



RetailX

Global ecommerce report, 2023

Benchmarking the world's ecommerce
and multichannel retail markets

In partnership with:

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Introduction



The Global Ecommerce Report is one of RetailX's largest pieces of work of the year. Its aim is to offer a picture of how ecommerce and multichannel retail are developing around the world. It offers an overview but also zooms

in on different regions and countries. In taking this approach, we aim to highlight the retail cultures of different territories and regions, while considering how different territories intersect with each other.

As we head into 2024, the global economic outlook remains, at best, mixed. In part, this is down to the effects of the conflict in Ukraine and the way it has, for example, increased food prices because grain exports from one of the world's bread baskets have been interrupted.

As we go to press, escalating conflict in the Middle East is a huge concern, both because of the lives being torn apart and because, as with the Yom Kippur War 50 years ago, trouble in the Middle East is so often a harbinger of trouble ahead for the global economy.

In addition, 2023 has been a year when global heating, for so long a kind of abstract threat, has begun to appear as a clear and present global danger. We have to hope the sight of Southern European resort areas in flames spurs the developed economies into moving faster towards net zero.

More generally, as outlined in our strategic overview (page 4), there's a sense that multiple issues are colliding and that the world may be at a point where we need to do things differently. It seems a long time since the comparatively benign conditions of the 1990s prevailed – because it is a long time. The end-of-history era has itself become history.

But retailers cannot pick and choose macroeconomic conditions, they can only conduct business out in the real world. We hope this report will help in this endeavour by offering new perspectives on current issues. Turn to the global issues section here (page 208) and you will find our annual roundup of the logistics sectors in different territories, a look at emerging web 3.0 technologies and an analysis of the ongoing effects of inflation. We also look in depth at sustainability issues.

Thanks to RetailX's researchers, designers and editors for their efforts. We hope this report offers a combination of data-driven insights, fresh ideas and new perspectives. Finally, don't forget that RetailX produces a slate of annual reports in which we look at different territories, sectors and leading companies.

Please do get in touch to share your thoughts.

Ian Jindal, CEO, RetailX

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Conflict, climate change and market volatility affect how we all do business

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Make sure things work

Trouble lies ahead for the global economy and, if they are to thrive, retailers need to focus on their customers

Around the world, national economies look fragile. Buffeted by a series of shocks that date back at least to the global economic crisis of 2008-09, there's a sense that, as soon as good news arrives, it's soon followed by bad. As this report goes to press, for instance, the headlines are dominated by the conflict between Israel and the militant group that has been in control of the Gaza Strip, Hamas.

Against such a backdrop, the executive summary of the International Monetary Fund's October 2023 report, *World Economic Outlook: Navigating Global Divergences*, could hardly have been blunter. "The global recovery from the Covid-19 pandemic and Russia's invasion of Ukraine remains slow and uneven," it began. "Despite economic resilience earlier this year, with a reopening rebound and progress in reducing inflation from last year's peaks, it is too soon to take comfort. Economic activity still falls short of its pre-pandemic path, especially in emerging market and developing economies, and there are widening divergences among regions."^[1]

To highlight a few of the numbers behind this gloomy assessment, global growth is forecast to slow down, from 3.5% in 2022 to 3% in 2023 and 2.9% in 2024. Between 2000 and 2019, global growth



© Shutterstock

averaged 3.8%, a figure expected to be closer to 3.1% in the years ahead. On inflation, there is better news. Although it is predicted to drop to 5.8% in 2024, this is still above national and international targets.^[2]

What are we to make of such numbers? One answer is to think of them as framed by the idea, often expressed in the UK, that 'nothing really works'. That this view is prevalent is hardly surprising. The UK has, after all been living through a fiscal squeeze and austerity for more than a decade and, in enacting a hard Brexit, seemingly decided to see how one of American satirist HL Mencken's most cynical quips – "Democracy is the theory that the common people know what they want and deserve to get it good and hard"^[3] – might work in practice.

Something of the current malaise in the UK was neatly captured by prime minister Rishi Sunak's cancellation of the HS2 high-speed rail link to Manchester. Whatever the arguments for and against a project designed in great part to promote growth in Northern England – and the costs have long seemed to be out of control, the business case never convincingly made – this party conference speech announcement abruptly ended, in the words of former prime minister David Cameron, "15 years of cross-party consensus, sustained over six administrations".

Despite this, Sunak, leading a party that has been in power for 13 years and making a speech pitched towards the next general election, used the

cancellation to portray himself as a change candidate “making long-term decisions” and “prepared to be radical in the face of challenges”.^[4] If nothing else, you had to admire thechutzpah.

All this is mentioned because, while the UK is admittedly something of an outlier among developed nations in its capacity for self-flagellation, a sense of disconnection between those in positions of power and influence and wider populations has become a feature of 21st-century life. Look for a moment past the immediate horrors that have lately been visited upon the world by the crash, the idea that climate change is starting to bite, conflict and Covid-19 – and we in no way wish to downplay these – and there’s an underlying sense that the global order has been stress-tested and all too often found wanting.

For business leaders doing their best in difficult circumstances, this is problematical. In *The General Theory Of Employment, Interest And Money* (1936), JM Keynes famously talked of the “animal spirits” that drive us and how this affects consumer confidence and markets. Right now, our collective animal spirits could perhaps best be described as in pensive mood.

For good reasons. When, for example, China’s second-largest property company, the Evergrande Group, is facing a bankruptcy that, it’s feared, may have a domino effect within the wider Chinese – and global – economy, we have rational reasons to be worried.^[5] In this case, the fears are only heightened by a sense that the Chinese authorities, authoritarian, prone to abrupt shifts in approach and notoriously difficult to read, are key players here in ways we don’t quite understand.



Until recently, it is remarkable just how little the digital sector, for all we grumbled about operating systems and software, seemed to get caught up in this sense that nothing much works as it should. This is perhaps not surprising. Digital technologies have made life easier in the most mundane ways. Can’t buy an item locally? Order it online. Bored in the doctor’s waiting room? Ignore the pile of dog-eared magazines and read today’s newspaper on your smartphone. Need to have an urgent meeting? Set up an online call.

As we argued in last year’s report, the kinds of services provided by traditionally high-growth technology companies are increasingly akin to utilities. Without entirely revisiting the argument we made then, we suggested an era “of moving more slowly and mending things lies” may lie ahead.

We still think this and we’re still not convinced that many in the digital tech sector, accustomed to high levels of growth and offering consumers services customers didn’t even know they needed, have

quite grasped what this may mean. In January, the science fiction novelist, digital activist and futurist Cory Doctorow published an article devoted to what he called “enshittification”.^[6] The opening paragraph reads: “Here is how platforms die: first, they are good to their users; then they abuse their users to make things better for their business customers; finally, they abuse those business customers to claw back all the value for themselves. Then, they die.”

In Doctorow’s reading, the cycle begins with platforms needing to encourage consumers to sign up. But once people have signed up, putting pressure on competitors and sometimes knocking these businesses out of the market altogether, platforms begin to increase their margins at the expense of customers, partners and contractors. Consumers who want to look elsewhere find that other options have dwindled.

The irony is that, ultimately, this may not even help the platforms. Why? One reason is because the platforms have fallen into the trap of looking at what they do from the perspective of the business, something you can arguably say of certain marketplaces. Eventually, consumers will grow tired when platforms do not perform as hoped, and will look elsewhere for goods and services. Then the platforms begin to die. Doctorow takes some solace in this. “That’s fine, actually. We don’t need eternal rulers of the internet,” he says, adding, “Our policy focus should be on minimizing the cost to users when these firms reach their expiry date.”

The good news in all of this for retailers is that, while they are increasingly digitally driven, retailers

are not digital businesses per se. Rather, they have always been about keeping the promises made to consumers. While good customer service is not enough in itself, poor customer service can, often quickly, put businesses on the road to failure.

There are, of course, caveats here. Some companies get away with less-than-optimal customer service because they compete so fiercely on price, but even these companies are usually aware of where their customers’ pain points lie. They have to be to stay in business. Sure, Lidl offers less choice than many of its competitors but its checkouts are fast. Or, to take an example from outside the retail sector, Ryanair offers many of the cheapest flights on the market while also having a reputation for being as punctual and reliable as its competitors.

To return to the macroeconomic picture, the numbers suggest the years ahead will be tough for all kinds of businesses but the huge advantage the best retailers have lies in their knowledge of their customers. While there’s not much that retailers can do about global politics and economic conditions, there is really no reason for a customer to come away from a retail interaction with the vague sense they have just encountered yet another instance of things not quite working as they should.

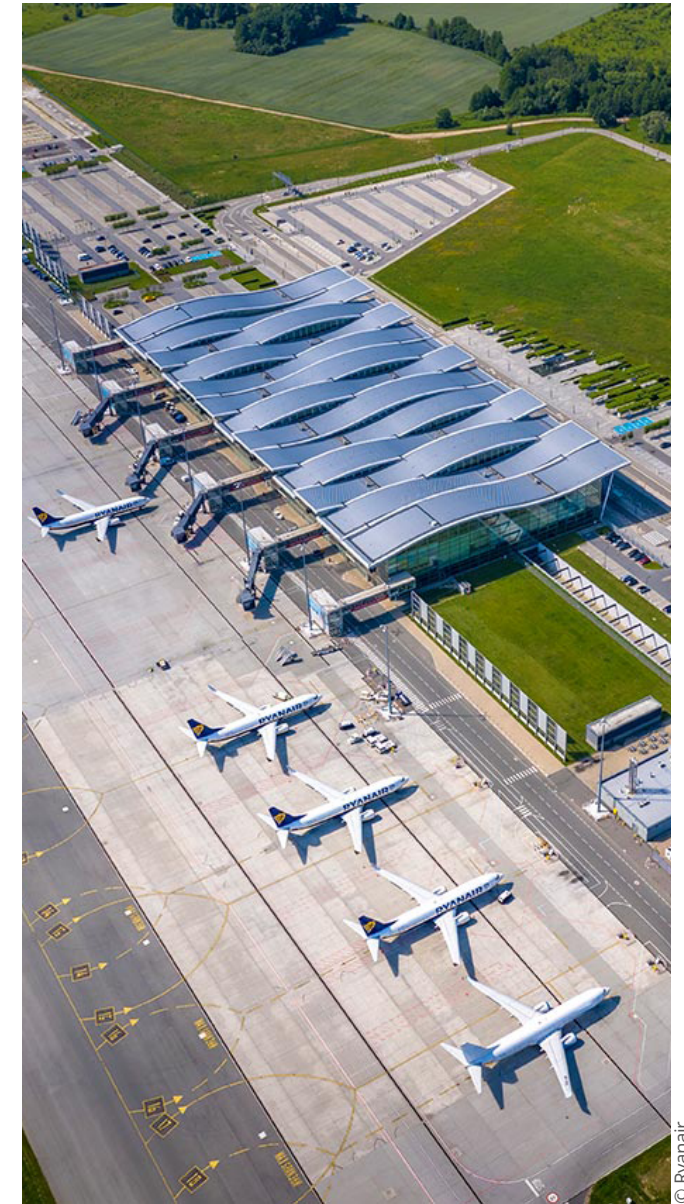
[1] [2] www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023

[3] https://en.wikipedia.org/wiki/H._L._Mencken

[4] www.theguardian.com/politics/2023/oct/04/sunak-sparks-tory-civil-war-with-scrapping-of-hs2-manchester-leg

[5] www.bloomberg.com/news/articles/2023-10-09/evergrande-creditors-call-pulled-debt-plan-complete-surprise

[6] <https://pluralistic.net/2023/01/21/potemkin-ai/#hey-guys>



How regions compare – and how they contrast

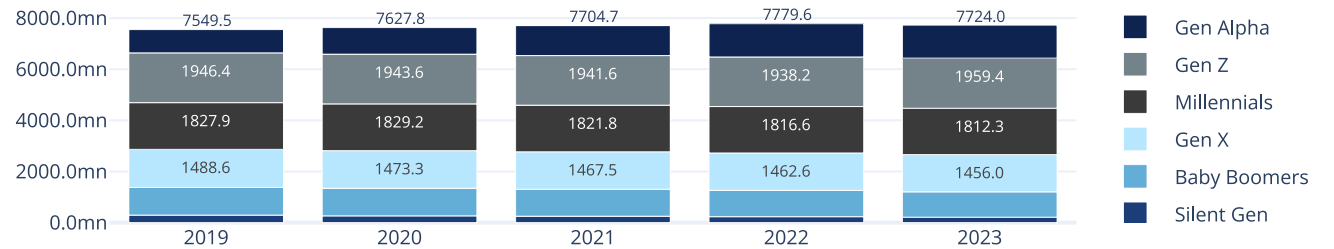
What do the numbers reveal about the trends shaping both the economies and societies of countries around the world?

At the time of writing, the global population is heading towards 8.1bn, the highest-ever figure. To put that in context, the Population Reference Bureau (PRB), a non-profit that collects statistics related to the environment, and to the health and the structure of populations, estimates that, in 1AD, the global population was just 300mn^[1]. Or, to look at the current figure from another perspective, those of us alive today collectively represent around 7% of all the people who have ever lived. It should be added that many of us enjoy lives of far greater material comfort than our forebears could ever have imagined.

Nevertheless, however you frame these numbers, it remains difficult to grasp what they *mean*. In the worst kinds of ways, a kind of blurriness around the numbers gets exploited, with talk of nations being overwhelmed by ‘outsiders’. In these kinds of narratives, not only is the raw population number itself portrayed as a problem, there’s also an underlying message – sometimes not expressed directly, yet there – that population growth in the developing world is to blame for whatever problems may be coming down the tracks.

Global: Population analysis

Population structure, by age group (mn)

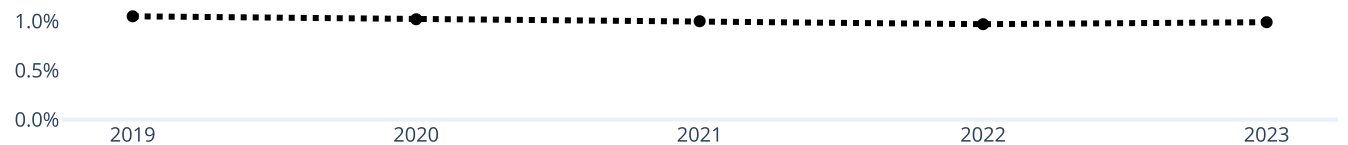


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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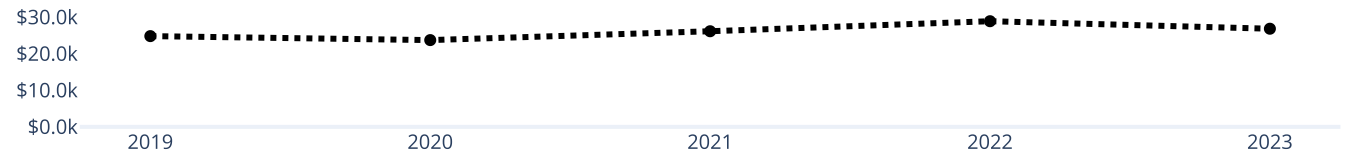
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Looking more closely at the numbers allows us to sketch a more nuanced and less politically weaponised picture. For a start, while the global population is growing and the raw number is concerning, it is predicted to peak at 10.4bn c2080, a prelude to years of decline^[2].

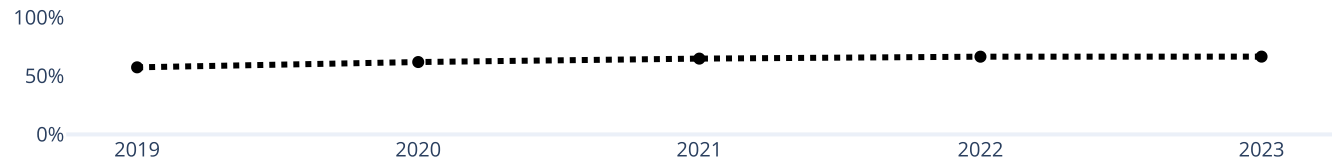
Indeed, a bigger problem for generations living after us may be the one already starting to afflict the world’s most developed nations: what happens when demographic change means that declining numbers of younger workers have to support an ageing population where a large percentage of people have retired and are no longer economically productive?

Already, in Europe, the phrase ‘demographic winter’^[3] is beginning to creep into mainstream discourse. Worries over these demographic changes, it has been suggested, may have lain partly behind Angela Merkel’s decision to pay the political price associated with admitting more than 1.2mn refugees and asylum seekers to Germany during 2015 and 2016^[4] – the country simply needed more workers.

But as the graphs on these pages show, these kinds of demographic-economic pressures lie further ahead in the future for much of the world. While the figure for population growth may be relatively consistent year-on-year at around 1%, the population growth is by no means evenly distributed. 61% of the population in the African countries we analyse belongs to Gen Z and Gen Alpha. In North America, the equivalent figure is 35% – with much of that figure likely being made up of young Mexicans. In Africa, the rate of population growth lies at 3.1%. In North America, the figure is 0.5%. In Europe, the

Global: Internet user analysis

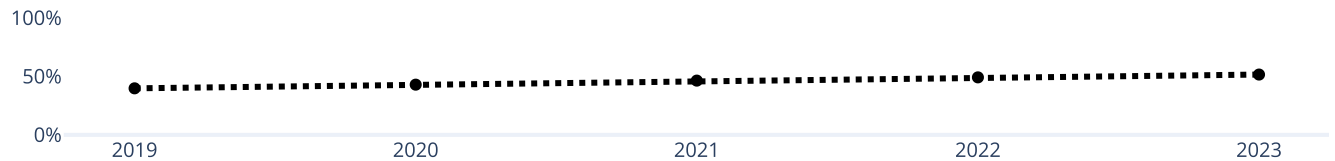
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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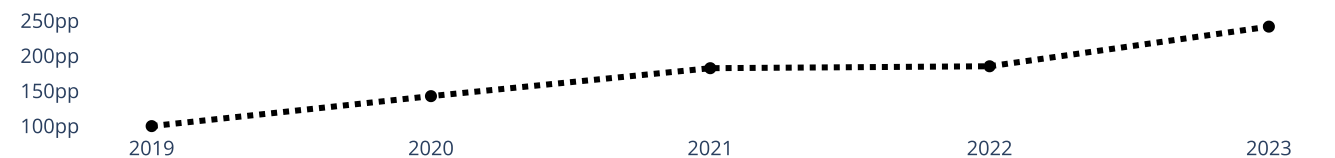
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)



Index 2019=100

Source: RetailX, drawing on data from Statista

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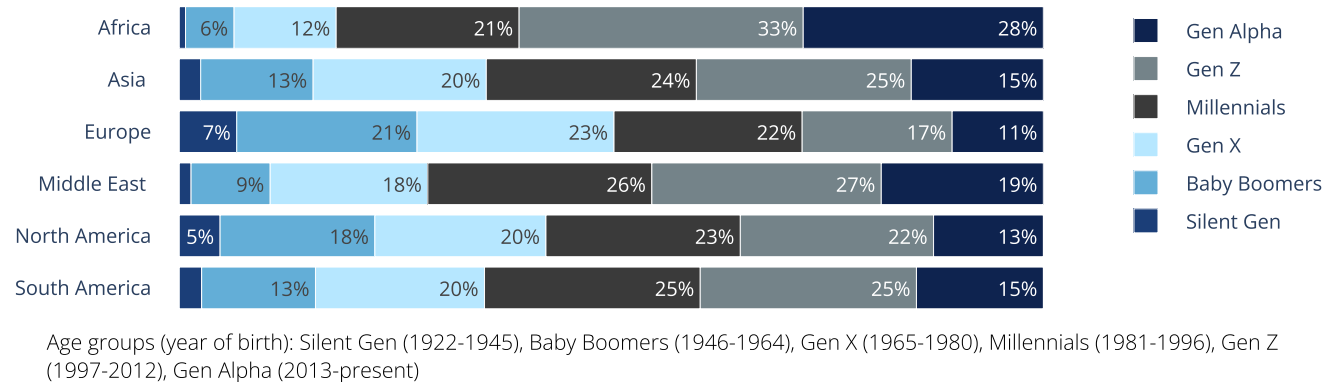
population is declining. Villages in Italy and Spain are dying for want of any young people to live in them.

There are vast disparities in wealth across continents too. Whereas the per capita GDP for the African nations we analyse is \$8.2k, the equivalent figure for Europe is \$51.2k. There are also some numbers here that instinctively seem ‘wrong’. The Middle East per capita GDP is \$55.7k, yet this can be explained by the region’s vast energy wealth rather than having particular strength in high-value industries. This is why leaders in many Middle Eastern nations, looking to a post-carbon economy world, are trying to diversify their economies. The North American figure is \$44.9k, although this is skewed by the figures including Mexico in addition to its G7 neighbours, Canada and the United States.

How far will economic power shift over the next few years? One of the numbers that jumps out here is the fact that when we refer to Asia, we’re talking about countries that constitute a market of more than 4.5bn people. With populations of around 1.4bn each, India and China are the world’s most populous countries, so are massive markets. As both continue to industrialise and grow richer, they are increasingly framing the global political and economic agenda.

This poses risks, though, with some economists worried that China’s Belt and Road initiative – essentially a massive global infrastructure investment programme – may contain hidden “debt traps” for countries that accept help^[5].

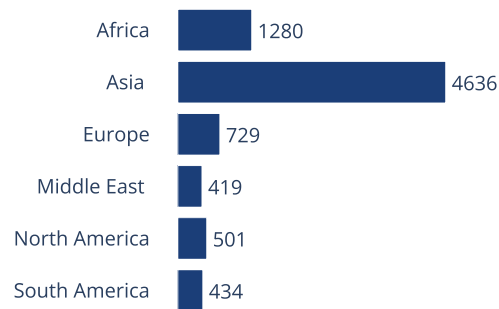
Population structure, by age group and region (%), 2023



Source: RetailX, drawing on data from the UN Population Division

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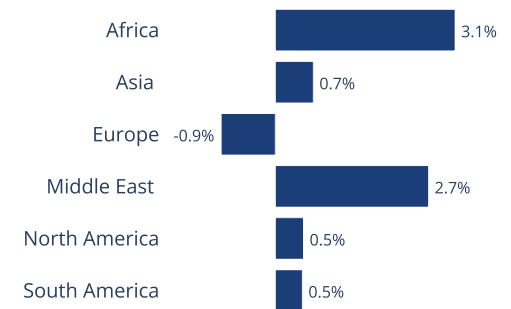
Population by region (mn), 2023



Source: RetailX, drawing on data from the UN Population Division

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Population growth by region, 2023



Source: RetailX, drawing on data from the UN Population Division

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Turning specifically to the digital sector, the overall global picture is of these technologies being adopted worldwide. 66.5% of people in the countries we analyse now have access to the internet, up from 57.4% in 2019. Of these, 51.6% also shop online, up from 39.8% in 2019.

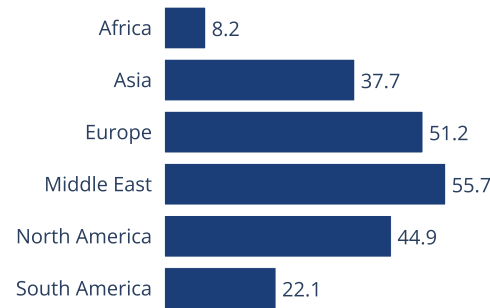
Behind these global figures are huge regional differences. Internet uptake in Europe has reached 89%, one of a trio of regions where the figure is greater than 80%. In Asia and South America, internet usage is, respectively, 72% and 73%.

The outlier is Africa, where the equivalent figure is 40%. However, it's worth remembering that many of these people will be younger Africans, looking out to the wider world for inspiration – and looking for cultural exchanges and business opportunities too. Africa, it's worth underscoring, is better understood as a growing network of digital and ecommerce markets rather than a single market.

The figures for those who shop online breaks down similarly to the numbers for internet usage. In North America, the figure for those online also shopping online is 70%. Equivalent figures for the rest of the world range from 52% to 66%. Except that Africa is again an outlier, with just 32% of those Africans who are online also shopping online. However, since 2019, ecommerce revenue growth has been the highest in the world. Sometimes a low base figure really is a measure of potential.

Finally in this section, we look at consumer confidence and inflation. Turning first to the latest Consumer Confidence Index, those who live in the

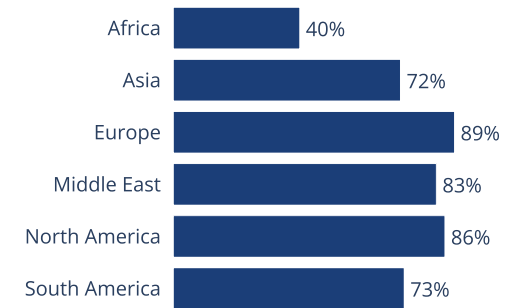
GDP per capita by region (thousand \$), 2023



Source: RetailIX, drawing on data from the IMF and the UN Population Division

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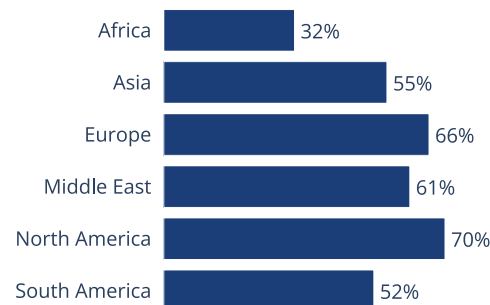
Percentage of internet users by region, 2023



Source: RetailIX, drawing on data from the International Telecommunication Union (ITU)

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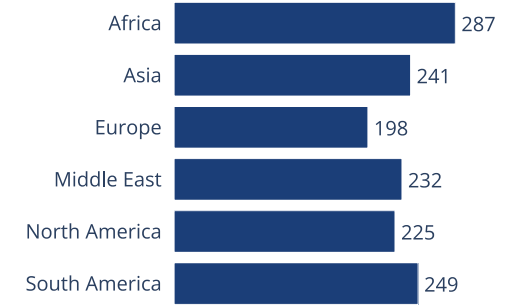
Percentage of internet users who shop online by region, 2023



Source: RetailIX, drawing on data from Statista

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Ecommerce revenue growth (indexed) by region, 2023



Index 2019=100

Source: RetailIX, drawing on data from Statista

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Americas are consistently the most buoyant about their prospects. In contrast, confidence among consumers in the countries on Africa and the Middle East that we track is declining. In Africa, you would guess, this may be down to inflation being consistently high. Turning to the Middle East, we should point out these figures were compiled before

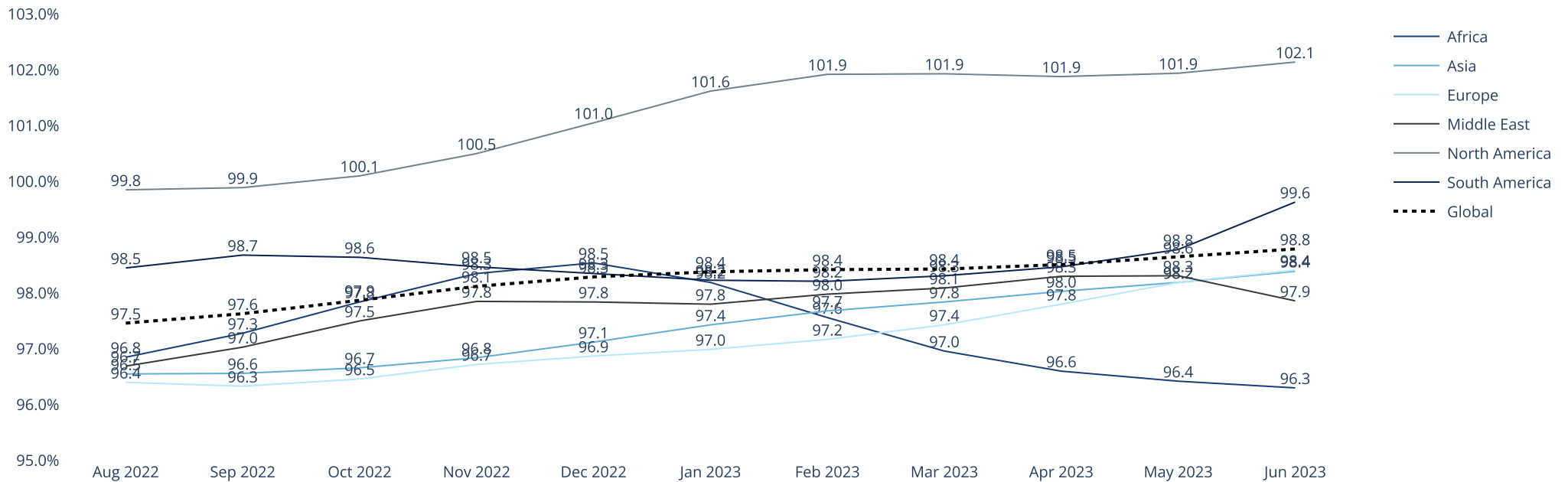
the recent outbreak of hostilities between Israel and the militant group Hamas, which controls the governing authority in the Gaza Strip.

Focusing in on inflation, the effects of recent upheavals – especially the end of the pandemic and the war in Ukraine – can still be seen clearly in the

figures. Where once we worried about deflation, it now seems that rising prices are an everyday fact of life for people around the world. This has led to sharp increases in interest rates.

While the IMF predicts that interest rates will decline when inflation is “tamed”^[6], an intriguing question

Consumer confidence index (CCI), Worldwide, 2022-2023



Figures calculated using the average for countries showcased in this report

Source: OECD

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is who will this most benefit? The era of abnormally low interest rates contributed to asset price inflation. Without suggesting inflation is a good thing, there's evidence that many younger cohorts resent the way older generations have piled up capital. Any return to something close to a pre-pandemic 'normal' of near-zero interest rates could be stoking trouble.

Perhaps there may be an opportunity here to invest. After all, generating wealth and reconfiguring ageing societies around new digital technologies, as they are doing in Japan,^[7] may be one way to head off the demographic issues that lie ahead.

[1] www.prb.org/articles/how-many-people-have-ever-lived-on-earth/

[2] www.un.org/en/global-issues/population#

[3] https://ecrgroup.eu/files/Europes_demographic_winter_brochure.pdf

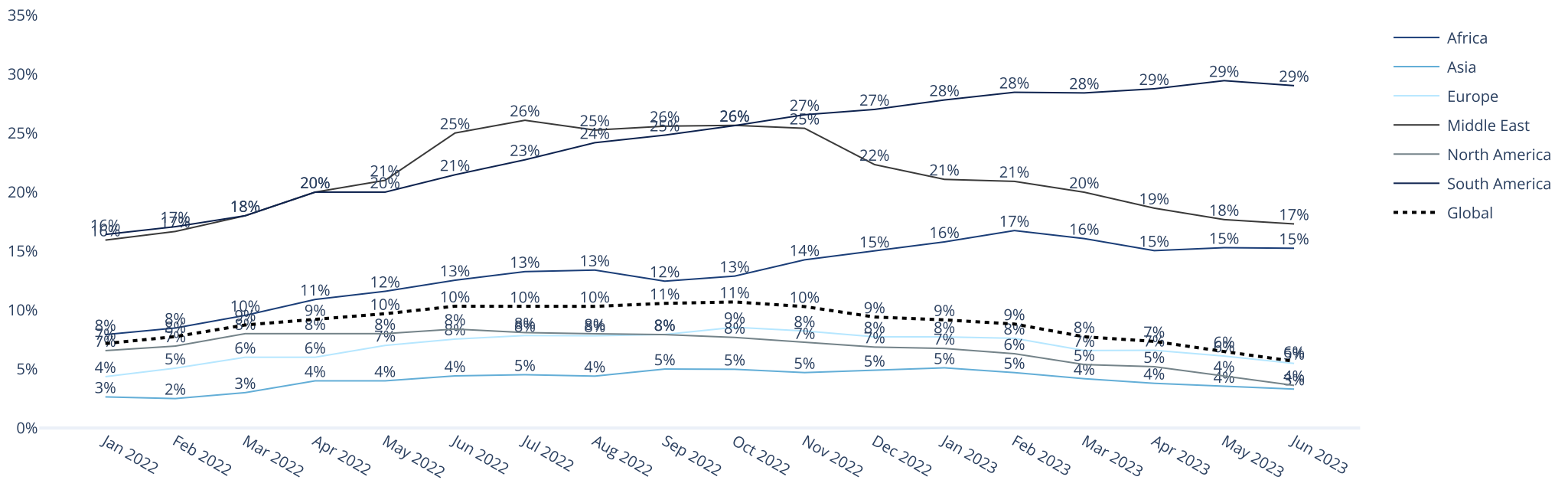
[4] www.unhcr.org/uk/news/press-releases/angela-merkel-receive-unhcr-nansen-refugee-award-protecting-refugees-height

[5] www.cfr.org/backgrounder/chinas-massive-belt-and-road-initiative

[6] www.imf.org/en/Blogs/Articles/2023/04/10/interest-rates-likely-to-return-towards-pre-pandemic-levels-when-inflation-is-tamed

[7] https://japanupclose.web-japan.org/techculture/t20220324_1.html

Annual percentage change in the Consumer Prices Index (CPI), Worldwide, 2022-2023



Figures calculated using the average for countries showcased in this report

Source: OECD

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International indices

How do different nations compare and contrast when you look at their relative development and performance?

Currently, we track five main indices as a way to gauge how global societies and economies are faring, both in relation to near-neighbours and to other parts of the world. These are:

- **The Happiness Index:** published by the Sustainable Development Solutions Network, this “reflects a worldwide demand for more attention to happiness and well-being as criteria for government policy.” The research “reviews the state of happiness in the world today and shows how the science of happiness explains personal and national variations in happiness”.^[1]

- **E-Government Development Index:** “Along with an assessment of the website development patterns in a country, the E-Government Development index incorporates the access characteristics, such as the infrastructure and educational levels, to reflect how a country is using information technologies to promote access and inclusion of its people.”^[2]

- **2IPD:** “The UPU’s Integrated Index for Postal Development (2IPD) is a composite index providing an overview of postal development around the world, with 168 countries covered... In addition to revealing

REGIONS AND COUNTRIES	HAPPINESS INDEX 0 (UNHAPPY) –HAPPINESS INDEX FIRST, 10 (HAPPY)	E-GOVERNMENT DEVELOPMENT INDEX	INTEGRATED INDEX FOR POSTAL DEVELOPMENT (21PD)
AFRICA			
Algeria	5.33	112	84
Egypt	4.17	103	57
Ghana	4.61	106	73
Kenya	4.49	113	64
Morocco	4.90	101	75
Nigeria	4.98	140	61
South Africa	5.27	65	72
Tanzania	3.69	153	106
ASIA			
Australia	7.09	7	19
China	5.82	43	6
India	4.04	105	36
Indonesia	5.28	77	67
Japan	6.13	14	5
South Korea	5.95	3	32
Vietnam	5.76	86	54
EUROPE			
France	6.66	19	4
Germany	6.89	22	2
Italy	6.40	37	15
Norway	7.32	17	56
Russia	5.66	42	20
Spain	6.44	18	30
United Kingdom	6.80	11	9

AVAILABILITY	AFFORDABILITY	RELEVANCE	READINESS	OVERALL INTERNET INCLUSIVE INDEX	CAGR (2019-2023 %)
68	86	70	65	71	15.1
49	67	66	47	57	28.7
75	57	74	65	73	24.6
67	72	18	49	58	28.7
48	69	5	77	51	14.3
81	41	57	30	64	19.5
44	43	59	21	49	10.9
93	68	82	58	87	20.1
15	8	35	33	13	15.8
24	30	13	41	22	15.6
63	13	29	35	50	23.5
45	74	23	13	46	27.9
17	18	43	30	20	13.6
2	37	11	9	2	6.3
43	61	14	51	46	20.4
9	10	7	29	4	10.4
11	19	44	19	14	11.3
32	6	24	28	20	18.3
-	-	-	-	-	7.7
34	4	25	52	30	10.7
20	9	9	11	7	16.0
16	1	28	8	5	6.6

KEY: ■ Top quartile ■ Second quartile ■ Third quartile ■ Fourth quartile

the relative performance of postal operators around the world, the index sheds light on how to foster postal development and maximise the efficiency of postal infrastructure.”^[3]

• **Inclusive Internet Index:** “Commissioned by Meta and developed by Economist Impact, [the Inclusive Internet Index] seeks to measure the extent to which the internet is not only accessible and affordable, but also relevant to all, allowing usage that enables positive social and economic outcomes at the individual and group level.”^[4]

• **Compound Annual Growth Rate CAGR:** We have tracked the CAGR between 2019 and 2023 in order to measure ecommerce revenue growth.

While there are rarely few real surprises in the indices we track, they are nevertheless revealing. To look at the Happiness Index first, people in more developed nations tend to be happier. While material wealth is no guarantee of a sunny disposition, struggling economically does not make anyone happy. In passing, there is even research to suggest poverty impacts IQ, perhaps because, in the words of researchers Anandi Mani, Sendhil Mullainathan, Eldar Shafir and Jiaying Zhao in an often-cited paper, “Poverty-related concerns consume mental resources, leaving less for other tasks.”

Turning to the E-Government Development Index, it’s intriguing to note how the investment in digital services in the UAE is reflected in its high ranking. The 2IPD throws up the odd intriguing statistic, such as the unexpectedly low ranking of Norway. Two South American nations, Brazil and Chile, rank highly

REGIONS AND COUNTRIES	HAPPINESS INDEX 0 (UNHAPPY) – 10 (HAPPY)	E-GOVERNMENT DEVELOPMENT INDEX	INTEGRATED INDEX FOR POSTAL DEVELOPMENT (21PD)
MIDDLE EAST			
Iran	4.88	91	47
Israel	7.47	16	31
Qatar	-	78	70
Saudi Arabia	6.46	31	50
Turkey	4.61	48	35
United Arab Emirates	6.57	13	59
NORTH AMERICA			
Canada	6.96	32	10
Mexico	6.33	62	53
United States	6.89	10	7
SOUTH AMERICA			
Argentina	6.02	41	86
Brazil	6.12	49	51
Chile	6.33	36	74
Colombia	5.63	70	41
Peru	5.53	59	92

KEY: ■ Top quartile ■ Second quartile ■ Third quartile ■ Fourth quartile

in the Internet Inclusive Index, with Brazil top globally for Relevance, reflecting in particular the way users can find local content.

Turning to CAGR, South Korea and the United Kingdom are global laggards. The relatively high rate of growth in some politically unstable countries is

AVAILABILITY	AFFORDABILITY	RELEVANCE	READINESS	OVERALL INTERNET INCLUSIVE INDEX	CAGR (2019-2023 %)
47	66	21	7	45	31.7
-	-	-	-	-	19.1
21	47	29	14	27	13.5
31	77	8	40	39	12.9
46	46	26	16	43	14.5
5	60	20	59	25	19.3
NORTH AMERICA					
13	15	41	16	12	15.3
52	21	9	3	36	21.6
13	10	3	11	3	17.8
SOUTH AMERICA					
40	33	18	24	37	19.0
38	16	1	44	23	16.9
27	13	36	4	16	19.5
52	32	31	45	48	18.5
52	36	16	6	42	21.0

a reminder there are potentially both rewards and risks in investing in these nations.

[1] <https://worldhappiness.report/about/>
 [2] <https://publicadministration.un.org/egovkb/en-us/About/Overview/-E-Government-Development-Index>
 [3] www.upu.int/en/Universal-Postal-Union/Activities/Research-Publications/Integrated-Index-for-Postal-Development
 [4] <https://impact.economist.com/projects/inclusive-internet-index/>

The global consumer

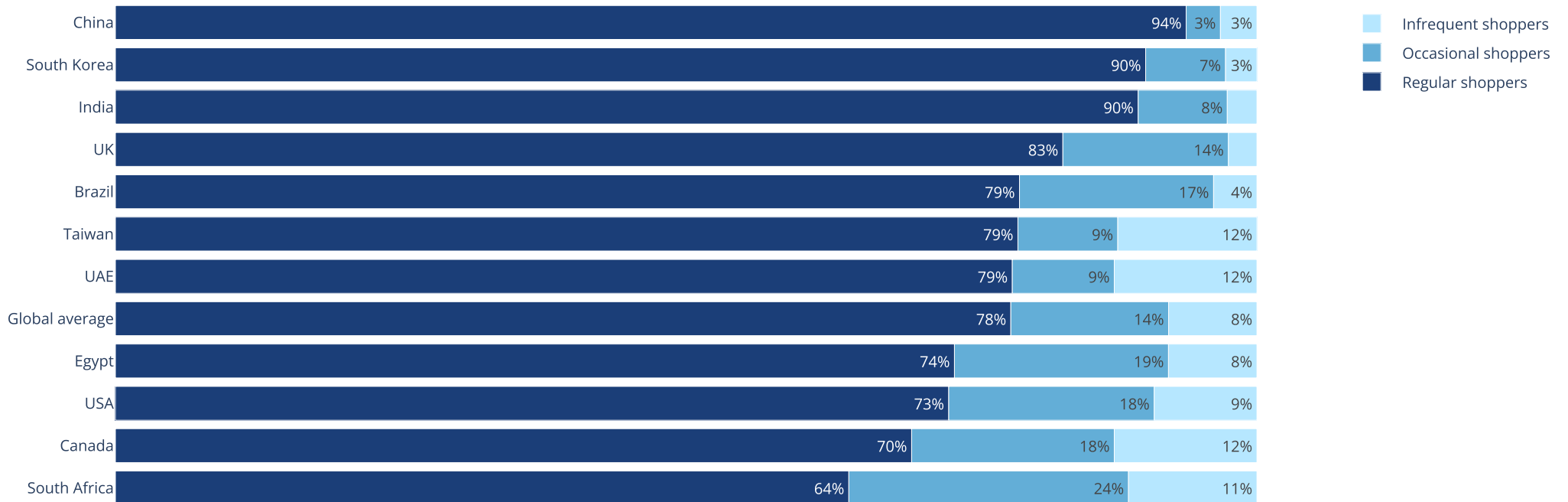
Globally, consumers understand how ecommerce works, although it still pays to understand localised consumer behaviour

Is a global retail culture developing? It can sometimes seem this way, certainly when you are talking about the luxury end of the market. For example, British luxury fashion house Burberry's current strategy is to grow to become a £5bn (\$6.1bn) revenue brand delivering a profit margin of more than 20%^[1]. That this seems ambitious yet credible is in part down to the way the company has built a reputation as a distinctive brand, contemporary yet timeless for

the way the Burberry name conjures up ideas of traditional workmanship and quality. It helps too that Burberry has its own signature products – its trench coats along with items using its Burberry check.

Yet high standards and distinctive products are not in themselves enough to guarantee global reach – or indeed reach the right customers – as Burberry discovered in the 2000s when football

Online shopping patterns, by country, 2023



Based on 350-1000 individuals in each of the shown regions, aged 16-97, Aug 2023. Question: "How often do you shop online?" Infrequent shoppers = Less than once a year. Occasional shoppers = Once a month to once a year. Regular shoppers = More than once a month

Source: ConsumerX

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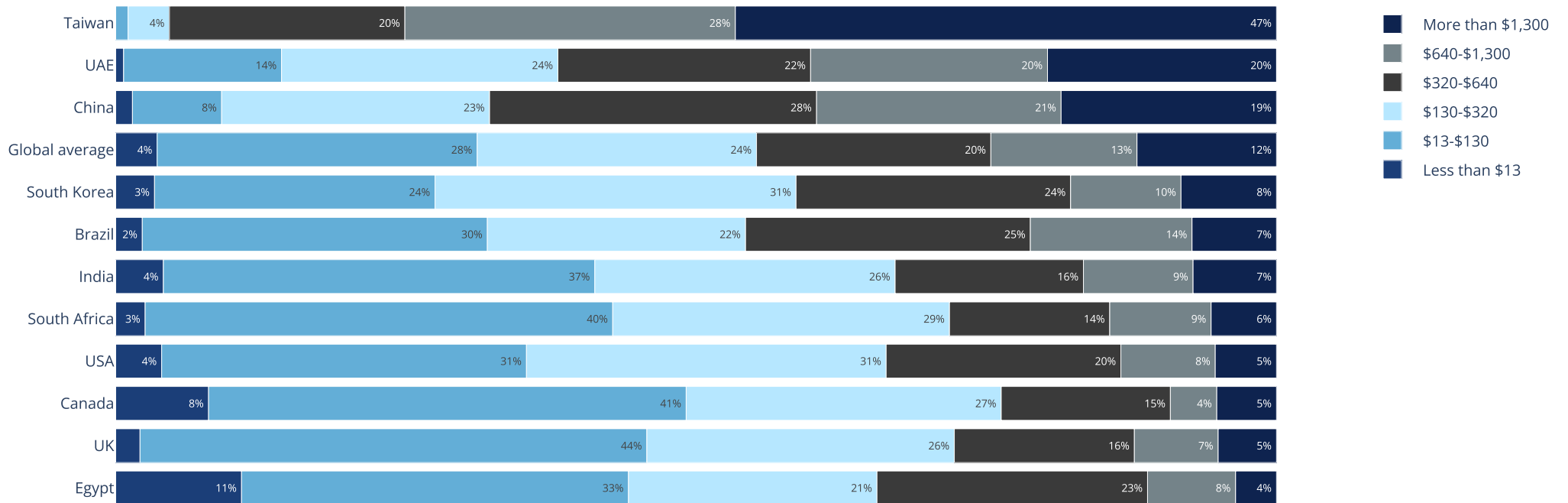
hooligans adopted its check^[2]. In subsequent years, Burberry has been noticeably careful about those it tries to reach, to the point of being criticised on environmental grounds when it was reported the company had destroyed unsold goods rather than risk the items being stolen or sold cheaply^[3]. Better, it would seem, to sell to a highly mobile and wealthy clientele online and via carefully sited stores – 13 in

London alone – than risk reputational damage by having the ‘wrong’ people purchase goods.

Burberry’s target customers, then, are the epitome of global consumers. It is able to define who these customers are because of its reach, reputation and, thanks to the advent of ecommerce and digital technologies, granular information about the

purchase patterns of individual customers. Within this overall picture, the company’s digital offering pays particularly close attention. One reason this has worked so well is because it has occurred as consumers around the world have collectively reached an understanding of how ecommerce works. Our behaviour has converged and if, like Burberry, your business can offer a superb digital

Monthly online spending by country, 2023



Based on 350-1000 individuals in each of the countries (aged 16-97) who shop online, Aug 2023. Question: "In the last 12 months, how much have you spent on average per month on online shopping?"

Source: ConsumerX

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experience internationally, this can act to the advantage of the retailer or brand.

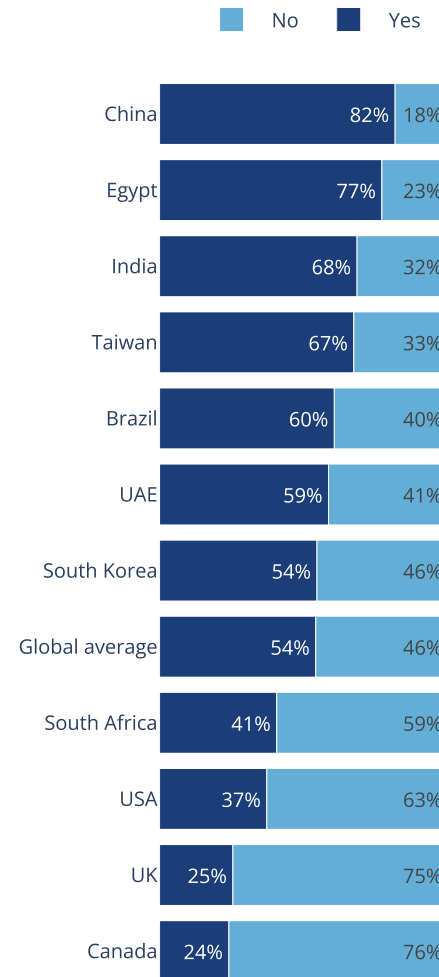
All of which could sound like an argument against localism, which it certainly is not. This is because no matter how much consumer behaviour converges, there will always be points of divergence in behaviour across different countries and regions. A more useful lesson to take is to realise that, in a global market, understanding the nuances of consumer behaviour allows companies to make subtle adjustments in order to drive sales.

As the graphics on these pages, generated from RetailX Consumer Observatory research, demonstrate, there are significant differences in consumer behaviour across different countries and regions. Globally, 78.4% of respondents describe themselves as regular online shoppers (see page 15). In China and South Korea, that figure rises to 93.8% and 90.3% respectively. In South Africa, the figure is 64.3%. Perhaps surprisingly, in the USA and Canada, the respective figures are 73% and 69.8%.

Yet the percentage who shop online does not correlate to how much consumers spend. In Taiwan, for instance, 46.6% of respondents say they spend more than \$1.3k per month online (see page 16). The equivalent global figure is 12%, while UK shoppers likely spend less but more often, so that just 5% spend more than \$1.3k per month.

Globally, consumers are keen on subscription services, with 60% of those surveyed saying they had signed up for such services (see right). China, at 80.4%, leads the way here, but even in South Africa

Social media commerce usage by country, 2023



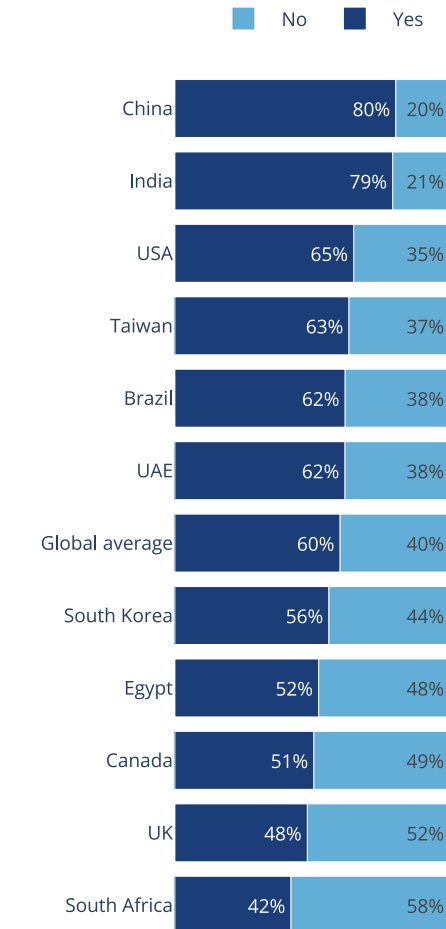
Based on 350-1000 individuals in each of the countries (aged 16-97) who shop online, Aug 2023. Question: "Over the past 12 months, have you purchased items through social media sites?"

Source: ConsumerX

RetailX 2023

RXRUN23RP-ALL-3-v9

Usage of retailer subscription services by country, 2023



Based on 350-1000 individuals in each of the countries (aged 16-97) who shop online, Aug 2023. Question: "Do you have any paid subscriptions to any online shopping premium services that provide free or cheap delivery or some other benefit from a specific retailer?"

Source: ConsumerX

RetailX 2023

RXRUN23RP-ALL-4-v11

the equivalent figure is 42.3%. We need to do more research to drill into the details behind these figures. Surely, not everyone can be signing up for Prime.

China also leads the way in social commerce, where 81.6% says they have used social commerce (see page 17). In contrast, the equivalent figures for unsociable consumers in the UK and Canada are, respectively, 25.4% and 24%. It will be intriguing in

the years ahead to see if the growth in techniques such as livestreaming shifts these numbers.

Finally, It's intriguing to look at attitudes towards delivery (see below). In China and India respectively, 37.2% and 36.7% of consumers say the availability of next-day delivery was an important factor in all purchases. In the UK, where free delivery is often offered, the equivalent figure is 8.5%.

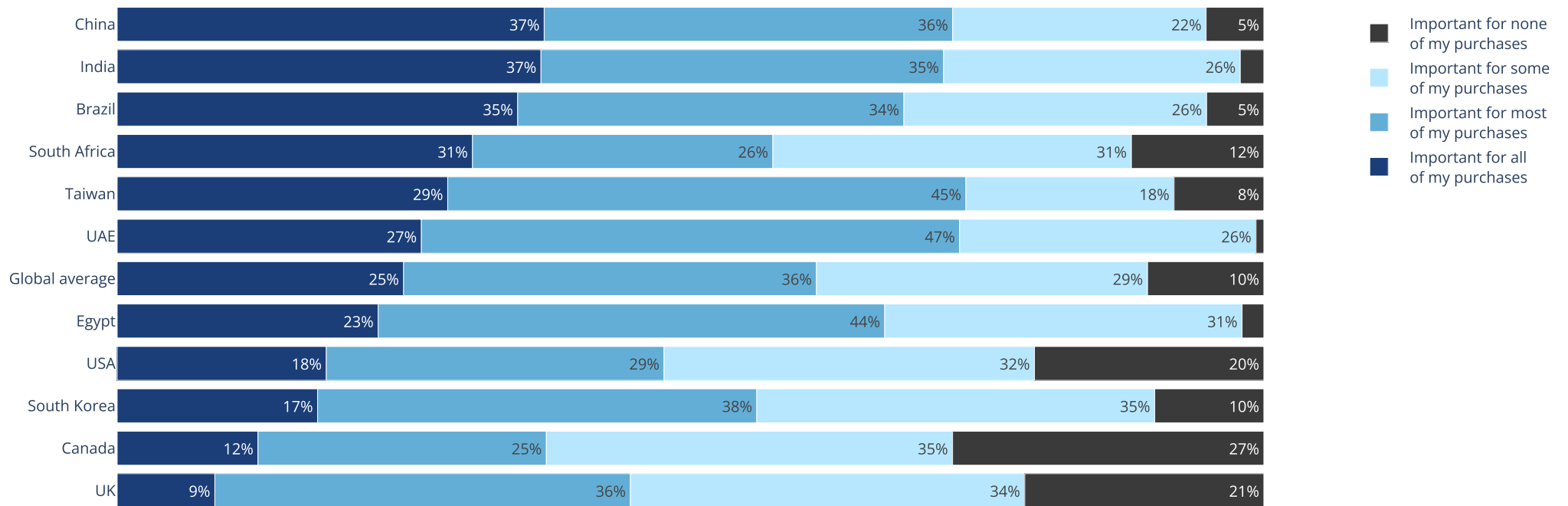
To summarise, for all the growth of a kind of global ecommerce culture, regional and territorial differences still matter. Those businesses that succeed internationally will likely be the ones keeping a constant eye on the smallest of details.

[1] www.burberryplc.com/company/strategy

[2] <http://news.bbc.co.uk/1/hi/business/4381140.stm>

[3] www.bbc.co.uk/news/business-45430683

Importance of next-day delivery by country, 2023



Based on 350-1000 individuals in each of the countries (aged 16-97) who shop online, Aug 2023. Question: "Considering your purchases in the last 12 months, was next-day delivery important to you?"

Source: ConsumerX

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MARKETPLACER[™]

The fast track to scalable growth.

Drive profitable growth by expanding your product range and capturing incremental revenue using your existing websites and audiences to power strategic expansion.

Incorporating a third-party marketplace not only offers customers convenience through category and range extension but can also limit abandoned baskets, reduce customer churn and provide valuable insights into consumer behaviour.

The Marketplacer platform is designed to augment and enhance your commerce architecture while putting valuable tools into the hands of operators, sellers and shoppers.

Contact us



Expert insight

Why employ a marketplace?

Luke Hilton, Vice President of Solution Engineering, Marketplacer



The rapid adoption by retailers of a range extension strategy using either a marketplace or drop ship model represents the largest fundamental shift in European consumer spending since the emergence of ecommerce in the 1990s. Consider that 35% of online purchases made globally

now take place on a marketplace. To put that in context, only 17% takes place in a supermarket and just 12% in a retailer branded site.

Alongside responding fast to consumer trends, retailers can use marketplaces to explore new categories in a low-risk manner. This enables them to undertake a curated range extension strategy to entice consumers to shop more regularly and attract a new customer base, while keeping their brand 'front of mind' with shoppers, for whom the marketplace represents a trusted online shopping destination.

Representing an opportunity to combine the strength of their traditional retail business with the scale and value proposition of a marketplace, retailers can leverage marketplaces to take their ecommerce business in new directions and grow

beyond the limitations of their current operations and infrastructure. Creating curated marketplaces and experiences, featuring complimentary partner brands and sellers, makes it possible to increase customer engagement and lifetime value and loyalty.

"It takes too long and costs too much"

This is a common sentiment retailers share when considering adopting a third-party marketplace. However, it doesn't have to be that way. In fact, for established retailers, extending an existing commerce platform with marketplace software like Marketplacer is the most streamlined and fastest way to stand up a marketplace destination. Some additional important points to consider, include:

- The marketplace must have the scalability needed to assure uptime and performance during periods of peak demand, as well as the ability to power geographic expansion. Today's SaaS marketplace platforms provide the enterprise-grade functionality and all-important extensibility retailers will need as their marketplace strategies evolve.
- Make it easy to dynamically add products, suppliers and new features, but the marketplace platform should also be able to capture data insights, keep a handle on transactions and commissions, manage how connected businesses sell and fulfil orders – including drop ship sellers – and rollout new revenue models or capabilities to their seller network.
- API-first modular platforms like Marketplacer seamlessly integrate into other technologies and tackle challenges like handling different tax regimes across multiple geographies or mitigating fraud.

By harnessing the power of digital connectivity, retailers across Europe can build successful and scalable online marketplaces that boost customer engagement and position their brand at the forefront of the discovery phase of the shopping experience.

With the right marketplace strategy and technology in play retailers can initiate a future-proofed and scalable marketplace destination that can be easily customised and evolved. Unlocking new revenue streams and greater customer stickiness while growing the audience of shoppers that visit their website.

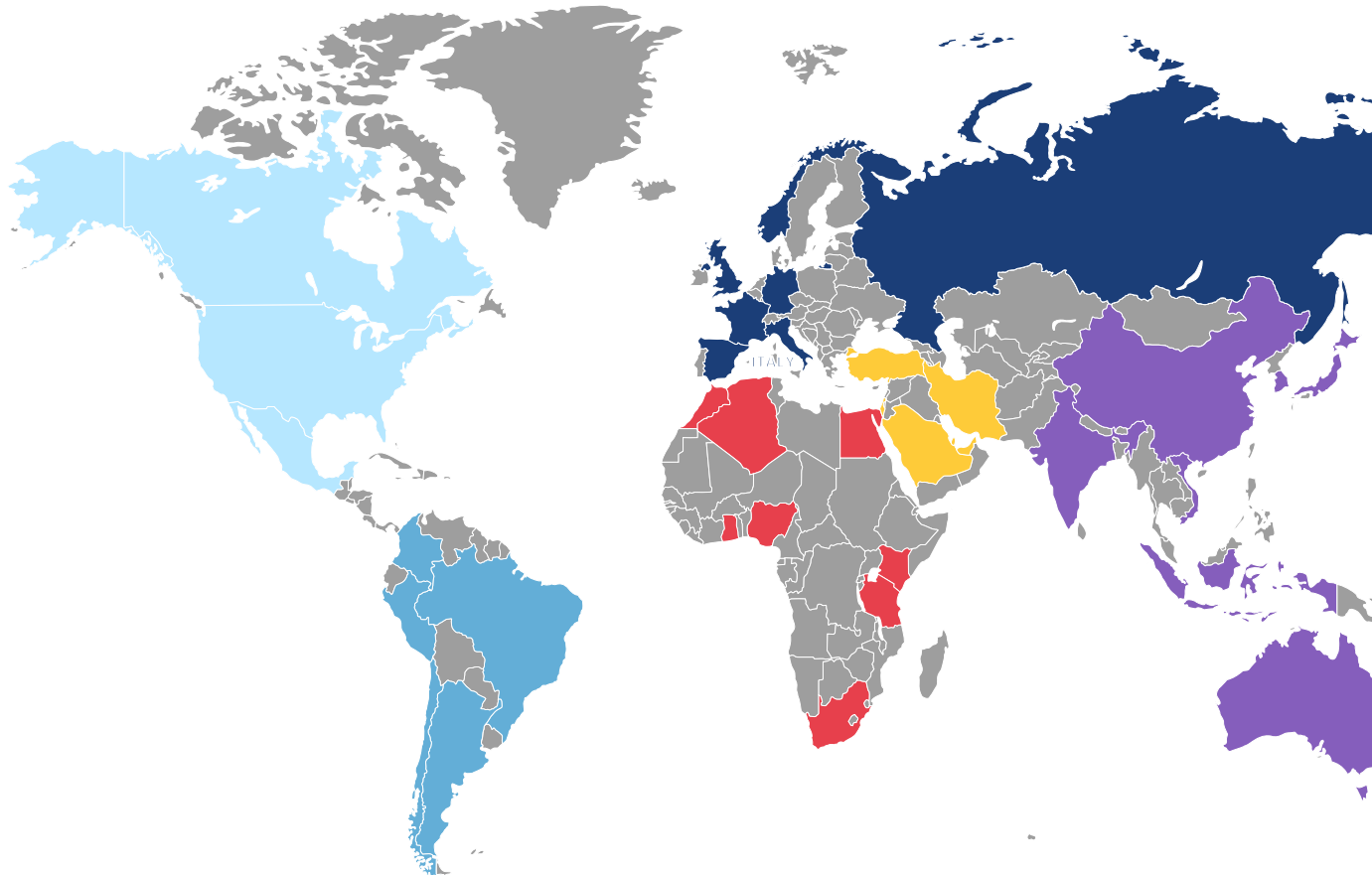
MARKETPLACER™

Marketplacer is a global technology SaaS platform equipped with all the tools and functionality needed to build successful and scalable online marketplaces, at speed. To date, Marketplacer has helped build and deploy over 100 Marketplaces connecting over 13,000 businesses worldwide. The Marketplacer platform exists to make growth simple, from implementing marketplace strategies such as shipment from drop-ship sellers, adding new categories or third-party range extension, through to consolidating markets and rolling out modern revenue models such as recurring memberships that allow businesses to grow faster and beyond the constraints of capital inventory.

Visit marketplacer.com for more information.

Global ecommerce regions

This report uses selected countries to highlight the different ways in which local suppliers, technology and consumer behaviour affect ecommerce



AFRICA

- Algeria
- Egypt
- Ghana
- Kenya
- Morocco
- Nigeria
- South Africa
- Tanzania

ASIA

- Australia
- China
- India
- Indonesia
- Japan
- South Korea
- Vietnam

MIDDLE EAST

- Iran
- Israel
- Qatar
- Saudi Arabia
- Turkey
- UAE

EUROPE

- France
- Germany
- Italy
- Norway
- Russia
- Spain
- UK

NORTH AMERICA

- Canada
- Mexico
- USA

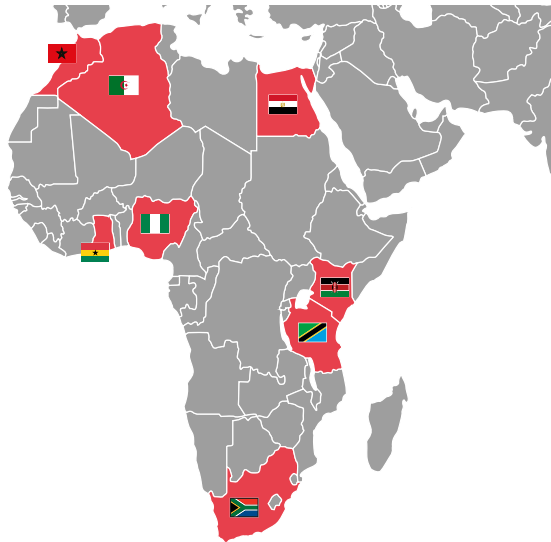
SOUTH AMERICA

- Argentina
- Brazil
- Chile
- Columbia
- Peru
- Ukraine

Over the following pages, we look at our six ecommerce regions: Africa, Asia, Europe, Middle East, North America and South America. To give a flavour of each region, we focus in on a number of countries, both nations with an advanced multichannel sector and nations where the digital sector is still developing.

Africa

Both challenges and opportunities lie ahead for Africa, but its young and growing peoples want to grasp the future



Africa

Area: 30,370,000 km²

Official Languages: Afrikaans, Arabic, English, Kiswahili, Swahili

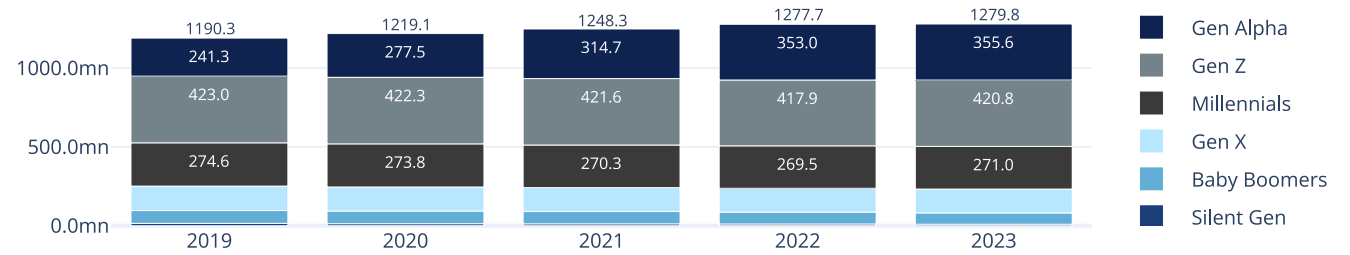
Foreign languages spoken: Dutch, French

Average VAT: 15.56%

Average reduced rate: 4.5%

Africa: Population analysis

Population structure, by age group (mn)

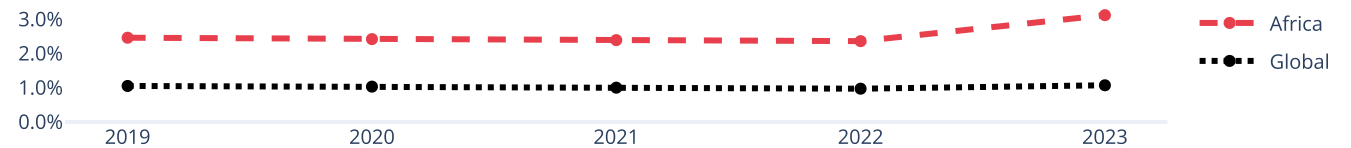


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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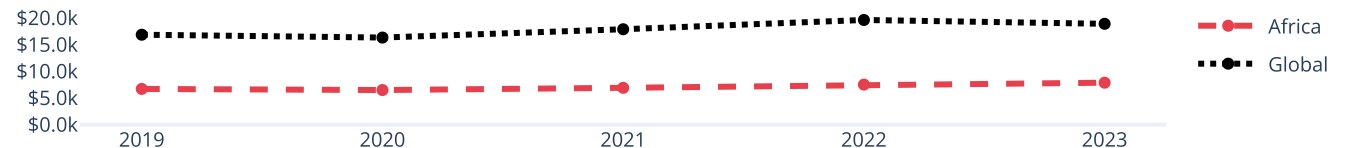
Population growth



Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-AFR-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Africa is home to 18% of the world's population, a continent with 54 countries and an estimated 1.5bn inhabitants. Yet by 2050, as Africa's population growth outpaces all other continents, 26% of the world's population is expected to live there.

We focus here on eight relatively advanced markets from across the continent that together have a population of 1.3bn: Algeria, Egypt and Morocco in North Africa, Nigeria and Ghana in West Africa, Kenya and Tanzania in East Africa and South Africa. These countries are notable for their youthfulness, with a third of people belonging to Gen Z.

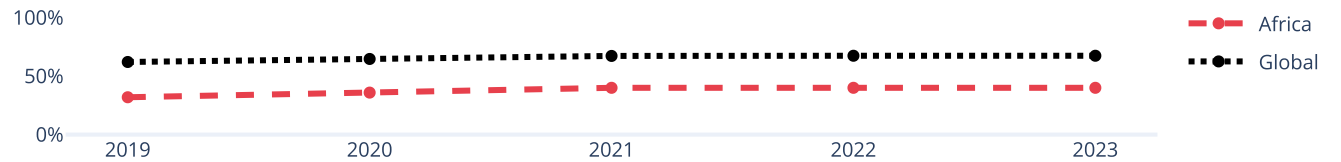
Incomes, however, are far below the global average. Per capita GDP is at an average \$7.87k, below the global average of \$18.92k. In 2023, the latest CPI inflation figures vary from 37% to 4% across these eight markets, averaging 15% overall. Inflationary pressures come in part from the Russian invasion of Ukraine, which has pushed up the prices of food, energy and commodities.

The International Energy Agency (IEA) says that Africa has the lowest per capita emissions of any region. Despite this, it disproportionately faces the negative effects of climate change caused by others, primarily through drought^[1]. Yet while climate change represents a challenge, there are also opportunities in the continent's natural resources. Access to affordable energy is now a priority, with renewables such as solar power the focus of new development.

Meanwhile, the US International Trade Administration expects Africa as a whole to be home to more than 500mn online shoppers by 2025^[2].

Africa: Internet user analysis

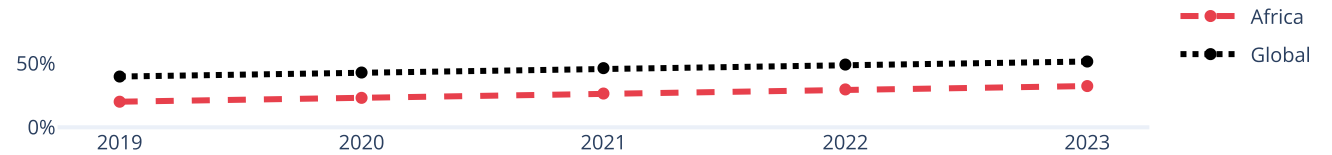
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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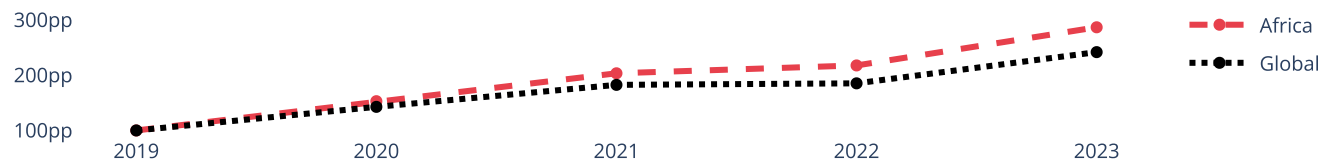
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)



Index 2019=100

Source: RetailX, drawing on data from Statista

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Across these eight markets, 40% of the population now have access to the internet – up from 32% in 2019. Of those who can access the internet, 32% shop online. This represents rapid growth from the 20% who did so in pre-pandemic 2019. Over the same period, 2019-2023, ecommerce revenues have more than doubled, reaching 286.73 on an index that stood at 100 in 2019.

Shoppers across this market often buy via mobile and through marketplaces that are headquartered in markets around the world. Of the Largest 100 retailers that sell to the eight African markets in this report, 12 have their headquarters on the continent.

54% are marketplaces and see 63% of traffic. These include Amazon, Aliexpress and Jumia,

founded in Nigeria in 2011, as well as South Africa's Takealot.com. Brands – 33% of the Largest 100 – see 26% of traffic, while retailers make up 14% and see 10% of traffic. Multisector and software are the leading categories represented in the Largest 100.

[1] <https://www.iea.org/reports/africa-energy-outlook-2022/key-findings>
 [2] <https://www.trade.gov/rise-ecommerce-africa>

Annual percentage change in the Consumer Prices Index (CPI), Africa, 2022-2023

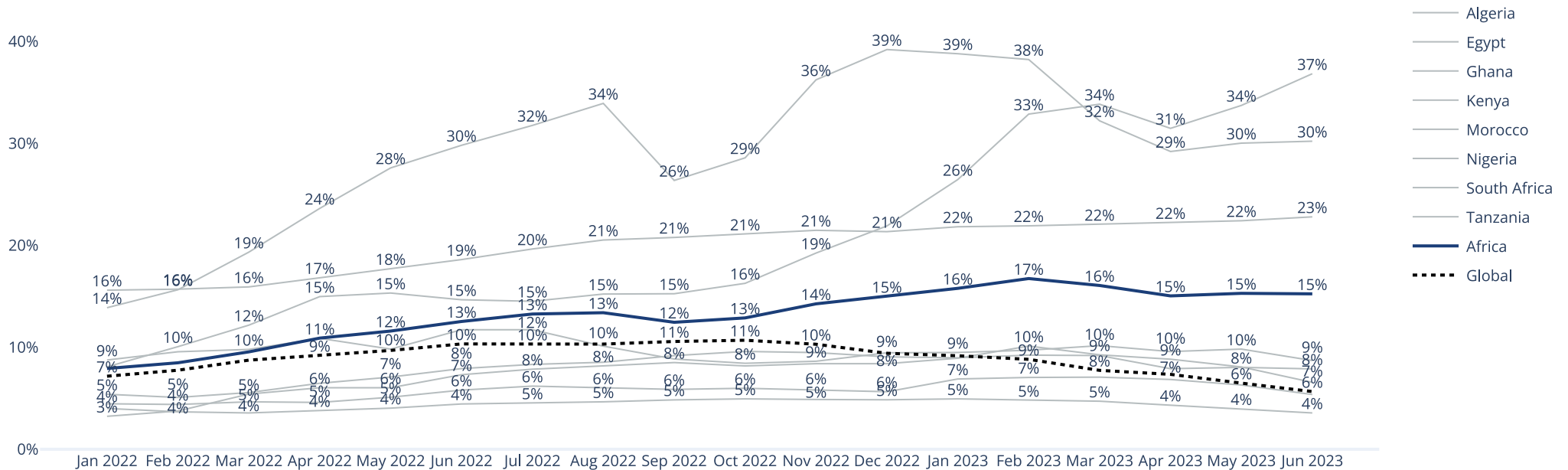
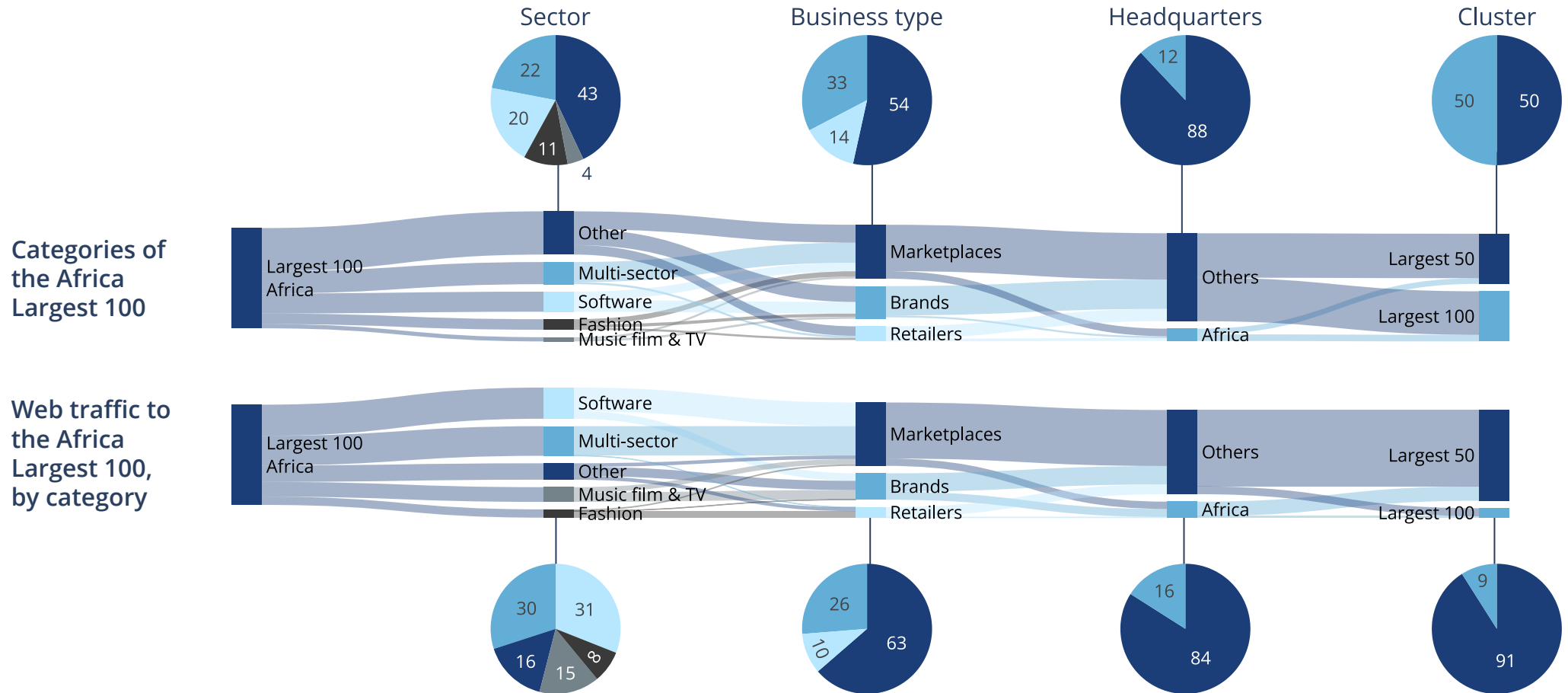


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

Category analysis of the Africa Largest 100



Top sankey chart: The percentage of Africa Largest 100 retailers in a category. Bottom sankey chart: The percentage of African consumer web traffic directed at Africa Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Algeria

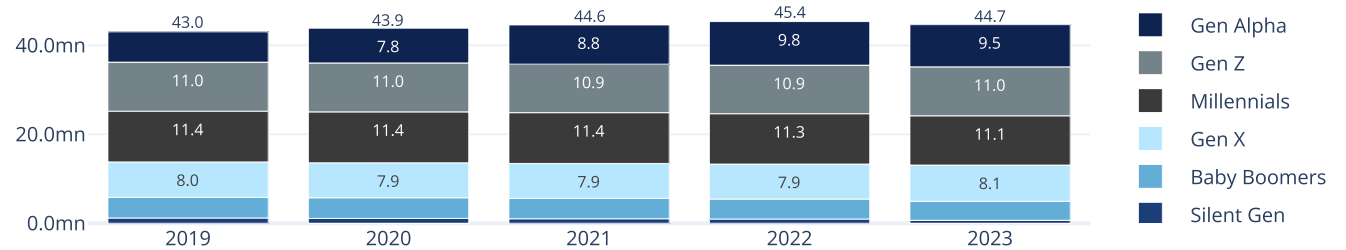
Shoppers are gradually moving online to buy in an emerging ecommerce market offering both challenges and opportunities

Algeria is one of the largest natural gas producers in the world – ranked fifth by Worldometers^[1] – so it has benefited from recent global rises in energy prices. The World Bank's 2023 Algeria Economic Update^[2] suggests the country has also seen a rise in income from agriculture and consumer spending as its economy diversifies. However, climate change looms large, with low rainfall – below historical averages since 2019 – threatening to limit agricultural growth.

High inflation is also driving up food prices, although the rate is below the regional average. A year-on-year CPI rise of 8.7% in June 2023 was its lowest since

Algeria: Population analysis

Population structure, by age group (mn)

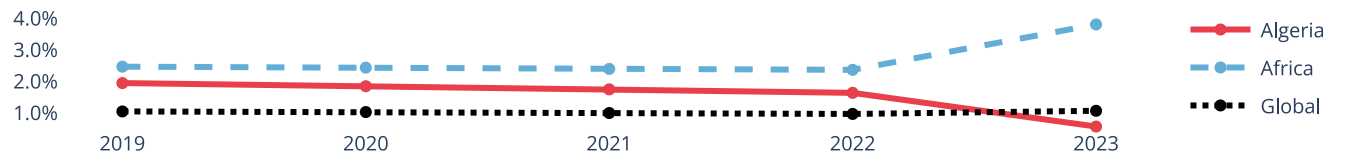


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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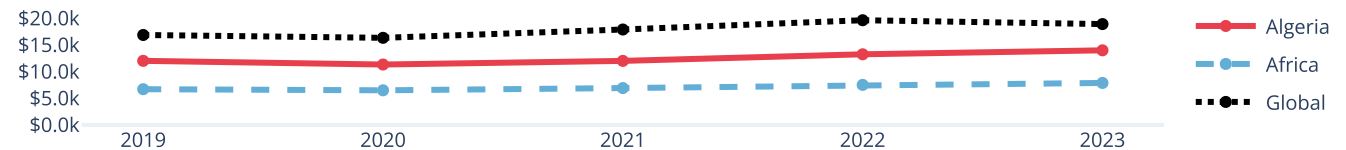
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Algeria



Area: 2,381,741 km²

Capital: Algiers

Currency: Algerian dinar (DZD)

Official language: Arabic

Foreign languages spoken: French

Government type: Presidential republic

VAT: 19%

Reduced rate: 9%

November 2022. Per capita GDP (USD \$13.99k) is almost double the average for Africa.

About 71% of Algerians have access to the internet, while 33% buy online – up from 23% in 2019, according to ITU and Statista data. Revenue from ecommerce spending has more than doubled since 2019, again according to Statista. The US International Trade Administration notes that use of credit cards is very limited, with internet shoppers preferring cash on delivery^[3]. The ITA cites a February 2018 law that requires online markets to host and register websites within Algeria in order to sell.

RetailX analysis finds that none of the Largest 100 retailers selling to Algeria come from within the market. Half are marketplaces, a category that sees 75% of traffic to the Largest 100, according to SimilarWeb analysis. Pan-African website Jumia is a leading seller in the market, offering a range of products from international brands. Brands make up 36% of the Largest 100 and see 20% of traffic. Retailers take a relatively small share of 14% of this group of leading businesses, and see 4% of traffic.

Software is the largest ecommerce category. Just over a third of the Largest 100 selling to this market primarily sell software and together, they see 46% of traffic. Multi-sector businesses have 14% of Largest 100 membership and see 28% of traffic.

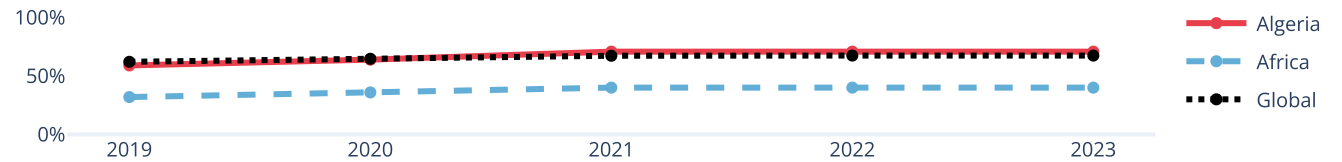
[1] www.worldometers.info/gas/algeria-natural-gas/

[2] <https://documents1.worldbank.org/curated/en/099607506202340553/pdf/IDU029af6e650ac6404e170bc79062eb3b0de925.pdf>

[3] www.trade.gov/country-commercial-guides/algeria-ecommerce

Algeria: Internet user analysis

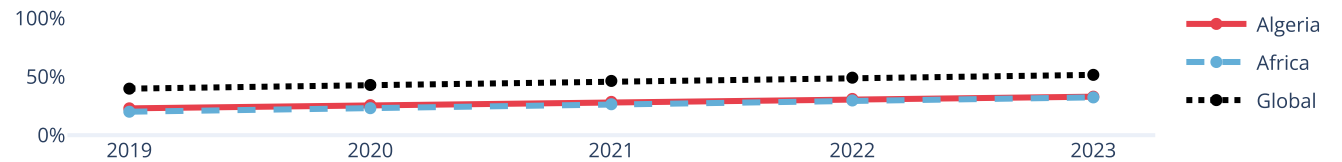
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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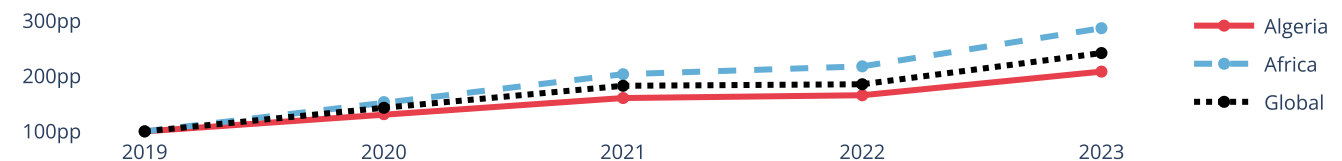
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

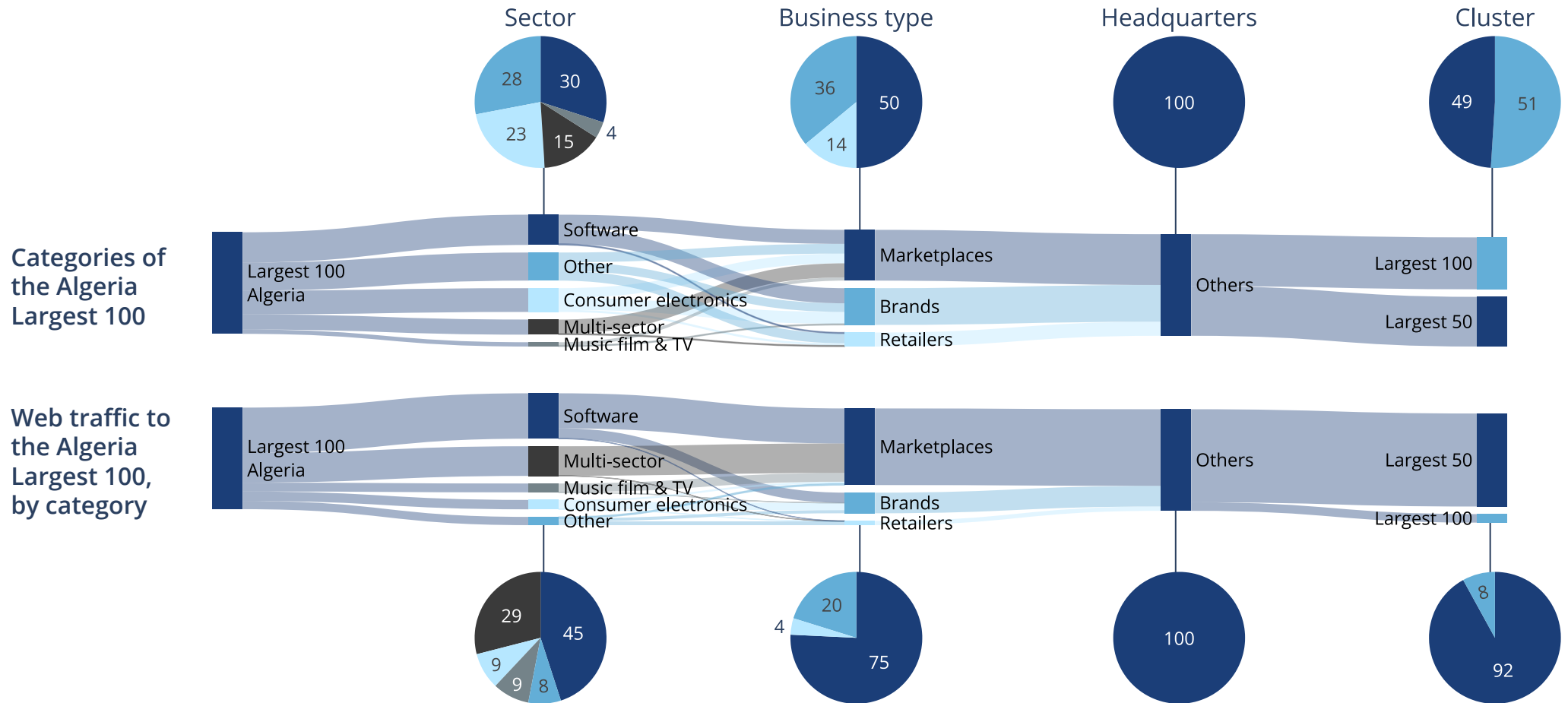


Index 2019=100

Source: RetailX, drawing on data from Statista

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Category analysis of the Algeria Largest 100



Top Sankey chart: the percentage of Algeria Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Algerian consumer web traffic directed at Algeria Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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Egypt

More Egyptian shoppers are buying online, although spending is challenged by rising inflation and a slowing economy

Egypt goes to the polls in December for a presidential election that is widely expected to be won by incumbent President Abdel Fattah el-Sisi, who has been in power since 2014.

