

Business Information Systems

E-Commerce: Digital Markets, Digital Goods

E-Commerce Today



E-Commerce Today

JAN
2019

SRI LANKA

THE ESSENTIAL HEADLINE DATA YOU NEED TO UNDERSTAND MOBILE, INTERNET, AND SOCIAL MEDIA USE



TOTAL
POPULATION



20.98
MILLION
URBANISATION:
19%

MOBILE
SUBSCRIPTIONS



28.71
MILLION
vs. POPULATION:
137%

INTERNET
USERS



7.13
MILLION
PENETRATION:
34%

ACTIVE SOCIAL
MEDIA USERS



6.20
MILLION
PENETRATION:
30%

MOBILE SOCIAL
MEDIA USERS



5.70
MILLION
PENETRATION:
27%

we
are
social

we
are
social

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SOURCES: POPULATION: UNITED NATIONS; U.S. CENSUS BUREAU; MOBILE: GSMA INTELLIGENCE; INTERNET: INTERNETWORLDSTATS; IRI; WORLD BANK; CIA WORLD FACTBOOK; EUROSTAT; SOCIAL: GOVERNMENT BODIES AND REGULATORY AUTHORITIES; MIDEASTMEDIA.ORG; REPORTS IN REPUTABLE MEDIA; SOCIAL MEDIA: PLATFORMS' SELF-SERVE ADVERTISING TOOLS; PRESS RELEASES AND INVESTOR EARNINGS ANNOUNCEMENTS; ARAB SOCIAL MEDIA REPORT; TECHRASA; NIKI AGHAEL; ROSE.BU. [ALL LATEST AVAILABLE DATA IN JANUARY 2019]

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FINANCIAL INCLUSION FACTORS

PERCENTAGE OF THE POPULATION AGED 15+ THAT REPORTS OWNING OR USING EACH FINANCIAL PRODUCT OR SERVICE



HAS AN ACCOUNT WITH
A FINANCIAL INSTITUTION



74%

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social

HAS A
CREDIT CARD



5.3%

we
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social

HAS A MOBILE
MONEY ACCOUNT



2.4%

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MAKES ONLINE PURCHASES
AND / OR PAYS BILLS ONLINE



6.2%

PERCENTAGE OF WOMEN
WITH A CREDIT CARD



3.8%

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PERCENTAGE OF MEN
WITH A CREDIT CARD



7.2%

we
are
social

PERCENTAGE OF WOMEN
MAKING ONLINE TRANSACTIONS



4.4%

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PERCENTAGE OF MEN
MAKING ONLINE TRANSACTIONS



8.3%

38

SOURCE: WORLD BANK GLOBAL FINANCIAL INCLUSION DATA (LATEST AVAILABLE DATA, ACCESSED JANUARY 2019).
NOTE: FIGURES REPRESENT THE PERCENTAGE OF ADULTS AGED 15+, NOT TOTAL POPULATION.

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E-COMMERCE ACTIVITIES

PERCENTAGE OF **INTERNET USERS** WHO REPORT PERFORMING EACH ACTIVITY IN THE PAST MONTH [SURVEY BASED]

SEARCHED ONLINE
FOR A PRODUCT
OR SERVICE TO BUY



84%

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VISITED AN ONLINE
RETAIL STORE ON THE
WEB (ANY DEVICE)



91%

global
web
index

PURCHASED A
PRODUCT OR SERVICE
ONLINE (ANY DEVICE)



75%

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MADE AN ONLINE
PURCHASE VIA A LAPTOP
OR DESKTOP COMPUTER



42%

global
web
index

MADE AN ONLINE
PURCHASE VIA A
MOBILE DEVICE



55%

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191 **SOURCE:** GLOBALWEBINDEX (Q2 & Q3 2018). FIGURES REPRESENT THE FINDINGS OF A BROAD SURVEY OF INTERNET USERS AGED 16-64.

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E-COMMERCE DETAIL: CONSUMER GOODS

OVERVIEW OF THE E-COMMERCE MARKET FOR **CONSUMER GOODS**, WITH VALUES IN U.S. DOLLARS

TOTAL NUMBER OF PEOPLE
PURCHASING CONSUMER
GOODS VIA E-COMMERCE



2.818
BILLION

YEAR-ON-YEAR CHANGE:

+3.1%

PENETRATION OF CONSUMER
GOODS E-COMMERCE
(TOTAL POPULATION)



37%

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VALUE OF THE CONSUMER
GOODS E-COMMERCE MARKET
(TOTAL ANNUAL SALES REVENUE)



\$1.786
TRILLION

YEAR-ON-YEAR CHANGE:

+14%

statista

AVERAGE ANNUAL REVENUE
PER USER OF CONSUMER
GOODS E-COMMERCE (ARPU)



\$634

YEAR-ON-YEAR CHANGE:

