighboring countries. At this moment, Zásilkovna.cz has more than 1 200 pickup points in the Czech and Slovak Republic, Poland, Hungary and Romania and it cooperates with more than 14 000 internet shops in Central and Eastern Europe.

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Introduction to Romania

ROMANIA

Demographic Indicators



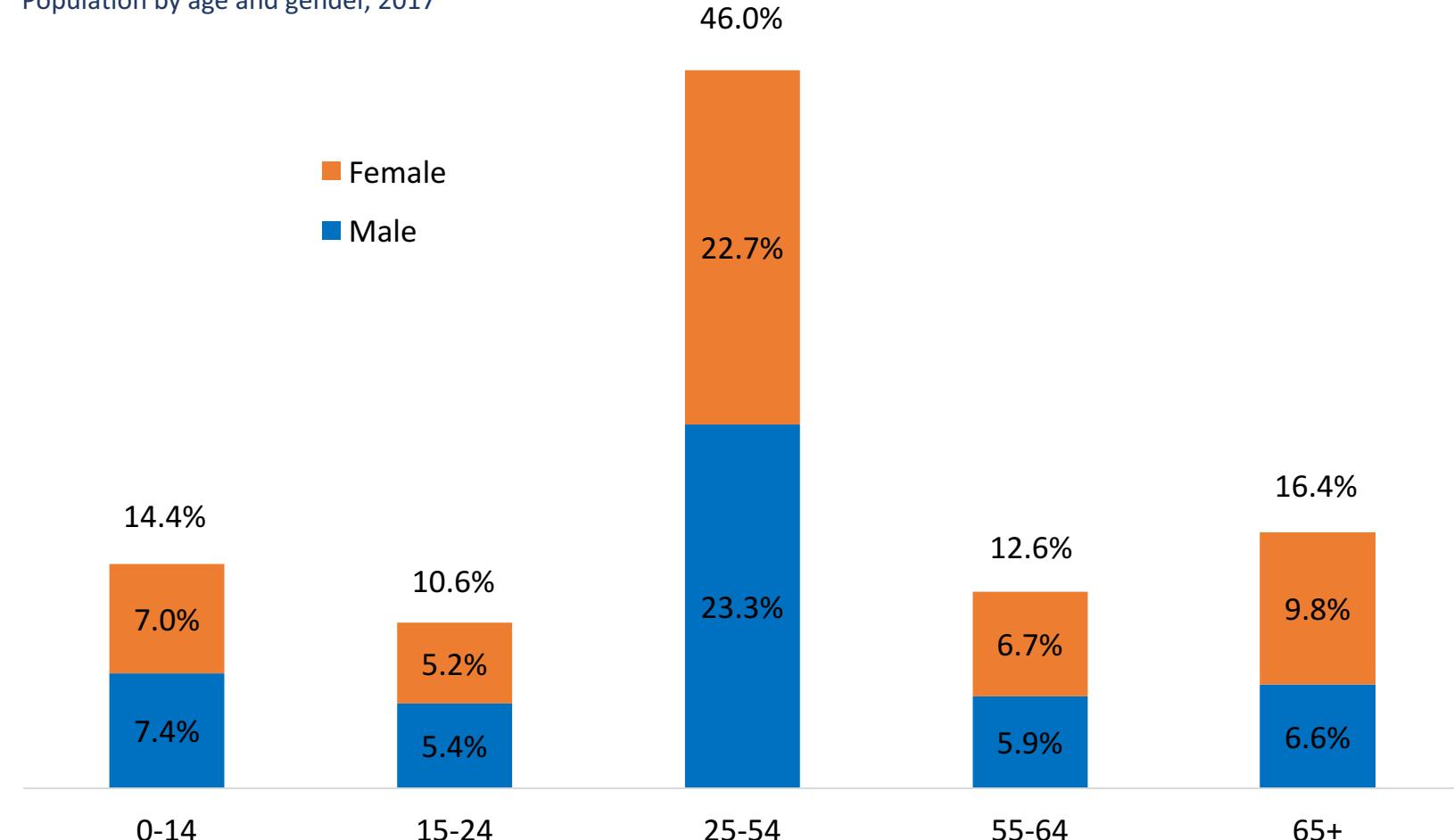
Area: 238,391 km²
Capital: Bucharest
Currency: Romanian Leu (RON)



Population: 19,237,513
Institution: Semi-presidential Republic
Internet users: 59.5%
URL country code: .ro
Official language: Romanian
Widely spoken foreign languages:
English, French

AGE AND GENDER¹

Population by age and gender, 2017



¹Age and Gender. Source: CIA World Factbook. Ecommerce Foundation, 2017.

E-GDP forecasted to grow 1.7% in 2017

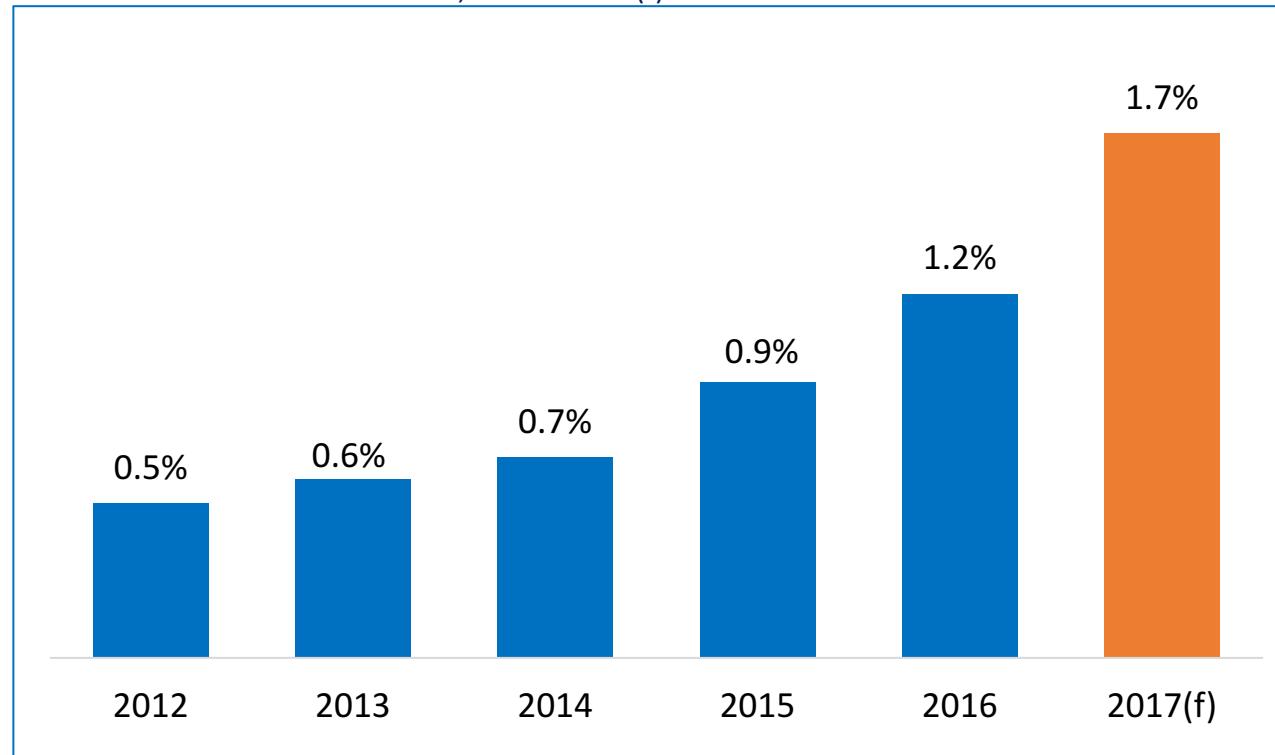
TOTAL GROSS DOMESTIC PRODUCT¹

GDP at market prices, 2012 – 2017(f)

Year	GDP (in millions of euro's)	GDP per capita
2017(f)	€144,548	€7,514
2016	€170,968	€8,825
2015	€163,103	€8,359
2014	€182,845	€9,184
2013	€175,564	€8,785
2012	€157,339	€7,844

ECOMMERCE SHARE OF GDP²

Ecommerce turnover share of GDP, 2012 – 2017(f)



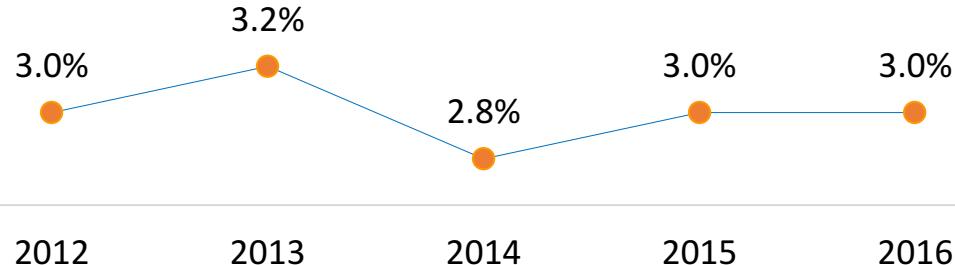
Total Ecommerce Turnover / GDP = Ecommerce share of GDP, 2017(f): **1.7%**

¹Total Gross Domestic Product. Source: Ecommerce Foundation, 2017. | ²Ecommerce Share of GDP. Source: Ecommerce Foundation, 2017.