The election comes at a time of economic challenge. Inflation has reached record levels – hitting 36.8% in June 2023 – while the Egyptian pound has halved in value against the US dollar since March 2022. The OECD’s economic outlook report on Egypt for June 2023^[1] says the country has been “hit particularly hard by rising food prices in international markets, given its reliance on food imports, including those

Egypt

Area: 1,001,450 km²

Capital: Cairo

Currency: Egyptian pound (EGP)

Official language: Arabic

Foreign languages spoken: English, French

Government type: Presidential republic

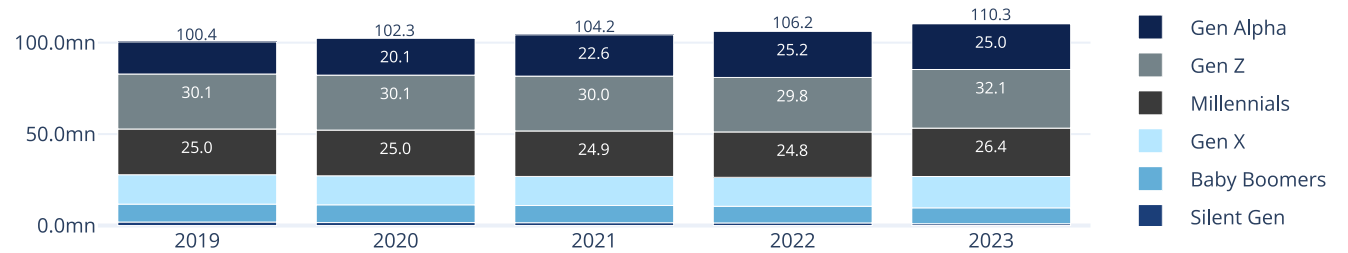
VAT: 14%

Reduced rate: 5%



Egypt: Population analysis

Population structure, by age group (mn)

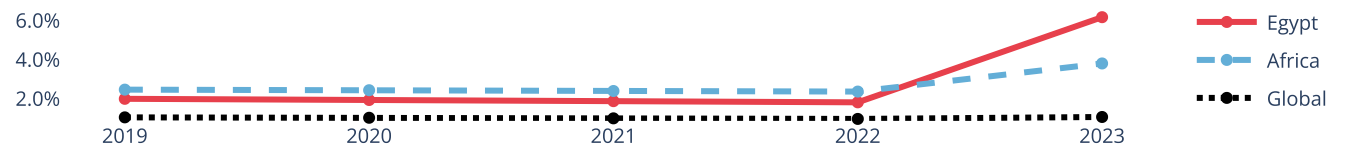


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-EG-SC-1-v1

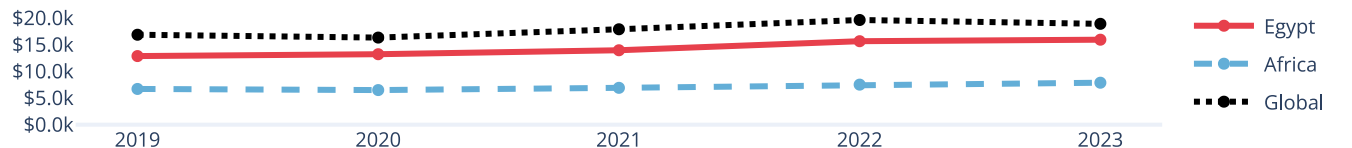
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-EG-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-EG-SC-3-v1

from Russia and Ukraine". GDP growth slowed sharply in 2022 and has yet to recover to 2021 levels.

Cost-of-living issues are reflected in a subdued ecommerce spending in a market where an estimated 97% of retail sales take place instore. 56% of online spending is through a desktop device, while mobile accounts for 44%.

Electronics is the leading category for online sales, both by revenue (an estimated USD \$2bn in 2023) and by share of the market. In 2023, 35% of sales in this category are forecast to take place over the internet, according to Statista, followed by fashion (33%) and beauty (22%).

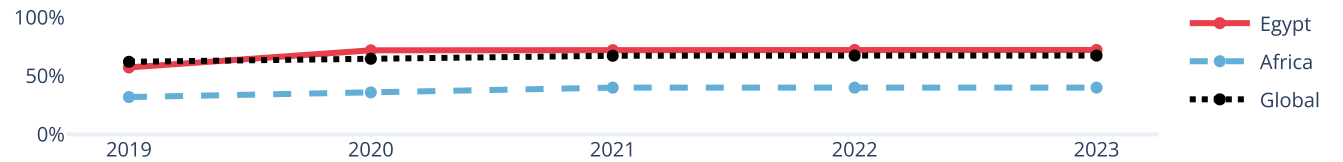
An estimated 40.1mn shoppers are forecast to buy electronics online in 2023, up from 34.4mn the previous year. In fashion, 37.5mn are forecast to buy this category online this year, up from 18.6mn in 2019 – a rise of 101.6%.

The average shopper spends \$51 a year on electronics – down from \$63 in 2021 – \$45 on beauty and health products and \$33 on fashion. While average spending has fallen in recent years, the number of people shopping online in each category continues to grow steadily, reflecting both a slow but steady rise in per capita GDP and access to the internet (72% in 2023). Statista figures suggest 58% of the population shop online in 2023 – well ahead of the 34% who did so in 2019.

[1] www.oecd.org/economy/egypt-economic-snapshot/

Egypt: Internet user analysis

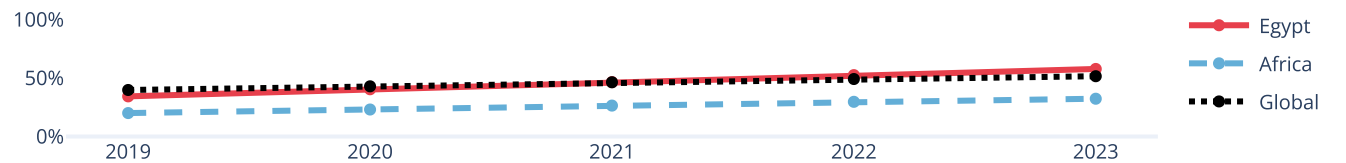
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

RetailX 2023
RXRUN23RP-EG-SC-4-v1

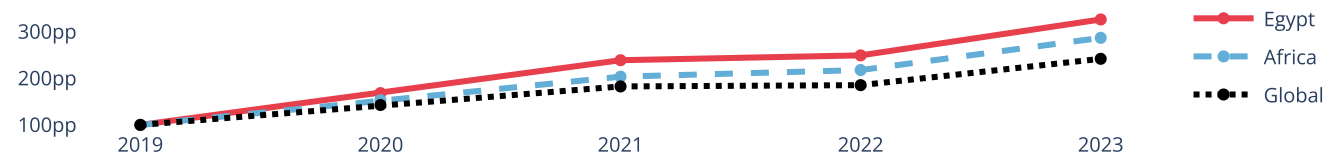
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-EG-SC-5-v1

Ecommerce revenue growth (indexed)

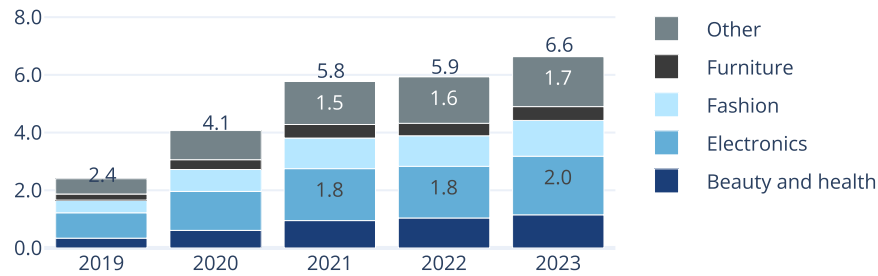


Index 2019=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-EG-SC-6-v2

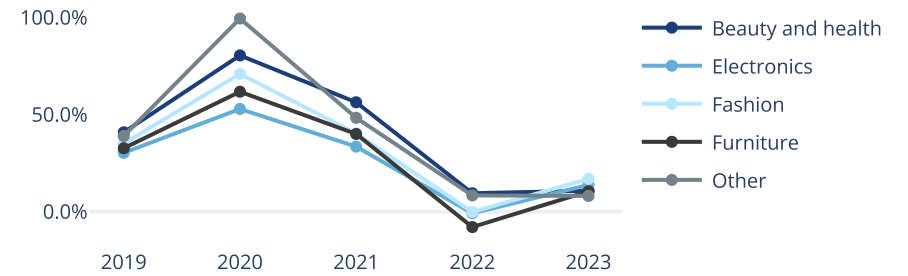
Annual revenue for the ecommerce market (bn USD), Egypt, 2019-23



Source: Statista Digital Market Insights

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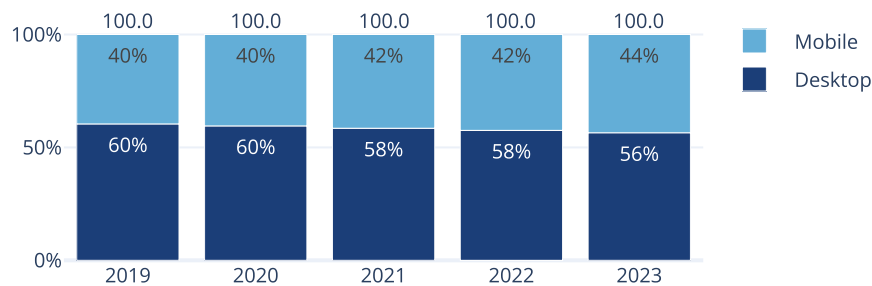
Annual change in revenue for the ecommerce market (%), Egypt, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-EG-ST-6-v1

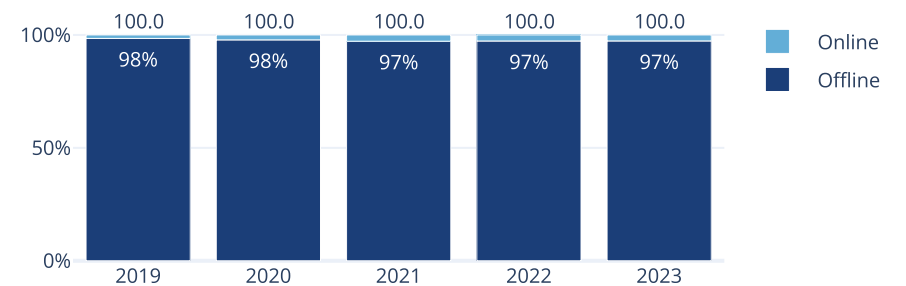
Device usage by revenue for ecommerce, Egypt, 2019-23



Source: Statista Digital Market Insights

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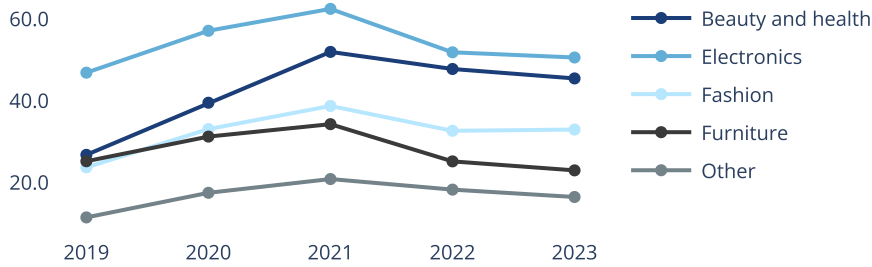
Revenue by channel for multichannel shoppers, Egypt, 2019-23



Source: Statista Digital Market Insights

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Average spending of e-shoppers (USD), Egypt, 2019-23



Source: Statista Digital Market Insights

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Annual percentage change in the Consumer Prices Index (CPI), Egypt, 2022-2023

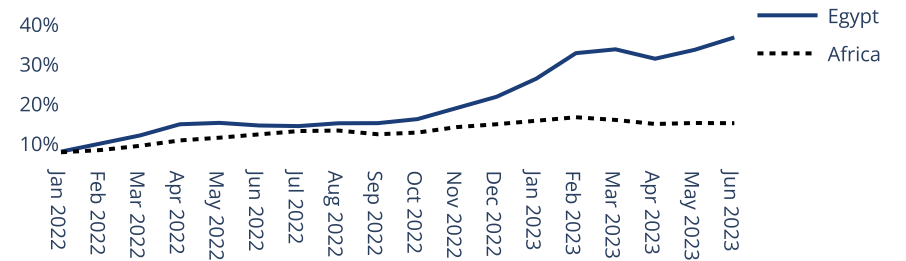
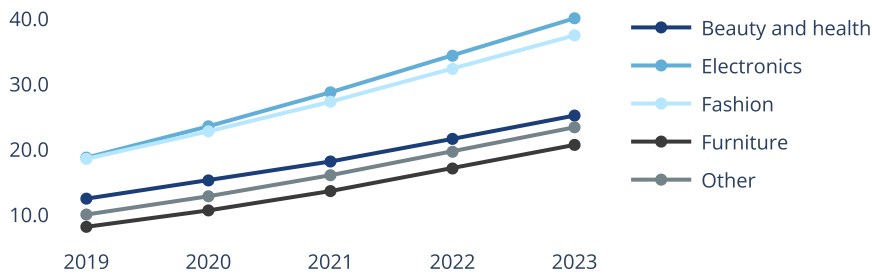


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-EG-I-1-v3

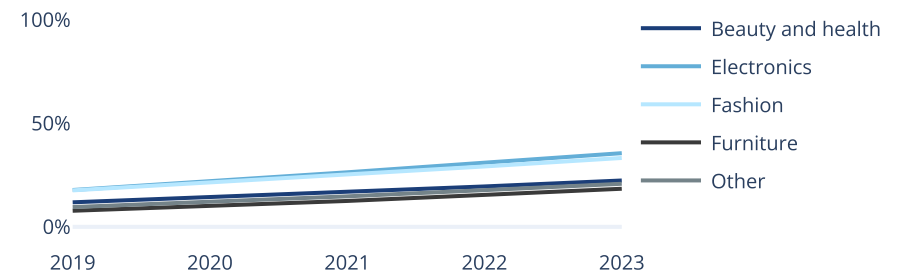
Number of e-shoppers (in millions), Egypt, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-EG-ST-7-v1

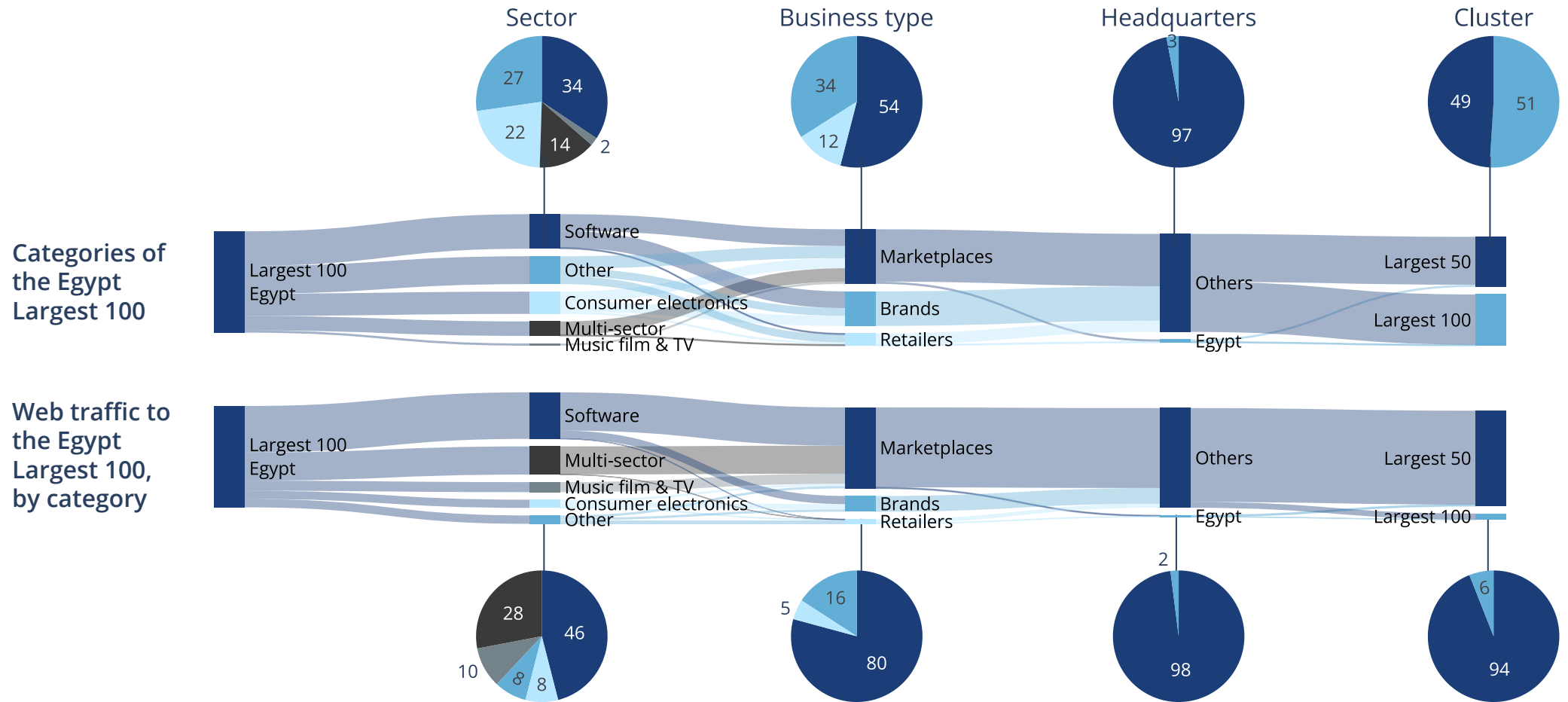
Share of the market taken by ecommerce, by sector, Egypt, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-EG-ST-2-v4

Category analysis of the Egypt Largest 100



Top Sankey chart: the percentage of Egypt Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Egyptian consumer web traffic directed at Egypt Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Ghana

Fewer Ghanaians shop online than in any other part of the region, despite internet availability being relatively high

Ghana this year received a \$3bn bailout from the IMF, confirming its position as the most indebted country to the fund^[1]. The lending has come at a time of repeated protests in the capital of Accra against persistent rises in the cost of living. Inflation rose by 30% in the year to June 2023.

Cocoa, gold and oil are among its primary exports, to markets including China, Switzerland, India and South Africa. Ghana is a lower middle income country, with per capita GDP below the regional average, at \$6.79k in 2023 – up from \$5.77k in 2019.

Ghana

Area: 238,540 km²

Capital: Accra

Currency: Ghanaian cedi (GHS)


Official language: English

Foreign languages spoken: Asante, Ewe, Fante

Government type: Presidential republic

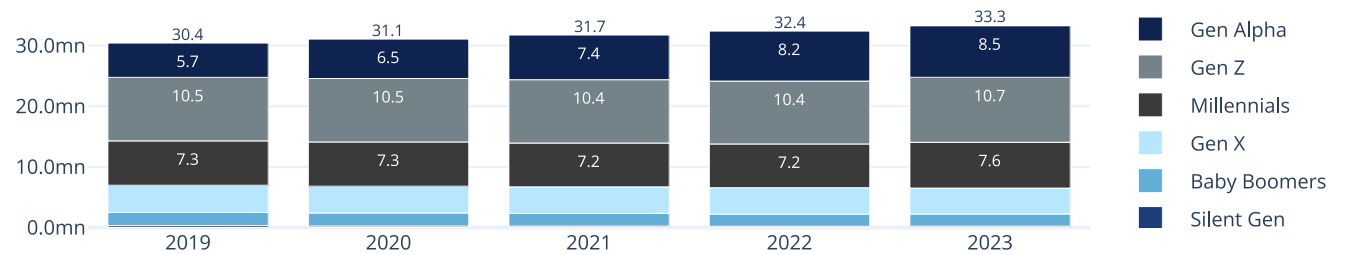
VAT: 15%

Reduced rate: 3%



Ghana: Population analysis

Population structure, by age group (mn)

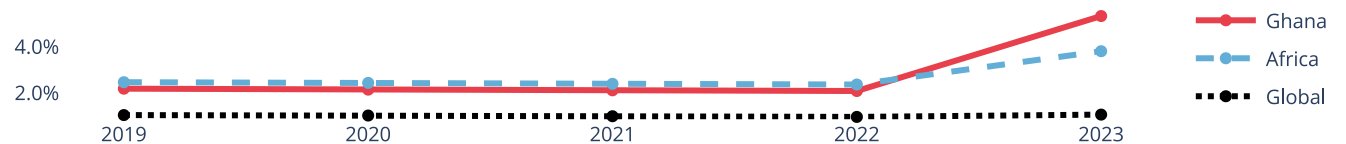


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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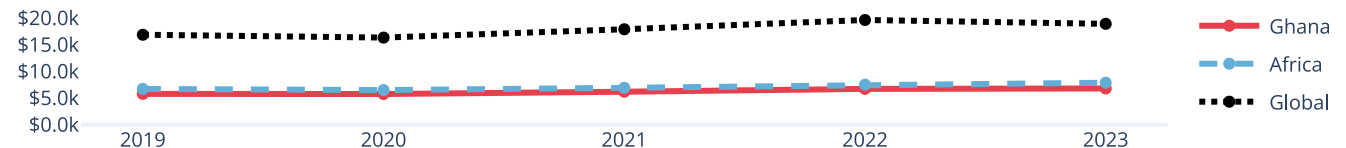
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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68% of Ghanaians now have internet access – up from 45% in 2019, according to ITU figures. While that’s above the African average of 40%, only 30% of those with internet access shop online, a figure up from 18% in 2019. Over the same period, Ghanaian ecommerce revenues have almost tripled – reaching 286.5 on an index that was 100 in 2019.

According to the US International Trade Administration^[1], about 79% of online shoppers have a smartphone and spend an average of three hours online every day, thanks to affordable mobile data from operators including Vodafone, MTN and AirtelTigo. It also says that social media ads are the primary way that predominantly young mobile phone users discover products on sites, starting with Instagram, Facebook and Twitter.

Mobile money and debit payments, says the ITA, are the most widely used options, with credit cards available but less popular. Local ecommerce platforms include Hubtel, Jumia and Jiji.

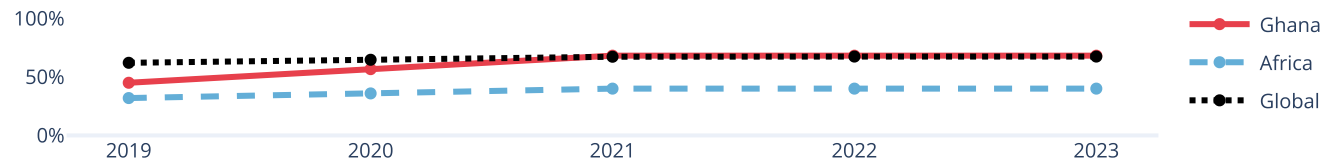
All of the Largest 100 retail businesses selling to Ghana are based outside the market, according to RetailX analysis. The Largest 100 is mostly made up of brands (42%) and marketplaces (39%) followed by retailers (19%). Marketplaces see almost half of all traffic to Top100 brands, while brands see a third. Software (25%) and multi-sector traders (25%) together enjoy the largest share of online traffic, according to SimilarWeb category analysis.

[1] www.africanews.com/2023/05/19/ghana-welcomes-imf-3bn-bail-out-package-to-ease-economic-hardship-in-the-country/

[2] www.trade.gov/country-commercial-guides/ghana-ecommerce

Ghana: Internet user analysis

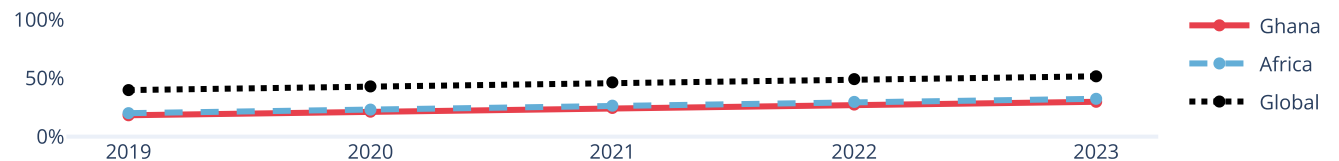
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

RetailX 2023
RXRUN23RP-GH-SC-4-v1

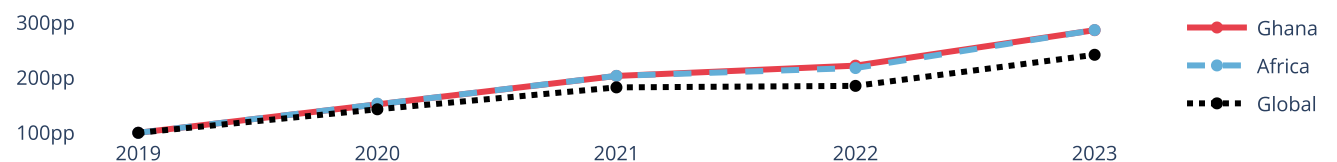
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-GH-SC-5-v1

Ecommerce revenue growth (indexed)

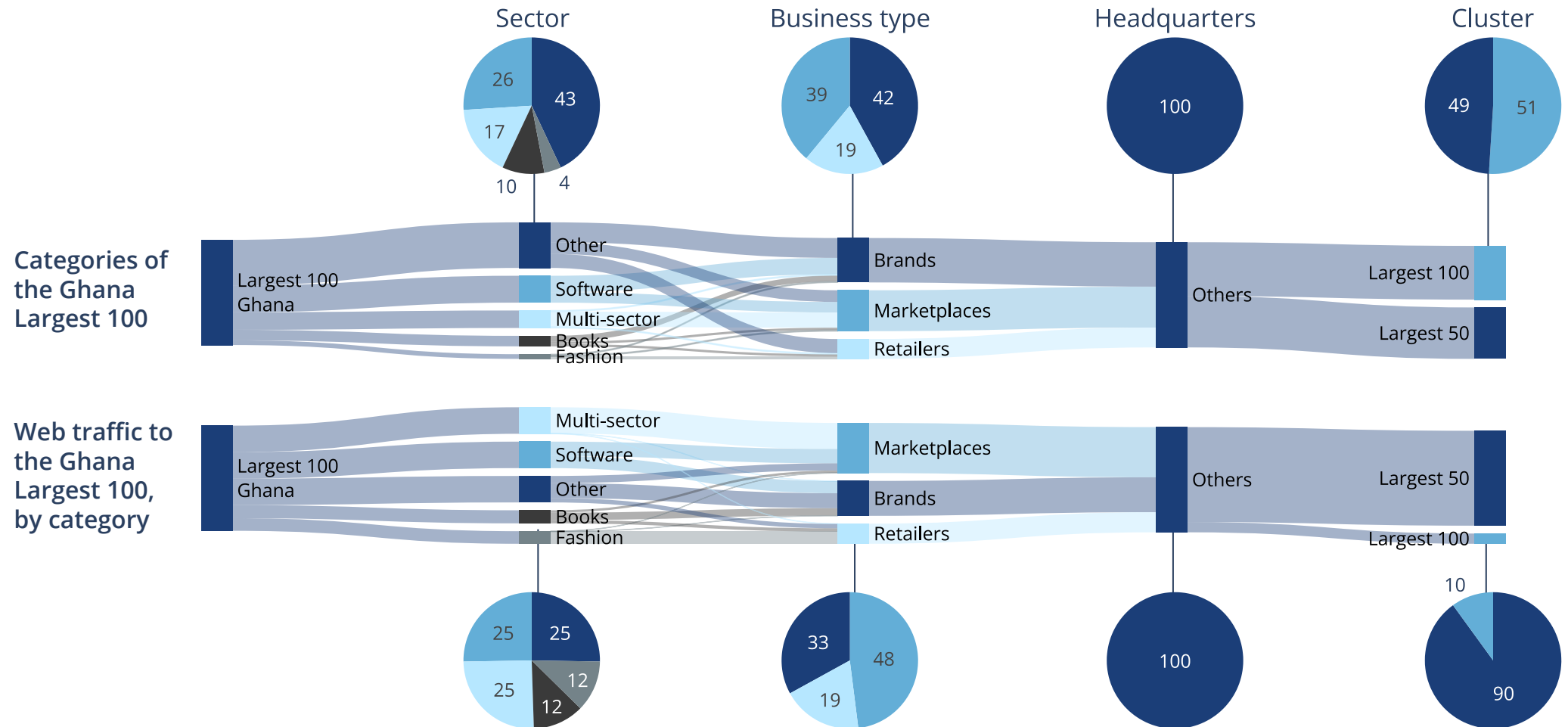


Index 2019=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-GH-SC-6-v1

Category analysis of the Ghana Largest 100



Top Sankey chart: the percentage of Ghana Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Ghanaian consumer web traffic directed at Ghana Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Kenya

As this East African country plans and invests for its future, a small but growing share of retail sales are trading online

Kenya is led by President William Ruto, of the Kwanza coalition, who began a four-year term in 2022. Its economy is based on agriculture, which accounts for 65% of its export revenues and employs more than 40% of the population in some capacity, according to the US International Trade Administration (ITA)^[1].

The ITA describes Kenya, a member of the Common Market for Eastern and Southern Africa, as the most industrially developed East African market. Tourism and construction are key sectors, while the market is also a leader in renewable energy, which provides 92% of the country's needs^[2].

Kenya

Area: 580,370 km²

Capital: Nairobi


Currency: Kenyan shilling (KES)

Official language: English, Kiswahili

Government type: Presidential republic

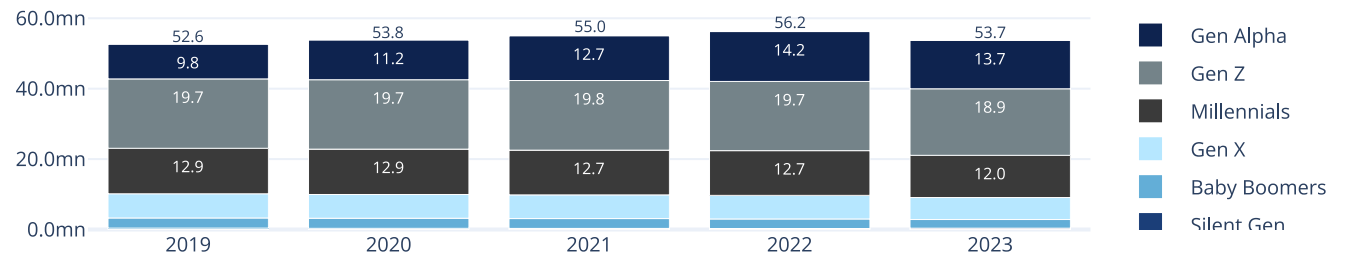
VAT: 16%

Reduced rate: 12%



Kenya: Population analysis

Population structure, by age group (mn)

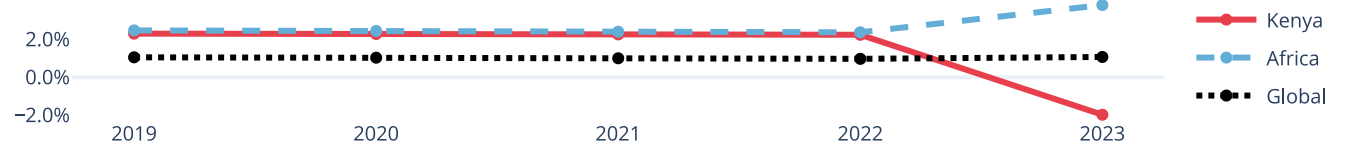


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-KE-SC-1-v1

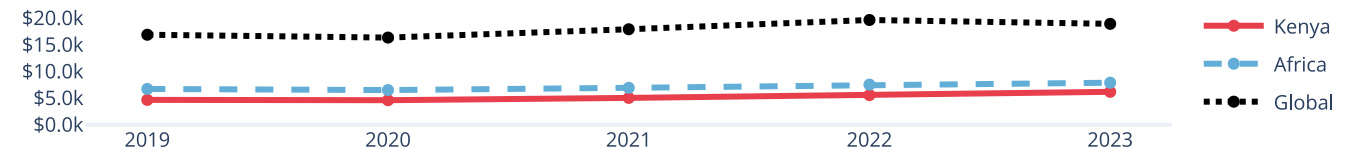
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-KE-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-KE-SC-3-v1

According to the Kenya National Bureau of Statistics, annual inflation fell to 6.7% in August 2023^[3] from an October 2022 peak of 9.6%, driven by rising food and energy prices.

Technology is a fast-growing sector and the Kenyan government is working towards a goal of universal 4G coverage, which would certainly boost mobile ecommerce. Statista finds that 58% of ecommerce revenues are already made via mobile devices.

However, as yet, just 3% of Kenya’s retail sales take place online, despite 29% of its youthful 53.7mn population having access to the internet, according to ITU figures. Statista finds that 45% of these shop online, up from pre-Covid 2019, when 24% of the 23% with internet access did so. Ecommerce revenues have grown more than threefold since then, rising from an index of 100 to 334, and outpacing both the global and regional trend.

Per capita income is increasing steadily but at USD \$6.16k in 2023, remains below the African average (\$7.87k). People buying online is rising across most categories, with electronics, fashion and beauty and health products the most popular. Cash on delivery – used for 25% of online spending, down from 34% in 2019 – remains the most popular form of payment, followed by bank cards (24%). The use of e-wallets (19%) reflects the popularity of mobile commerce.

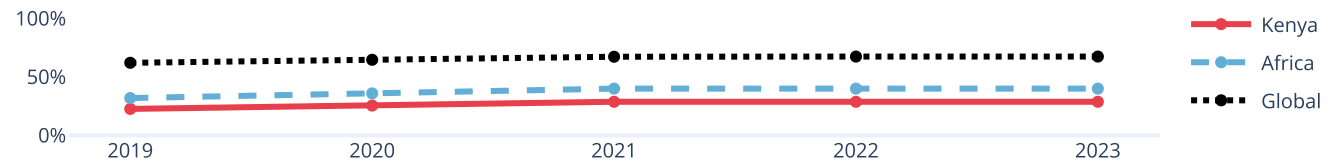
[1] <https://trade.gov/knowledge-product/kenya-market-overview>

[2] <https://bloomberg.com/news/articles/2023-09-29/renewable-energy-champion-kenya-plans-africa-s-biggest-wind-farm>

[3] www.knbs.or.ke/consumer-price-indices-and-inflation-rates-for-august-2023/

Kenya: Internet user analysis

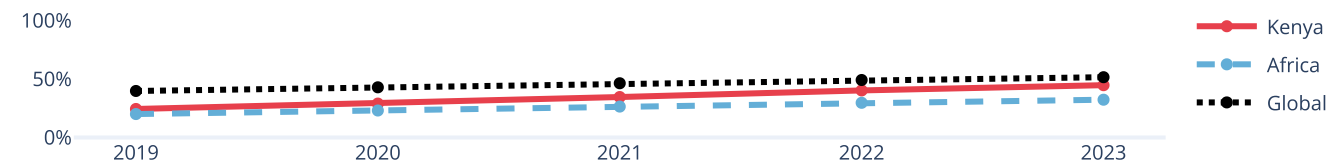
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

RetailX 2023
RXRUN23RP-KE-SC-4-v1

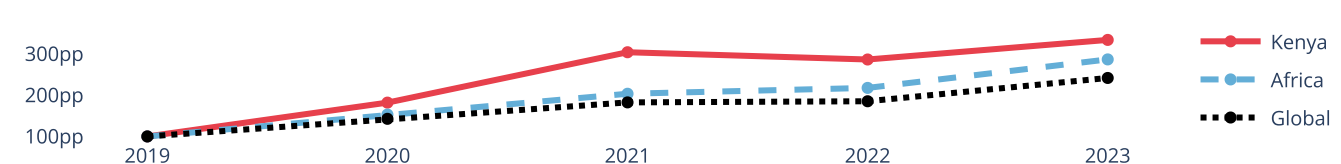
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-KE-SC-5-v1

Ecommerce revenue growth (indexed)

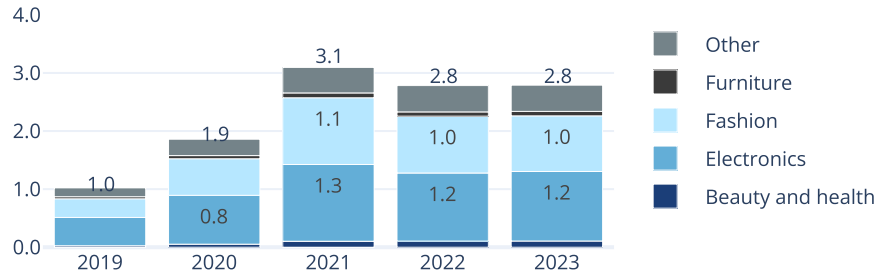


Index 2019=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-KE-SC-6-v1

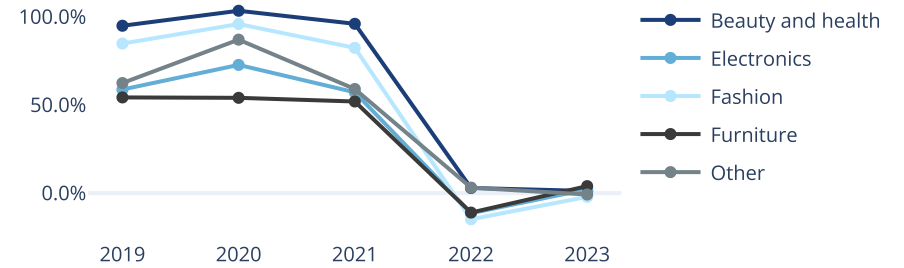
Annual revenue for the ecommerce market (bn USD), Kenya, 2019-23



Source: Statista Digital Market Insights

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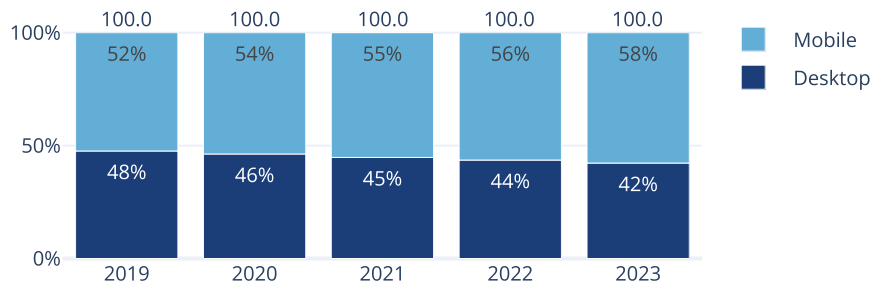
Annual change in revenue for the ecommerce market (%), Kenya, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-KE-ST-6-v1

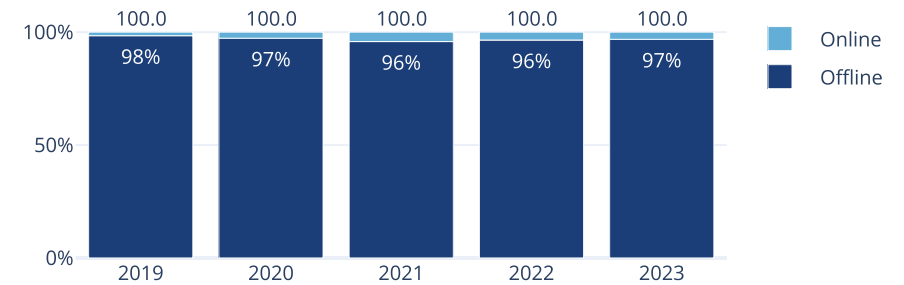
Device usage by revenue for ecommerce, Kenya, 2019-23



Source: Statista Digital Market Insights

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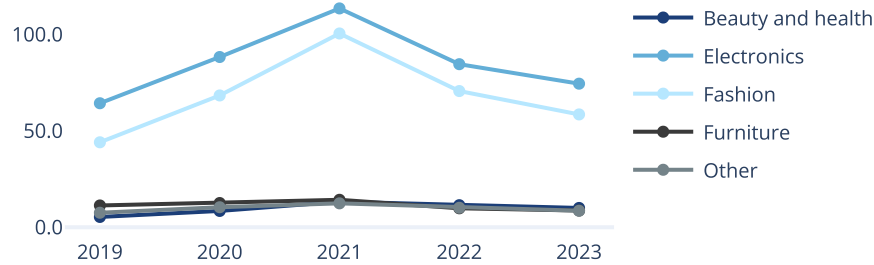
Revenue by channel for multichannel shoppers, Kenya, 2019-23



Source: Statista Digital Market Insights

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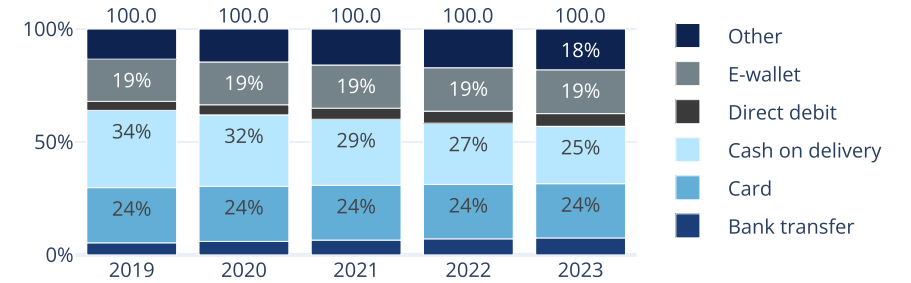
Average spending of e-shoppers (USD), Kenya, 2019-23



Source: Statista Digital Market Insights

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Payment type share by revenue for online shopping (%), Kenya, 2019-23



Source: Statista Digital Market Insights

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Annual percentage change in the Consumer Prices Index (CPI), Kenya, 2022-2023

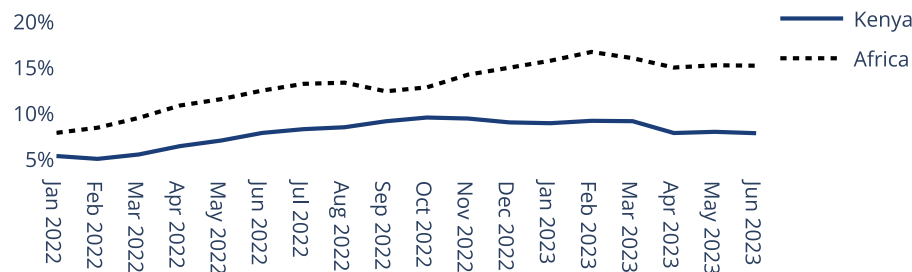
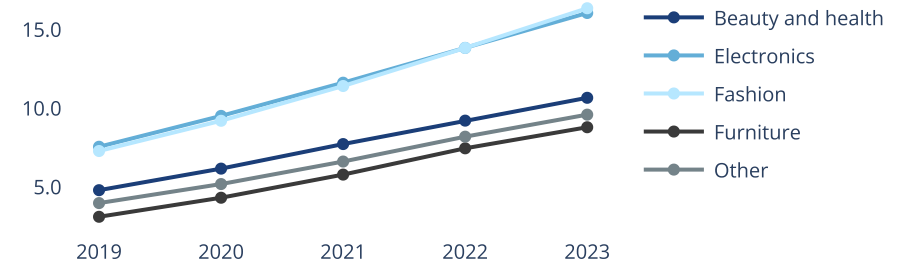


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

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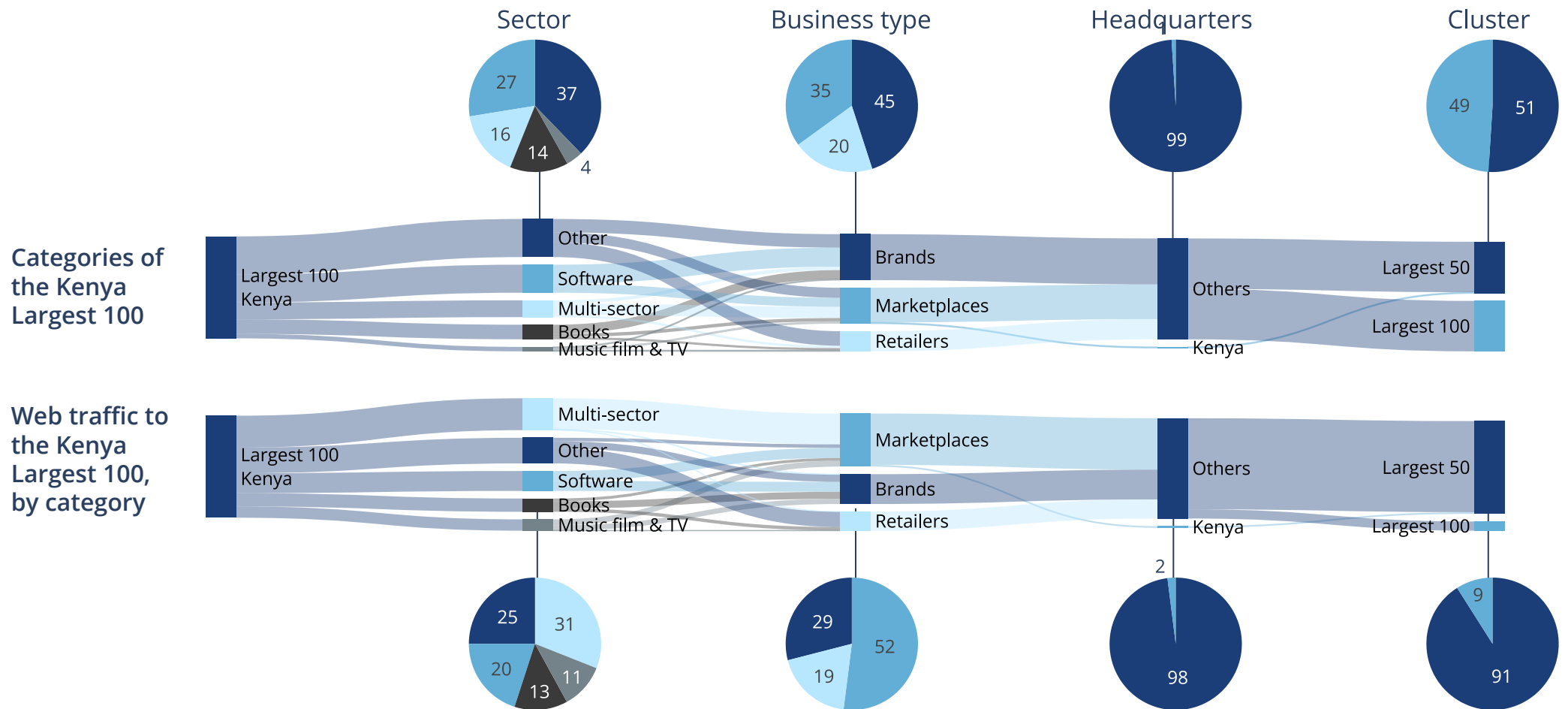
Number of e-shoppers (in millions), Kenya, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-KE-ST-7-v1

Category analysis of the Kenya Largest 100



Top Sankey chart: the percentage of Kenya Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Kenyan consumer web traffic directed at Kenya Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Morocco

Shoppers here favour smartphones for ecommerce, although online represents a small share of total Moroccan retail sales

Morocco is focused on reconstruction following the earthquake of September 2023, which hit areas from the Atlas Mountains to Marrakesh. It has allocated \$12bn for rebuilding physical and economic infrastructure in the region^[1]. The earthquake came after the worst drought for 40 years hit agricultural exports across 2021 and 2022^[2]. Investment in renewable energy in areas such as solar and wind is part of a current Moroccan transition plan^[3].

The North African country of 37.2mn people is also still recovering from recession in 2020. In the first quarter of 2023, year-on-year inflation was at

Morocco

Area: 446,550 km²

Capital: Rabat

Currency: Moroccan dirham (MAD)

Official language: Arabic

Foreign languages spoken: French

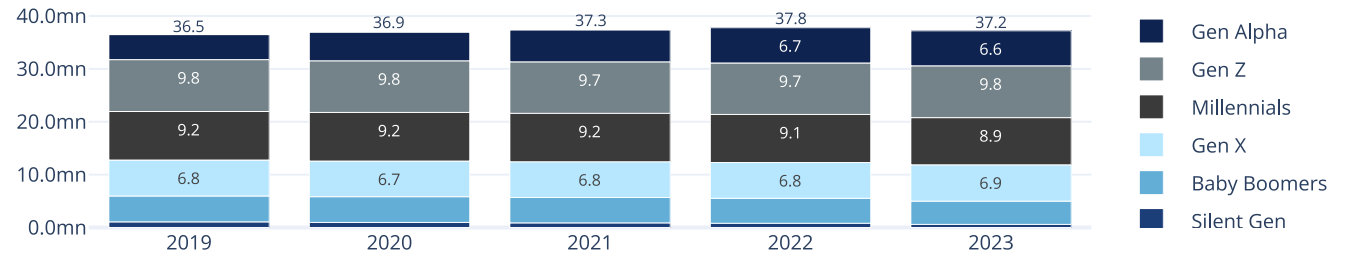
Government type: Parliamentary constitutional monarchy

VAT: 20%

Reduced rate: 7%

Morocco: Population analysis

Population structure, by age group (mn)

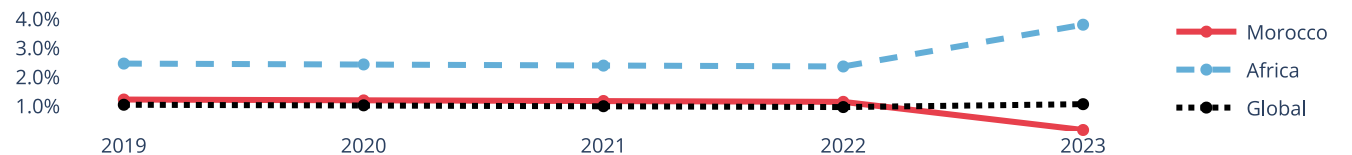


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-MA-SC-1-v1

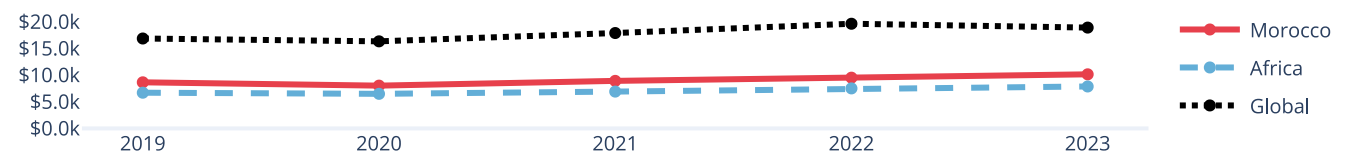
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-MA-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-MA-SC-3-v1

9.1%, according to Morocco's statistics office, the Haut-Commissariat Au Plan^[4], although the OECD predicts^[5] that growth will recover this year (+3.5%) and next (+3.7%) as global economic tensions ease.

Agriculture is key to the economy – the country produces wheat and citrus fruits among other things – while its industries include energy, construction and tourism. 39% of its labour force work in agriculture, 20% in industry and 41% in services.

Morocco is well-connected, with 88% of the population having access to the internet, according to the ITU – more twice the regional average. Of those who do have internet access, about 40% shop online. That's up by a third from 30% in 2019, while ecommerce revenues have doubled.

According to SimilarWeb analysis, about 3% of Moroccan retail sales are now online, with shoppers more likely to buy via mobile (62% of online revenue) than desktop (38%). Amazon and Aliexpress are among the leading retail businesses. Per capita GDP of USD \$10.15k has risen quickly in recent years, staying above the regional average. Online spending peaked during the pandemic and fell back in 2021 and 2022 but is expected to recover in 2023. The average ecommerce shopper spends most on electronics (\$75 a year), followed by fashion (\$29) and beauty and health products (\$21).

[1] <https://gadebate.un.org/en/78/morocco>

[2] www.afdb.org/en/countries/north-africa/morocco

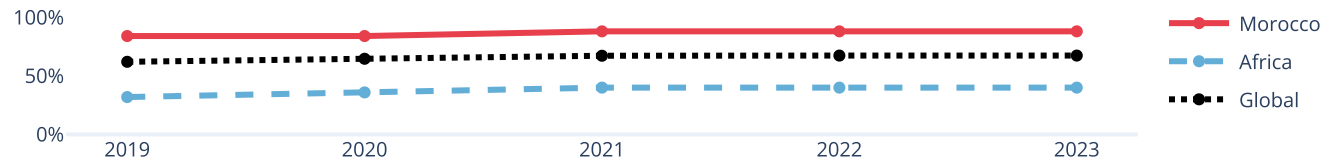
[3] [https://unfccc.int/sites/default/files/resource/Loss and damage MTEDD.pdf](https://unfccc.int/sites/default/files/resource/Loss%20and%20damage%20MTEDD.pdf)

[4] www.hcp.ma/Inflation_a2950.html

[5] <https://doi.org/10.1787/ce188438-en>

Morocco: Internet user analysis

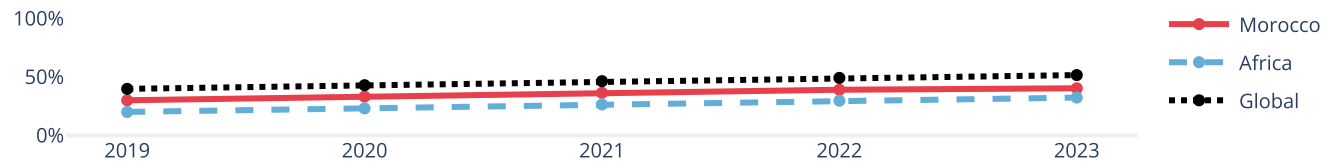
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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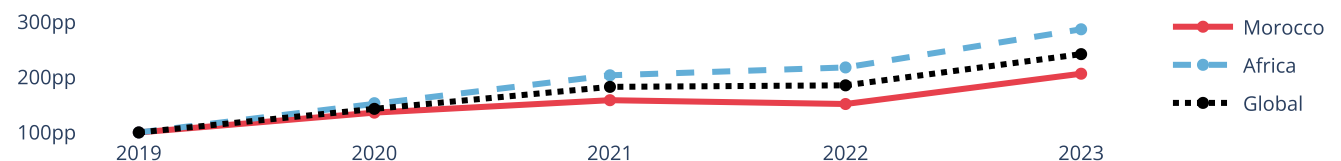
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

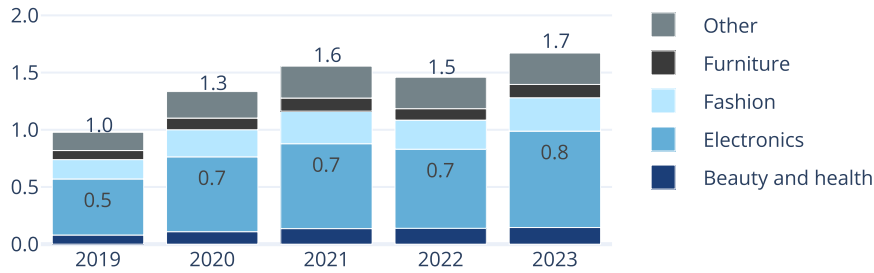


Index 2019=100

Source: RetailX, drawing on data from Statista

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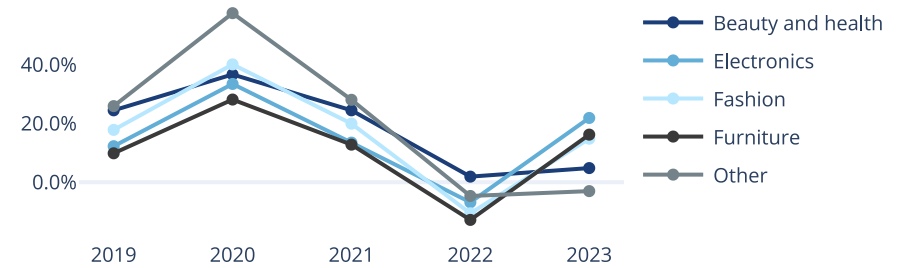
Annual revenue for the ecommerce market (bn USD), Morocco, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-MA-ST-4-v2

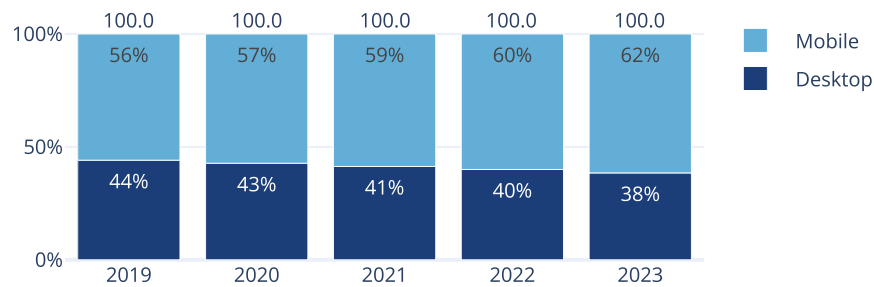
Annual change in revenue for the ecommerce market (%), Morocco, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-MA-ST-6-v1

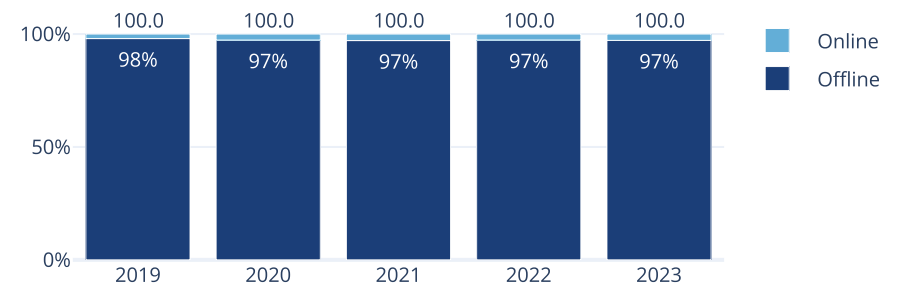
Device usage by revenue for ecommerce, Morocco, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-MA-ST-1-v1

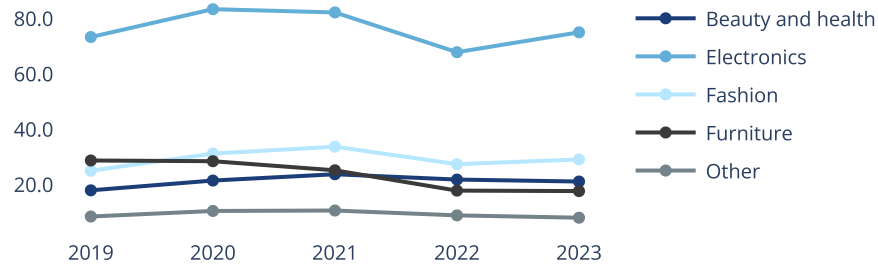
Revenue by channel for multichannel shoppers, Morocco, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-MA-ST-5-v1

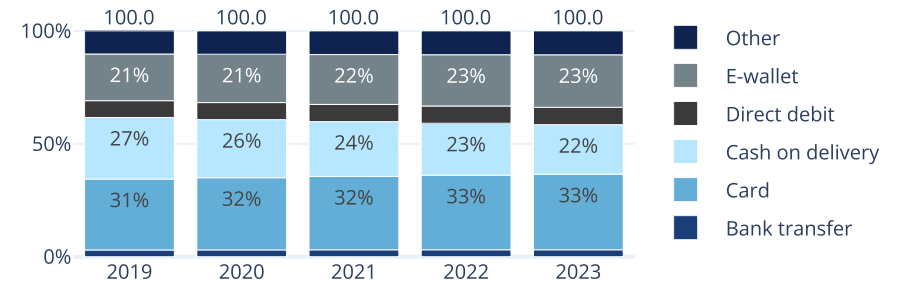
Average spending of e-shoppers (USD), Morocco, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-MA-ST-3-v1

Payment type share by revenue for online shopping (%), Morocco, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-MA-ST-8-v1

Annual percentage change in the Consumer Prices Index (CPI), Morocco, 2022-2023

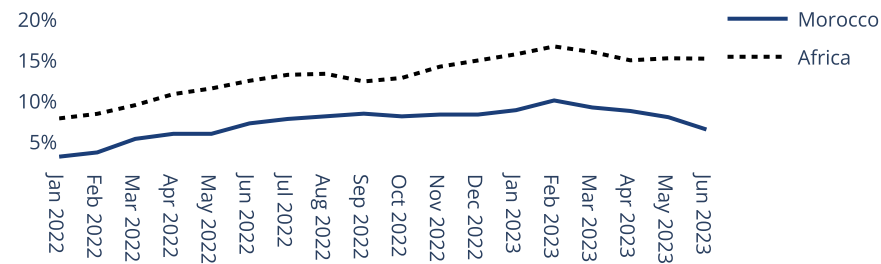
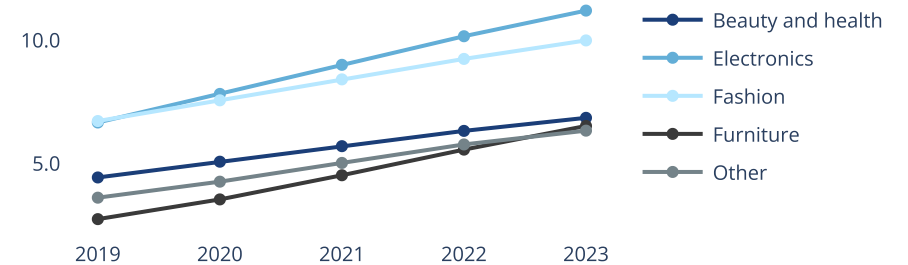


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-MA-I-1-v4

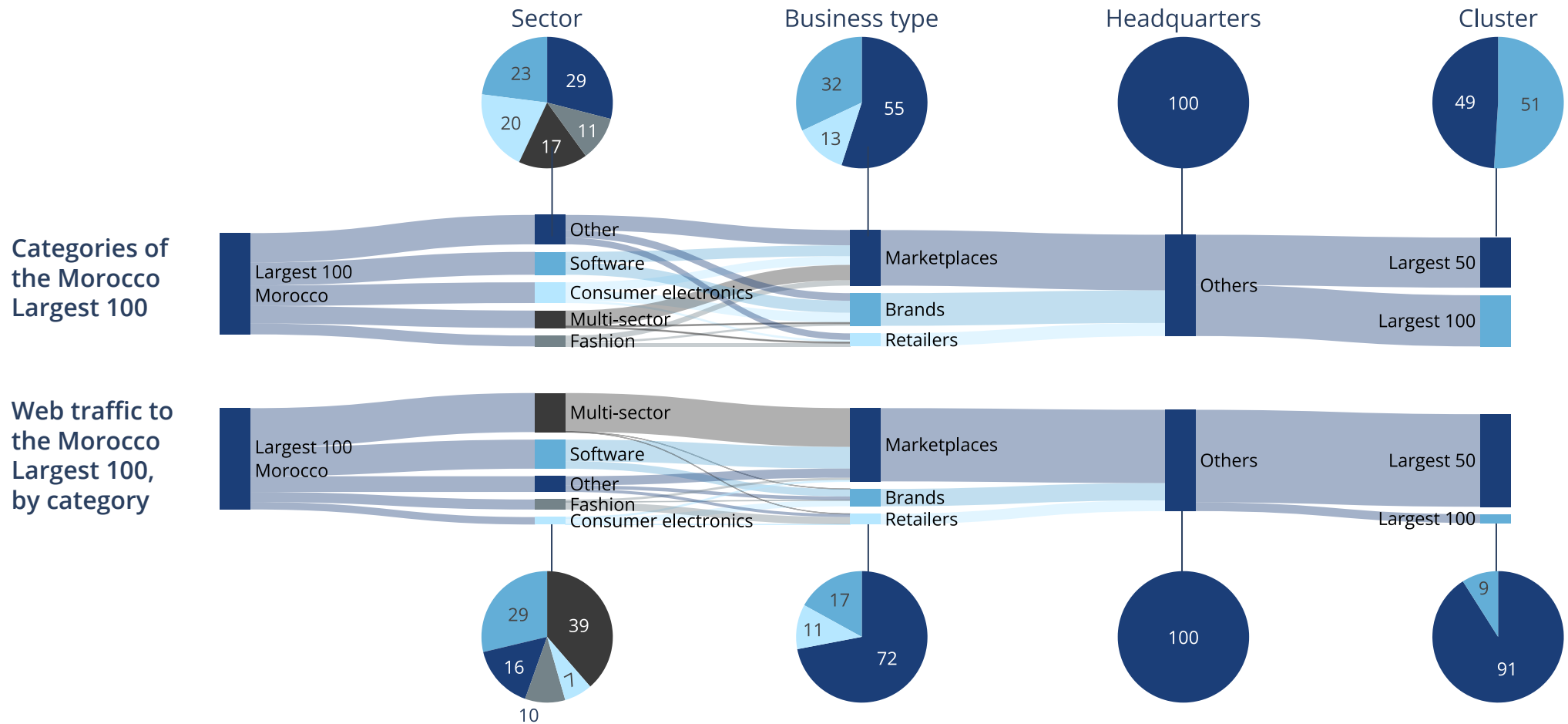
Number of e-shoppers (in millions), Morocco, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-MA-ST-7-v1

Category analysis of the Morocco Largest 100



Top sankey chart: The percentage of Morocco Largest 100 retailers in a category. Bottom sankey chart: The percentage of Moroccan consumer web traffic directed at Morocco Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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RXRUN23RP-MA

Nigeria

Africa's largest economy, Nigeria has potential for growth in ecommerce, but inequality and poverty are huge issues

Nigeria, a federation of 36 states, is led by Bola Ahmed Tinubu of the All Progressives Congress, who came to office following the presidential elections of February 2023. The country is rich in natural resources, with crude oil, natural gas and agriculture among its leading exports. It has been a member of OPEC since 1971^[1] and has some of the highest levels of investment in renewable energy on the continent.

Nigeria boasts Africa's largest economy. Megacity Lagos, where the metropolitan area population has likely already exceeded 30mn, is a major financial centre. However, the World Bank reports that an estimated 84mn Nigerians will be living below the

Nigeria

Area: 923,770 km²

Capital: Abuja

Currency: Naira (NGN)

Official language: English

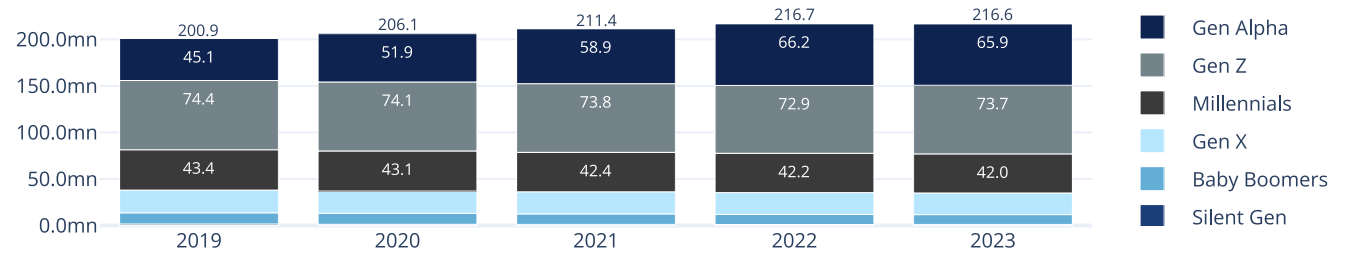
Government type: Federal presidential republic

VAT: 7.5%

Reduced rate: 0%

Nigeria: Population analysis

Population structure, by age group (mn)

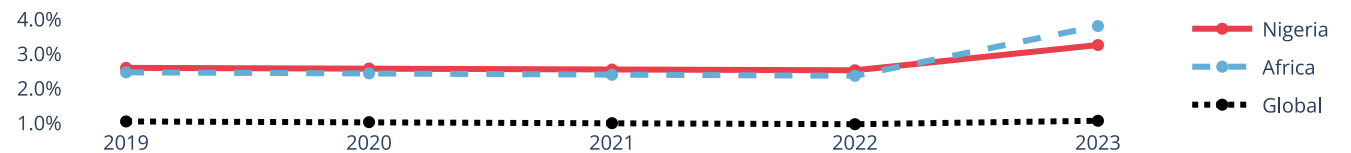


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-NG-SC-1-v1

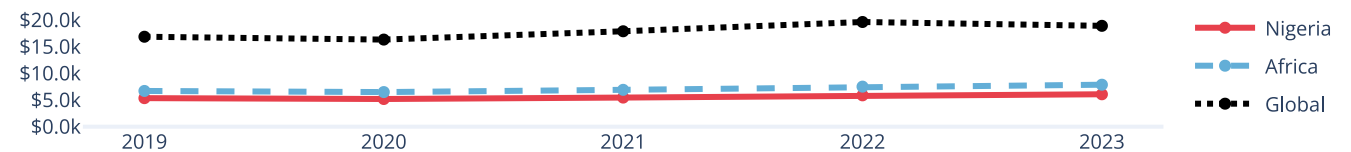
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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poverty line in 2023. There are parallels with India in that Nigeria is a country of contrasts and inequality.^[2]

At 216.6mn, Nigeria's growing population is the largest in Africa, with Gen Z the largest demographic group. Per capita GDP is at \$6.1k and inflation has been running at more than 20% since August 2022. In August 2023, CPI inflation stood at 25.8%.

According to ITU figures, 55% of Nigerians have internet access, with 46% of those who do shopping online, according to Statista. This figure is up from 26% in 2019. The proportion of sales that takes place over the internet has increased steadily over the last five years, although according to Statista, only 2% of overall retail sales are online. Statista predicts that online transactions will account for 24% of sales in both the electronics and fashion categories in 2023.

Of the Largest 100 that sell to Nigeria, just 2% are headquartered within the country, yet these see 18% of traffic. 43% of the Largest 100 are marketplaces, which see 56% of traffic. Pan-African marketplace Jumia was founded in Nigeria in 2011.

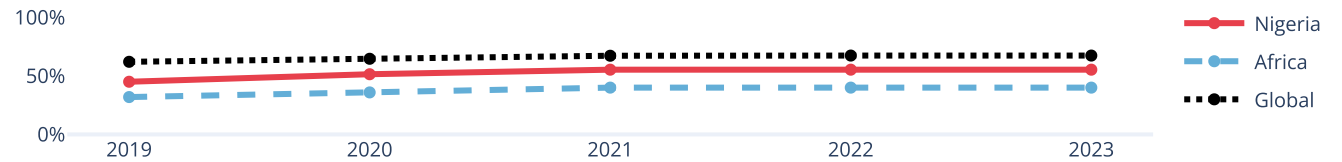
Nigeria ecommerce revenues are 147% ahead of 2019, Statista finds. Turnover is forecast at \$6.7bn in 2023, from \$5.8bn in 2022, with the highest revenues from electronics (\$3bn), followed by fashion (\$1.3bn). Growth has come as more shoppers have moved online, with more than 54mn people buying both electronics and fashion over the internet. Bank transfer is the most popular way of paying.

[1] www.opec.org/opec_web/en/about_us/167.htm

[2] www.worldbank.org/en/country/nigeria/overview

Nigeria: Internet user analysis

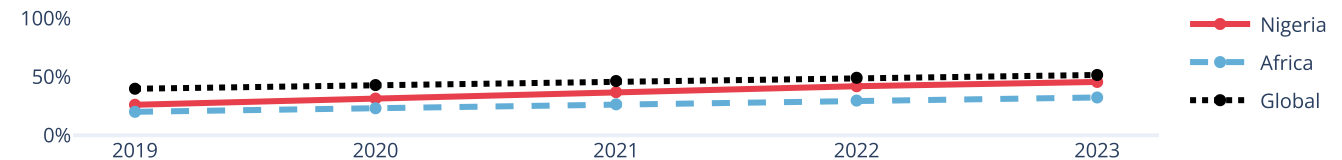
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-NG-SC-4-v1

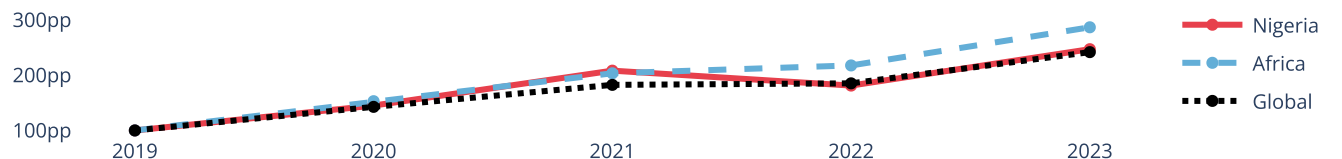
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-NG-SC-5-v1

Ecommerce revenue growth (indexed)



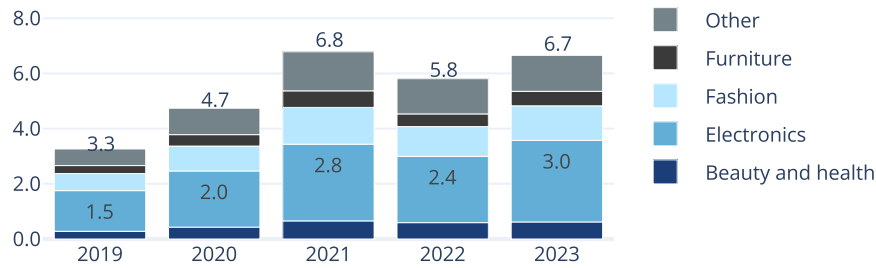
Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-NG-SC-6-v1



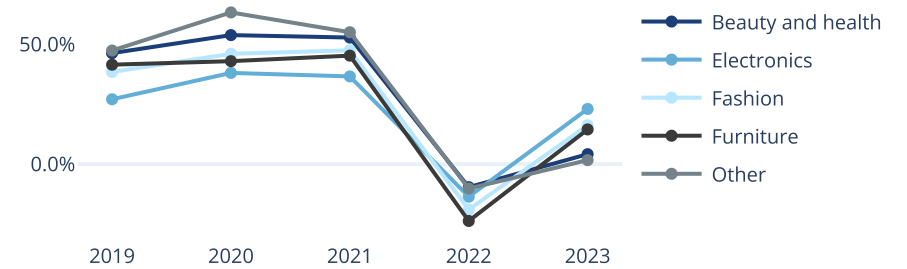
Annual revenue for the ecommerce market (bn USD), Nigeria, 2019-23



Source: Statista Digital Market Insights

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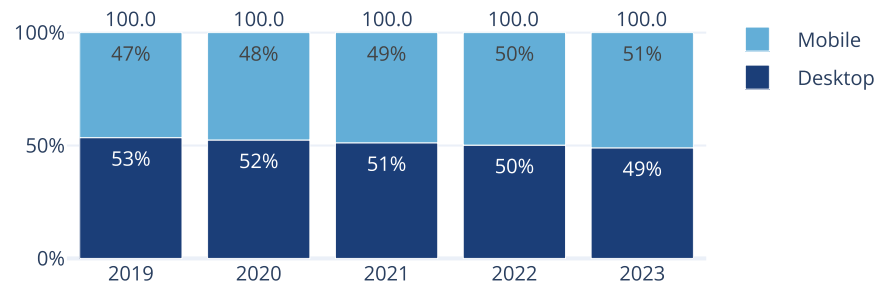
Annual change in revenue for the ecommerce market (%), Nigeria, 2019-23



Source: Statista Digital Market Insights

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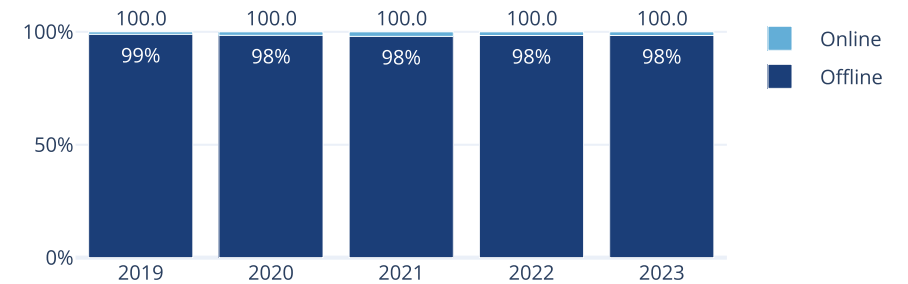
Device usage by revenue for ecommerce, Nigeria, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-NG-ST-1-v1

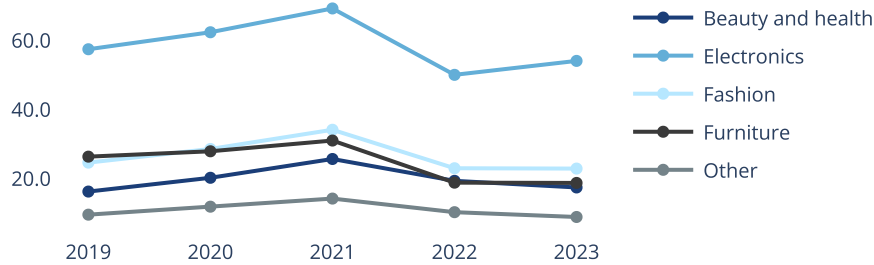
Revenue by channel for multichannel shoppers, Nigeria, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-NG-ST-5-v1

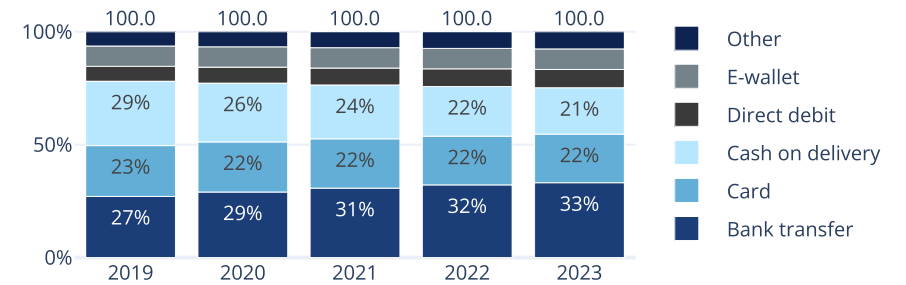
Average spending of e-shoppers (USD), Nigeria, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-NG-ST-3-v1

Payment type share by revenue for online shopping (%), Nigeria, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-NG-ST-8-v1

Annual percentage change in the Consumer Prices Index (CPI), Nigeria, 2022-2023

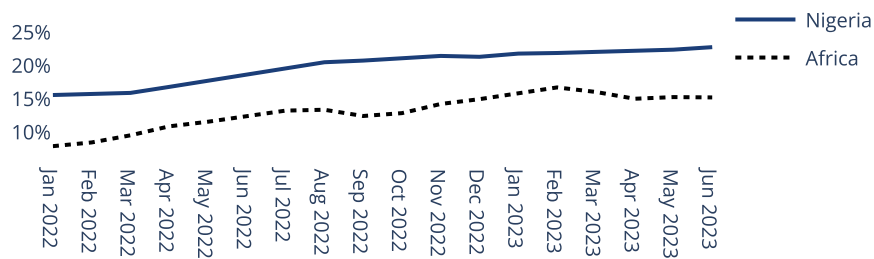
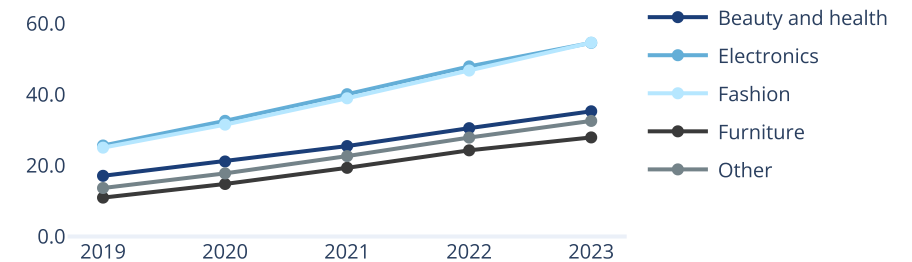


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

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RXRUN23RP-NG-I-1-v3

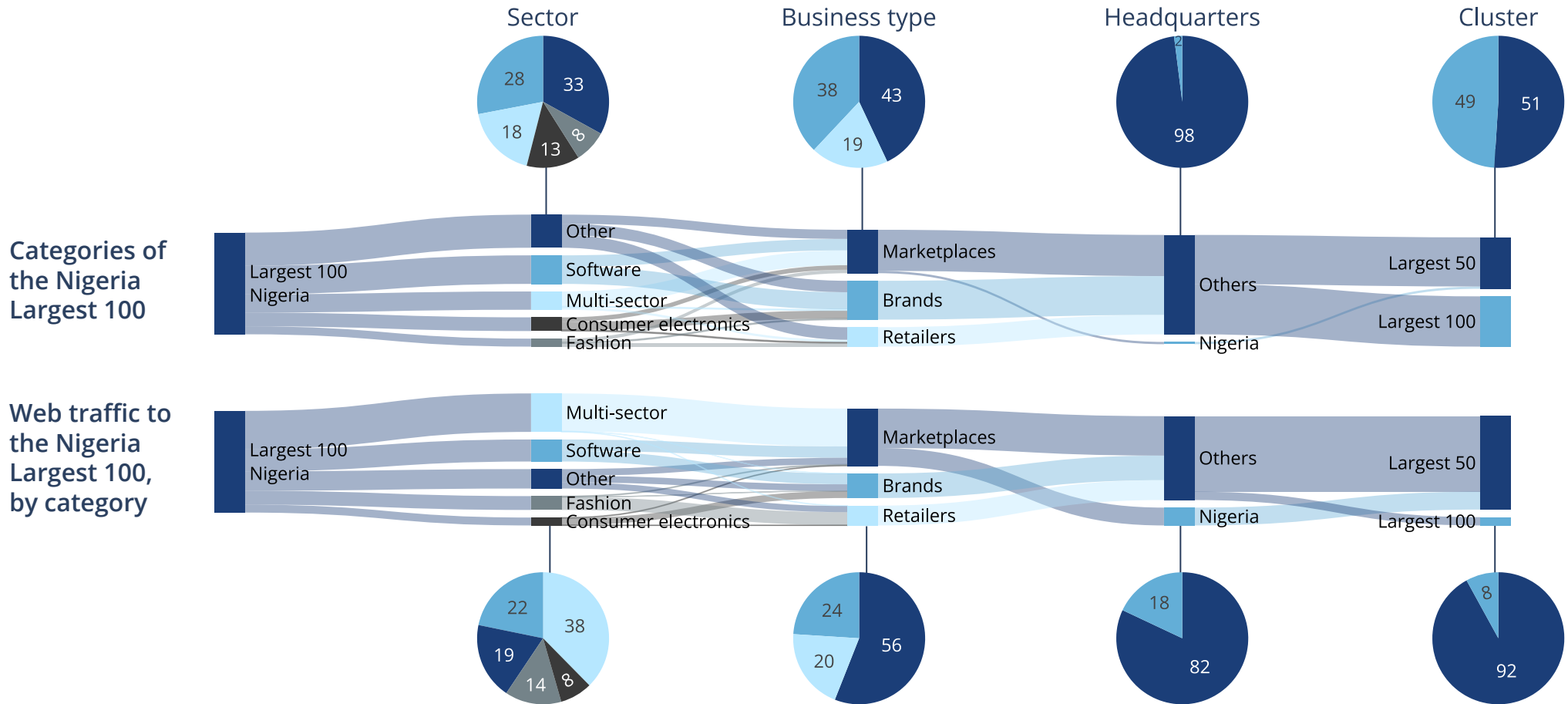
Number of e-shoppers (in millions), Nigeria, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-NG-ST-7-v2

Category analysis of the Nigeria Largest 100



Top Sankey chart: the percentage of Nigeria Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Nigerian consumer web traffic directed at Nigeria Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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RXRUN23RP-NG

South Africa

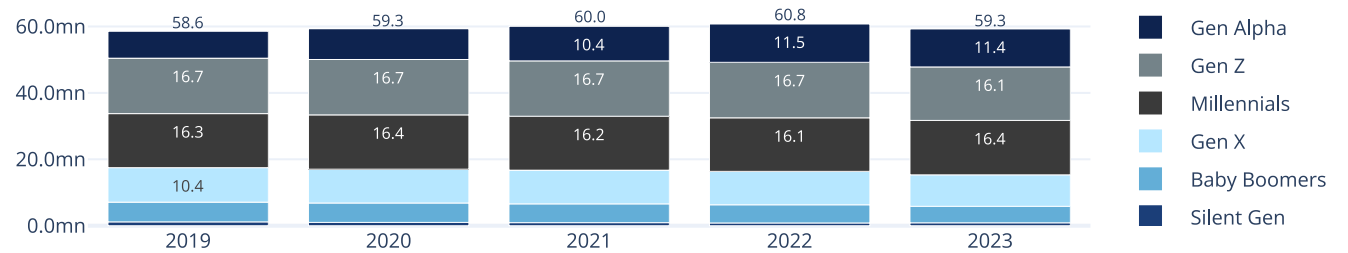
In recent years, this leading African economy has seen more people shopping online but spending less as they do so

The ruling African National Congress will have been in power for 30 years in South Africa when the next elections are held in 2024. Seven opposition parties plan a coalition should the ANC, now led by President Cyril Ramaphosa, fail to gain an outright victory. In 2019, the party won 57.5% of the vote^[1].

Mining, transport, energy and tourism are among South Africa's key economic sectors^[2]. Retail sales fell by 2.2% in the three months to July 2023 compared with the previous year, though clothing and footwear sales grew (+6.8%)^[3]. Per capita GDP of \$16.46k is significantly above the \$7.87k average for the region.

South Africa: Population analysis

Population structure, by age group (mn)

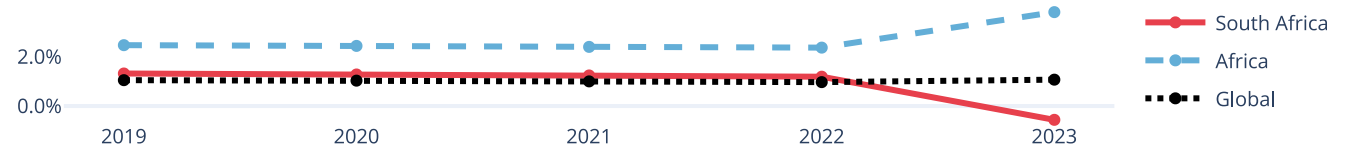


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-ZA-SC-1-v1

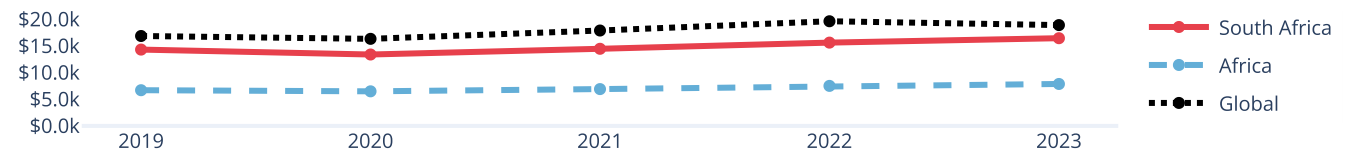
Population growth



Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-ZA-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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RXRUN23RP-ZA-SC-3-v1

South Africa



Area: 1,219,090 km²

Capital: Pretoria, Cape Town, Bloemfontein

Currency: rand (ZAR)

Official language: Afrikaans, English

Foreign languages spoken: Zulu, Xhosa

Government type: Parliamentary republic

VAT: 15%

Reduced rate: 0%

72% of South Africans have internet access in 2023, up from 70% in 2019. Of these, 48.5% are expected to shop online in 2023, up from 35% in 2019.

