Meet with B2CDirect

- **EUR 10M+** Exports Value Managed by B2CDirect Solutions
- **200,000+** Total Count of Parcels Delivered
- **78+** Total of Countries Parcels Delivered

40 Team Members
26% Women Employees
29 Average Age
20 R&D Team Members
1M+ (TRY) Total R&D Investment

Specifically Founded to Serve and Drive Innovation for The Needs of Developing Worldwide Cross-Border eCommerce & B2C Parcel Delivery Businesses. Proven Track Record in Logistics and eCommerce with 20+ Years of Total Experience and Practices

Key Partners & Clients
Embrace the new Global eCommerce. We’re more connected than ever been, businesses are borderless, consumers are limitless and things are just one click away.

According to the Accenture’s The New Delivery Paradigm report, Global eCommerce growth will be over 25% while Domestic growth expected to be only 20%.

Get ready!
Global eCommerce is the biggest disruptive happening and changing the industry dynamics and consumer behaviors.

This report is designed to assess the challenges and the opportunities for businesses which actively seek to expand their footprint worldwide, and what they need to do to succeed.
Topics mentioned in the presentation;

1) United Kingdom Market Overview
2) Population, Internet Users & Online Shoppers Statistics
3) GDP & GDP Per Capita
4) E-Commerce & Cross Border E-Commerce Statistics
5) Reasons For Cross Border Shopping In The UK
6) Top Online Retail Categories (Domestic & Cross Border)
7) Popular App & E-Commerce Sites
8) Payments Methods For Online Shopping (Domestic & Cross Border)
9) What Is The Reason For UK's Use Of E-Commerce Intensively?
10) Opportunities & Threats
The UK is the hub of internet shoppers. Even though it is a smaller consumer market than the US, China or Japan, shoppers spend more money per capita online than in other countries. According to eMarketer, B2C e-commerce sales in the UK were almost three times higher than in the second largest Western European market, Germany.

However, user growth is slower in the more mature UK e-commerce market. In short, the UK marketplace is competitive, customer-oriented and has huge buying power. The UK boasts excellent digital infrastructure, high population density and percentage of online GDP.

The British consumer is technologically savvy, and comfortable shopping via mobile.

What are the greatest challenges for foreign companies when they want to enter the UK market? “The main challenges depend on whether the company is from within the EU or not. Retailers outside the EU have to make sure that they are facilitating the customer experience correctly with regard to taxes. EU-based retailers need to understand UK customer habits and expectations, which are typically higher than they are in the rest of Europe. These companies also need to realize that the UK market is extremely competitive – it is very price-driven – so understanding how customers respond to pricing and promotions is key.”
As can be seen in 2017, about 95 of the UK population is Internet users. The percentage of online shoppers are about 88 of the population by 2016.

UK internet users are a social group. Over 80% of them use social media regularly, with Facebook leading the charge. Snapchat and Pinterest also have strong followings, particularly among younger users.
E-commerce Sales As Percentage Of GDP In 2016