Economic Indicators

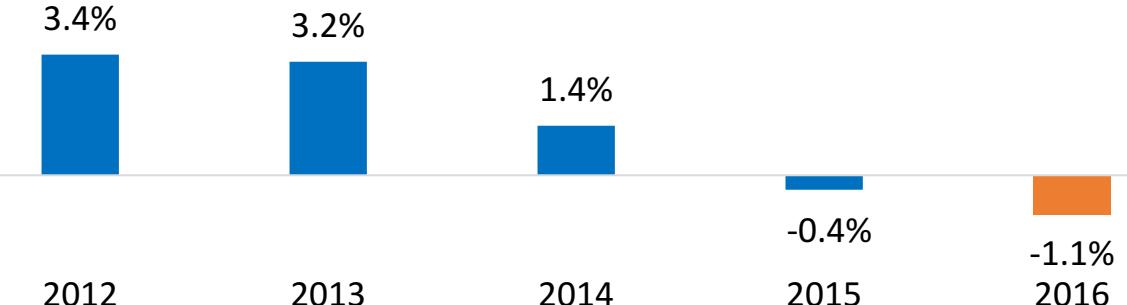
UNEMPLOYMENT RATE¹

Percentage of the total labor force, 2012-2016



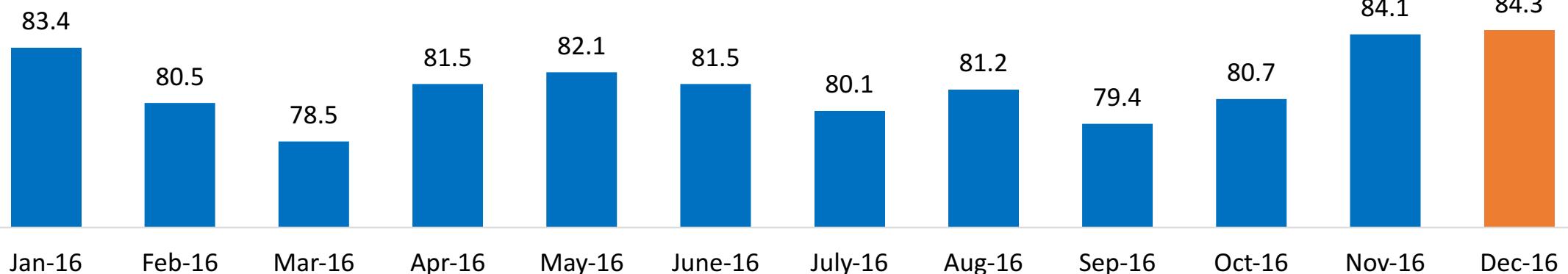
INFLATION RATE²

Annual change on Consumer Price Index (CPI), 2012-2016



CONSUMER CONFIDENCE INDEX (CCI)³

CCI on a monthly basis, 2016



¹Unemployment Rate. Source: Eurostat, 2016. | ²Inflation Rate. Source: Eurostat, 2016. | ³CCI. Source: Eurostat, 2016.

Romania ranks 36th in Ease of Doing Business Index

Logistical Performance Index¹

The LPI overall score reflects perceptions of a country's logistics based on, among other things, efficiency of customs clearance process, quality of trade- and transport-related infrastructure and ease quality of logistics services.



Logistics
Performance Index

Ease of Doing Business Index²

A high ease of doing business ranking means the regulatory environment is more favorable for the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores on 10 equal topics.



Ease of
Doing Business Index

E-Government Development Index³

The UN's E-Government Index provides a comparative assessment of the e-government development of UN Member States. Important factors contributing to a high level of e-government development are concurrent past and present investments in telecommunication, human capital and provision of online services.



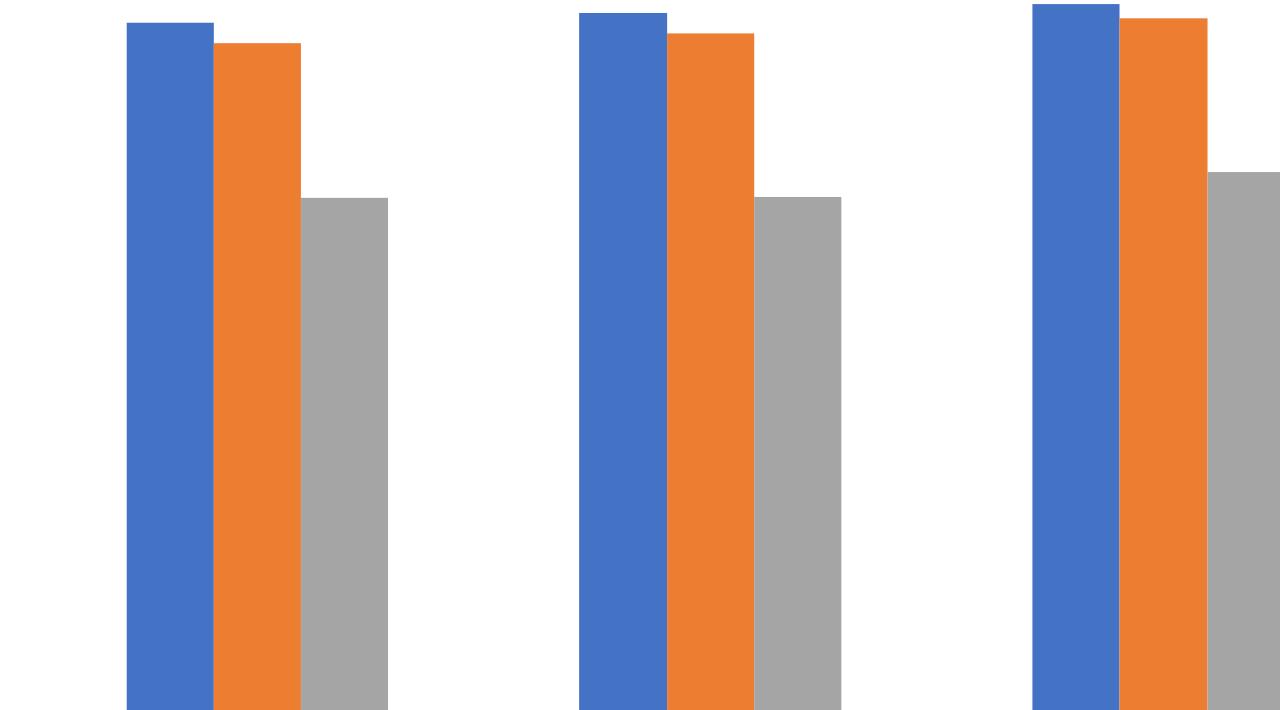
E-government
Index

¹Logistical Performance Index. Source: Worldbank, 2016. | ²Ease of Doing Business Index. Source: Worldbank, 2016. | ³E-government Development Index. Source: UN, 2016.

The background of the slide features a wide-angle aerial photograph of a city, likely Prague, showing a dense cluster of buildings with red-tiled roofs. In the distance, a range of mountains is visible under a clear blue sky.

Ecommerce Facts & Figures

74% of the online population in 2016 shopped online



Full version available at
www.ecommercefoundation.org/reports

	2014	2015	2016
Total Population¹	19,908,979	19,511,324	19,372,734
Online Population²	12,144,477	13,267,700	13,948,368
Number of e-shoppers³	6,339,417	6,872,669	7,336,842

¹Total Population. Source: Ecommerce Foundation, 2017. | ²Online Population. Source: Statista; Eurostat , 2017. | ³Number of e-shoppers. Source: Ecommerce Foundation, 2017.

Ecommerce turnover expected to grow by 22% in 2017



B2C ECOMMERCE TURNOVER¹

Total online sales of goods and services, in millions of euros, 2013-2017 (f)

TURNOVER GROWTH RATE²

Percentage change in B2C ecommerce turnover, 2013-2017(f)

Full version available at
www.ecommercefoundation.org/reports

¹B2C Ecommerce Turnover. Source: Ecommerce Foundation, 2017. | ²Turnover Growth Rate. Source: Ecommerce Foundation, 2017.

Electronics & Media have highest B2C sales turnover



REVENUE PER PRODUCT CATEGORY¹

Online sales per product category, in million of USD, 2016

Full version available at
www.ecommercefoundation.org/reports

¹Revenue per Product Category. Source: Statista, 2017.

Throughout Europe, shoppers expect a consistent quality of retail experience, whether shopping with the same retailer in a physical store, via their website or through their smartphone. A personalised and connected experience across all channels, as well as friendly and well-informed personnel, raise the bar for retailers. Gaining a holistic view of shoppers, orders and inventory is the essential backbone of connected commerce. The challenge is now for retailers to bring together technology, processes and people to meet consumers' shopping expectations, today and tomorrow.

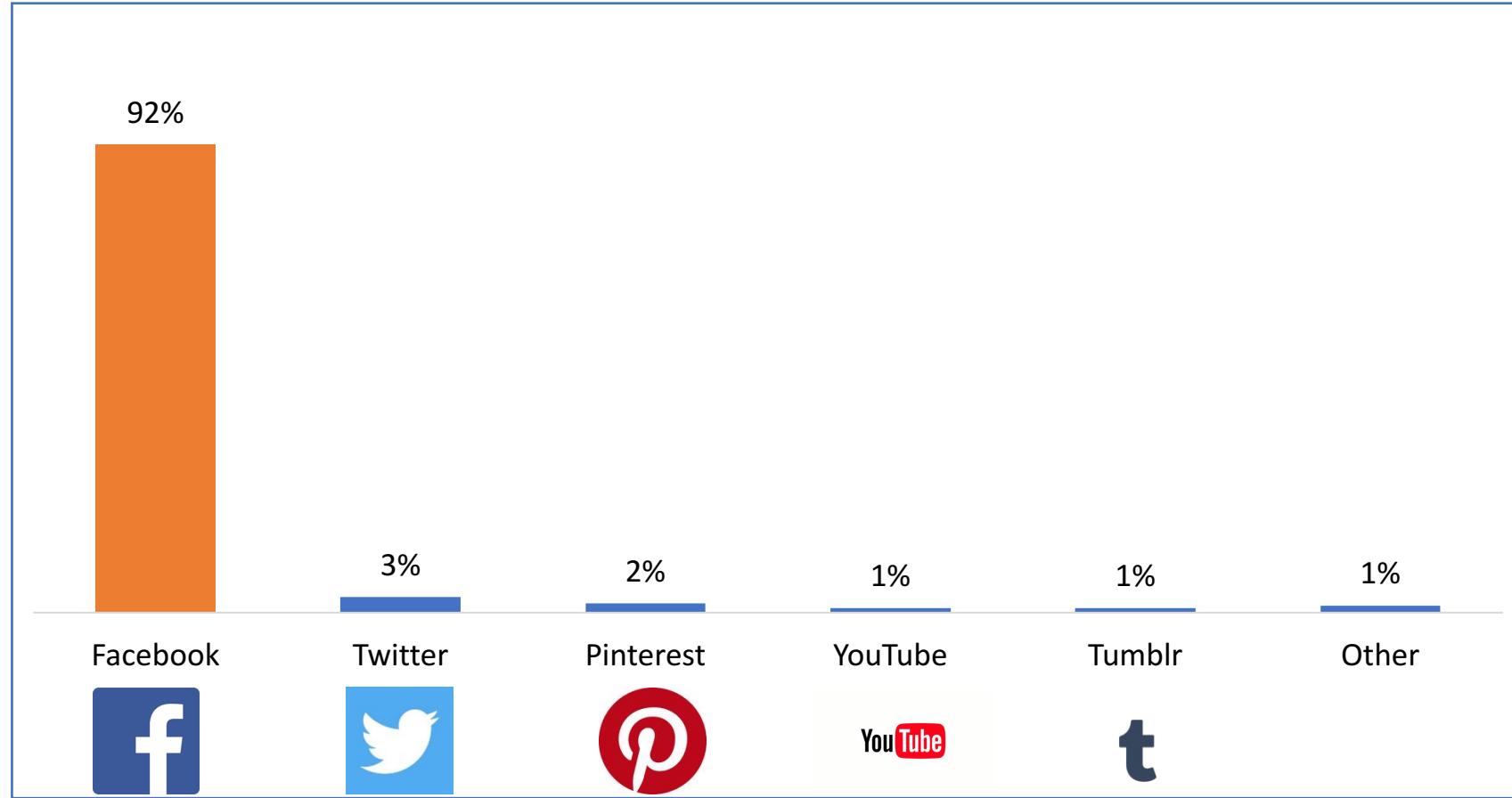
Pieter Van den Broecke
Managing Director
Benelux and Germany