7% of retail sales are online, with desktop access (52%) leading mobile (48%). 17% of beauty and health sales are expected to be online in 2023 (up from 9% in 2019), 25% of electronics and 24% of fashion sales (both 14% in 2019). 21% of the Largest 100 selling to South Africa are based within the country. Marketplaces dominate the list both by number and by traffic, with takealot.com and Amazon among the leading retail businesses.

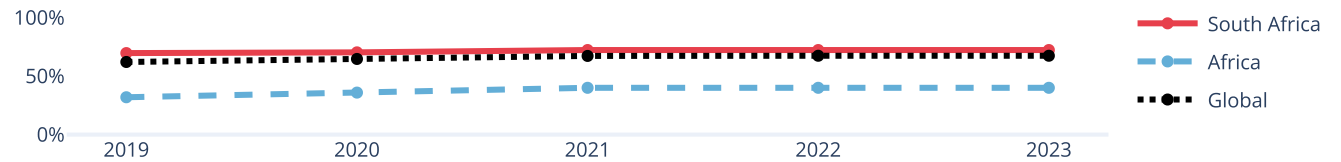
Ecommerce revenues have grown by 83.6% since 2019, with 2020 pandemic peaks followed by decline in 2022. This year, shoppers are forecast to spend \$6.3bn online, up from \$5.9bn in 2022. Electronics is the largest category by revenue (\$2.1bn) followed by beauty and health (\$0.9bn) and fashion (\$0.8bn). More shoppers buy electronics (15.2mm) and fashion (14.8mm) online than any other category.

Growth comes as more people buy online, yet the trend is for the average shopper to spend less in each category. Cards are the most used form of payment, accounting for 39% of transactions. E-wallets (21%) are popular while cash on delivery (13%) also has a significant level of use.

[1] <https://abcnews.go.com/International/wireStory/bid-unseat-long-ruling-anc-7-south-african-102351557>
 [2] www.gov.za/about-sa/south-africa-glance
 [3] https://statssa.gov.za/?page_id=1856&PPN=P6242.1&SCH=73403

South Africa: Internet user analysis

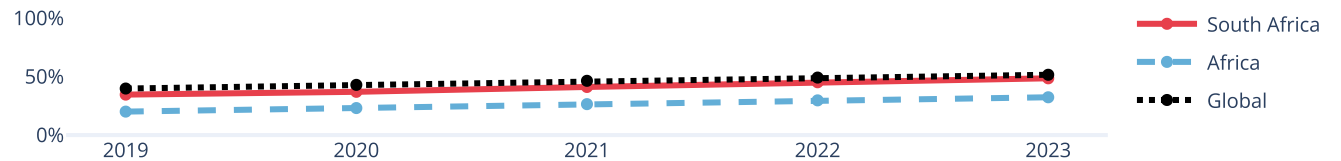
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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RXRUN23RP-ZA-SC-4-v1

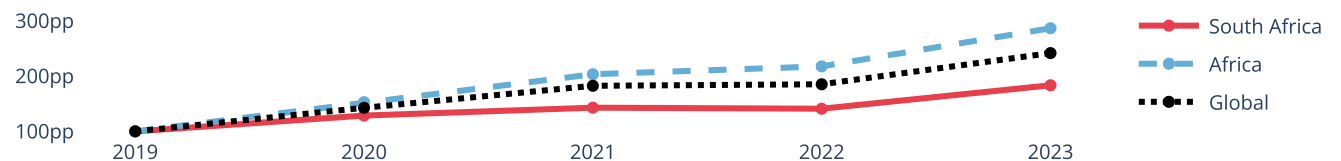
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-ZA-SC-5-v1

Ecommerce revenue growth (indexed)

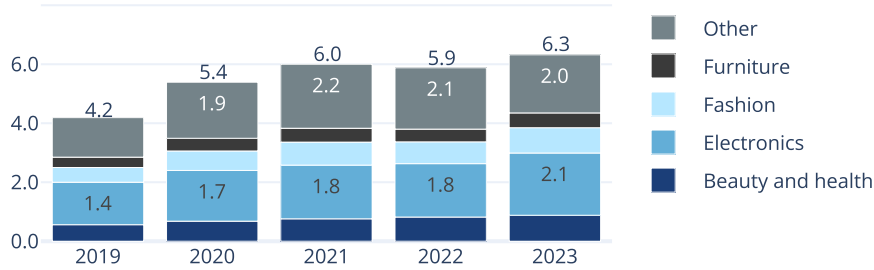


Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-ZA-SC-6-v1

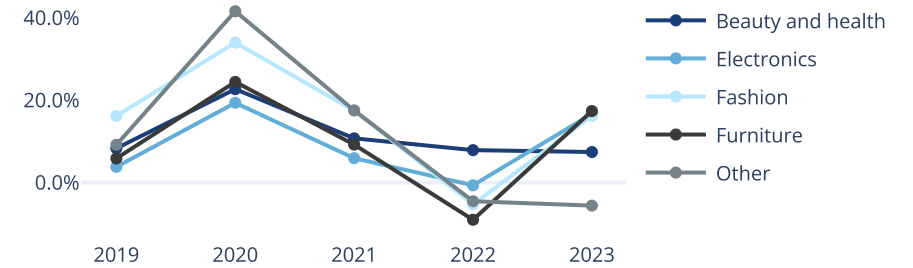
Annual revenue for the ecommerce market (bn USD), South Africa, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-ZA-ST-4-v1

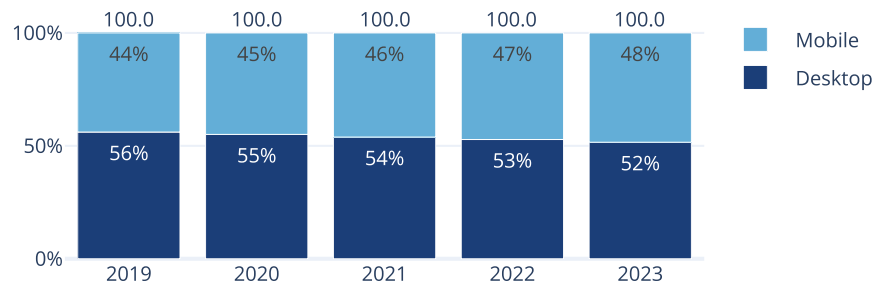
Annual change in revenue for the ecommerce market (%), South Africa, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-ZA-ST-6-v1

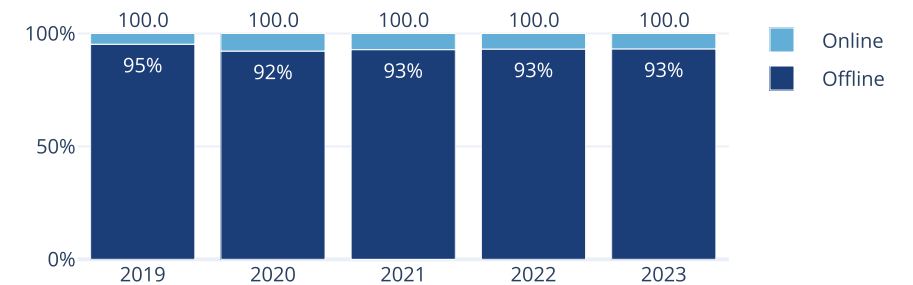
Device usage by revenue for ecommerce, South Africa, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-ZA-ST-1-v1

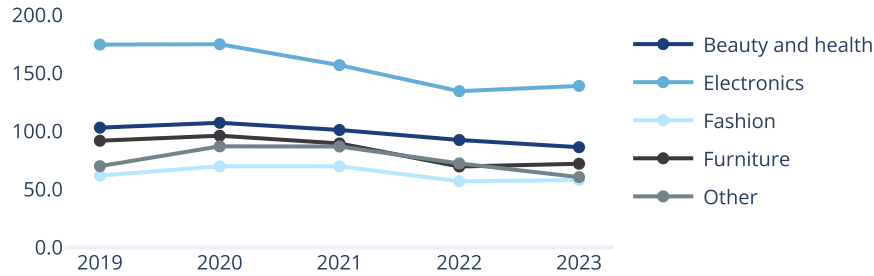
Revenue by channel for multichannel shoppers, South Africa, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-ZA-ST-5-v1

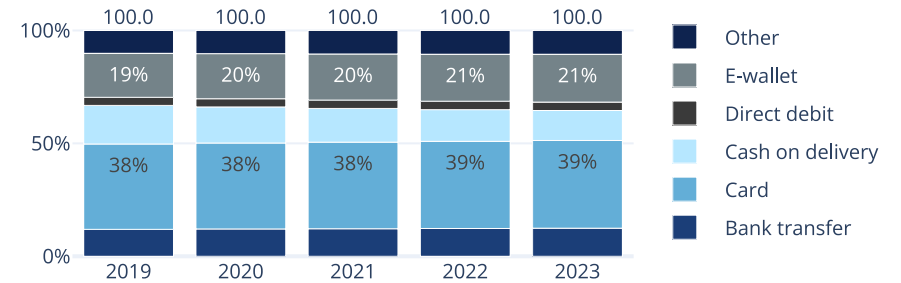
Average spending of e-shoppers (USD), South Africa, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-ZA-ST-3-v2

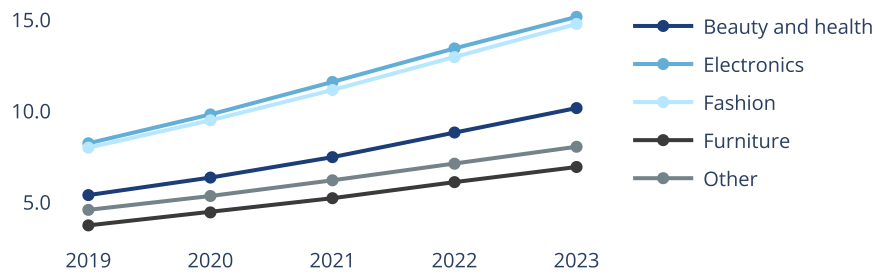
Payment type share by revenue for online shopping (%), South Africa, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-ZA-ST-8-v1

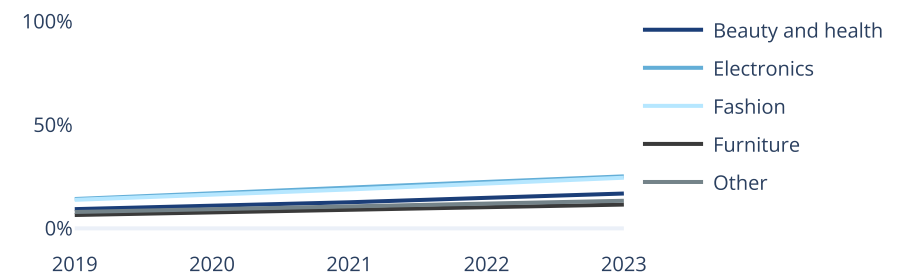
Number of e-shoppers (in millions), South Africa, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-ZA-ST-7-v1

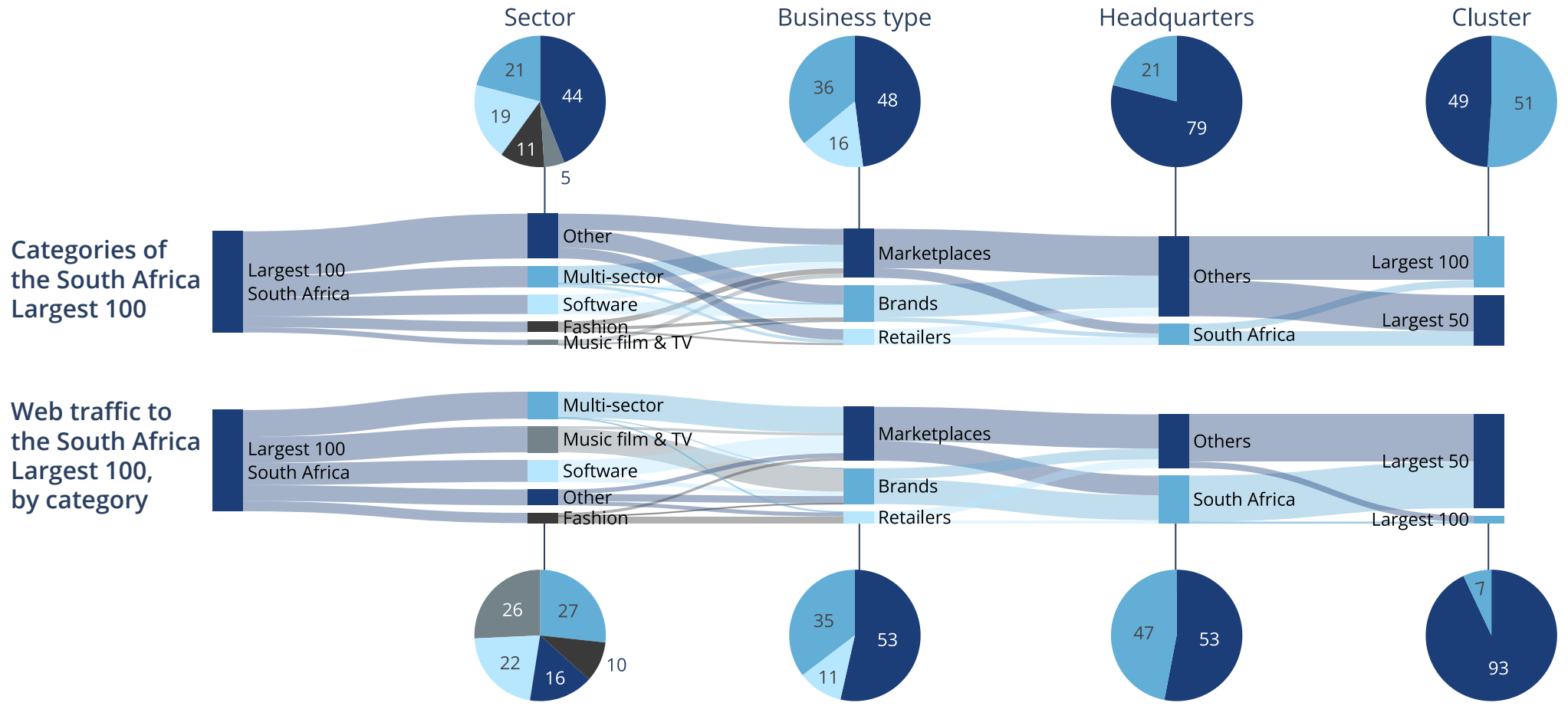
Share of the market taken by ecommerce, by sector, South Africa, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-ZA-ST-2-v2

Category analysis of the South Africa Largest 100



Top Sankey chart: the percentage of South Africa Largest 100 retailers in a category. Bottom Sankey chart: the percentage of South African consumer web traffic directed at South Africa Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Tanzania

Ecommerce is in its infancy in this youthful but low-middle income East African republic, yet adoption rates are on the rise

Tanzania is a young but lower-middle income country. Since 2021, it's had its first female president, Samia Suluhu of the Chama Cha Mapinduzi party (Party of the Revolution). Per capita GDP reached \$3.35k in 2023, up from \$2.76k in 2019. Gen Z and Gen Alpha are the largest demographic groups within Tanzania's 65.2mn population.

The Tanzanian economy is based on agriculture, which accounts for about half of national income, three-quarters of its exports and employs about 75% of its population. It is close to self-sufficient in food, producing around 97% of its requirements^[1].

Tanzania



Area: 947,300 km²

Capital: Dodoma, Dar es Salaam

Currency: Tanzanian shilling (TZS)

Official language: Swahili, English

Foreign languages spoken: Arabic

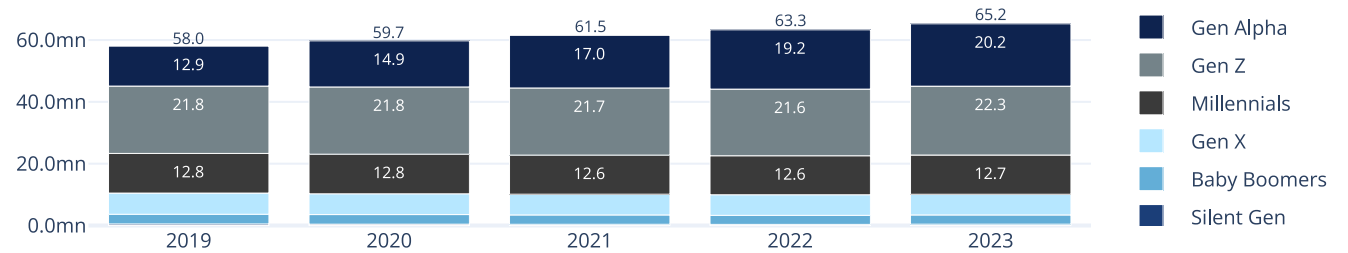
Government type: Presidential republic

VAT: 18%

Reduced rate: 0%

Tanzania: Population analysis

Population structure, by age group (mn)

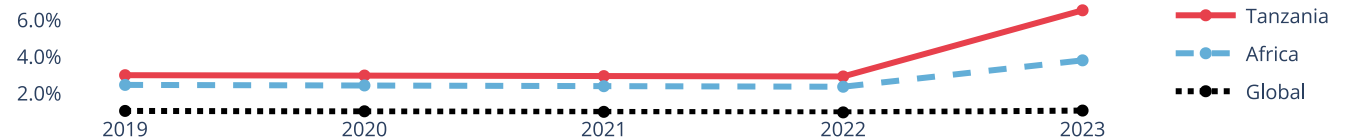


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-TZ-SC-1-v1

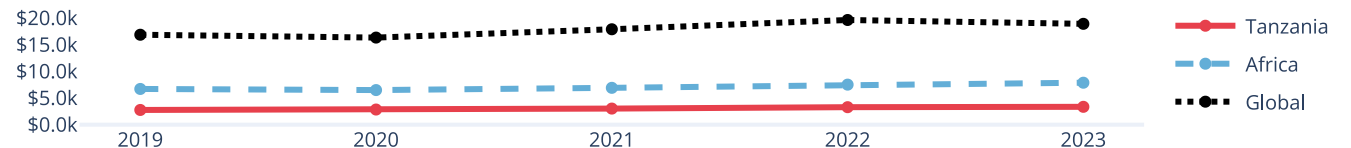
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-TZ-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-TZ-SC-3-v1

Tourism to attractions, including natural parks, the Zanzibar archipelago, Lake Victoria and an 804km coastline, is recovering from Covid-19 pandemic restrictions. CPI was at 3.3% in August 2023^[2].

The government’s Ministry of Information, Communication and Information Technology was founded in 2021 with a mission of driving a digital transformation programme. One early step was to establish a national postal address system^[3].

32% of Tanzanians have internet access in 2023, according to ITU figures – up from 18% in 2019. Of those with access, 17.5% shop online, up from 9% in 2019. Ecommerce revenues are 145% higher than in 2019, having grown quickly during the pandemic.

All of the Largest 100 retail businesses selling to Tanzania are based outside the market. 41% are marketplaces, with 52% of traffic, 20% are retailers and 40% brands. Software and multi-sector websites are key retail categories. Leading sellers to this market are Chinese marketplaces Alibaba and Kikuu and pan-African Jiji, primarily via mobile apps.

In June 2023, the Tanzania Communications Regulatory Authority reported 64mn active SIM subscriptions, including 11.8mn in the largest city, Dar es Salaam^[4].

[1] <https://tanzania.go.tz/topics/agriculture>

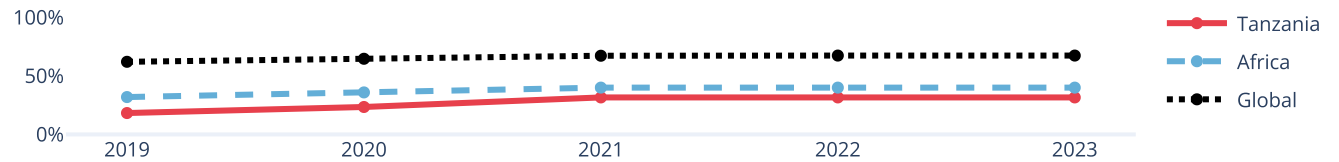
[2] www.nbs.go.tz/index.php/en/consumer-price-index-cpi/914-cpi-august-2023

[3] <https://tanzania.go.tz/topics/information-and-communication-technologies>

[4] [www.tcra.go.tz/uploads/text-editor/files/Communication Statistics for Q4 2023_1689695039.pdf](http://www.tcra.go.tz/uploads/text-editor/files/Communication_Statistics_for_Q4_2023_1689695039.pdf)

Tanzania: Internet user analysis

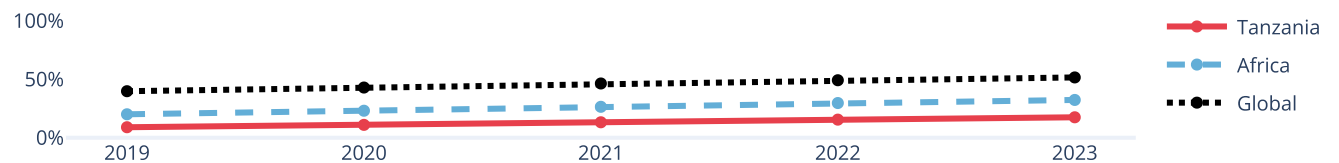
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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RXRUN23RP-TZ-SC-4-v1

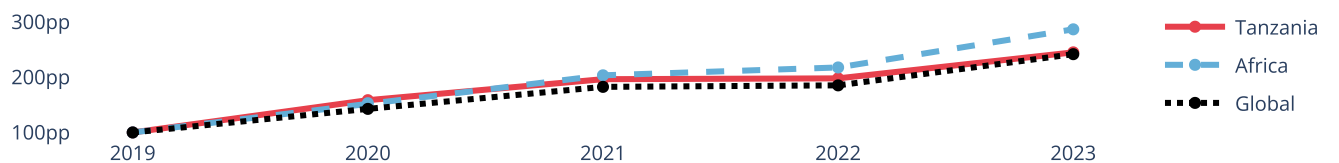
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-TZ-SC-5-v1

Ecommerce revenue growth (indexed)

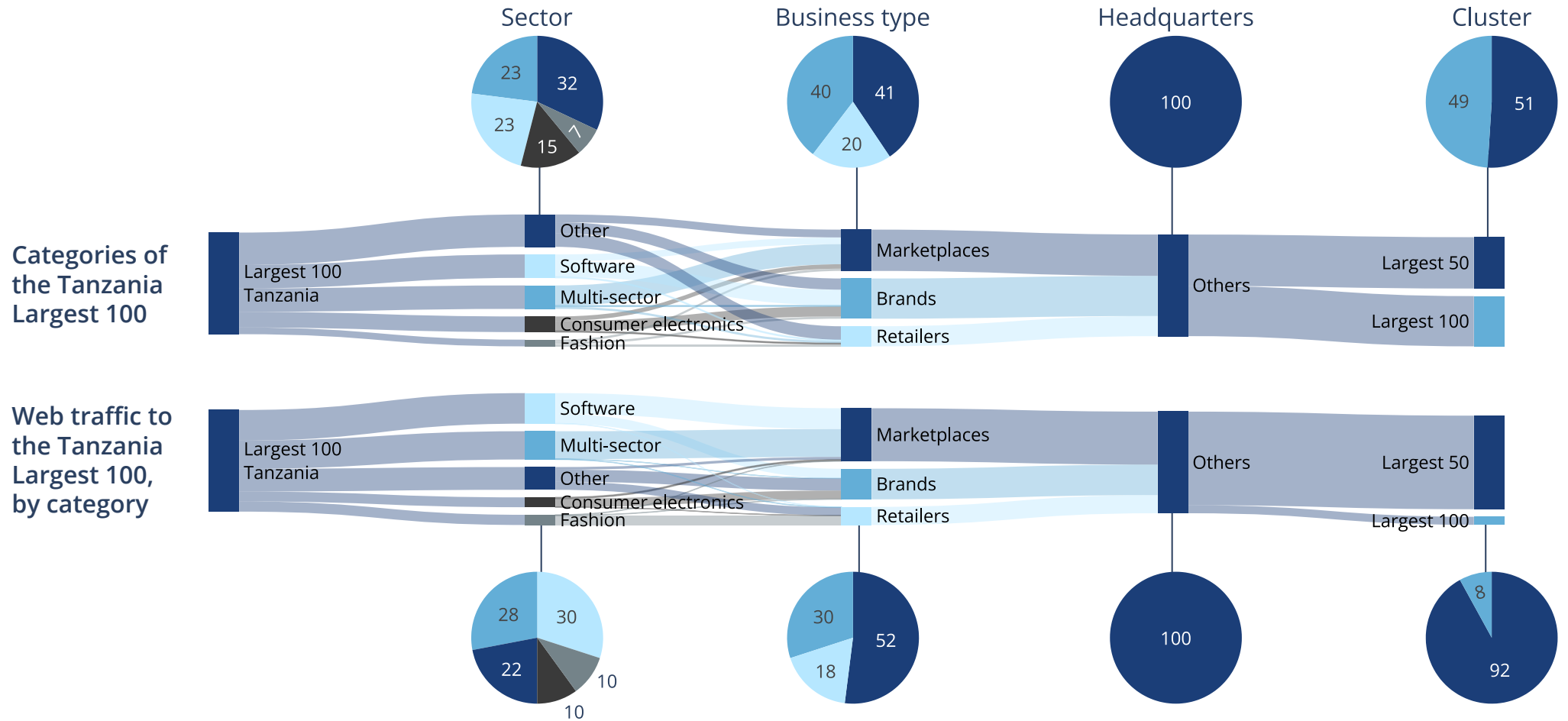


Index 2019=100

Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-TZ-SC-6-v1

Category analysis of the Tanzania Largest 100

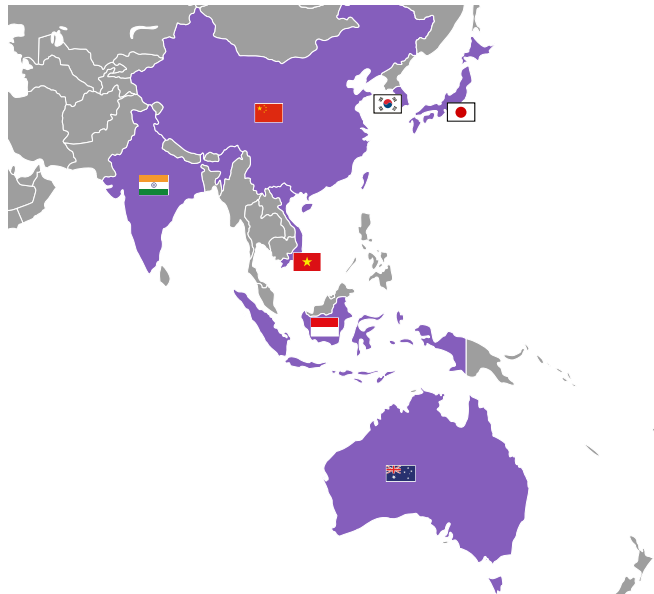


Top Sankey chart: the percentage of Tanzania Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Tanzanian consumer web traffic directed at Tanzania Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Asia

Asia's dominance as an ecommerce market continues to strengthen, with growth in China a significant driver



Asia

Area: 44,579,000 km²

Official languages: Bahasa Indonesia, English, Hindi, Japanese, Korean, Mandarin, Vietnamese...

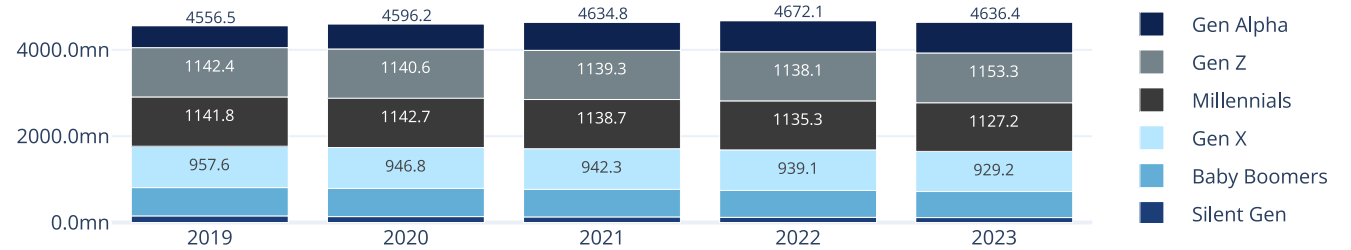
Foreign languages spoken: English, Dutch...

Average VAT: 13.14%

Average reduced rate: 2.57%

Asia: Population analysis

Population structure, by age group (mn)



Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-ASI-SC-1-v2

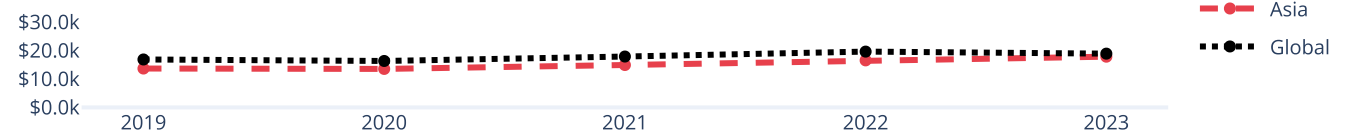
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-ASI-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Its sheer geographical scale and geopolitical influence mean that Asia continues to dominate when it comes to ecommerce. The strength of Chinese players such as Temu and Shein, for example, means they dominate sales in China, regionally across Asia and globally too. Similarly, Shein was the 14th largest clothing retailer^[1] in the UK in 2022 with a 1.7% market share that's since grown to 2.2% according to figures from GlobalData.

However, these are markets of extremes. Overall, 71% of the Asia's population are online and 55% of them also shop online. That compares to the 52% of internet users who also shop online globally.

But when looking at individual markets, differences are more pronounced, with much heavier usage in Australia, for example, where internet usage is above 90%, compared to India, which has internet uptake having reached half of that.

Yet these markets with lower usage are catching up fast as retailers and brands look to exploit the opportunities within the region. The influence of Gen Z and Millennials, which make up the two largest population profiles in the region, is reflected in the surge in use of mobile, which dominates many markets. A recent report by GWI^[2], found that around 63% of consumers in Asia would rather shop online than instore and that it was these younger generations who were most likely to do so.

The mobile-first approach of these generations, as well as increased adoption for other age groups in Asia, has meant significant opportunity for mobile-based payments such as ewallets, as well as the

Asia: Internet user analysis

Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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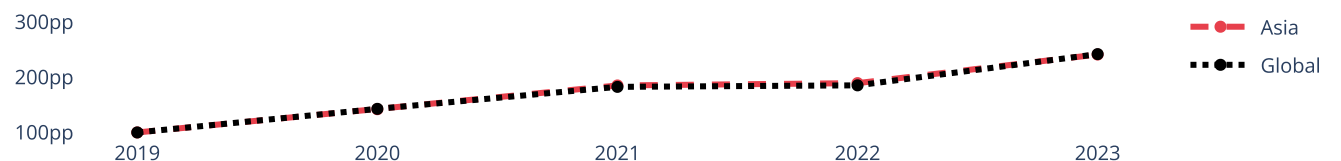
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-ASI-SC-5-v1

Ecommerce revenue growth (indexed)



Index 2019=100

Source: RetailX, drawing on data from Statista

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growth of new channels such as social commerce. It's here that the Asian market gets interesting. In September, the Indonesian government banned the sale of goods on social media platforms in an effort to protect smaller retailers and brands in the country. This will have a huge impact, affecting more than 6mn sellers^[3] on TikTok Shop alone.

The region has been challenging for consumers, too. Asia has seen an annual percentage change in the

Consumer Prices Index (CPI) that has ranged from lows of 2% in February 2022 to peaks of 5% in the autumn and winter, before dropping again in June this year. Surging inflation has been a particular challenge in Australia in contrast to China, where the inflation rate hasn't even broken the 3% mark.

However, countries in Asia have still coped better with inflation than elsewhere globally. Multi-sector retailers dominate the Asian Largest 100, reflecting

the dominance of marketplaces, which make up 64% of the Largest 100 by category and a massive 81% of the web traffic. The Largest 50 account for 88% of web traffic in the region.

[1] www.globaldata.com/media/retail/shein-forecast-hauled-way-top-10-uk-apparel-retailers-2023-says-globaldata/

[2] <https://retailasia.com/e-commerce/news/around-3-in-5-apac-consumers-prefer-shopping-online>

[3] <https://retailasia.com/exclusive/ban-goods-transactions-social-media-affects-e-commerce-in-indonesia>

Annual percentage change in the Consumer Prices Index (CPI), Asia, 2022-2023

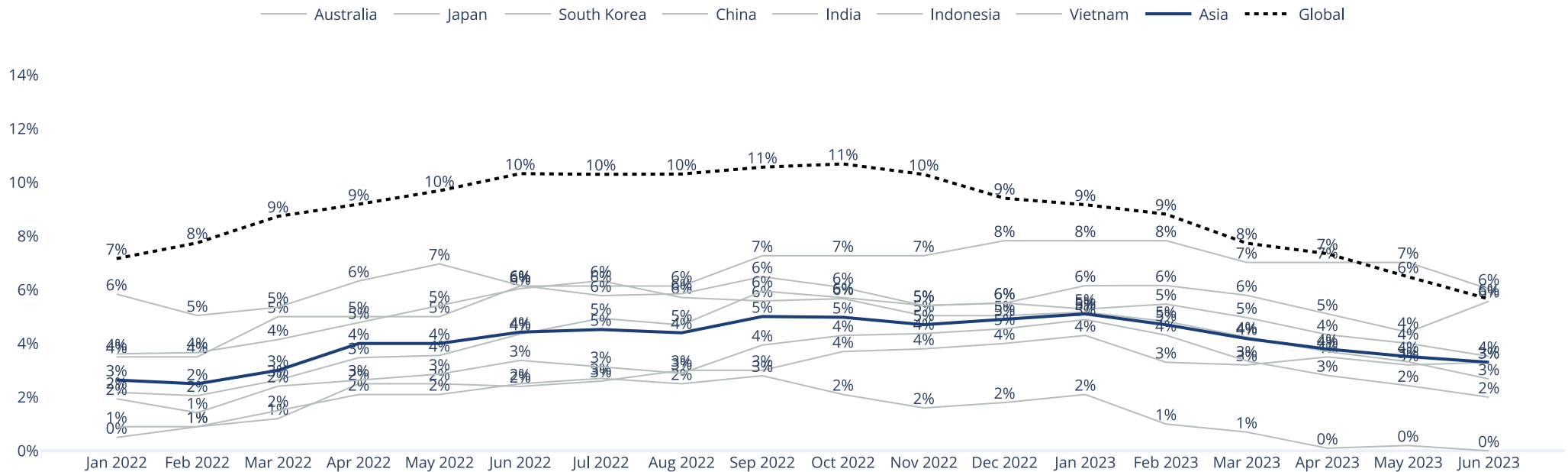
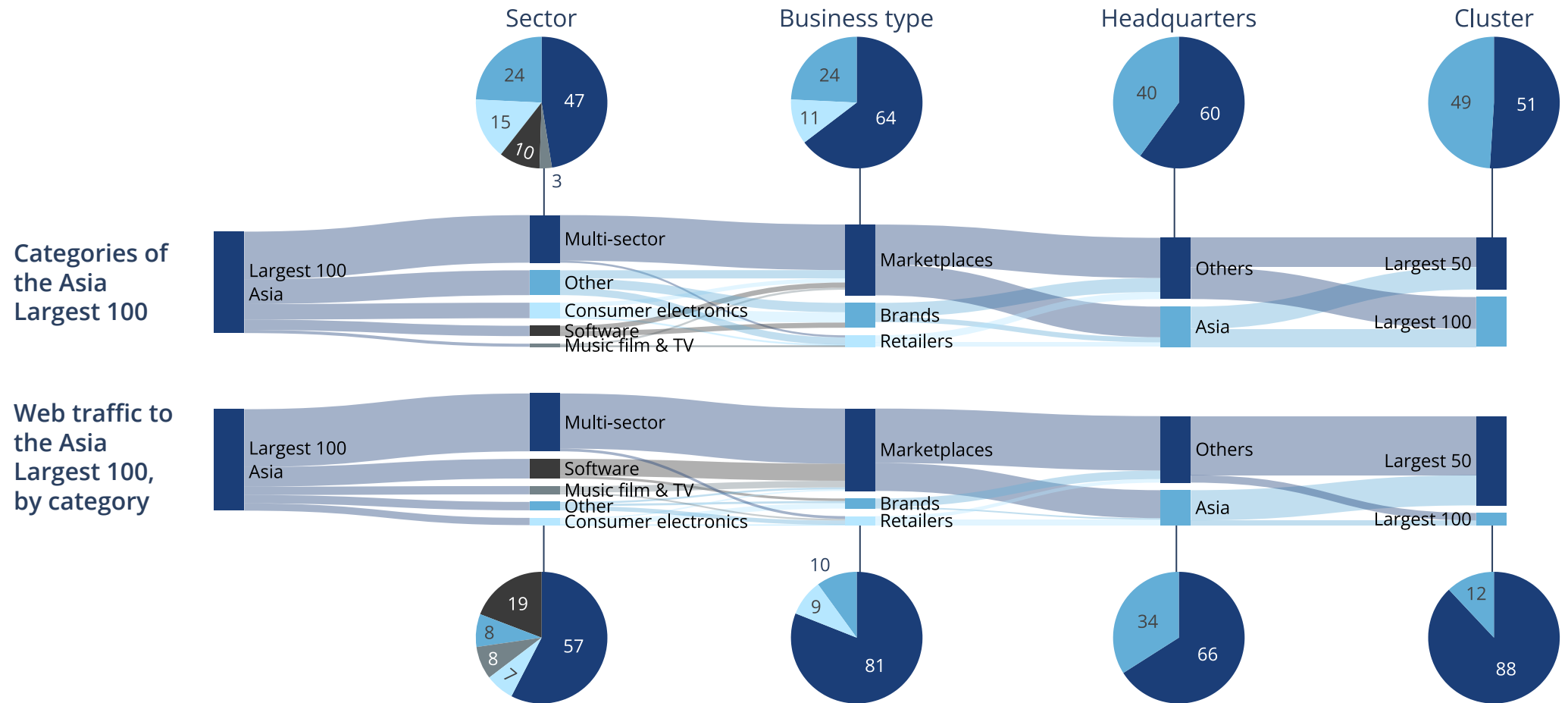


Figure for Asia calculated using the average for countries showcased in this report

Source: OECD

Category analysis of the Asia Largest 100



Top Sankey chart: the percentage of Asia Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Asian consumer web traffic directed at Asia Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Australia

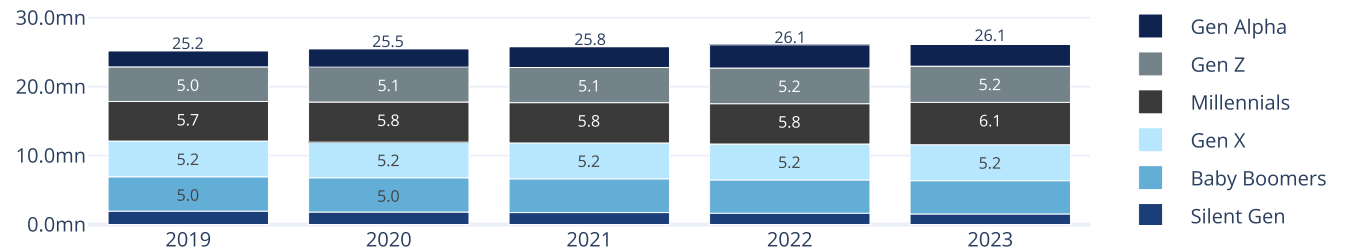
Millennials are now the dominant generation in Australia, with fashion the most popular sector for shoppers

Previously dominated by older consumers, the profile of Australia is now shifting towards a Millennial-dominated market, with these late-20s to early 40s now accounting for more than a million more shoppers than any other age profile. Population growth may only be marginal but it has returned in 2023. GDP per capita has also seen a slight increase and, at more than US\$60k, it's around three times the Asia and global averages.

As with other countries, Australia has seen numerous interest rate rises in an attempt to better control high inflation. However, the Reserve Bank of

Australia: Population analysis

Population structure, by age group (mn)

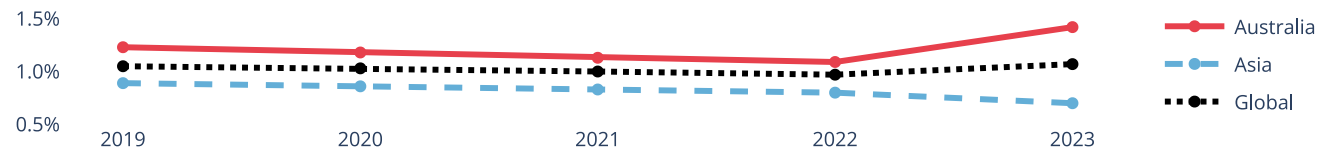


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-AU-SC-1-v

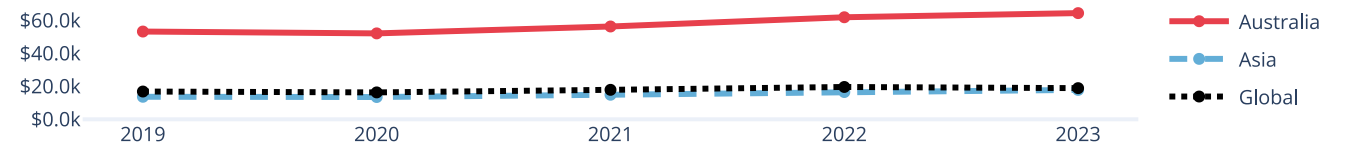
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-AU-SC-2-v3

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-AU-SC-3-v2

Australia



Area: 7,741,220 km²

Capital: Canberra

Currency: Australian dollar (AUD)

Official language: English

Government type: Federal parliamentary democracy under a constitutional monarchy

VAT: 10%

Reduced rate: 0%

Australia left the cash rate steady at 4.1%^[1] for the third time in a row in September 2023. While it hopes to return inflation to its 2% to 3% target by late 2025, it currently stands at around twice that^[2]. The OECD predicts core inflation of 5.9% in 2023 and 3.3% for next year, making further interest rate rises possible.

Internet use is high in Australia – well into the 90% mark – which is unsurprising when you consider that the vast geographical expanse makes connectivity a high priority. The share of internet users who shop online is also high and again, well above the Asia and global averages. Both figures have remained fairly constant over the 2019-2023 period we measure.

However, ecommerce revenue growth (indexed) has slowed. Previously tracking both the Asia and global measures, it began to fall back in 2022 and has shrunk further this year.

Yet internet sales have increased in 2023 to US\$36.8bn, following a 2022 slump to US\$34.6bn after a previous peak of US\$36.9bn in 2021. Fashion continues to dominate, accounting for US\$8bn in 2023. Sectors including furniture, electronics and fashion have seen uplifts since a slump in 2022.

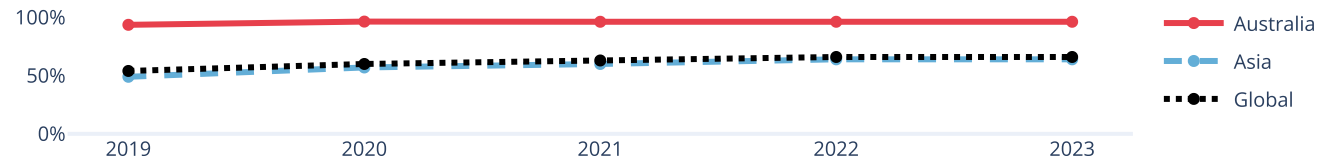
When looking at the number of e-shoppers, as well as the share of the market taken by ecommerce by sector, electronics and fashion are the most dominant sectors overall, with the average spending of e-shoppers highest in fashion.

[1] www.theguardian.com/australia-news/2023/sep/19/australia-interest-rate-rises-rba-oecd-inflation-outlook

[2] www.rba.gov.au/inflation-overview.html

Australia: Internet user analysis

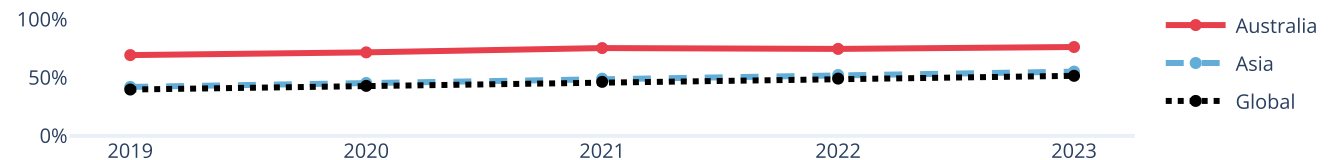
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

RetailX 2023
RXRUN23RP-AU-SC-4-v4

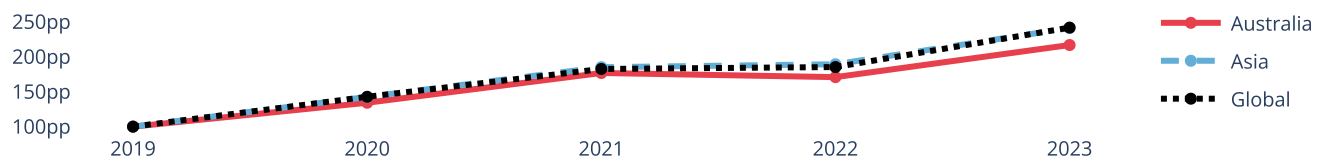
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-AU-SC-5-v3

Ecommerce revenue growth (indexed)

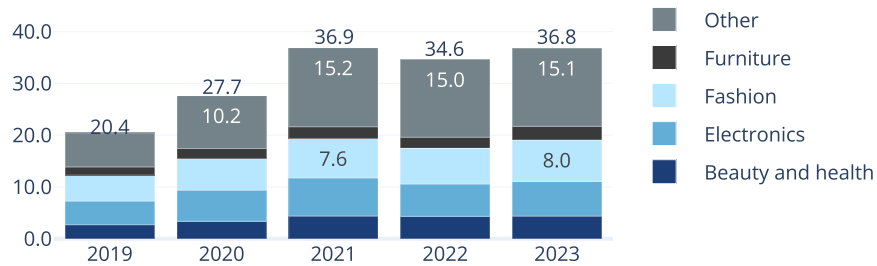


Index first_year=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-AU-SC-6-v1

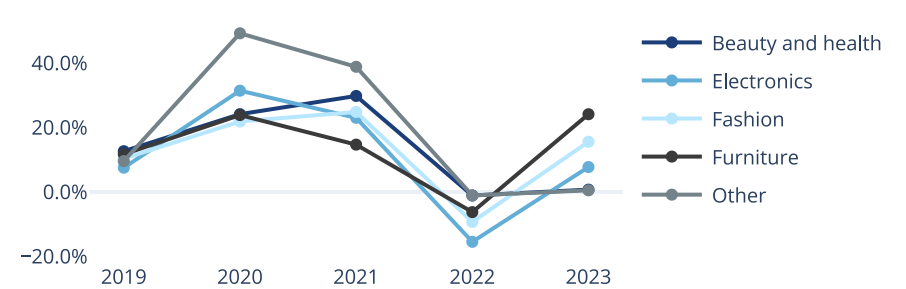
Annual revenue for the ecommerce market (bn USD), Australia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AU-ST-4-v1

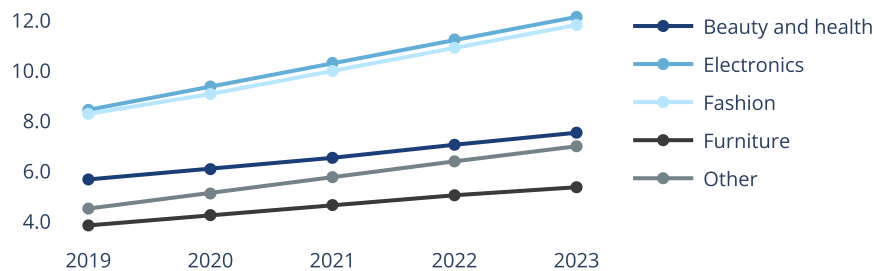
Annual change in revenue for the ecommerce market (%), Australia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AU-ST-6-v1

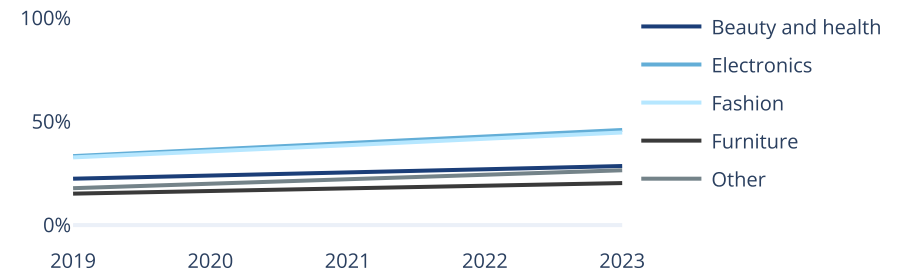
Number of e-shoppers (in millions), Australia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AU-ST-7-v1

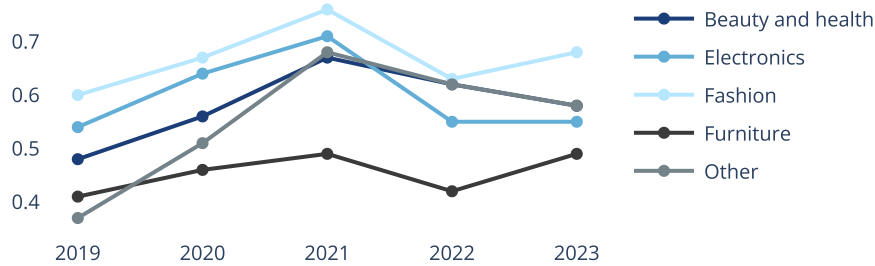
Share of the market taken by ecommerce, by sector, Australia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AU-ST-2-v2

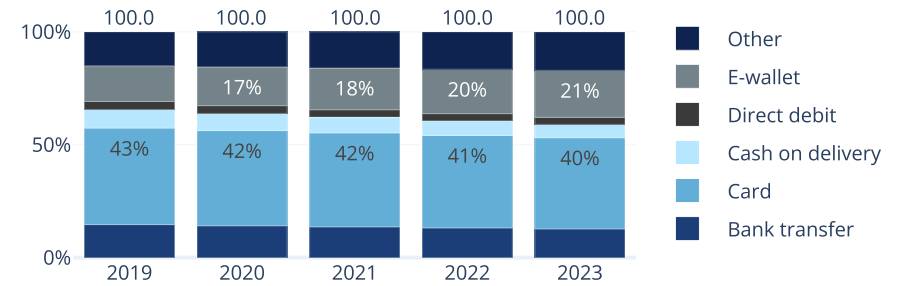
Average spending of e-shoppers (thousand USD), Australia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AU-ST-3-v1

Payment type share by revenue for online shopping (%), Australia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AU-ST-8-v1

Annual percentage change in the Consumer Prices Index (CPI), Australia, 2022-23

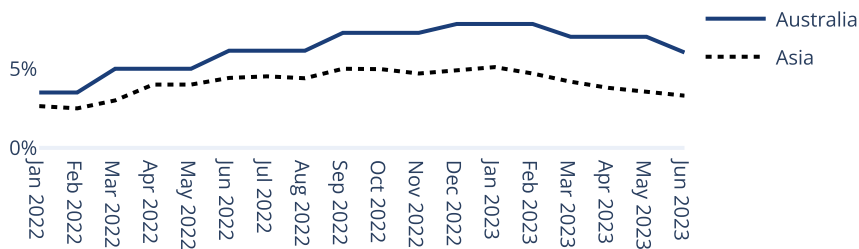


Figure for Asia calculated using the average for countries showcased in this report

Source: Diverse National Institutes of Statistics

RetailX 2023
RXRUN23RP-AU-ST-9-v10

Consumer confidence index (CCI), Australia, 2022-23

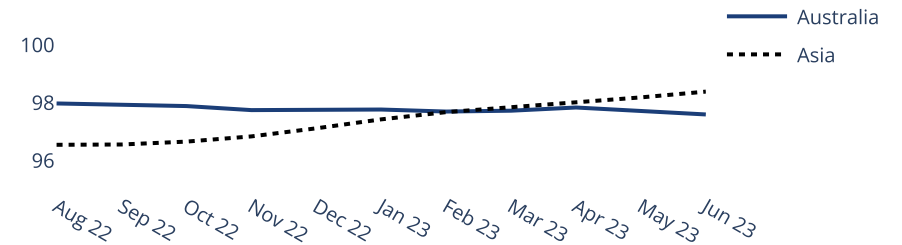
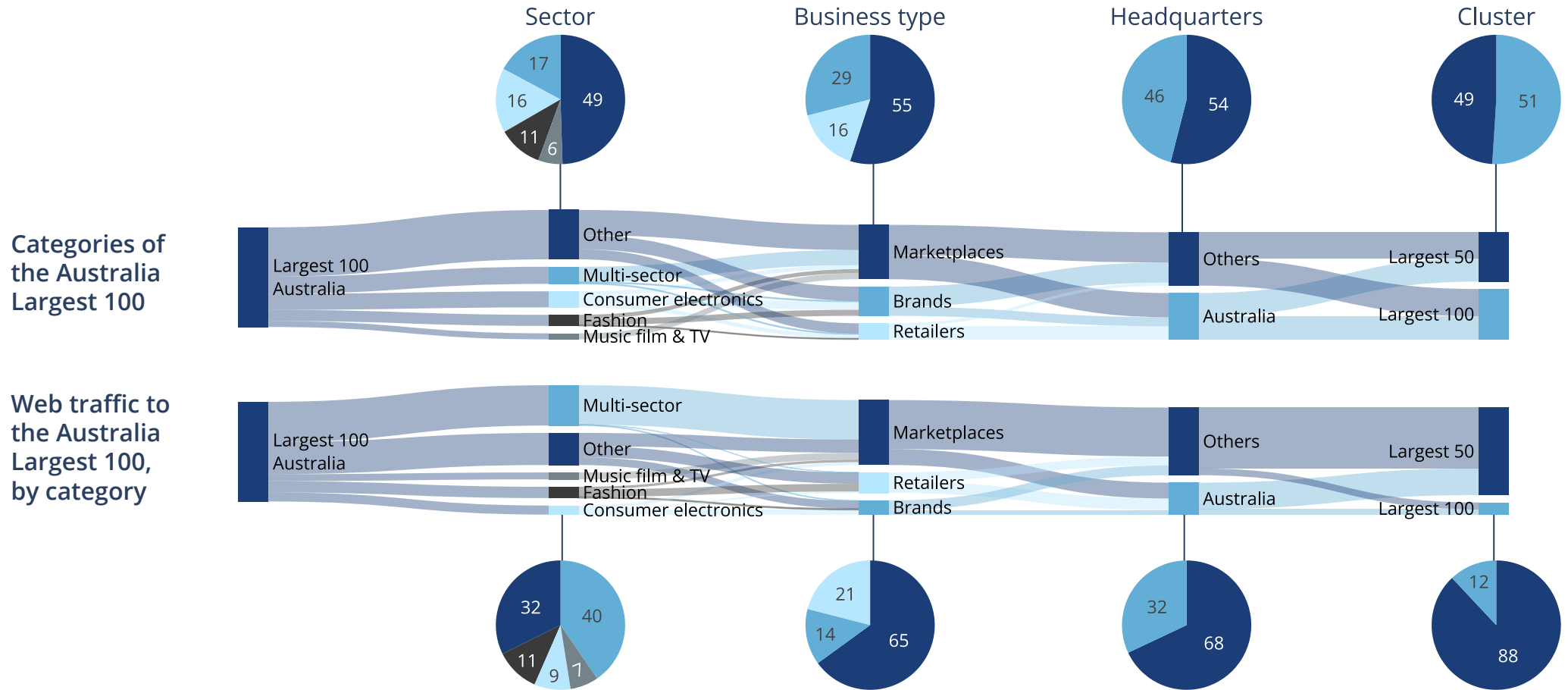


Figure for Asia calculated using the average for countries showcased in this report. Amplitude adjusted, long-term average = 100

Source: OECD

RetailX 2023
RXRUN23RP-AU-ST-10-v14

Category analysis of the Australia Largest 100



Top sankey chart: the percentage of Australia Largest 100 retailers in a category. Bottom sankey chart: the percentage of Australian consumer web traffic directed at Australia Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

China

The world's largest ecommerce market continues to dominate, both within China as well as overseas

The Chinese ecommerce market has long been the biggest in the world, but the pressures it's now putting on discount retailers everywhere are intensifying, with platforms in China locked in a 'value-for-money battle'^[1].

This follows a slower than expected retail recovery after pandemic curbs were lifted late last year. Low-cost platforms, along with businesses shipping goods from China, are increasingly taking a share of global trade as cash-strapped consumers have cut back. To capitalise on this global frugality, the likes of Temu and Shein are now heavily subsidising products in order to drive sales and to grow market share.

China

Area: 9,600,012 km²

Capital: Beijing

Currency: yuan (CNY)

Official language: Mandarin

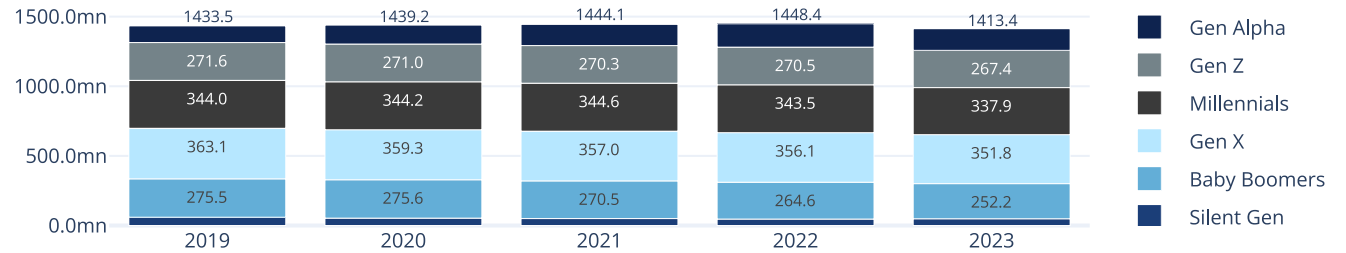
Government type: Communist party-led state

VAT: 13%

Reduced rate: 0%

China: Population analysis

Population structure, by age group (mn)

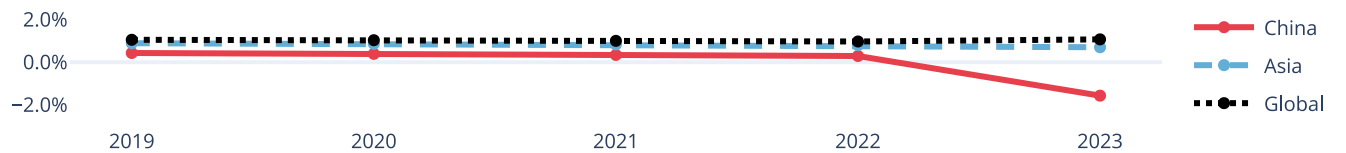


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-CN-SC-1-v1

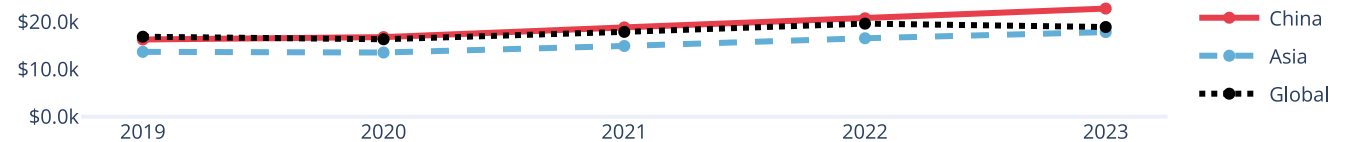
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-CN-SC-2-v4

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Of course, China has a sizeable market to chase, with a population of some 1.4bn, of which close to 352mn are Gen Z and 338mn are Millennials. Yet the connectivity of this population is not as high as in some other countries. Despite the sophistication of the market, the 73% of citizens who are online is only 2pp higher than the overall measure for Asia. Of these, 75% shop online, compared to around half for Asia and globally.

26% of multichannel sales are made online, with device usage by revenue showing that mobile is increasingly dominating, although its share has long been high. Share of sales via mobile were 71% in 2019 and have grown steadily since to 75% in 2023. This reliance on mobile also means heavy usage of mobile devices for payments. 61% of sales are made via ewallets in China, a figure that's remained static since 2019. Cards account for less than 20%.

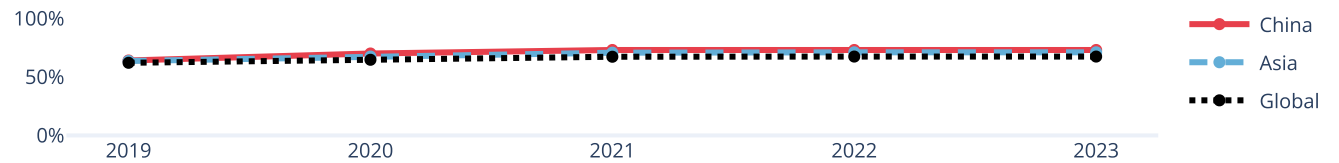
This market is huge. A GlobalData report suggests that Chinese ecommerce topped \$2tn in 2022, with a transactions value share of 34%. The US, by comparison, has a share of 30%^[2]. The report adds that compound annual growth of 11% is expected in China between 2022 and 2027.

By sector, electronics accounts for more than a third of overall ecommerce sales. Even this sector saw a huge peak in 2021, falling back dramatically in 2022 before recovering again this year.

[1] www.msn.com/en-us/money/companies/chinas-e-commerce-discount-race-to-the-bottom-puts-incumbents-under-pressure/ar-AA1hgb9Z?image=1
 [2] www.msn.com/en-us/money/other/us-cannot-return-china-s-e-commerce-market-penetration/ar-AA1hi8Ns

China: Internet user analysis

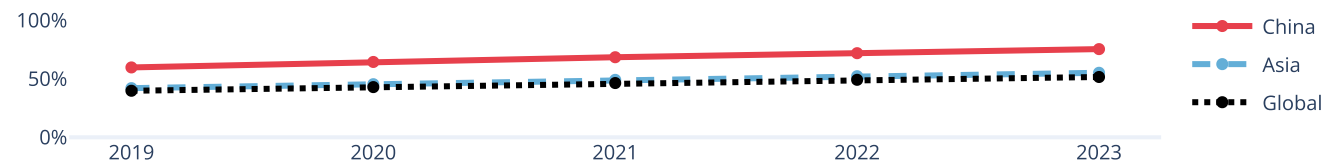
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-CN-SC-4-v1

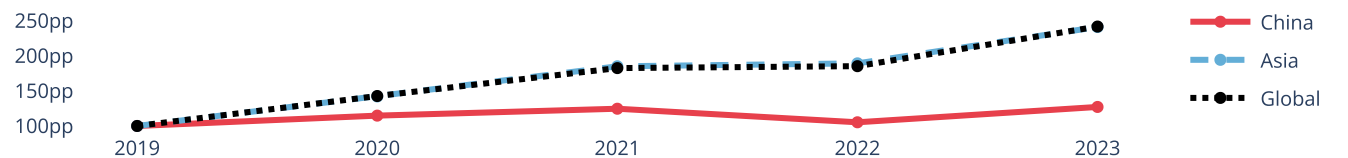
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-CN-SC-5-v1

Ecommerce revenue growth (indexed)

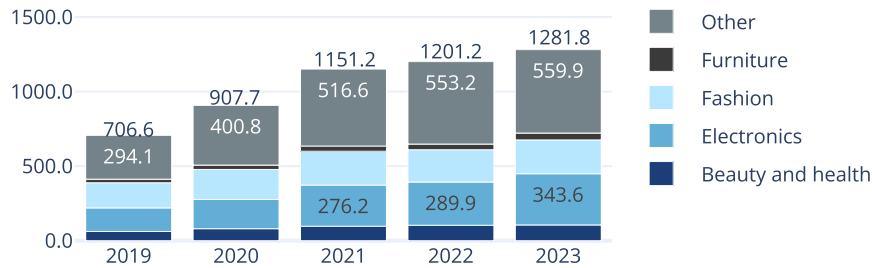


Index 2019=100

Source: RetailX, drawing on data from Statista

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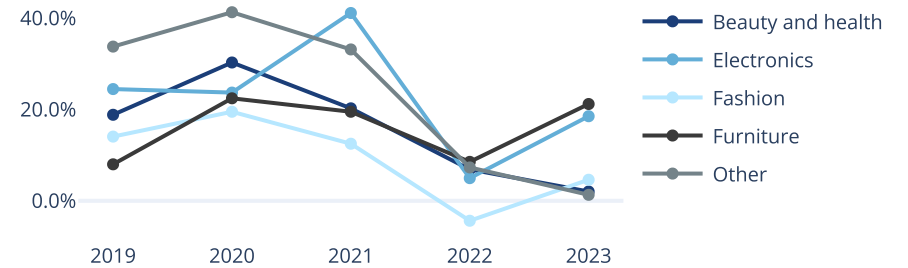
Annual revenue for the ecommerce market (bn USD), China, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-CN-ST-4-v1

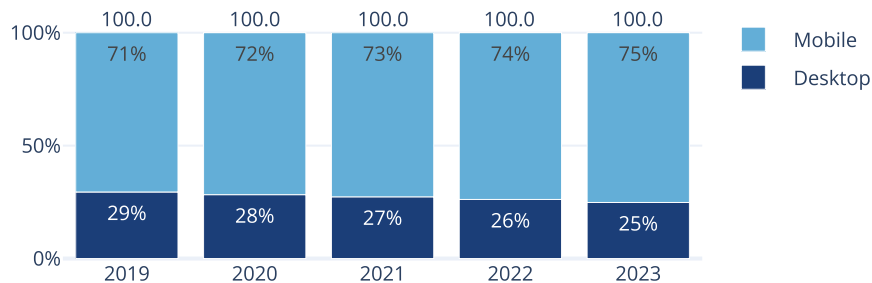
Annual change in revenue for the ecommerce market (%), China, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-CN-ST-6-v1

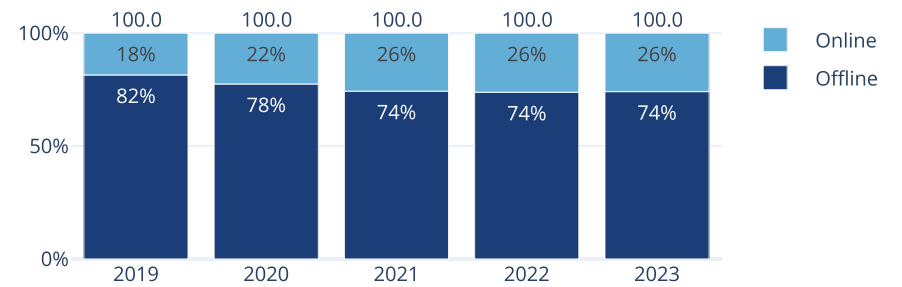
Device usage by revenue for ecommerce, China, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-CN-ST-1-v1

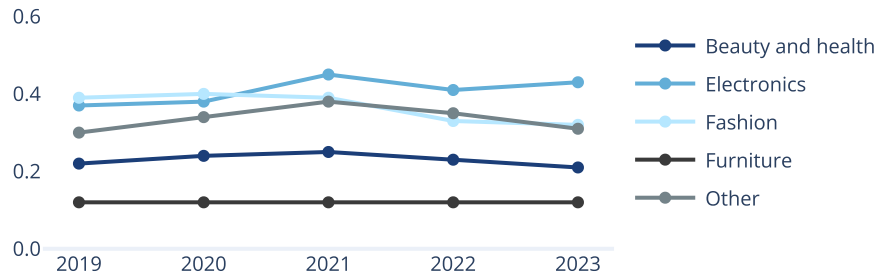
Revenue by channel for multichannel shoppers, China, 2019-23



Source: Statista Digital Market Insights

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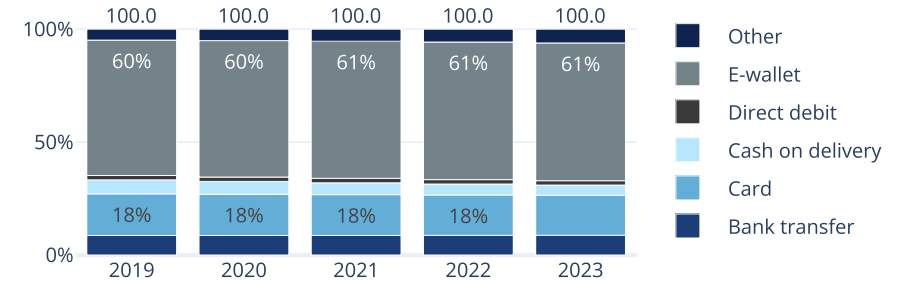
Average spending of e-shoppers (thousand USD), China, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-CN-ST-3-v2

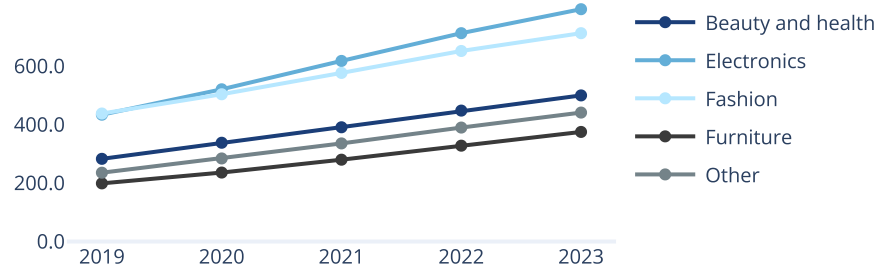
Payment type share by revenue for online shopping (%), China, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-CN-ST-8-v1

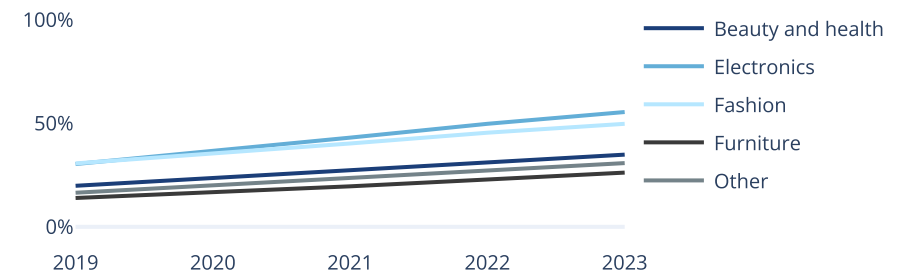
Number of e-shoppers (in millions), China, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-CN-ST-7-v2

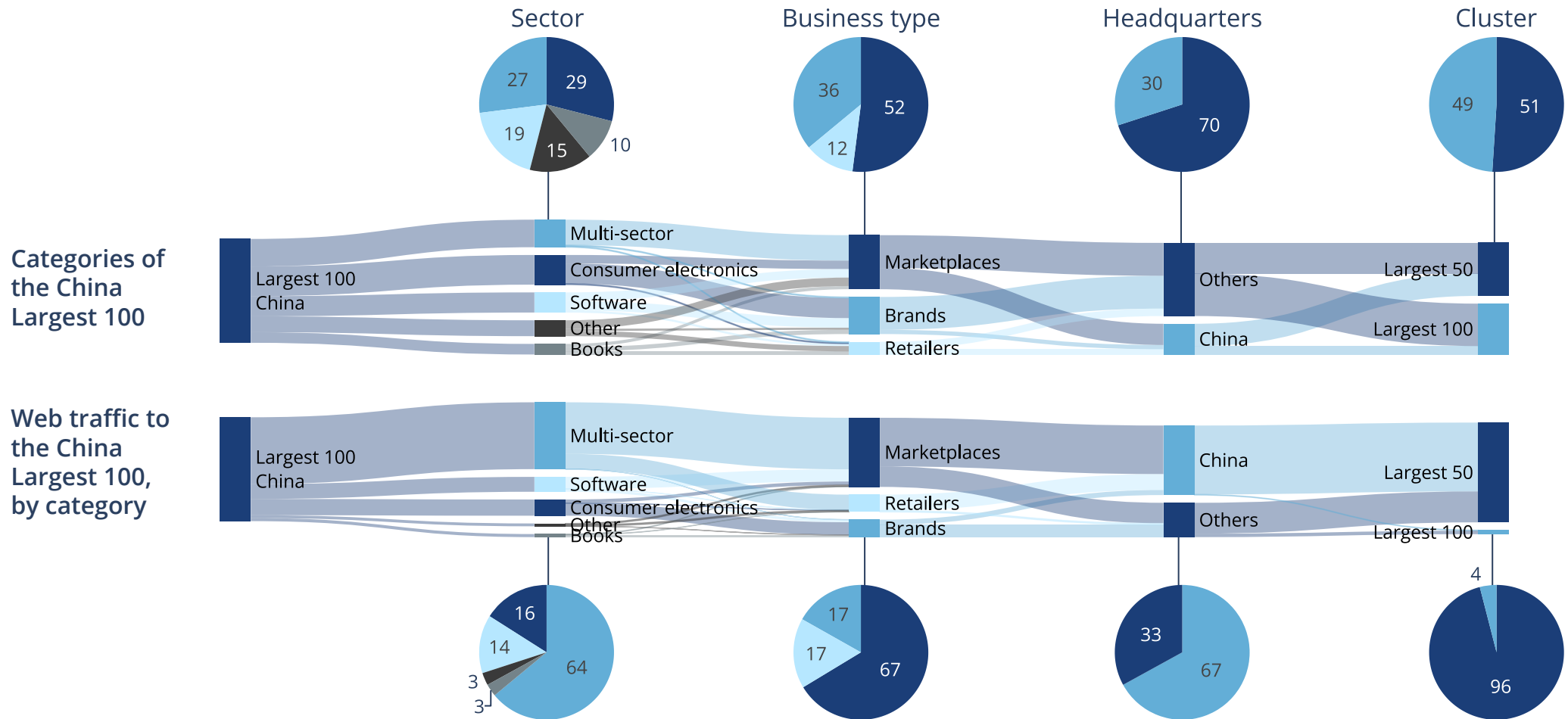
Share of the market taken by ecommerce, by sector, China, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-CN-ST-2-v2

Category analysis of the China Largest 100



Top Sankey chart: the percentage of China Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Chinese consumer web traffic directed at China Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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India

As one of the fastest-growing ecommerce markets in the world, India continues to be a country of opportunity

Internet use in India has remained constant for the past three years, with only 46% of its citizens online in 2023. However, the proportion of those who shop online continues to grow, equalling the Asian rate in 2022 but surpassing it in 2023, with 58% of internet users now shopping online.

India remains one of the fastest-growing ecommerce markets in the world. Worth \$46.2bn^[1] in 2020, it is expected to grow at 18.9% to \$136.47bn by 2026. Online retail accounts for 49% of that figure, up from 44% in 2020. The share of online sales has doubled since 2019, accounting for 2% of all sales in 2019 and 4% in 2023. This growth is driven by the dominance

India



Area: 3,287,259 km²

Capital: New Delhi

Currency: Indian rupee (INR)

Official language: Hindi, English

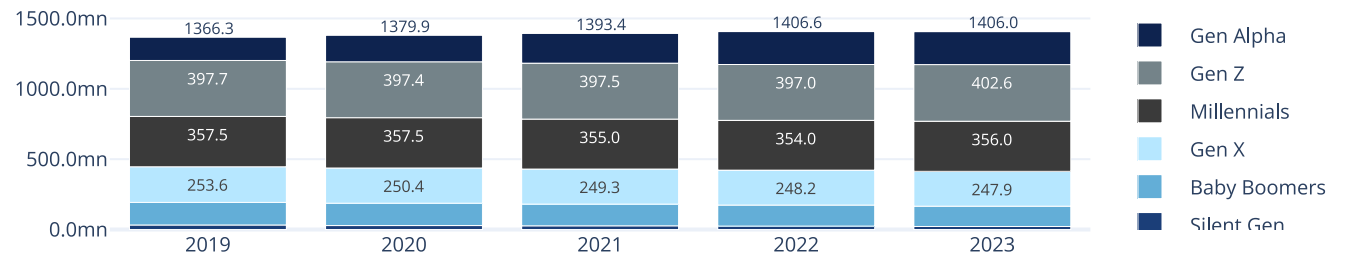
Government type: Federal parliamentary republic

VAT: 28%

Reduced rate: 5%

India: Population analysis

Population structure, by age group (mn)

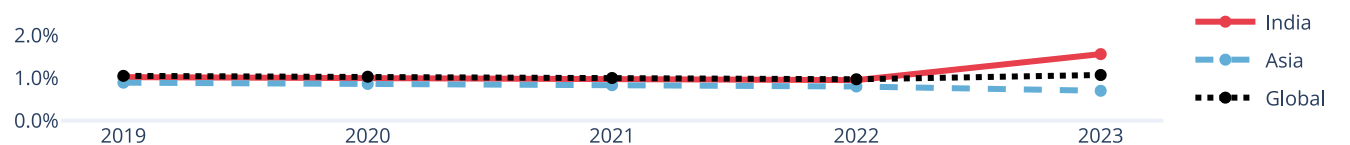


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-IN-SC-1-v1

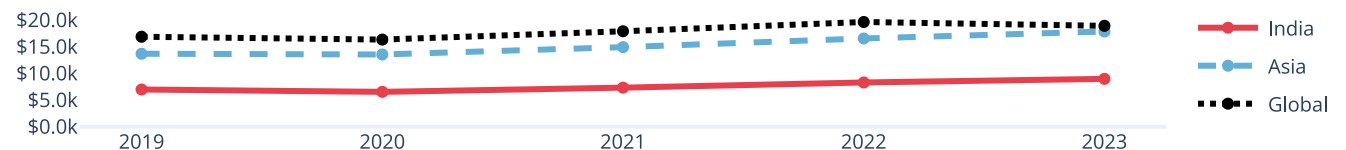
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-IN-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-IN-SC-3-v1

and spending power of Gen Z, who account for 403mn of the 1.4bn population.

Indexed ecommerce revenue growth is on par with Asia and global measures, a trend that has been the same since 2019. Spend is accelerating, though. According to a recent Nielsen Media report^[2], 50% of Indians are looking to increase their spend online while another report^[3] suggests an 18% to 20% rise in online sales this Christmas. Direct-to-consumer brands are likely to grow 1.6 times faster than the broader retailing market, according to the report.

With mobile dominant in India, e-wallets continue to thrive, taking a 31% share of online shopping revenue in 2023, up from 24% in 2019. Cash on delivery has fallen while card payments have remained relatively constant, accounting for 24% of sales in 2023. In September, WhatsApp announced^[4] the launch of payments for products and services through a chat app, with shoppers able to buy using credit and debit cards, WhatsApp Pay and India's public digital payments network, UPI.

While 80% of web traffic to the Largest100 is to marketplaces, stores continue to adopt omnichannel technology, with the number doing so up 58.4%^[5] compared to the last financial year.

[1] www.trade.gov/country-commercial-guides/india-online-marketplace-and-e-commerce

[2] www.moneycontrol.com/news/technology/amazon-india-says-one-in-two-customers-to-increase-spending-online-11424871.html

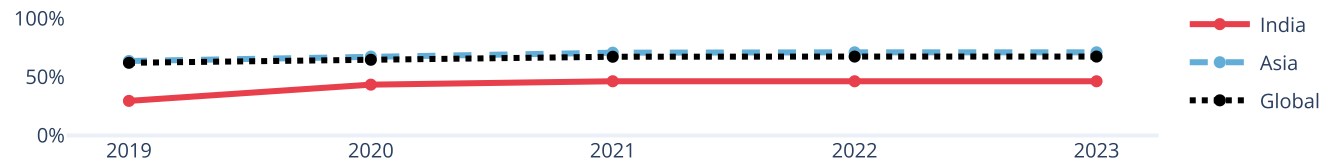
[3] www.punjabnewsexpress.com/business/news/india-to-see-rs-90k-cr-worth-e-commerce-sales-in-festive-month-this-year-221937

[4] www.ft.com/content/64104575-50ed-49ef-b9c9-4354294d96d2

[5] www.newindianexpress.com/business/2023/aug/10/e-commerce-industry-in-india-records-26-growth-in-orders-in-fy23-report-2603973.html

India: Internet user analysis

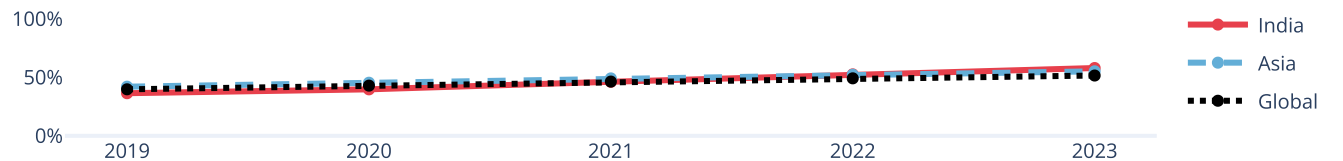
Percentage of internet users



Source: RetailIX, drawing on data from the International Telecommunication Union (ITU)

RetailIX 2023
RXRUN23RP-IN-SC-4-v1

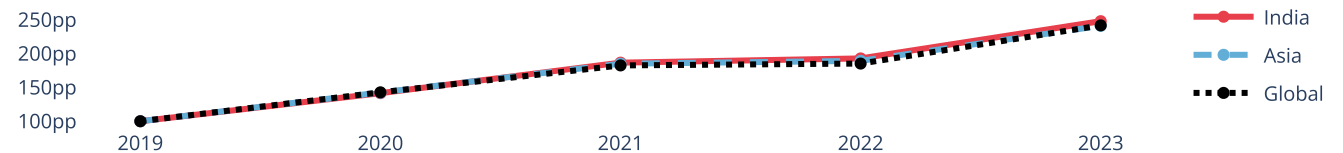
Percentage of internet users who shop online



Source: RetailIX, drawing on data from Statista

RetailIX 2023
RXRUN23RP-IN-SC-5-v1

Ecommerce revenue growth (indexed)

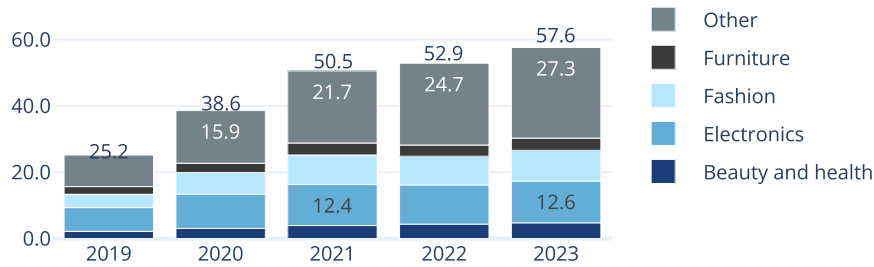


Index 2019=100

Source: RetailIX, drawing on data from Statista

RetailIX 2023
RXRUN23RP-IN-SC-6-v1

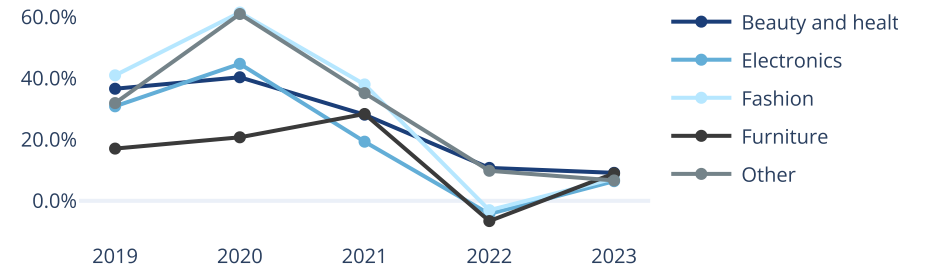
Annual revenue for the ecommerce market (bn USD), India, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IN-ST-4-v1

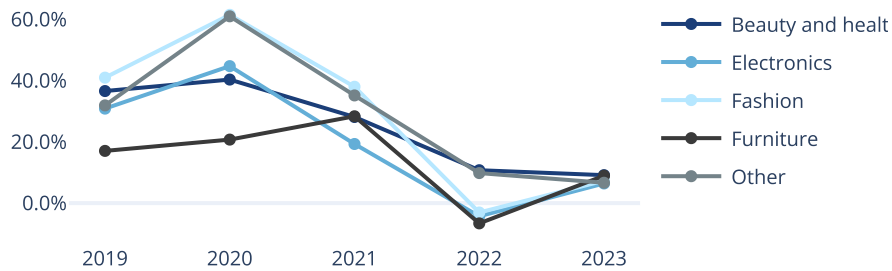
Annual change in revenue for the ecommerce market (%), India, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IN-ST-6-v1

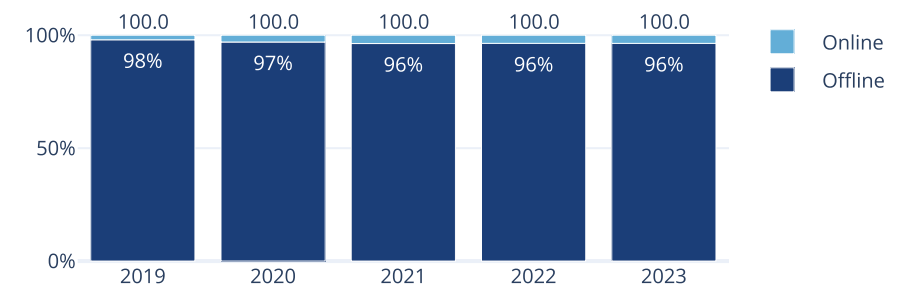
Annual change in revenue for the ecommerce market (%), India, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IN-ST-6-v1

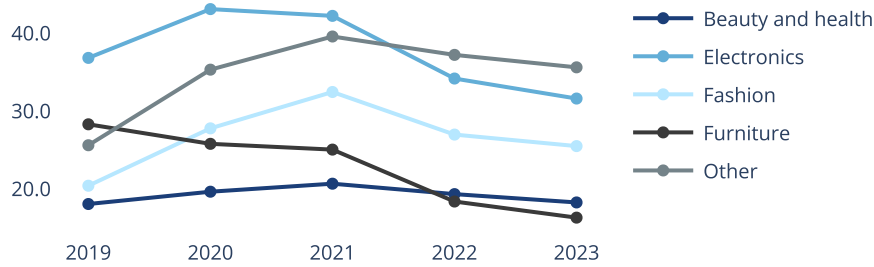
Revenue by channel for multichannel shoppers, India, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IN-ST-5-v1

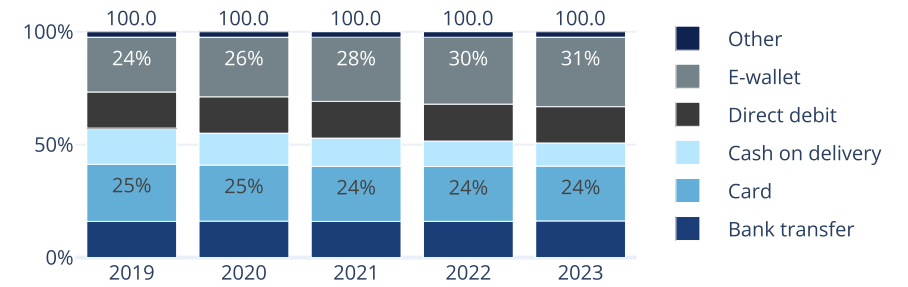
Average spending of e-shoppers (USD), India, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-IN-ST-3-v1

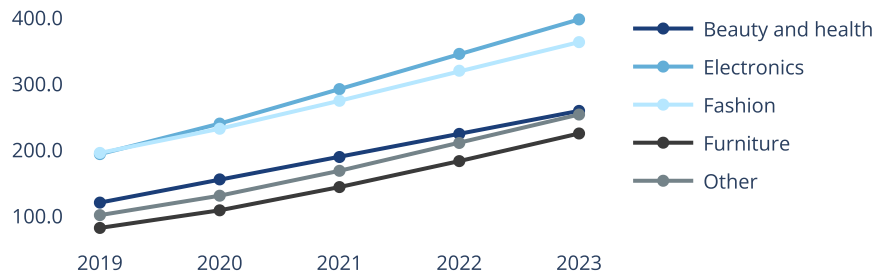
Payment type share by revenue for online shopping (%), India, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-IN-ST-8-v1

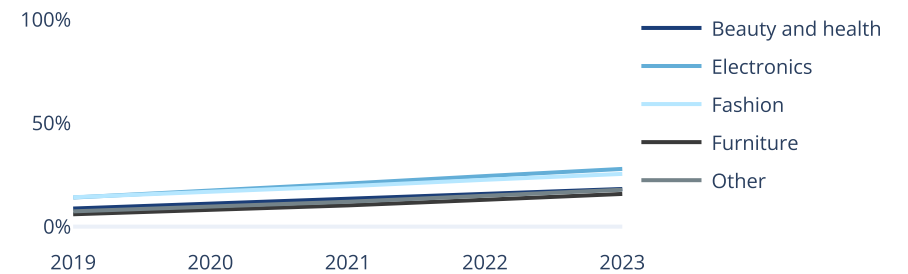
Number of e-shoppers (in millions), India, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-IN-ST-7-v1

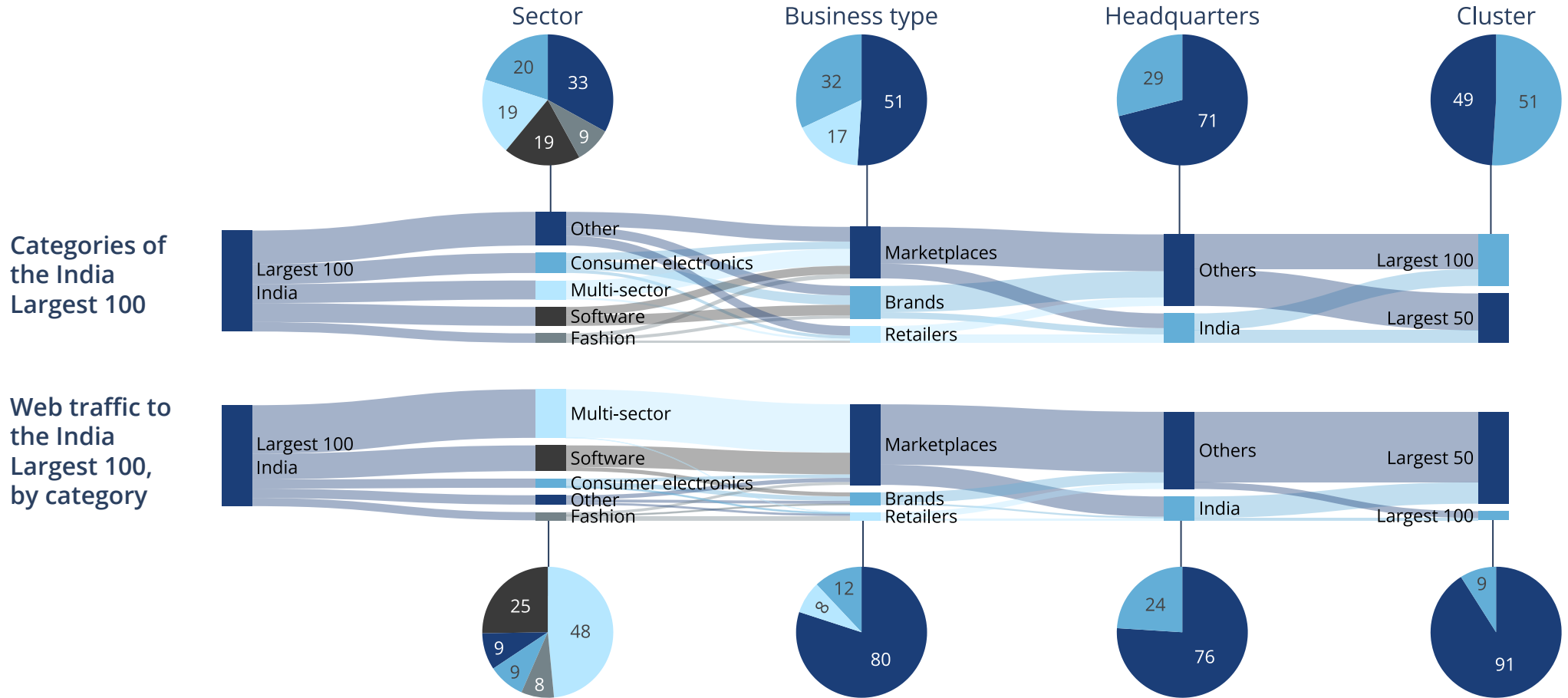
Share of the market taken by ecommerce, by sector, India, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-IN-ST-2-v2

Category analysis of the India Largest 100



Top Sankey chart: the percentage of India Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Indian consumer web traffic directed at India Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Indonesia

Southeast Asia's largest economy, Indonesia continues to see strong adoption of ecommerce

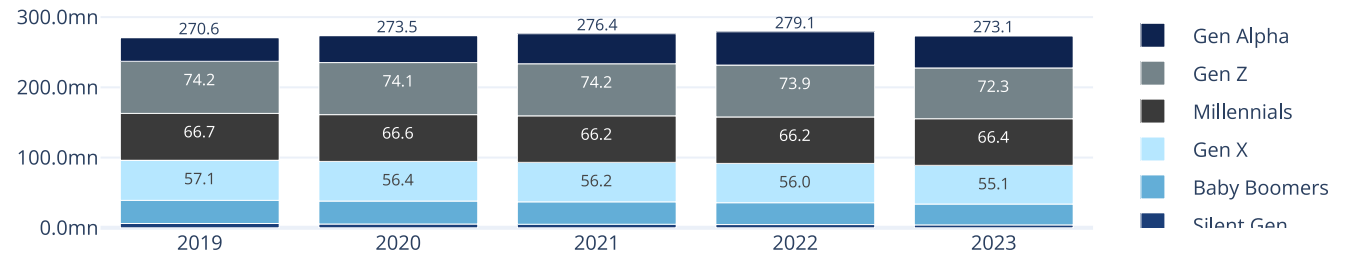
Just 62% of Indonesians are online, putting the country behind the global and Asian figures. Yet of these online users, the share that shop online is relatively high, growing by 6pp to 70% in 2023. The equivalent figure in 2019 was 44%. The country is Southeast Asia's biggest economy so a significant market for ecommerce growth.