+11%

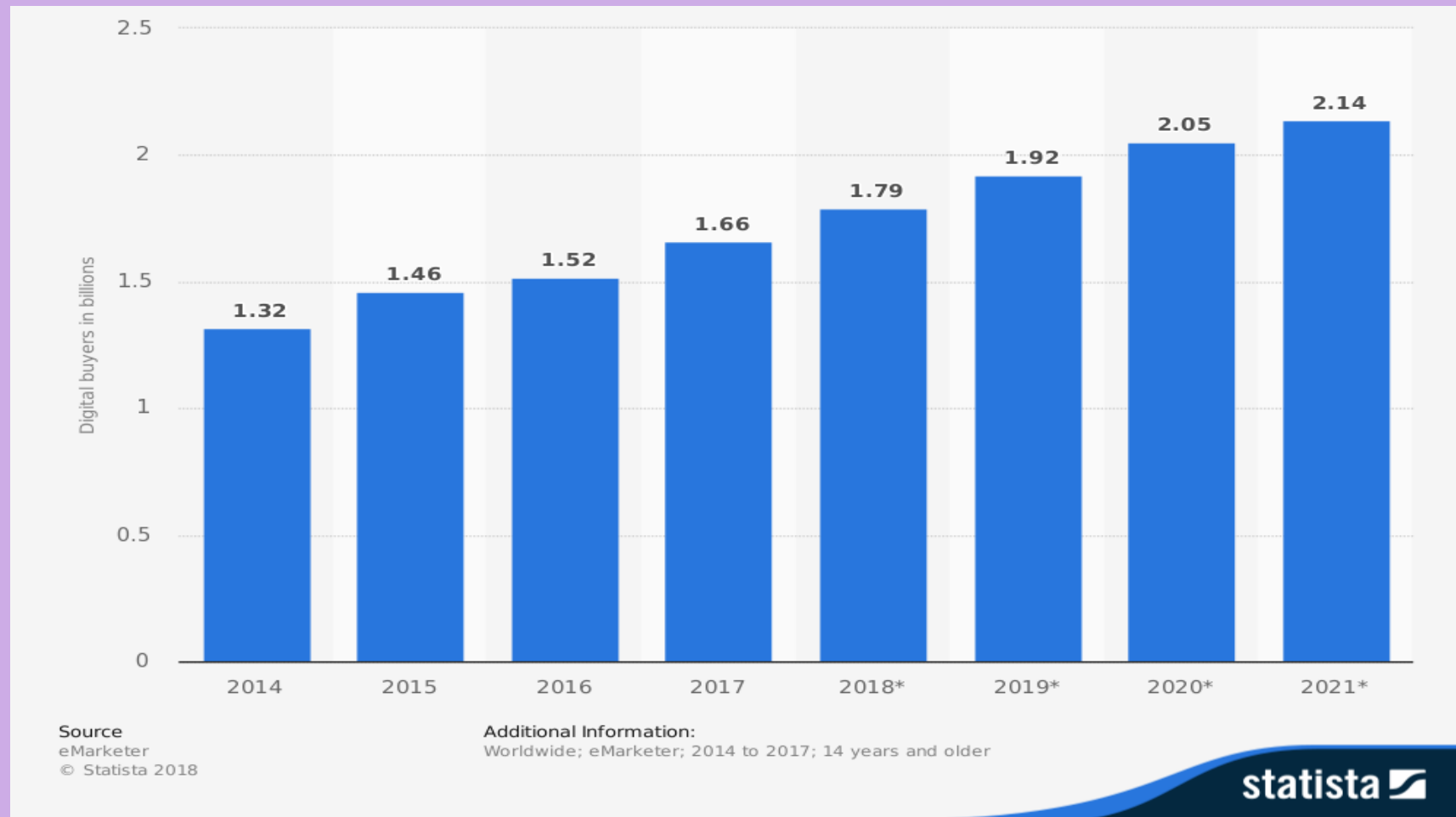
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SOURCE: STATISTA DIGITAL MARKET OUTLOOK FOR E-COMMERCE INDUSTRY (ACCESSED JANUARY 2019). **NOTE:** FIGURES ARE BASED ON ESTIMATES OF FULL-YEAR CONSUMER SPEND FOR 2018, EXCLUDING B2B SPEND. **ADVISORY:** STATISTA HAVE REVISED THEIR FIGURES FOR 2017 SPEND SINCE LAST YEAR, SO THESE FIGURES WILL NOT BE COMPARABLE TO DATA WE REPORTED IN OUR DIGITAL 2018 REPORTS.