Facebook is the most popular social media platform

SOCIAL MEDIA PLATFORMS¹

Share of users on social media platforms, 2016



Top Activities on Mobile Devices²

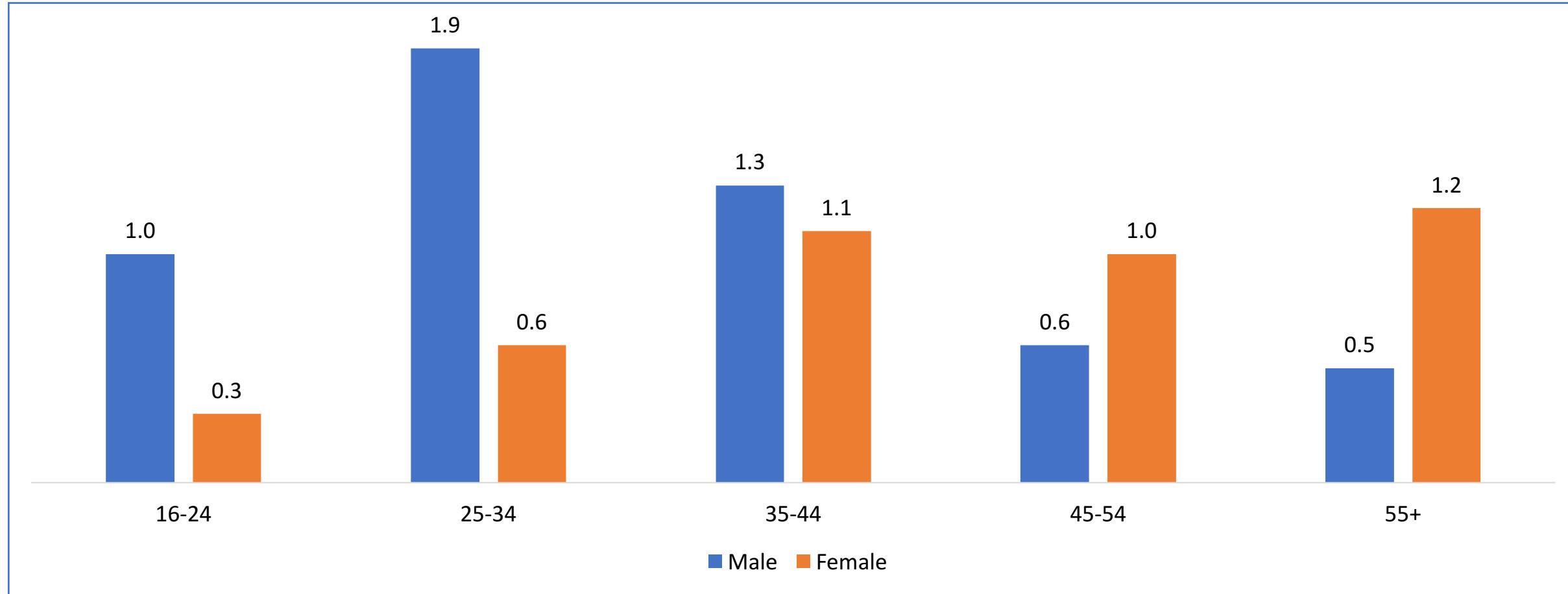
1. Social networking
2. E-mail
3. Video content
4. Browsing
5. Gaming

¹Popular Social Media Platforms. Source: Statcounter, 2017. | ²Top Activities on Mobile Devices. Source: Ecommerce Foundation, 2017.

35-44 is the largest age group purchasing online

ONLINE PURCHASING: BY AGE¹

Online purchasing in the last 12 months, by age range and gender, in millions, 2016

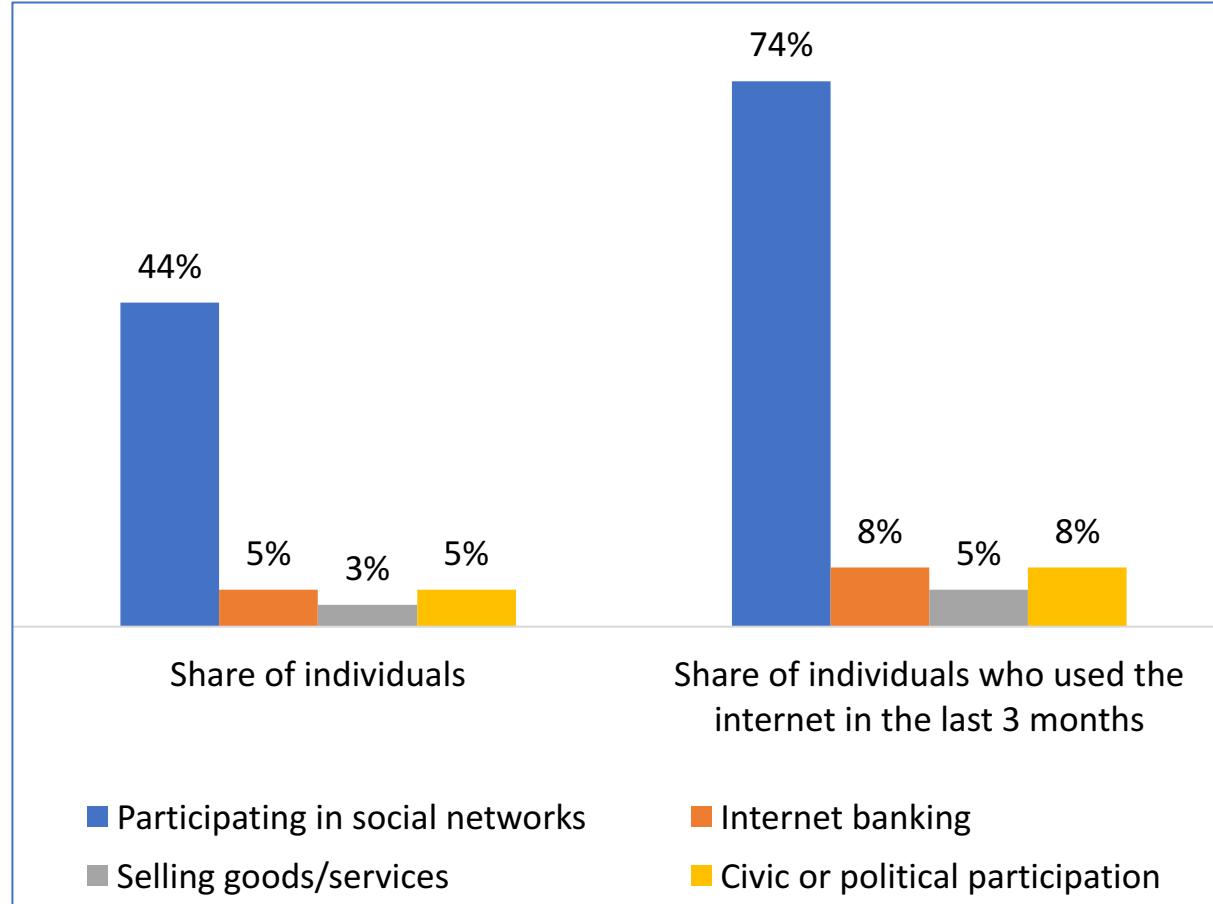


¹Online Purchasing Penetration. Source: Eshop World, 2017.

Majority of internet use is for social network use

INTERNET USE: ACTIVITIES¹

Activities/uses for individuals who used the internet, 2016



INTERNET USE: FREQUENCY²

Individuals who used the internet, frequency, 2013-2016

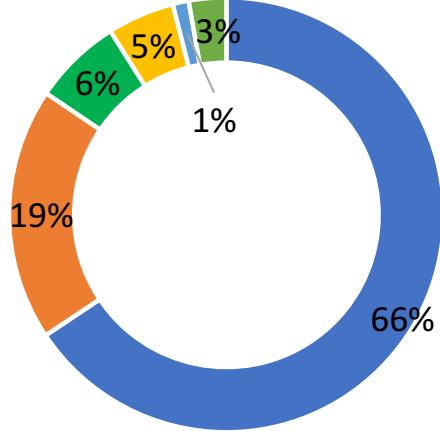
Full version available at
www.ecommercefoundation.org/reports

¹Internet Use: Activities. Source: Eurostat, 2016. | ²Internet Use: Frequency. Source: Eurostat, 2016.