The UK Has The Highest E-GDP

GDP & GDP Per Capita

<table>
<thead>
<tr>
<th>Countries</th>
<th>GDP ( Billion US )</th>
<th>Countries</th>
<th>GDP ( Billion US )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malta</td>
<td>12,01</td>
<td>Finland</td>
<td>251,48</td>
</tr>
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<td>Cyprus</td>
<td>21,11</td>
<td>Denmark</td>
<td>324,15</td>
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<tr>
<td>Estonia</td>
<td>25,68</td>
<td>Ireland</td>
<td>325,65</td>
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<tr>
<td>Latvia</td>
<td>30,18</td>
<td>Austria</td>
<td>409,32</td>
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<td>Lithuania</td>
<td>46,67</td>
<td>Belgium</td>
<td>491,67</td>
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<td>Slovenia</td>
<td>48,08</td>
<td>Poland</td>
<td>509,96</td>
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<td>Croatia</td>
<td>53,48</td>
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<td>Bulgaria</td>
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<td>Netherlands</td>
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<td>Luxembourg</td>
<td>63,52</td>
<td>Turkey</td>
<td>841,21</td>
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<td>Slovakia</td>
<td>95,00</td>
<td>Spain</td>
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<td>132,03</td>
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<td>Greece</td>
<td>204,30</td>
<td>UK</td>
<td>2570,00</td>
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<td>Romania</td>
<td>204,94</td>
<td>France</td>
<td>2574,80</td>
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<tr>
<td>Czech Republic</td>
<td>209,65</td>
<td>Germany</td>
<td>3651,87</td>
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<td>Portugal</td>
<td>211,70</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP ( Trilyon USD )</th>
<th>GDP Per Capita ( USD )</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2,662</td>
<td>41,79</td>
</tr>
<tr>
<td>2013</td>
<td>2,74</td>
<td>42,724</td>
</tr>
<tr>
<td>2014</td>
<td>3,023</td>
<td>46,783</td>
</tr>
<tr>
<td>2015</td>
<td>2,886</td>
<td>44,305</td>
</tr>
<tr>
<td>2016</td>
<td>2,648</td>
<td>40,341</td>
</tr>
<tr>
<td>2017</td>
<td>2,565</td>
<td>38,847</td>
</tr>
</tbody>
</table>
According to the UK Country Guide 2017 which is prepared by Ecommerce Worldwide:

- UK e-commerce 2016 >>> £133 billion
- UK m-commerce 2016 >>> £72 billion
- Smartphone 2016 >>> 55% of web sales (fashion)
- Tablet 2016 >>> 45% of web sales (fashion)
- Online’s percentage of total retail in 2016 >> 27%
E-COMMERCE & CROSS BORDER E-COMMERCE STATS

Percentage Of Cross Border Purchases In 2016

- Luxembourg: 74%
- Russia: 62%
- Switzerland: 61%
- Malta: 48%
- Austria: 47%
- Norway: 44%
- Denmark: 43%
- Belgium: 40%
- Finland: 39%
- Sweden: 39%
- Ireland: 38%
- UK: 33%
- France: 31%
- Latvia: 28%
- Slovakia: 27%
- Cyprus: 27%
- Spain: 25%
- Croatia: 22%
- Slovenia: 21%
- Germany: 20%
- Portugal: 19%
- Lithuania: 17%
- Hungary: 15%
- Italy: 14%
- Greece: 11%
- Poland: 10%
- Bulgaria: 10%
- Romania: 10%
- Turkey: 3%
- Other: 2%
According to ‘The State Of Online Shopping 2017’ which is prepared by Trustly; More than 1/3 of online shoppers bought something from abroad last year, mostly from China and USA.
REASONS FOR CROSS BORDER SHOPPING IN THE UK


- Worrying about customer service: 21%
- Assuming delivery takes longer: 22%
- Never occurred to me: 22%
- Assuming returning is difficult/costly: 28%
- Own country meet my needs: 35%


- Recommendation from others: 7%
- Trustworthiness: 8%
- Better quality: 9%
- Broader range of products: 15%
- Better conditions: 16%
- Better availability: 40%

29% of British e-shoppers have bought books, CDs, DVDs or video games in a foreign online shop at least once.
According to the UK Country Guide 2017 which is prepared by Ecommerce Worldwide; Cross-border purchasing is popular amongst UK consumers, with 65% of those surveyed in 2015 confirming that they had previously ordered from non-UK websites, and 90% said they would do so again. Key categories for online shoppers in the UK include fashion, electricals, and health & beauty. Drivers for shopping international include variety, choice, and value.