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Number of Digital Buyers

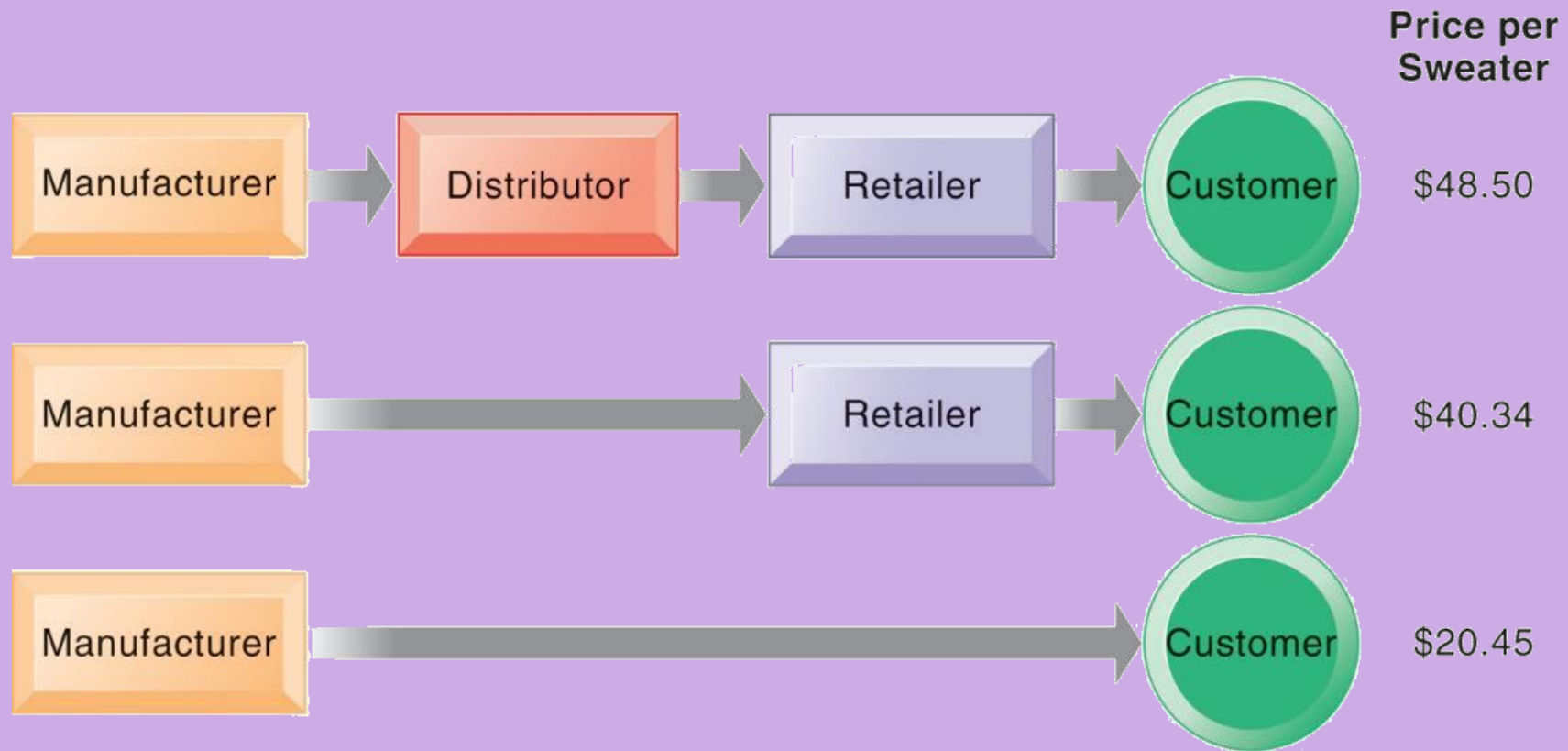


Why E-Commerce is Different

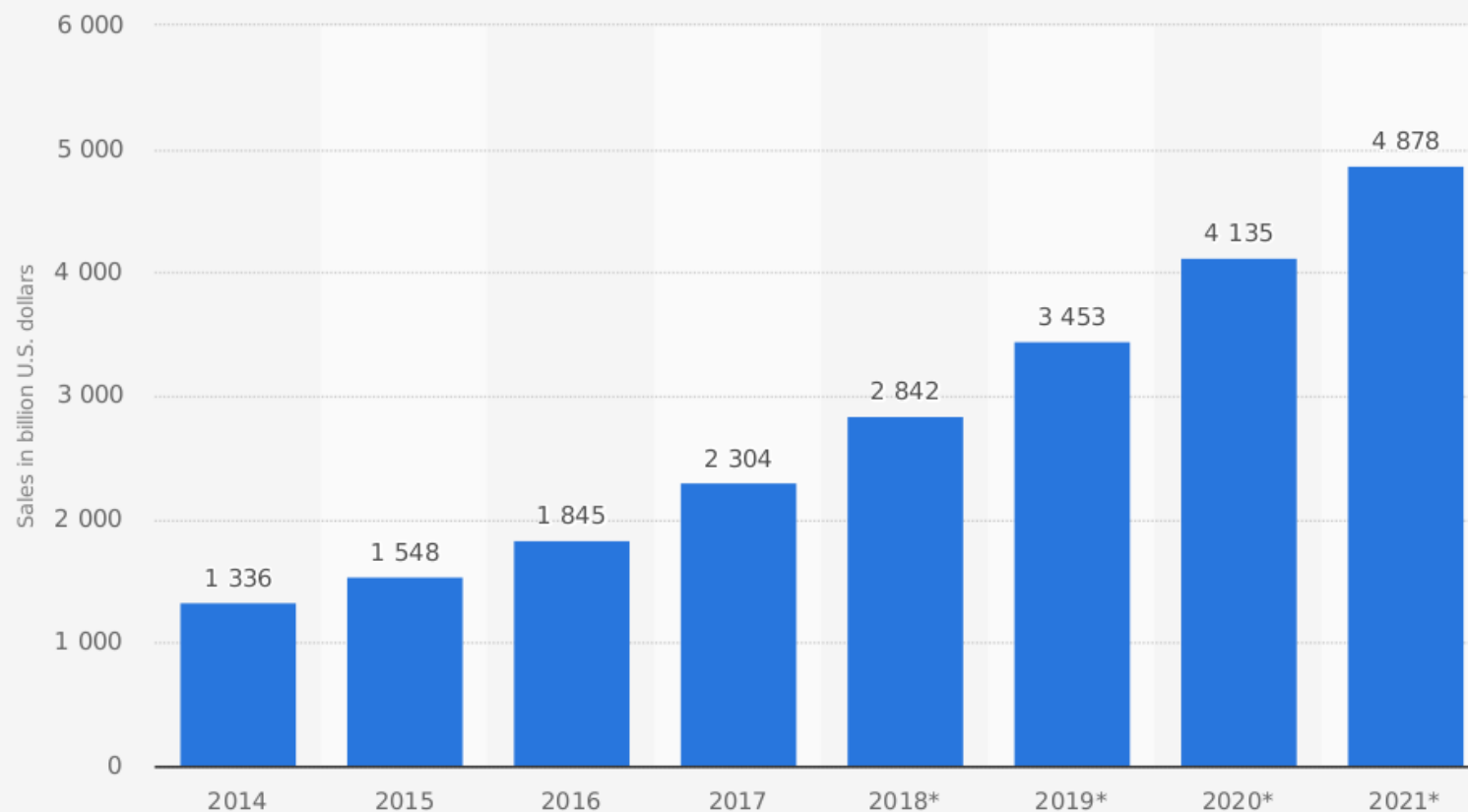
- Internet and digital markets have changed the way companies conduct business
- Information asymmetry reduced
- Menu costs, search and transaction costs reduced
- Dynamic pricing enabled
- Switching costs
- Delayed gratification
- Disintermediation

	DIGITAL MARKETS	TRADITIONAL MARKETS
Information asymmetry	Asymmetry reduced	Asymmetry high
Search costs	Low	High
Transaction costs	Low (sometimes virtually nothing)	High (time, travel)
Delayed gratification	High (or lower in the case of a digital good)	Lower: purchase now
Menu costs	Low	High
Dynamic pricing	Low cost, instant	High cost, delayed
Price discrimination	Low cost, instant	High cost, delayed
Market segmentation	Low cost, moderate precision	High cost, less precision
Switching costs	Higher/lower (depending on product characteristics)	High
Network effects	Strong	Weaker
Disintermediation	More possible/likely	Less possible/unlikely