Internet Browsers: Chrome is leading

INTERNET BROWSERS: DESKTOP, 2016¹

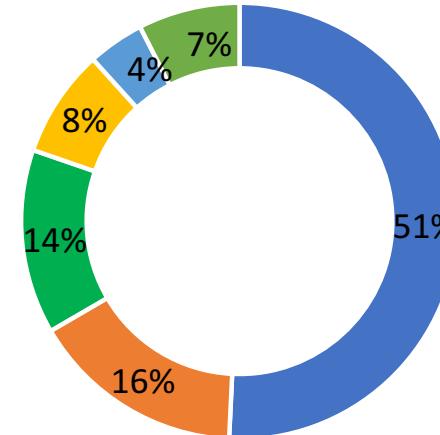
Internet Browsers used on Desktop Devices, March 2016



■ Chrome ■ Firefox ■ Internet Explorer ■ Opera ■ Edge ■ Other

INTERNET BROWSERS: MOBILE, 2016²

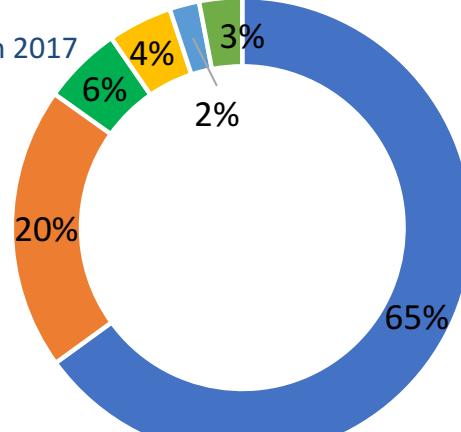
Internet Browsers used on Mobile Devices, March 2016



■ Chrome ■ Android ■ Safari ■ Samsung internet ■ Opera ■ Other

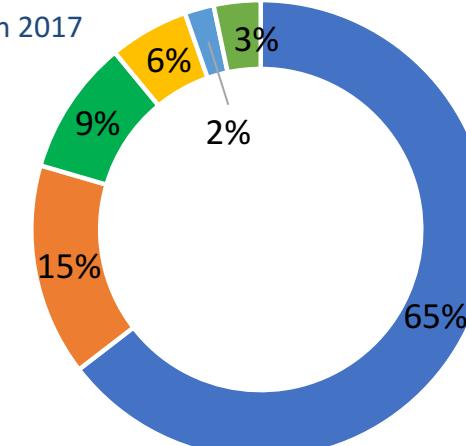
INTERNET BROWSERS: DESKTOP, 2017¹

Internet Browsers used on Desktop Devices, March 2017



INTERNET BROWSERS: MOBILE, 2017²

Internet Browsers used on Mobile Devices, March 2017

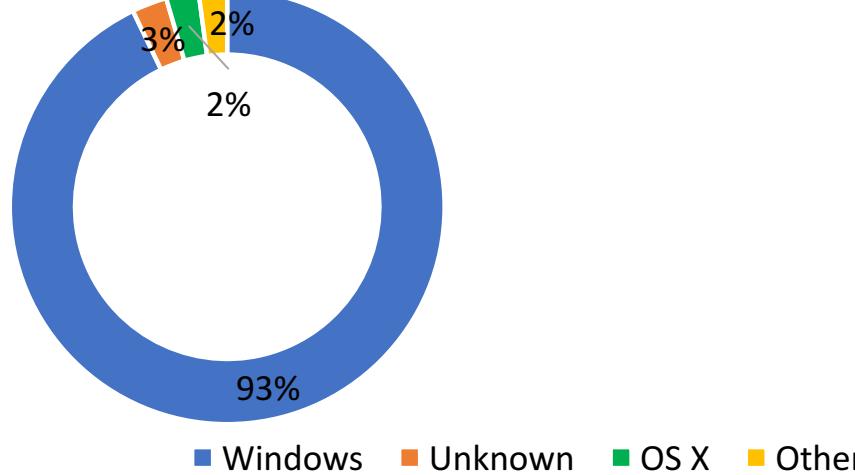


¹Internet Browsers: Desktop. Source: Statcounter, 2016-2017. | ²Internet Browser Mobile. Source: Statcounter, 2016-2017.

Operating Systems: Windows and Android are leading

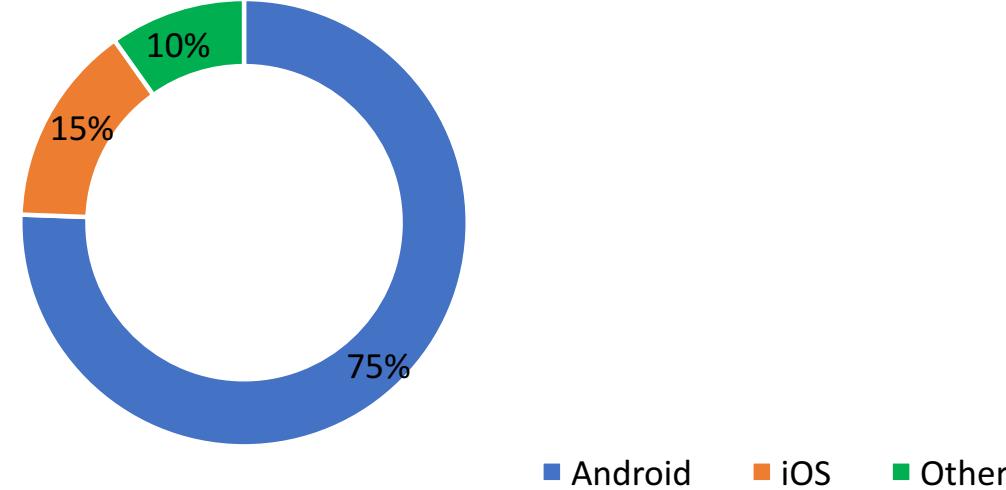
OPERATING SYSTEMS: DESKTOP, 2016¹

Operating Systems used on Desktop Devices, March 2016



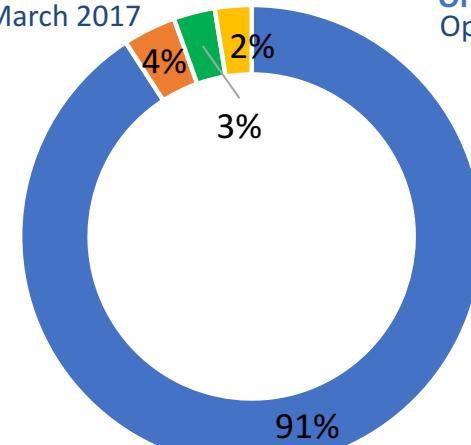
OPERATING SYSTEMS: MOBILE, 2016²

Operating Systems used on Mobile Devices, March 2016



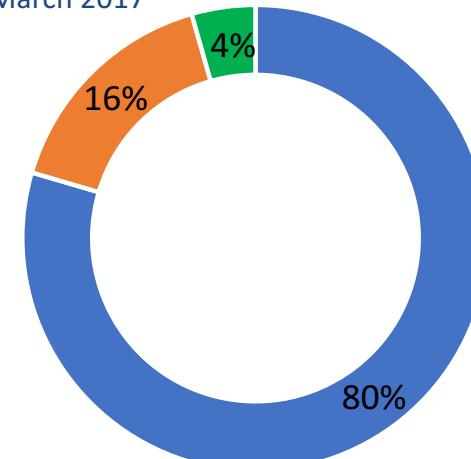
OPERATING SYSTEMS: DESKTOP, 2017¹

Operating Systems used on Desktop Devices, March 2017



OPERATING SYSTEMS: MOBILE, 2017²

Operating Systems used on Mobile Devices, March 2017



¹Operating Systems Desktop. Source: Statcounter, 2016-2017. | ²Operating Systems Mobile. Source: Statcounter, 2016-2017.

VAT Information

VAT OVERVIEW¹

2017

VAT overview	Romania
Threshold for registration	ROL 220,000
Standard VAT rate	19%
Reduced VAT rates	9%, 5%, 0%
Periods for declaration	Monthly, Quarterly

Reduced VAT rates	Applies to, among other things:
9%	<ul style="list-style-type: none">• Foodstuffs• pharmaceutical products; medical equipment for disabled persons• Books; newspapers and periodicals• Hotel accommodation; water supplies• Restaurants and catering services; some beer; soft drinks.
5%	<ul style="list-style-type: none">• Social housing• Books; newspapers and periodicals• Admission to cultural and sporting events
0%	<ul style="list-style-type: none">• Intra-community and international transport

¹Vat Overview. Source: Vatlive, 2017.

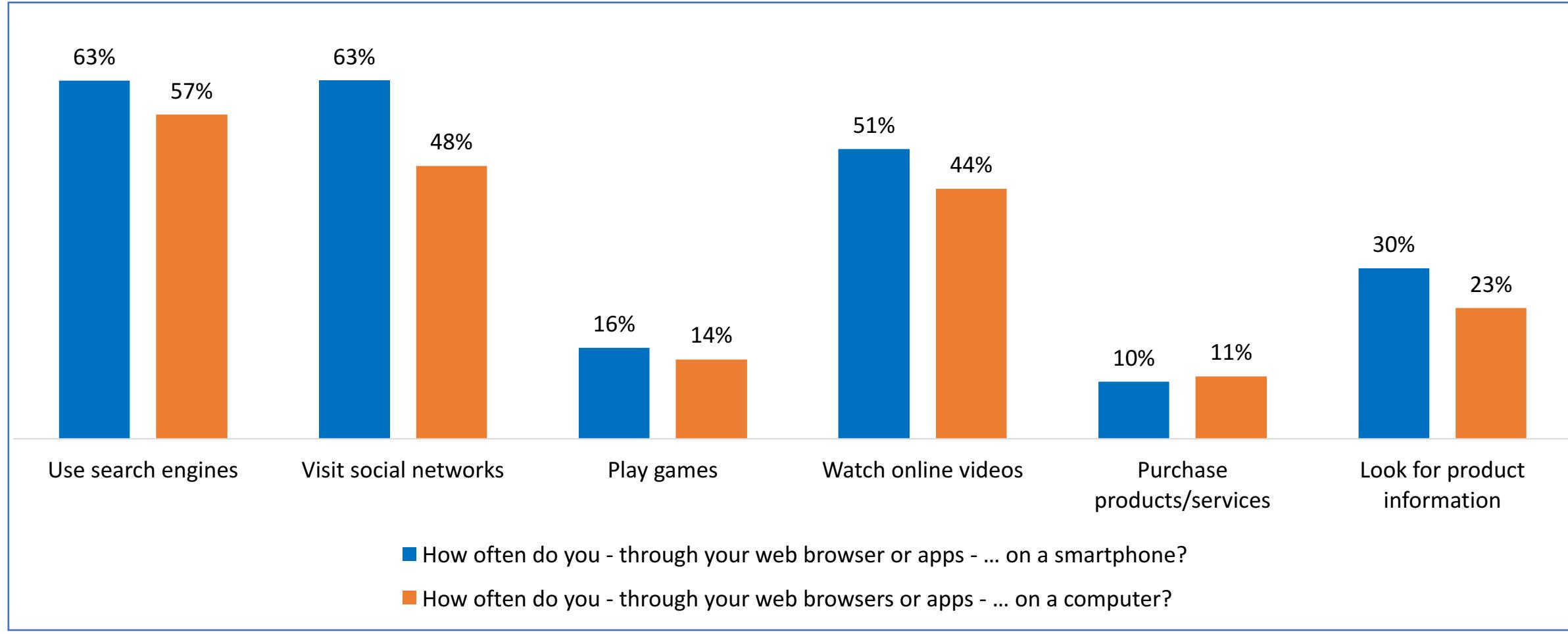


Ecommerce Environment

Most use search engines on smartphone & computer

CONSUMER BEHAVIOR: WEEKLY SMARTPHONE AND COMPUTER ONLINE ACTIVITIES¹

The weekly online activities of Individuals on smartphones and computers, 2017



¹Consumer behavior: Weekly Smartphone and Computer Online Activities. Source: Consumer Barometer; The Connected Consumer Survey, 2017.