GDP per capita is also growing, up to nearly \$16k in 2023, although this is lower than both the Asian and global measures. The most significant rise is in the indexed ecommerce revenue growth, which shows how the growth in the numbers of those shopping online is accelerating sales growth too. Roughly

Indonesia
Area: 1,916,862 km ²
Capital: Jakarta
Currency: rupiah (IDR)
Official languages: Bahasa Indonesia
Foreign languages spoken: English, Dutch
Government type: Presidential republic
VAT: 11%
Reduced rate: 0%

Indonesia: Population analysis

Population structure, by age group (mn)

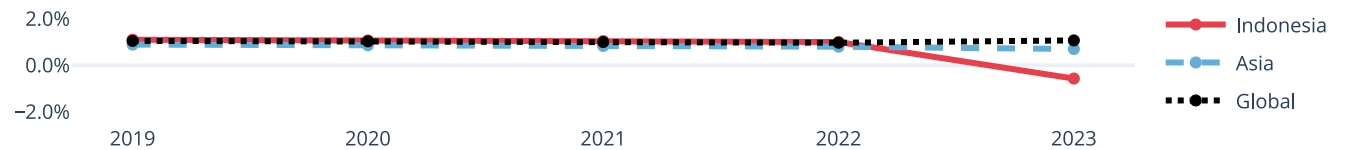


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-ID-SC-1-v1

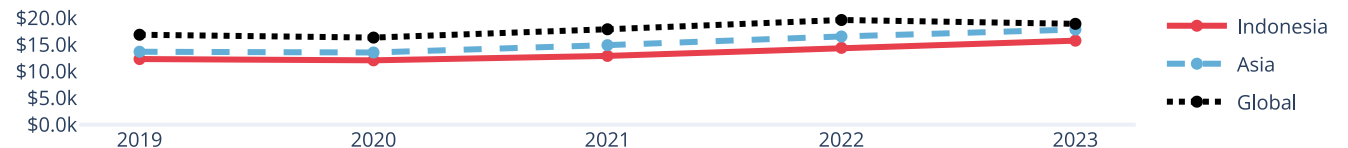
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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tracking Asian and global measures until 2020, Indonesia has outpaced both those regions since 2021, with a measure of 306pp in 2023. The Asia and global measures, by comparison, both sit at 241pp.

The World Bank predicts^[1] that economic growth will moderate to 4.9% in 2023, from 5.3% in 2022, as domestic demand mobilises and the rebound effect of the pandemic fades. Inflation hit a 16-month low of 3.08%^[2] in July but edged up to 3.27% in August.

Online opportunities are illustrated by the revenue by channel for multichannel shoppers. Currently, 91% of sales are offline, which means that since 2019, online sales share has increased from 4% to 8%. The smartphone dominates, with 64% of ecommerce sales made via mobile in 2023.

In September Indonesia took the radical step of banning social commerce. Social media is now limited to promoting goods and services rather than accepting payments. Trade minister Zulkifli Hasan said it was to protect small retailers and local ecommerce players.^[3]

Electronics dominate ecommerce sales, generating \$13bn in 2023, as well as leading the average spending of e-shoppers. All sectors saw significant revenue declines in 2022 but have bounced back in 2023, with furniture and fashion enjoying the biggest upturns after significant downward trends last year.

[1] www.worldbank.org/en/news/press-release/2023/06/26/indonesia-growth-seen-moderating-in-2023-as-pandemic-rebound-fades

[2] <https://tradingeconomics.com/indonesia/inflation-cpi>

[3] www.msn.com/en-us/money/companies/indonesia-tiktoks-best-market-bans-social-commerce/ar-AA1hngLk

Indonesia: Internet user analysis

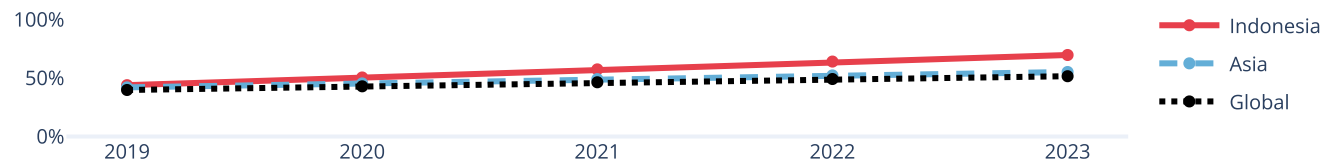
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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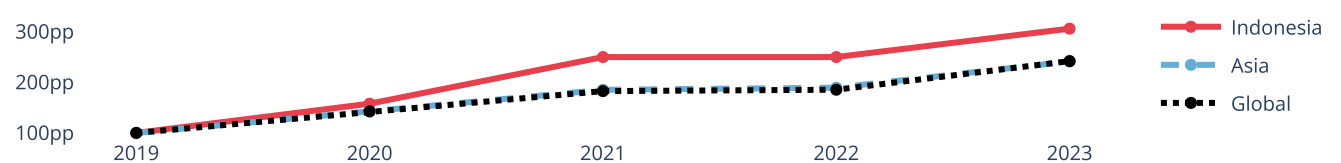
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

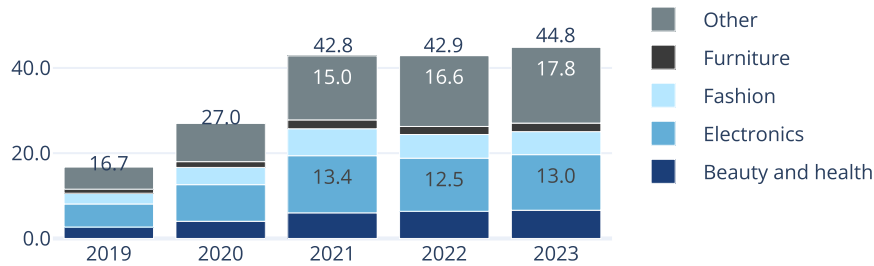


Index 2019=100

Source: RetailX, drawing on data from Statista

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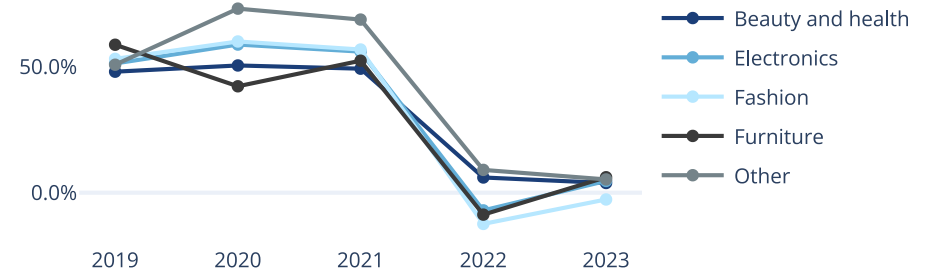
Annual revenue for the ecommerce market (bn USD), Indonesia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-ID-ST-4-v2

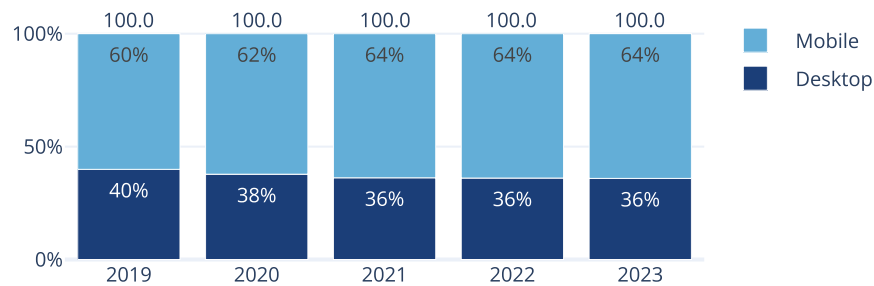
Annual change in revenue for the ecommerce market (%), Indonesia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-ID-ST-6-v1

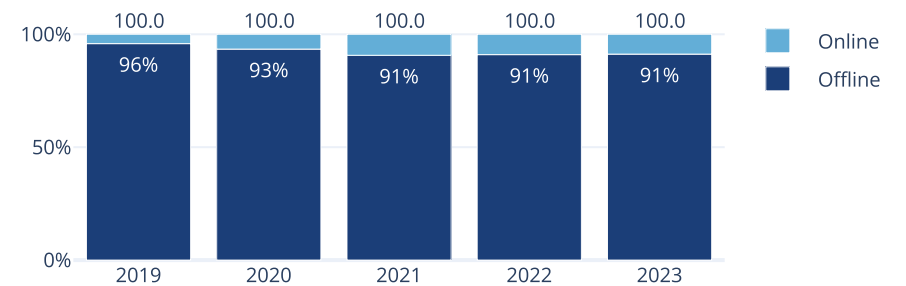
Device usage by revenue for ecommerce, Indonesia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-ID-ST-1-v1

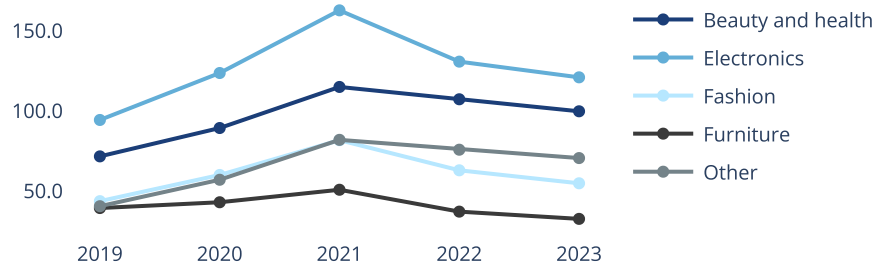
Revenue by channel for multichannel shoppers, Indonesia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-ID-ST-5-v1

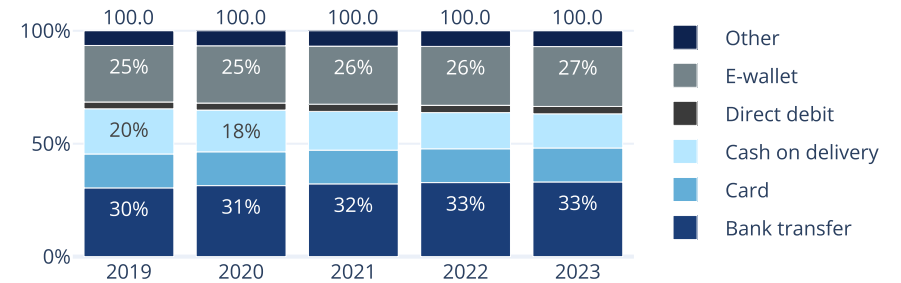
Average spending of e-shoppers (USD), Indonesia, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-ID-ST-3-v1

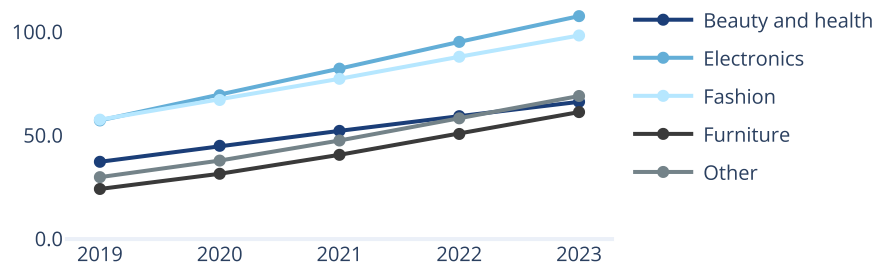
Payment type share by revenue for online shopping (%), Indonesia, 2019-23



Source: Statista Digital Market Insights

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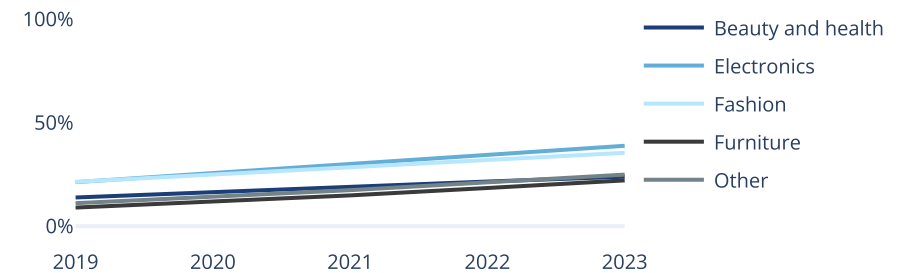
Number of e-shoppers (in millions), Indonesia, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-ID-ST-7-v2

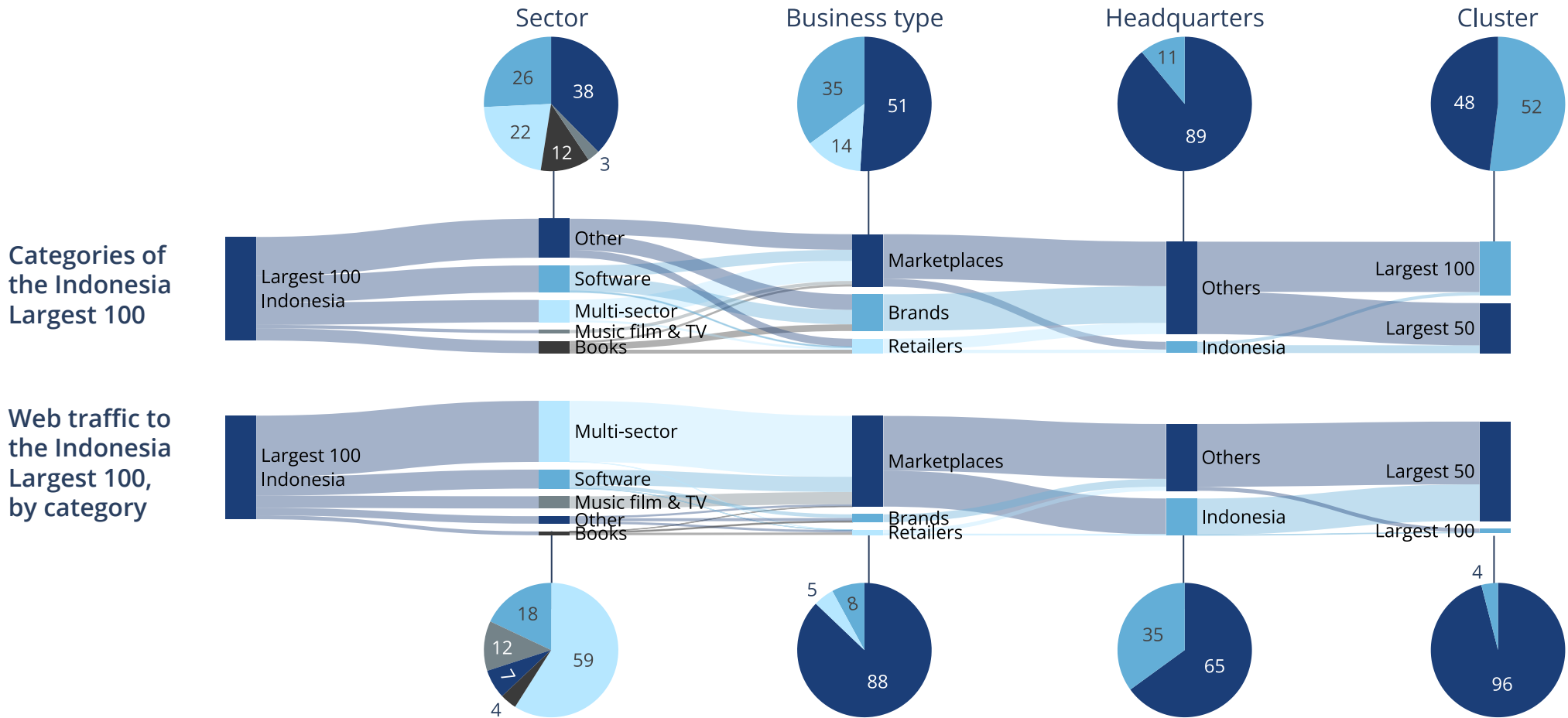
Share of the market taken by ecommerce, by sector, Indonesia, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-ID-ST-2-v2

Category analysis of the Indonesia Largest 100



Top Sankey chart: the percentage of Indonesia Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Indonesian consumer web traffic directed at Indonesia Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Japan

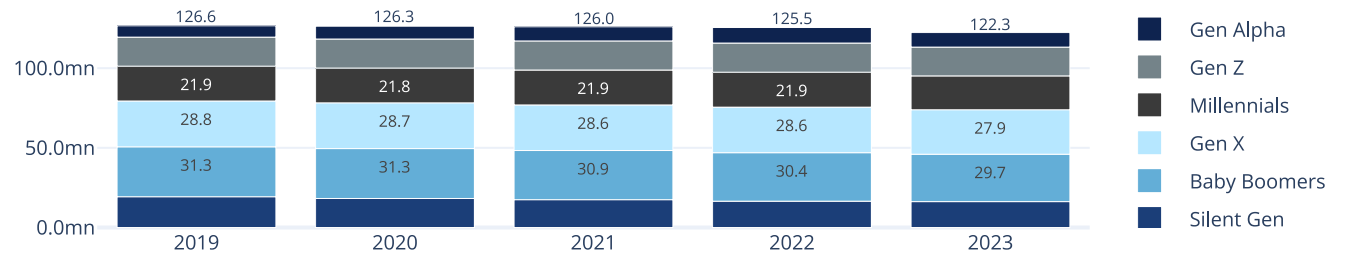
Despite having predominantly older consumers, Japan is seeing an accelerated shift towards mobile for online spending

Japan has long been dominated by older consumers, with Baby Boomers making up over a quarter of the 122.3mn population and the Gen X share nearly as large. However, of all the population demographics the only one to have seen growth since 2019 is Gen Alpha, which has grown by two percentage points.

93% of Japan's population are internet users and of these, 77.3% shop online. Yet the indexed ecommerce revenue growth under-performs when compared to the Asia and global measures, most likely because it has been established for so long. GDP per capita is strong, at \$52k in 2023, more than twice that of the Asia and global measures.

Japan: Population analysis

Population structure, by age group (mn)

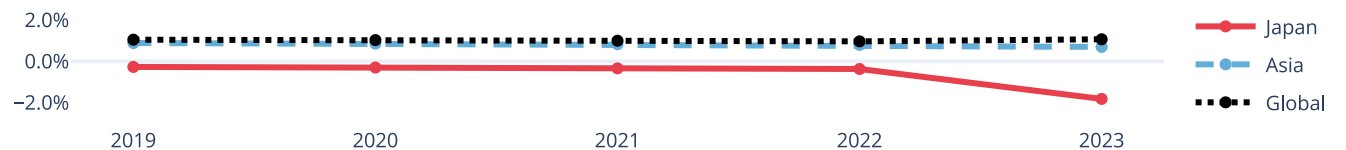


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-JP-SC-1-v1

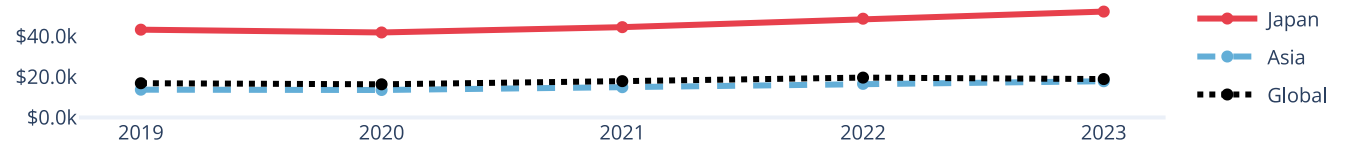
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Japan

Area: 377,974 km²

Capital: Tokyo

Currency: yen (JPY)

Official languages: Japanese

Government type: Parliamentary constitutional monarchy

VAT: 10%

Reduced rate: 8%

Japanese shoppers are moving online, with the share of revenue earned in stores for multichannel shoppers falling from 92% in 2019 to 88% in 2023.

Of the 12% of multichannel spend made online, 52% comes via desktop and 48% via mobile, the latter up from 45% in 2019. This growth is likely to continue, since Japan is a little late to the mobile game.

We see a similar move to mobile in the ways people pay. The use of e-wallets, for example, has risen more than three-fold since 2019, from 8% to 29% now. Over the same period, payments by cards are down from over half in 2019 to 31% today.

There has been a significant drive for cashless payments in the country, with the Ministry of Economy, Trade and Industry (METI) promoting cashless payments under its 2018 Cashless Vision policy plan. This set a target of 40% of retail payments to be cashless by 2025^[1] and a longer-term target of 80%. In 2022^[2] METI said the ratio of cashless payments increased to 36%, with credit cards accounting for around 30%, debit cards 1%, electronic payment 2% and code payment 2.6%.

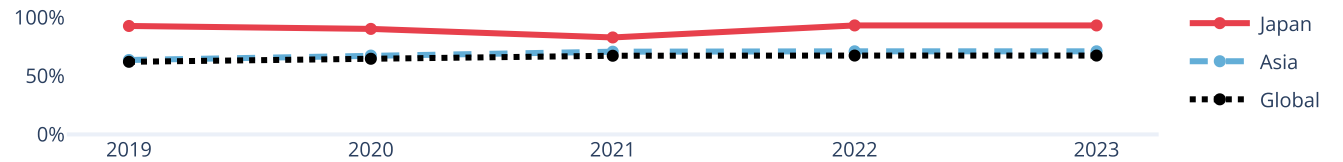
Electronics and fashion tend to dominate ecommerce in Japan. Marketplaces have the strongest uptake, with Rakuten and Amazon Japan the largest online retailers in the country, as well as smaller online retailers such as Wowma, Mercari, PayPal Mall and Qoo10 Japan.

[1] <https://oosga.com/e-commerce/jpn/>

[2] www.meti.go.jp/english/press/2023/0406_002.html

Japan: Internet user analysis

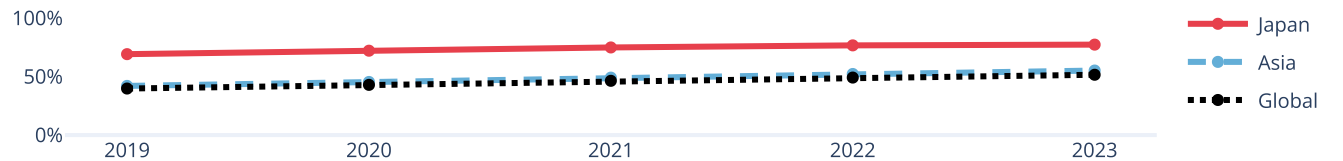
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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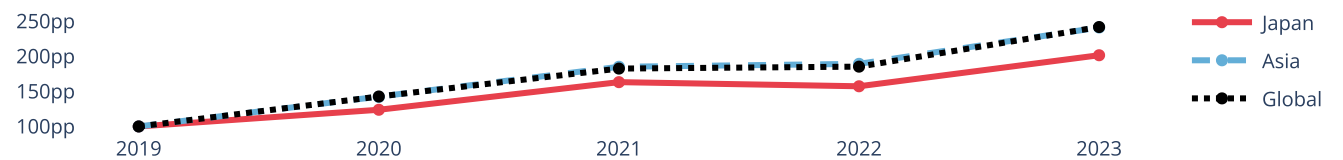
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

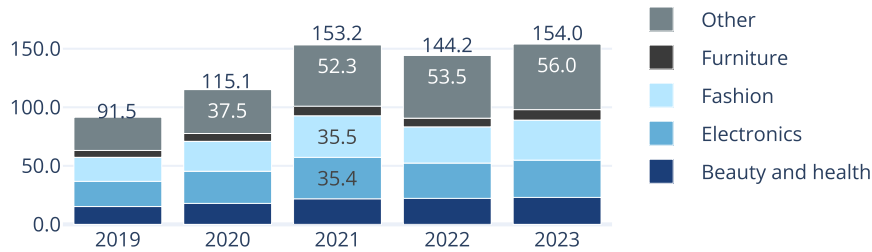


Index 2019=100

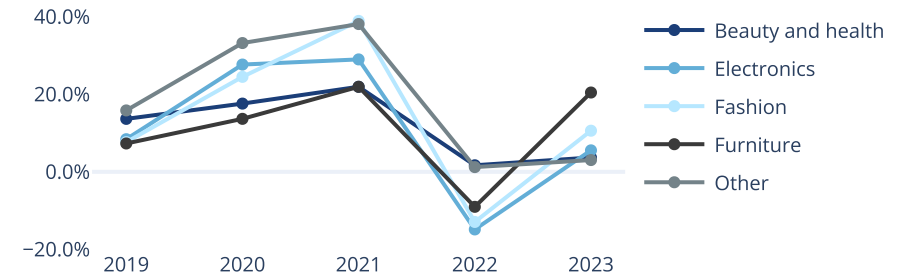
Source: RetailX, drawing on data from Statista

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Annual revenue for the ecommerce market (bn USD), Japan, 2019-23



Annual change in revenue for the ecommerce market (%), Japan, 2019-23



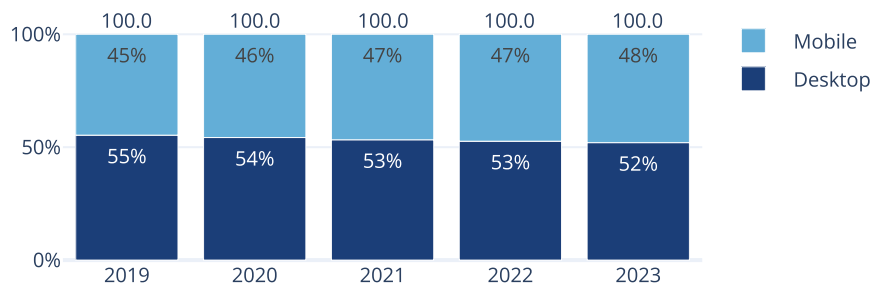
Source: Statista Digital Market Insights

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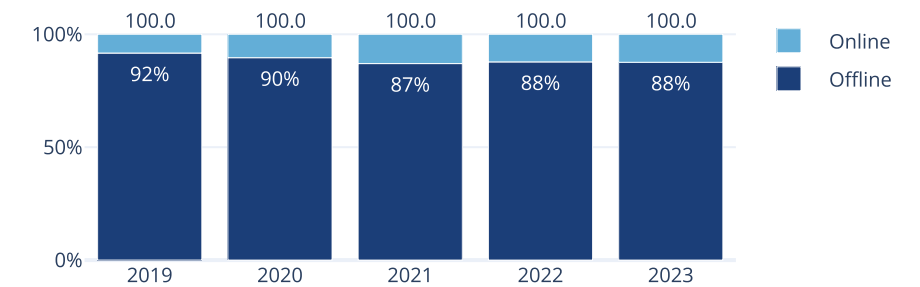
Source: Statista Digital Market Insights

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Device usage by revenue for ecommerce, Japan, 2019-23



Revenue by channel for multichannel shoppers, Japan, 2019-23



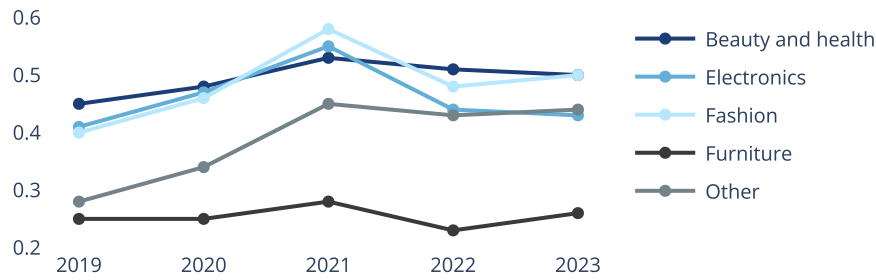
Source: Statista Digital Market Insights

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RXRUN23RP-JP-ST-1-v1

Source: Statista Digital Market Insights

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RXRUN23RP-JP-ST-5-v1

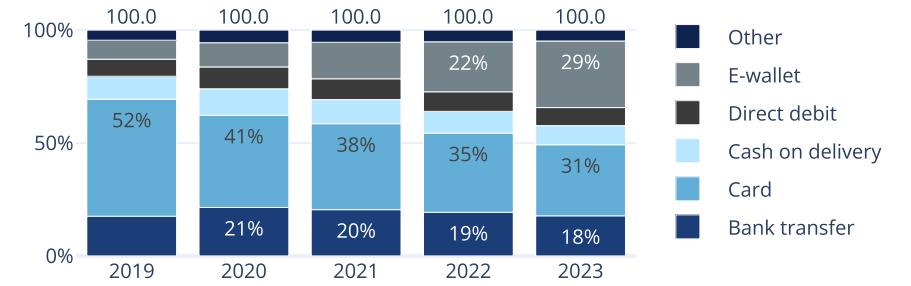
Average spending of e-shoppers (thousand USD), Japan, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-JP-ST-3-v1

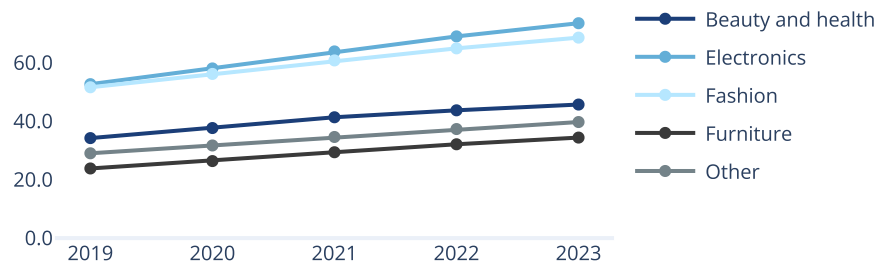
Payment type share by revenue for online shopping (%), Japan, 2019-23



Source: Statista Digital Market Insights

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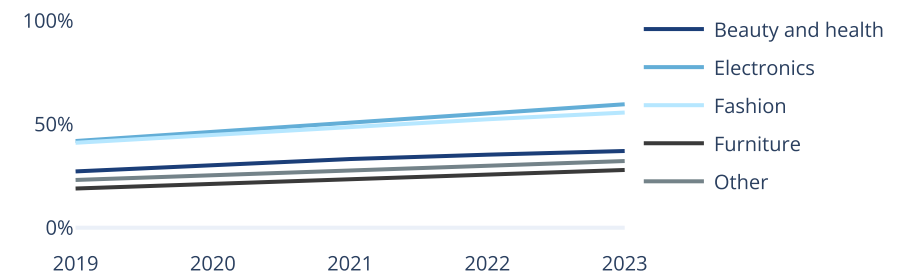
Number of e-shoppers (in millions), Japan, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-JP-ST-7-v2

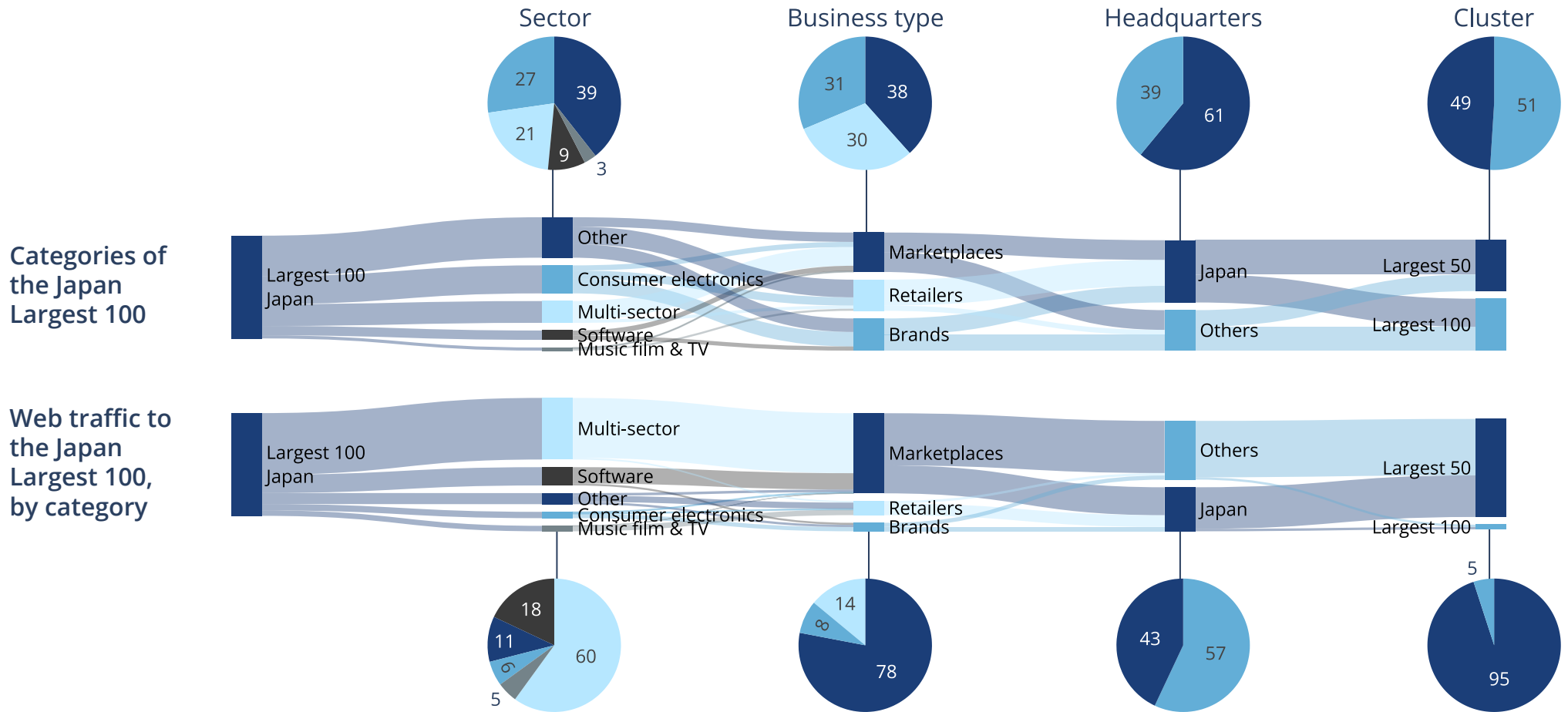
Share of the market taken by ecommerce, by sector, Japan, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-JP-ST-2-v2

Category analysis of the Japan Largest 100



Top Sankey chart: the percentage of Japan Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Japanese consumer web traffic directed at Japan Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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RXRUN23RP-JP

South Korea

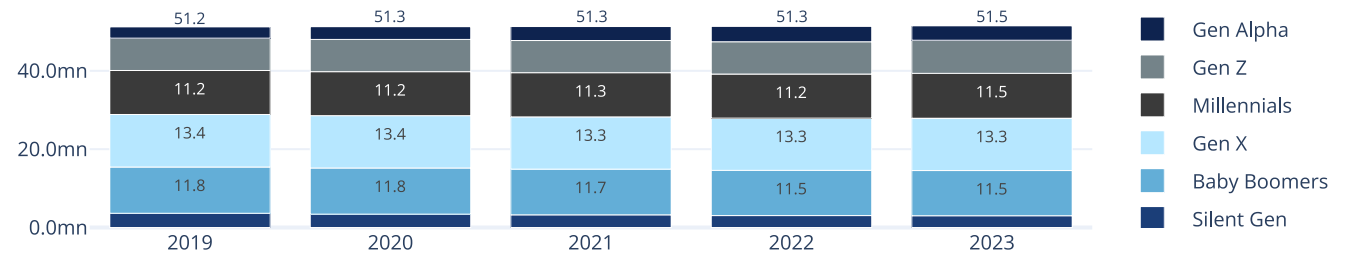
Very high rates of internet adoption and online shopping mean that ecommerce sales could hit \$160bn by 2027

After minimal population growth since 2019, 2023 has been an upturn year for South Korea, with population numbers rising from 51.3mn in 2022 to 51.5mn. By age profile, Gen X dominates the market, accounting for 13.3mn of the overall share.

The fact that the country is so densely populated, as well as the country's high internet use and shopping share, means that GDP per capita is way above the measures for both Asia and globally. The country is also extremely connected, with internet saturation sitting at 98% for the past three years. Of these, 78% shop online, a figure that's once again significantly higher than the Asia and global measures.

South Korea: Population analysis

Population structure, by age group (mn)

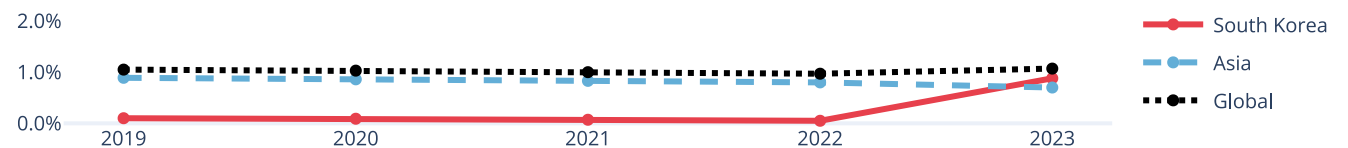


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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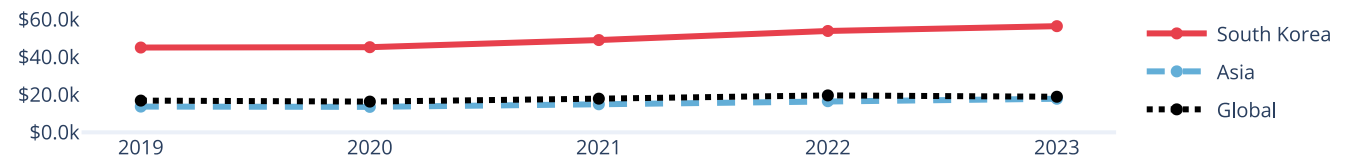
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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South Korea



Area: 100,370 km²

Capital: Seoul

Currency: won (KRW)

Official language: Korean

Foreign languages spoken: English

Government type: Presidential republic

VAT: 10%

Reduced rate: 0%

GlobalData figures^[1] show that in 2023, more than 80% of consumers have bought online in the previous six months, with only 10% saying that they have never done so. The South Korean ecommerce market is predicted to see a 7.7% compound annual growth rate between 2023 and 2027, hitting sales of \$160.4bn by the end of the period. The country's indexed ecommerce revenue growth sits much lower than the global and Asian measures, since the market is more mature than many of its Asian peers.

In terms of multichannel behaviour, online sales account for 24% of all sales. However, this share has fallen back slightly from pandemic-driven peaks in 2020 and 2021, when online hit 29% at its highest.

Looking by devices, the charts show just how heavily dominated by mobile the market is. In 2023, 68% of ecommerce sales were made via mobile. Channels such as live streaming are also driving this increased adoption, especially on sites such as South Korean ecommerce giant Naver, which offers product live streaming through its 'Naver Shopping Live' platform. YouTube also established its first official online shopping channel in the country in June 2023.

Despite the dominance of mobile and the sophistication of the payments market, payments via e-wallet are still dwarfed by the dominance of card transactions. E-wallet share of payments increased to 19% in 2023, while card transactions accounted for 58% of online sales in 2023, falling from 65% in 2019.

[1] <https://insideretail.asia/2023/08/02/south-korea-e-commerce-market-to-surpass-160-billion-mark-in-2027/>

South Korea: Internet user analysis

Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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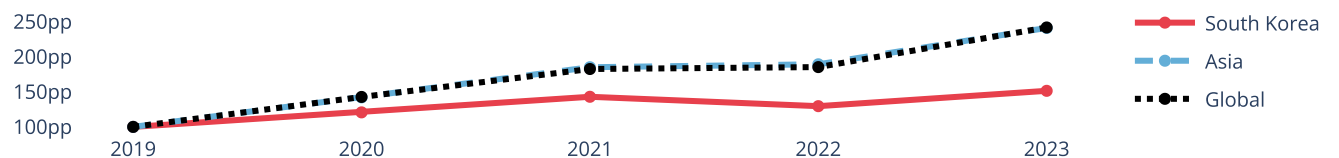
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

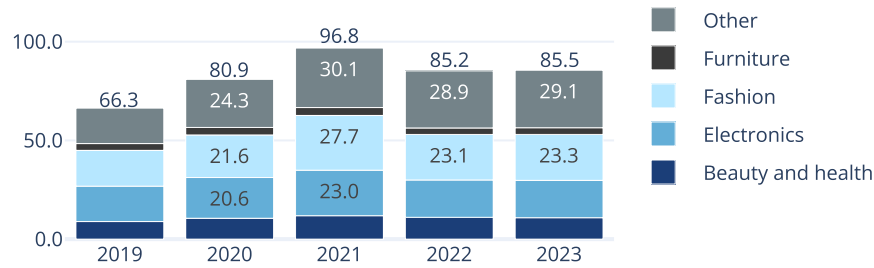


Index 2019=100

Source: RetailX, drawing on data from Statista

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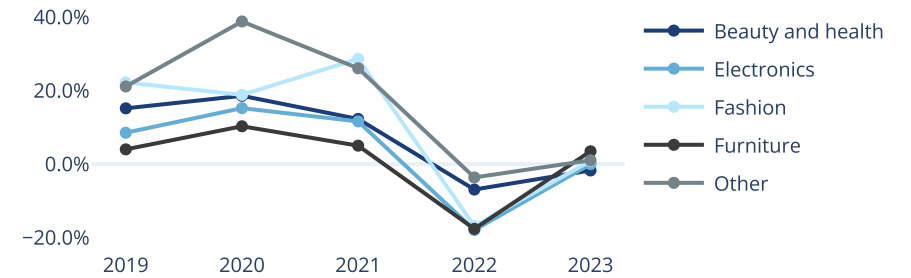
Annual revenue for the ecommerce market (bn USD), South Korea, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-KR-ST-4-v1

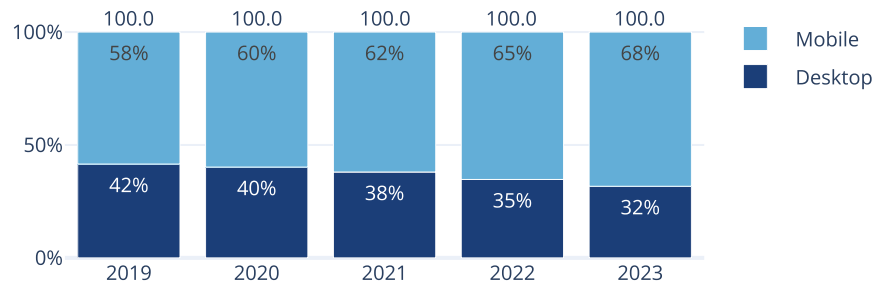
Annual change in revenue for the ecommerce market (%), South Korea, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-KR-ST-6-v1

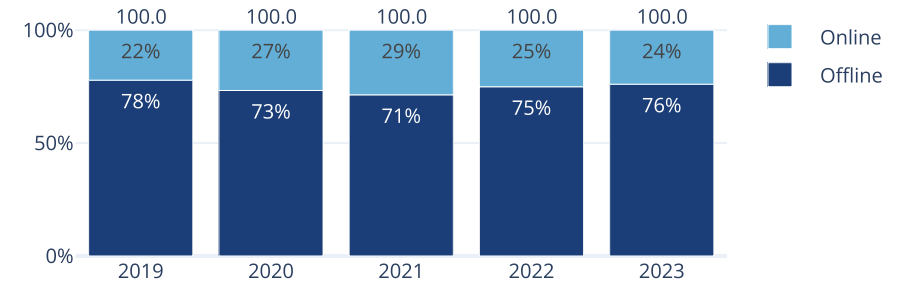
Device usage by revenue for ecommerce, South Korea, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-KR-ST-1-v1

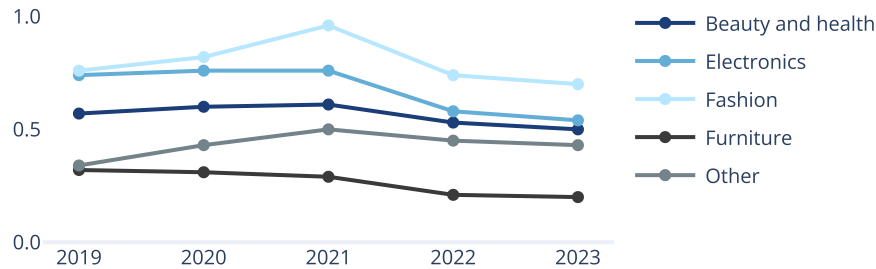
Revenue by channel for multichannel shoppers, South Korea, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-KR-ST-5-v1

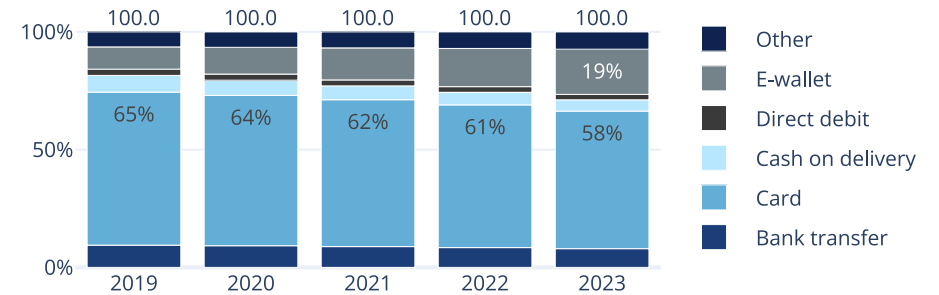
Average spending of e-shoppers (thousand USD), South Korea, 2019-23



Source: Statista Digital Market Insights

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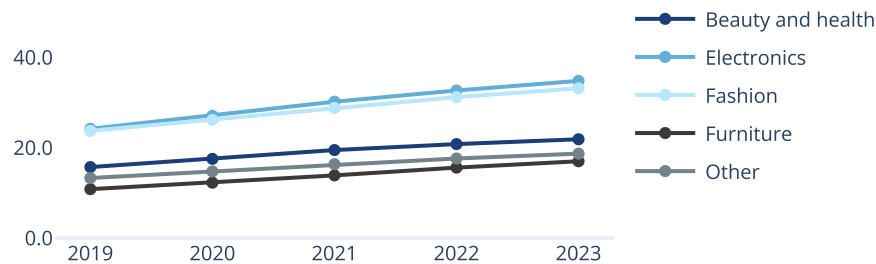
Payment type share by revenue for online shopping (%), South Korea, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023

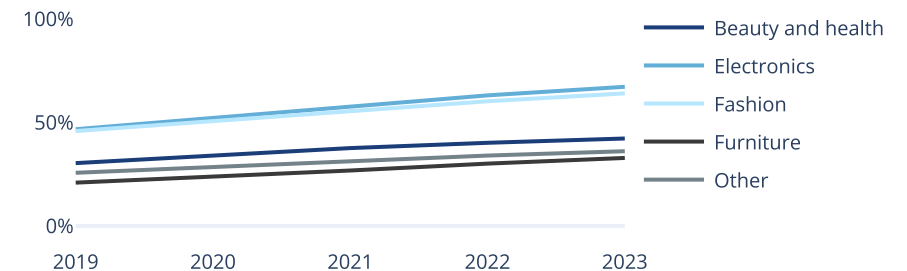
Number of e-shoppers (in millions), South Korea, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-KR-ST-7-v2

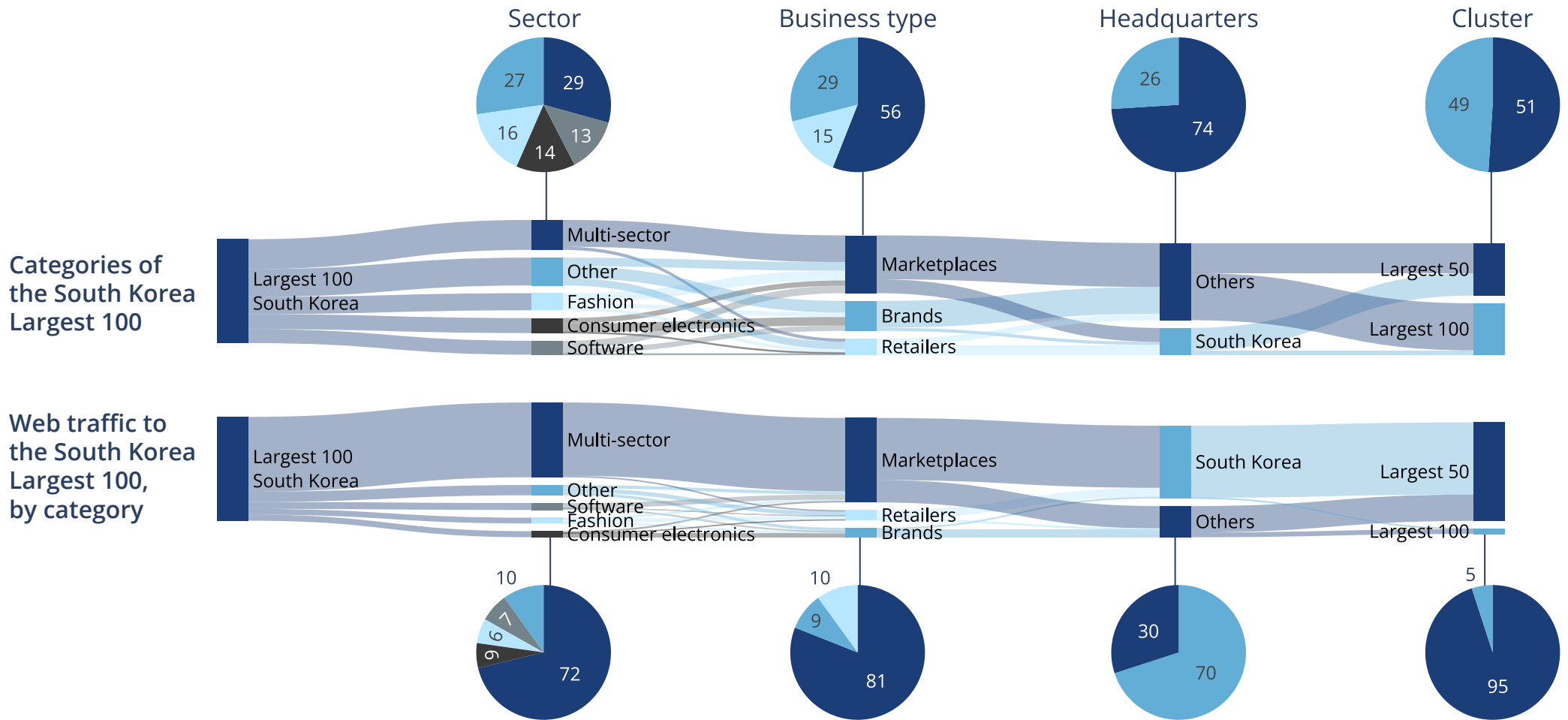
Share of the market taken by ecommerce, by sector, South Korea, 2019-23



Source: Statista Digital Market Insights

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Category analysis of the South Korea Largest 100



Top Sankey chart: the percentage of South Korea Largest 100 retailers in a category. Bottom Sankey chart: the percentage of South Korean consumer web traffic directed at South Korea Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

RetailX 2023
RXRUN23RP-KR

Vietnam

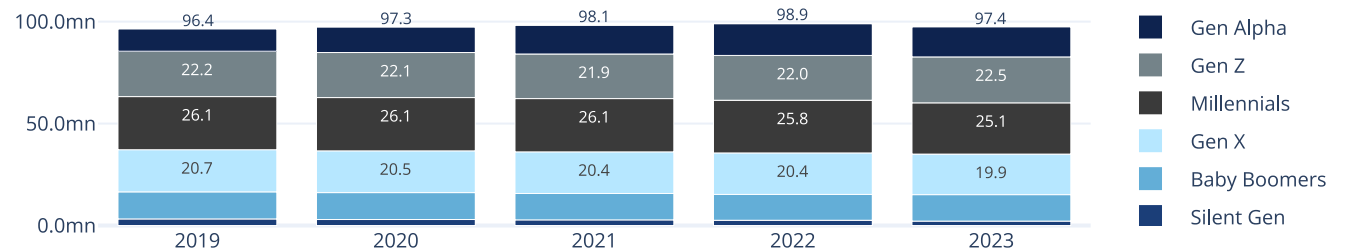
Retailers and delivery companies continue to prepare for the opportunities that Vietnam offers for ecommerce

Vietnam remains a market ripe for ecommerce expansion. International logistics suppliers such as Maersk⁽¹⁾ and FedEx are entering or boosting their presence there and, according to Allied Market Research, Vietnam's express delivery market, driven by ecommerce, could be worth \$4.88bn by 2030.

When looking at the consumer profile, we see the 97.4mn population is dominated mainly by Millennials and Generation Z, although numbers have fallen since 2022. The country has a share of internet users and those who shop online that sits just above the Asian and global measures. 63% of Vietnamese internet users shop online, compared to 55% in Asia and 51% globally.

Vietnam: Population analysis

Population structure, by age group (mn)

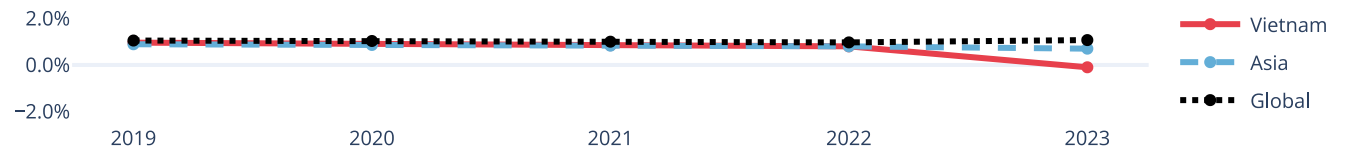


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-VN-SC-1-v1

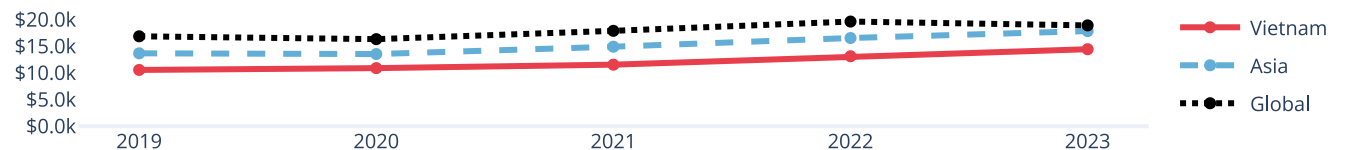
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Vietnam



Area: 331,230 km²

Capital: Hanoi

Currency: dong (VND)

Official language: Vietnamese

Foreign languages spoken: English

Government type: Communist state

VAT: 10%

Reduced rate: 5%

GDP per capita is below global and Asia figures and although the Vietnamese government had set a 6.5% target for GDP growth^[2] in 2023, economists believe this is unlikely to be achieved. Instead, figures from the Ministry of Planning and Investment show that the economy grew at only 3.72% in the first six months of the year – its lowest rate in 12 years.

When looking at Vietnam’s retailer profile in the Largest 100, we see that consumer electronics has the highest share (apart from other). When looking at web traffic to the Largest100, multi-sector retailers dominate, with a 50% share. Marketplaces feature heavily in Vietnam, with a 43% share of categories, compared to 33% for brands and 24% for retailers, and a 71% share of web traffic.

Vietnam retailers are reporting record ecommerce exports after shipping US\$3.5bn^[3] worth of goods via ecommerce in 2022. This is up from 7% in 2021 but 9% growth each year is predicted if Vietnamese businesses adopt ecommerce faster. The number of Vietnamese sellers on Amazon is reported to have risen by 80% in 2022, with exports rising 45% to more than 10mn items. The government is certainly trying to encourage ecommerce, recently halving online store registration fees for small businesses. It has also established a programme which will train 5,000 businesses on cross-border ecommerce.

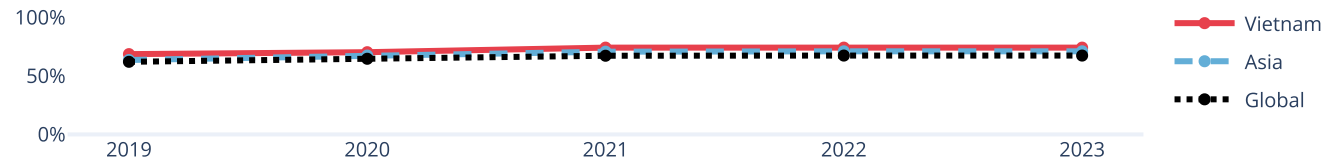
[1] <https://e.vnexpress.net/news/industries/global-giants-eye-vietnam-e-commerce-logistics-market-4541416.html>

[2] <https://e.vnexpress.net/news/business/economy/experts-fear-6-5-gdp-growth-target-a-bridge-too-far-4655435.html>

[3] <https://e.vnexpress.net/news/business/economy/e-commerce-exports-top-3-5b-4615862.html>

Vietnam: Internet user analysis

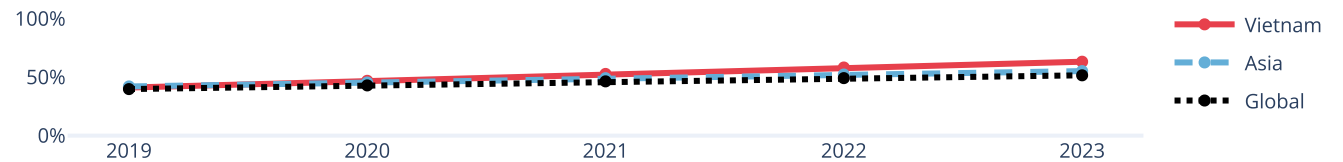
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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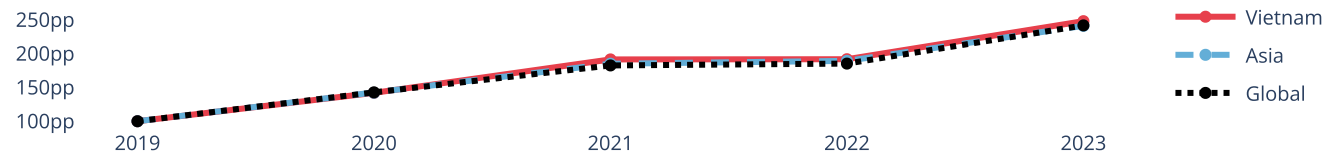
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

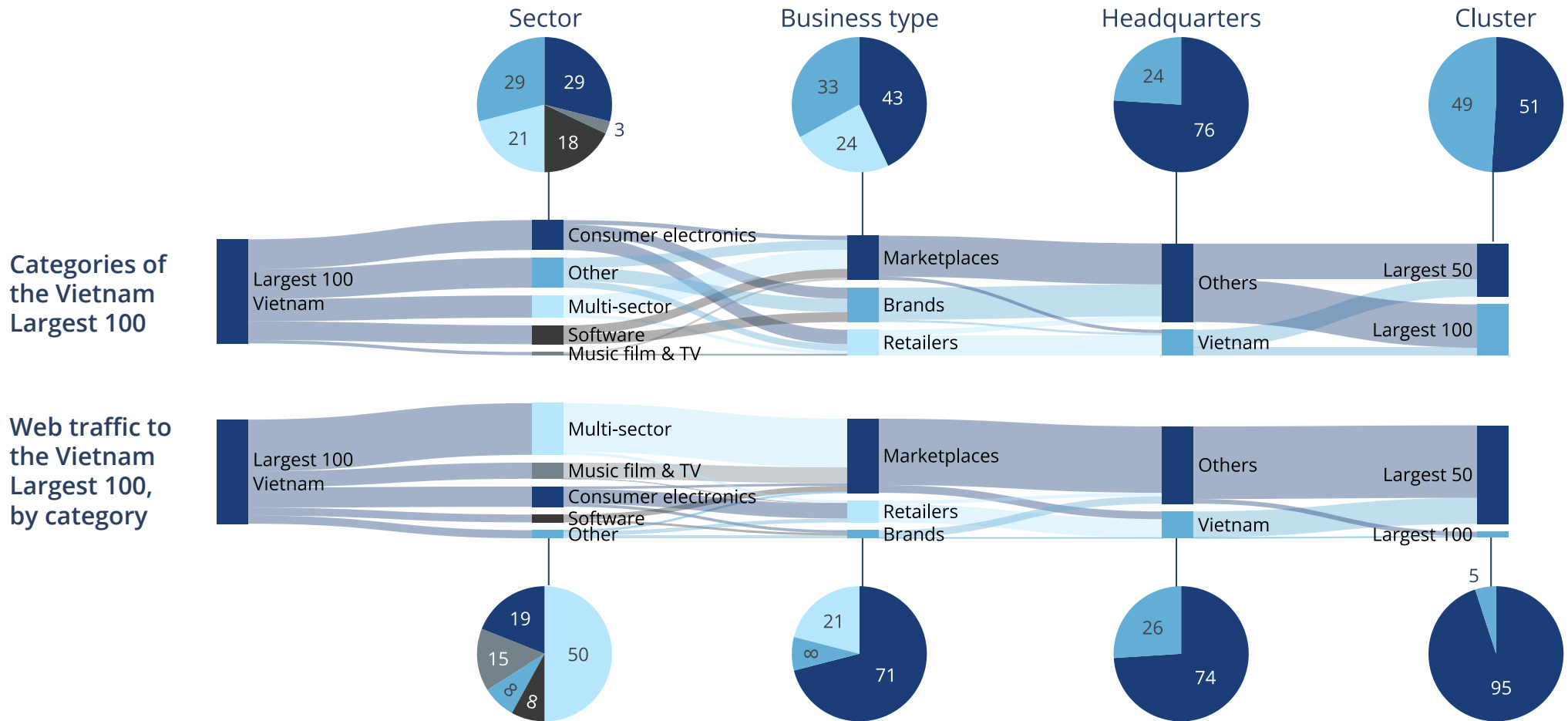


Index 2019=100

Source: RetailX, drawing on data from Statista

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Category analysis of the Vietnam Largest 100



Top Sankey chart: the percentage of Vietnam Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Vietnamese consumer web traffic directed at Vietnam Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Europe

Digital development remains a priority across a continent that already has high levels both of disposable income and of ecommerce adoption



Europe

Area: 10,180,000 km²

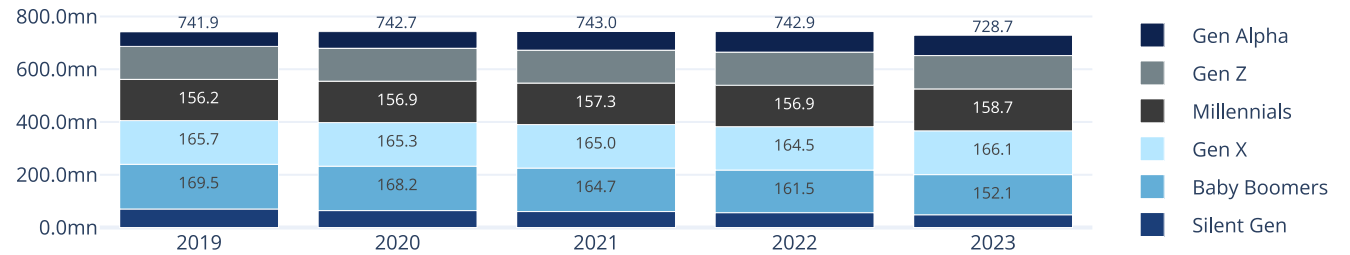
Official languages: English, German, French, Italian, Norwegian, Russian, Spanish...

Average VAT: 20%

Average reduced rate: 5%

Europe: Population analysis

Population structure, by age group (mn)

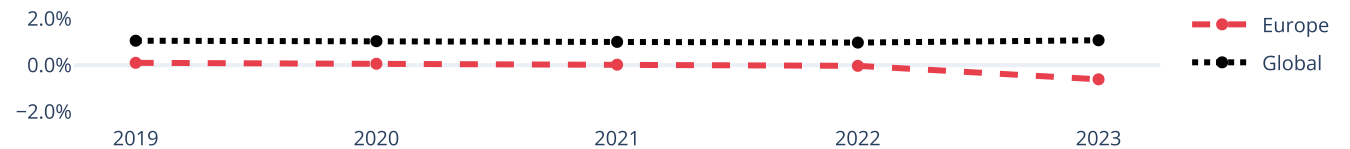


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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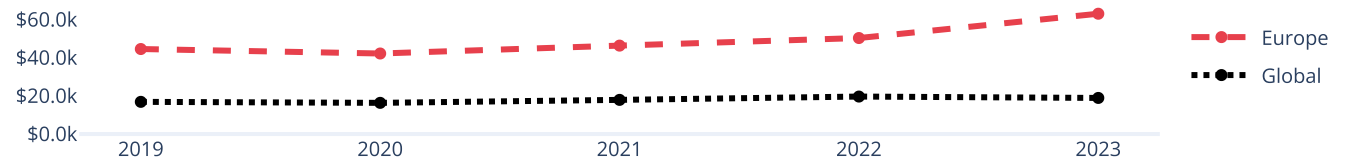
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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With 44 countries and a population of more than 700mn, Europe is one of the world's most populous regions. This report focuses on seven of the largest markets within the continent: France, Germany, Italy, Norway, Russia, Spain and the UK.

Europe has a large population, with Gen X (166.1mn) and Millennials (158.7mn) the largest demographic groups. Yet it has also seen some recent declines. The current population estimate of 728.7mn is 0.6% down from 742.9mn in 2022, which itself is a figure 0.3% lower than the previous year.

More than a year on from Russia's invasion of Ukraine in February 2022, the effects of continuing war remain. Energy prices have abated, but conflict-related food price cost-of-living issues are still a feature of many markets. While leading European markets have strengthened their investments in renewable energy in order to limit their reliance on more expensive fossil fuels, some energy generators are still using coal as their fallback option^[1].

The European Union, representing 27 European member states, is investing €806bn in a NextGenerationEU plan to emerge stronger from the pandemic in areas ranging from health and the environment to digital^[2]. The remit also includes universal 5G mobile connection and EU-wide ultra-fast broadband, as well as investment in more secure online shopping, smarter cities, digital identities and the use of artificial intelligence in areas including climate change, healthcare, transport and education.

European average per capita GDP is above the global average, although there are wide variations across

Europe: Internet user analysis

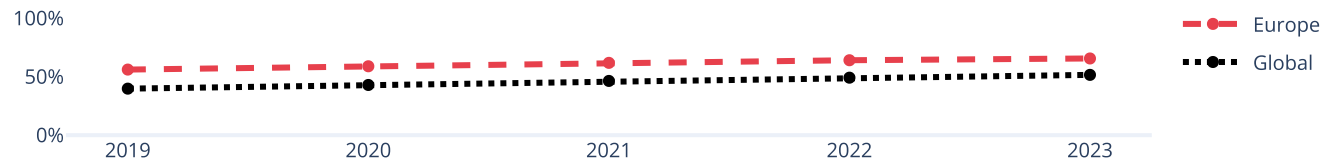
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-EUR-SC-4-v2

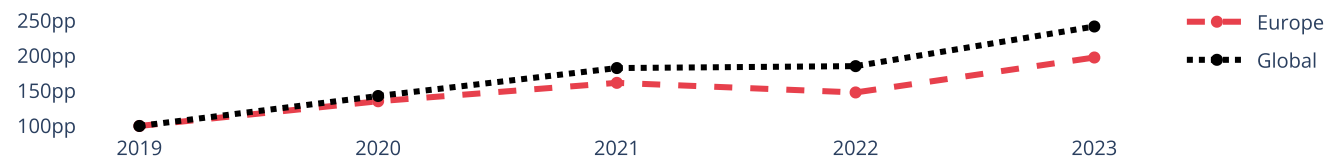
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)



Index 2019=100

Source: RetailX, drawing on data from Statista

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countries. In this context, please note that our figures for 2023 are skewed by featuring only countries for which we have the numbers, typically the most wealthy European nations. International Telecommunication Union figures suggest that 82% of Europeans have internet access – up from 79% in 2019 and above the global average of 67%. According to Statista, 66% of those with internet access shop online, up from 56% in 2019. European ecommerce revenues are almost double their 2019 level.

RetailX analysis suggests that 40% of the Largest 100 are based within the region and 60% outside. SimilarWeb figures suggest that those within the region see 22% of traffic from European customers, with those based outside seeing 78%. SimilarWeb figures also show that 62% of the Largest 100 retail businesses selling to customers in the markets covered in this report are marketplaces, with 85% of local consumer web traffic going to them. Brands represent 21% of the Largest 100 and see 7% of

traffic, while retailers make up 17% of the index and see 7% of traffic. 34% of the Largest 100 are multi-sector retail businesses, which take 48% of traffic. Consumer electronics follow, with 13% of the index and 5% of traffic, while fashion traders account for 12% of the index and see 7% of traffic.

[1] www.eea.europa.eu/publications/trends-and-projections-in-europe-2022

[2] https://next-generation-eu.europa.eu/index_en

Annual percentage change in the Consumer Prices Index (CPI), Europe, 2022-2023

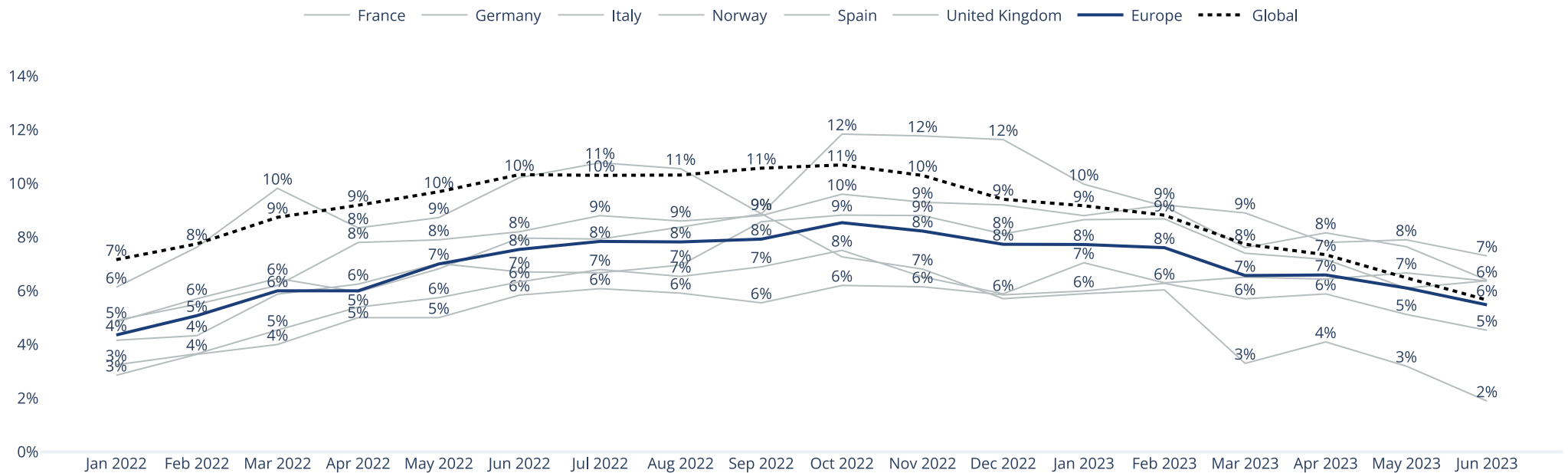
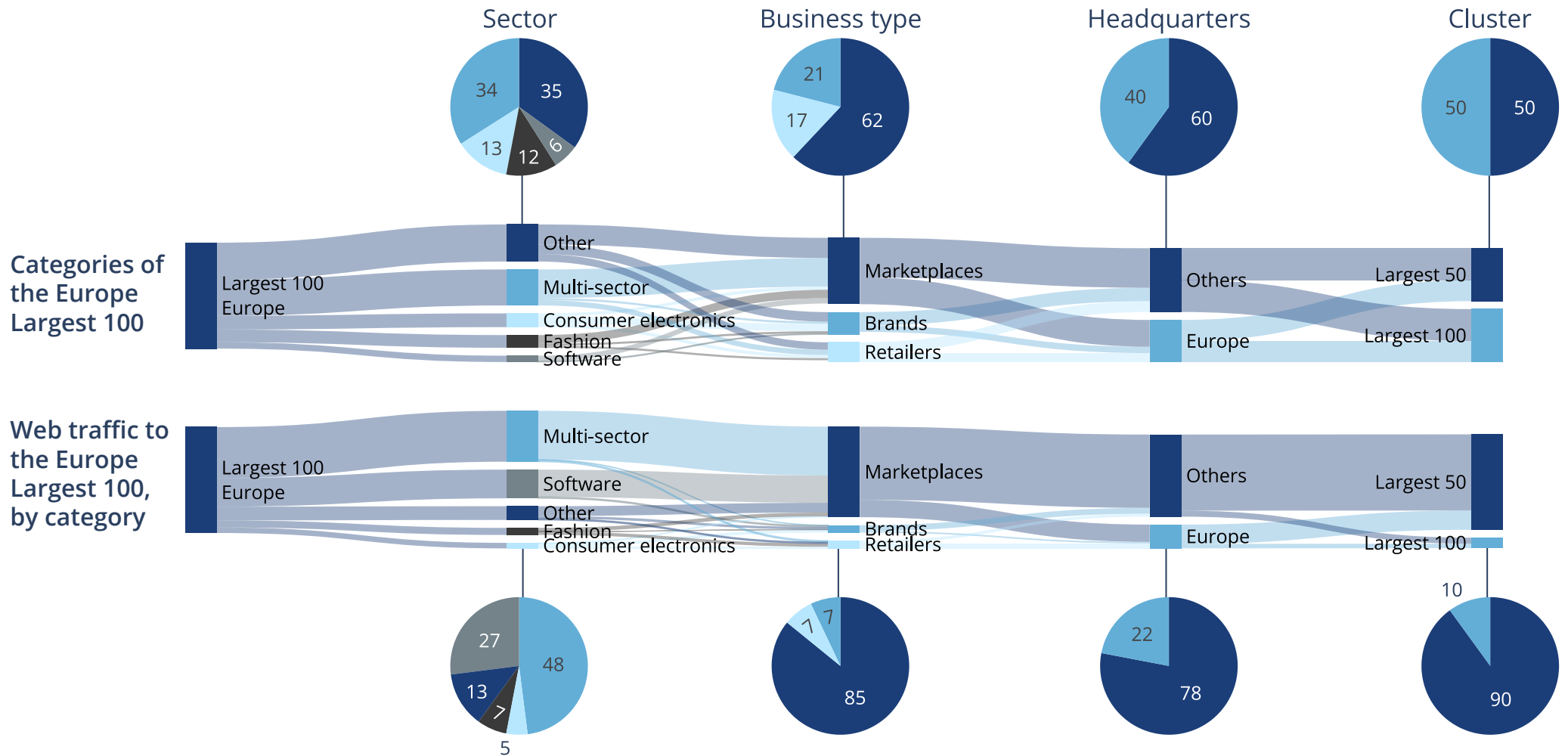


Figure for Asia calculated using the average for countries showcased in this report

Source: OECD

Category analysis of the Europe Largest 100



Top Sankey chart: the percentage of Europe Largest 100 retailers in a category. Bottom Sankey chart: the percentage of European consumer web traffic directed at Europe Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

France

Although the economy is growing, French shoppers, the majority of whom shop online, face the challenge inflation

France's economy is starting to recover from the hit to GDP that it saw during the Covid-19 pandemic. However, Russia's invasion of Ukraine has been followed by relatively high levels of inflation over the last year, despite the protections put in place to keep domestic energy prices below the EU average.

The French population grew by 0.24% in 2022 – faster than across Europe (-0.03%) but behind the global rate (+0.97%). At the same time, per capita GDP rose to \$56.24k in 2022 from \$51.34k in 2021, recovering from a year of decline (\$46.28k) in 2020. In the second quarter of 2023, GDP rose by 0.5% and the purchasing power of households, as measured

France

Area: 549,087 km²

Capital: Paris

Currency: euro (EUR)

Official language: French

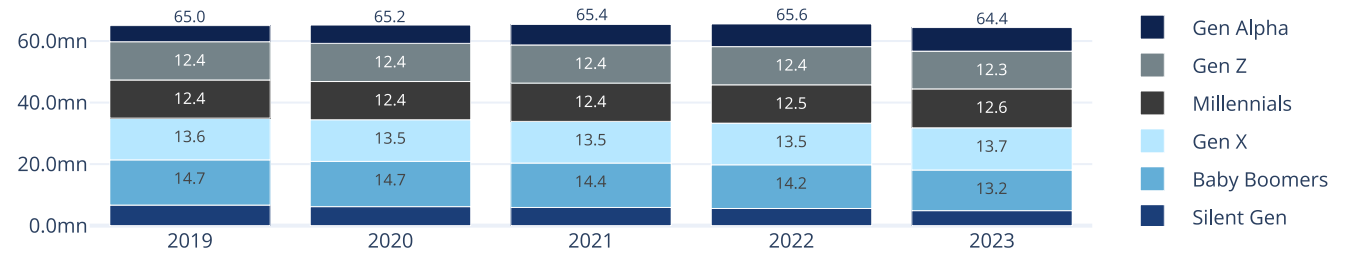
Government type: Semi-presidential republic

VAT: 20%

Reduced rate: 5.5%

France: Population analysis

Population structure, by age group (mn)

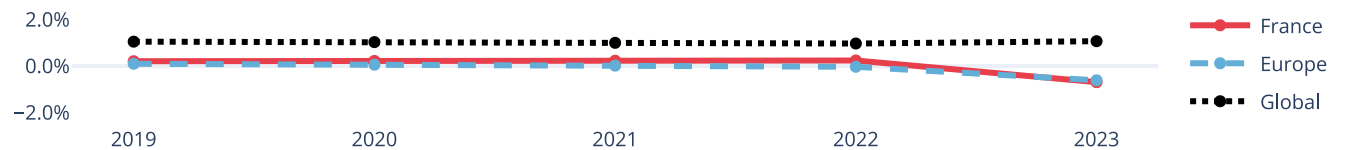


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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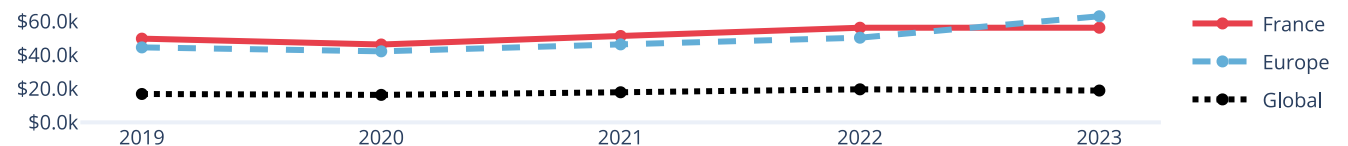
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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through gross disposable income, increased by 0.1%^[1], according to statistics from Insee. Inflation was at or higher than 6% in the first quarter of 2023 but has since fallen, to 4.5%, in June 2023^[2]. Retail sales improved to two points above the long-term average in June 2023^[3].

President Emmanuel Macron has been in post since 2017 and his second term runs until 2027. Macron's government has faced worsening approval ratings and waves of protest, sparked in the early months of this year when he pushed through retirement age reforms. Further protests came in late June after the police shooting of North African teenager, Nahel M.

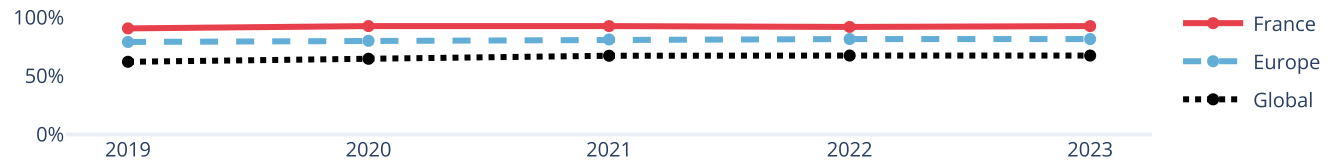
In 2022, 91.9% of the population could get online. While this represented a dip from 92.6% in 2021, it still remained above the European (81.6%) and global (67.4%) averages. 76.5% of internet users shopped online in 2022, up from 74.1% the previous year. Ecommerce sales are set to be 80.85% higher in 2023 than in 2019. In 2022, 79% used smartphones to buy online all or most of the time. Other preferences included ordering online for home delivery (41%) and payment with credit and debit cards (73%), followed by third-party checkouts (51%).

Fashion is the most popular ecommerce category, RetailX Consumer Observatory research suggests, bought by 72% of respondents in the year to June 2022, followed by homewares (47%) and cosmetics and/or beauty products (40%).