The Benefits of Disintermediation to the Consumer



Retail E-commerce Sales Worldwide

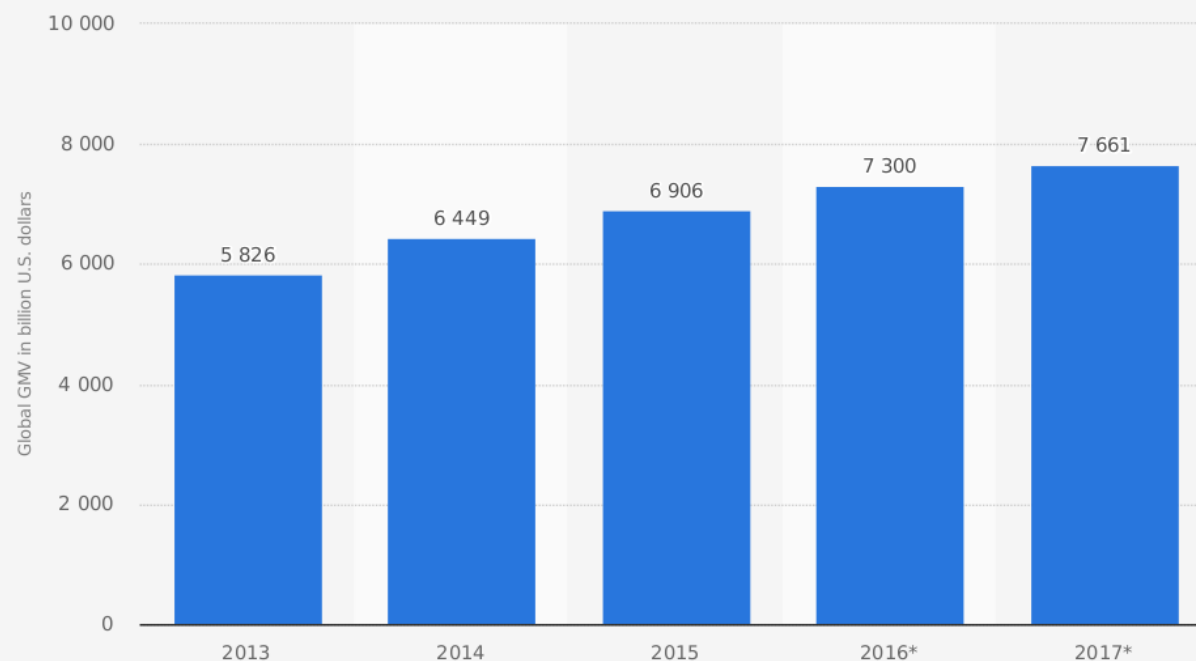


Source
eMarketer
© Statista 2018

Additional Information:
Worldwide; eMarketer; 2014 to 2017

Global B2B Gross Merchandise Volume

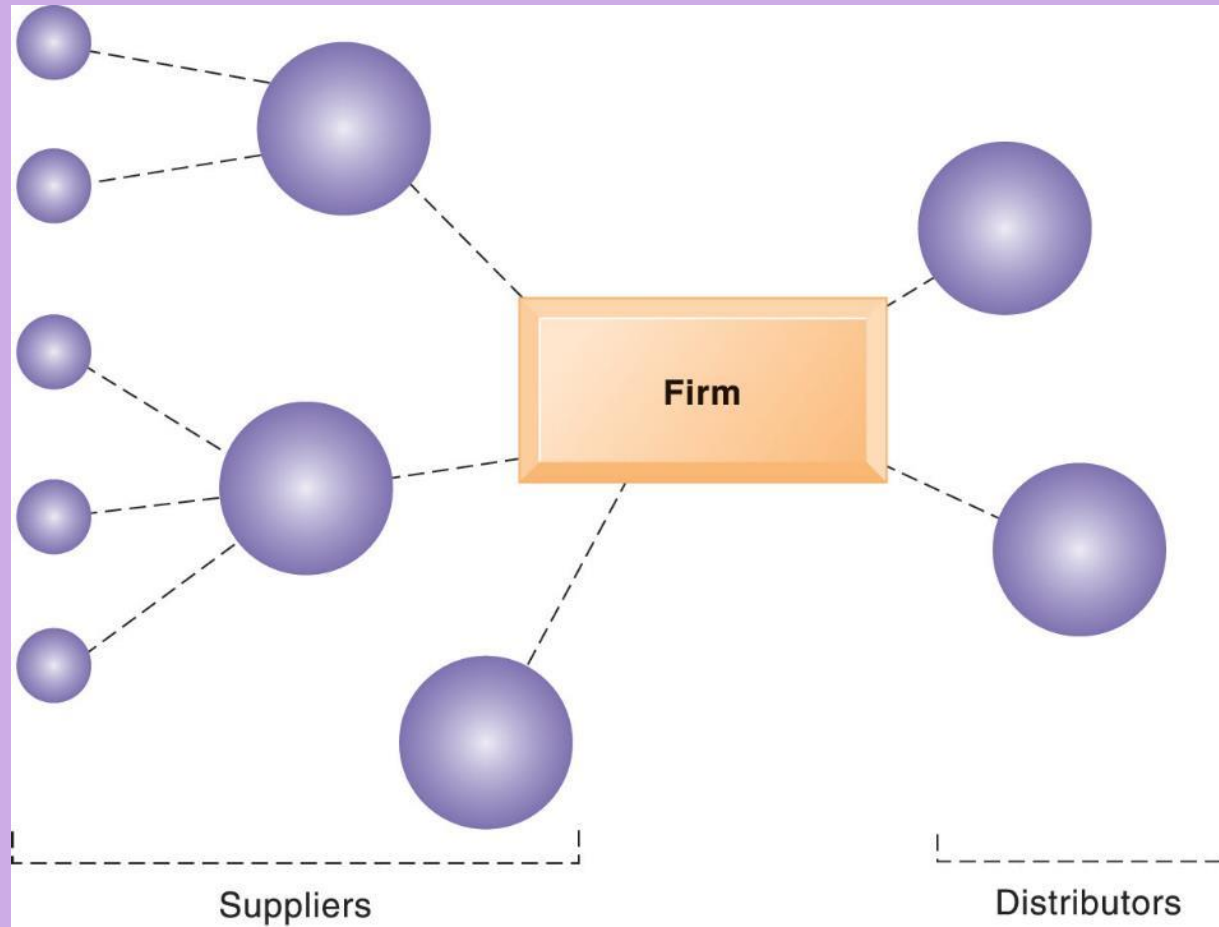
Global B2B e-commerce gross merchandise volume (GMV) from 2013 to 2017 (in billion U.S. dollars)