Romanian Ecommerce and 'Trust'

An interview with Andrei Radu, Founder and CEO of GPeC

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What is your view on ecommerce in Europe (and the relationship between Romania and the rest of Europe)?

E-Commerce is not the future, it is the present. If there are companies out there who didn't realize yet that they should be online... those are the first companies which will die. Europe is growing fast and there is just a matter of years until the "E" between E-Commerce and Commerce will disappear and all of us will realize that online is the usual way for shopping. Internet is just a channel, but there is nothing "virtual" in this process.

Regarding Romania vs Europe - of course, there are countries in Europe way ahead Romania regarding E-Commerce. But don't forget that Romania has the fastest broadband internet connections in the entire Europe (not just EU - but the entire continent) and that counts much for a potential fast growing market. We are also in trend when it comes to mobile commerce and Romania has a massive potential for investment / for becoming an e-commerce hub for CEE: we already have big international brands that expanded their online business in Romania like Answear, Zoot, H&M, Eobuwie, Notino and so on.

One other thing: cross-border will be the answer because e-commerce is not about geographical limitations. I strongly believe in a global e-commerce market where anyone can sell to anyone around the continent and - why not- the entire globe?

What are the largest challenges for ecommerce in Romania?

- We are still confronting with the "Trust" issue, but we already made some huge steps in this direction: we have Trusted.ro - the trustmark in Romania, already affiliated to Safe.Shop and - step by step - we are building this trust in the consumers mind because they have to be aware that they have legal rights when they purchase online and they also have to know that an online shop is no different from an offline store - again, we are only talking about the channel of purchase.

Romanian Ecommerce and 'Trust' continued...

An interview with Andrei Radu, Founder and CEO of GPeC

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- Courier companies are still a challenge - people in Romania are eager for a predict delivery, pick-up points and so on - this just started, but it has to be improved
- Quality of services from online shops - it will bring trust if every online shop will respect its promises
- UX of the websites - not bad at all in Romania, but still improvable - this is what we do best at GPeC Audit Competition.
- Attention to Mobile optimization.

What advice can you give to SMEs hoping to penetrate the Romanian ecommerce market?

Good price, fast delivery, free return policy, and great quality of services.

What are some main consumer preferences that make Romania different from other European countries?

Cash on Delivery is the preferred payment method in Romania (on industry average 90%): This can tell us a lot about the trust issue in online shops that I was talking a bit earlier. People are not yet sure that the product marketed on a website is the same product that they will receive, so they are choosing the COD payment method just to make sure they are in control. Romanian online shops have to solve this issue, building trust, documenting their products better, making their return policies friendly. And they also have to adhere to a third party trust-mark, which guarantees their objectiveness and transparency.

How does trust impact ecommerce in Romania?

It is a very important issue and I'm positive it is not only in Romania. It's like the first airplane: a lot of people were scared to board on a fly vehicle, even if they wanted to fly - but they lack trust. Today, we are all taking an airplane to fly from one point of the globe to another – but everything was built in years and proven trust. E-Commerce will be the same.

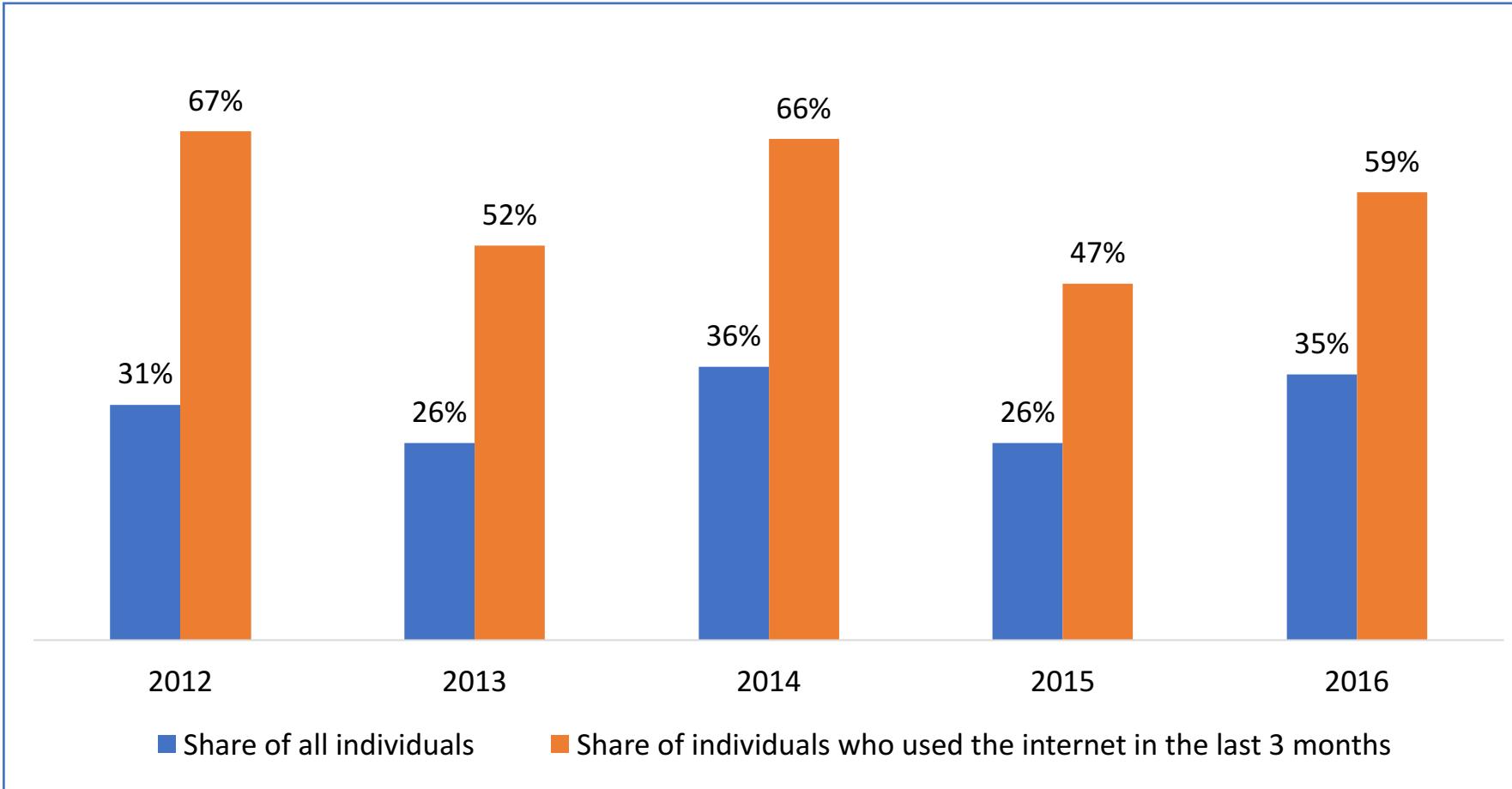
Andrei Radu, Founder and CEO
GPeC



Many consumers use internet for pre-purchase research

CONSUMER BEHAVIOR: INTERNET RESEARCH¹

Using the internet to find information about goods and services, share of individuals, 2012 - 2016



Full version available at
[www.ecommercefoundation.org/
reports](http://www.ecommercefoundation.org/reports)

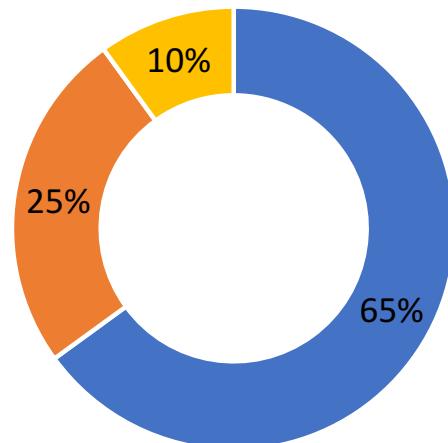
¹Consumer behavior: Internet Research. Source: Statista; Eurostat, 2016. | ²Outside Home/Office Internet Access. Source: Eurostat, 2016.

65% of e-shoppers used retailer information before buying

CONSUMER ONLINE PURCHASING BEHAVIOR¹

Individuals using information from retailer(s)..., 2016*

Individuals used information from several retailer, producer or service provider websites...

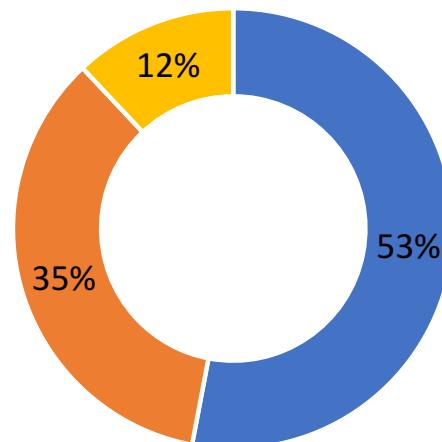


- Every time or almost every time before buying/ordering online
- Some times before buying/ordering online
- Rarely or Never before buying/ordering online

CONSUMER ONLINE PURCHASING BEHAVIOR²

Individuals used price or product comparison..., 2016*

Individuals used price or product comparison websites or apps...



- Every time or almost every time before buying/ordering online
- Some times before buying/ordering online
- Rarely or never before buying/ordering online

¹Consumer Online Purchasing Behavior. Source: Eurostat, 2016. | ²Consumer Online Purchasing Behavior. Source: Eurostat, 2016.