[1] www.insee.fr/en/statistiques/7663402
 [2] www.insee.fr/en/statistiques/2405582
 [3] www.insee.fr/en/statistiques/7638211

France: Internet user analysis

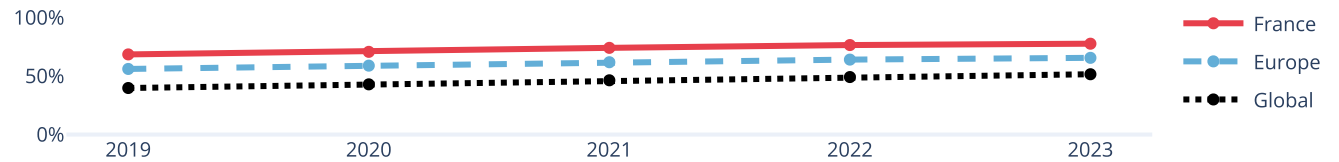
Percentage of internet users



Source: RetailX, drawing on data from Eurostat

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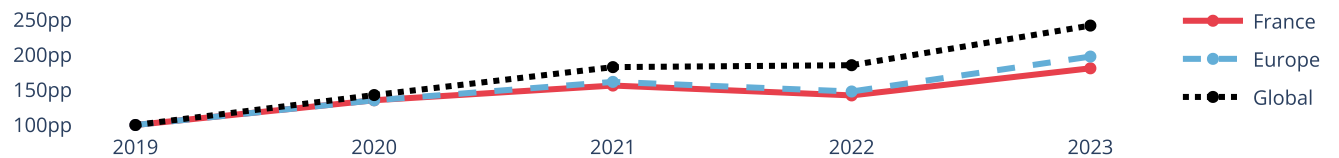
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

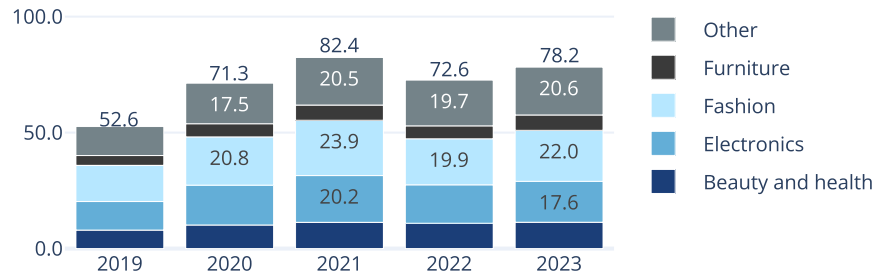


Index 2019=100

Source: RetailX, drawing on data from Statista

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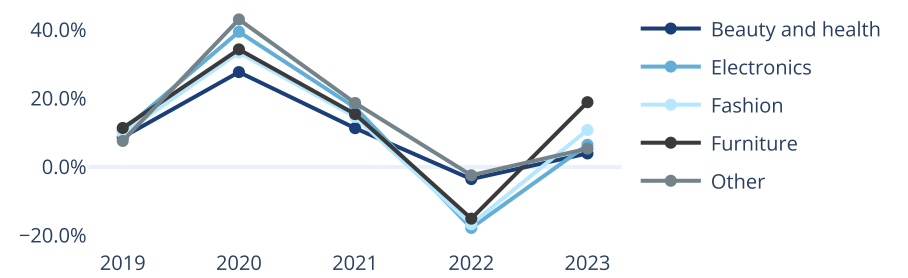
Annual revenue for the ecommerce market (bn USD), France, 2019-23



Source: Statista Digital Market Insights

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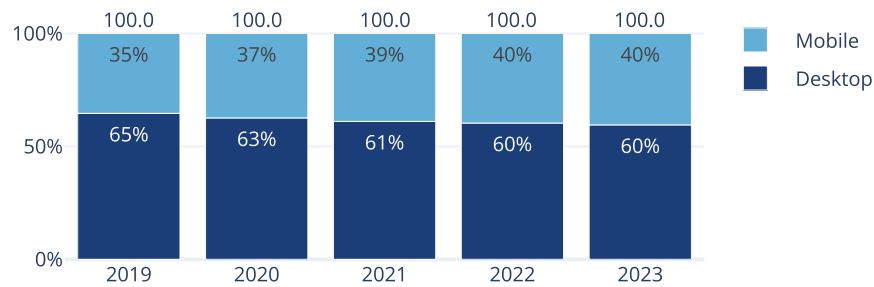
Annual change in revenue for the ecommerce market (%), France, 2019-23



Source: Statista Digital Market Insights

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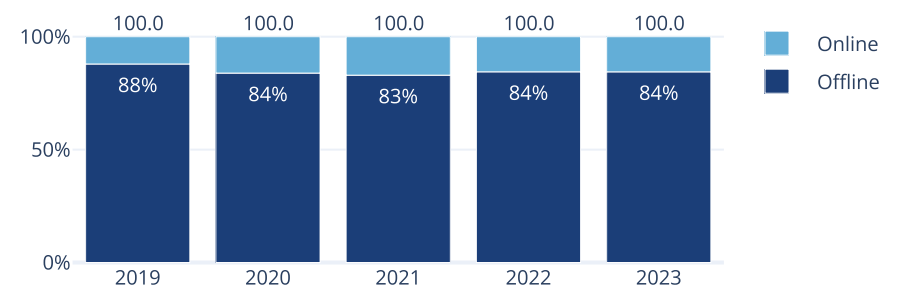
Device usage by revenue for ecommerce, France, 2019-23



Source: Statista Digital Market Insights

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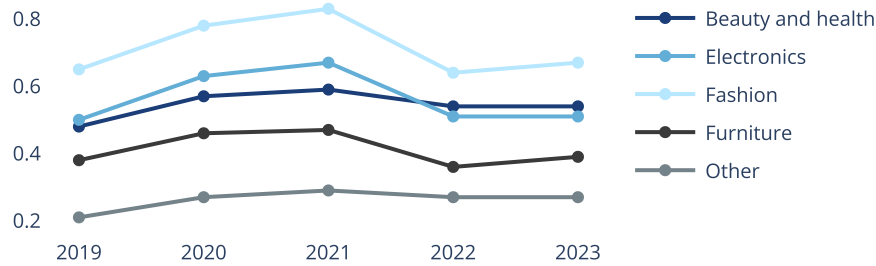
Revenue by channel for multichannel shoppers, France, 2019-23



Source: Statista Digital Market Insights

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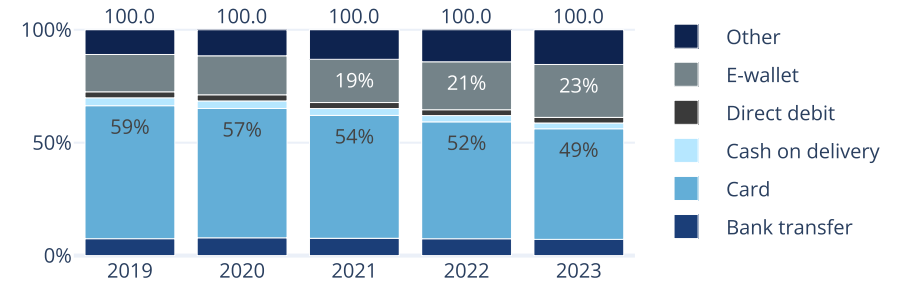
Average spending of e-shoppers (thousand USD), France, 2019-23



Source: Statista Digital Market Insights

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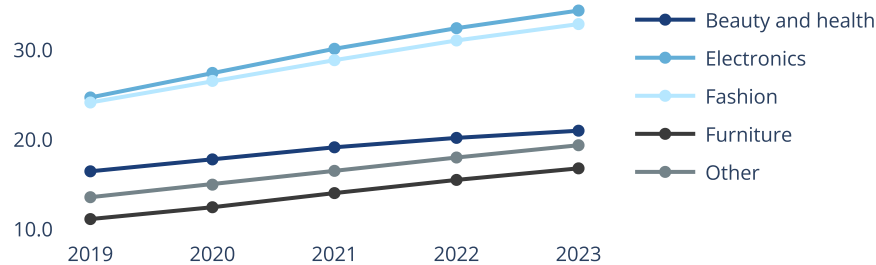
Payment type share by revenue for online shopping (%), France, 2019-23



Source: Statista Digital Market Insights

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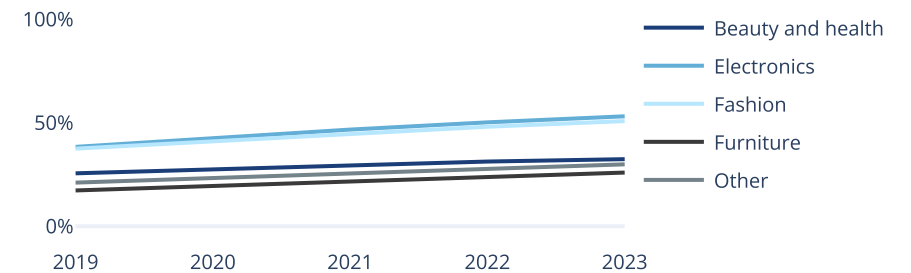
Number of e-shoppers (in millions), France, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-FR-ST-7-v1

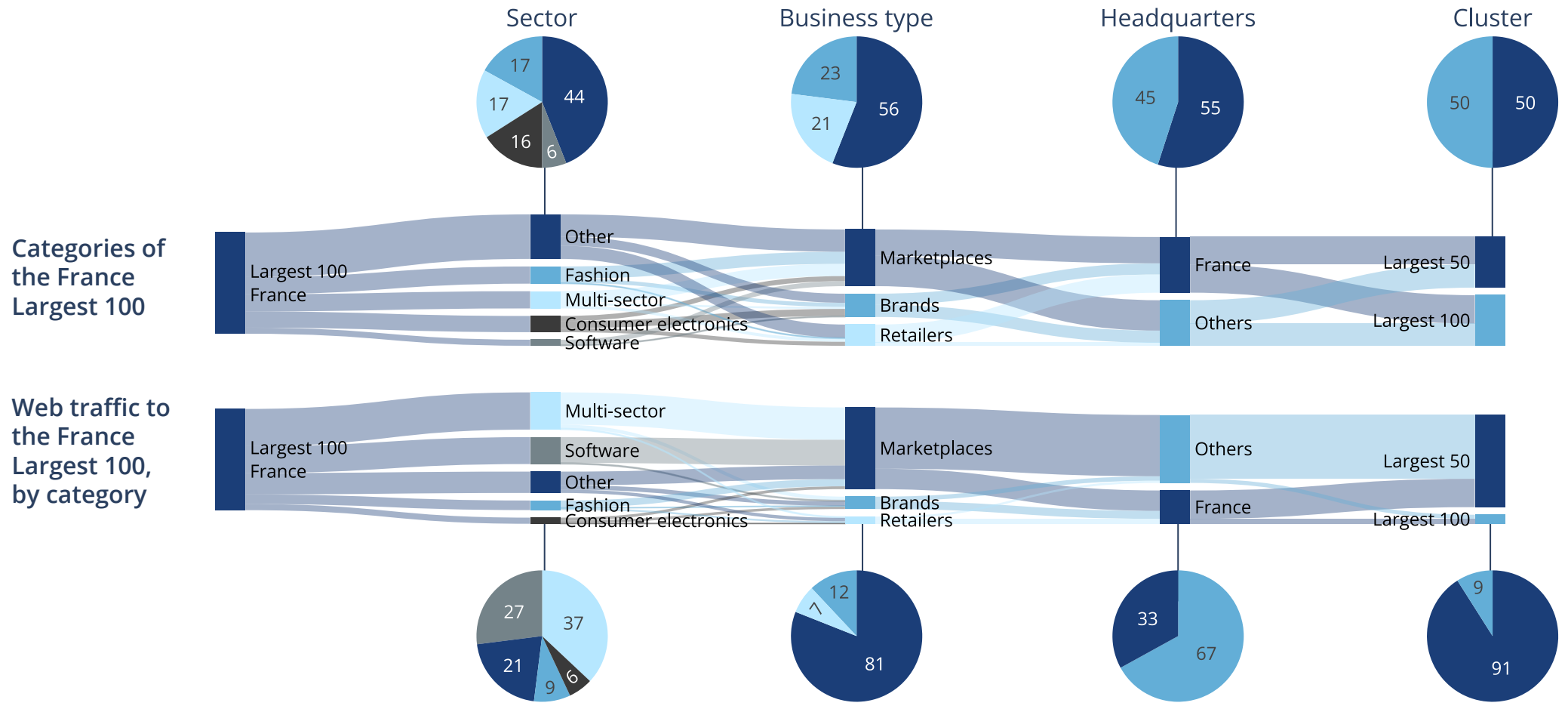
Share of the market taken by ecommerce, by sector, France, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-FR-ST-2-v2

Category analysis of the France Largest 100



Top Sankey chart: the percentage of France Largest 100 retailers in a category. Bottom Sankey chart: the percentage of French consumer web traffic directed at France Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Germany

The EU's leading state is meeting inflation and recession with a focus on renewable energy and spending cuts

Germany's years-long reliance on Russian gas and oil left it vulnerable in the wake of Russia's invasion of Ukraine, when Europe started to move away from using these sources of fossil fuels. This, together with high levels of debt following public spending during the Covid-19 pandemic, has contributed to an inflation rate that peaked at 11.6% in October 2022, before dropping to 7.76% by March 2023. Such rates put Germany above the Western Europe average when it had previously been consistently at or below. The market moved into recession in 2023 following two successive quarters of declining GDP, in Q4 2022

Germany

Area: 357,590 km²

Capital: Berlin

Currency: euro (EUR)

Official language: German

Foreign languages spoken: Danish, Frisian, Sorbian and Romani

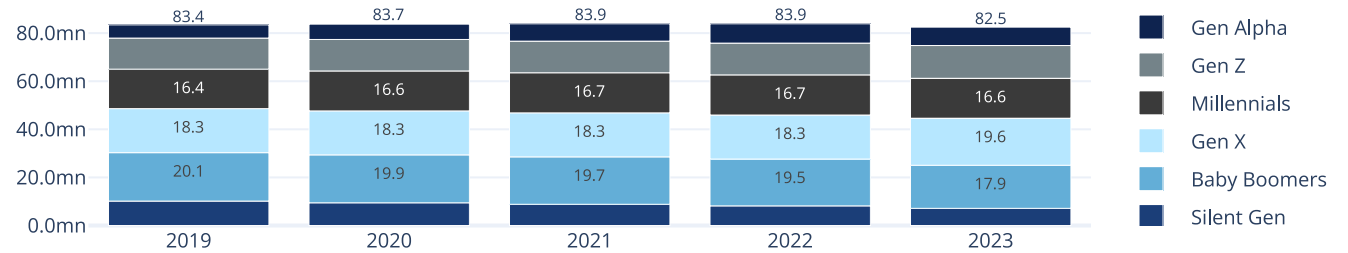
Government type: Federal parliamentary republic

VAT: 19%

Reduced rate: 7%

Germany: Population analysis

Population structure, by age group (mn)

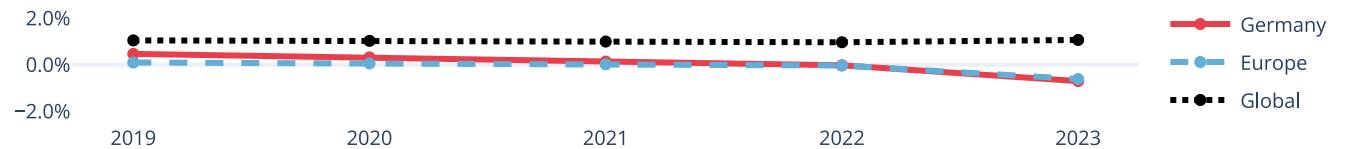


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailIX, drawing on data from the UN Population Division

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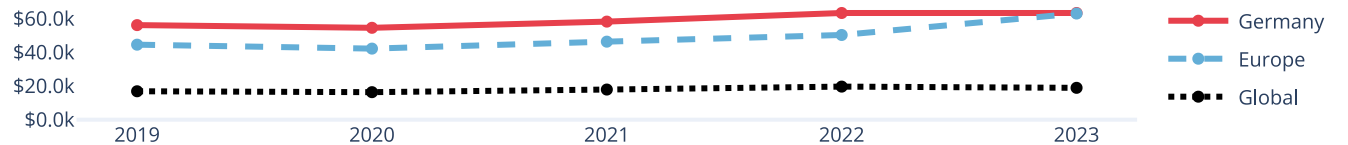
Population growth



Source: RetailIX, drawing on data from the UN Population Division

© RetailIX 2023
RXRUN23RP-DE-SC-2-v2

GDP per capita



Source: RetailIX, drawing on data from the IMF and the UN Population Division

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(-0.5%) and Q1 2023 (-0.3%)^[1]. German parliament, the Bundestag, has voted through a Heating Bill that will mean a move away from oil-and gas-powered heating systems by 2045^[2] and towards renewables. In September 2023, the country announced plans to cut debt sales by €31bn (\$32.87bn), a reflection of the government reducing financial support for those households and companies hit by higher energy costs^[3]. Yet Germany's borrowing has still soared in recent years, leading to political tensions in what has traditionally been a fiscally conservative country.

After several years of slow growth, Germany's population declined by 0.02% in 2022. At the same time, per capita GDP rose to \$63.38k and continues to be well above the global average of \$18.9k.

95% of Germans have access to the internet and 81% of these shop online – up from 80.1% in 2022. Ecommerce spending is set to be 86.7% higher in 2023 than in 2019. RetailX Consumer Observatory research suggests that consumer electronics, bought by 52% of online shoppers, and fashion clothing and accessories (50%) are popular ecommerce categories. That research also finds that smartphones are the sole or primary online shopping device for 69%, third-party checkouts are the primary method for payments (66%) and home delivery (50%) is the preferred fulfilment method.

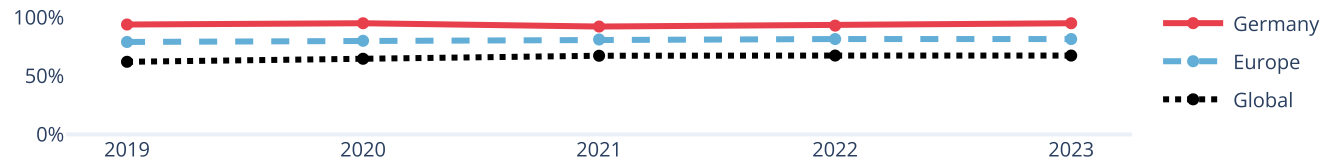
[1] www.destatis.de/Europa/EN/Topic/Economy-Finance/GDP-overview.html#448318

[2] www.reuters.com/world/europe/german-parliament-passes-watered-down-heating-law-2023-09-08/

[3] <https://uk.finance.yahoo.com/news/germany-slashes-debt-sales-31-081857995.html>

Germany: Internet user analysis

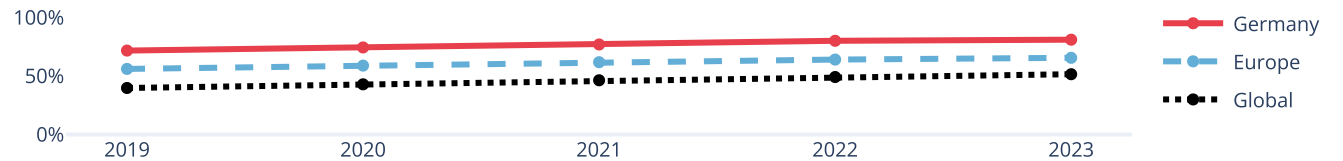
Percentage of internet users



Source: RetailX, drawing on data from Eurostat

© RetailX 2023
RXRUN23RP-DE-SC-4-v1

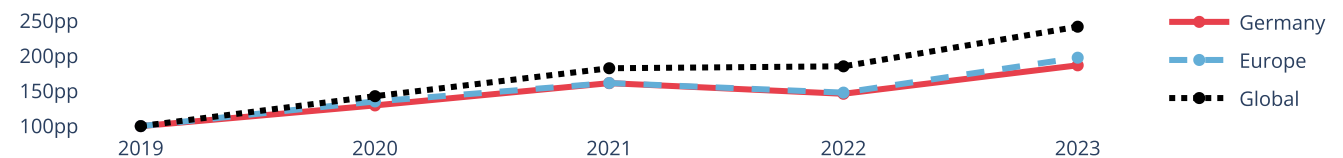
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-DE-SC-5-v1

Ecommerce revenue growth (indexed)

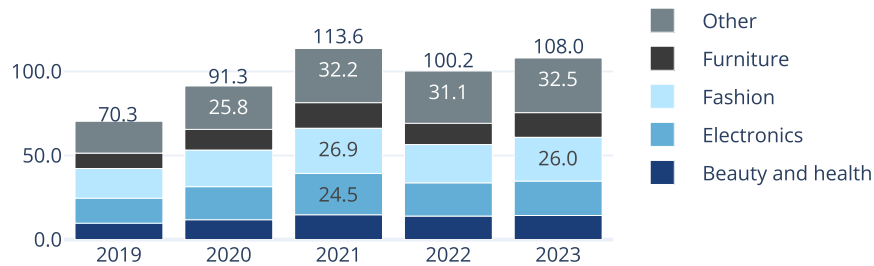


Index 2019=100

Source: RetailX, drawing on data from Statista

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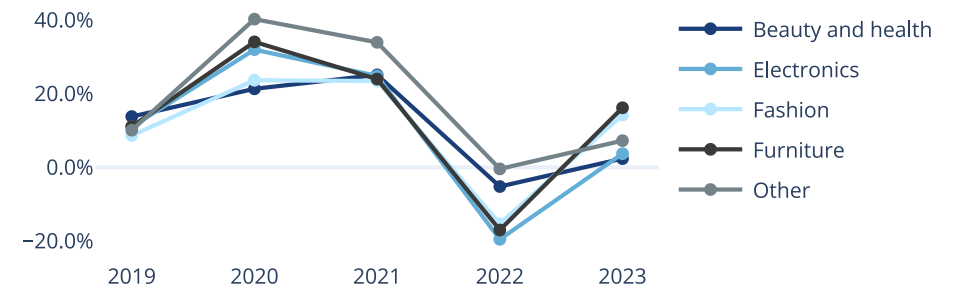
Annual revenue for the ecommerce market (bn USD), Germany, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-DE-ST-4-v1

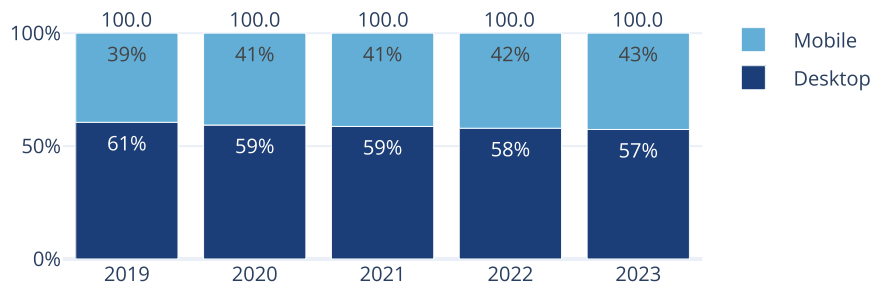
Annual change in revenue for the ecommerce market (%), Germany, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-DE-ST-6-v1

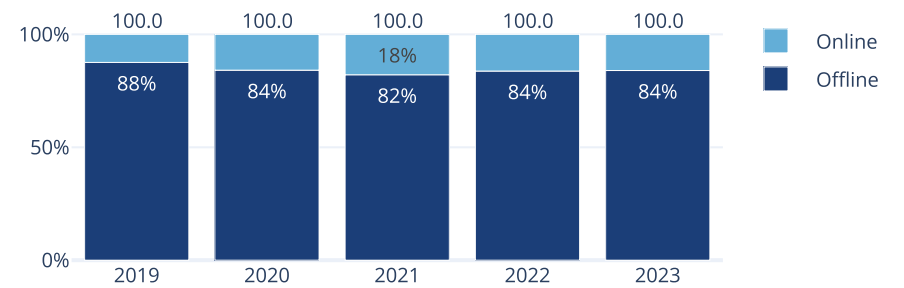
Device usage by revenue for ecommerce, Germany, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-DE-ST-1-v1

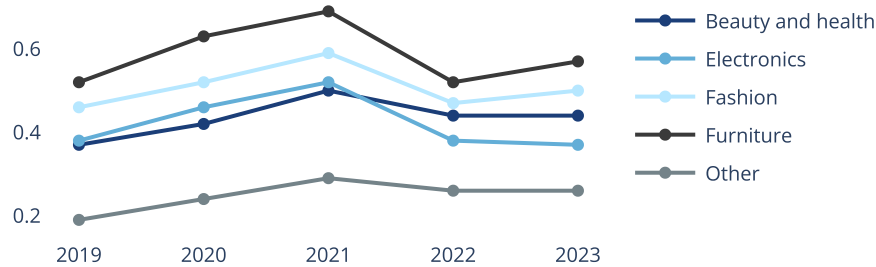
Revenue by channel for multichannel shoppers, Germany, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-DE-ST-5-v2

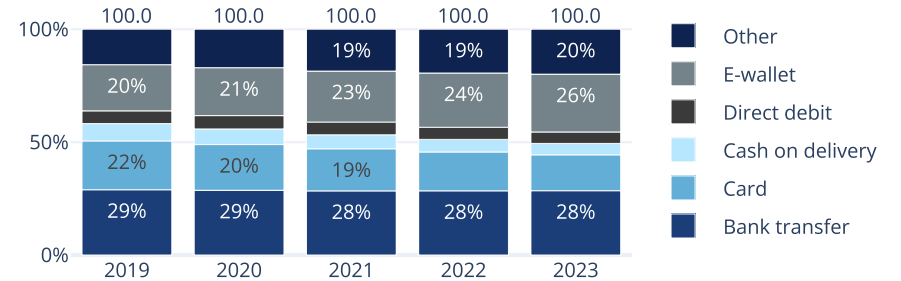
Average spending of e-shoppers (thousand USD), Germany, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-DE-ST-3-v1

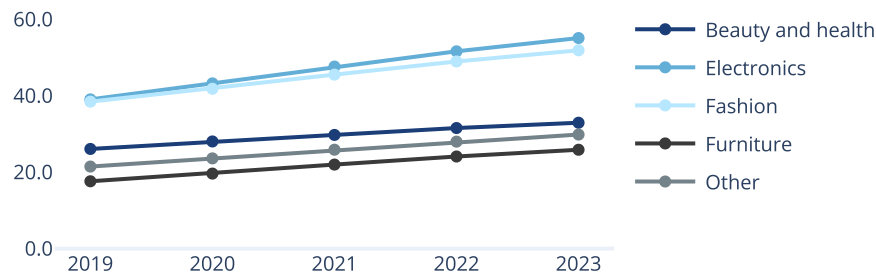
Payment type share by revenue for online shopping (%), Germany, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-DE-ST-8-v1

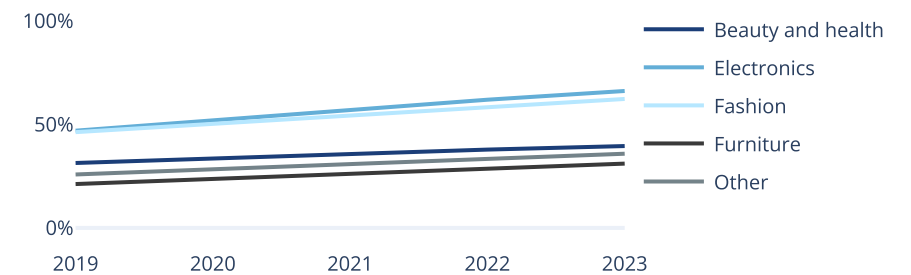
Number of e-shoppers (in millions), Germany, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-DE-ST-7-v2

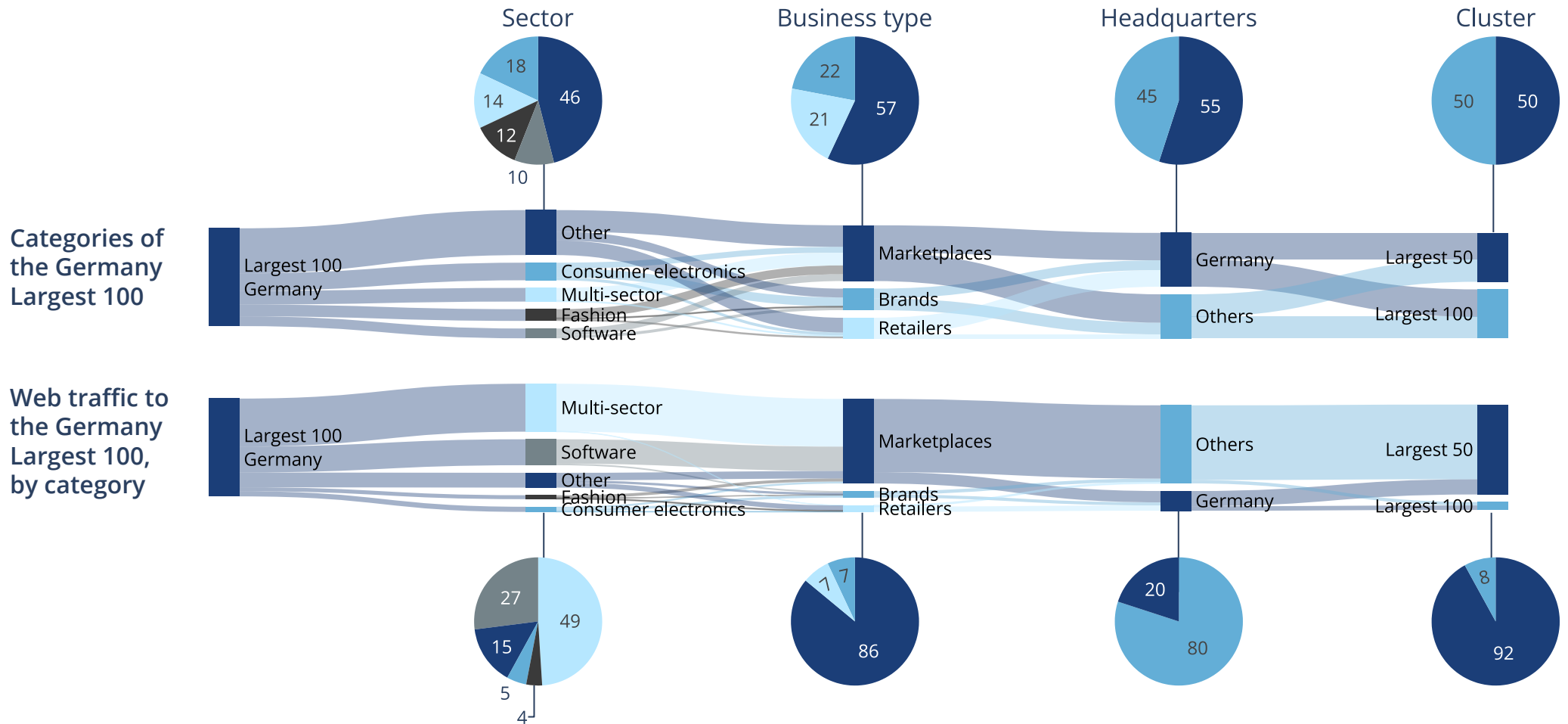
Share of the market taken by ecommerce, by sector, Germany, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-DE-ST-2-v2

Category analysis of the Germany Largest 100



Top Sankey chart: the percentage of Germany Largest 100 retailers in a category. Bottom Sankey chart: the percentage of German consumer web traffic directed at Germany Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Italy

Already home to the world's best-known luxury brands, there is still a lot of growth potential in this leading market

The third-largest economy in the EU – promoted from fourth now the UK is no longer a member – Italy is one of the region's, if not the world's, most rapidly advancing ecommerce markets and one that is set to grow by 12% annually over the next four years. This comes despite internet usage in the country sitting at 86.1% – far lower than the 90% or so level seen across other developed markets.

That said, 66.8% of Italians who are online also shop online, using desktop and mobile in equal measure, with 45% regularly using phones to make and manage ecommerce orders. The main driver

Italy

Area: 302,068 km²

Capital: Rome

Currency: euro (EUR)

Official language: Italian

Foreign languages spoken: German, French, Slovene

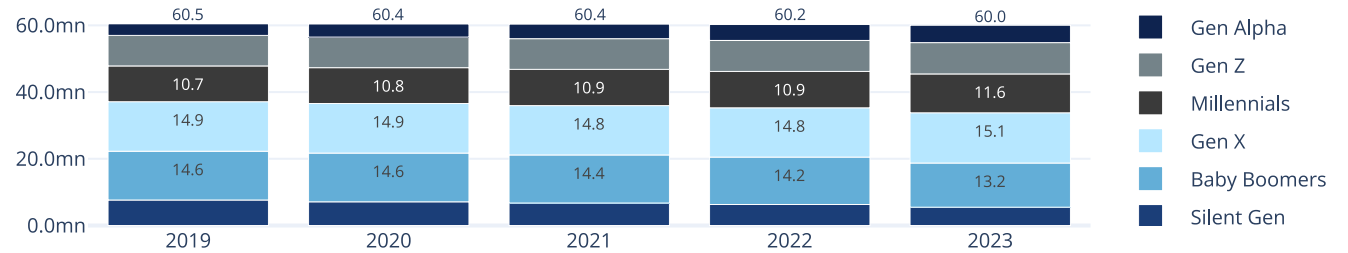
Government type: Parliamentary republic

VAT: 22%

Reduced rate: 4%

Italy: Population analysis

Population structure, by age group (mn)

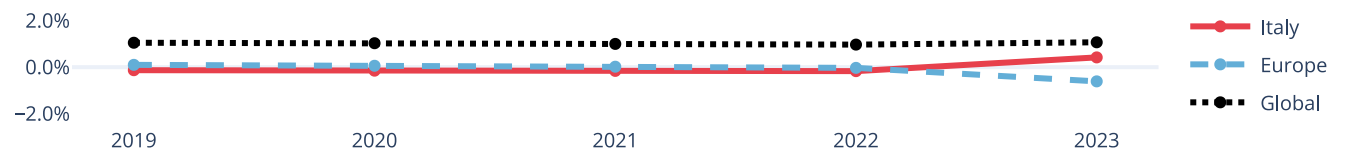


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-IT-SC-1-v1

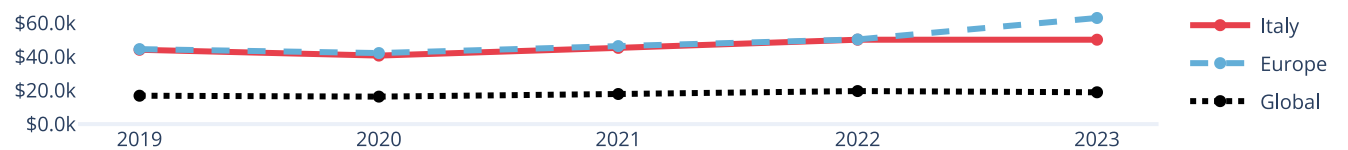
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-IT-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

© RetailX 2023
RXRUN23RP-IT-SC-3-v3

for Italian consumers is price competition online, with direct home delivery a close second. These shoppers are primarily buying fashion (61%) and homewares (50%), as well as consumer electronics, beauty and cosmetics and books (45%, 44% and 46% respectively). Many of the fashion and cosmetics purchases are at the luxury end of the market, with Italy home to famous luxury brands, such as Armani, Versace, Prada and Gucci.

These home-grown brands account for just 7% of traffic to Italy's Largest 100 in an ecommerce market dominated by marketplaces, which account for 55% of sales by category and 85% of Top 100 traffic. This reflects the dominance of Amazon.it, which alone accounts for 38% of sales. eBay and Facebook Marketplace account for 31% between them, while Zalando, MediaWorld and Ikea take most of the rest. Recently, Yoox, Alibaba and Mercato delle Occasioni, have taken off due to a growing consumer interest in second-hand fashion.

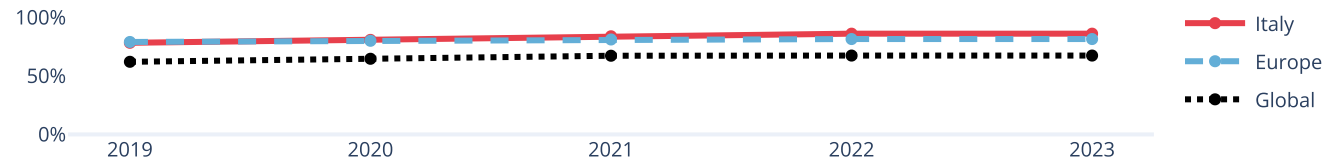
The country faces wider macro-economic issues. With summer temperatures hitting 45°C in 2023, Italy could soon see direct economic harm due to climate change. A shrinking, ageing population will also affect ecommerce and, while immigration could reverse this, an April 2023 state of emergency declared by the country's far-right prime minister suggests that more immigration won't be encouraged^[1].

For a country sitting at the heart of Europe, Italy can still be viewed as an emerging ecommerce market, making it one to watch in the years ahead.

[1] www.iar-gwu.org/blog/iar-web/italy-declares-immigration

Italy: Internet user analysis

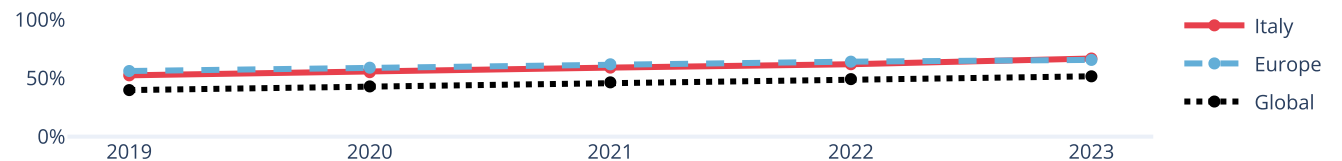
Percentage of internet users



Source: RetailX, drawing on data from Eurostat

© RetailX 2023
RXRUN23RP-IT-SC-4-v1

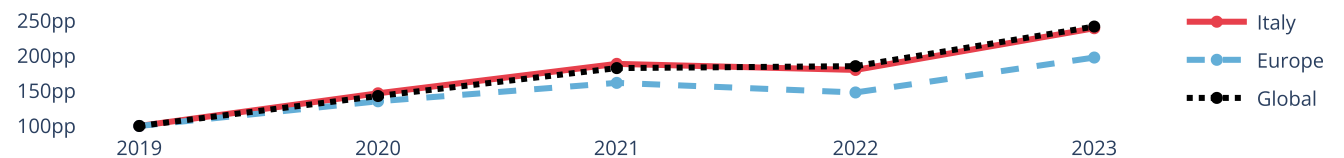
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-IT-SC-5-v1

Ecommerce revenue growth (indexed)

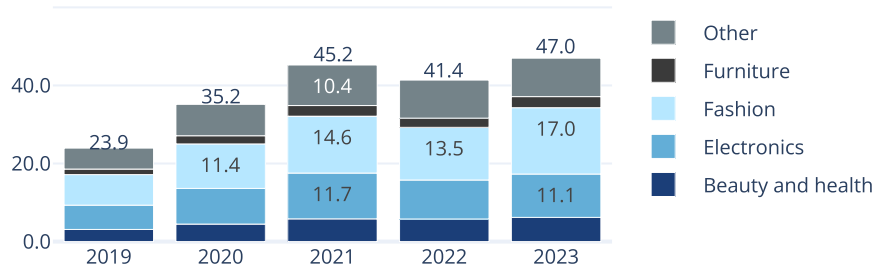


Index 2019=100

Source: RetailX, drawing on data from Statista

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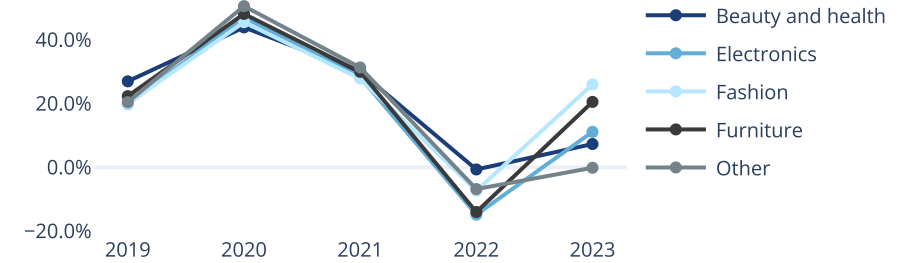
Annual revenue for the ecommerce market (bn USD), Italy, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IT-ST-4-v1

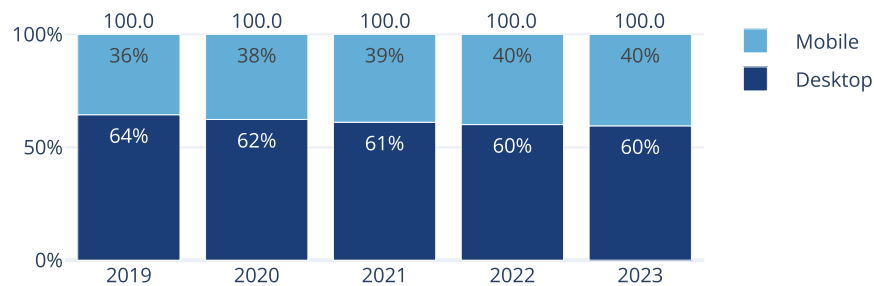
Annual change in revenue for the ecommerce market (%), Italy, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IT-ST-6-v1

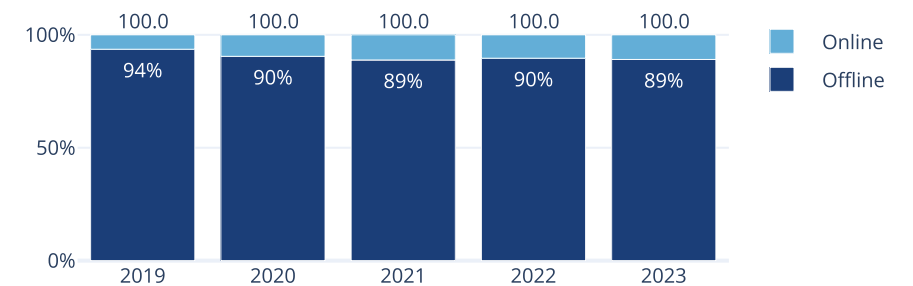
Device usage by revenue for ecommerce, Italy, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IT-ST-1-v1

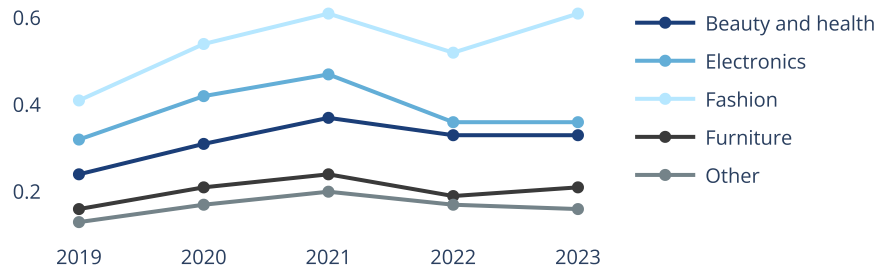
Revenue by channel for multichannel shoppers, Italy, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IT-ST-5-v1

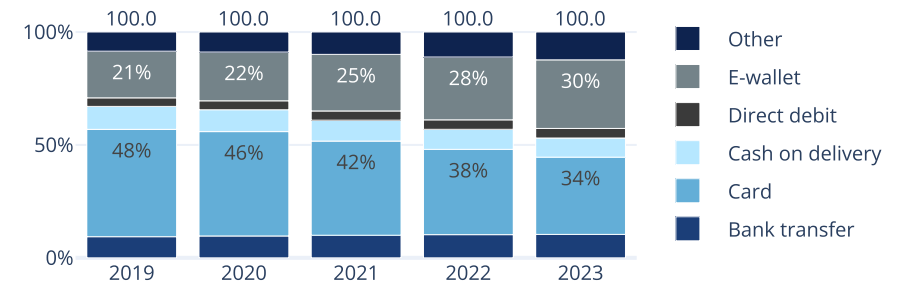
Average spending of e-shoppers (thousand USD), Italy, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-IT-ST-3-v1

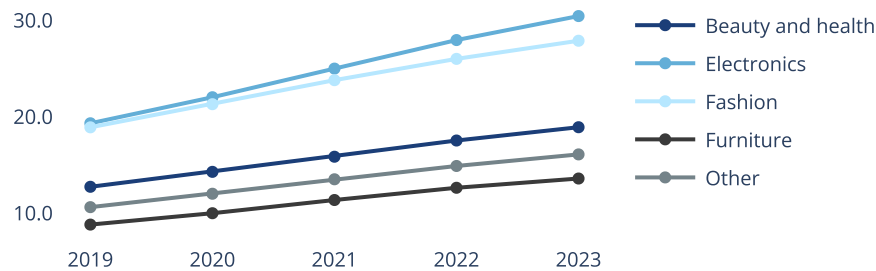
Payment type share by revenue for online shopping (%), Italy, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-IT-ST-8-v1

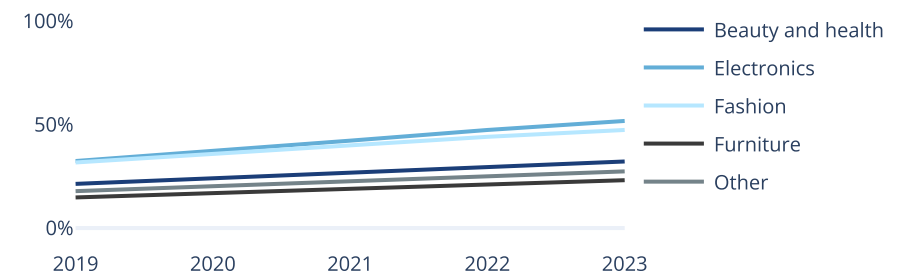
Number of e-shoppers (in millions), Italy, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-IT-ST-7-v1

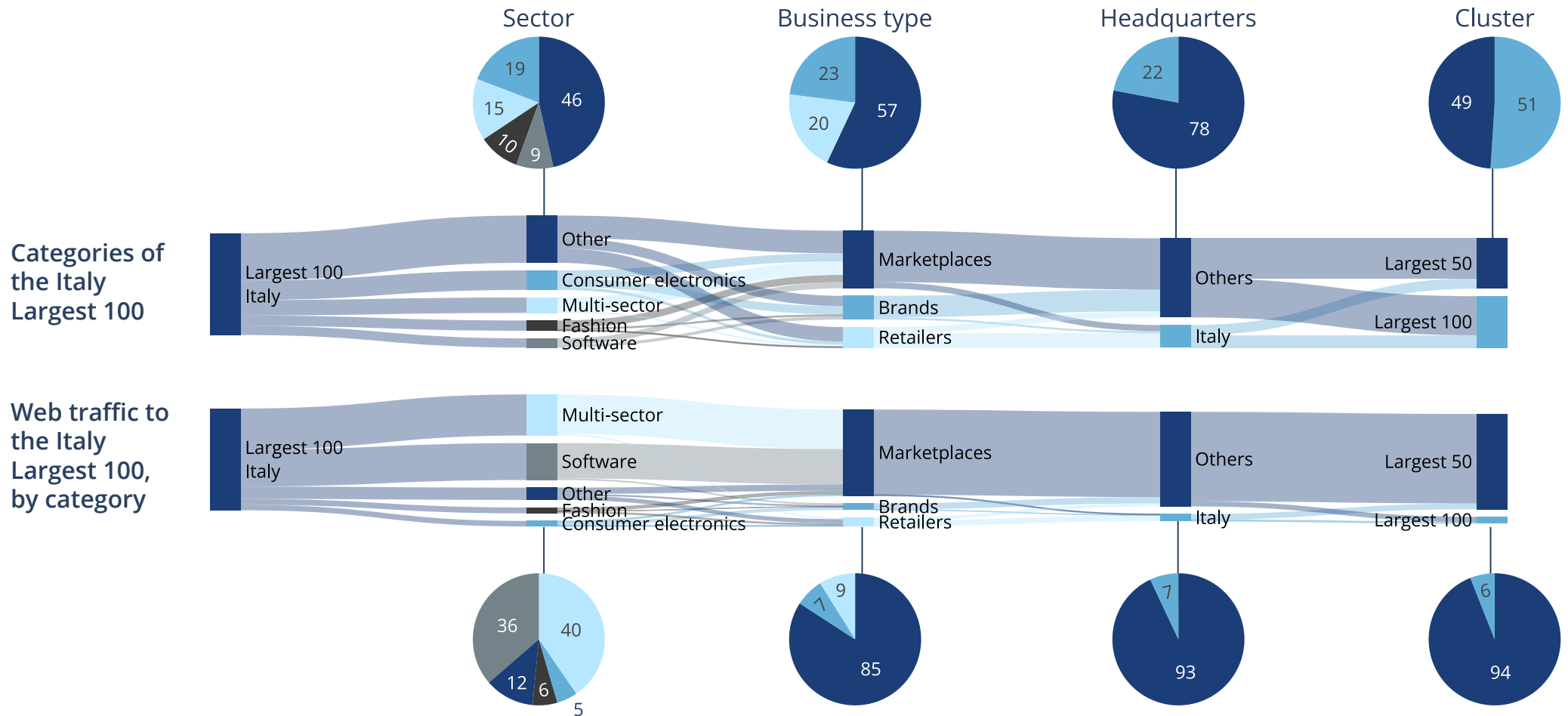
Share of the market taken by ecommerce, by sector, Italy, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-IT-ST-2-v2

Category analysis of the Italy Largest 100



Top Sankey chart: the percentage of Italy Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Italian consumer web traffic directed at Italy Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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Norway

With its economy shielded by gas and oil reserves, Norway is making moves towards a more sustainable business landscape

A resounding 99.8% of Norway's population uses the internet, with 82% of those online also shopping online. This puts the country among the largest ecommerce markets in terms of reach. The maturity of this online market also means that ecommerce revenue isn't growing at the high rate of some of the less-developed ecommerce markets in Europe.

Nevertheless, Norway is an attractive market for online retailers. This is due to this internet reach as well as Norway being a rich country from the point of view of GDP per capita, with the figure being far above the average for Europe.

Norway

Area: 625,222 km²

Capital: Oslo


Currency: Norwegian krone (NOK)

Official language: Bokmal Norwegian, Nynorsk Norwegian

Government type: Parliamentary constitutional monarchy

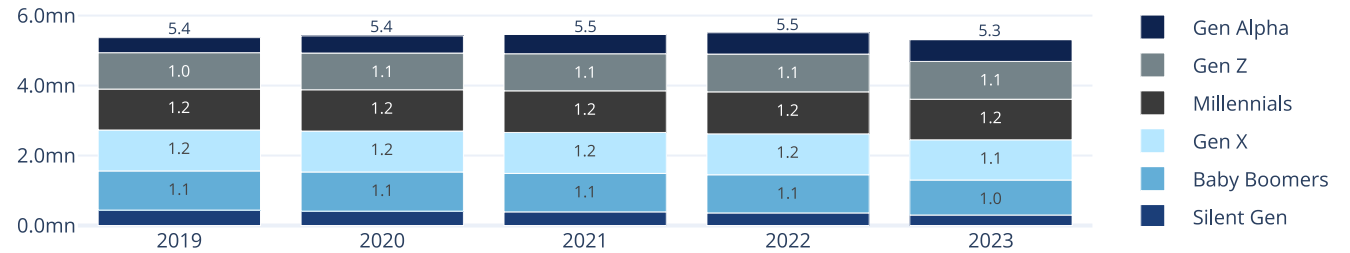
VAT: 25%

Reduced rate: 6%



Norway: Population analysis

Population structure, by age group (mn)

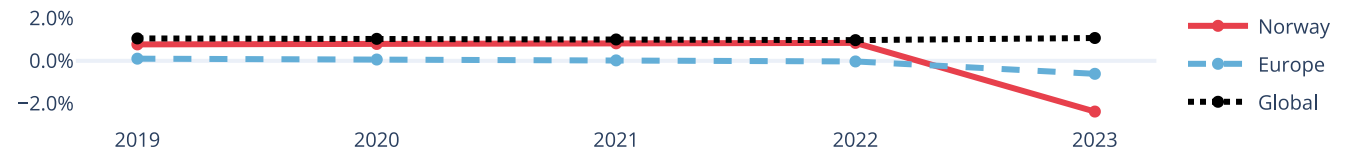


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-NO-SC-1-V6

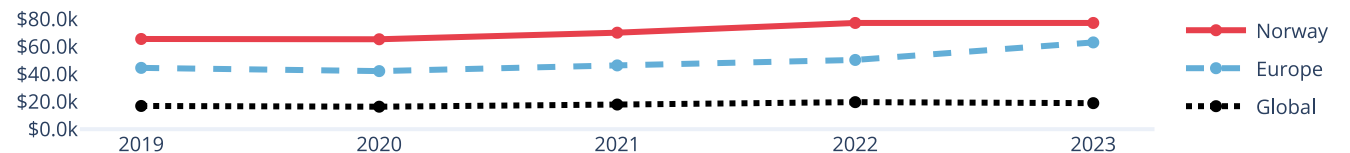
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-NO-SC-2-V2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Norway's oil and gas reserves, along with hydropower, seafood, forests and minerals, are central to the country's economy. Its energy self-sufficiency greatly shielded it from the economic issues of other European countries in 2022. According to the International Monetary Fund, Norway^[1] "experienced one of the highest growth rates among advanced economies in 2022".

Sustainability issues are climbing up Norway's political agenda, with both government and consumers calling for businesses to reduce their impact on the planet.

Consumer electronics company Komplett includes "sustainability in everything we do" as one of the five pillars of its 2025 roadmap towards becoming the "leading e-retail company" for consumer electronics in the Nordics. Its sustainability pillar further breaks down the subject into employee care, customers and suppliers, circularity and reducing emissions^[2].

The majority of consumers want retailers to go beyond sustainability measures and also to have fair workplace practices. This is a principle that fellow consumer electronics retailer Elkjøp committed to in 2015, when it started working with 16 small logistics companies around the Nordics to ensure sustainability, traffic safety, language knowledge, working conditions and fair wages^[3].

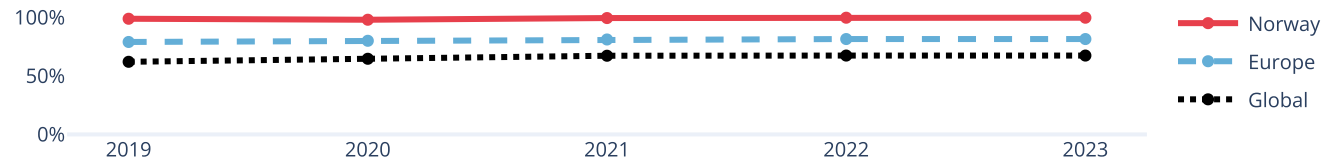
[1] www.imf.org/en/News/Articles/2023/06/08/2023-norway-staff-concluding-statement

[2] <https://komplettgroup.allegrokommunikasjon.no/sustainability>

[3] www.elkjopnordic.com/why-and-how

Norway: Internet user analysis

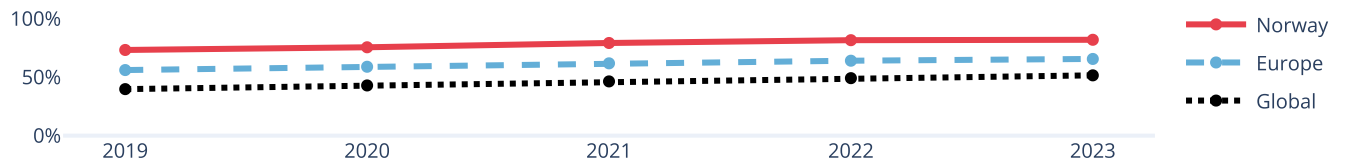
Percentage of internet users



Source: RetailX, drawing on data from Eurostat

© RetailX 2023
RXRUN23RP-NO-SC-4-v2

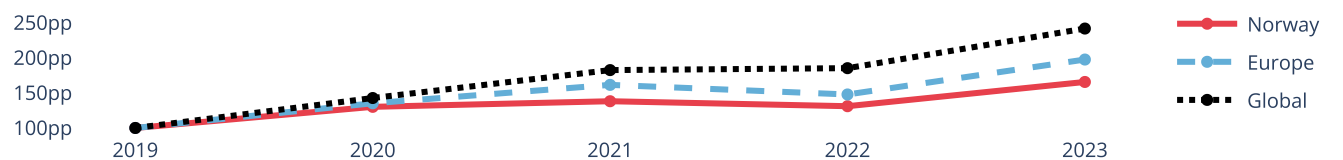
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-NO-SC-5-v1

Ecommerce revenue growth (indexed)

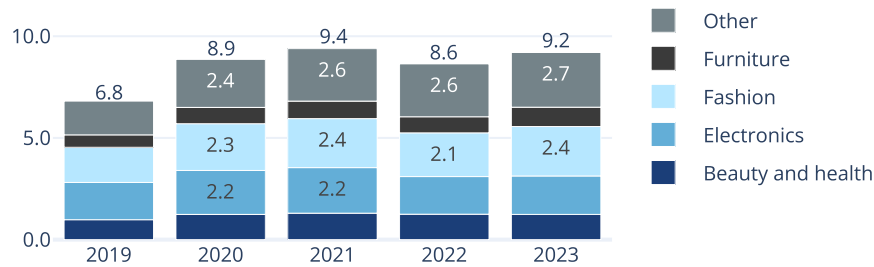


Index 2019=100

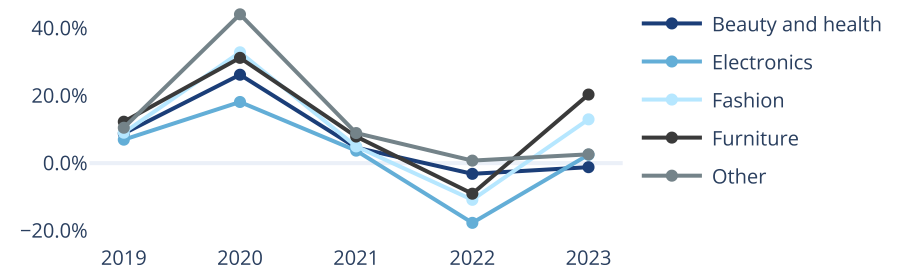
Source: RetailX, drawing on data from Statista

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Annual revenue for the ecommerce market (bn USD), Norway, 2019-23



Annual change in revenue for the ecommerce market (%), Norway, 2019-23



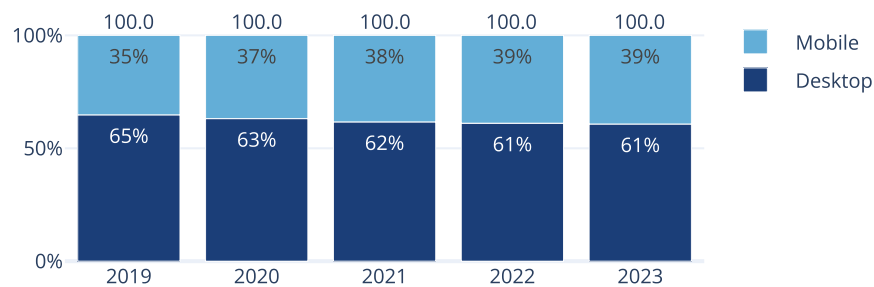
Source: Statista Digital Market Insights

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RXRUN23RP-NO-ST-4-v1

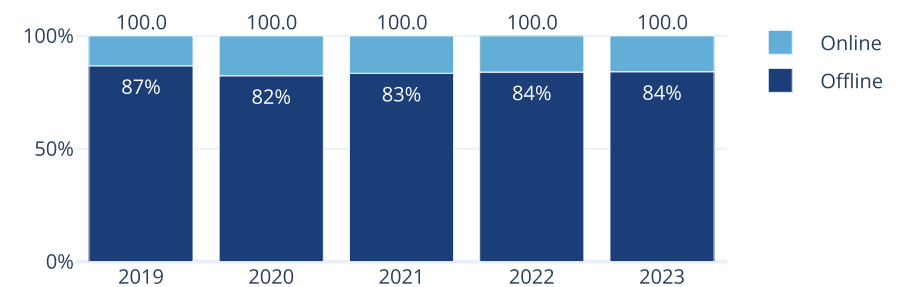
Source: Statista Digital Market Insights

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Device usage by revenue for ecommerce, Norway, 2019-23



Revenue by channel for multichannel shoppers, Norway, 2019-23



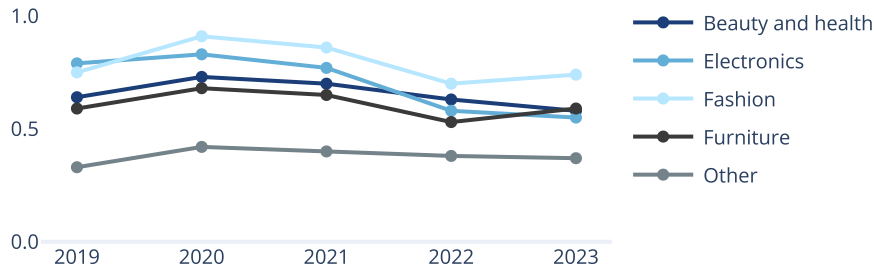
Source: Statista Digital Market Insights

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Source: Statista Digital Market Insights

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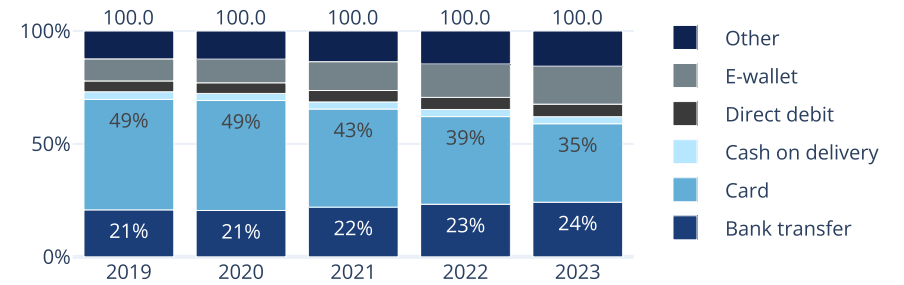
Average spending of e-shoppers (thousand USD), Norway, 2019-23



Source: Statista Digital Market Insights

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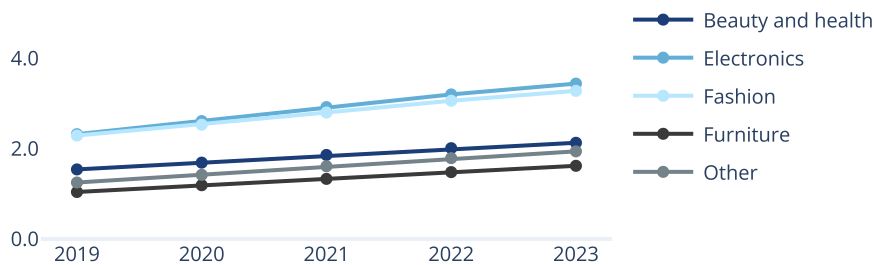
Payment type share by revenue for online shopping (%), Norway, 2019-23



Source: Statista Digital Market Insights

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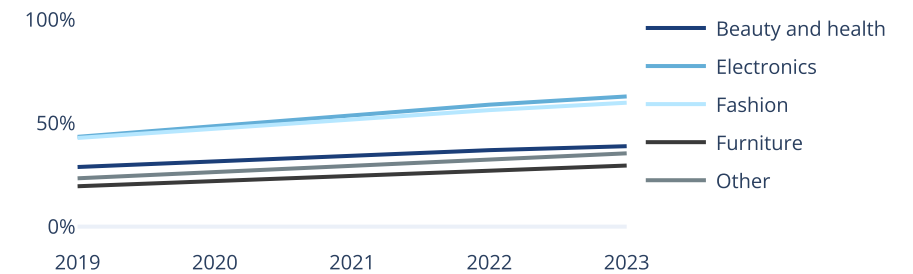
Number of e-shoppers (in millions), Norway, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-NO-ST-7-v2

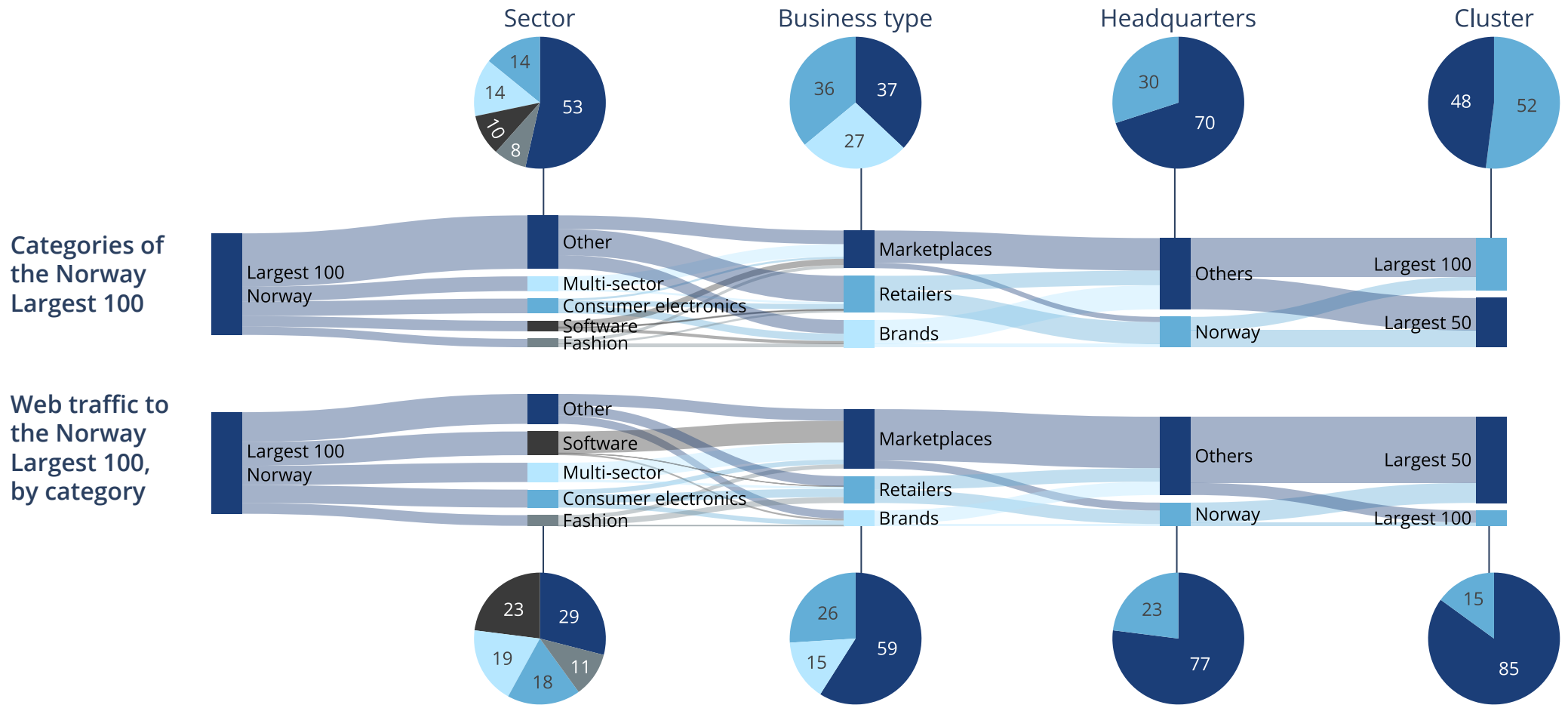
Share of the market taken by ecommerce, by sector, Norway, 2019-23



Source: Statista Digital Market Insights

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Category analysis of the Norway Largest 100



Top Sankey chart: the percentage of Norway Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Norwegian consumer web traffic directed at Norway Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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Russia

The world's largest country spans Europe and Asia but international trade is limited following its 2022 invasion of Ukraine

Many Western brands and retailers left Russia following its invasion of Ukraine in February 2022^[1] instigated by Vladimir Putin, Russian president since 2012. This has made ecommerce largely a domestic retail businesses. International sanctions have since limited Russia's capacity to trade internationally in areas from luxury goods to technology and oil.

Russia is the largest country in the world, covering 11% of the world's total land mass, although permafrost makes 60% of its territory uninhabitable^[2]. It is home to an estimated 143mn people, following a 0.07% decline in 2022. Per capita

Russia

Area: 17,098,250 km²

Capital: Moscow

Currency: Russian ruble (RUB)

Official language: Russian

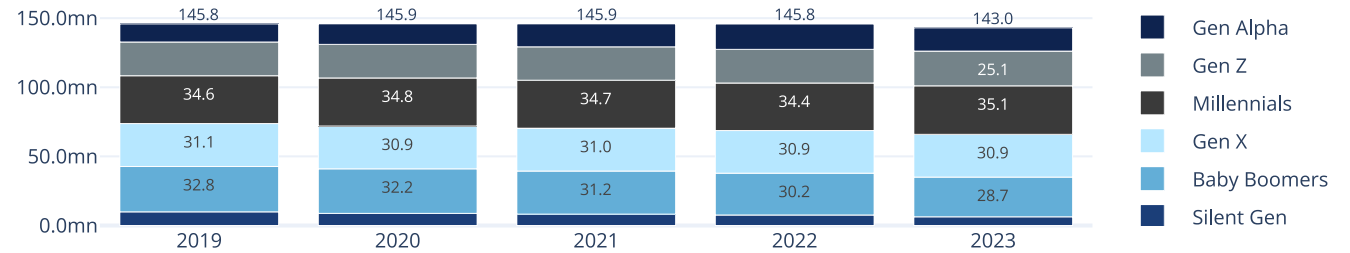
Government type: semi-presidential federation

VAT: 20%

Reduced rate: 10%

Russia: Population analysis

Population structure, by age group (mn)

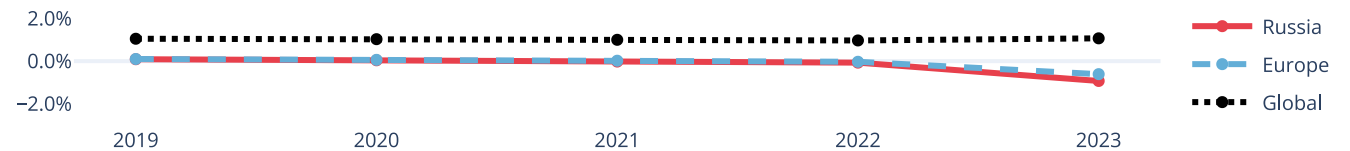


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-RU-SC-1-v1

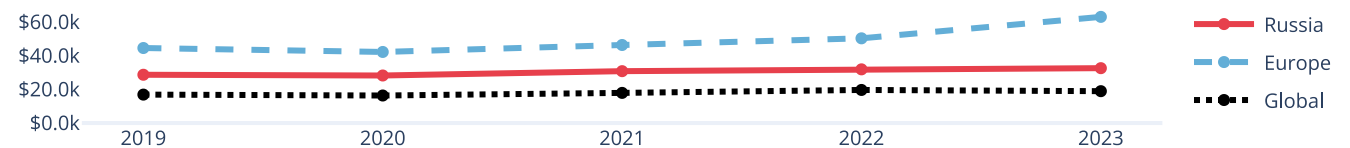
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-RU-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-RU-SC-3-v1

GDP is put at \$32.58k, up from \$28.67k in 2019. ITU figures suggest that 88% of Russians can access the internet, while Statista finds that 47% of those with access shop online. Ecommerce revenues are forecast to be 71% ahead of 2019 levels.

SimilarWeb finds that 59% of the Largest 100 retail businesses selling to Russia are based in the country and see 70% of the traffic from Russian shoppers. Of those Largest 100 businesses, 45% are marketplaces, with 80% of traffic, 29% retailers and 25% brands. Multi-sector (27%) businesses form the largest single category of the index, by number, and see 64% of traffic. Consumer electronics retailers make up 20% of the Largest 100 and account for 9% of traffic. Ozon, Avito and Wildberries are among the leading Russian ecommerce marketplaces, according to SimilarWeb data, while AliExpress claimed to be Russia's most-visited marketplace in 2021^[3].

Russian economic news agency Interfax cites the Association of Internet Commerce Companies^[4] (AKIT) report that ecommerce sales reached 2.7tn rubles (\$27.1bn) in the first half of 2023. Of this, 97% was said to be from domestic retailers, with 2.8% of purchases taking place cross-border and 12.7% of retail sales online. Shoppers in Moscow and its surrounding areas, as well as St Petersburg, were the most active online, it says.

[1] <https://internetretailing.net/luxury-brands-among-those-suspending-sales-in-russia-in-protest-at-ukraine-invasion-24503/>

[2] www.sciencefocus.com/planet-earth/largest-countries-in-the-world

[3] <https://press.aliexpress.ru/page25326016.html>

[4] www.akit.ru/

Russia: Internet user analysis

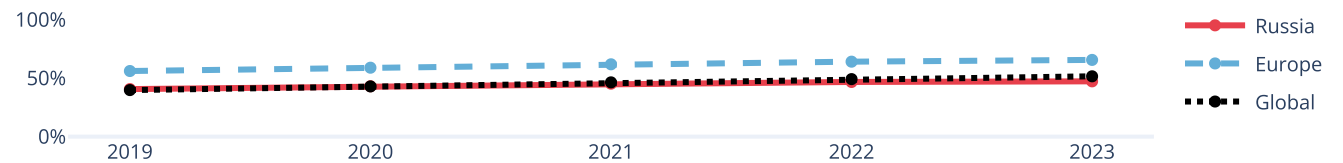
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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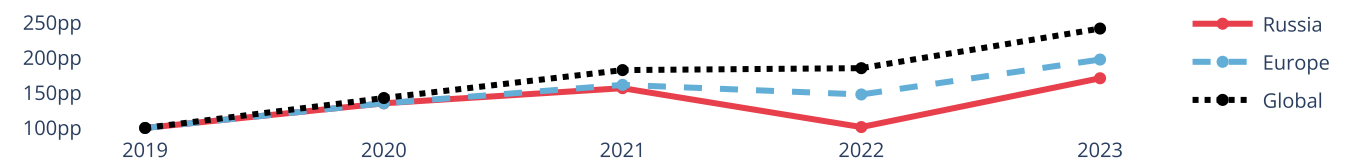
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-RU-SC-5-v1

Ecommerce revenue growth (indexed)

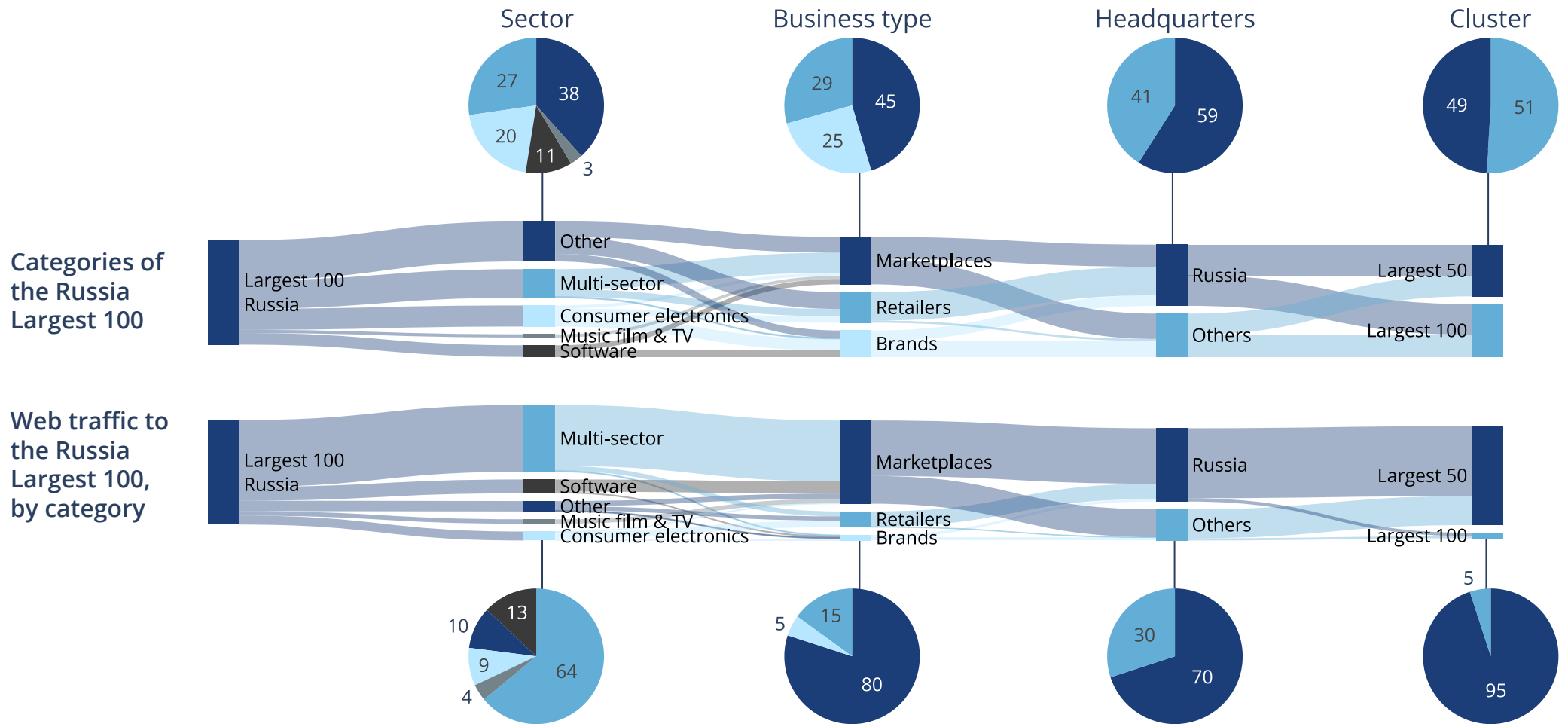


Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-RU-SC-6-v1

Category analysis of the Russia Largest 100



Top Sankey chart: the percentage of Russia Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Russian consumer web traffic directed at Russia Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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Spain

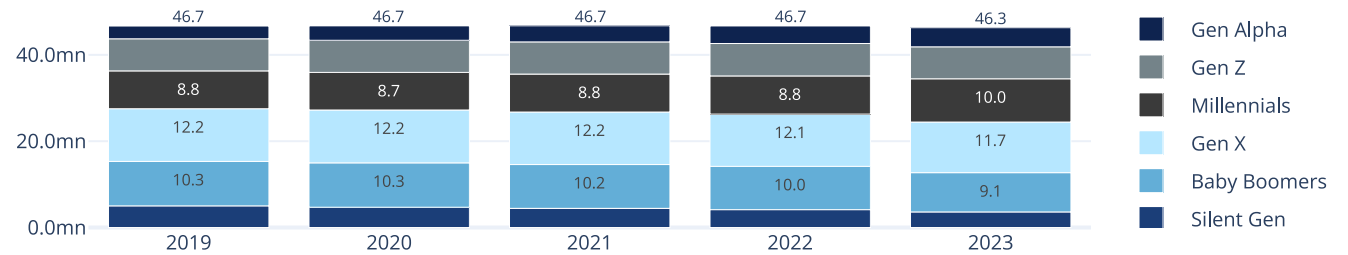
One of the most developed ecommerce markets in Europe, Spain is now taking a lead in social commerce

Spain is the fourth-largest ecommerce market in Europe – and 16th globally. It is predicted to grow by 10% over the next four years and generate revenues in excess of \$32.6bn in 2023. Much of this is driven by online fashion, shopped by 72% of consumers in 2022. This is ahead of other leading sectors – consumer electronics (46%), homewares (50%) and cosmetics (43%). This is unsurprising, with Spain home to Europe’s largest fashion group, Inditex.

Spain has high internet usage of 94.9%, with 72.5% of these shopping online. 87% of ecommerce traffic to the Largest 100 retailers in Spain heads to

Spain: Population analysis

Population structure, by age group (mn)

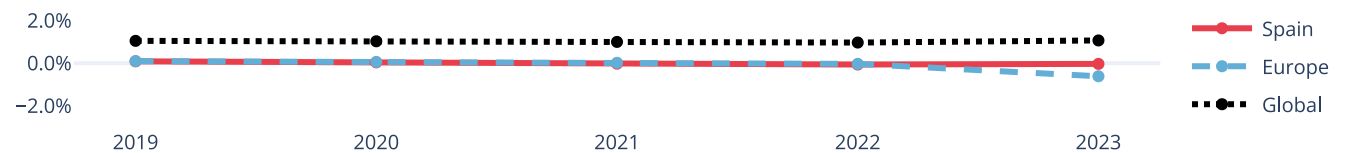


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailIX, drawing on data from the UN Population Division

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RXRUN23RP-ES-SC-1-v1

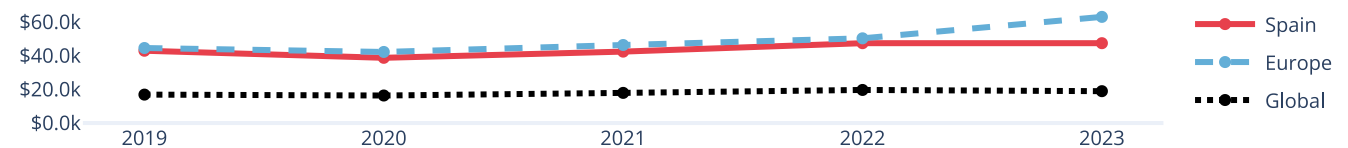
Population growth



Source: RetailIX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailIX, drawing on data from the IMF and the UN Population Division

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Spain

Area: 505,970 km²

Capital: Madrid

Currency: euro (EUR)

Official language: Spanish, Catalan, Galician, Basque

Government type: Parliamentary constitutional monarchy

VAT: 21%

Reduced rate: 4%

marketplaces, with Amazon.es the chief beneficiary, followed by elcorteingles.es and shein.com. Franco-Spanish hypermarket chain Carrefour has made significant recent inroads into the Spanish market, leaving it just outside the top three retailers in the country, which between them account for 40% of the market. 75% of the Largest 100 retailers have HQs outside Spain.

The boom in ecommerce in general and marketplace fashion sales is predicated on a relatively youthful population, exemplified by the 67% of the population who say they always or mostly use their smartphone to shop. This compares to 45% who use desktop.

This youthful shopper profile also uses social media in ecommerce. Social media usage is around 90%, while social commerce is predicted to increase by around 40% CAGR between now and 2028. This places Spain in the top four European markets for social commerce, alongside Germany, the UK and France. Instagram and Facebook are most used, although there's increasing interest in using WhatsApp to drive ecommerce sales.

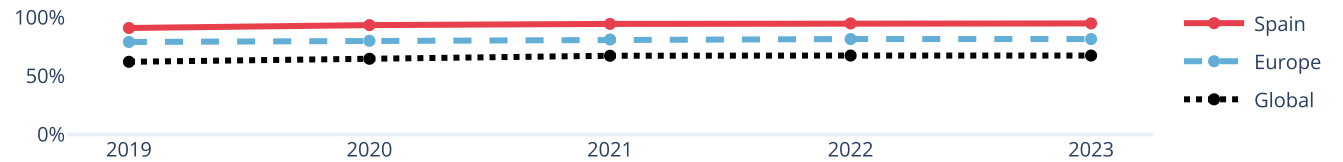
While ecommerce revenues in the country took a tumble in 2022 off the back of an inflationary spike, the rapidly falling consumer price index seen in 2023 bodes well for both on-and offline retail.

The political situation in Spain could best be described as unstable. As of early November 2023, attempts to form a government following an indecisive election in July were still continuing^[1].