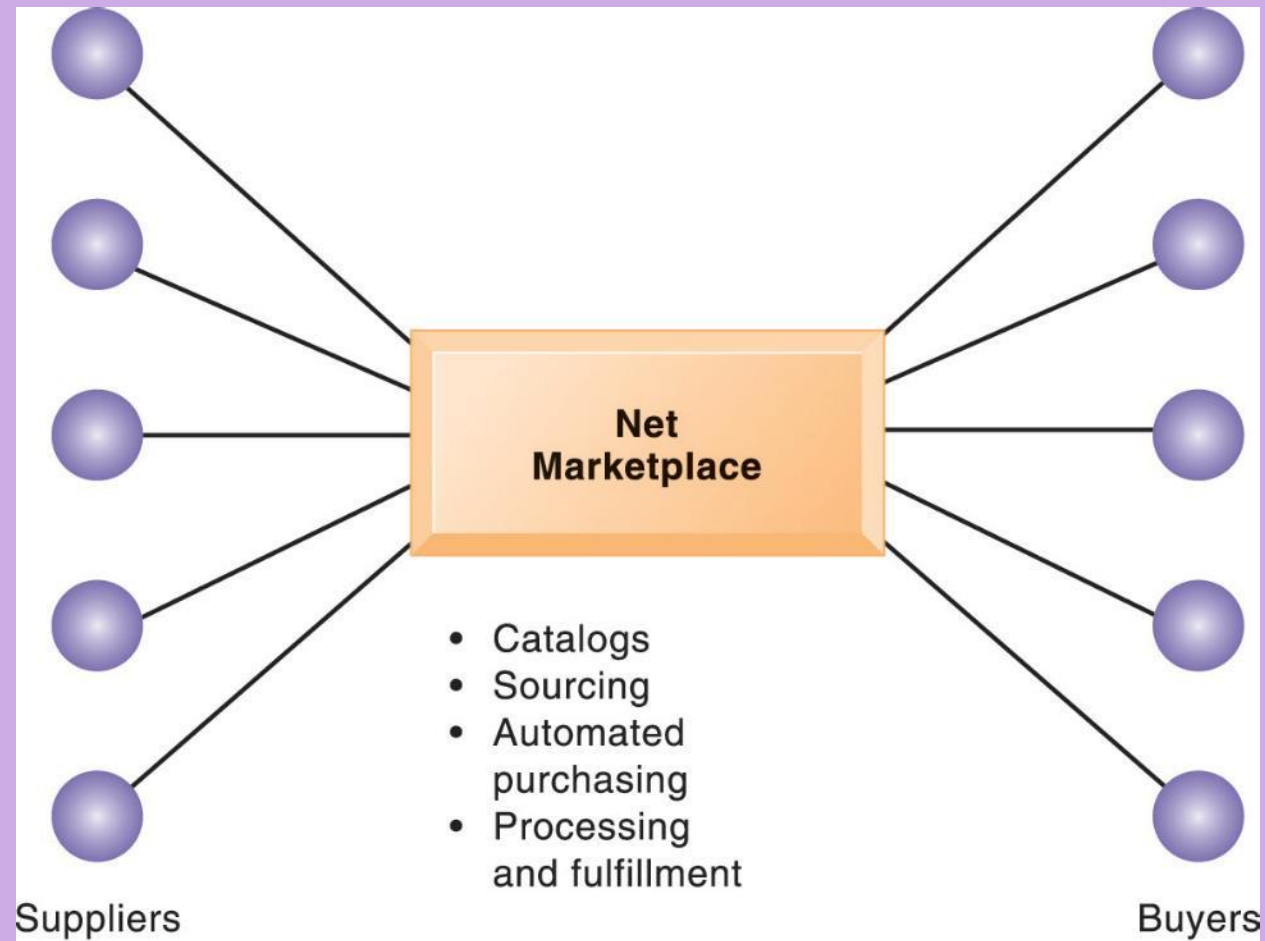
Source
Statista
© Statista 2018

Additional Information:
Worldwide; 2013 to 2017