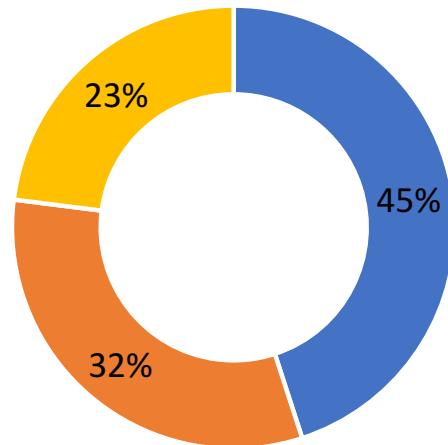
*Percentage of individuals who ordered goods or services, over the internet, for private use, in the last year

Most did not purchase straightaway via advertisement

CONSUMER ONLINE PURCHASING BEHAVIOR¹

Individuals used customer reviews on websites or blogs..., 2016*

Individuals used customer reviews on websites or blogs...

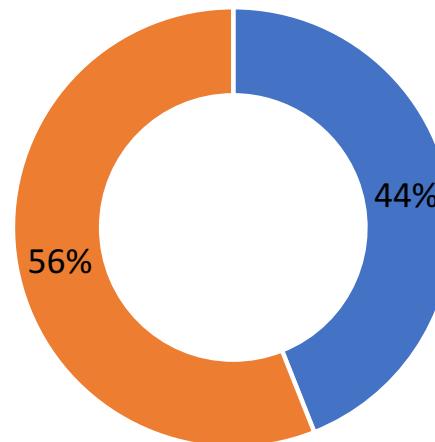


- Every time or almost every time before buying/ordering online
- Some times before buying/ordering online
- Rarely or Never before buying/ordering online

CONSUMER ONLINE PURCHASING BEHAVIOR²

Individuals purchased online by clicking/buying..., 2016*

Individuals purchased online by clicking/buying straightaway through an advertisement on a social media website or app...



- Did
- Did not

¹Consumer Online Purchasing Behavior. Source: Eurostat, 2016. | ²Consumer Online Purchasing Behavior. Source: Eurostat, 2016.

*Percentage of individuals who ordered goods or services, over the internet, for private use, in the last year

Romanians are well-informed online shoppers, partly because consumers are limited in the amount of money they have. Romanian consumers want to know they are purchasing the best product for the best price, which is why they conduct extensive product research prior to purchasing online. Quite often, friends and family members, as well as social media networks, are the main circles consumers tap into for researching future purchases. However, many consumers conducting this type of research purchase their big-ticket items in-store, so they can trust the store/brand and test the product before purchasing.

Adina Lioante
Partnership Manager



Most use search engines on smartphones & computers



CONSUMER PREFERENCE: DEVICE USAGE¹

Preferred device for internet use, share of internet users, 2016

CONSUMER PREFERENCE: PAYMENT METHODS²

The preferred online payment method, share of e-shoppers, 2016

Full version available at

www.ecommercefoundation.org/reports

¹Consumer Preference: Device Usage. Source: Statista; TNS Infratest; Google, 2016. | ²Consumer Preference: Payment Methods. Source: Eshop World, 2017.

The ongoing strength of electronic commerce and industry innovation will fuel further growth in electronic payment volumes in Europe. However, SEPA and new EU regulations such as PSD2 are set to exert a considerable influence on the European payments market over the next few years. As such, compliance will be an important issue for merchants who want to take full advantage of the opportunities that the European market represents.

David Shell
VP of Global Marketing



Most purchased cross-border is clothing and footwear



CONSUMER OPINION: PURCHASING CROSS-BORDER¹

Reasons for consumers to purchase abroad, share of consumers, 2016

CROSS-BORDER: PRODUCT CATEGORY²

Type of products consumers order abroad, share of e-shoppers, 2016

Full version available at
www.ecommercefoundation.org/reports

¹Consumer Opinion: Purchasing Cross-Border. Source: Amfiteatr Economic Journal, 2016. | ²Cross-Border: Product Category. Source: Amfiteatr Economic Journal, 2016.

Most cross-border purchases come from Germany



CROSS-BORDER: IMPORT COUNTRIES¹

Top 5 countries Romania imports from, share of consumers, in billion USD, 2016

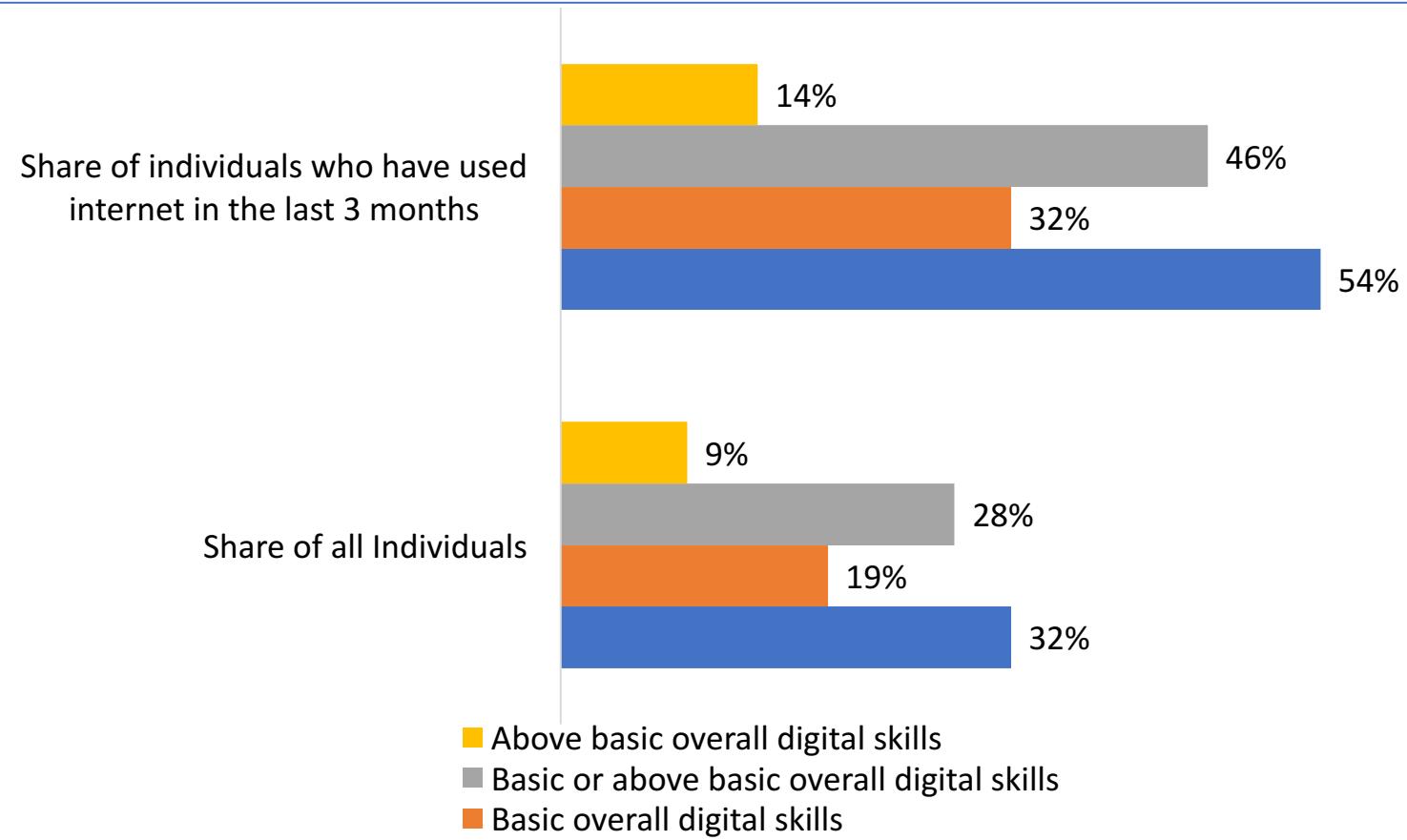
Full version available at
www.ecommercefoundation.org/reports

¹Cross-Border: Import Countries. Source: Eshop World, 2017.

Internet users have a fairly decent digital skill level

CONSUMER BEHAVIOR: DIGITAL SKILL LEVEL¹

Digital skill level of the population, 2016



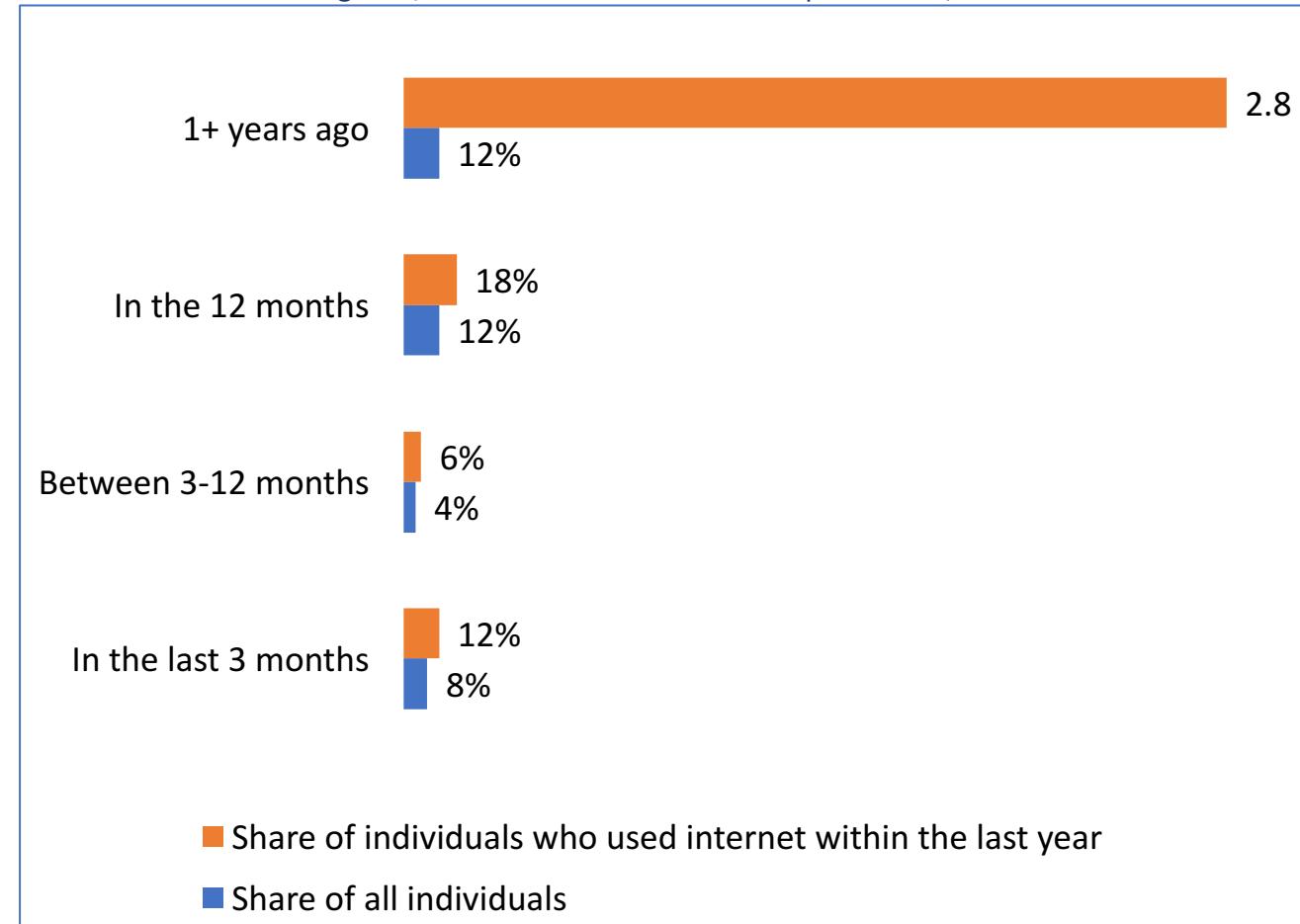
40% of the population's digital skills could not be assessed because they had not used the internet in the last 3 months¹