The table below indicates the leading international shopping destinations for UK online shoppers:

<table>
<thead>
<tr>
<th>Country</th>
<th>Online as Percentage of Total Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>60%</td>
</tr>
<tr>
<td>Europe</td>
<td>57%</td>
</tr>
<tr>
<td>Asia</td>
<td>53%</td>
</tr>
<tr>
<td>Australia</td>
<td>12%</td>
</tr>
<tr>
<td>Other</td>
<td>4%</td>
</tr>
</tbody>
</table>
TOP ONLINE RETAIL CATEGORIES (DOMESTIC & CROSS BORDER)

Most Popular E-commerce Categories (2014)

- Apparel & Footwear: 7112
- Food & Drink: 4611
- Media Products: 3457
- Consumer Electronics: 2741
- Housewares & Home Furnishings: 1458
- Consumer Appliances: 806
- Beauty & Personal Care: 609
- Home Improvement & Gardening: 607
- Traditional Toys & Games: 520
- Consumer Healthcare: 233
- Home Care: 143
TOP ONLINE RETAIL CATEGORIES (DOMESTIC & CROSS BORDER)

Most Popular E-commerce Categories (2016)

- Clothing or sports goods: 54%
- Household goods: 48%
- Holiday accommodation: 42%
- Travel arrangements: 38%
- Tickets for events: 38%
- Films, music: 31%
- Books, magazines, newspapers: 31%
- Food or Groceries: 26%
- Electronic equipment: 24%
- Video games software, other computer software: 20%
- Telecommunication services: 18%
- Computer hardware: 15%
- Medicine: 12%
- E-learning material: 7%

Facts about UK e-commerce market;

➢ Around 5% of all price-points in the UK E-Commerce Market change on a daily basis
➢ About 9% of the online product listings in the UK E-commerce Market are actually out of stock
➢ In the UK E-Commerce Market, more than 35% of all price-points end with a 9
According to Ecommerce Report The UK 2017 which is prepared by Ecommerce Foundation, in a survey over 18 years of age and with 1,016 participants, the book category with a percentage of 46 is at the top of the categories that are frequently shopped over the internet. In addition, 57% of consumers want to buy only books online.
According to ‘Global Ecommerce Report 2017’ which is prepared by Ecommerce Foundation; In 2016, 89% of UK consumers were satisfied with mobile-based sales.
Major Online Retailers In The UK (2014)

- Amazon.co.uk: 15.2
- Tesco: 9.4
- eBay: 9.2
- Sainsbury's: 3.0
- Littlewoods: 2.7
- Apple: 2.7
- Next Directory: 2.6
- John Lewis: 2.6
- Asda: 2.5
- Ocado: 2.3
PEAK ONLINE SHOPPING TIMES

According to the UK Country Guide 2017 which is prepared by Ecommerce Worldwide;

In the UK, peak online shopping times include:

- Mondays, but Sunday evenings are also becoming a peak shopping time for ‘sofa surfing’ on tablet devices
- Black Friday – the fourth Friday in November; represents a trading period in the UK. Covering 2 weeks, culminating in Black Friday itself, now accounts for £6.46bn in online sales and pulls forward Christmas ‘Peak’ into November
- ‘Cyber Monday’ - the first Monday in December and the two weeks prior to Black Friday and moving into December now constitute online peak sales period
- High levels of consumer traffic is seen during commuting hours (7am – 9am on weekdays), when retailers have reported spikes in traffic as consumers are accessing websites via smartphones. Spikes are also seen during lunchtime and in the evenings on tablet devices
In the UK, credit and debit cards are the most widely used online payment method followed by PayPal. Together, these make up 96% of UK’s online payment method. Coming in at third is Amazon and other electronic wallet provider.

Online bank transfer only makes up 1% and Gift, prepaid and store credit card makes up for 0.7% of the UK online payment preference.