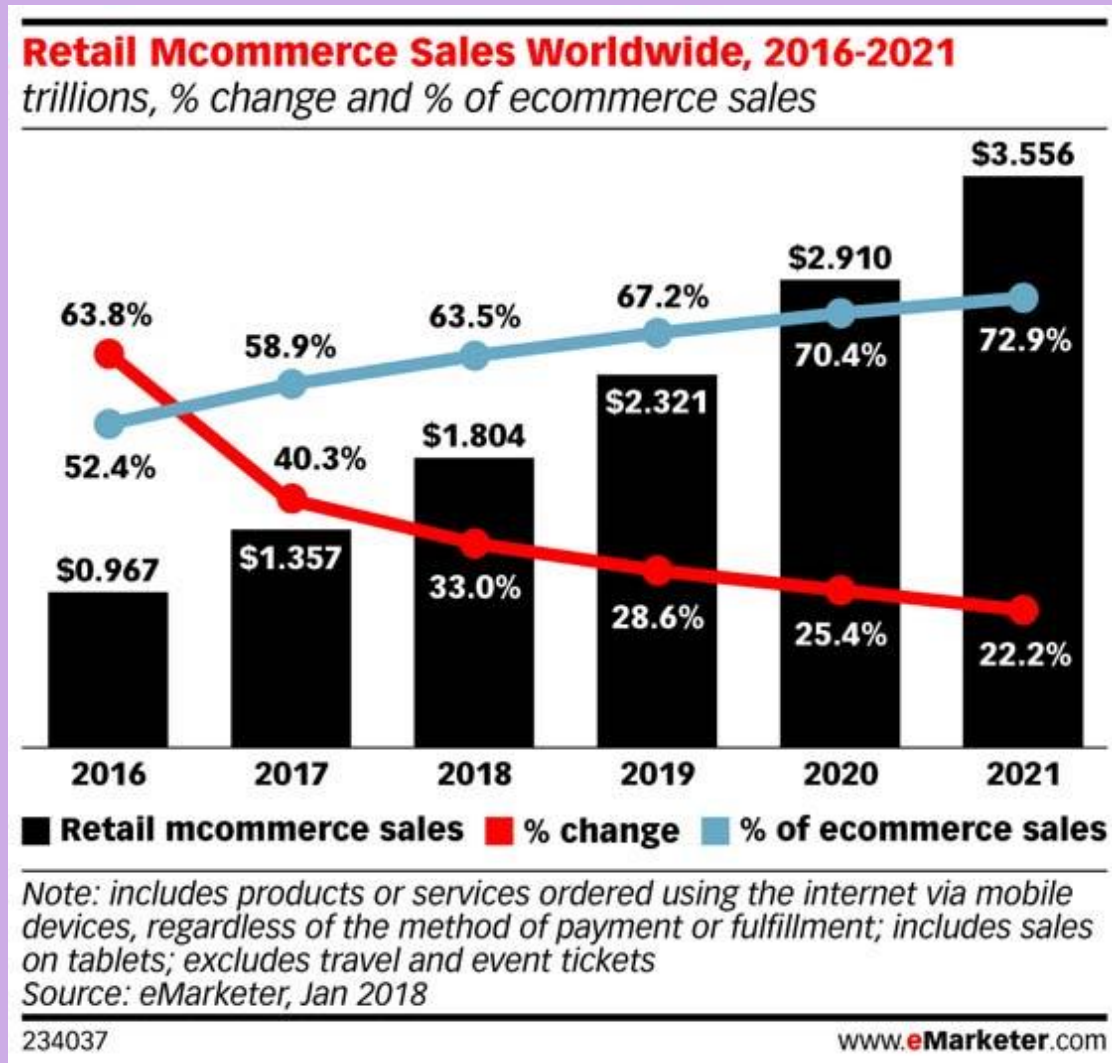
A Private Industrial Network



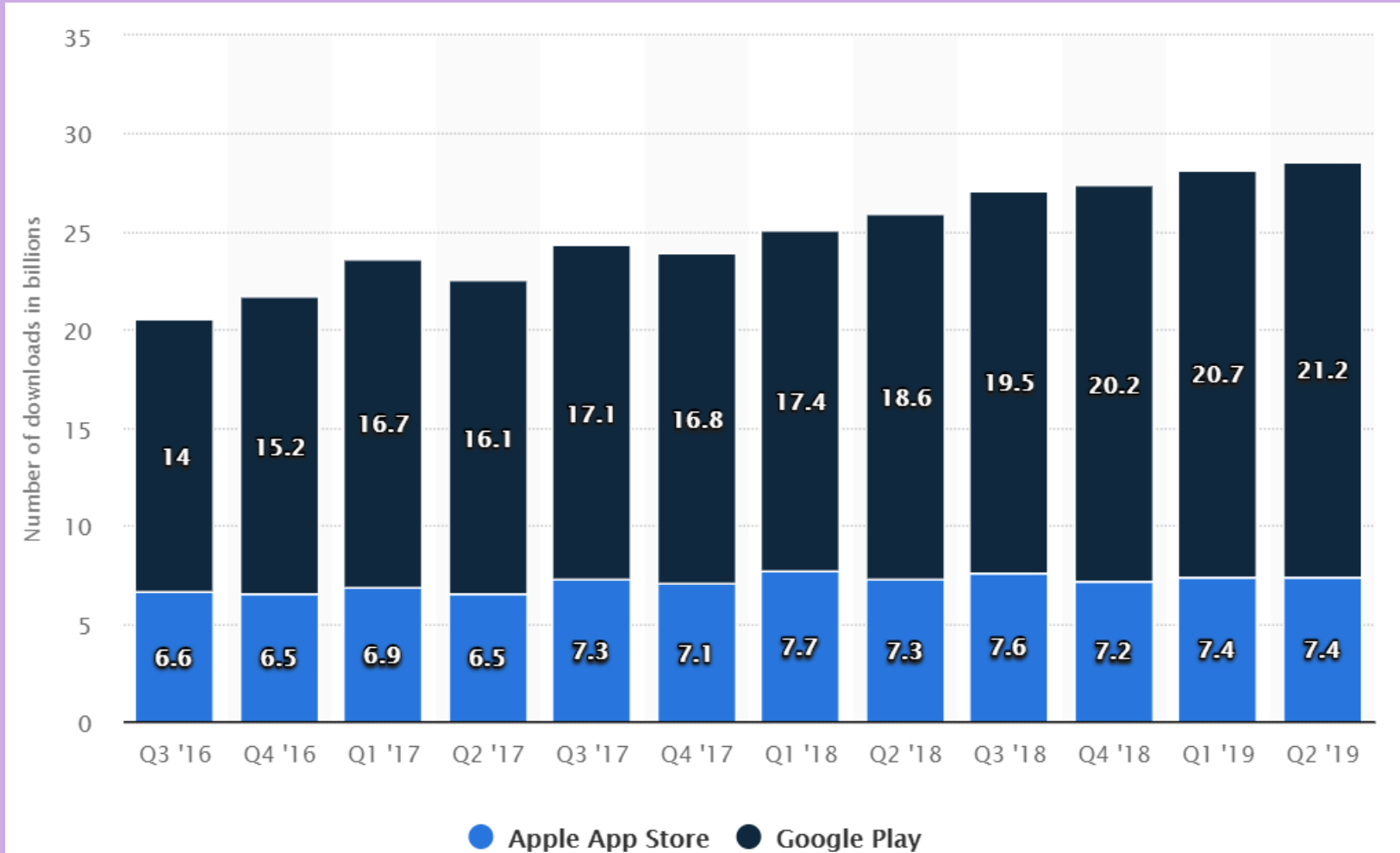
A Net Marketplace