¹Consumer Behavior: Digital Skill Level. Source: Eurostat, 2016.

Trust and security still main concerns for e-shoppers

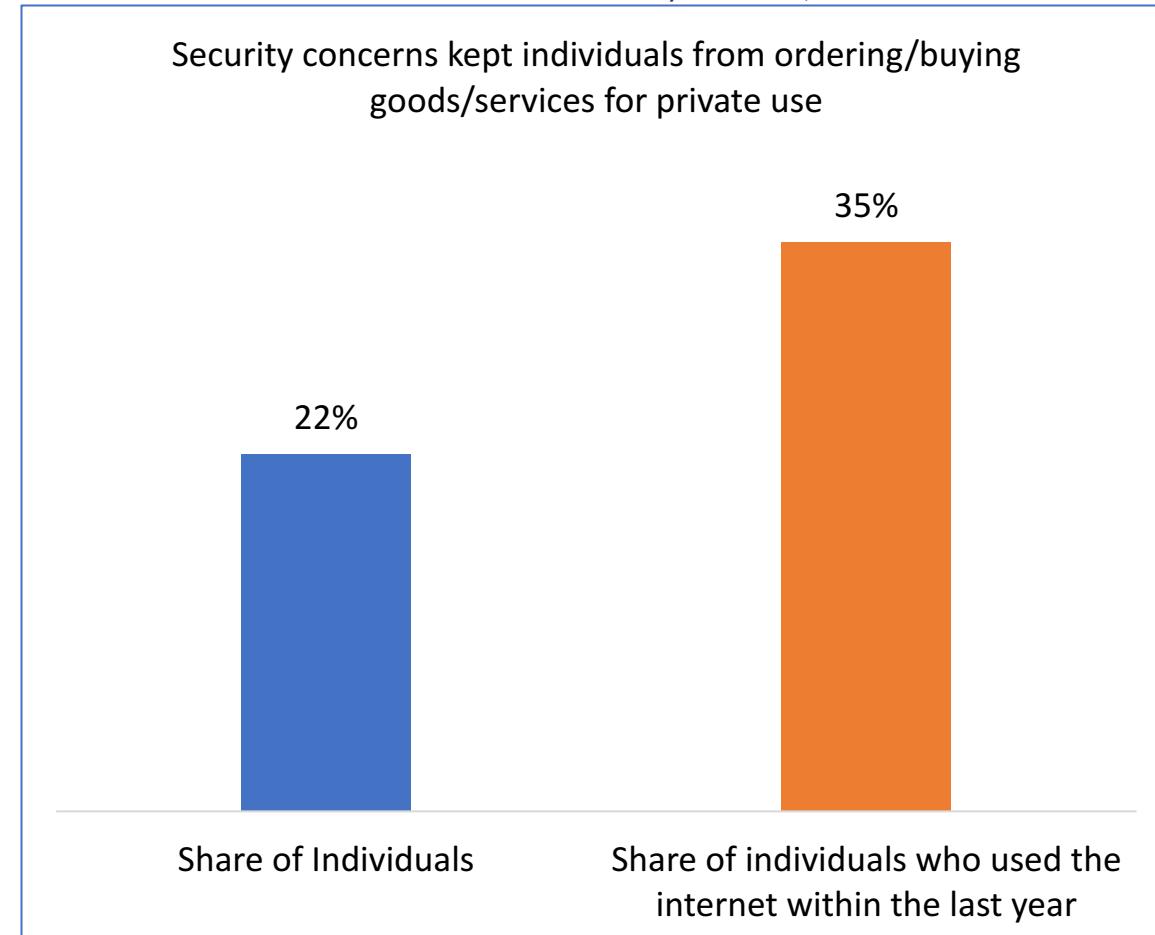
CONSUMER BEHAVIOR: ONLINE PURCHASING¹

Individuals who ordered goods/services over the internet for private use, 2016



CONSUMER OPINION: SECURITY CONCERN²

Activities via internet not done because of security concerns, 2016



¹Consumer Behavior: Online Purchasing. Source: Eurostat, 2016. | ²Consumer Opinion: Security Concerns. Source: Eurostat, 2016.

About the Report

About the National Ecommerce Reports and where to find them...

The **National Ecommerce Reports** are published by the **Ecommerce Foundation**. They provide overviews of the mature and emerging markets in the field of ecommerce.

In total, the Ecommerce Foundation publishes **multiple country reports** and **two overview reports** per year, covering the most important ecommerce markets worldwide.

To have a **tailor-made ecommerce report** made, completely based on your wishes and requirements, please contact us via info@ecommercefoundation.org.

A light version of each report can be **downloaded for free** via:
www.ecommercewiki.org/Ecommerce_Foundation.

The full reports can be online purchased via:
<http://www.ecommercefoundation.org/buy-reports>.

Overview reports 2017

- European overview report
- Global overview report

2017 Country Reports

- | | |
|------------------|----------------|
| • Netherlands | Switzerland |
| • Belgium | Turkey |
| • United Kingdom | Finland |
| • France | Czech Republic |
| • Ireland | Romania |
| • Germany | Australia |
| • Russia | Japan |
| • Spain | India |
| • Italy | Brazil |
| • Portugal | United States |
| • Denmark | Canada |
| • Sweden | Poland |
| • Norway | |

Definitions related to the Internet, ecommerce and Online Retailing

- **Broadband access:** the availability of broadband is measured by the percentage of households that are connectable to an exchange that has been converted to support DSL technology, to a cable network upgraded for Internet traffic, or to other broadband technologies. It includes fixed and mobile connections (source: Eurostat)
- **Cross-border ecommerce:** percentage of ecommerce purchased at foreign sites
- **Ease of Doing Business Index:** The Ease of Doing Business Index is developed by the World Bank, and averages the country's percentile rankings on nine topics. It is made up of a variety of indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2010. The Index covers 185 countries.
- **ecommerce (or electronic commerce), a subset of e-business:** any B2C contract on the sale of products or services fully or partly concluded by a technique for distance communication.
- **ecommerce GDP:** total amount of goods and services online divided by the total Gross Domestic Product (GDP).
- **Economic Freedom Index:** the Index of Economic Freedom is an annual guide published by The Wall Street Journal and The Heritage Foundation, Washington's No. 1 think tank. For over a decade, the Wall Street Journal and The Heritage Foundation have tracked the march of economic freedom around the world with the influential Index of Economic Freedom. There are 5 categories, ranking from Free (with a score between 80 and 100) to Repressed (between 40 and 49.9).
- **E-households:** number of households that use the Internet for personal gain.
- **E-household expenditure:** expenditure per household that bought goods or services in the past year.
- **Global Online Measurement Standard for B2C ecommerce (GOMSEC):** aims to provide guidelines to measure and monitor B2C ecommerce in order to enable all European countries to provide data with respect to the penetration of B2C ecommerce in a standardized way.
- **E-Government Index:** The UN's E-Government Index provides a comparative assessment of the e-government development of UN Member States. One of the primary factors contributing to a high level of e-government development is concurrent past and present investment in telecommunication, human capital and provision of online services.
- **Gross Merchandise Volume:** the total sales facilitated by a third party, such as a market place.
- **E-services or electronic services:** "Deeds, efforts or performances whose delivery is mediated by information technology. Such e-service includes the service element of e-retailing, customer support, and service delivery." This definition reflects three main components: service providers, service receivers and the channels of service delivery (i.e. technology). (Jennifer Rowley, Professor Information and Communications, Manchester Metropolitan University, UK)
- **Inactive online population:** users that have access to the Internet but have not (yet) purchased goods or services online in the past year.

Definitions related to the Internet, ecommerce and Online Retailing

- **Market place:** online platform on which companies (and consumers) sell goods and/or services.
- **Logistics Performance Index (LPI):** The Logistics Performance Index (LPI) measures the “logistics friendliness” of 155 countries. It helps countries identify the challenges and opportunities they face in their trade logistics performance and what they can do to improve this. The Index is developed by the World Bank and is based on a worldwide survey of operators, such as global freight forwarders and express carriers.
- **Mobile commerce (or m-commerce):** the ability to conduct commerce using a mobile device e.g. a mobile phone, a PDA, a smartphone, a tablet or other (emerging) mobile equipment.
- **Mobile subscriptions:** mobile cellular telephone subscriptions are subscriptions to a public mobile telephone service using cellular technology, which provide access to the public switched telephone network. Post-paid and prepaid subscriptions are included (source: Eurostat).
- **Networked Readiness Index (NRI):** The NRI measures the tendency for countries to exploit the opportunities offered by information and communications technology (IT). The NRI comprises three components: the environment for IT offered by a given country or community, the readiness of the country's key stakeholders to use IT, and the usage of IT among these stakeholders.
- **Online buyer (or e-shopper, e-buyer):** an individual who regularly bought or ordered goods or services through the Internet.
- **Online expenditure:** spending per user who purchased goods or services online.
- **Online Retail (or e-retail, electronic retail or retailing or even e-tailing):** the selling of retail goods and services on the Internet. In the limited sense of the word, sectors such as online leisure travel, event tickets, downloading music or software are not included. Online-only retail shops are often referred to as pure players.
- **Penetration levels:** the percentage of a population using the Internet, mobile phones, smartphones or tablet devices.
- **Real economic growth rate:** a measure of economic growth from one period to another expressed as a percentage and adjusted for inflation. The real economic growth rate is a measure of the rate of change that a nation's gross domestic product (GDP) experiences from one year to another.
- **Retail sales:** the selling of mainly goods from businesses to individuals from a traditional or so-called bricks-and-mortar shop.
- **Statcounter research method:** Statcounter is a web analytics service and their tracking code is installed on more than three million sites globally. These sites cover various activities and geographic locations. Every month, Statcounter records billions of page views to these sites. For each page view, they analyze the browser/operating system/screen resolution used and they establish if the page view is from a mobile device. They calculate their Global Stats on the basis of more than fifteen billion page views per month, by people from all over the world onto more than three million member sites.