[1] www.bbc.co.uk/news/world-europe-67368314

Spain: Internet user analysis

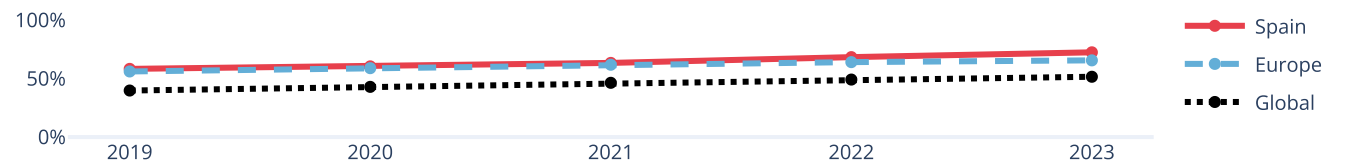
Percentage of internet users



Source: RetailX, drawing on data from Eurostat

RetailX 2023
RXRUN23RP-ES-SC-4-v1

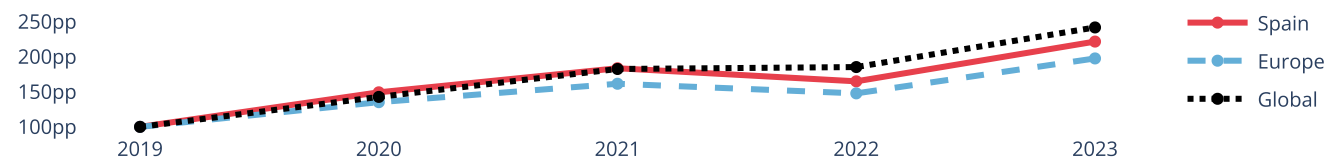
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-ES-SC-5-v1

Ecommerce revenue growth (indexed)

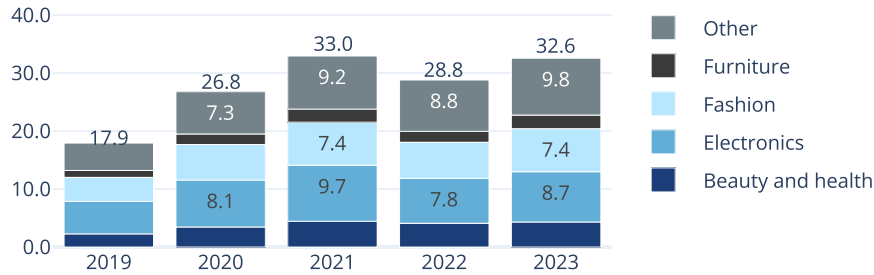


Index 2019=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-ES-SC-6-v1

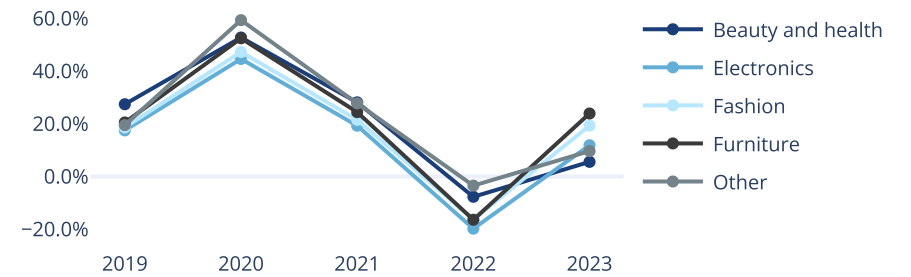
Annual revenue for the ecommerce market (bn USD), Spain, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-ES-ST-4-v1

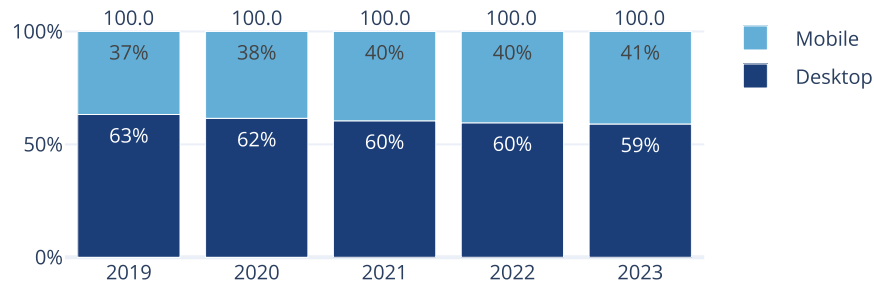
Annual change in revenue for the ecommerce market (%), Spain, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-ES-ST-6-v1

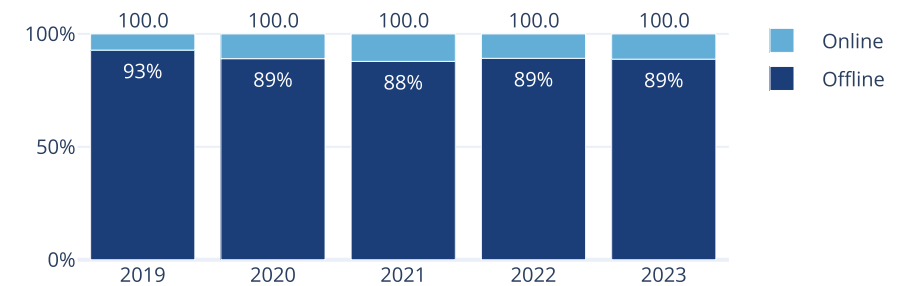
Device usage by revenue for ecommerce, Spain, 2019-23



Source: Statista Digital Market Insights

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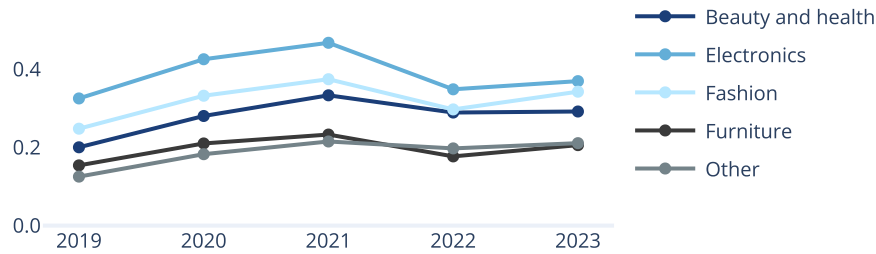
Revenue by channel for multichannel shoppers, Spain, 2019-23



Source: Statista Digital Market Insights

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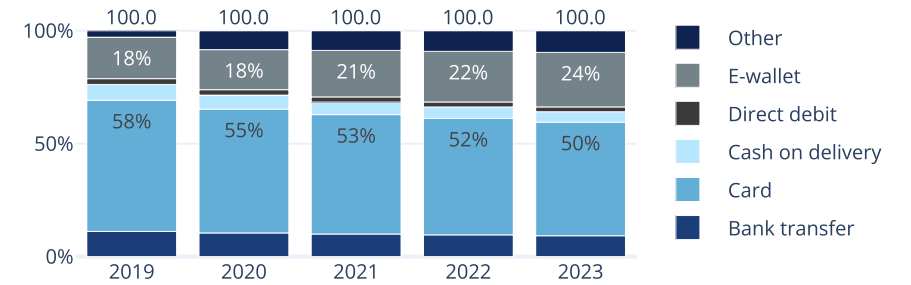
Average spending of e-shoppers (thousand USD), Spain, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-ES-ST-3-v3

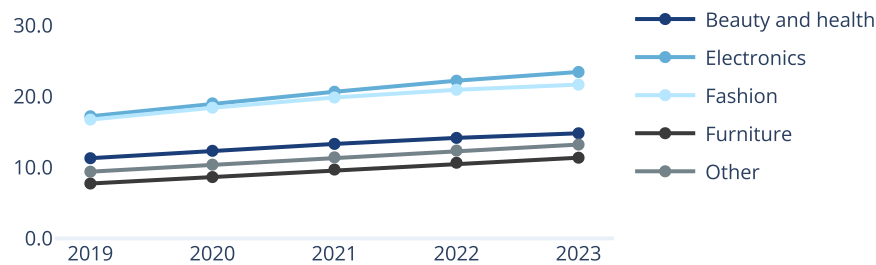
Payment type share by revenue for online shopping (%), Spain, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-ES-ST-8-v1

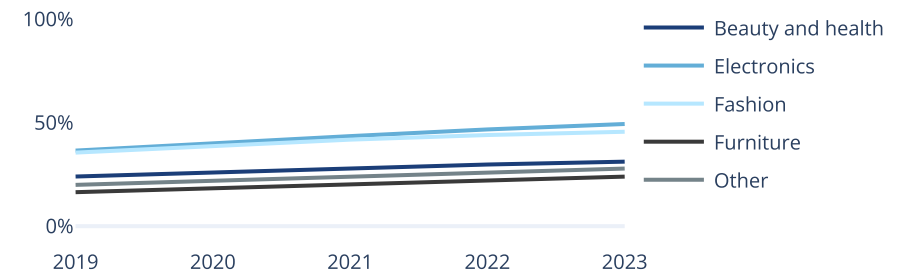
Number of e-shoppers (in millions), Spain, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-ES-ST-7-v2

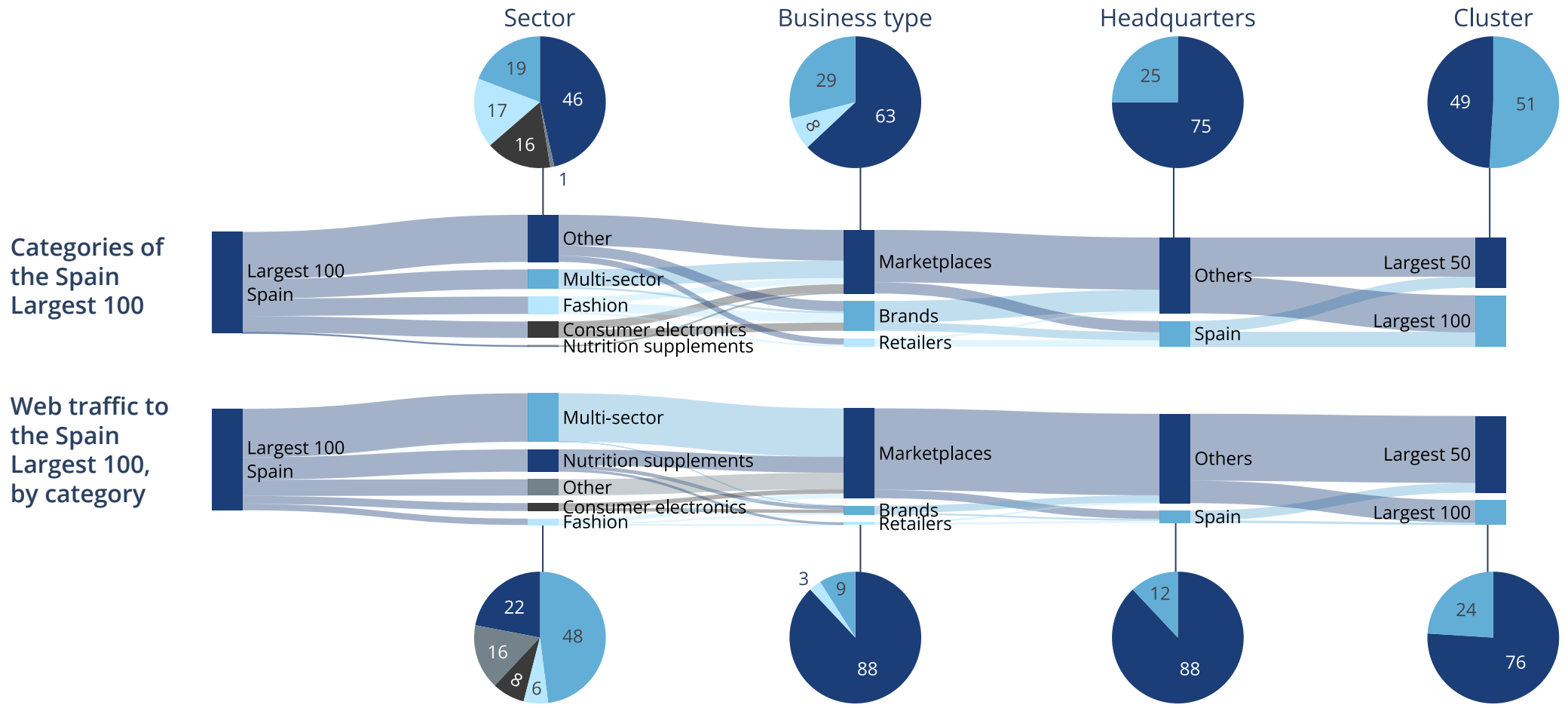
Share of the market taken by ecommerce, by sector, Spain, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-ES-ST-2-v2

Category analysis of the Spain Largest 100



Top sankey chart: The percentage of Spain Largest 100 retailers in a category. Bottom sankey chart: The percentage of Spanish consumer web traffic directed at Spain Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX

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United Kingdom

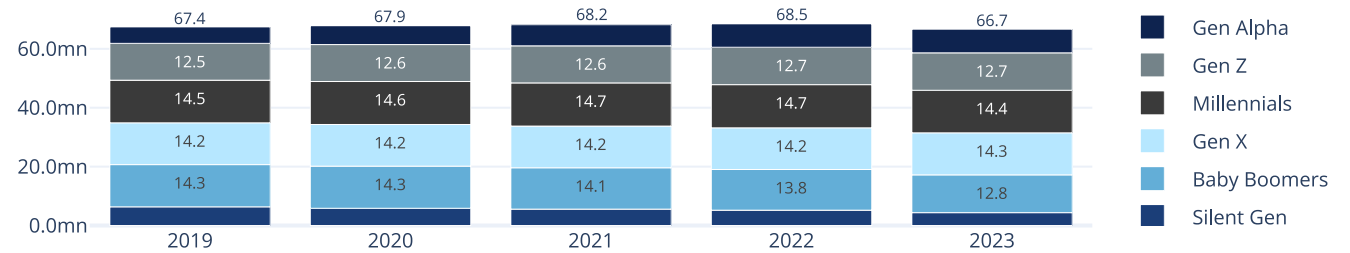
While the UK has many underlying strengths, there's a sense of drift as the country waits for a general election

The UK's Conservative government of 13 years is currently led by its third prime minister in 18 months – Rishi Sunak – following last year's resignations of both Boris Johnson and Liz Truss. The British economy is marked by stubbornly high inflation – at 6.3% in August 2023^[1] – and interest rates – which rose to 5.25% in August 2023^[2].

The UK population stood at around 68mn people in 2022, the same year that GDP grew by 4.1% as it recovered from the 11% decline during the

United Kingdom: Population analysis

Population structure, by age group (mn)

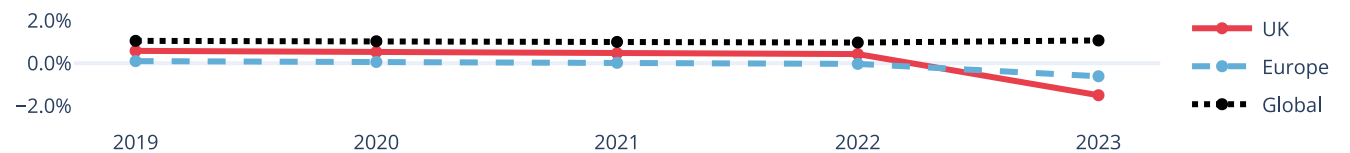


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-GB-SC-1-v1

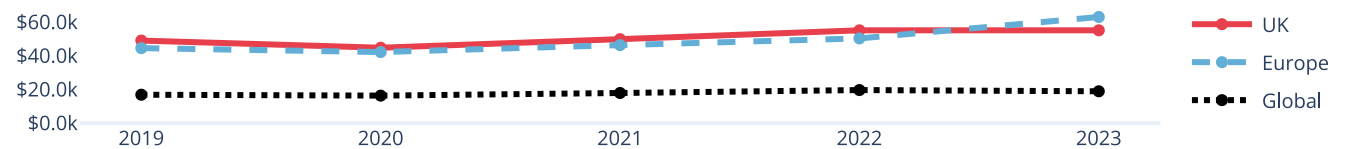
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-GB-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-GB-SC-3-v2

United Kingdom

Area: 243,610 km²

Capital: London

Currency: pound sterling (GBP)

Official language: English

Other languages spoken: Scots, Scottish Gaelic, Welsh

Government type: Parliamentary constitutional monarchy

VAT: 20%

Reduced rate: 5%

pandemic^[3]. IMF and UN figures say that per capita GDP rose to \$55.13k in 2022 from \$49.89 in 2021.

Internet access is high – Eurostat/ITU data puts it at 98% – with 81.88% of these also shopping online. Ecommerce revenues were 22.3% higher in 2022 than in 2019, reflecting slowing growth in a mature market. 26.5% of retail sales took place online in May 2023^[4]. Ecommerce sales grew by 7.7% in value compared to the previous year, while retail sales across channels grew by 4.8% in value but declined by 2.1% in volume – reflecting the effect of inflation.

Groceries, bought by 62% of respondents to RetailX Consumer Observatory research, and fashion and accessories (61%) are among the most popular ecommerce categories. Home delivery (47%) and lower prices (42%) are key reasons for shopping online. Home delivery is the most popular option for receiving goods, used by with 80% of respondents.

There is currently an end-of-days atmosphere surrounding British politics, with Britons complaining “nothing works”^[5]. Conservative prime minister Rishi Sunak’s recent announcements to slow the country’s move to net zero and cancel much of the HS2 north-south rail link have caused disquiet across business sectors. The worry is that the UK, in the wake of Brexit, is once again showing itself to be unreliable.

[1] www.ons.gov.uk/economy/inflationandpriceindices

[2] www.bankofengland.co.uk/boeapps/database/Bank-Rate.asp

[3] <https://commonslibrary.parliament.uk/research-briefings/sn02784/>

[4] www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/may2023#online-retail

[5] www.newstatesman.com/quickfire/2022/12/nothing-work-uk-any-more-inflation-strikes-nhs

United Kingdom: Internet user analysis

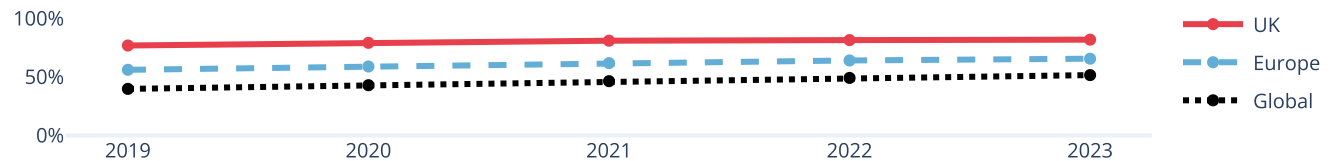
Percentage of internet users



Source: RetailX, drawing on data from Eurostat

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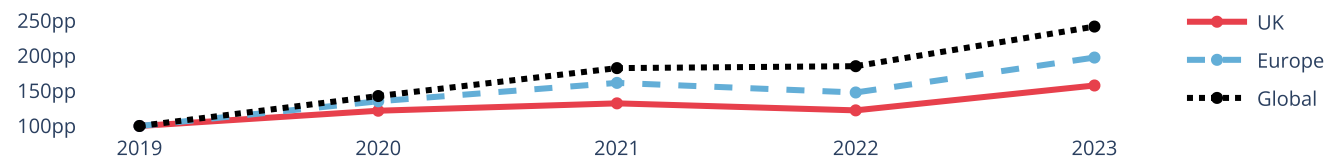
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-GB-SC-5-v1

Ecommerce revenue growth (indexed)

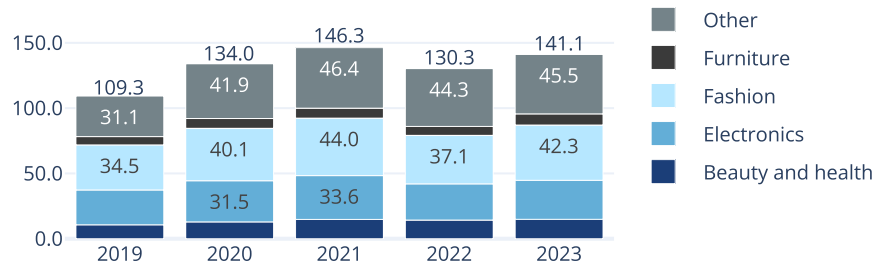


Index 2019=100

Source: RetailX, drawing on data from Statista

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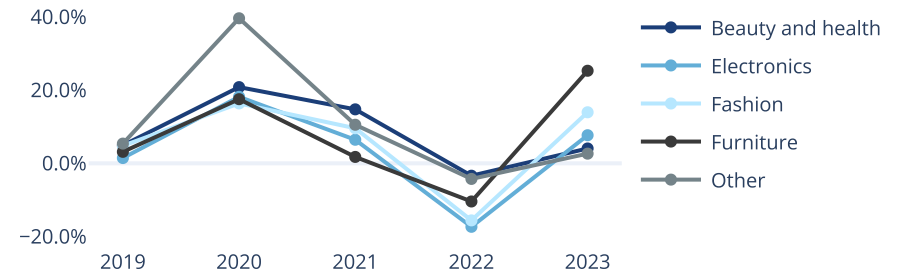
Annual revenue for the ecommerce market (bn USD), United Kingdom, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-GB-ST-4-v1

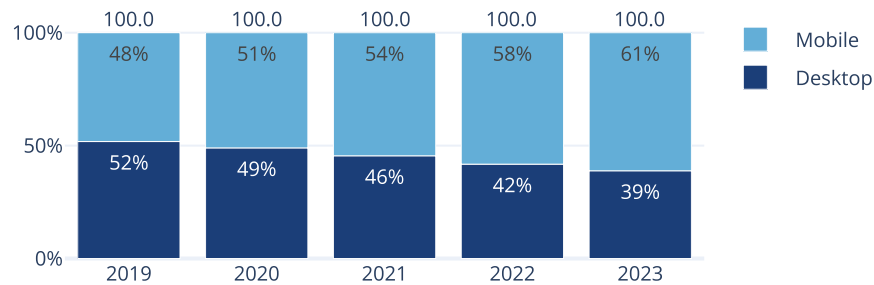
Annual change in revenue for the ecommerce market (%), United Kingdom, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-GB-ST-6-v1

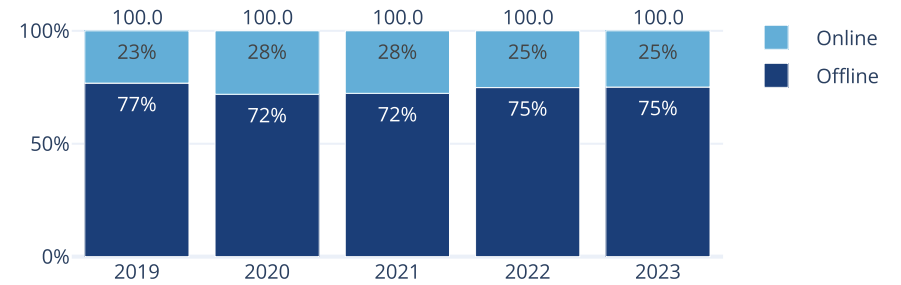
Device usage by revenue for ecommerce, United Kingdom, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-GB-ST-1-v1

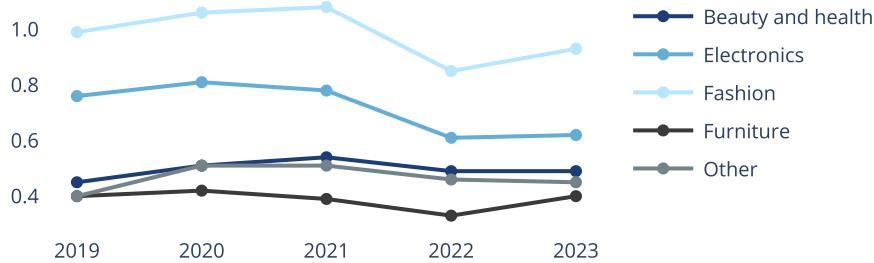
Revenue by channel for multichannel shoppers, United Kingdom, 2019-23



Source: Statista Digital Market Insights

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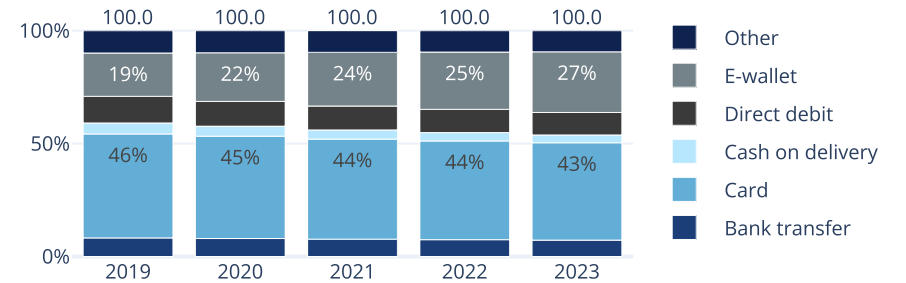
Average spending of e-shoppers (thousand USD), United Kingdom, 2019-23



Source: Statista Digital Market Insights

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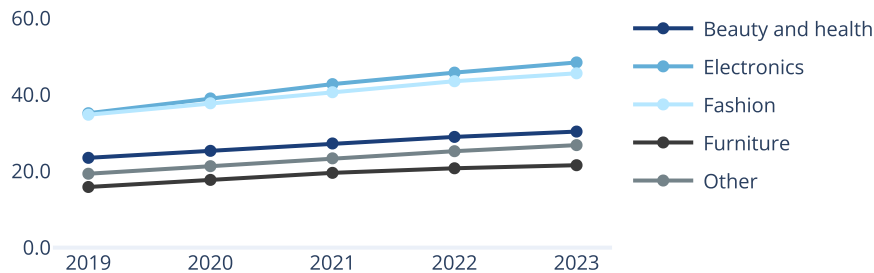
Payment type share by revenue for online shopping (%), United Kingdom, 2019-23



Source: Statista Digital Market Insights

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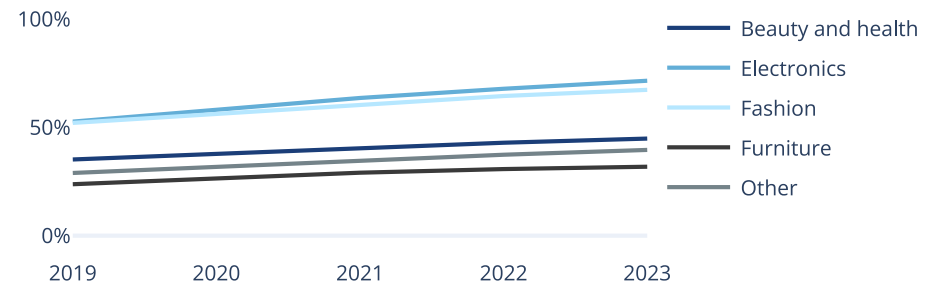
Number of e-shoppers (in millions), United Kingdom, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-GB-ST-7-v2

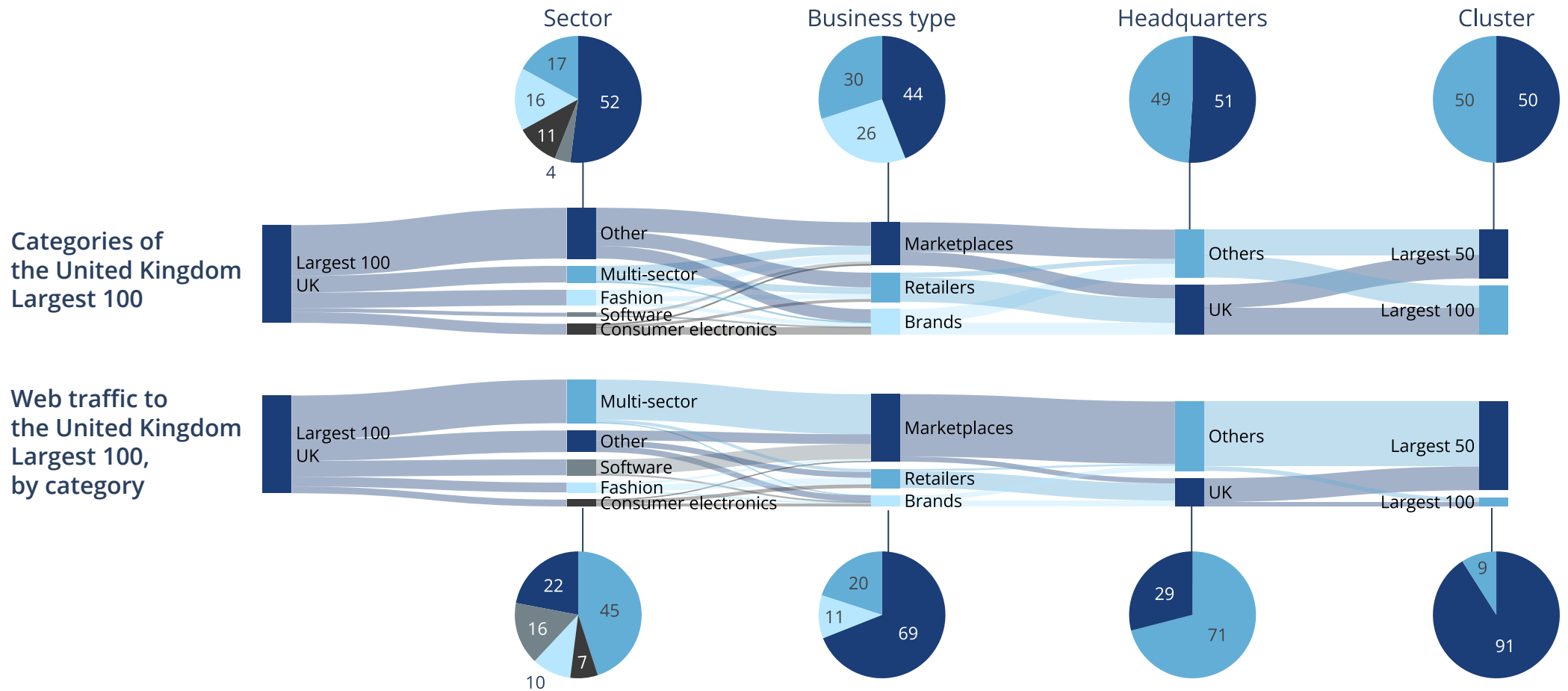
Share of the market taken by ecommerce, by sector, United Kingdom, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023

Category analysis of the United Kingdom Largest 100



Top Sankey chart: the percentage of United Kingdom Largest 100 retailers in a category. Bottom Sankey chart: the percentage of British consumer web traffic directed at United Kingdom Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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Middle East

The diverse countries of the Middle East have high levels of both internet access and ecommerce use



Middle East

Area: 7,207,575 km²

Official languages: Arabic, Hebrew, Persian Farsi, Turkish...

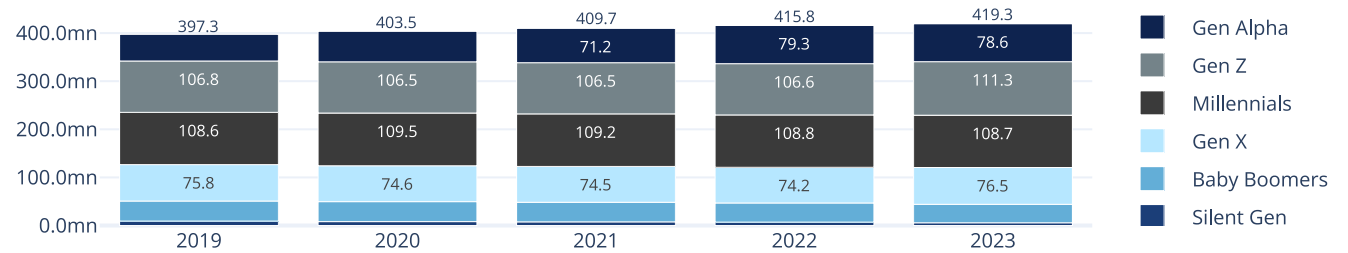
Foreign languages spoken: English

Average VAT: 10.7%

Average reduced rate: 0.2%

Middle East: Population analysis

Population structure, by age group (mn)



Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-MEA-SC-1-v1

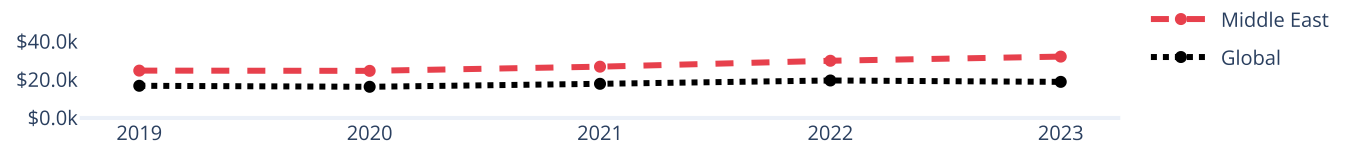
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-MEA-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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RXRUN23RP-MEA-SC-3-v2

The Middle East region has 17 countries in total. This report focuses on six of its leading markets, which form a diverse group with different approaches to using ecommerce. These countries are: Iran, Israel, Qatar, Saudi Arabia, Turkey and UAE.

This is a region with an estimated 419.3mn people in 2023, up from 397.3mn in 2019 following population growth of more than 1% each year. Average per capita GDP is at \$32.15k, up from \$24.81k in 2019. That's well above the global average of \$18.92k.

War between Israel and Palestinian militants Hamas erupted during the time of this research. This fighting has the potential to affect countries all across the region, yet it is too soon to say what situations will emerge from the conflict. The region is also affected by war in Ukraine, which has had inflationary effects around the world, particularly on the prices of energy and food.

The Middle East is a region marked by large differences in incomes. Small and highly prosperous, low-inflation markets that draw wealth from oil and gas production sit alongside larger middle-income markets. The Gulf states, built on oil wealth, are now working to diversify their economies towards new sources of income, such as tourism and emerging advanced manufacturing industries. Others, such as Iran and Turkey, are dealing with high levels of inflation that present cost-of-living challenges to those living and shopping within those markets. The region includes major exporters of food and manufacturing products, such as Turkey and Israel, while the Gulf states import much of their supplies.

Middle East: Internet user analysis

Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

RetailX 2023
RXRUN23RP-MEA-SC-4-v2

Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-MEA-SC-5-v1

Ecommerce revenue growth (indexed)



Index 2019=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-MEA-SC-6-v2

Climate change is expected to affect the Middle East badly. Rainfall is already limited and temperatures already high. Its countries are developing new ways of irrigating crops and investing in renewable energy. Richer states, however, will be better placed to adapt than their lower income neighbours.

International Telecommunication Union figures suggest that 80% of the population in the six markets covered in this report has access to the internet.

That's up from 75% in 2019, following higher ecommerce adoption during the Covid-19 pandemic. Of those with access, 61% shop online, up from 48% in 2019. Ecommerce revenues are 132% ahead of 2019 levels – slightly behind the global trend (142%).

28% of the Largest 100 retail businesses selling to the market are based in the region and see 30% of local consumer traffic. The remaining 72% are based outside, attracting 70% of traffic, according

to SimilarWeb figures. 83% of local traffic is to the marketplaces that account for 57% of the Largest 100. 26% are brands, attracting 10% of traffic, while retailers make up 17% of the index, with 6% of traffic.

Multi-sector retail is the region's largest category, accounting for 24% of membership of the Largest 100 and seeing 42% of traffic. Consumer electronics follow, with these retail businesses making up 19% of the Largest 100 and seeing 7% of traffic.

Annual percentage change in the Consumer Prices Index (CPI), Middle East, 2022-2023

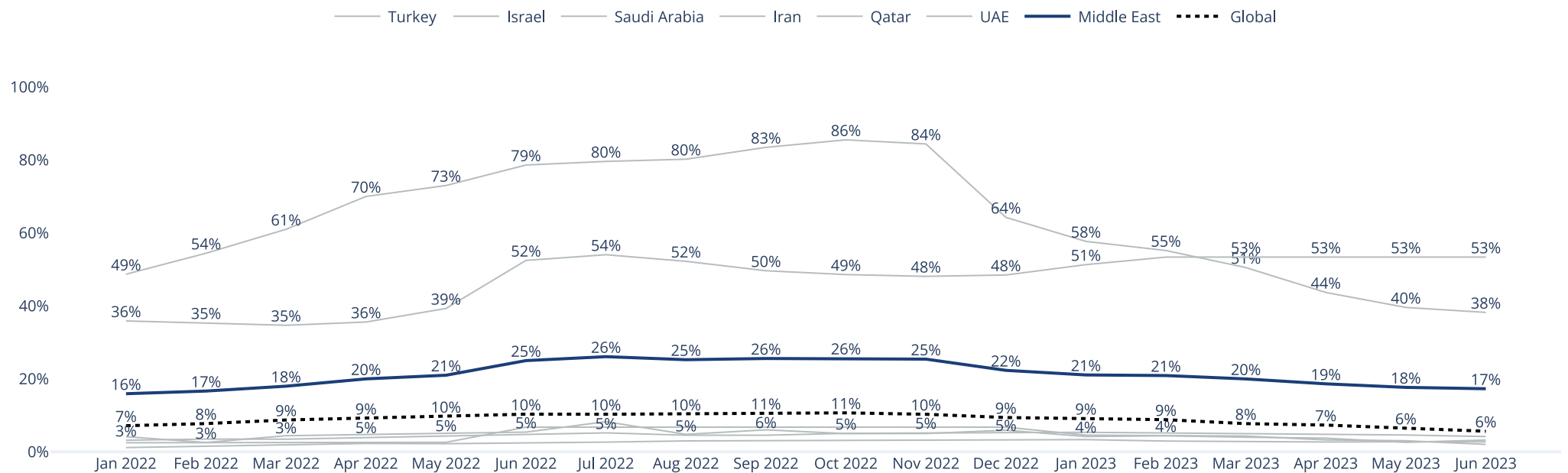
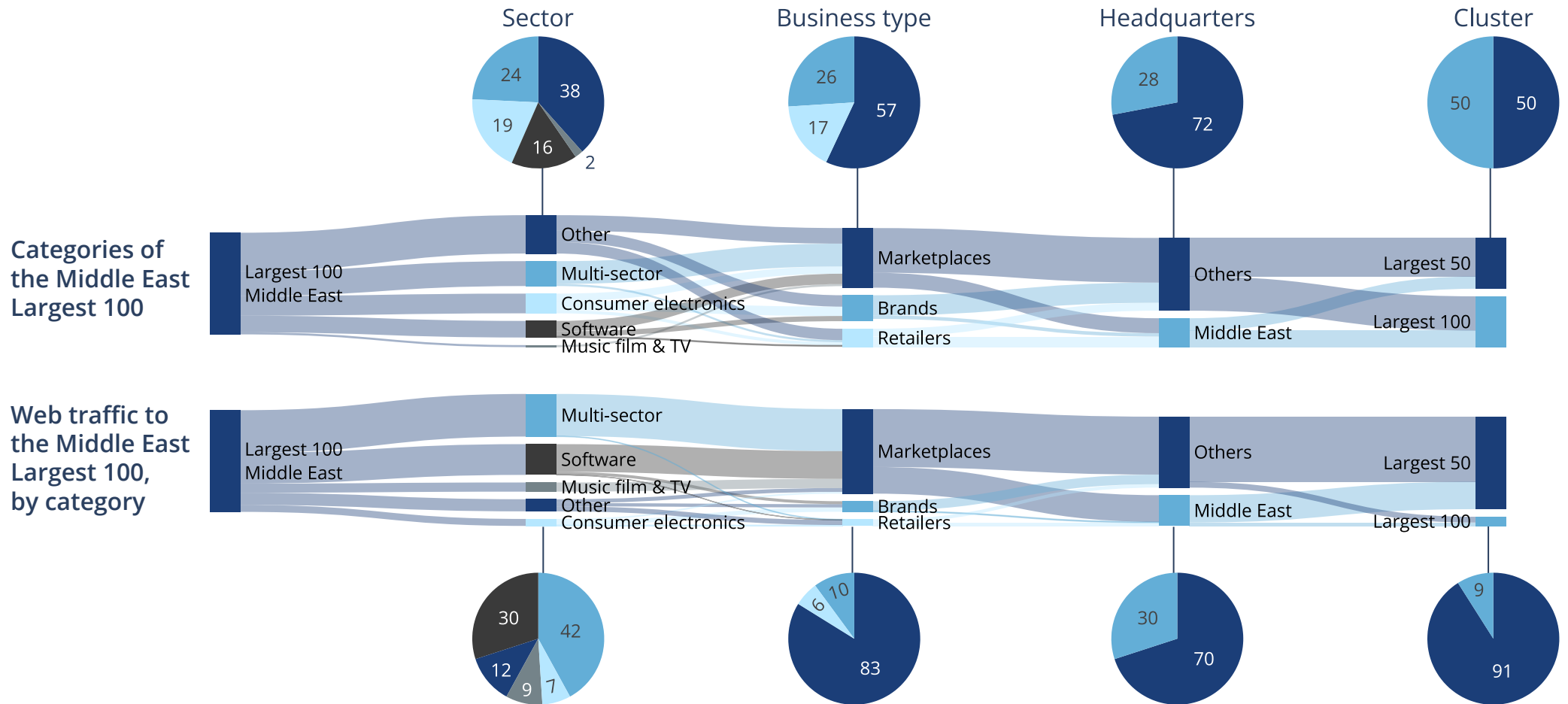


Figure for Middle East calculated using the average for countries showcased in this report

Source: OECD

Category analysis of the Middle East Largest 100



Top Sankey chart: the percentage of Middle East Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Middle Eastern consumer web traffic directed at Middle East Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Iran

Domestic ecommerce businesses are popular in a market that has been severely limited by external sanctions

Iran, led by Supreme Leader Ali Khamenei since 1989, has seen rising levels of protest in recent years. In July 2023, the Independent International Fact-finding mission on the Islamic Republic of Iran, reporting to the United Nations Human Rights Council, called on the country to stop the executions, mass arrests and detentions that have taken place since 22-year-old Jina Mahsa Amini died in custody in September 2022^[1]. A leading crude oil and natural gas producer, Iran has also been the subject of sanctions from bodies including the United Nations and the European Union since 2006 in response to its efforts to build nuclear weapons^[2].

Iran

Area: 1,745,150 km²

Capital: Tehran


Currency: Iranian rial (IRR)

Official language: Persian Farsi

Government type: Theocratic republic

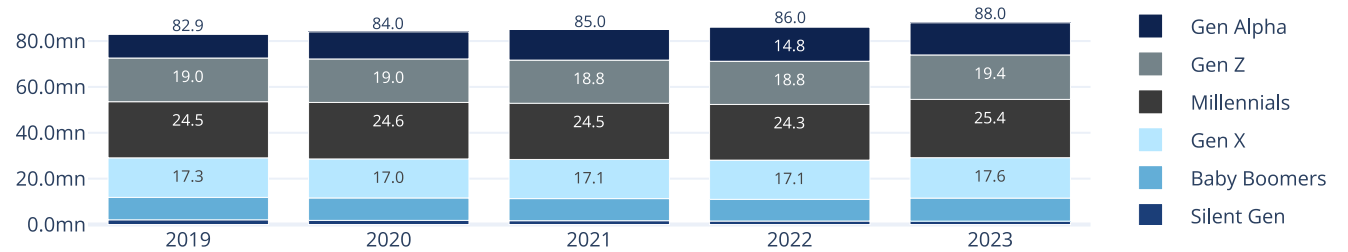
VAT: 9%

Reduced rate: 0%



Iran: Population analysis

Population structure, by age group (mn)

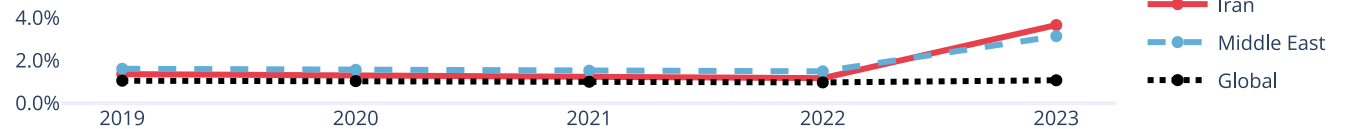


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-IR-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

© RetailX 2023
RXRUN23RP-IR-SC-3-v1

Its 88mn population has an estimated per capita GDP of \$18.95k, below the Middle East average of \$32.15k. ITU figures suggest that 79% have access to the internet – up from 72% in 2019. Of those who can access the internet, 59.5% shop online, according to Statista, which also finds ecommerce revenues 259% ahead of 2019. Smartphones are a popular way to get online. Annual CPI inflation was at 53% in June 2023. Inflation is reported by Persian language UK-based Iran International^[3] to have pushed up the cost of internet services, limiting access.

Statista forecasts Iran’s ecommerce revenues will reach \$12.56bn in 2023, with China among the beneficiaries. It expects that there will be 60mn users by 2027, when 65.5% of the population are expected to be shopping online.

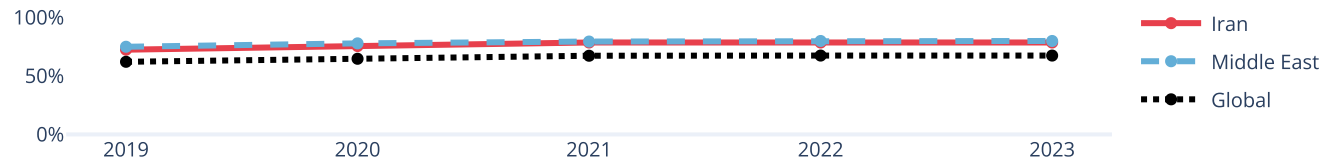
Currently, 13% of the Largest 100 retailers that sell to Iran are based within the market, with 87% based outside of it. Those based in the market win 64% of traffic from the market, while the others see 36%. Domestic businesses appear to be a greater focus of ecommerce due to sanctions. These include Digikala, founded in Tehran in 2009, which has expanded from an online retail store to a marketplace platform.

Indeed, marketplaces account for 45% of the Largest 100 and see 81% of traffic. Software and multi-sector are important ecommerce categories.

[1] <https://ohchr.org/en/press-releases/2023/07/iran-must-end-crackdown-against-protesters-and-uphold-rights-all-iranians>
 [2] <https://consilium.europa.eu/en/policies/sanctions/iran/>
 [3] <https://iranintl.com/en/202204193098#>

Iran: Internet user analysis

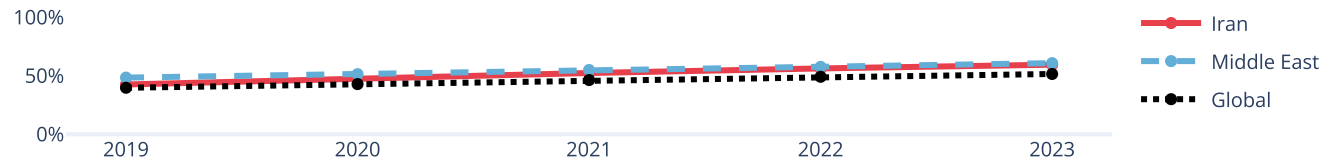
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-IR-SC-4-v1

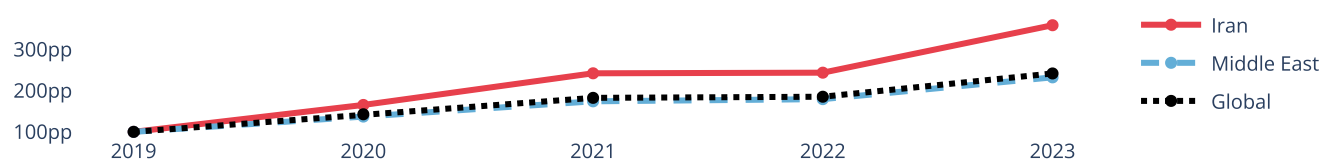
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-IR-SC-5-v1

Ecommerce revenue growth (indexed)

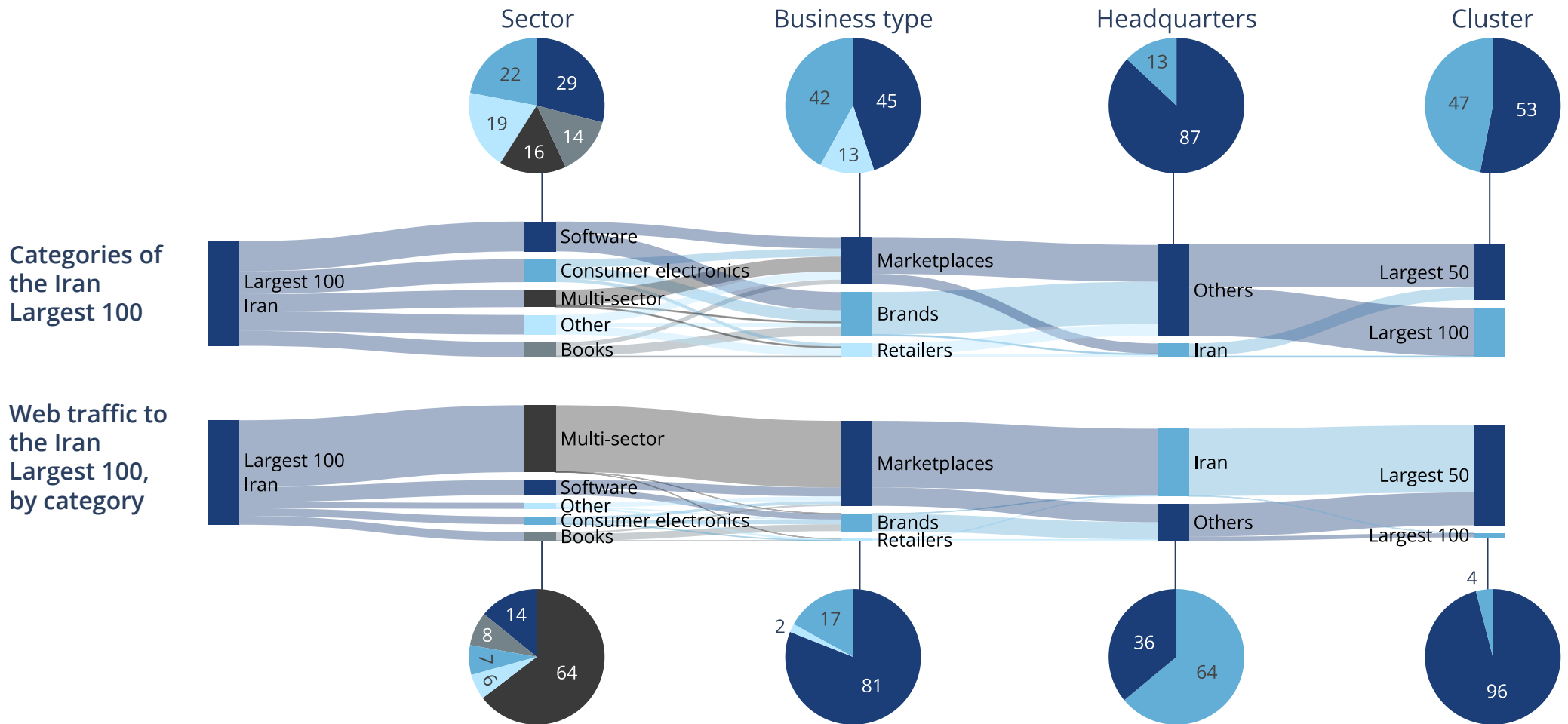


Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-IR-SC-6-v1

Category analysis of the Iran Largest 100



Top Sankey chart: the percentage of Iran Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Iranian consumer web traffic directed at Iran Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Israel

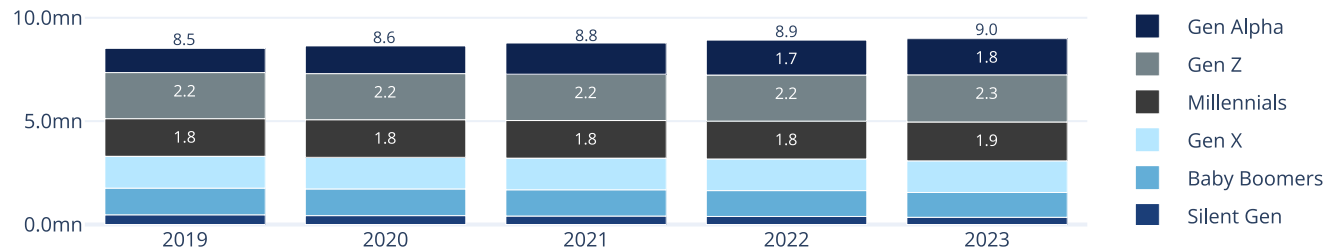
Many of the small but growing Israeli population shop online, buying products ranging from electronics to fashion

Israel's prime minister Benjamin Netanyahu of Likud, who now governs as the head of a 'unity' coalition, is currently leading a response to the terrorist attacks against the country from Gaza-based Hamas that erupted in October 2023^[1]. As of early November 2023, it was unclear how long the conflict would last.

Israel, with its growing population of 9mn, is a small but prosperous country, with a per capita GDP of \$57.77k – well above the Middle East average of \$32.15k. Annual inflation is at 4.1%, while the bank rate is at 4.75%^[2]. The fastest economic growth in recent years has come in its hi-tech industries, while

Israel: Population analysis

Population structure, by age group (mn)



Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-IL-SC-1-v2

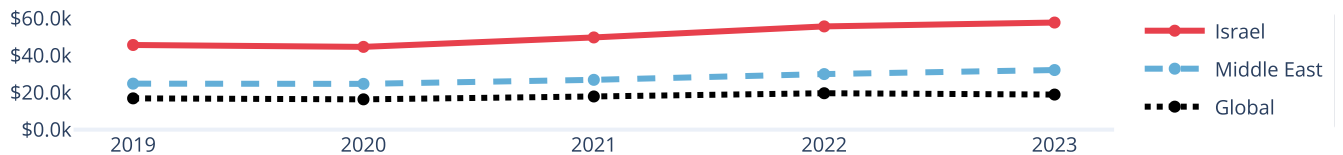
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-IL-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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RXRUN23RP-IL-SC-3-v1

Israel



Area: 22,070 km²

Capital: Jerusalem

Currency: New Israeli shekel (ILS)

Official language: Hebrew

Foreign languages spoken: Arabic, English

Government type: Parliamentary democracy

VAT: 17%

Reduced rate: 0%

it's also the world's largest producer of cut diamonds. It is known as an agricultural producer that produces grain, oil seeds, cocoa and sugar and fresh fruit, flowers and vegetables^[3].

ITU figures suggest that 90% of Israelis have access to the internet in 2023, up from 87% in 2019. Of those with access, 52% shop online (44% in 2019). Ecommerce revenues have grown by 143% since 2023, according to Statista.

Statista also finds that 9% of retail sales take place online. Of these, 39% are via mobile and 61% via desktop. Electronics retail spending is 39% online – up from 23% in 2019 – as is 39% of spending on fashion (22% in 2019) and 22% of sales of beauty and health products (16% in 2019).

The average shopper spends the most on beauty and health products online, at \$510 a year in 2023, Statista figures suggest. That's ahead of \$450 on electronics and \$410 on fashion. Online shoppers are expected to spend \$6.8mn in 2023, with the biggest spend on electronics (\$1.6bn), reflecting a rise in the number of people shopping online. In 2023, 3.6mn are expected to buy electronics online, while 3.56mn people will buy fashion. Spending grew strongly across all categories in 2020 and 2021, before moderating – or even declining – in 2022. 10% of the Largest 100 selling to Israel are based in the country, including electronics retailer KSP.

[1] <https://timesofisrael.com/by-abducting-over-100-people-into-gaza-hamas-has-put-netanyahu-in-a-political-bind/>

[2] www.boi.org.il/en/

[3] <https://embassies.gov.il/hague-en/aboutisrael/economy/Pages/ECONOMY.aspx>

Israel: Internet user analysis

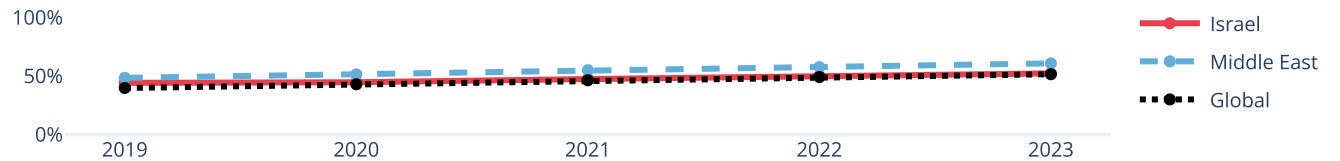
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

RetailX 2023
RXRUN23RP-IL-SC-4-v1

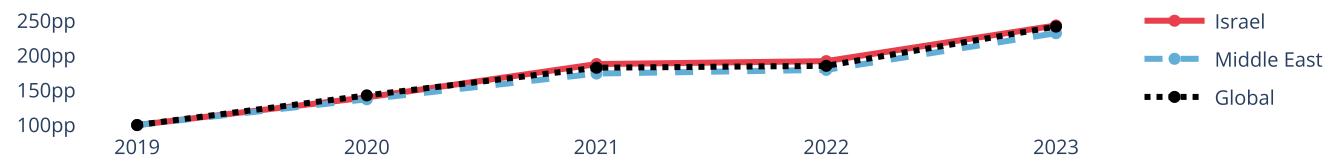
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-IL-SC-5-v1

Ecommerce revenue growth (indexed)

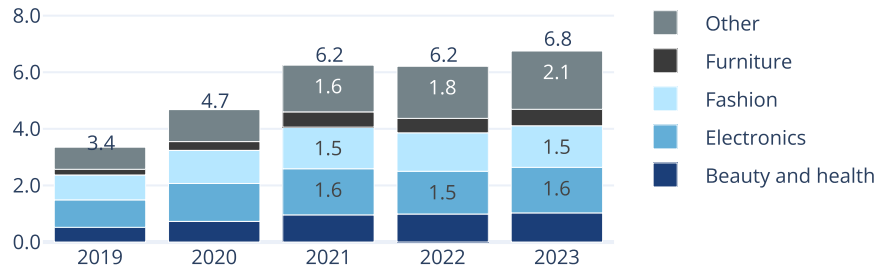


Index 2019=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-IL-SC-6-v1

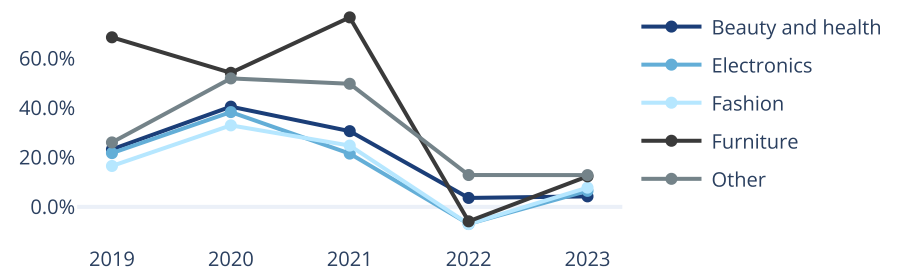
Annual revenue for the ecommerce market (bn USD), Israel, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-IL-ST-4-v1

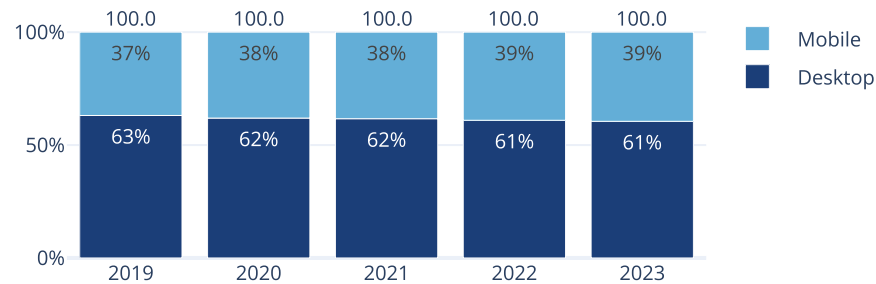
Annual change in revenue for the ecommerce market (%), Israel, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-IL-ST-6-v1

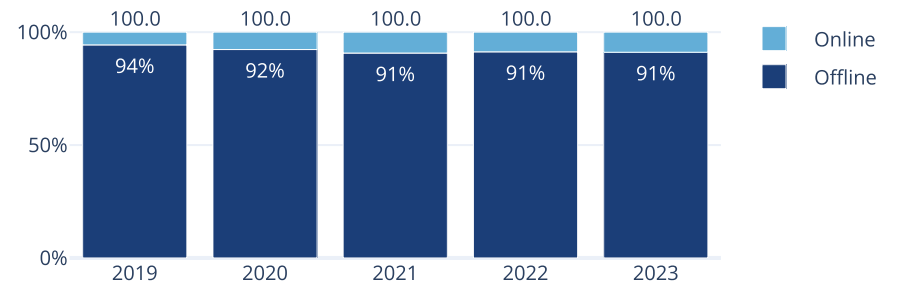
Device usage by revenue for ecommerce, Israel, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-IL-ST-1-v1

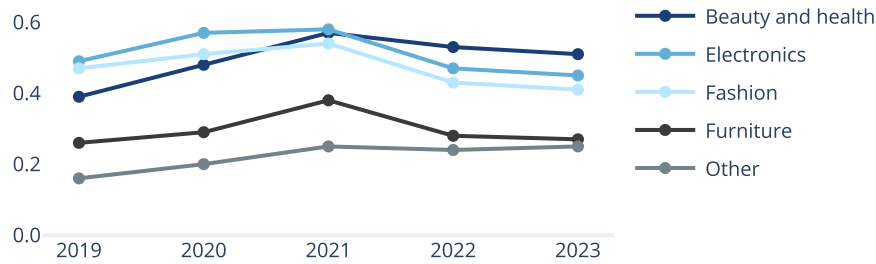
Revenue by channel for multichannel shoppers, Israel, 2019-23



Source: Statista Digital Market Insights

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Average spending of e-shoppers (thousand USD), Israel, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IL-ST-3-v3

Consumer confidence index (CCI), Israel, 2022-23

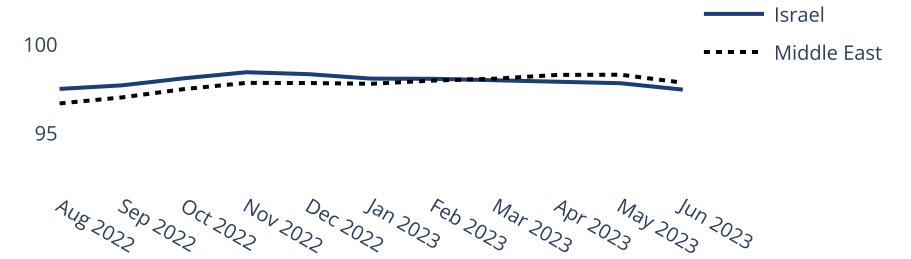
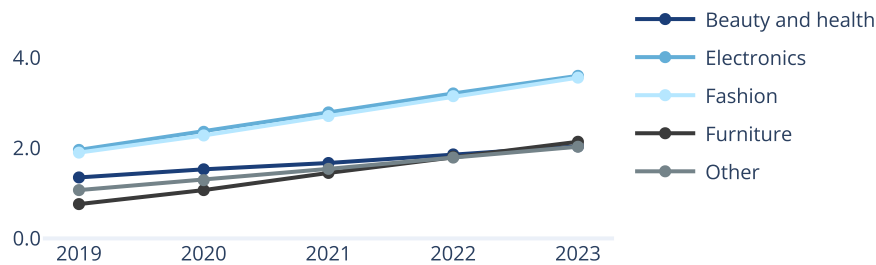


Figure for Middle East calculated using the average for countries showcased in this report, long-term average = 100

Source: OECD

RetailX 2023
RXRUN23RP-IL-I-1-v2

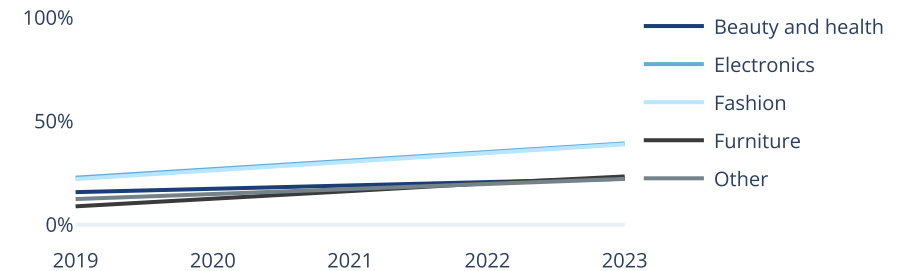
Number of e-shoppers (in millions), Israel, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IL-ST-7-v2

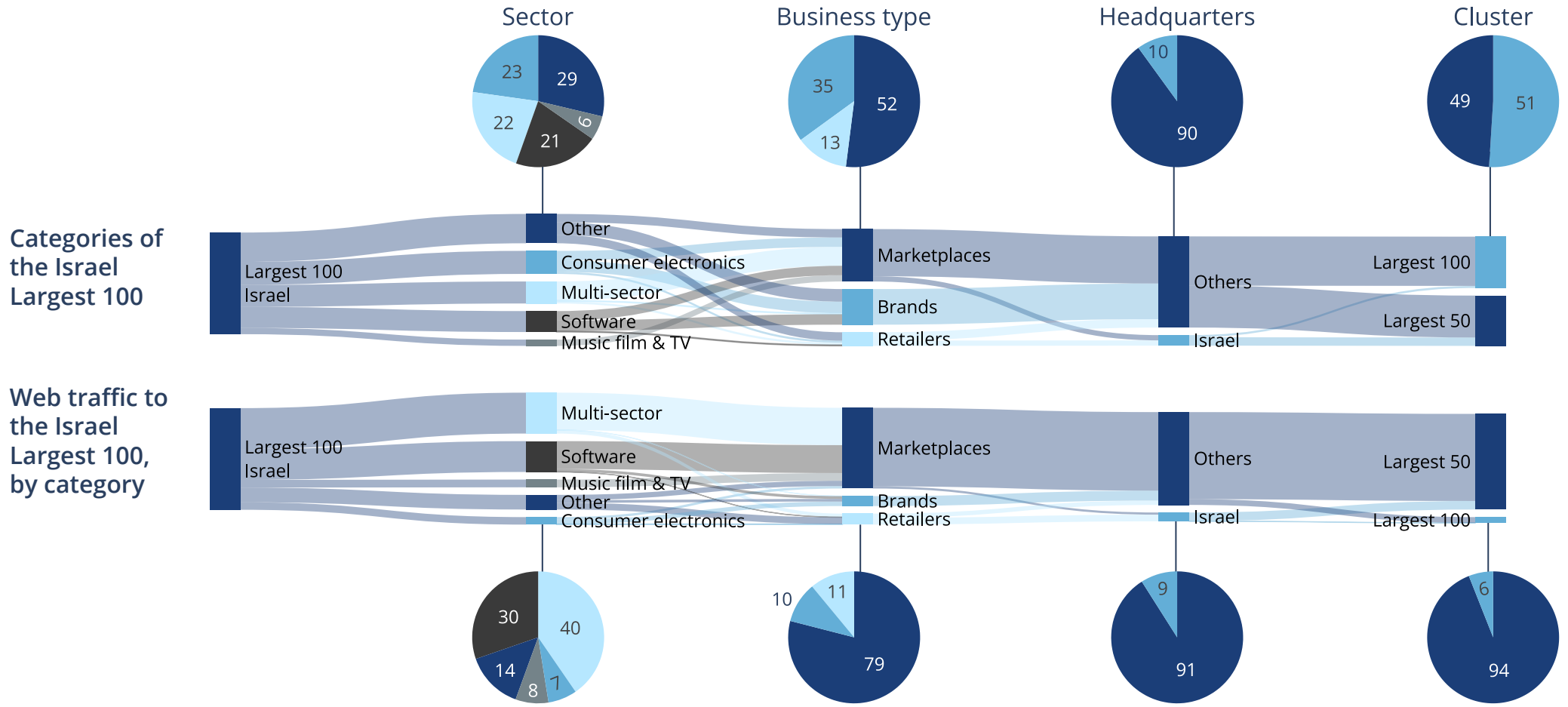
Share of the market taken by ecommerce, by sector, Israel, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-IL-ST-2-v2

Category analysis of the Israel Largest 100



Top Sankey chart: the percentage of Israel Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Israeli consumer web traffic directed at Israel Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Qatar

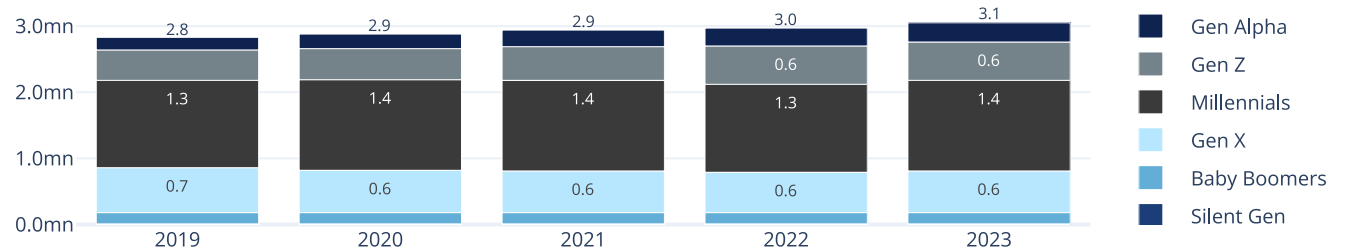
Most shoppers buy online in this small and wealthy kingdom on the northeastern coast of the Arabian Peninsula

Oil-rich Qatar is one of the world's richest countries. Its 3.1mn population, growing by more than 1% a year as it attracts high net worth and expat residents, is forecast to see per capita GDP reach \$118.55k in 2023, up from \$101.88k in 2022 and \$93.76k in 2019. It has been led by Sheikh Tamim Bin Hamad Al-Thani of the state's ruling family since 2013.

But while this desert kingdom exports oil and gas worth billions every year and is investing in new technologies including the production of polysilicon for solar energy^[1], it still imports most of the goods it needs. Its government put in place a food security

Qatar: Population analysis

Population structure, by age group (mn)

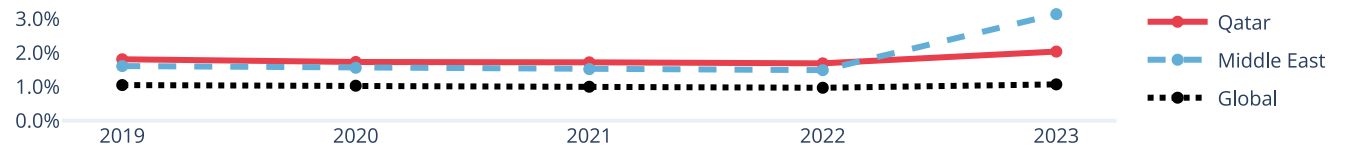


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-QA-SC-1-v2

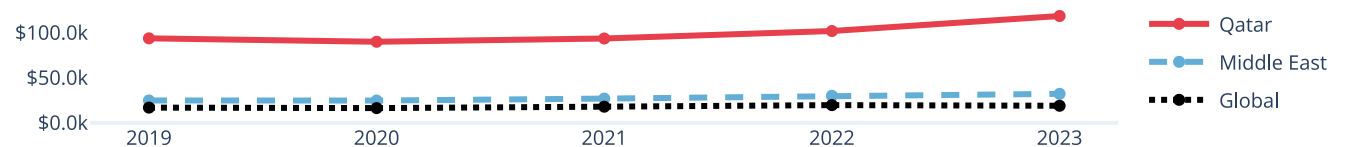
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-QA-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

© RetailX 2023
RXRUN23RP-QA-SC-3-v1

Qatar



Area: 11,490 km²

Capital: Doha

Currency: Qatari riyal (QAR)

Official language: Arabic

Foreign languages spoken: English

Government type: Absolute monarchy

VAT: 0%

Reduced rate: 0%

strategy following a three-year blockade of Qatar by its neighbours that started in 2017. The goal of this strategy is to achieve self-sufficiency in areas including poultry and to diversify its trading partners in other areas, while building up reserves in others^[2]. Examples of diversification ambitions include hosting the 2022 FIFA Men's Football World Cup.

As yet, most products still come from outside the market and while Qatar has a reported 1.7mn m² of retail space^[3] featuring brands and retailers from around the world, Qataris now expect, especially in the wake of the Covid-19 pandemic, to be able to shop online and through multichannel services.

Qatar is a leader in both broadband and mobile infrastructure, according to a 2021 Qatar Chamber of Commerce report^[4] which estimated that 14% of retail sales took place online, and that put the market seventh in the Middle East and North Africa for the volume of ecommerce transactions. Luxury products, it said, are a key shopping category. ITU figures suggest 100% access to the internet and that 75% shop online. Ecommerce revenues are 97.5% ahead of 2019 levels, according to Statista. All but one of the Largest 100 retail businesses that sell to Qatar are based outside the market, with marketplaces accounting for 64% of the list and seeing 73% of traffic, brands 27% and retailers 9%.

[1] www.invest.qa/en/sectors-and-opportunities/energy

[2] www.invest.qa/en/sectors-and-opportunities/agriculture

[3] www.gulf-times.com/article/651617/business/qatars-transformation-into-business-hub-to-boost-retail-sector-alpen-capital

[4] www.qatarchamber.com/wp-content/uploads/2021/09/Report-on-E-Commerce-in-the-State-of-Qatar-English.pdf

Qatar: Internet user analysis

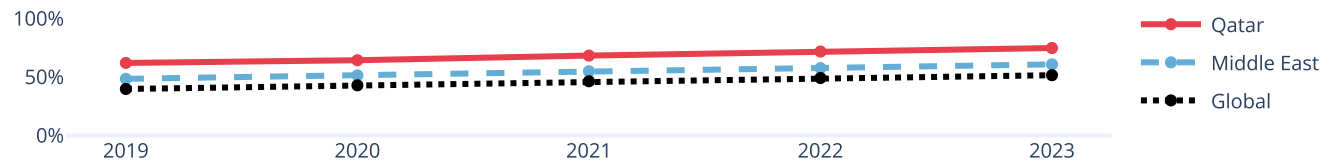
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-QA-SC-4-v1

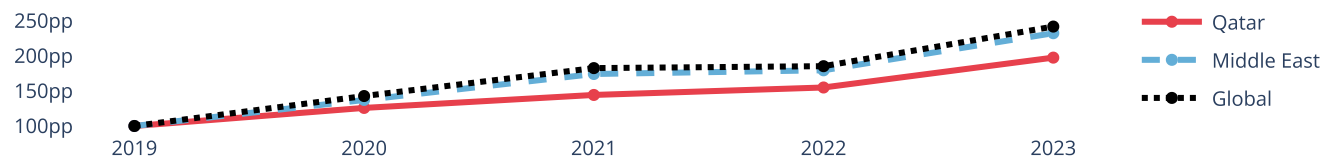
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-QA-SC-5-v1

Ecommerce revenue growth (indexed)

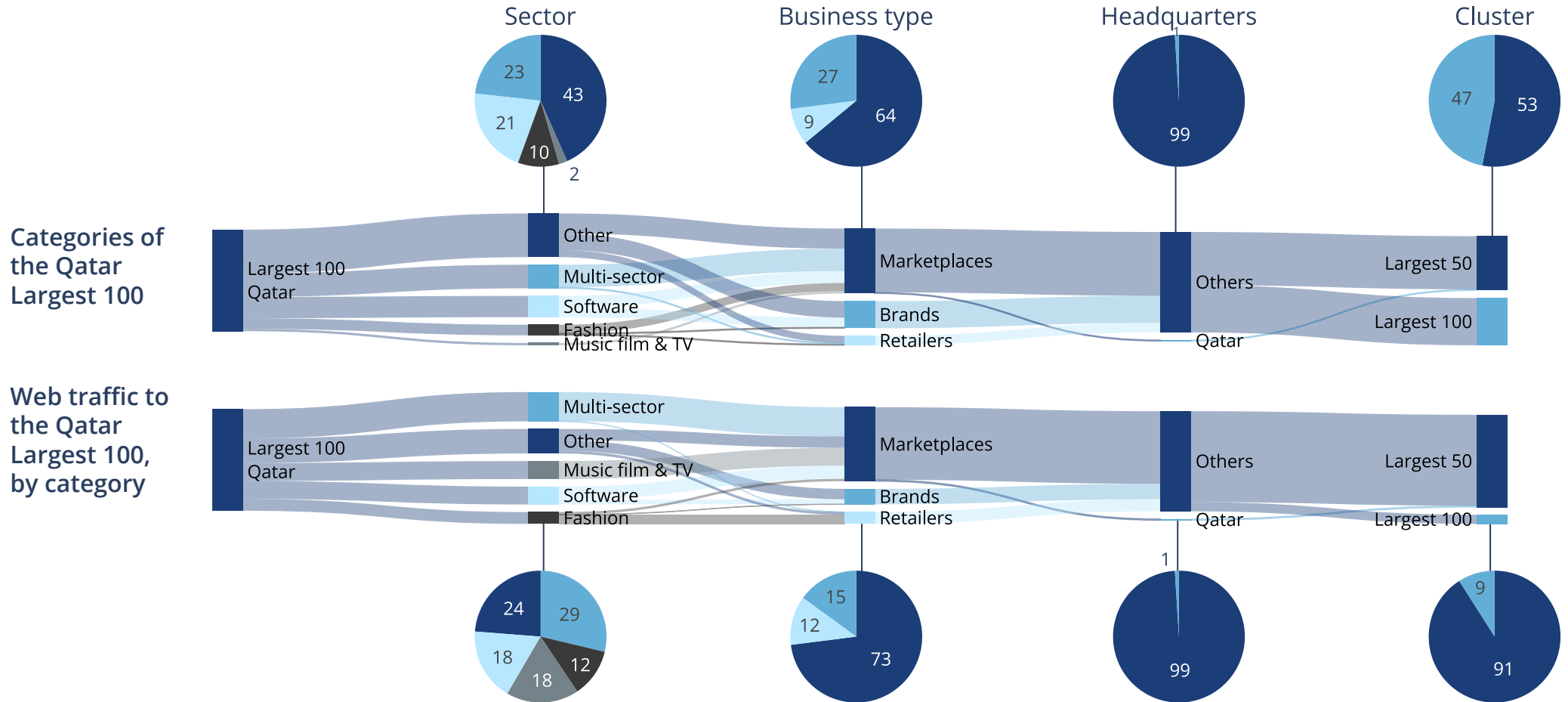


Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-QA-SC-6-v1

Category analysis of the Qatar Largest 100



Top Sankey chart: the percentage of Qatar Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Qatari consumer web traffic directed at Qatar Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Saudi Arabia

Shoppers in this largest Middle Eastern economy are likely to buy online, despite local retailers being thin on the ground

Work to diversify Saudi Arabia's oil economy has resulted in increasing revenues and exports from non-oil sources, with the contribution from the digital sector growing to 15% of the economy in 2022, according to IMF analysis^[1]. This is part of the Vision 2030 plan^[2] from Crown Prince and Prime Minister Mohammed Bin Salman, which aims to transform the high-income desert state into an investment powerhouse and global trade hub positioned between Asia, Europe and Africa. However, this has often been overshadowed by authoritarianism, not least state involvement in the 2018 murder and dismemberment of Saudi dissident and journalist Jamal Kashoggi.

Saudi Arabia

Area: 2,149,690 km²

Capital: Riyadh

Currency: Saudi riyal (SAR)

Official language: Arabic

Government type: Absolute monarchy

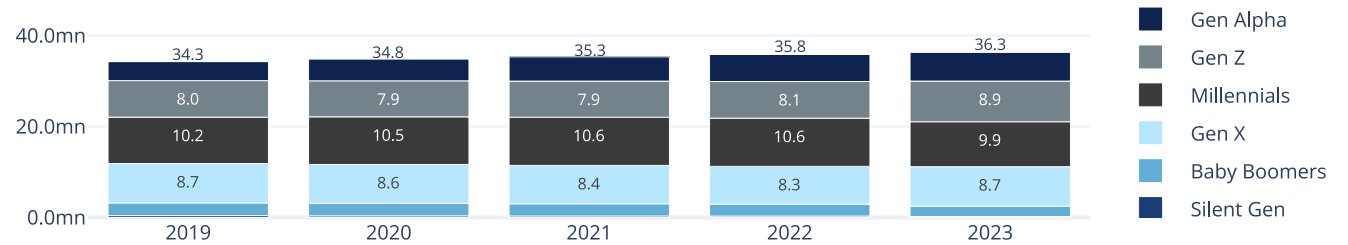
VAT: 15%

Reduced rate: 0%



Saudi Arabia: Population analysis

Population structure, by age group (mn)



Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-SA-SC-1-v2

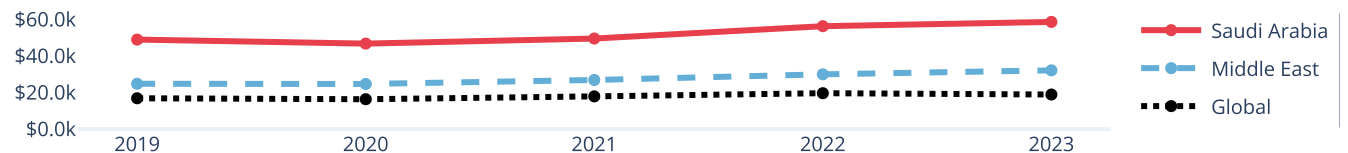
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-SA-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

© RetailX 2023
RXRUN23RP-SA-SC-3-v1

This is the largest Middle East country, with a growing 36.3mn population. Per capita GDP is put at \$58.65k, above both regional and global averages. In 2023, GDP is growing by 1.2% GDP a year, according to the Saudi Central Bank, with inflation at 2% in August 2023^[3].

Access to the internet is at 100%, according to ITU figures. 67% of people shop online – up from 57% in 2019. 7% of retail sales are estimated to be online, with 43% via mobile and 57% via desktop. Electronics sales are 48% online – up from 28% in 2019 – while fashion sales are 45% online (28.5% in 2019).

Ecommerce revenues are expected to be 97% higher in 2023 than in 2019, finds Statista. Overall, shoppers are expected to spend \$10.1bn online in 2023, including \$2.98bn on fashion and \$2.97bn on electronics.

More shoppers are turning online for electronics (17.7mn) and fashion (16.6mn) – both up from 10m in 2019. At the same time, the average Saudi shopper spends less online in many categories than five years ago – perhaps as prices have fallen.

97% of the Largest 100 selling to Saudi Arabia are based outside the country – local retailers making up 3% of the index and seeing 3% of the traffic. Marketplaces make up 59% of the Largest 100 and win 83% of traffic.

[1] www.imf.org/en/News/Articles/2023/09/28/cf-saudi-arabias-economy-grows-as-it-diversifies

[2] www.vision2030.gov.sa/en/vision-2030/leadership-message/

[3] www.sama.gov.sa/en-us/pages/default.aspx

Saudi Arabia: Internet user analysis

Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-SA-SC-4-v1

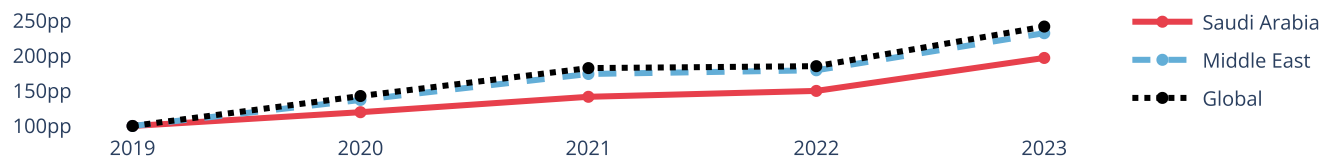
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-SA-SC-5-v1

Ecommerce revenue growth (indexed)

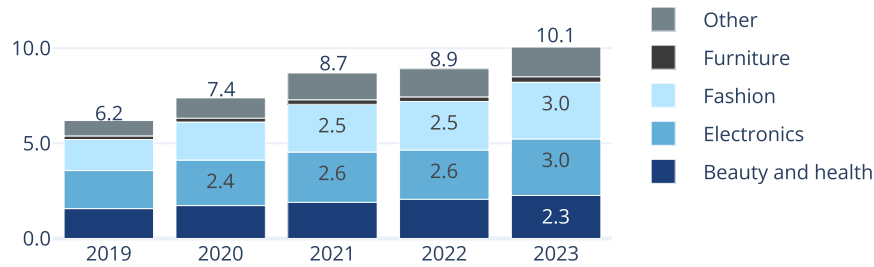


Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-SA-SC-6-v1

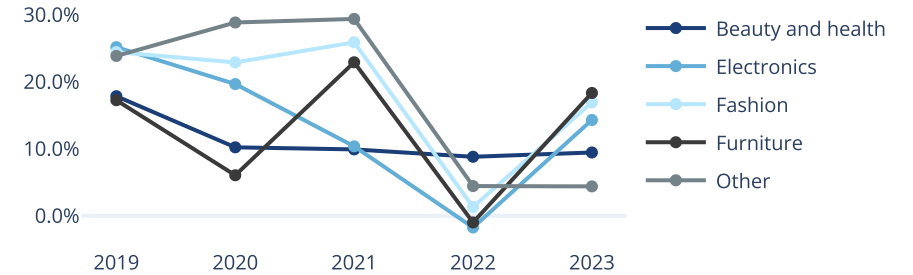
Annual revenue for the ecommerce market (bn USD), Saudi Arabia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-SA-ST-4-v1

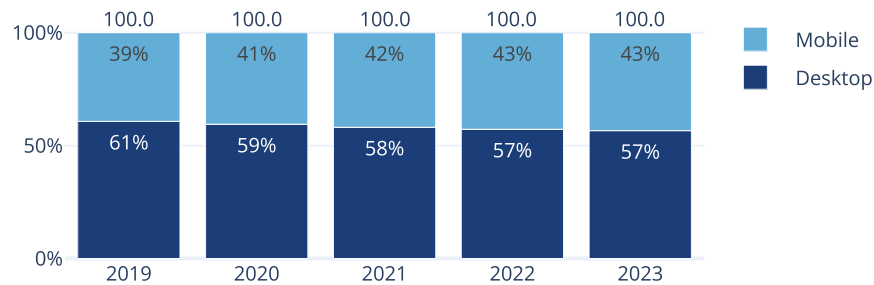
Annual change in revenue for the ecommerce market (%), Saudi Arabia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-SA-ST-6-v1

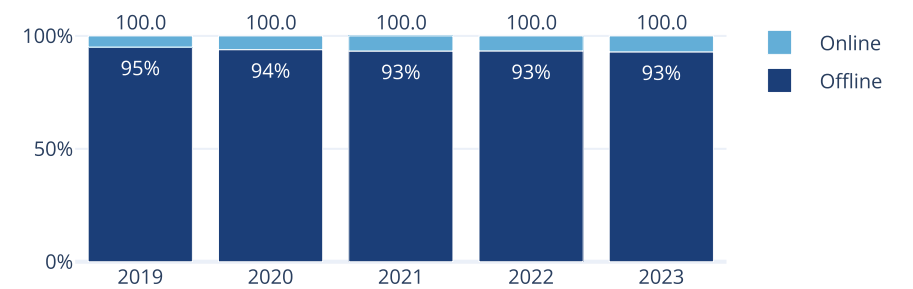
Device usage by revenue for ecommerce, Saudi Arabia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-SA-ST-1-v1

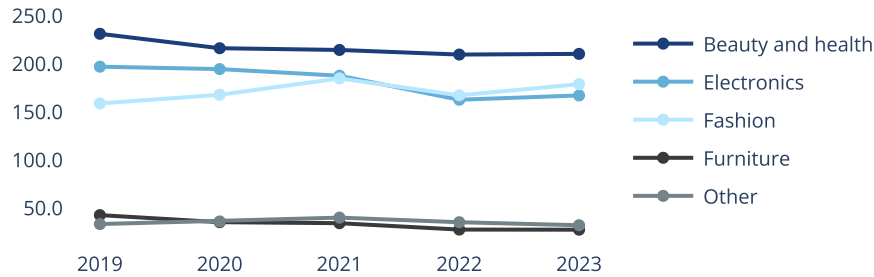
Revenue by channel for multichannel shoppers, Saudi Arabia, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-SA-ST-5-v1

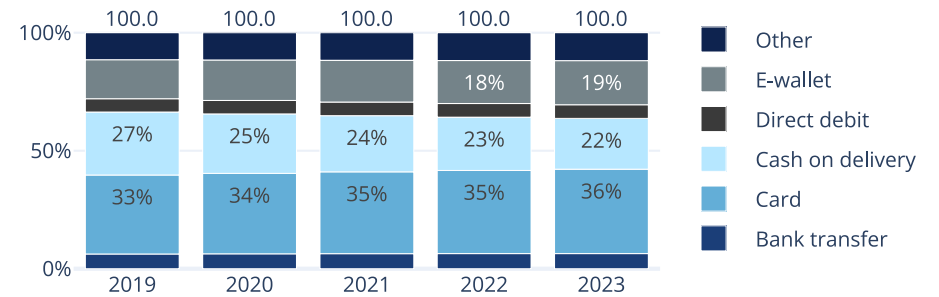
Average spending of e-shoppers (USD), Saudi Arabia, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-SA-ST-3-v1

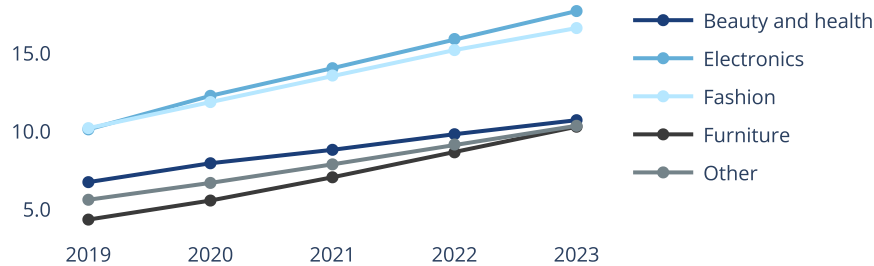
Payment type share by revenue for online shopping (%), Saudi Arabia, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023

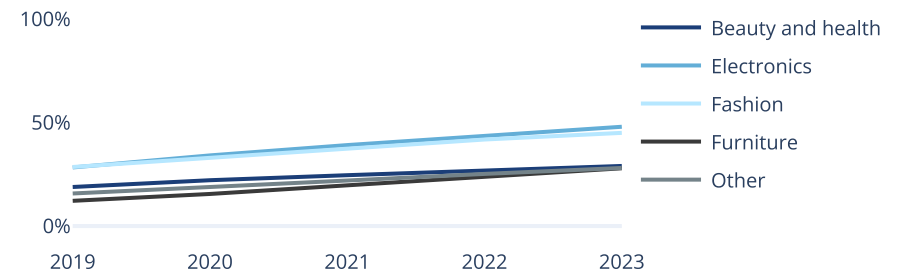
Number of e-shoppers (in millions), Saudi Arabia, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-SA-ST-7-v1

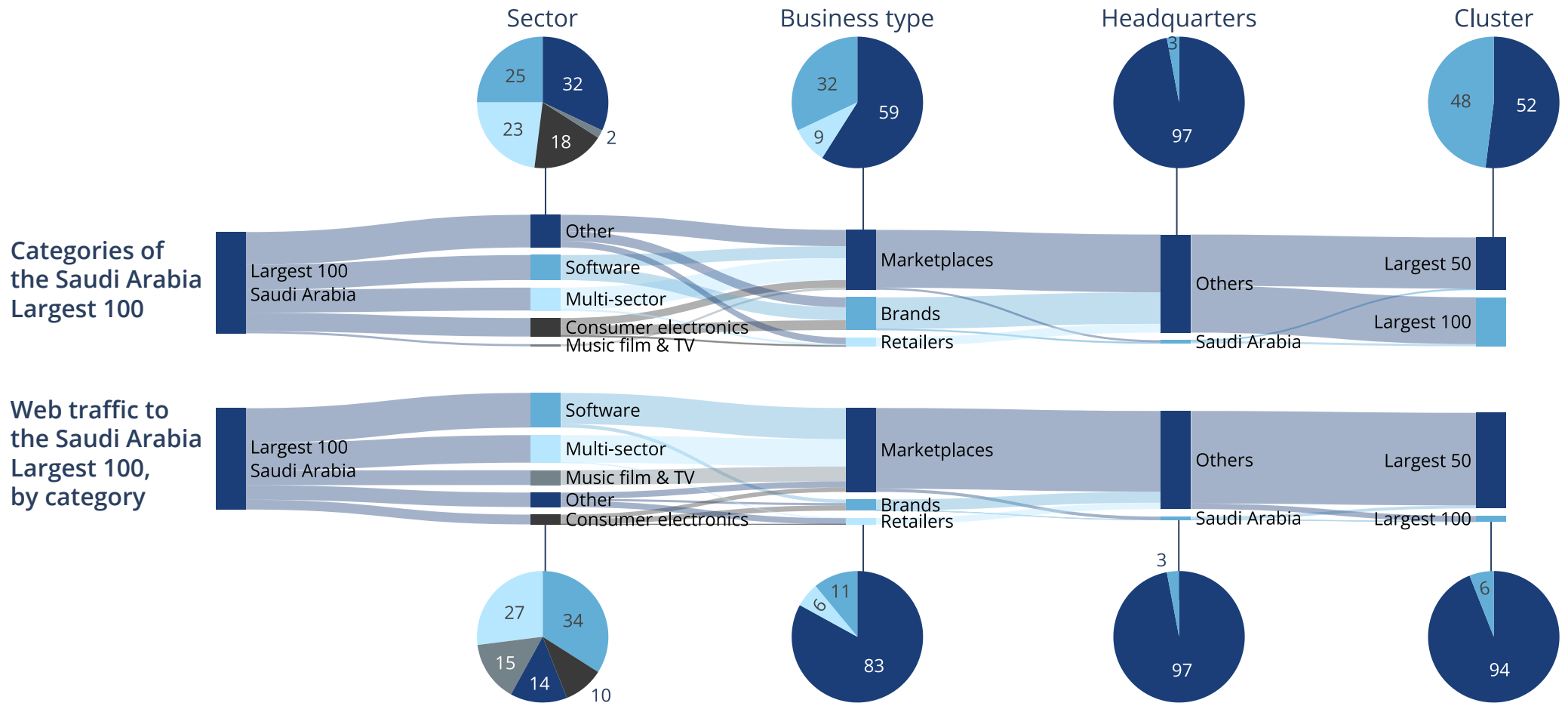
Share of the market taken by ecommerce, by sector, Saudi Arabia, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-SA-ST-2-v2

Category analysis of the Saudi Arabia Largest 100



Top Sankey chart: the percentage of Saudi Arabia Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Saudi consumer web traffic directed at Saudi Arabia Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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RXRUN23RP-SA

Turkey

The country, which links Europe and Asia, is battling inflation, yet ecommerce revenues are now 134% those of 2019

Turkish president Recep Tayyip Erdoğan retained his position in May 2023 elections against an economic context affected by high inflation and devastation caused by earthquakes in February. Turkey's central bank is now targeting a return to financial stability from 2025, using high interest rates to reduce inflation^[1]. Annual CPI inflation of 61% in September 2023 represented a significant reduction from 83% in September 2022, while interest rates reached 30% in September 2023^[2].