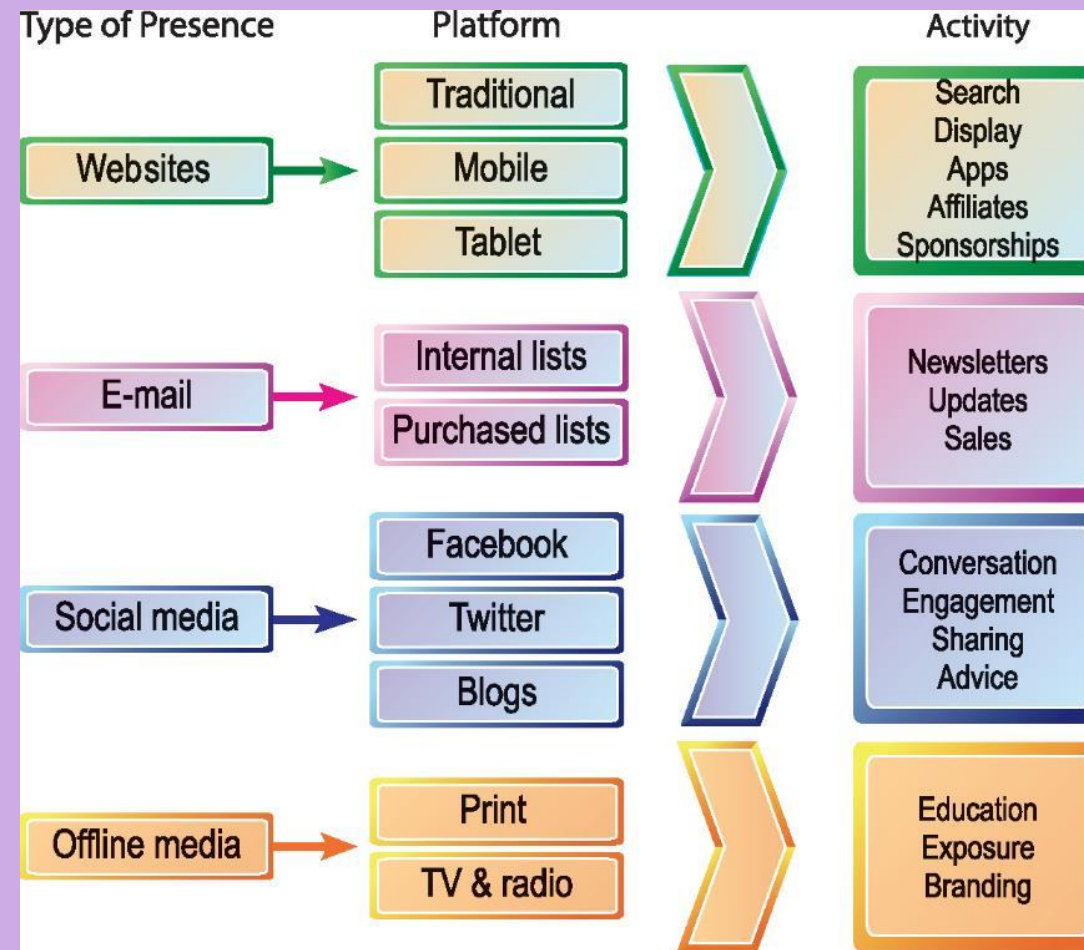
Mobile Retail Commerce Sales



Number Mobile App Downloads Worldwide



E-Commerce Presence Map



Q&A