The Global Online Measurement Standard for B2C Ecommerce (GOMSEC) standard

GOMSEC aims to provide **guidelines for measuring and monitoring B2C ecommerce**. As a result, **all countries worldwide** are able to provide data with respect to the penetration of B2C ecommerce in a standardized way. All Ecommerce Foundation figures and estimates are based on GOMSEC, unless stated otherwise.

The GOMSEC reports on sales figures for the total B2C ecommerce worldwide and for each country separate in the country profiles, **based on total sales of goods and services**.

These total sales of goods and services are based on the **areas/sectors/classification of areas and sectors, as stated on the next few pages**.

All data reported in **the national currency of the country involved** is converted into euros according to **the average (annual) rate of exchange** as provided by, preferably, **the European Central Bank (ECB)** or **the national bank** of the particular country. The reference period that is used for this was from **1 January to 31 December of each report year**. Growth rates are calculated and measured by the B2C ecommerce sales in the national currency.

Definition of B2C ecommerce sales

"Any B2C contract regarding the sale of goods and/or services, fully or partly concluded by a technique for distance communication."

Technique for distance communication: means that can be used for communication regarding the offer made by the trader and the conclusion of a contract, without the necessity of the consumer and trader being in the same place at the same time.

Contract: a contract whereby use is made, either solely or in part, of one or more techniques for distance communication within the framework of a system organized by the trader for the distance sale of goods and/or services, up to and including the moment that the contract is concluded.

Classification of B2C ecommerce

The following classification on the next few pages provides an overview of areas and sectors included in GOMSEC.

Online purchases of the following items are **excluded from GOMSEC**:

- Transactions between private individuals/consumers (C2C), such as auctions and marketplaces, and between businesses (B2B)
- Online gambling and gaming
- Cars and other motor vehicles
- Houses and real estate
- Utilities (e.g. water, heating and electricity)
- Mortgages, loans, credit cards and overdrafts
- Savings accounts, funds, stocks&shares and bonds

B2C ecommerce therefore **includes** all online transactions between businesses and consumers using desktop computers, laptops, tablets, smartphones, point-of-sales and smart-wearables, for instance through online shops, physical stores ("online instore"), email, QR codes, catalogs, etc. B2C ecommerce includes Value Added Tax (VAT) or other sales tax, delivery costs and apps, but excludes returns.

Global Online Measurement Standard for B2C ecommerce (GOMSEC)

Media & Entertainment
Music (physical, download & streaming)/Spotify based on new subscriptions
Video (DVD, Blu-ray, downloads)
Games hardware & games software
Books & e-books
Apps
New subscriptions newspapers and magazines (no single copy sales)

Electronics		
Consumer Electronics	Information Technology (IT)	Household Electronics
Photo equipment	IT hardware (PCs, laptops, tablets, etc.)	MDA: air-conditioning, dishwashers, wash machines and other white goods
Audio equipment	Computer Software	
TV/video equipment	Music instruments	
Car electronics (navigation, audio, etc.)	USB sticks, DVD/CD-recordable, ink cartridges, computer accessories	SDA: equipment for personal care, home comfort, kitchen appliances

Fashion	
Clothing	Shoes & Personal lifestyle
Underwear & Upperwear	Shoes
Children's wear	Jewelry, Bijoux, Watches & others
Swimwear & Sportswear	fashion accessories (e.g. sunglasses)
Nightwear & legwear	Bags, wallets, suitcases

Sports & Recreation
Sports hardware (e.g. soccer shoes, tennis rackets)
Bicycles & accessories
Articles for camping and recreation

Toys
Indoor and outdoor toys

Global Online Measurement Standard for B2C ecommerce (GOMSEC)

Home & Garden

Furniture and kitchens
Floor and window coverings (e.g. curtains and blinds)
Home textiles
Cookware (sets), kettles and oven equipment
Table and kitchen articles
Articles for cleaning, wash and store
Decoration
Lamps and fixtures
DIY-articles
Garden articles
Flowers and plants (in home)

Food/Nearfood/Health

Food/Nearfood	Health & Beauty
Food & Beverages Fresh produce Packaged consumer goods Detergents/household cleaning Animal feed Tobacco	Personal care & Hygiene Baby care Perfume OTC

Other: Products

Cars components
Glasses and contact lenses
Stationery
Pictures and photo albums
Pet supplies
Erotica

Telecom

Smartphones, mobile phones & mobile devices
Telefax and answering machines
Headsets & Accessories (mobile) phones
Prepaid cards and tariffs of new phone subscriptions

Global Online Measurement Standard for B2C ecommerce (GOMSEC)

Insurance			Travel	
<i>New indemnity, Life and Health Insurances</i>			<i>Package Travel</i>	<i>Flight Tickets & Accommodations</i>
Liability insurance	ANW-gap insurance (insurance for receiving a payment in addition to a survivor's allowance)	Health Insurance – Base Health insurance – additional	Package travel Private transport if booked through a tour operator	Flight Tickets Hotel stays Apartment/bungalow/camping site -> all of the above not booked in combination with other travel-parts
Bike/caravan/motorbike/ Scooter insurance	Annuity insurance Pension	Disability insurance – entrepreneurs		
Accident insurance	Life insurance Funeral insurance	Disability insurance – private		
Boat insurance	Endowment insurance based on savings	Mortgage-related disability insurance		
Legal assistance insurance	Endowment insurance based on investments	Mixed insurance (=endowment insurance + life insurance)		
Home insurance				
Travel insurance (continuous/annual + short term)				
Insurance package				
Event Tickets				
Tickets for concerts and festivals Tickets for (movie) theaters Tickets for zoos and amusement parks Tickets for museums Tickets for sports games				
Other: Services				
New subscriptions to dating service Other services				

Sources used in the report

The report could only be realized by consulting a great number of valuable sources. These were available in various countries and regions in Europe and around the globe. The wide variety of sources include public domain publications, blogs, websites, industry and financial specialist publications, regional and local news, annual reports, and press releases.

Sometimes the information sources are contradictory and sometimes different figures and data were given by varying sources within the same country, for example due to different definitions. In our reports we have mentioned the different sources, definitions and outcomes of such reports, studies and interpretations.

The report is based on information that we consider reliable, but we cannot vouch for it being completely accurate or complete, nor should it be relied upon as such. Opinions expressed are our current opinions as of the date of this report.

Publications

- Amfiteatru Economic Journal
- CIA World Factbook
- Consumer Barometer
- Eshop World
- Eurostat
- Statcounter
- United Nations
- Vatlive
- World Bank

About the Ecommerce Foundation

Our History

The Ecommerce Foundation is an independent non-profit organization, initiated by worldwide national ecommerce associations and online and omnichannel selling companies from industries such as retail, travel & finance.

Why an Ecommerce Foundation?

Our mission is to **foster global digital trade** as peace is the natural effect of trade. By facilitating digital commerce we hope to make the world a slightly better place.

How does the Foundation help?

We facilitate the development of **practical knowledge, insights and services** for which individual institutions, retail and ecommerce associations and B2C selling companies do not have the (financial) resources and/or capabilities. By combining collective goals and efforts, the Ecommerce Foundation is able to realize projects which could not have been realized on an individual basis.

What does the Ecommerce Foundation do?

The Foundation is developing and offering **several services** such as the Ecommerce Benchmark, the EcommerceWiki and the National Ecommerce Reports. At the moment we are also researching if a Global Ecommerce Trustmark can be set-up to increase worldwide consumer trust and as a result global trade.

The Ecommerce Foundation offers several services to associations & retailers



40+ National Ecommerce Reports supporting retailers going across borders



Every year a **C-level study delegation** travels to an inspiring location. Previous trips include Silicon Valley, Seattle , NY and China



The **Global E-commerce Summit & awards** offer retailers insights into best practices from across the world



The **Ecommerce Benchmark** allows online retailers to compare & improve their ecommerce activities



The **EcommerceWiki** is the online handbook for ecommerce managers with templates, process descriptions, and more



EcommerceReports curates all ecommerce related research across the globe by adding an editorial board and peer review



Lectures & presentations are offered to help members look into the future of shopping



Custom research is done for a diverse set of topics both co-branded as well white labeled

About the Authors



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Managing Director

Jorij Abraham has been active in the international ecommerce community since 1997. He was an Ecommerce Manager at Bijenkorf, TUI and Sanoma Media and Director of Consulting at Unic.

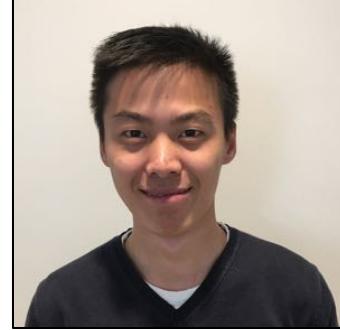
From 2013 to 2017 he has been Director of Research & Advice at Thusiwinkel.org and Ecommerce Europe (the Dutch and European Ecommerce Association).



Sara Lone
Research Coordinator

Sara Lone recently moved to the Netherlands after graduating with her Masters degree in Public Policy from the University of California, Irvine.

She joins the Ecommerce Foundation with a background in economic research and policy analysis, having previously worked as a researcher in a California firm and interning as a policy analyst for a non-profit organization.



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Johnson is an International Business and Management student at The Hague University of Applied Sciences. The internet in statistical analysis has moved him to the research department at the Ecommerce Foundation.

Johnson works on national reports, the Global report of 2017, and additional relevant projects.

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