Turkey, with a population of 84.6mn, is an upper-middle income country, with a per capita GDP of \$41.29k, rising from \$29.59k in 2019. 84% now have

Turkey

Area: 785,350 km²

Capital: Ankara

Currency: Turkish lira (TRY)


Official language: Turkish

Foreign languages spoken: Kurdish

Government type: Presidential republic

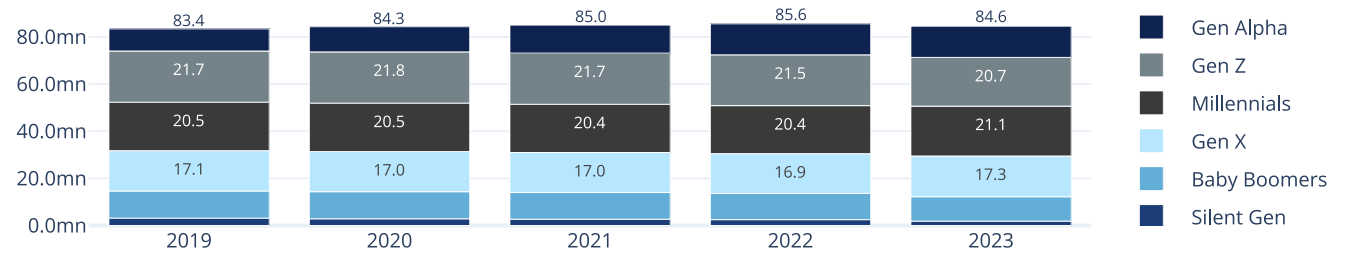
VAT: 18%

Reduced rate: 1%



Turkey: Population analysis

Population structure, by age group (mn)

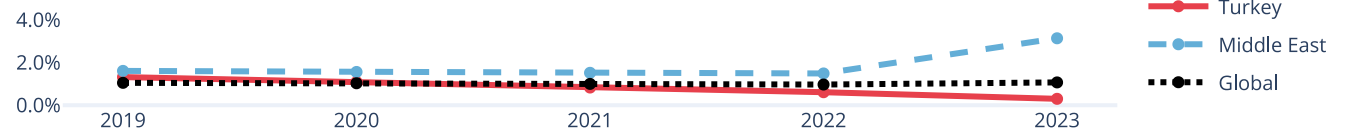


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-TR-SC-1-V1

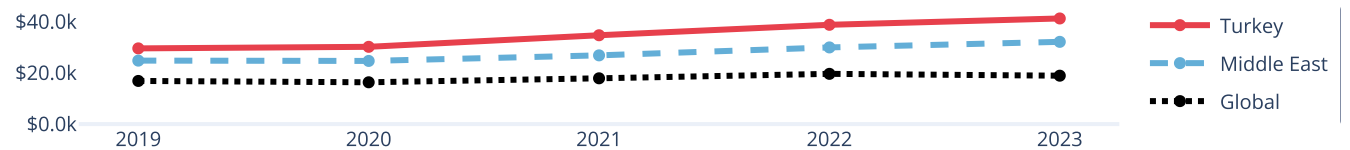
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-TR-SC-2-V2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-TR-SC-3-V1

access to the internet, ITU figures suggest, up from 75% in 2019. Of those with access, 57% shop online.

6% of retail sales will be online in 2023, Statista figures suggest – down from 7% peaks seen in 2020 and 2021. Use of smartphones has grown in recent years. 48% of online sales are now forecast to take place via mobile in 2023, up from 37% in 2019, as smartphone use nears parity with desktops.

Fashion is the sector that's most online, with a forecast 41% of sales in 2023 (25% in 2019), followed by electronics (40%, 26% in 2019).

Ecommerce revenues for 2023 are expected to be 134% ahead of 2019 levels, with a prediction of \$18.7bn in 2023, primarily from sales of electronics (\$8.75bn – up from \$4.92bn in 2019) and fashion (\$3.44bn, \$2.41bn in 2019).

Average shopper spending is highest in electronics (\$252.40 in 2023) and fashion (\$95.87). 35.8mn are expected to buy clothing online in 2023 and 34.7mn electronics. Bank cards are the most popular payment method by some margin, used for 80% of online revenues, followed by bank transfer (7.73%).

Marketplace websites see 85% of traffic, with leaders including multi-category Hepsiburada and fashion-focused Trendyol. Innovative ultrafast delivery company Getir, founded in Istanbul in 2015, has since expanded internationally.

[1] <https://tcmb.gov.tr/veriyaytakvim/calendar.php>

[2] <https://tcmb.gov.tr/wps/wcm/connect/EN/TCMB+EN/Main+Menu/Statistics/Inflation+Data/Consumer+Prices>

Turkey: Internet user analysis

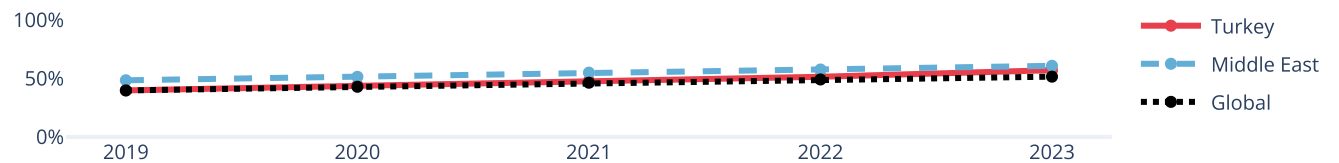
Percentage of internet users



Source: RetailX, drawing on data from Eurostat

© RetailX 2023
RXRUN23RP-TR-SC-4-v1

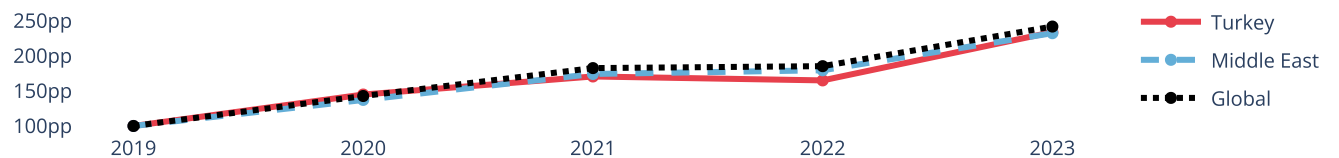
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-TR-SC-5-v1

Ecommerce revenue growth (indexed)

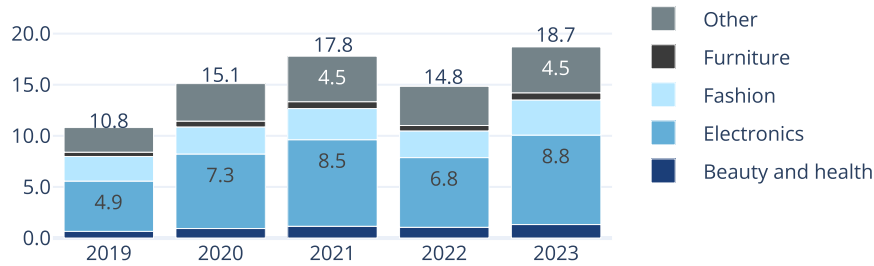


Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-TR-SC-6-v1

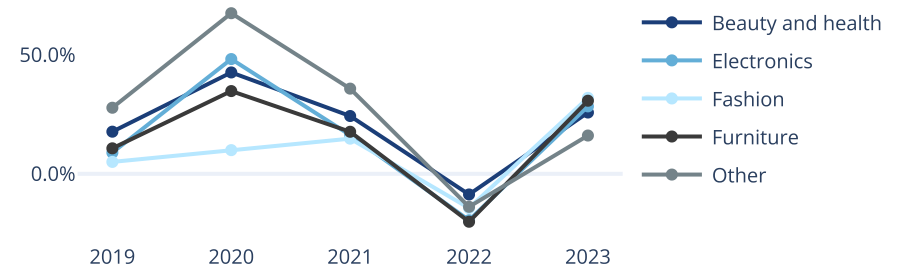
Annual revenue for the ecommerce market (bn USD), Turkey, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-TR-ST-4-v1

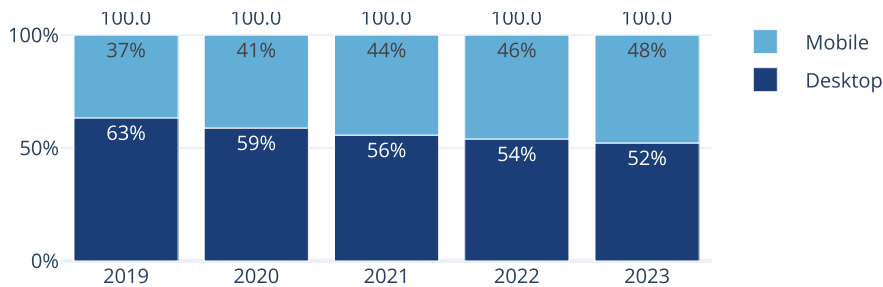
Annual change in revenue for the ecommerce market (%), Turkey, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-TR-ST-6-v1

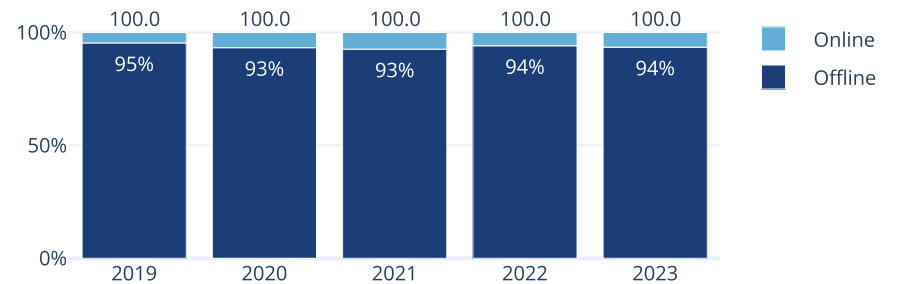
Device usage by revenue for ecommerce, Turkey, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-TR-ST-1-v1

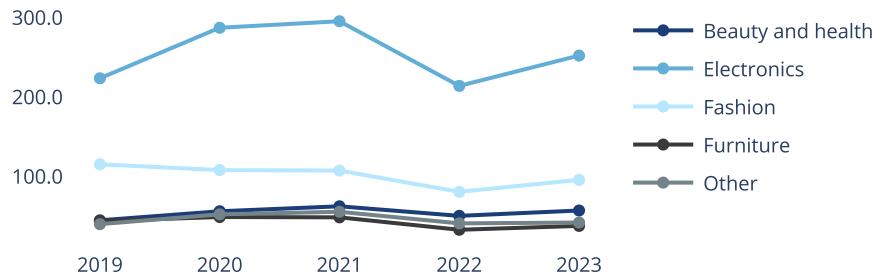
Revenue by channel for multichannel shoppers, Turkey, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-TR-ST-5-v1

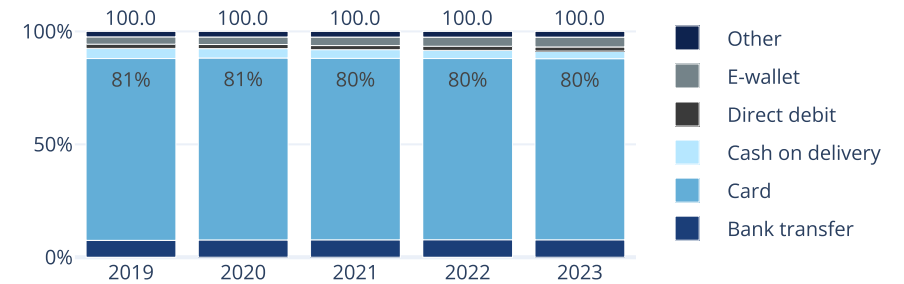
Average spending of e-shoppers (USD), Turkey, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-TR-ST-3-v1

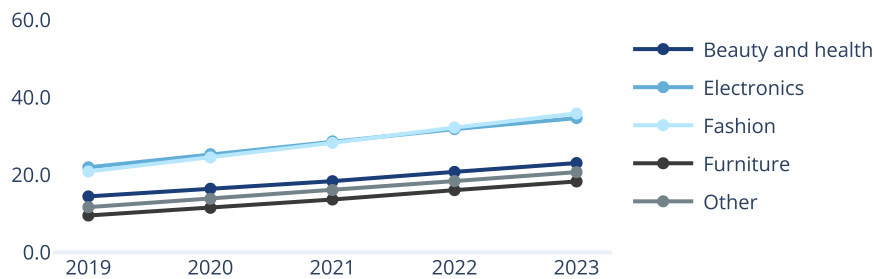
Payment type share by revenue for online shopping (%), Turkey, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-TR-ST-8-v1

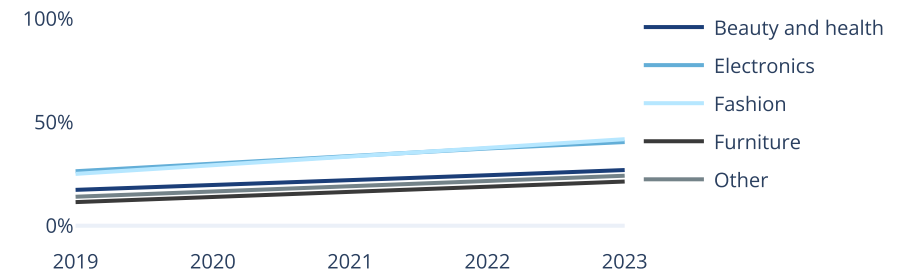
Number of e-shoppers (in millions), Turkey, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-TR-ST-7-v2

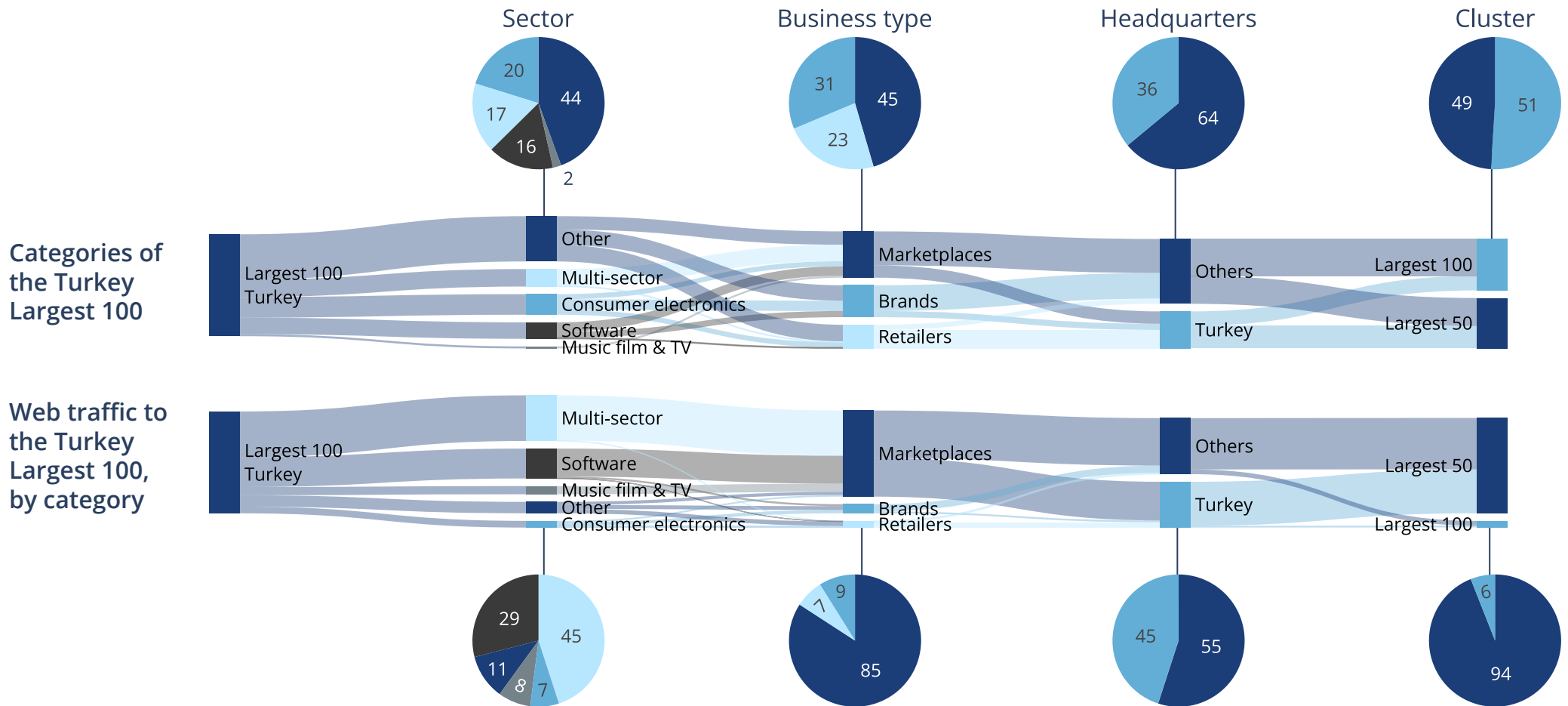
Share of the market taken by ecommerce, by sector, Turkey, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-TR-ST-2-v2

Category analysis of the Turkey Largest 100



Top Sankey chart: the percentage of Turkey Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Turkish consumer web traffic directed at Turkey Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

United Arab Emirates

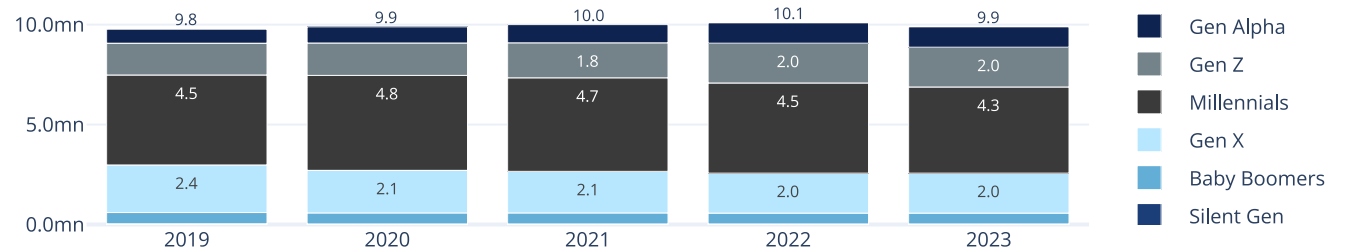
This oil-rich Gulf state is home to affluent consumers who are happy to do their shopping by smartphone

Sheikh Mohamed bin Zayed Al Nahyan has been the third president of the UAE and the ruler of Abu Dhabi since 2022. Abu Dhabi is the largest of UAE's seven sheikhdoms, with 84% of the elective monarchy's landmass and a population of about 2.6mn. Dubai is the second-largest by geographical size, with 5% of the landmass and a population of about 3.5mn^[1].

Abu Dhabi is a leading oil producer, while Dubai has diversified away from oil into areas including tourism, international business and trade. A range

United Arab Emirates: Population analysis

Population structure, by age group (mn)

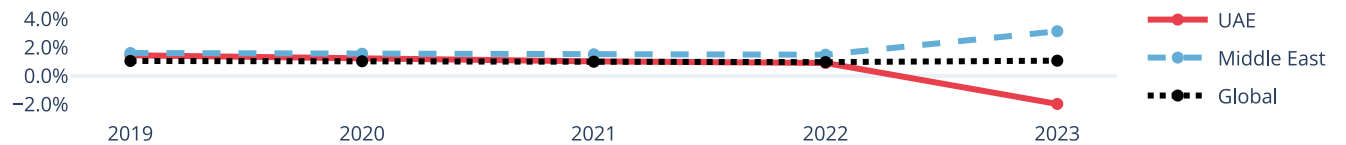


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-AE-SC-1-v2

Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-AE-SC-2-v1

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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RXRUN23RP-AE-SC-3-v1

United Arab Emirates

Area: 98,647 km²

Capital: Abu Dhabi

Currency: UAE dirham (AED)

Official language: Arabic

Foreign languages spoken: English

Government type: Federation of monarchies

VAT: 5%

Reduced rate: 0%

of Western brands, including department stores Bloomingdale's, Galeries Lafayette and Harvey Nichols, sell from UAE's shopping malls, while its shoppers – many of whom are international expats – enjoy 100% internet access, with an estimated 70% shopping online. Ecommerce revenues in 2023 are 147% higher than in 2019, according to Statista.

The UAE's population is put at 9.9mn in 2023, growing at about 1% a year, while per capita GDP is estimated at \$92.39k in 2023, up from \$71.14k in 2019, making it a high income country. UAE's central bank left interest rates at 5.4% in August 2023, while inflation was at 2.28%.

UAE-based shoppers are expected to spend \$10.2bn online this year, led by fashion (\$3.47bn) and electronics (\$2bn). The average shopper spends the most on fashion (\$626.90, up from \$374.3 in 2019) and electronics (\$342.40, \$371.40 in 2019). These are also the categories that more people buy from – 5.85mn UAE residents are expected to buy electronics online this year, up from 4.11mn in 2019. Fashion (5.53mn) and health and beauty (3.6mn in 2023) are also key shopping categories.

A relatively large 14% of UAE retail sales take place online, according to Statista. That's up from 8% in 2019 but down from 15% in 2021. Of these, 68% of sales are via mobile and 32% are over desktop. The categories most bought online are electronics (61%, from 45% in 2019) and fashion (58% from 44% in 2019).

[1] <https://u.ae/en/about-the-uae/the-seven-emirates>

United Arab Emirates: Internet user analysis

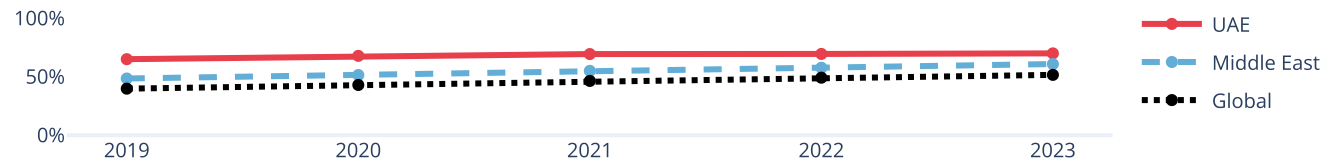
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

RetailX 2023
RXRUN23RP-AE-SC-4-v1

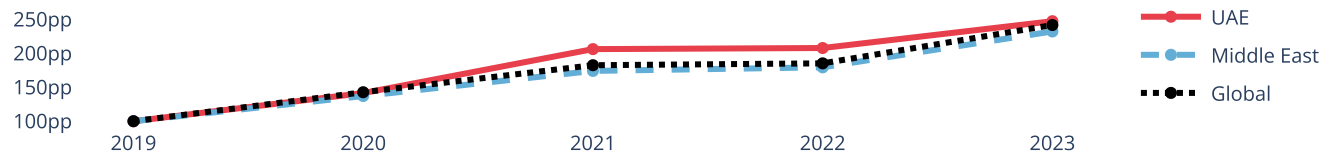
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-AE-SC-5-v1

Ecommerce revenue growth (indexed)

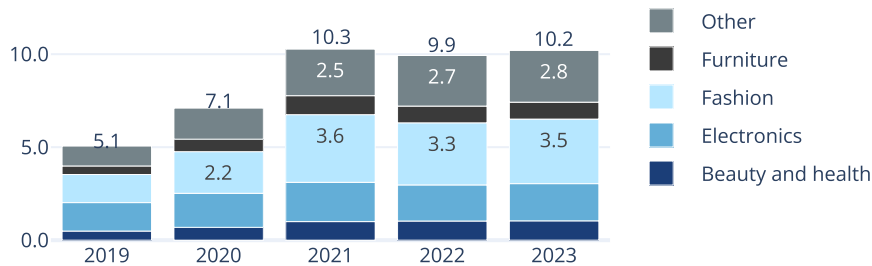


Index 2019=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-AE-SC-6-v1

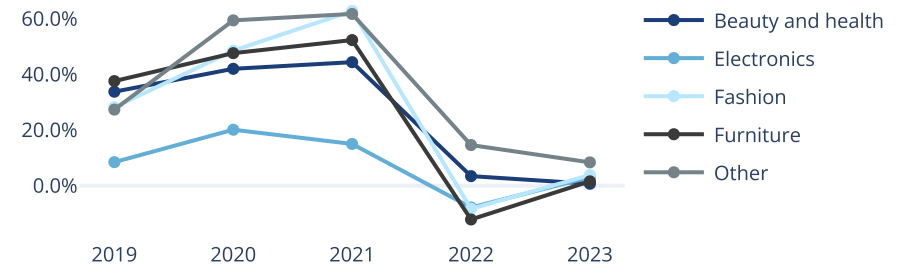
Annual revenue for the ecommerce market (bn USD), United Arab Emirates, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AE-ST-4-v1

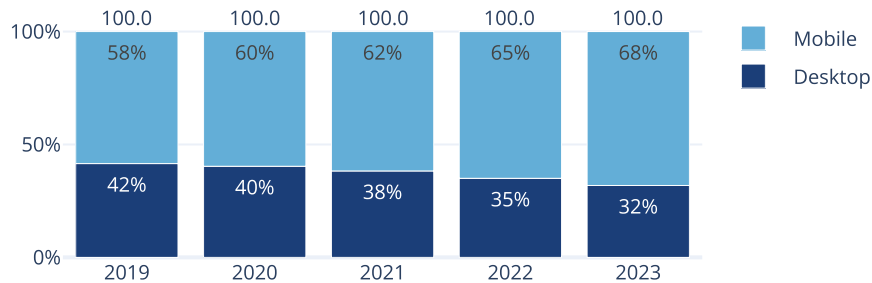
Annual change in revenue for the ecommerce market (%), United Arab Emirates, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AE-ST-6-v1

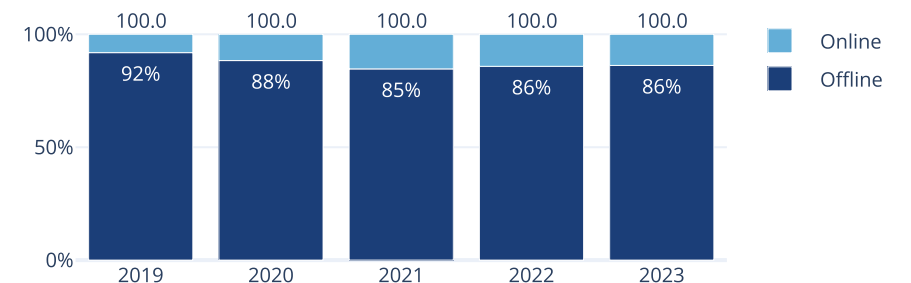
Device usage by revenue for ecommerce, United Arab Emirates, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AE-ST-1-v1

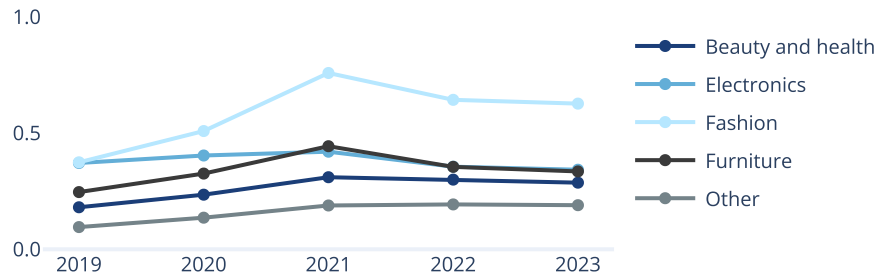
Revenue by channel for multichannel shoppers, United Arab Emirates, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AE-ST-5-v1

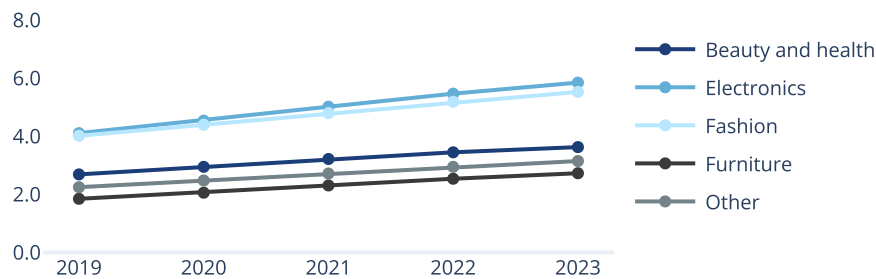
Average spending of e-shoppers (thousand USD), United Arab Emirates, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AE-ST-3-v4

Number of e-shoppers (in millions), United Arab Emirates, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AE-ST-7-v2

Annual percentage change in the Consumer Prices Index (CPI), UAE, 2022-2023

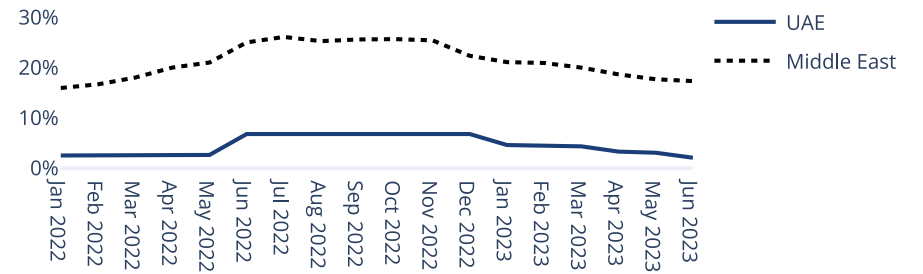
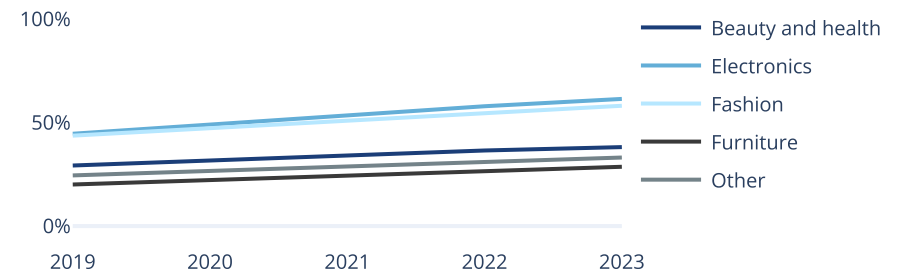


Figure for Middle East calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-AE-I-1-v5

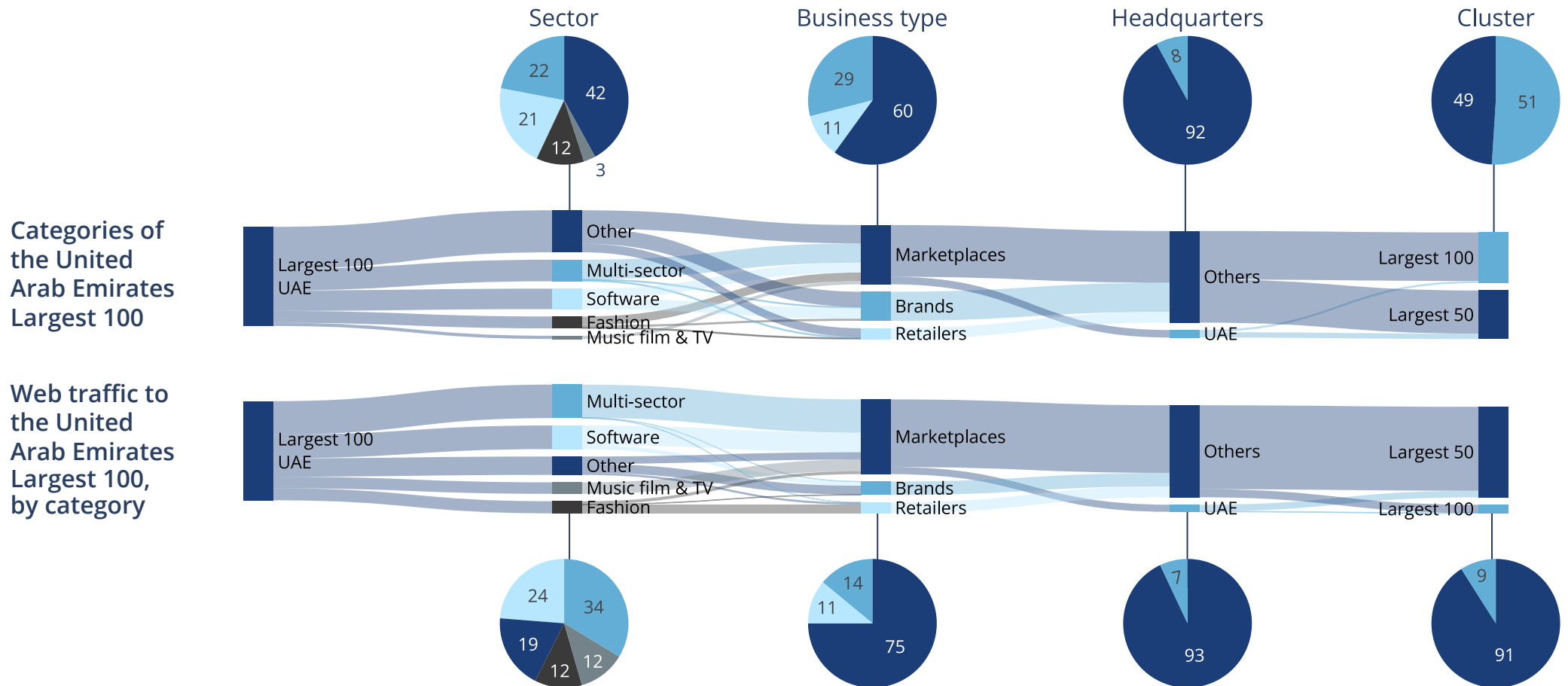
Share of the market taken by ecommerce, by sector, United Arab Emirates, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AE-ST-2-v2

Category analysis of the United Arab Emirates Largest 100



Top Sankey chart: the percentage of United Arab Emirates Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Emirati consumer web traffic directed at United Arab Emirates Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

RetailX 2023
RXRUN23RP-AE

North America

With the US and Canada seeing only incremental gains, it is Mexico that shows the most potential for ecommerce growth



North America

Area: 24,709,000 km²

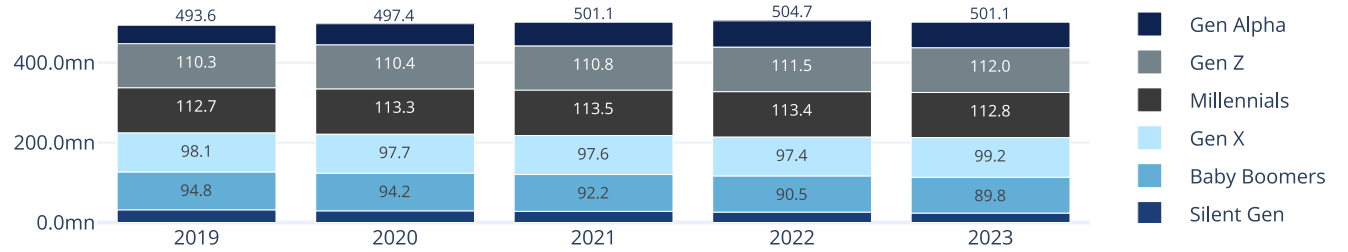
Official languages: English, French, Spanish

Average VAT: 7%

Average reduced rate: 2.7%

North America: Population analysis

Population structure, by age group (mn)



Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-NAM-SC-1-v3

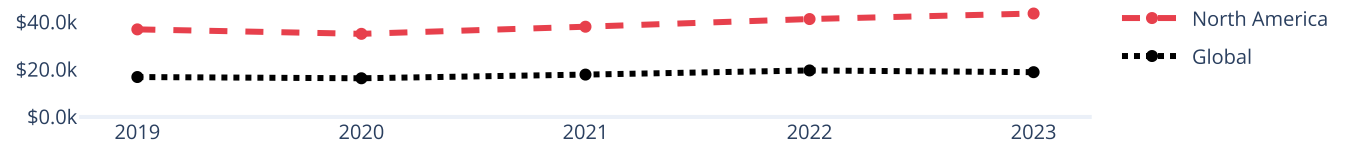
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-NAM-SC-2-v3

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

© RetailX 2023
RXRUN23RP-NAM-SC-3-v4

All three of the countries that represent the North American continent have their own set of political challenges. In the US, the 2024 presidential election and the instability that comes with it looms large, in Canada the diplomatic row with India rumbles on, while Mexico is also preparing itself for a presidential election campaign next year.

Political uncertainty aside, the economies of the US, Canada and Mexico have all fought back from the rigours and demands of the global pandemic. The US economy, for example, has rapidly returned to its pre-Covid trajectory, while Mexico has seen seven consecutive quarters of economic growth and is benefiting from its close trade links with its prosperous neighbour. Meanwhile, Canada has seen significant population growth as it actively attracts migrants in order to support its ageing population and ease labour shortages.

Population is actually declining across North America, with 2023 witnessing a decrease of nearly 0.5% from the previous year according to data from the UN Population Division. This is in contrast to a global population growth rate of 1.07% over the same period.

North America is a rich continent and the GDP per capita of \$43.67k in 2023, up from \$41.34k the previous year, with both figures comfortably exceeding the global average of \$18.92k. It is not unsurprising that the US leads the way in terms of GDP per capita, with a 2023 figure of \$77.02k (up from \$74.78k in 2022). Canada registers \$60.7k per head this year, while Mexico trails with \$23.81k – an increase from \$22.19k the previous year.

North America: Internet user analysis

Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-NAM-SC-4-v4

Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-NAM-SC-5-v4

Ecommerce revenue growth (indexed)



Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-NAM-SC-6-v3

Over the past five years, ecommerce revenue growth in North America has run at more than 125%. While its GDP per capita might be below its wealthier North American neighbours, it is Mexico's ecommerce growth that has boosted this figure, with a five-year growth figure of 163.31%, compared to 101.23% in the US and 111.09% in Canada. Mexico's figures look impressive but, obviously, the country is coming from a lower, less established ecommerce bar than the other two countries, where retailers are only able to make smaller, more incremental gains.

Mexico's potential for growth is illustrated by a quick comparison of internet usage data in 2023. While 91.75% of the US population are connected to the web, only 75.6% of Mexicans are users, with only 52.47% of them currently shopping online. These figures clearly indicate the country's untapped potential for ecommerce growth.

The Consumer Price Index for North America illustrates that figures for the period from January 2022 to June 2023 have remained constantly below

the global average and that a downward trajectory has been maintained since November of last year.

Marketplaces are popular in the North America region, with 76% of consumer web traffic directed at its Largest 100 retailers' websites. 13% and 11% of traffic goes, respectively, to brands and retailers. Multi-sector sites perform strongly, attracting 56% of web traffic, while fashion is the largest single sector (10%). 74% of the Largest 100 retailers are headquartered in North America.

Annual percentage change in the Consumer Prices Index (CPI), North America, 2022-2023

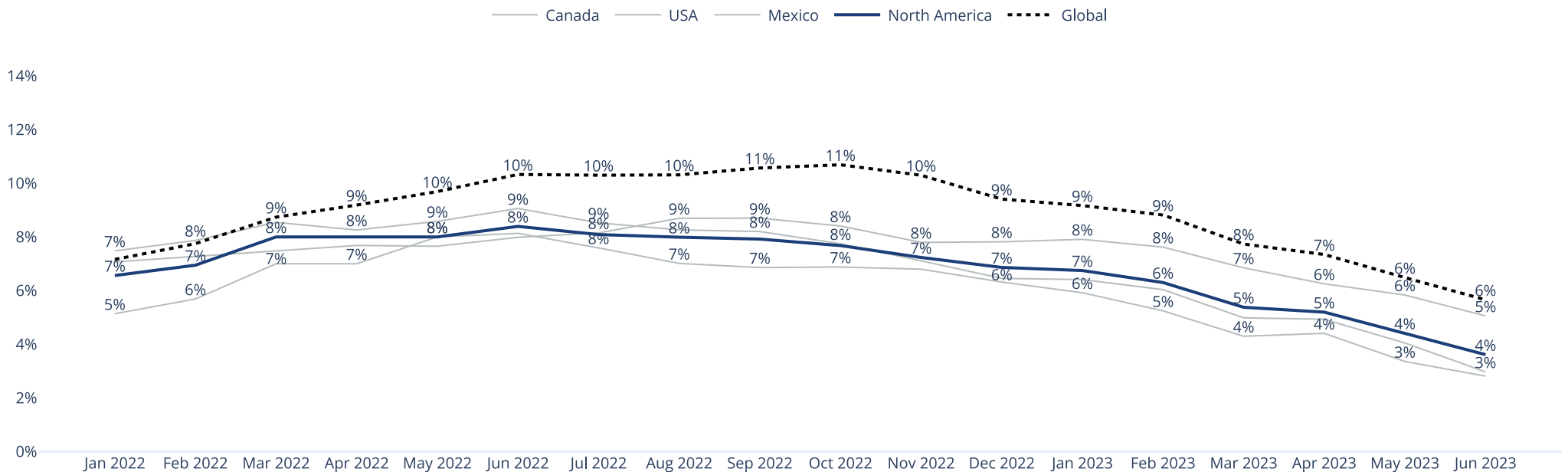
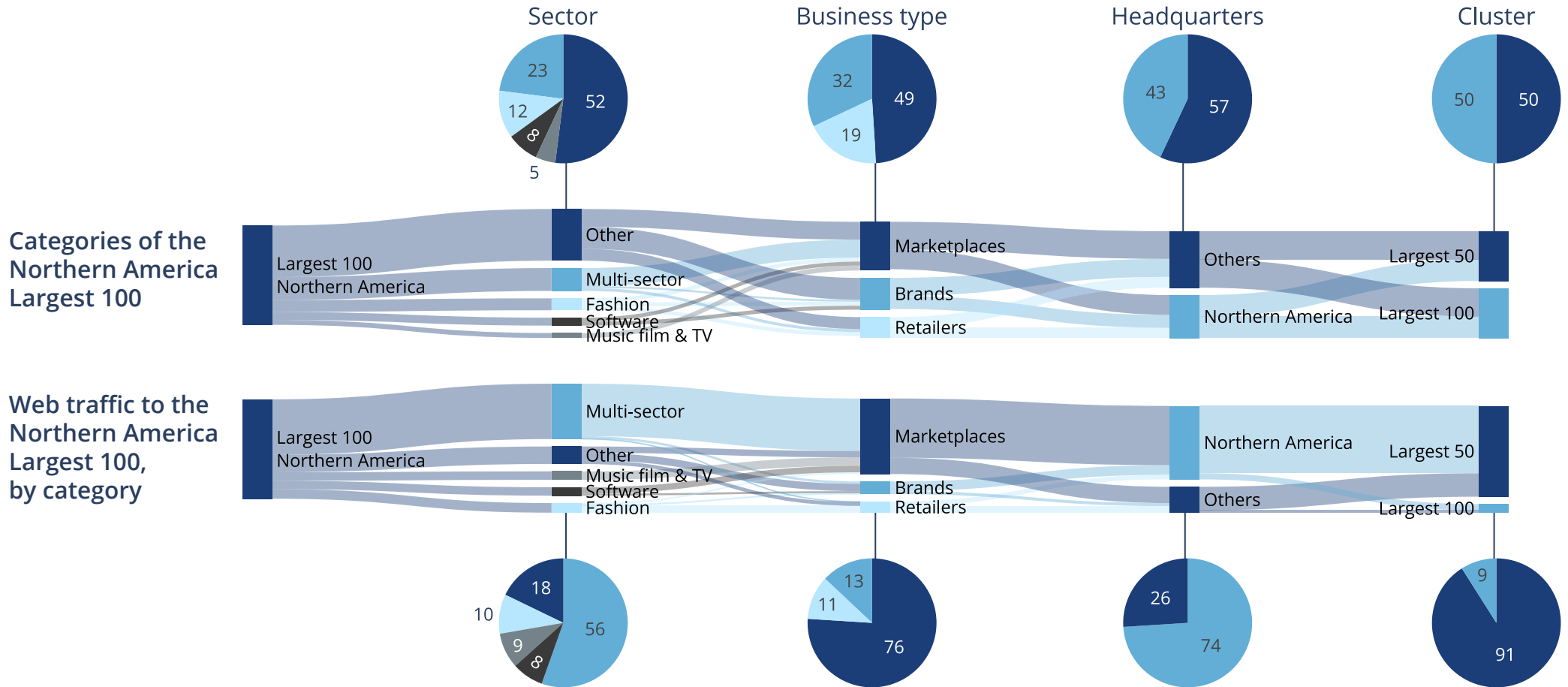


Figure for North America calculated using the average for countries showcased in this report

Source: OECD

Category analysis of the Northern America Largest 100



Top Sankey chart: the percentage of Northern America Largest 100 retailers in a category. Bottom Sankey chart: the percentage of North American consumer web traffic directed at Northern America Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

Canada

The country's population is growing quickly due to the government's policy on international migration

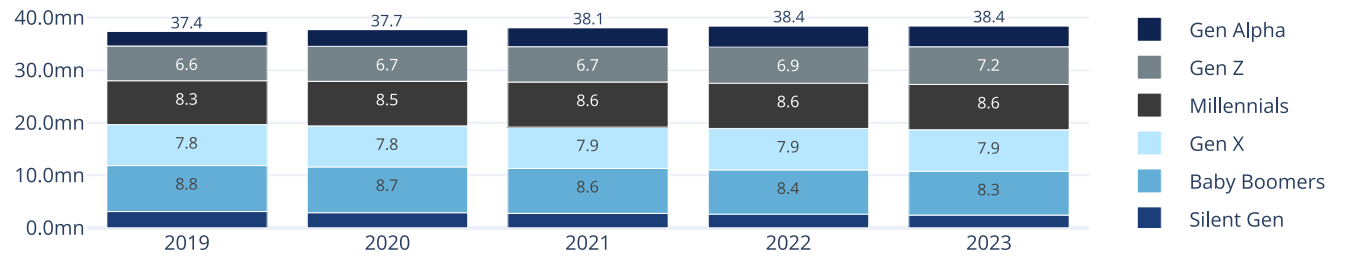
Canada's population is increasing. According to estimates published by Statistics Canada^[1], the population stood at 39,566,248 on 1 January 2023.

Nearly 96% of this growth is related to international migration, with the significant rise linked closely to the government's efforts to attract migrants to the country as a measure of easing labour shortages and supporting an ageing population.

Because of this policy, Canada has been more open than many other countries in welcoming people affected by war in Ukraine, the humanitarian crisis in Afghanistan, and recent earthquakes in Turkey and Syria.

Canada: Population analysis

Population structure, by age group (mn)

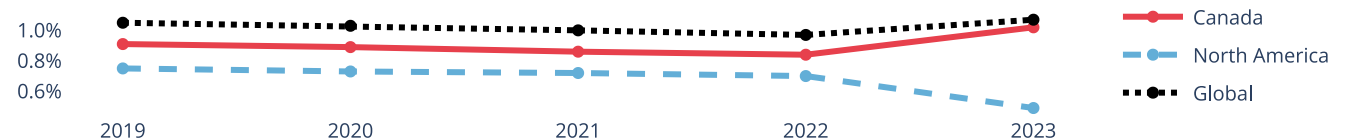


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailIX, drawing on data from the UN Population Division

© RetailIX 2023
RXRUN23RP-CA-SC-1-v1

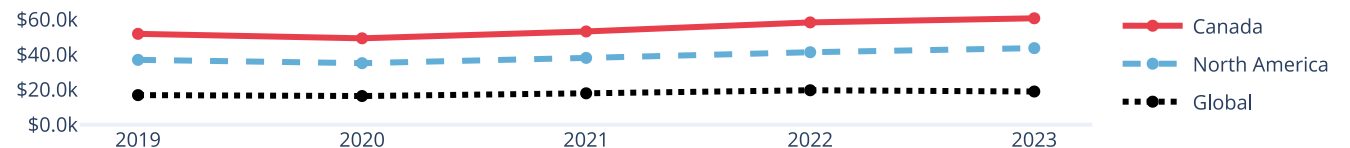
Population growth



Source: RetailIX, drawing on data from the UN Population Division

© RetailIX 2023
RXRUN23RP-CA-SC-2-v4

GDP per capita



Source: RetailIX, drawing on data from the IMF and the UN Population Division

© RetailIX 2023
RXRUN23RP-CA-SC-3-v3

Canada



Area: 9,879,750 km²

Capital: Ottawa

Currency: Canadian dollar (CAD)

Official language: English, French

Government type: Federal parliamentary democracy under a constitutional monarchy

VAT: 5%

This openness to international migration is seen as an initiative to plug a gap left in its economy largely caused by Baby Boomers leaving the workforce^[2]. The age groups within Canada’s population structure have, so far, not been skewed by immigration, with the number of Millennials and Generation Xers remaining the same between 2022 and 2023.

According to Deloitte Canada, the economy is set to get back on its feet in 2024, with continued population growth helping to offset downward pressure from inflation and high interest rates^[3]. Canada has a reputation as friendly and open to the world, yet recently found itself in a diplomatic spat with India over an alleged assassination.^[4]

Canada is a web-savvy country, with 94.6% of its population using the internet and 76% of these users shopping online. Ecommerce revenue growth continues on an upward trajectory, up to \$55.1bn from \$49.7bn the previous year.

Device usage, measured across ecommerce revenue, is split 66% to 34% in favour of desktop over mobile, a figure that remains unchanged from the previous year. Similarly, the percentage of multichannel shoppers who prefer to buy online has also remained constant from 2022 to 2023, at 14%. Fashion and electronics are the biggest market sectors in Canada.

[1] www150.statcan.gc.ca/n1/daily-quotidien/230322/dq230322f-eng.htm

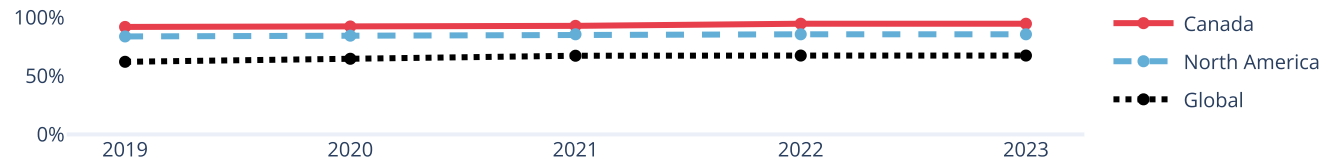
[2] <https://financialpost.com/canadas-aging-work-force-national-labour-shortage>

[3] www2.deloitte.com/ca/en/pages/future-of-canada-center/articles/federal-budget.html

[4] www.bbc.co.uk/news/uk-66848041

Canada: Internet user analysis

Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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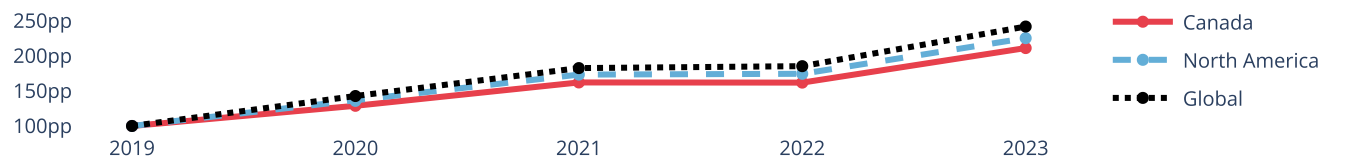
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-CA-SC-5-v3

Ecommerce revenue growth (indexed)

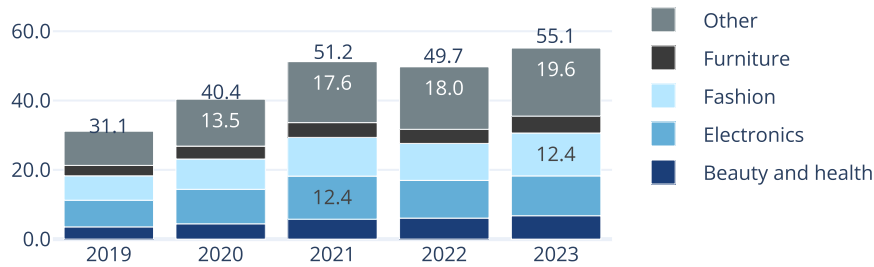


Index 2019=100

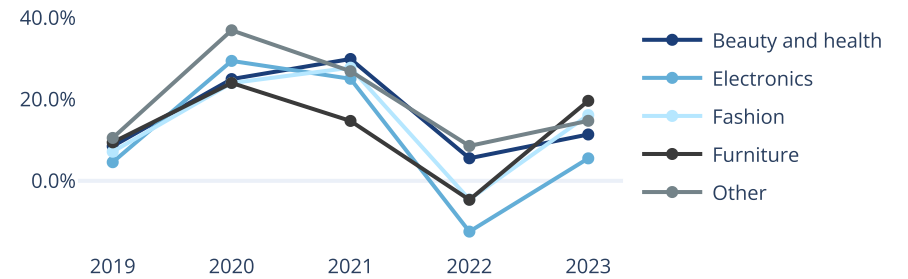
Source: RetailX, drawing on data from Statista

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Annual revenue for the ecommerce market (bn USD), Canada, 2019-23



Annual change in revenue for the ecommerce market (%), Canada, 2019-23



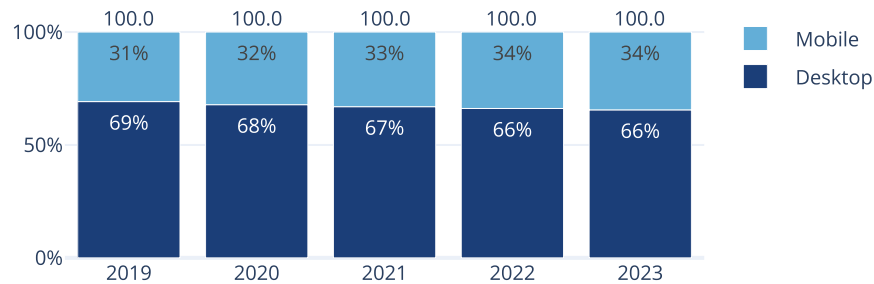
Source: Statista Digital Market Insights

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RXRUN23RP-CA-ST-4-v1

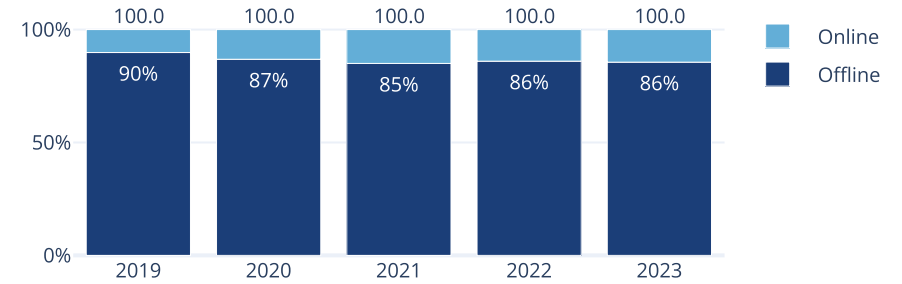
Source: Statista Digital Market Insights

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RXRUN23RP-CA-ST-6-v1

Device usage by revenue for ecommerce, Canada, 2019-23



Revenue by channel for multichannel shoppers, Canada, 2019-23



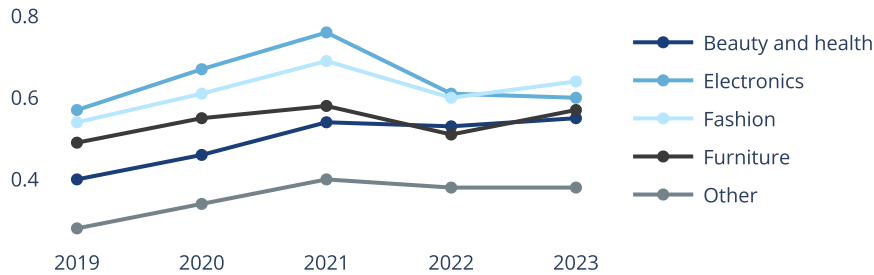
Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-CA-ST-1-v1

Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-CA-ST-5-v1

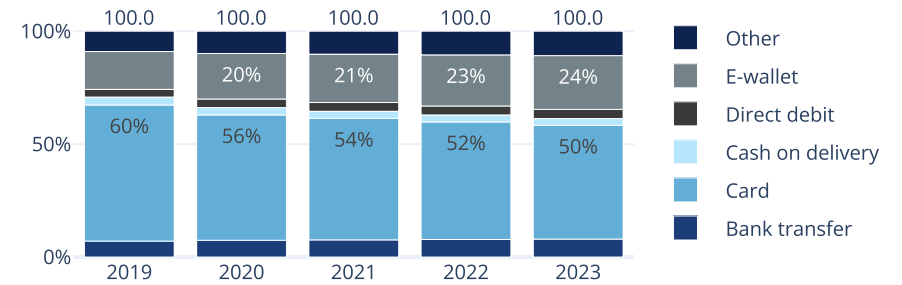
Average spending of e-shoppers (thousand USD), Canada, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-CA-ST-3-v1

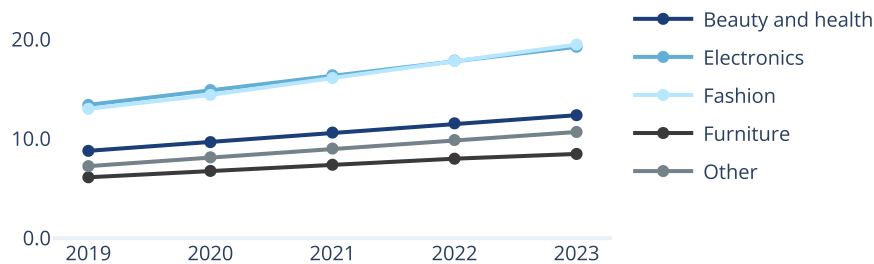
Payment type share by revenue for online shopping (%), Canada, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-CA-ST-8-v1

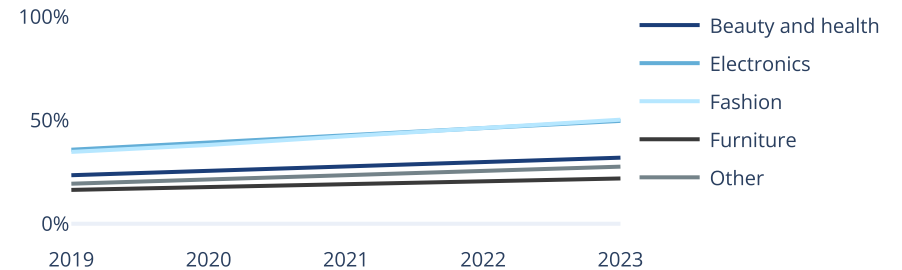
Number of e-shoppers (in millions), Canada, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-CA-ST-7-v3

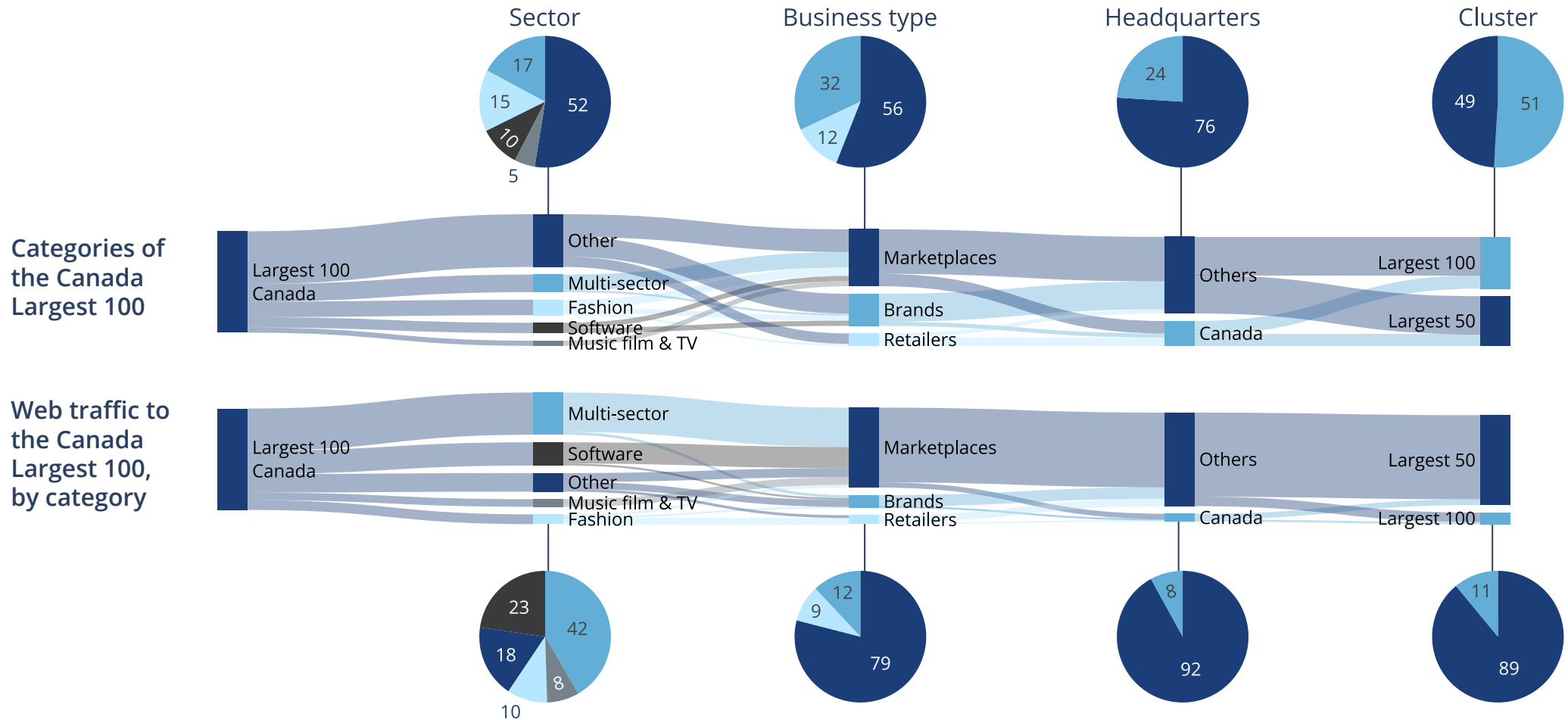
Share of the market taken by ecommerce, by sector, Canada, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-CA-ST-2-v2

Category analysis of the Canada Largest 100



Top Sankey chart: the percentage of Canada Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Canadian consumer web traffic directed at Canada Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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RXRUN23RP-CA

Mexico

Ecommerce continues to grow in a country with an already resilient economy that's also buoyed by close ties to the US,

In April 2023 the Mexican economy witnessed its seventh consecutive quarter of positive growth, staking its claim as one of the most prosperous in Latin America. This resilience has prompted the International Monetary Fund (IMF) in October of this year to raise its 2023 growth forecasts for the country to 3.2%^[1].

One of the reasons for this vote of confidence is the news that, for the first time since the early-2000s, the demand for Mexican goods in the neighbouring US has overtaken China. Mexico's share of exported goods to the US registered as roughly 15% in July 2023. In comparison, China's share has fallen to 14.6% from a peak of 22% in March 2018.

Mexico

Area: 1,964,375 km²

Capital: Mexico City

Currency: Mexican peso (MXN)

Official language: Spanish

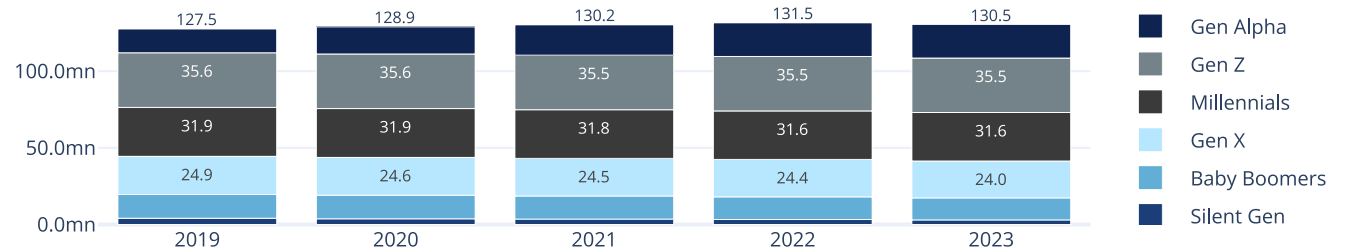
Government type: Federal presidential republic

VAT: 16%

Reduced rate: 8%

Mexico: Population analysis

Population structure, by age group (mn)



Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-MX-SC-1-v2

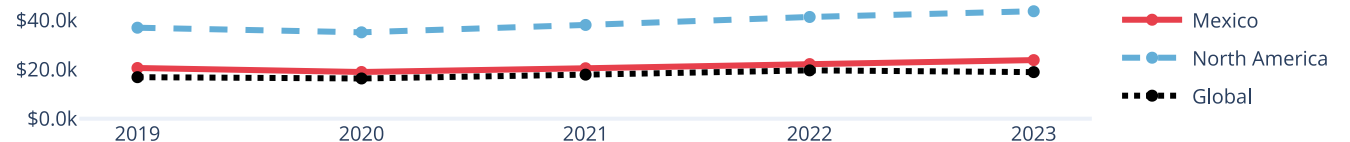
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-MX-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-MX-SC-3-v2

These deep economic ties to the US have the potential to boost Mexico's GDP and investment as manufacturing exports increase. The IMF says, "The ongoing shaping of global supply chains is an opportunity for Mexico. Its proximity to, and deep trade links, with the US make it a key location for the 'near-shoring' of production for the US market."^[2]

Mexico's population appears to have stabilised at around 130mn. The population structure remained relatively unaltered between 2022 and 2023, with the two biggest groups, Gen Z and Millennials, combining to make up 67.1mn of the population.

The percentage of the Mexican population using the internet rose to 76% in 2023. While this sits above the global percentage of 67%, it's still below that of North America as a whole – 86%.

Mexican consumers continue to embrace online shopping and the percentage of active shoppers rose from 49% in 2022 to 52% in 2023. This number was as low as 32% in 2018, which highlights not only Mexico's fast pace of ecommerce adoption but also the opportunities that still remain.

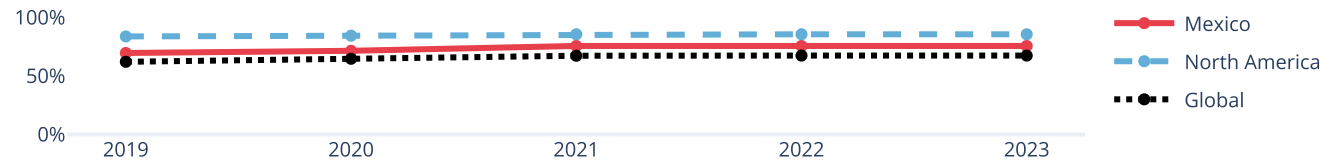
Ecommerce revenues have continued to grow over the past five years, increasing 163% since 2019. Marketplaces are popular with the Mexican consumer and 79% of the web traffic to the country's Largest 100 retailers is directed to them

[1] <https://mexiconewsdaily.com/business/imf-updates-mexicos-economic-growth-forecast-to-3-2-in-2023/>

[2] www.bloomberg.com/news/newsletters/2023-06-28/supply-chain-latest-us-nearshoring-proof-grows-as-mexico-exports-jump

Mexico: Internet user analysis

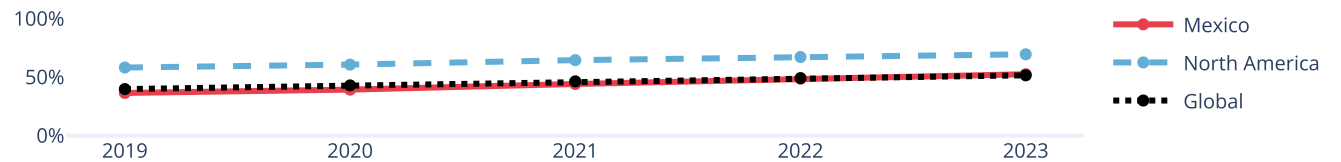
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-MX-SC-4-v2

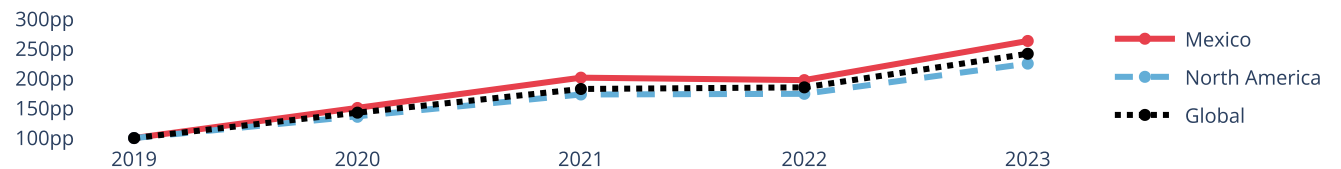
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-MX-SC-5-v1

Ecommerce revenue growth (indexed)

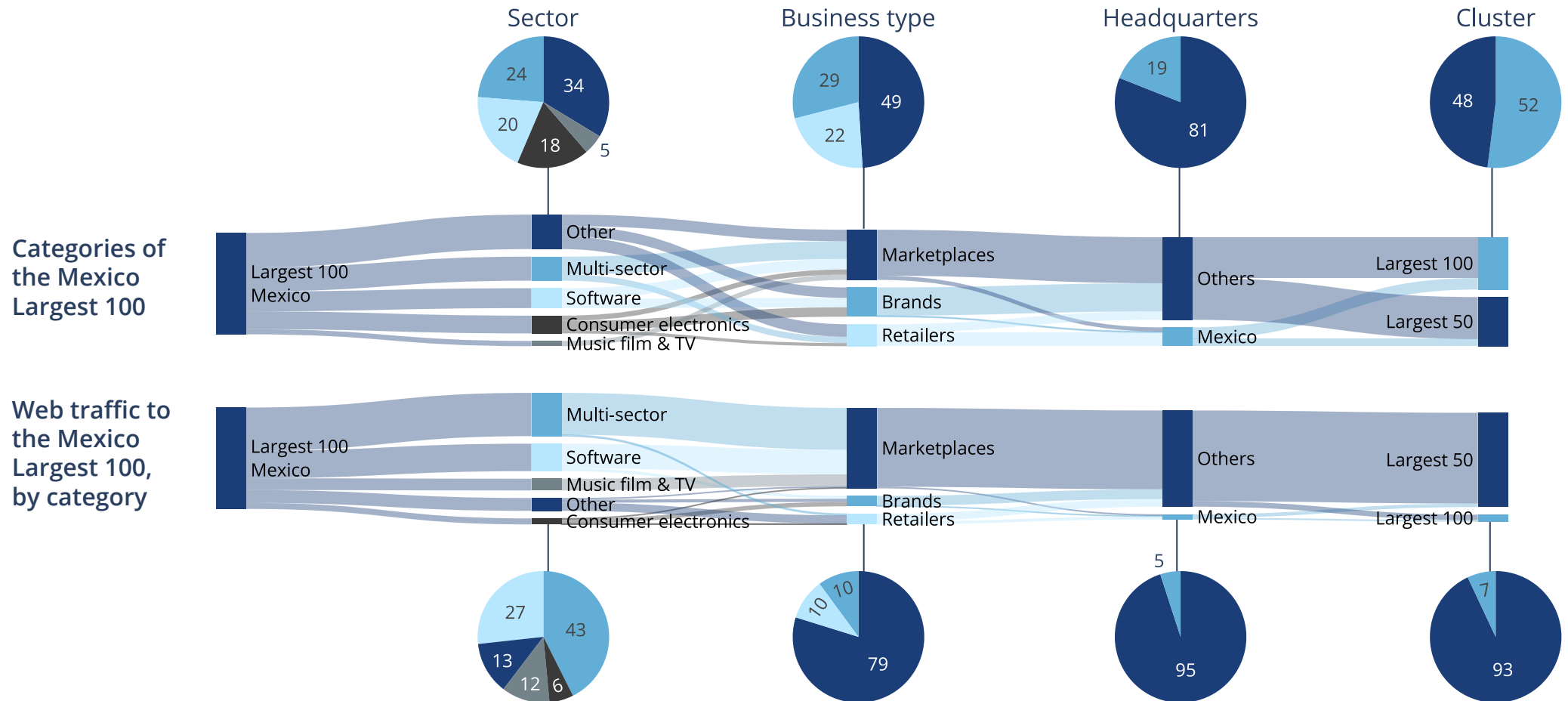


Index 2019=100

Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-MX-SC-6-v1

Category analysis of the Mexico Largest 100



Top Sankey chart: the percentage of Mexico Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Mexican consumer web traffic directed at Mexico Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

RetailX 2023
RXRUN23RP-MX

United States of America

Despite challenges, both domestic and global, consumer confidence remains high in the US and ecommerce is thriving

The 'drama' created by the relentless machinations of the US political system has obscured the strength of its economy, which has recovered strongly from the shockwaves of Covid-19 and returned to its pre-pandemic growth trajectory^[1].

In June 2023, US President Joe Biden described his economic philosophy on Twitter, "Bidenomics is about growing the economy from the middle out and the bottom up, not the top down." As a mainstay of that philosophy, the resultant increase in government spending on infrastructure and services has created more growth and jobs.

United States of America

Area: 9,831,510 km²

Capital: Washington, DC


Currency: US dollar (USD)

Official language: English

Foreign languages spoken: Spanish

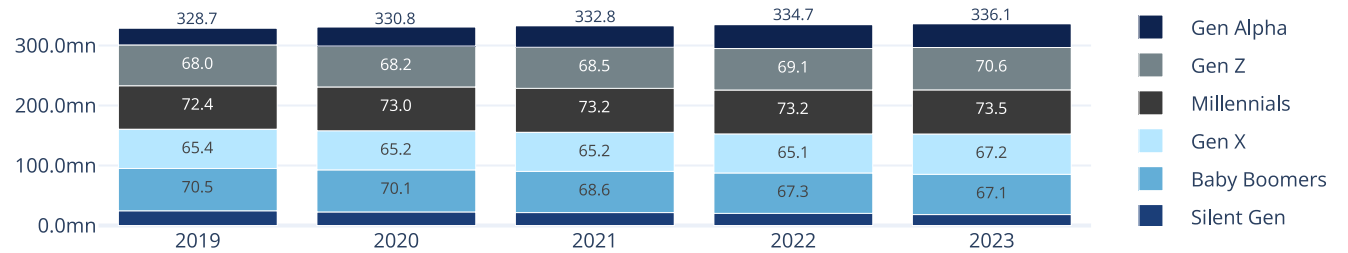
Government type: Constitutional federal republic

VAT: 0%



United States: Population analysis

Population structure, by age group (mn)

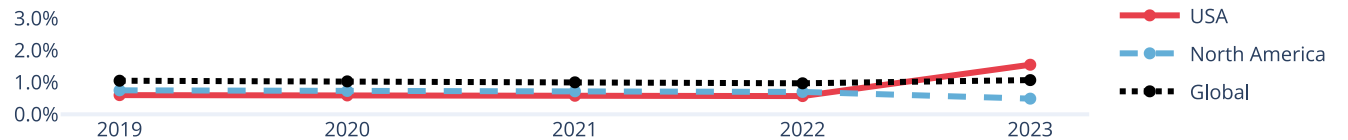


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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RXRUN23RP-US-SC-1-v1

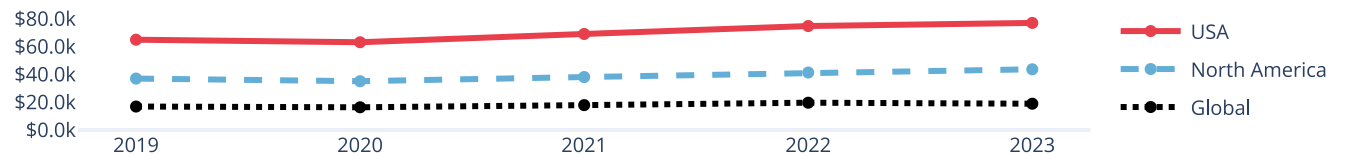
Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-US-SC-2-v3

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

© RetailX 2023
RXRUN23RP-US-SC-3-v2

In August 2023, according to Bureau of Labor Statistics data, the US economy created over 336,000 new jobs. This figure far exceeded economist predictions and brought the country's unemployment rate down to 3.8%, which is close to a 50-year low^[2]. The US financial markets responded positively to news of this and the prospects of a 'soft landing' from high inflation rather than recession are believed likely.

That's not to say there are no challenges ahead for the US economy. For instance, ongoing industrial action in the automotive industry, combined with the very real threat of a government shutdown, could have a destabilising effect on growth.

The US is a world leader in terms of ecommerce and of the 92% of its population who use the internet, 82% of them shop online. This figure is up on the previous year (80%) and well above the North American average of 70%. Revenue growth continues to increase and has seen a 101% increase since 2019. Annual revenue for the ecommerce market in the US for 2023 stood at \$915.4bn.

Fashion continues to be the dominant market sector in 2023 (\$148.8bn) ahead of electronics (\$131.4bn) and beauty & health (\$93.3bn).

Mobile continues to eat into desktop's share as the preferred device for ecommerce. Usage is up from 47% in 2022 to a little more than 49% in 2023.

[1] <https://weforum.org/agenda/2023/02/us-economy-covid19-inflation>

[2] <https://bls.gov/news.release/empsit.nr0.htm>

United States: Internet user analysis

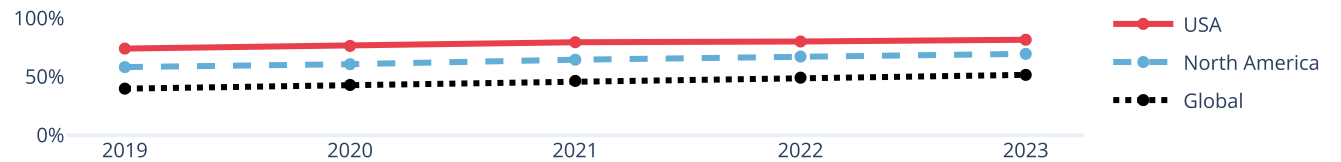
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-US-SC-4-v2

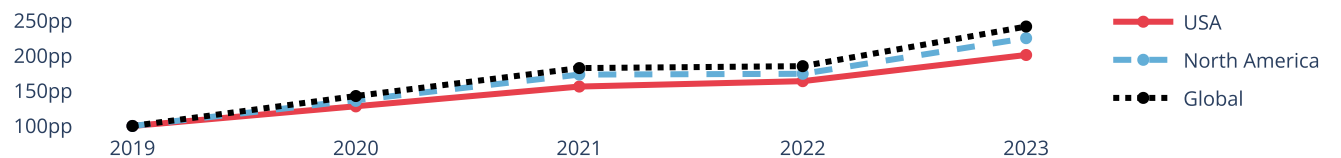
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

© RetailX 2023
RXRUN23RP-US-SC-5-v2

Ecommerce revenue growth (indexed)

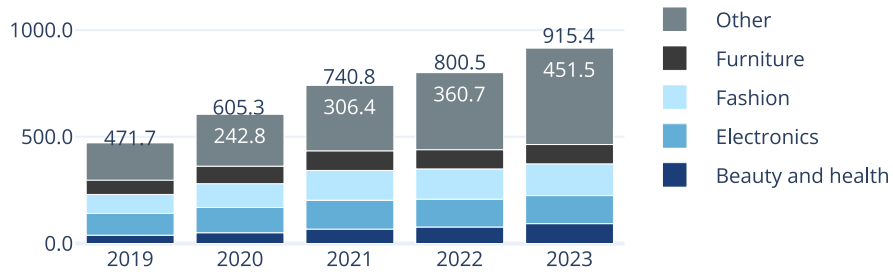


Index 2019=100

Source: RetailX, drawing on data from Statista

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RXRUN23RP-US-SC-6-v2

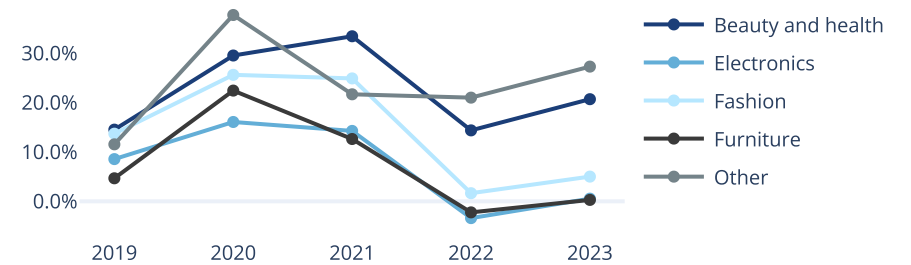
Annual revenue for the ecommerce market (bn USD), United States, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-US-ST-4-v1

Annual change in revenue for the ecommerce market (%), United States, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-US-ST-6-v1

Device usage by revenue for ecommerce, United States, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-US-ST-1-v1

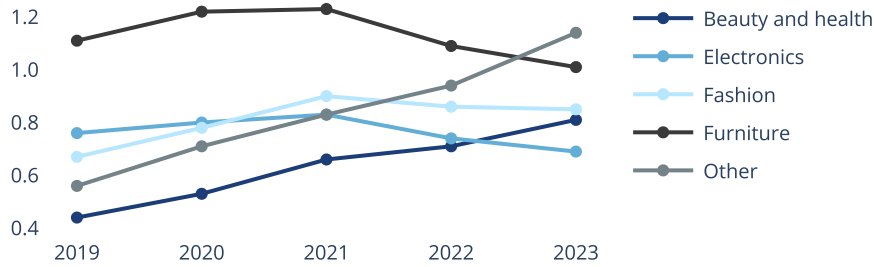
Revenue by channel for multichannel shoppers, United States, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-US-ST-5-v1

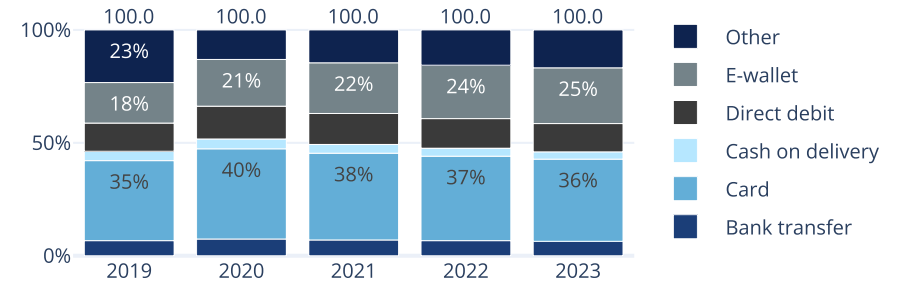
Average spending of e-shoppers (thousand USD), United States, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-US-ST-3-v1

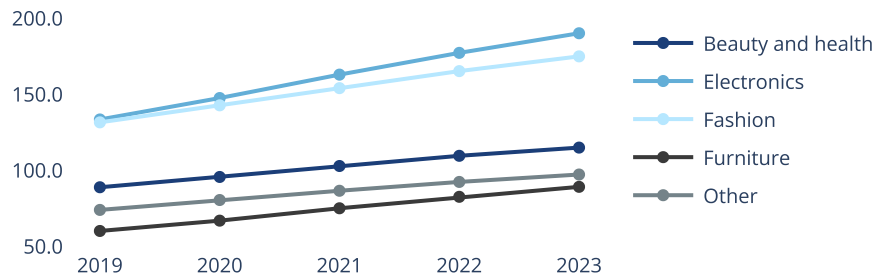
Payment type share by revenue for online shopping (%), United States, 2019-23



Source: Statista Digital Market Insights

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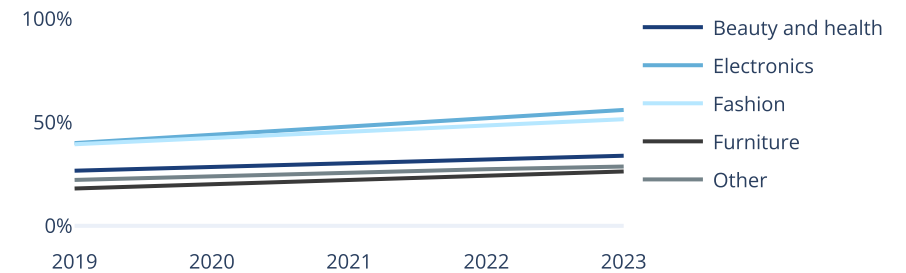
Number of e-shoppers (in millions), United States, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
RXRUN23RP-US-ST-7-v1

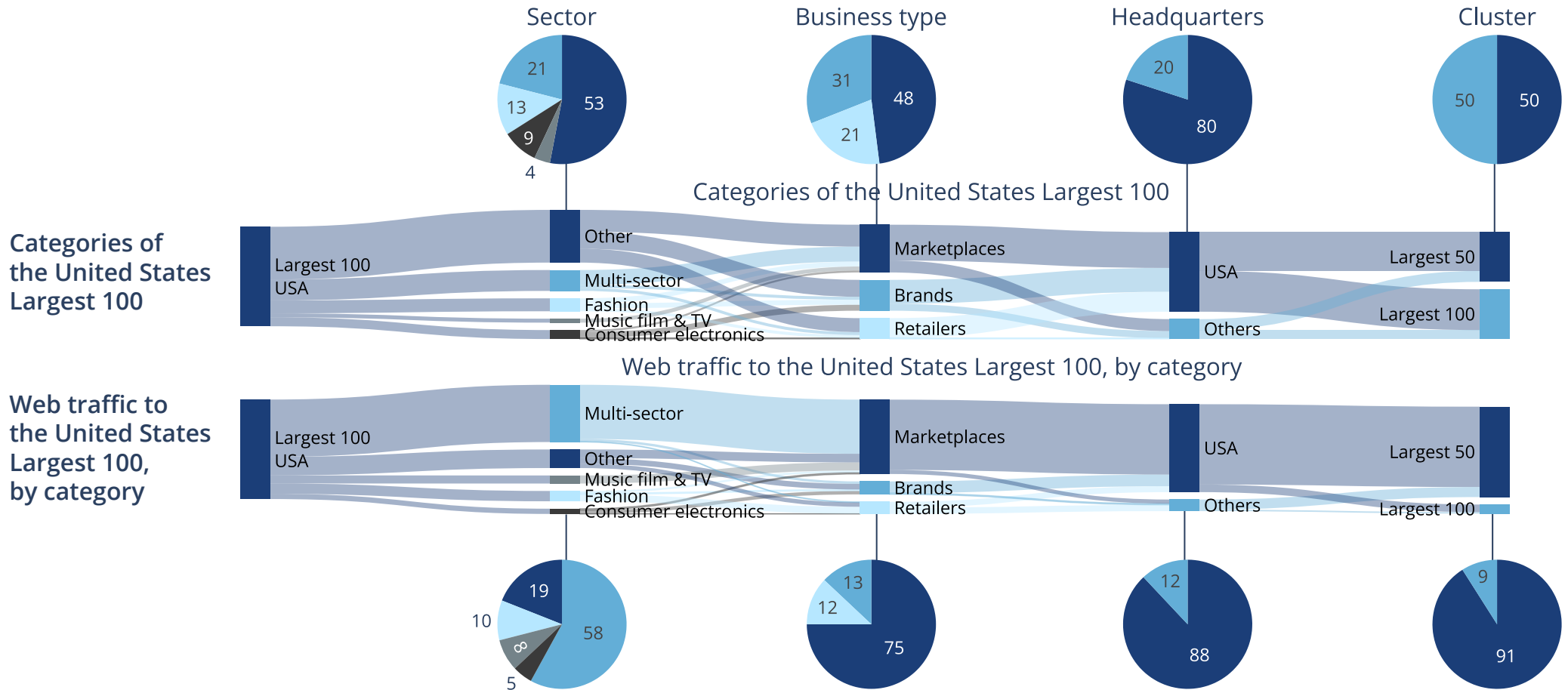
Share of the market taken by ecommerce, by sector, United States, 2019-23



Source: Statista Digital Market Insights

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RXRUN23RP-US-ST-2-v2

Category analysis of the United States Largest 100



Top Sankey chart: the percentage of United States Largest 100 retailers in a category. Bottom Sankey chart: the percentage of American consumer web traffic directed at United States Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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RXRUN23RP-US

South America

South America's large, middle-income population has become far more likely to shop online in recent years



South America

Area: 17,840,000 km²

Official languages: Aymara, Portuguese, Spanish, Quechua...