United Kingdom In-store, the British prefer to pay with cash (Ecommerce Europe, 2016). However, according to Payments UK, an independent source founded to aid the British finance world, this is likely to change; since the introduction of contactless payments with cards, there has been a dramatic increase in card usage. In ecommerce, UK consumers still widely prefer to pay by card. E-wallets are contending for their share of the market; in 2016, 23% of online transactions were made through e-wallets, 59% were made by cards, 45% debit, 14% credit (Ecommerce Europe, 2016). The UK has a reputation of being the landing ground for many international payment methods; Apple, Samsung, and Android Pay all launch in the UK as their first step into Europe. This creates a very diverse, but also very satisfied market for digital and mobile e-wallets.
PAYMENT METHODS FOR ONLINE SHOPPING

Online Payment Methods Used Within The Past 12 Months (2017)

- Debit Card: 73%
- E-wallet (e.g. Paypal, Skrill): 59%
- Credit Card: 46%
- Online Bank Payment: 38%
- Prepaid Card: 9%
- Electronic Invoice: 7%
- COD: 7%
- Physical Invoice: 5%
- Other Method: 2%

Online Payment Methods Last Used (2017)

- Debit Card: 34%
- E-wallet (e.g. Paypal, Skrill): 33%
- Credit Card: 19%
- Online Bank Payment: 8%
- Prepaid Card: 2%
- Electronic Invoice: 1%
- Physical Invoice: 1%
- COD: 1%
- Other Method: 2%

According to The State Of Online Shopping 2017 which is prepared by Trustly; Debit card is the most used online payment method, both for most recent purchase and in total the past year.
WHAT IS THE REASON FOR UK'S USE OF E-COMMERCE INTENSIVELY?

➢ Logistics Efficiency
In the UK, there is a logistical efficiency opportunity that is not in the US. The fact that Britain is small in terms of area and therefore high in terms of population density makes logistical accessibility far beyond what it has in the United States. So everything can be sent everywhere.

➢ Widespread Use Of Credit And Cash Cards
The UK is a country where credit cards and cash cards are used extensively. In total retail transactions, the number of card transactions has surpassed cash transactions.

➢ High-Tech Adaptation
Britain is one of the largest European countries with smartphone penetration. At the same time, there is an interesting fact that internet use and consumption (time spent at the beginning of the device, transactions etc.) left the Japanese behind. Britons, especially smartphones, have a high passion for mobile devices. The inclusion of this technology in the UK also makes e-commerce easier.

➢ The Natural Advantage Of The British
The fact that the same language is spoken in Britain and in the US makes it easier for Internet-based technologies from the United States to be easily adopted and passed on. In addition, an e-commerce site in the UK is becoming globally "understandable" without any extra effort.

➢ Regulations, Quality Customer Service And Consumer-Provided Trust
Britain has made e-commerce more attractive at the start of its e-commerce regime, and has created confidence in consumer-side online shopping. The high customer satisfaction-oriented approach of online sales companies also reinforced this confidence.
OPPORTUNITIES & THREATS

➢ The UK is among the biggest cross-border B2C ecommerce exporters worldwide, supported by the popularity of British brands around the world and wide use of the English language. The most intense trade flow takes place between the UK and US.
➢ The UK was the most popular destination for cross-border online shopping among European online shoppers purchasing abroad in 2013, followed by Germany and France.
➢ Global cross-border ecommerce is set to grow to GBP 28 billion by 2020 with the UK expected to have a 60% share of that market.
➢ The top destination countries for cross-border ecommerce purchases from the UK are US (70%), China (23%), Hong Kong (21%), Germany (19%) and Ireland (15%).
➢ UK online merchants sell mostly to US (49%) China (43%) Australia (47%) and Brazil (17%) (from the percentage of cross-border ecommerce from those countries).
➢ The UK offers a strong legal environment with a long history of trading that is fully embedded in the culture. Shoppers there benefit from a vast array of consumer protections, imposed by both UK and European law – so a comprehensive understanding of all of these areas is a necessary element of an aspiring online retailer’s journey.
➢ Brexit is probably the main barrier to entry currently due to the uncertainty over what trading environment will be in place when the UK officially leaves the EU in March 2019.
Thank You

Contact Our Experts For More Information;

sales@b2cdirect.com