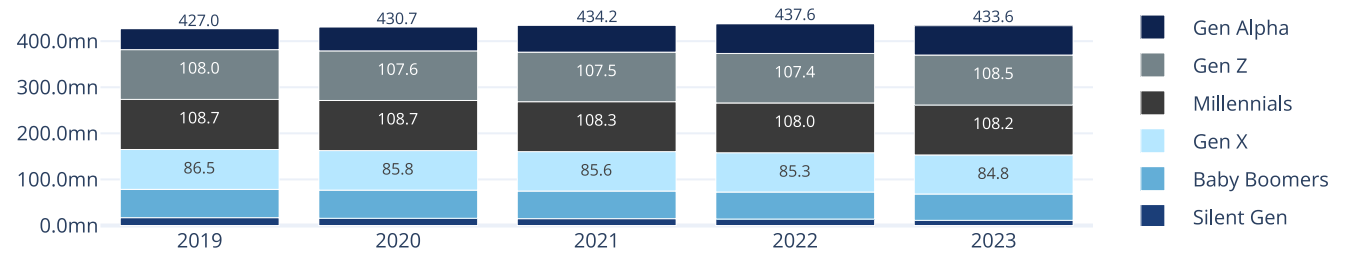
Foreign languages spoken: English, French, German, Italian, Japanese...

Average VAT: 17%

Average reduced rate: 5%

South America: Population analysis

Population structure, by age group (mn)



Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-SAM-SC-1-v1

Population growth



Source: RetailX, drawing on data from the UN Population Division

© RetailX 2023
RXRUN23RP-SAM-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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RXRUN23RP-SAM-SC-3-v2

South America is a continent of 12 countries and home to more than 430mn people. This population has grown, on average, by less than 1% in recent years. This report focuses on these markets – Argentina, Brazil, Chile, Colombia and Peru – five developed countries that have relatively high levels of internet access.

South America is at particular risk of the adverse effects of climate change. In 2022 and 2023, it has seen wildfires, floods, landslides and drought. It has also seen sea levels rising faster in the South Atlantic and the subtropical North Atlantic, compared to the global mean, according to the World Meteorological Organisation (WMO)^[1].

The continent has rich natural resources, from fossil fuels and minerals to the sun, hydropower and wind that can be harnessed through renewable energy. Countries including Brazil and Argentina are among the world’s largest agricultural producers, known for products such as coffee, cocoa, wheat, sugarcane and beef. The WMO says that while renewable energy capacity expanded in the region by 33% between 2015 and 2020, the pace needs to increase to meet an anticipated 48% rise in electricity demand between 2020 and 2030.

The IMF warned earlier this year that while South American economies have recovered well from the Covid-19 pandemic, it will take time for inflation to come back under control. It said that “slowing growth, high and inflation and global uncertainty” would all mean many in the region “see their living standards decline this year and will likely face increased anxiety about their future.” Such feelings

South America: Internet user analysis

Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

© RetailX 2023
RXRUN23RP-SAM-SC-4-v2

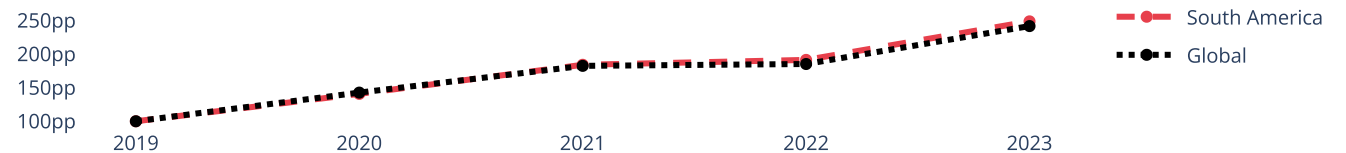
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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RXRUN23RP-SAM-SC-5-v2

Ecommerce revenue growth (indexed)



Index 2019=100

Source: RetailX, drawing on data from Statista

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have given rise to social tensions^[2], both from the poorer economic groups and middle classes affected by the legacy of pandemic lockdown uncertainties and rising food prices as a result of conflicts including Russia's invasion of Ukraine.

At \$19.61k, per capita GDP is close to the global average. That figure is up from \$16.3k in 2019. South America is relatively well connected, with 73% of the population having access to the internet, up from 65% in 2019. Of those who can get online, 52% shop

online. In 2019, before the pandemic, just 39% of the 65% with internet access shopped online. In 2023, South American online shoppers are forecast to spend 149% more than they did in 2019.

Of the Largest 100 retailers that sell to South America, 68% are marketplaces, 22% are brands and 9% retailers. Marketplaces see 86% of the traffic to these websites, followed by brands (7%) and retailers (6%). 33 of the Largest 100 are based within South America, the rest outside. Leading marketplaces

selling to the continent include Mercado Libre, from within, and Amazon, from outside. By category, multi-sector retailers account for 31% of the Largest 100 but see 45% of traffic from the region to businesses in the index. Consumer electronics follows, with 17% of Largest 100 membership and 7% of traffic.

[1] <https://public.wmo.int/en/media/press-release/climate-change-vicious-cycle-spirals-latin-america-and-caribbean>

[2] www.imf.org/en/Blogs/Articles/2023/02/01/latin-america-faces-slowing-growth-and-high-inflation-amid-social-tensions

Annual percentage change in the Consumer Prices Index (CPI), North America, 2022-2023

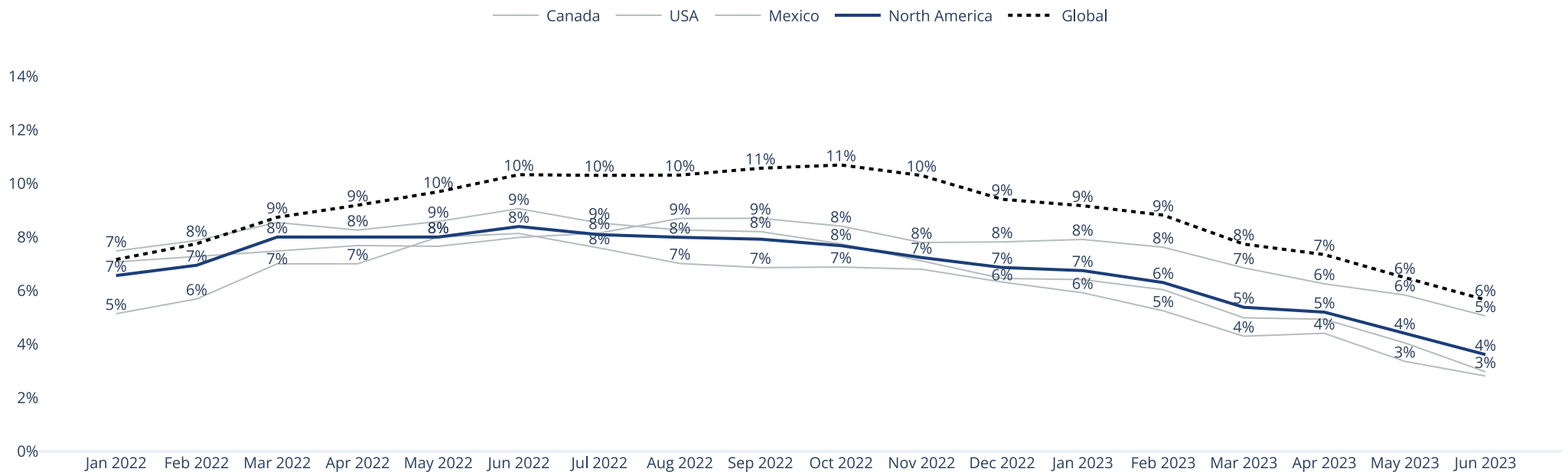
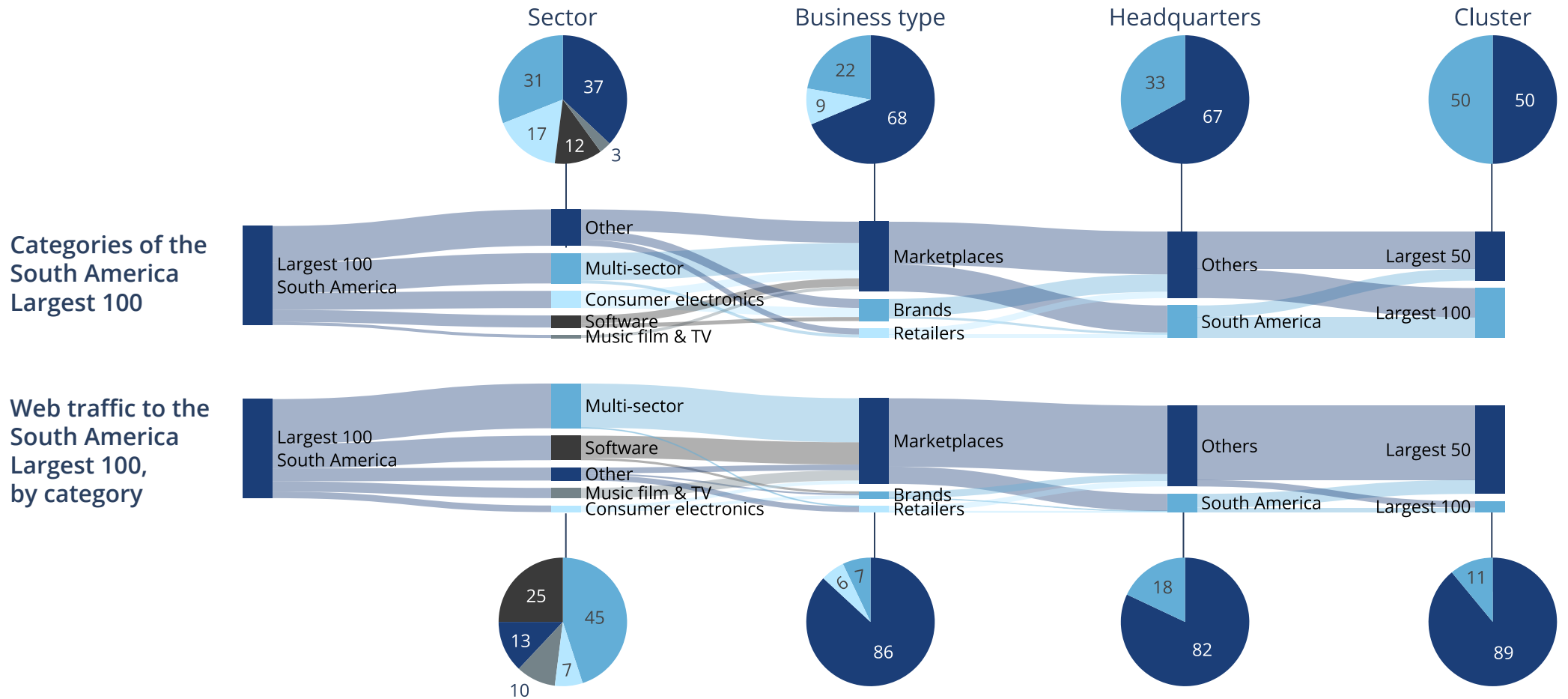


Figure for North America calculated using the average for countries showcased in this report

Source: OECD

Category analysis of the South America Largest 100



Top Sankey chart: the percentage of South America Largest 100 retailers in a category. Bottom Sankey chart: the percentage of South American consumer web traffic directed at South America Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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Argentina

Runaway inflation and low wages look set to limit ecommerce growth in this South American nation

Uncertainty dominated the Argentinian economy in the run up to a presidential election held in October 2023. The result of polling was inconclusive, with a run-off lying ahead between Sergio Massa of the left-wing Peronist movement and Javier Milei, a far-right libertarian. In August 2023, CPI inflation was 12.4% ahead of the previous month and running at 124% on the previous year. The median forecast is for inflation to rise by 197.5% in the year to August 2024. Interest rates are currently at 118%^[1]. Poverty rates have reached 40%^[2]. The Argentinian peso was devalued by 18% in August 2023.

Argentina

Area: 2,780,400 km²

Capital: Buenos Aires

Currency: Argentine peso (ARS)

Official language: Spanish

Foreign languages spoken: Italian, English, German, French, indigenous (Mapudungun, Quechua)

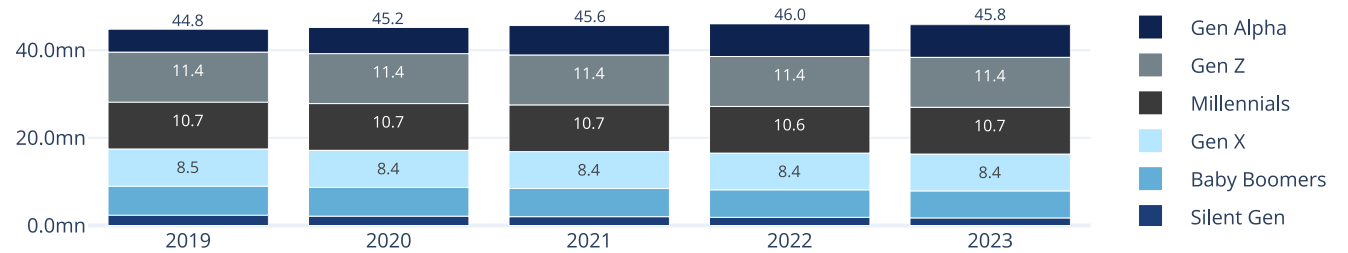
Government type: Presidential republic

VAT: 21%

Reduced rate: 10.5%

Argentina: Population analysis

Population structure, by age group (mn)



Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
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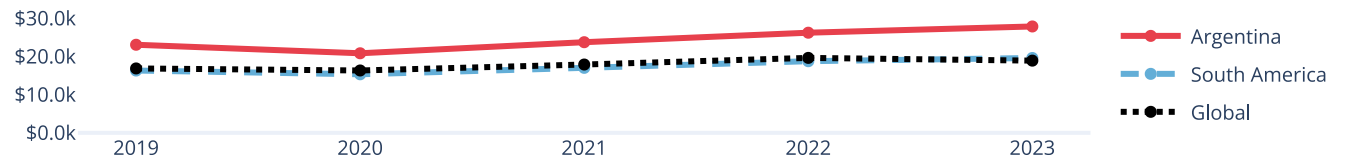
Population growth



Source: RetailX, drawing on data from the UN Population Division

RetailX 2023
RXRUN23RP-AR-SC-2-v2

GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

RetailX 2023
RXRUN23RP-AR-SC-3-v2

As if that's not enough trauma, Argentina has been hard hit by wildfires of 2022 and droughts in 2023 that have limited grain and soybean crops for one of the world's leading agricultural exporters^[3].

Argentina is an upper-middle income economy, although its economy has been slowing for several years. Per capita GDP of \$27.87k – up from \$23.08k in 2019 – is above the South American average. GenZ is the largest group (11.4mn) in Argentina's 45.8mn population, followed by Millennials (10.7mn). Population growth has been under 1% recently.

87% of the population has access to the internet – up from 80% in 2019, according to ITU figures. 61% of those with access shop online, says Statista. That's up from 52% in 2019. Statista predicts that online revenues will total \$7.6bn this year – 141% ahead of 2019 – with electronics (\$2.4bn) the largest category, followed by furniture (\$1.4bn).

Online sales account for 7% of all retail sales in Argentina, with a larger share of electronics (34%) and fashion transactions (39%). The average e-shopper is expected to spend \$174.10 on furniture and \$150.80 on electronics this year. More people buy fashion (17.7mn) and electronics (15.6mn) online than buy furniture (7.8mn). Argentinian ecommerce sales grew quickly in 2020 and 2021 before slowing, and in some categories declining, in 2022.

[1] https://washingtonpost.com/business/2023/04/06/why-70-inflation-is-just-one-of-argentina-s-problems-quicktake/0d56242a-d499-11ed-ac8b-cd7da05168e9_story.html

[2] <https://buenosairesherald.com/society/argentine-poverty-reaches-40-1>

[3] <https://buenosairesherald.com/society/the-countrys-on-fire-wildfires-hit-every-province-in-argentina-in-2022>

Argentina: Internet user analysis

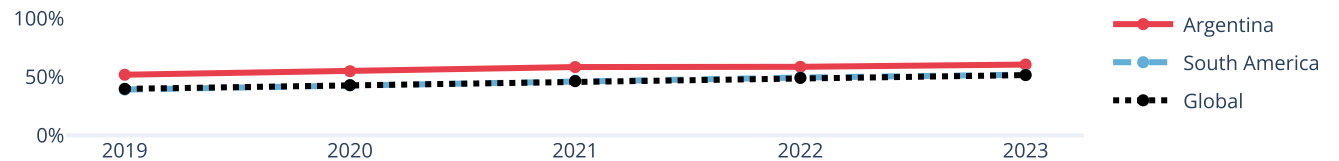
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

RetailX 2023
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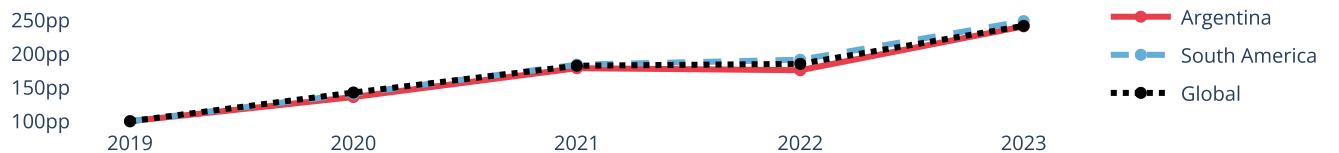
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-AR-SC-5-v2

Ecommerce revenue growth (indexed)

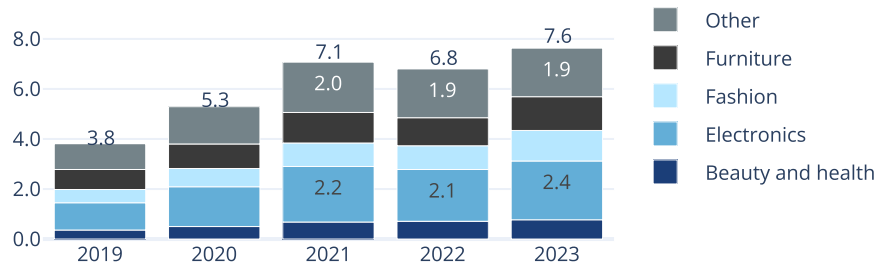


Index 2019=100

Source: RetailX, drawing on data from Statista

RetailX 2023
RXRUN23RP-AR-SC-6-v2

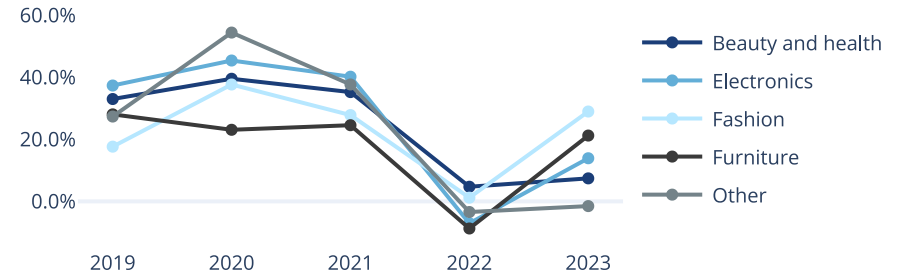
Annual revenue for the ecommerce market (bn USD), Argentina, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AR-ST-4-v2

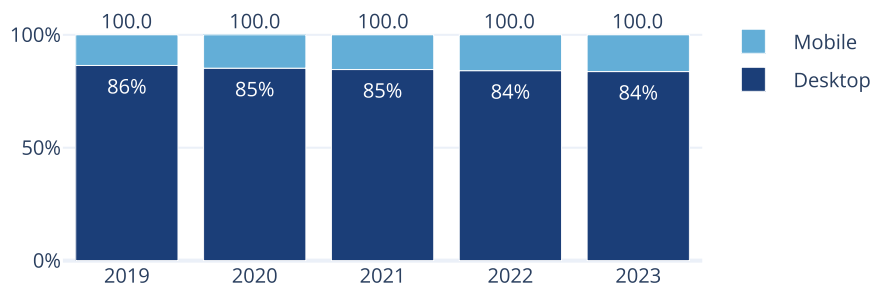
Annual change in revenue for the ecommerce market (%), Argentina, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AR-ST-6-v3

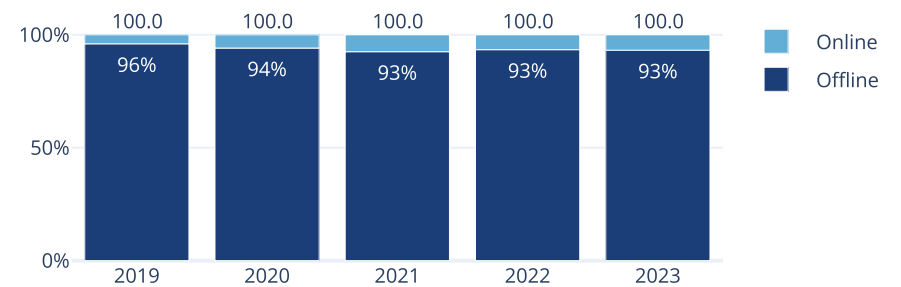
Device usage by revenue for ecommerce, Argentina, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AR-ST-1-v1

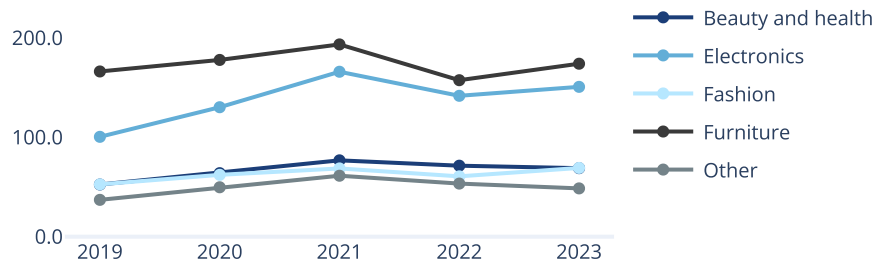
Revenue by channel for multichannel shoppers, Argentina, 2019-23



Source: Statista Digital Market Insights

RetailX 2023
RXRUN23RP-AR-ST-5-v1

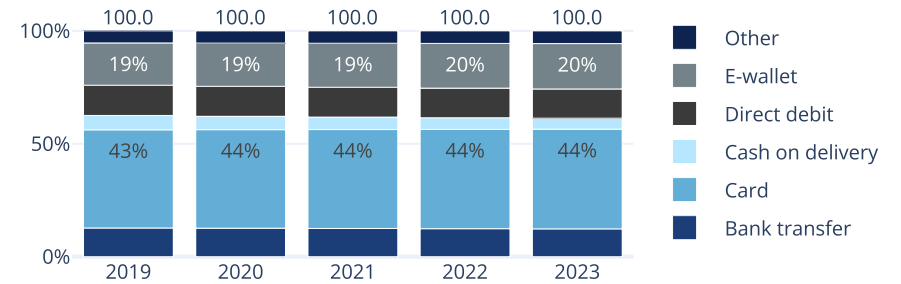
Average spending of e-shoppers (USD), Argentina, 2019-23



Source: Statista Digital Market Insights

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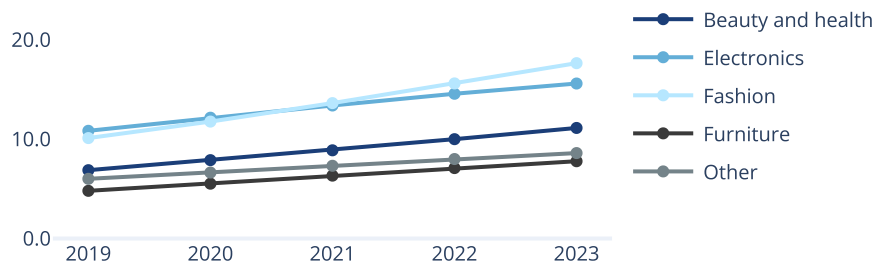
Payment type share by revenue for online shopping (%), Argentina, 2019-23



Source: Statista Digital Market Insights

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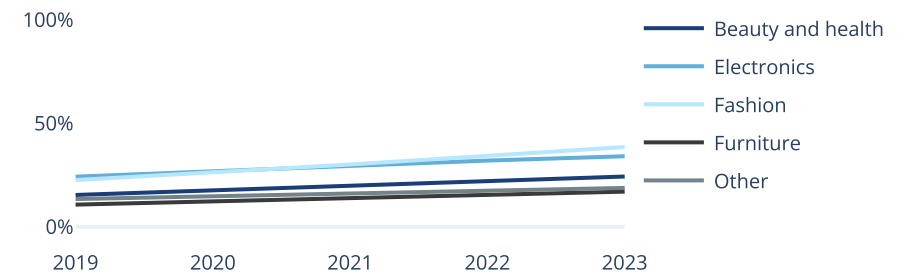
Number of e-shoppers (in millions), Argentina, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
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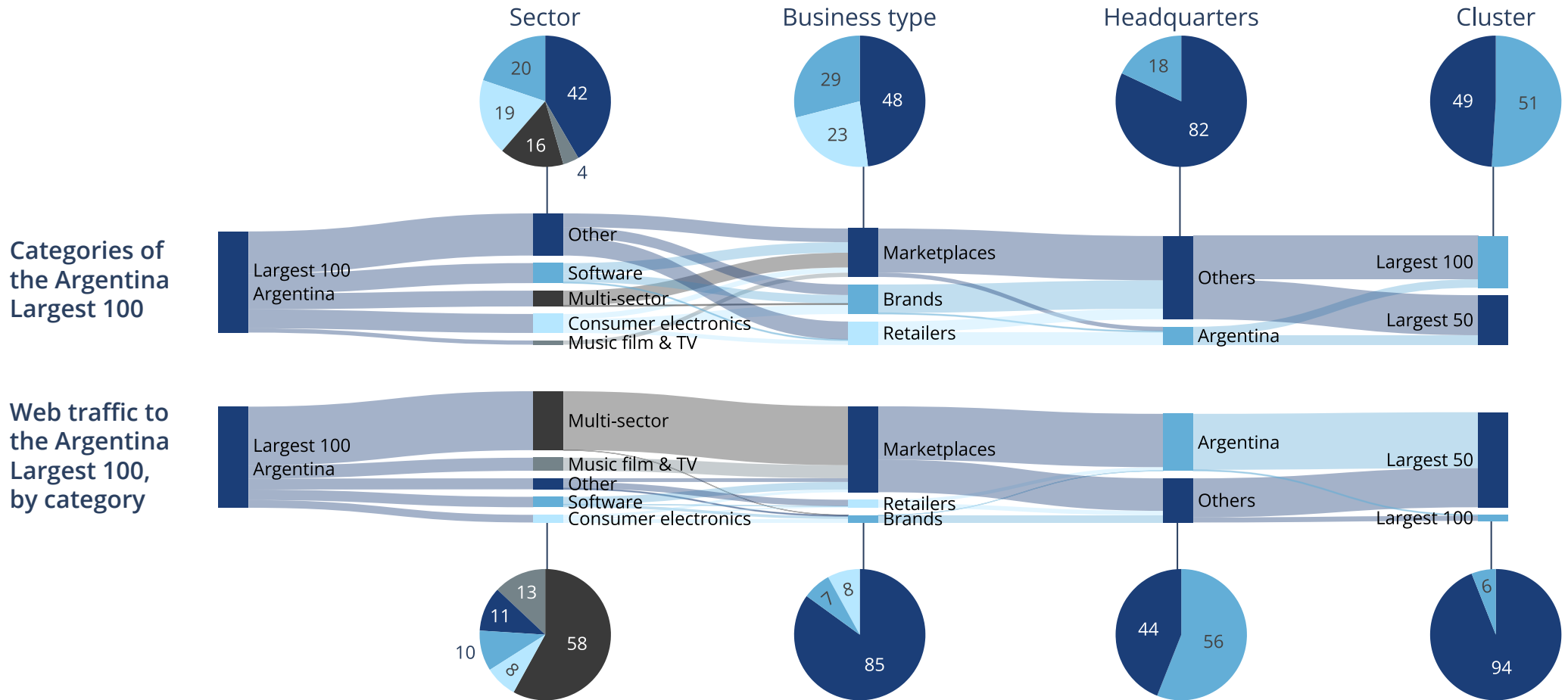
Share of the market taken by ecommerce, by sector, Argentina, 2019-23



Source: Statista Digital Market Insights

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Category analysis of the Argentina Largest 100



Top Sankey chart: the percentage of Argentina Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Argentinian consumer web traffic directed at Argentina Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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Brazil

Shoppers in South America's largest country are keen to buy online, with electronics a key category for them

President Luiz Inácio Lula da Silva took power for the third time in January 2023, having narrowly beaten right-winger Jair Bolsonaro with promises to reduce inequality and combat climate change through measures including preventing deforestation in the Amazon basin.

The country is the largest in South America. Its 213.7mn population was hard hit by the Covid-19 pandemic, with more than 705,000 deaths. Brazil is an upper-middle income country – per capita GDP is at \$18.29k – the fourth-largest agricultural producer in the world and a leading supplier of

Brazil



Area: 8,515,770 km²

Capital: Brasilia

Currency: Brazilian real (BRL)

Official language: Portuguese

Foreign languages spoken: Spanish, German, Italian, Japanese, English

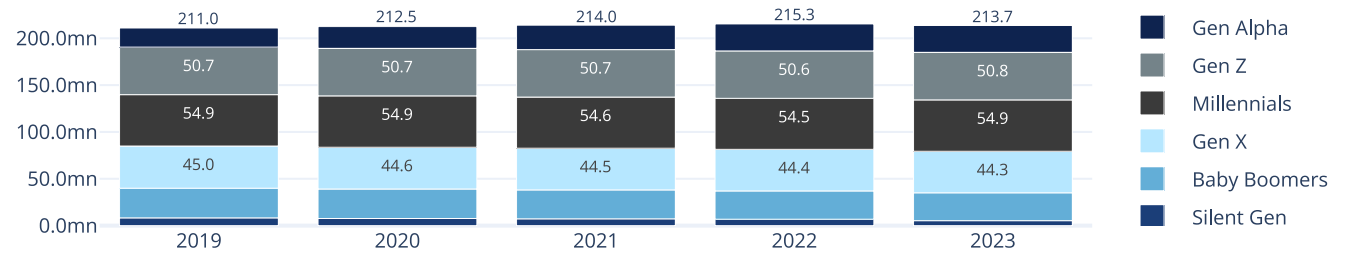
Government type: Federal presidential republic

VAT: 17%

Reduced rate: 7%

Brazil: Population analysis

Population structure, by age group (mn)

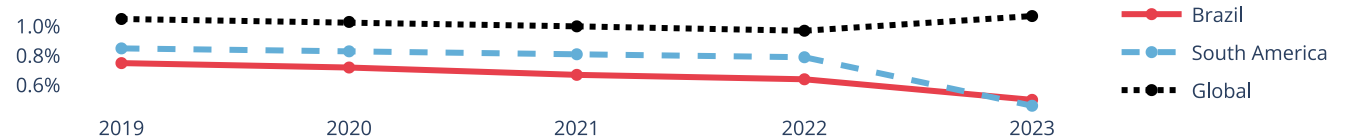


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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coffee and sugarcane^[1]. It is South America's leading oil producer, with construction and manufacturing also key economic sectors^[2]. Brazil's relatively high interest rates saw their first cut in three years, to 13.25%, in August 2023, when inflation was 4.61%^[3].

81.3% of Brazilians now have access to the internet, ITU figures suggest. That's up from 74% in 2019. Statista says that 60% of those with internet access shop online, up from 45% in 2019. Ecommerce revenues are 127% higher than in 2019, with 9% of retail sales online. 51% of online sales are made on desktop, with the balance on mobile.

Online revenues are forecast to reach \$41.8bn in 2023, with the highest spending on electronics (\$16.1bn – up from \$8.42bn in 2019) and fashion (\$6.95bn, from \$3.51bn in 2019).

Most categories grew strongly in the pandemic years of 2020 and 2021 before sales declined across 2022. The average shopper now spends less across categories than at the pandemic peak of 2021. For example, shoppers are expected to spend \$182.10 on electronics, up from \$166.20 in 2019 but behind the 2021 peak of \$197.20.

Growth has come from more shoppers going online to buy, with 88mn now buying electronics online, up from 51mn in 2019.

[1] www.ifad.org/en/web/operations/w/country/brazil
 [2] www.trade.gov/energy-resource-guide-brazil-oil-and-gas
 [3] www.bcb.gov.br/en

Brazil: Internet user analysis

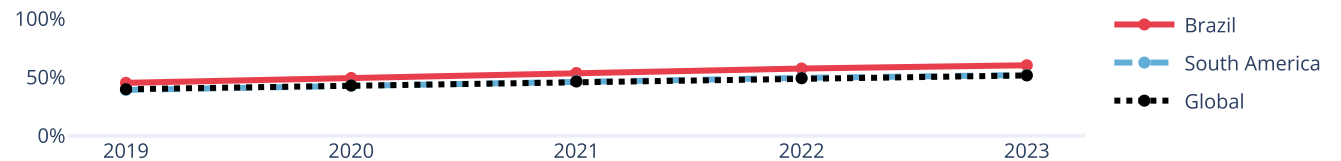
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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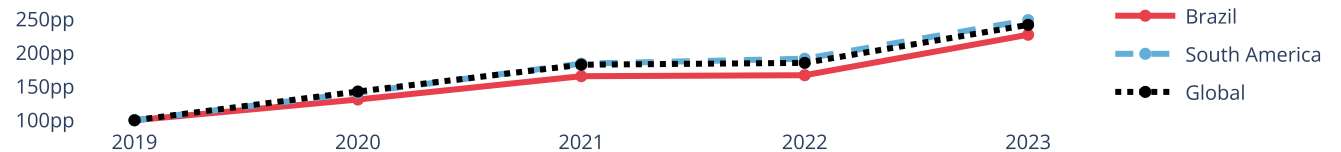
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

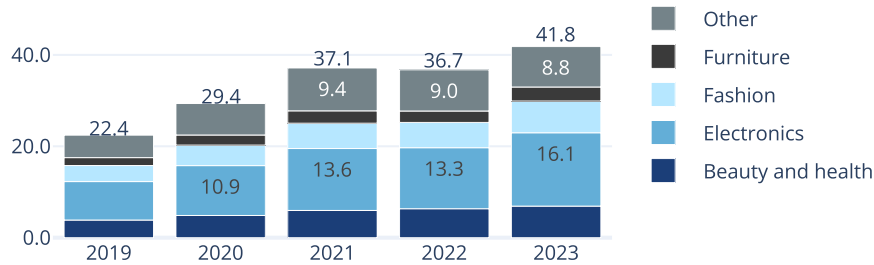


Index 2019=100

Source: RetailX, drawing on data from Statista

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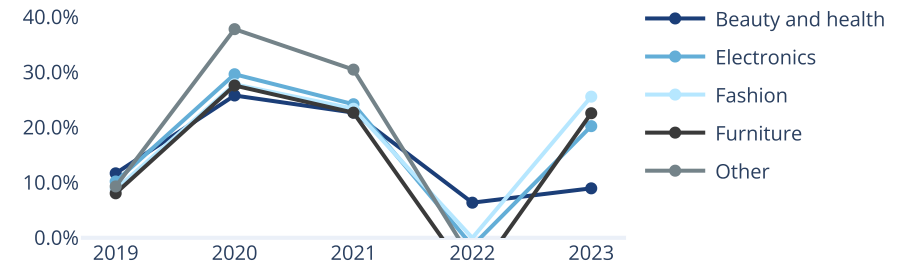
Annual revenue for the ecommerce market (bn USD), Brazil, 2019-23



Source: Statista Digital Market Insights

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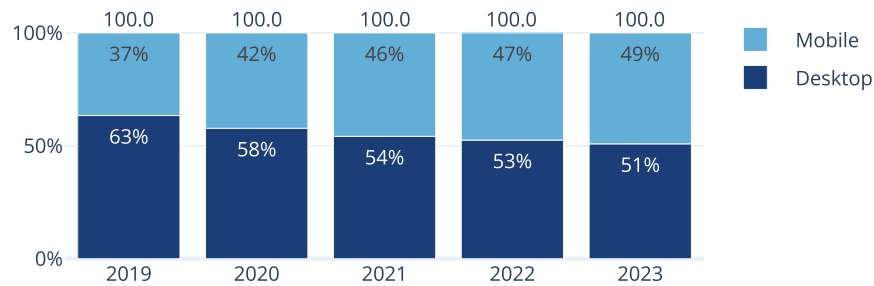
Annual change in revenue for the ecommerce market (%), Brazil, 2019-23



Source: Statista Digital Market Insights

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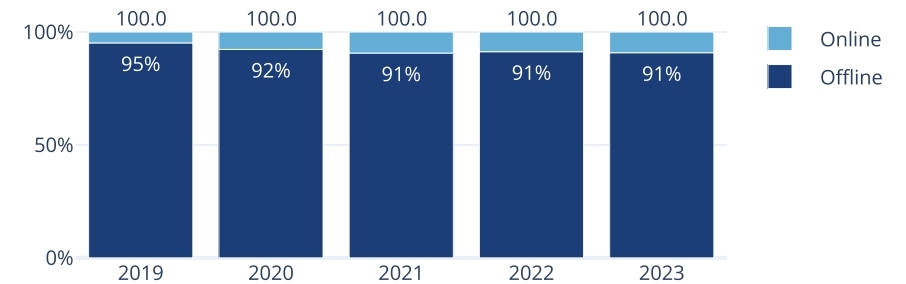
Device usage by revenue for ecommerce, Brazil, 2019-23



Source: Statista Digital Market Insights

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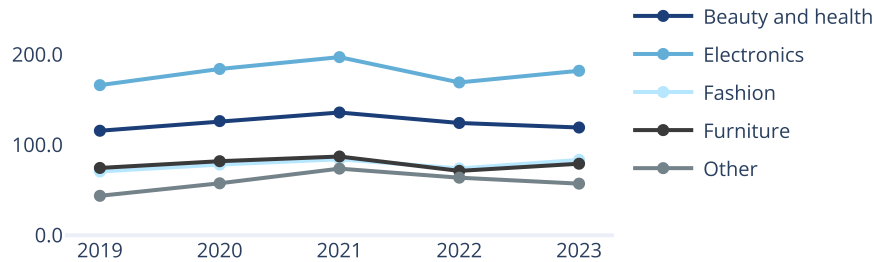
Revenue by channel for multichannel shoppers, Brazil, 2019-23



Source: Statista Digital Market Insights

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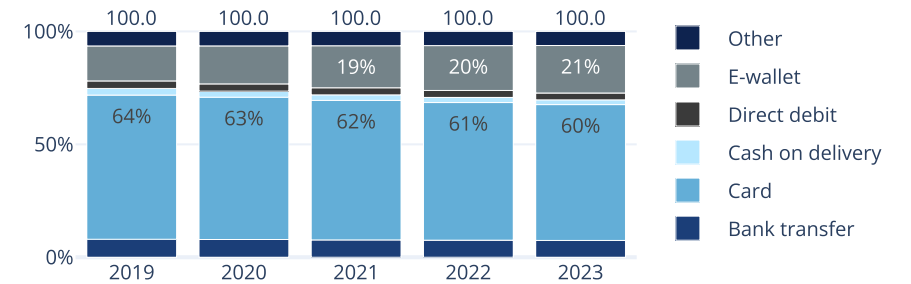
Average spending of e-shoppers (USD), Brazil, 2019-23



Source: Statista Digital Market Insights

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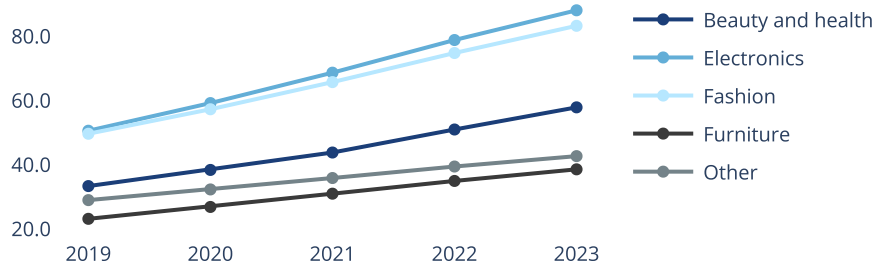
Payment type share by revenue for online shopping (%), Brazil, 2019-23



Source: Statista Digital Market Insights

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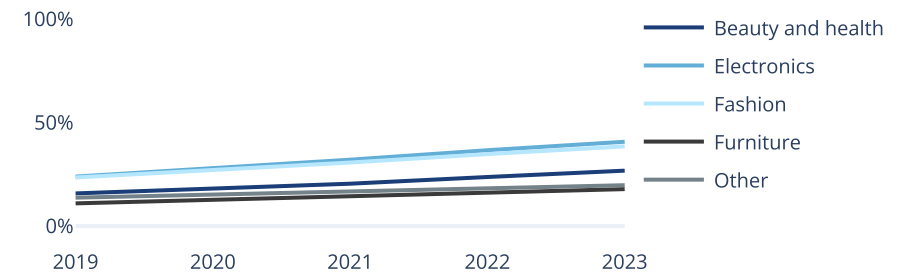
Number of e-shoppers (in millions), Brazil, 2019-23



Source: Statista Digital Market Insights

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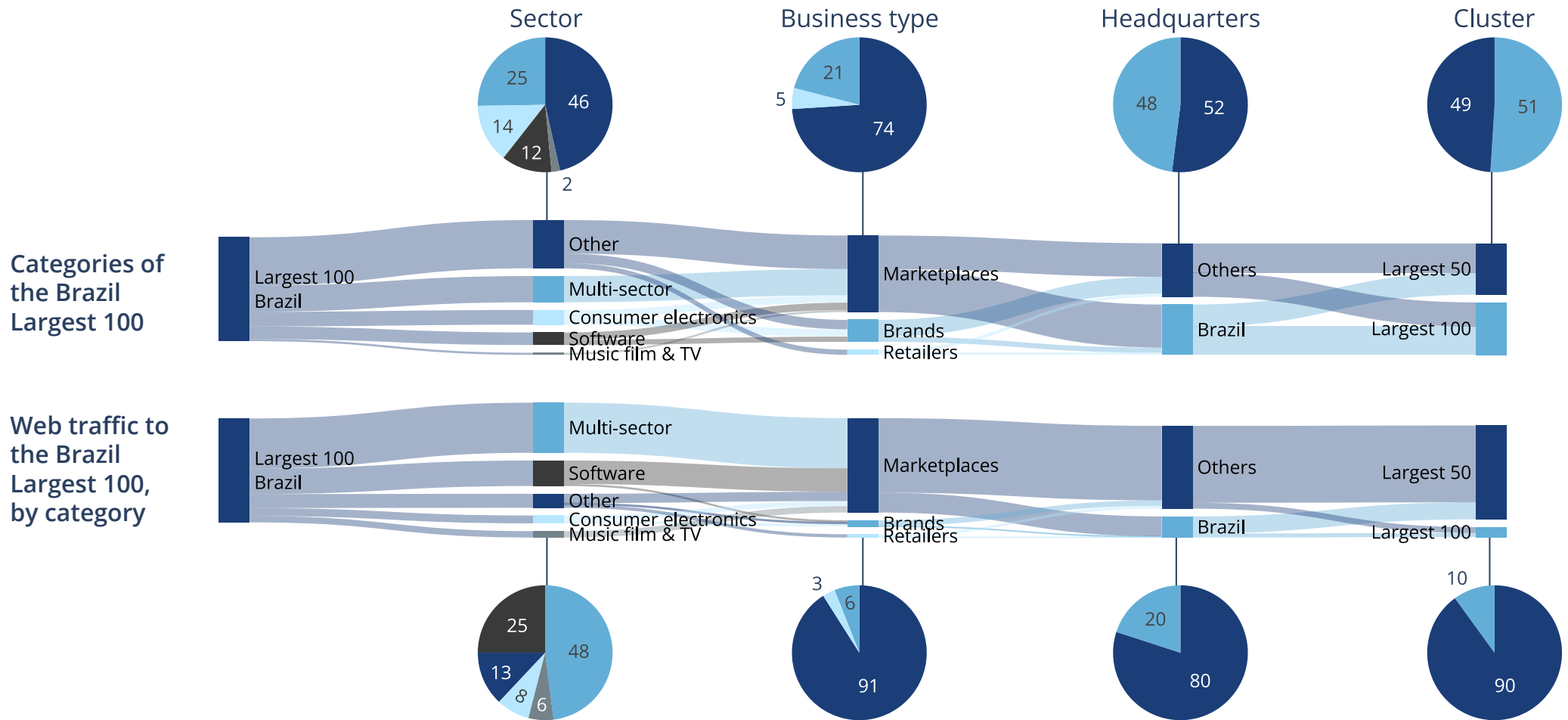
Share of the market taken by ecommerce, by sector, Brazil, 2019-23



Source: Statista Digital Market Insights

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Category analysis of the Brazil Largest 100



Top Sankey chart: the percentage of Brazil Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Brazilian consumer web traffic directed at Brazil Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailIX, SimilarWeb (web traffic)

Chile

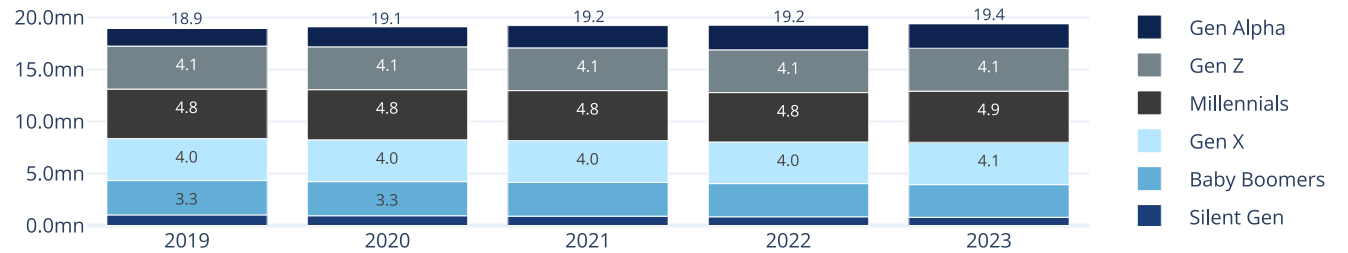
This leading South American economy has a relatively high rate of ecommerce adoption, making it a land of opportunity

Chile is led by its youngest president to date. Gabriel Boric was 36 when he took office in 2022 with a social democratic agenda.

Chile's 19.4mn population has grown slowly in recent years but the pace is expected to increase in 2023. Per capita income of \$30.1k is forecast for 2023 – up from \$25.12k in 2019 and \$29.90k in 2022. Annual CPI was 5.3% in August. Chile's central bank cut interest rates to 9.5% from 10.25% in September 2023, after they had previously risen 11 times between 2021 and 2022.

Chile: Population analysis

Population structure, by age group (mn)

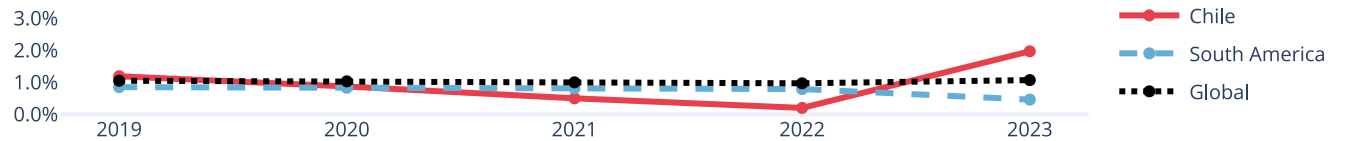


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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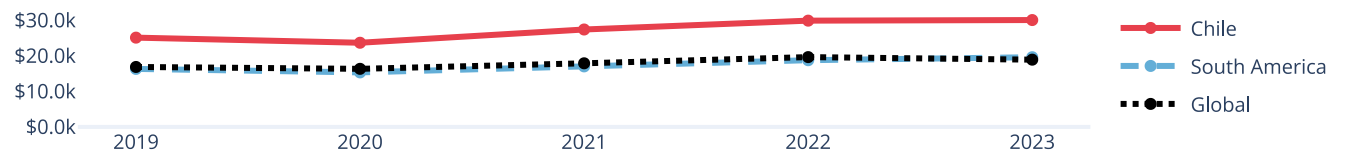
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Chile

Area: 756,700 km²

Capital: Santiago

Currency: Chilean peso (CLP)

Official language: Spanish

Foreign languages spoken: English

Government type: Presidential republic

VAT: 10%

Reduced rate: 0%

90% of Chileans have access to the internet, with 68% of those online also shopping online. That's up from 55% in 2019, representing significant adoption over the Covid-19 pandemic period. Statista finds that 9% of retail sales are online – with 62% taking place on desktop devices and 38% via mobile. Ecommerce adoption is highest in fashion, where 43% of sales are online. That's up from 27% in 2019. In 2023, 40% of electronics sales are expected to be online, as well as 20% of furniture sales.

Ecommerce revenues are estimated to be 139% above their 2019 index. In 2023, shoppers are expected to spend \$8.3bn online, including \$3.1bn on electronics and \$1.1bn on fashion. Overall, spending is up from \$7.7bn in 2022.

According to Statista, the average shopper spends the most on electronics – \$397.80. While that's up from \$246 in 2019, it's below the 2021 peak of \$466.10. The average fashion spend in 2023 is \$128.80, again up \$122.30 in 2019 but below the 2021 peak of \$147.10.

Online revenues grew during the pandemic, particularly in electronics, before declining in 2022, although a recovery is expected this year. The number of people who shop online has grown quickly, especially for fashion (8.5mn in 2023), followed by electronics (7.8mn).

Cards (44% in 2023) are the most used payment method in 2023 – 44% of payments use them, although e-wallets (21%) are now starting to gain share from them.

Chile: Internet user analysis

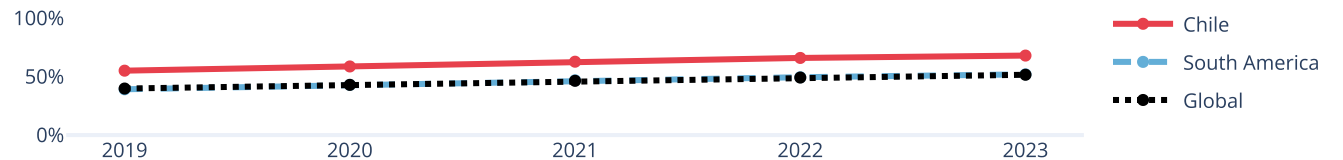
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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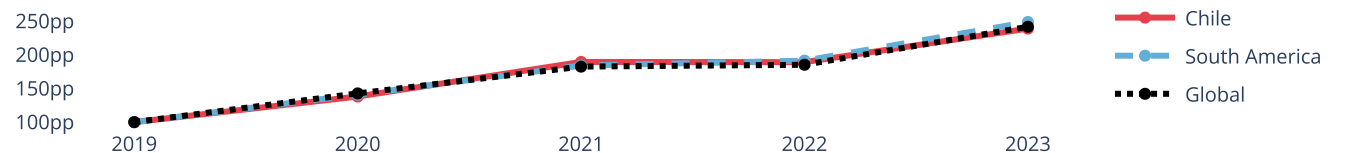
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

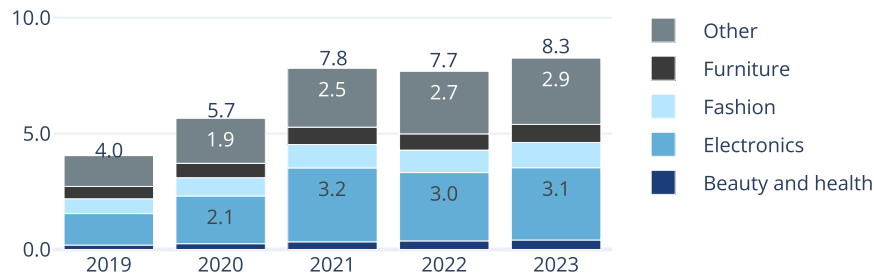


Index 2019=100

Source: RetailX, drawing on data from Statista

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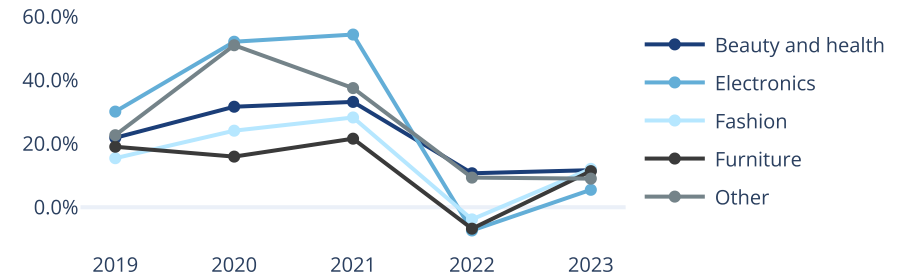
Annual revenue for the ecommerce market (bn USD), Chile, 2019-23



Source: Statista Digital Market Insights

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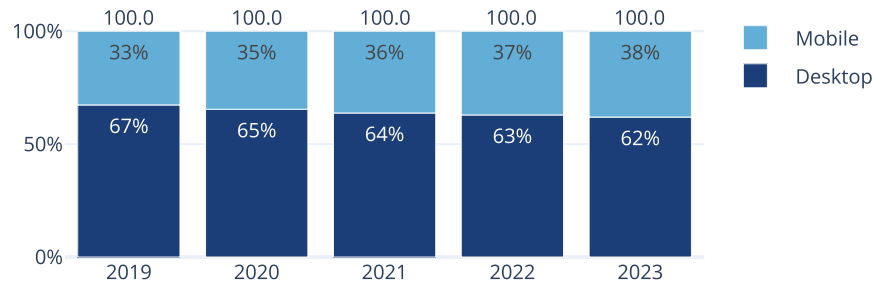
Annual change in revenue for the ecommerce market (%), Chile, 2019-23



Source: Statista Digital Market Insights

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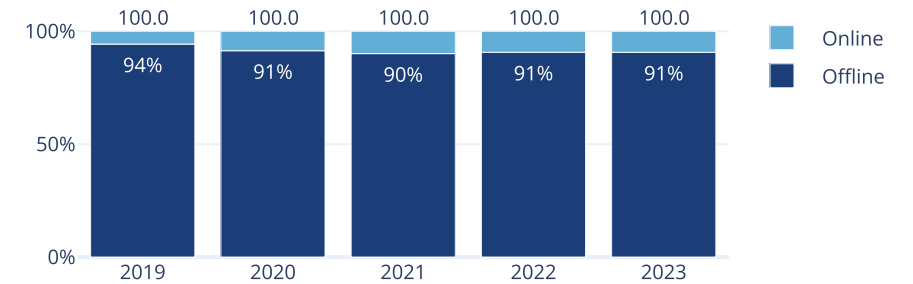
Device usage by revenue for ecommerce, Chile, 2019-23



Source: Statista Digital Market Insights

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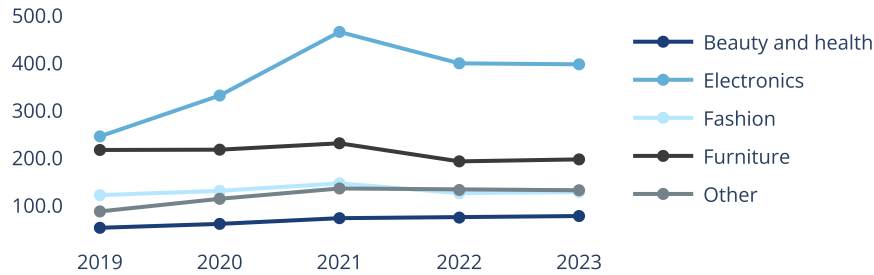
Revenue by channel for multichannel shoppers, Chile, 2019-23



Source: Statista Digital Market Insights

© RetailX 2023
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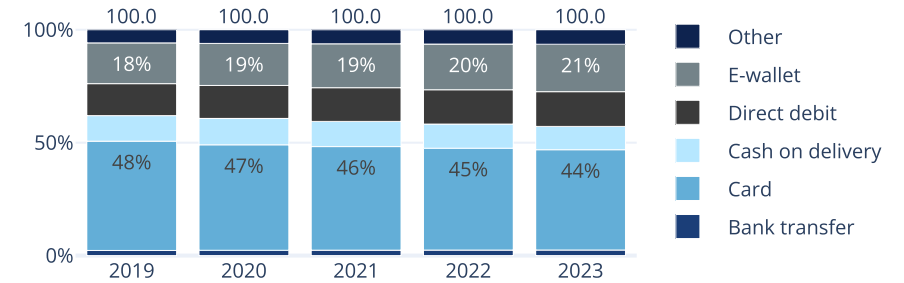
Average spending of e-shoppers (USD), Chile, 2019-23



Source: Statista Digital Market Insights

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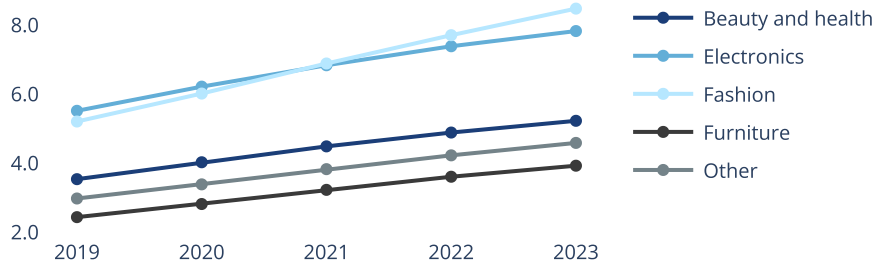
Payment type share by revenue for online shopping (%), Chile, 2019-23



Source: Statista Digital Market Insights

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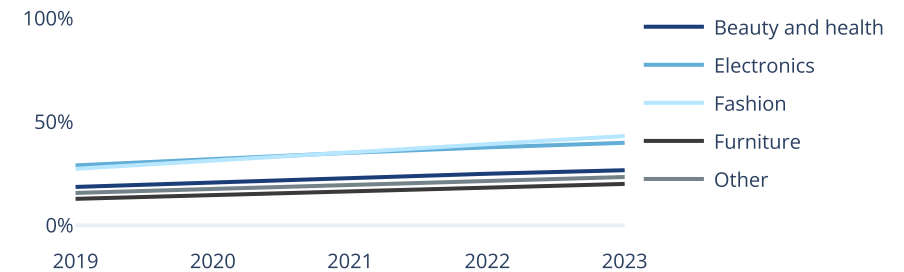
Number of e-shoppers (in millions), Chile, 2019-23



Source: Statista Digital Market Insights

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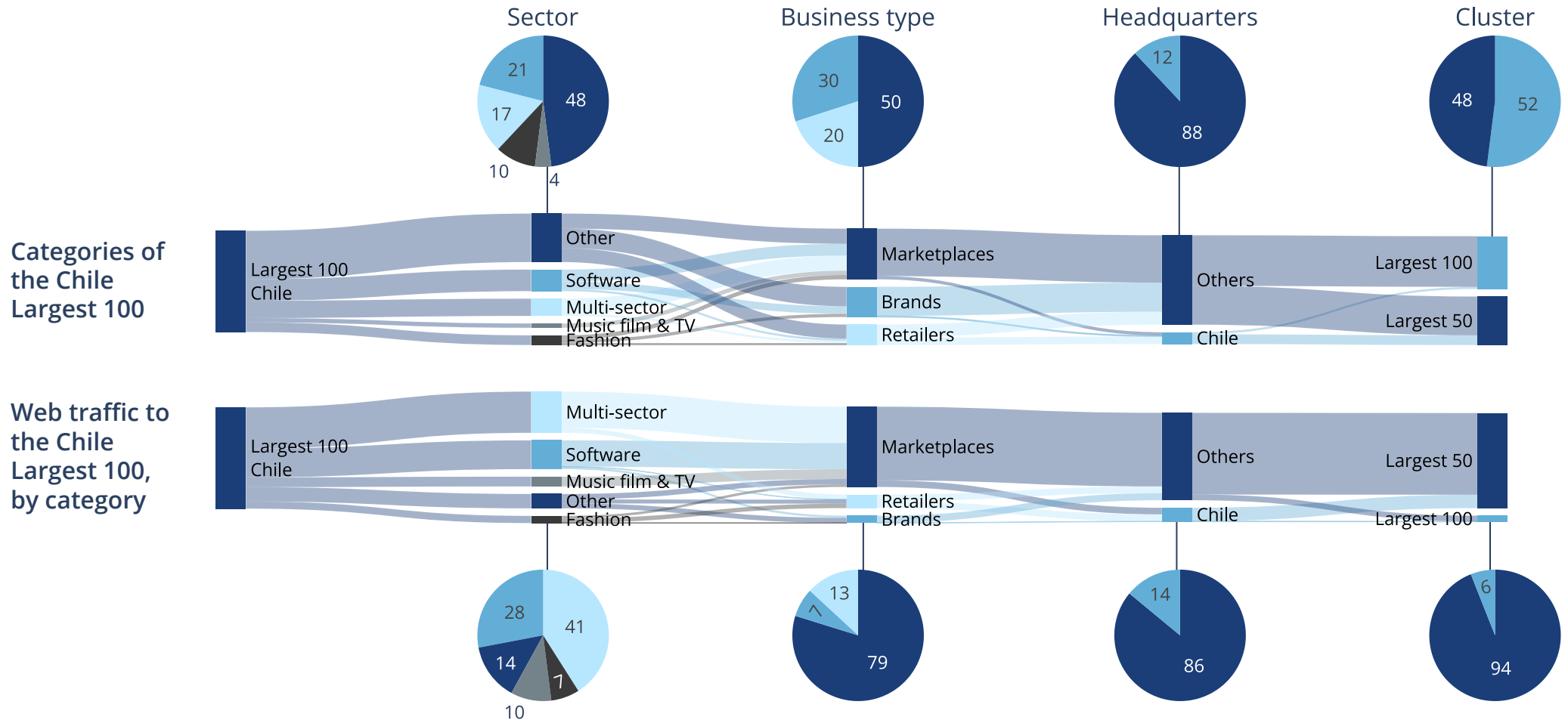
Share of the market taken by ecommerce, by sector, Chile, 2019-23



Source: Statista Digital Market Insights

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Category analysis of the Chile Largest 100



Top Sankey chart: the percentage of Chile Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Chilean consumer web traffic directed at Chile Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

RetailX 2023
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Colombia

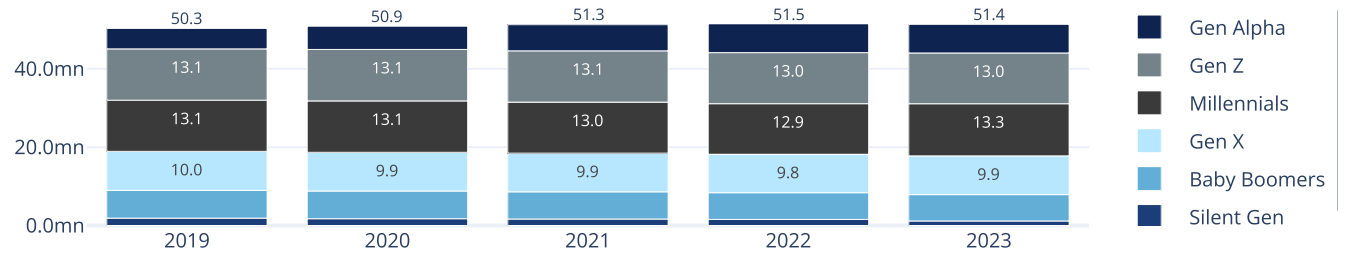
South America's northernmost country has a relatively high level of ecommerce use but it has many social issues to address

Colombia is led by president Gustavo Petro, elected in August 2022 as part of the Pacto Historic coalition and the first left-winger to take on the role. With a promise to address Colombia's high levels of violence and inequality^[1], Petro is looking to reframe the long-running 'war on drugs' in his country as a healthcare issue to be solved through an alliance between Latin American countries^[2]. However, he no longer has a majority in either chamber of the Colombian parliament.

Colombia is a geographically diverse country, known for its undisturbed forest habitats, rainforests and 2,900km of coastline. It is the fourth-largest country

Colombia: Population analysis

Population structure, by age group (mn)

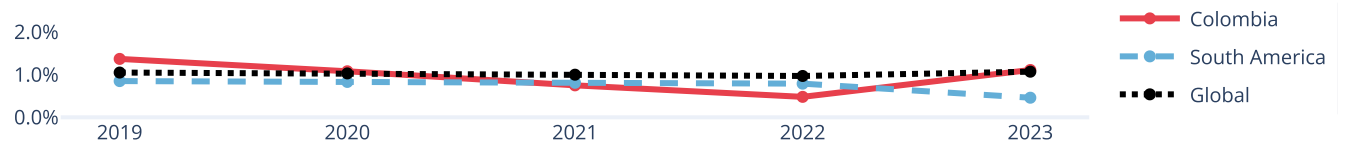


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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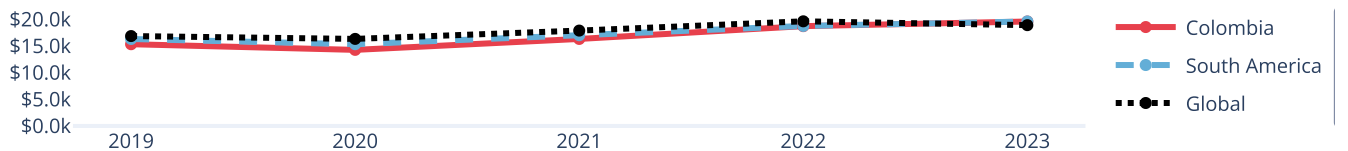
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Colombia

Area: 1,141,750 km²

Capital: Bogota

Currency: Colombian peso (COP)

Official language: Spanish

Government type: Presidential republic

VAT: 19%

Reduced rate: 5%

in South America by area and with a population of 51.4mn, is also one of the region’s largest economies.

Per capita GDP is \$19.60k in 2023, which puts the country in line with the South American average. Oil is a key export for this upper-middle income country, with the US its biggest trading partner. Agricultural products also include coffee, cocoa and palm oil.

The Central Bank of Columbia kept its central interest rate at 13.25% in October 2023, as it looks to control inflation, measured at 11.4% in August 2023. The bank is targeting a 3% inflation rate^[3].

73% of Colombians have access to the internet, a figure slightly above the regional average. 52% of those with access shop online, according to Statista.

Ecommerce revenues have grown by 135.8% since 2019. 5% of the Largest 100 selling to Colombia are from Colombia. Together, these see 4% of traffic. Marketplaces dominate, making up 42% of the Largest 100 selling to Colombia and seeing 65% of its traffic. Brands make up 41% of the Largest 100 and see 18% of traffic, while retailers are 16% of the Largest 100 and see 17% of traffic.

Key categories include software and multi-sector. Mercado Libre and Amazon are among the most-visited ecommerce sites, according to SimilarWeb.

[1] www.worldbank.org/en/country/colombia/overview

[2] <https://reuters.com/world/americas/colombian-president-proposes-latin-american-alliance-transform-war-drugs-2023-09-09/>

[3] <https://similarweb.com/top-websites/colombia/e-commerce-and-shopping/>

Colombia: Internet user analysis

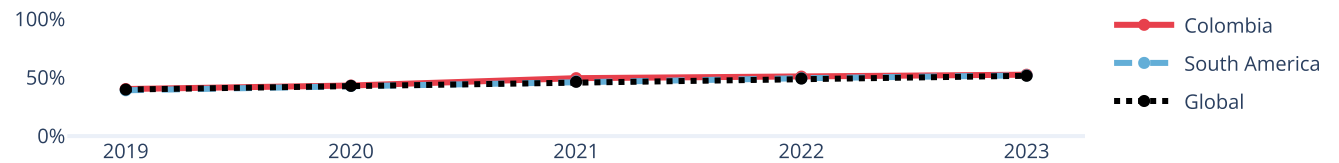
Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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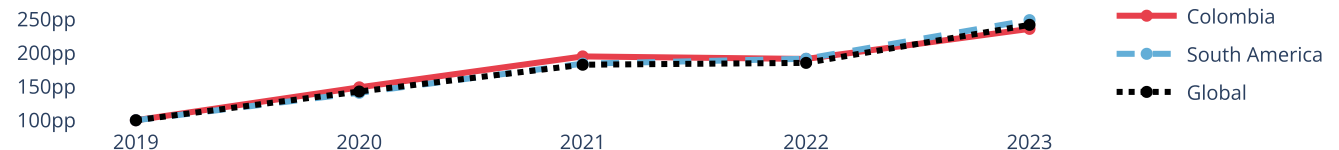
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

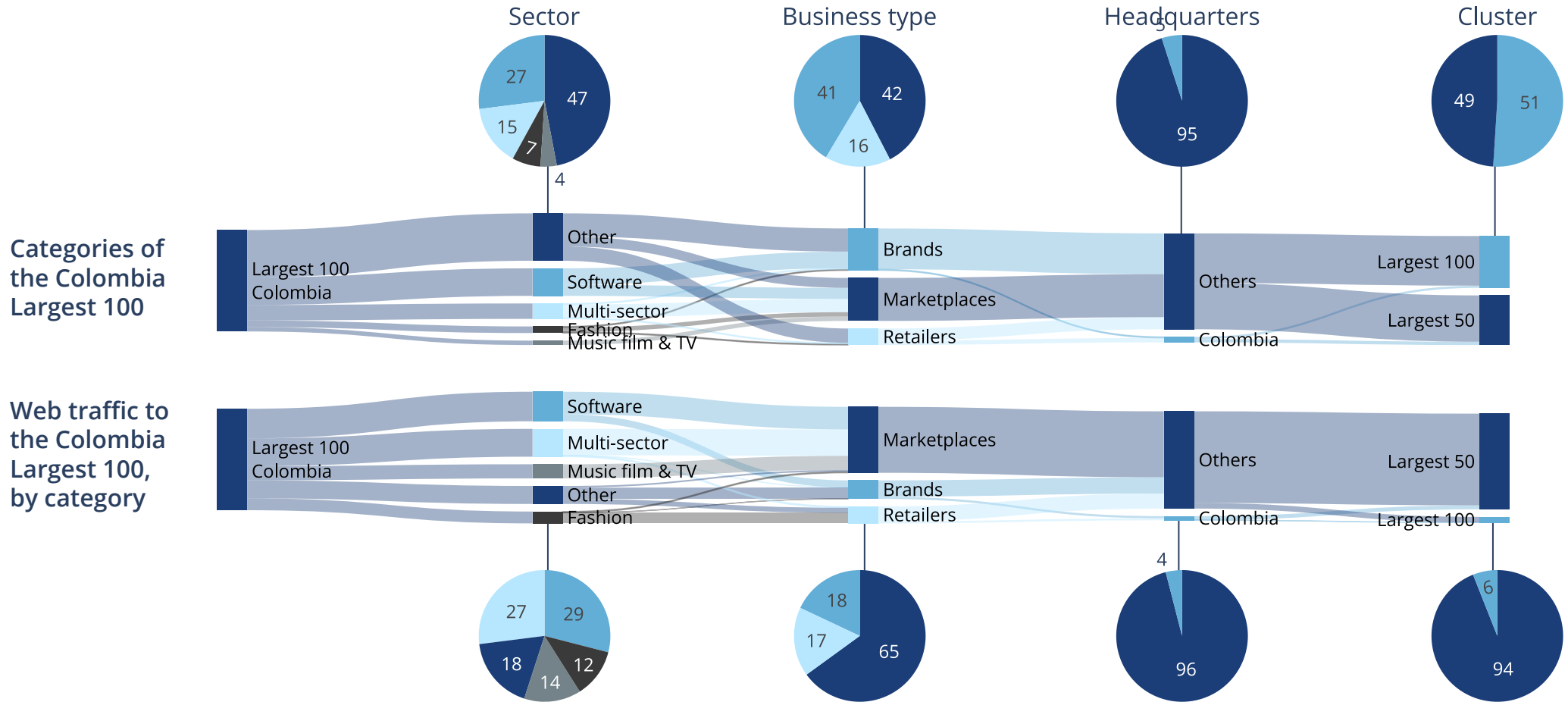


Index 2019=100

Source: RetailX, drawing on data from Statista

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Category analysis of the Colombia Largest 100



Top Sankey chart: the percentage of Colombia Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Colombian consumer web traffic directed at Colombia Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

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Peru

South America's third-largest country has seen online shopping rates double to 8% since the start of the pandemic in 2021

Inflation, political protests and climate change are among the challenges facing Peru's first female president, Dina Bouluarte, elected in 2022. Healthcare is a priority following high levels of Covid-19 deaths in the country^[1].

The Central Reserve Bank of Peru cut interest rates to 7.5%, from 7.75%, as inflation reached its lowest level for two years – 5.04% – in September 2023^[2]. The bank says inflation has reflected the rising costs of food and fuel as a result of international conflicts, while internally, states of emergency have been imposed during 2023 in response to local weather events and political protests^[3].

Peru

Area: 1,285,220 km²

Capital: Lima


Currency: Nuevo sol (PEN)

Official language: Spanish, Quechua, Aymara

Government type: Presidential republic

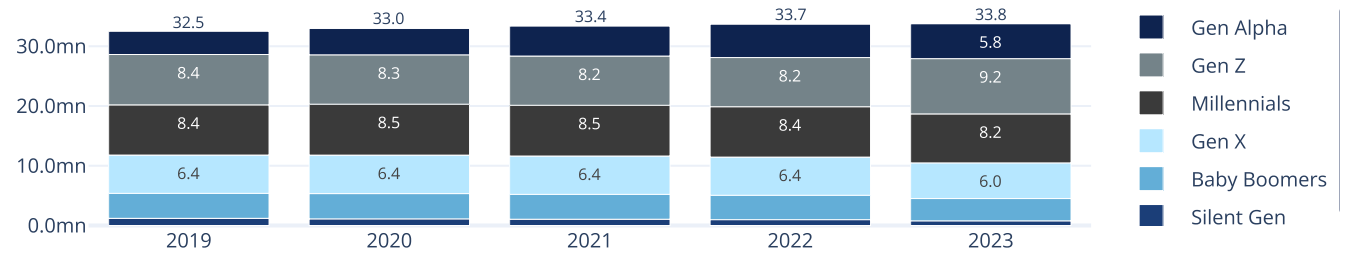
VAT: 18%

Reduced rate: 10%



Peru: Population analysis

Population structure, by age group (mn)

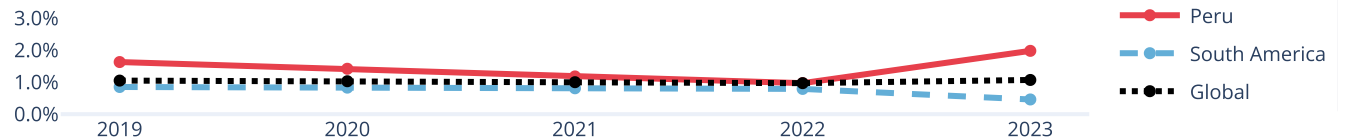


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Peru is a leading global producer of copper, with this and other minerals forming its primary exports, along with agricultural products including grapes, avocados, coffee and cotton. Its tourism industry – key sites include Cuzco, Macchu Picchu and capital Lima – is still recovering from the pandemic.

Peru is an upper-middle income country. Its relatively young 33.8mn population has a per capita GDP of \$16.14k, below the South American average.

71% have access to the internet in 2023, according to ITU figures, of whom 51% shop online, broadly in line with the regional average. In 2023, 8% of retail sales are expected to take place online, after the fast expansion between 2019 (4%) to 2020 (7%).

Since 2019, ecommerce revenues in the market have grown by 145% after growing by 50% in 2020 alone. Statista expects those revenues to reach \$7.5bn in 2023, up from \$7.1bn in 2022 and \$3.5bn in 2019. Electronics is the largest category by revenue (\$3.3bn) followed by beauty and health (\$0.9bn) and fashion (\$0.8bn). While the electronics category grew quickly during the pandemic (+57% in 2020) its rate of growth first slowed, then declined in 2022 (-4.5%).

Of the Largest 100 selling to Peru, none have HQs in the country. 52% are marketplaces, followed by brands (38%) and retailers (10%). 77% of traffic is to marketplaces, 13% to retailers and 9% to brands.

[1] <https://gadebate.un.org/en/78/peru>

[2] <https://bcrp.gob.pe/en> or bcrp.gob.pe/eng-docs/Monetary-Policy/Informative-Notes/2023/informative-note-september-2023.pdf

[3] <https://gov.uk/foreign-travel-advice/peru/safety-and-security>

Peru: Internet user analysis

Percentage of internet users



Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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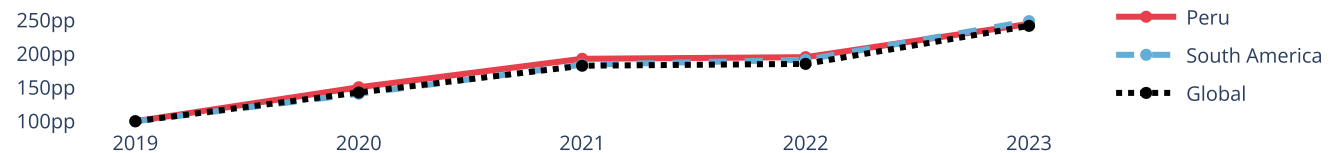
Percentage of internet users who shop online



Source: RetailX, drawing on data from Statista

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Ecommerce revenue growth (indexed)

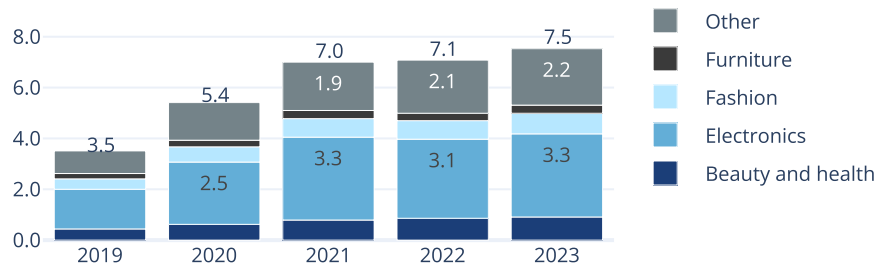


Index 2019=100

Source: RetailX, drawing on data from Statista

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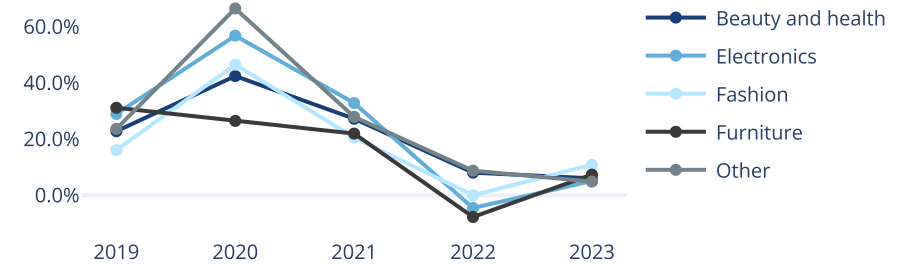
Annual revenue for the ecommerce market (bn USD), Peru, 2019-23



Source: Statista Digital Market Insights

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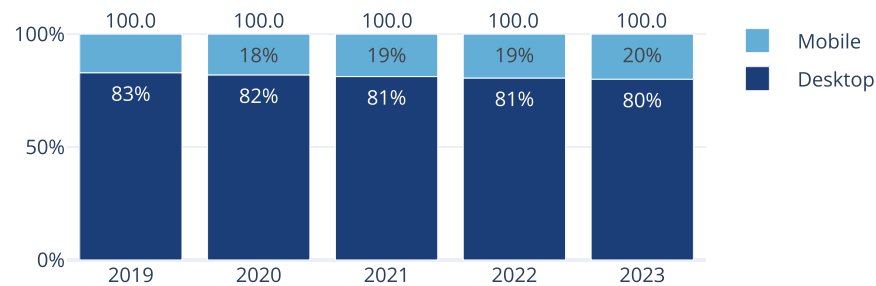
Annual change in revenue for the ecommerce market (%), Peru, 2019-23



Source: Statista Digital Market Insights

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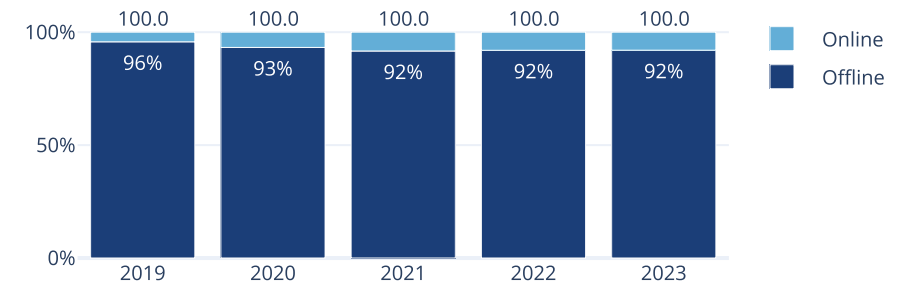
Device usage by revenue for ecommerce, Peru, 2019-23



Source: Statista Digital Market Insights

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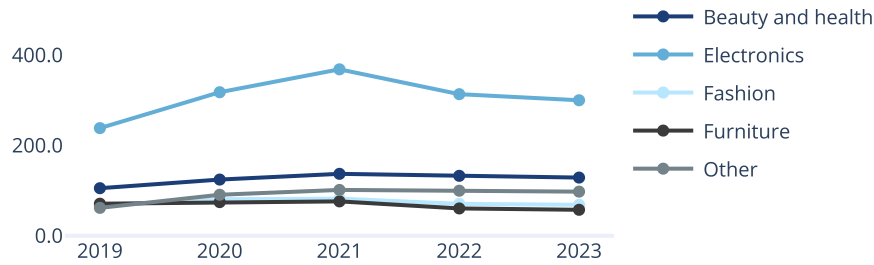
Revenue by channel for multichannel shoppers, Peru, 2019-23



Source: Statista Digital Market Insights

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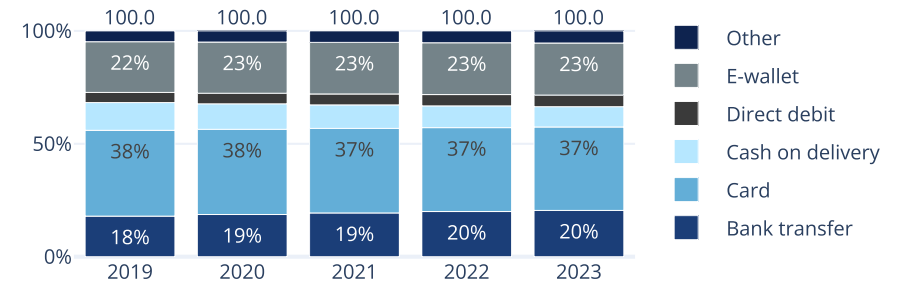
Average spending of e-shoppers (USD), Peru, 2019-23



Source: Statista Digital Market Insights

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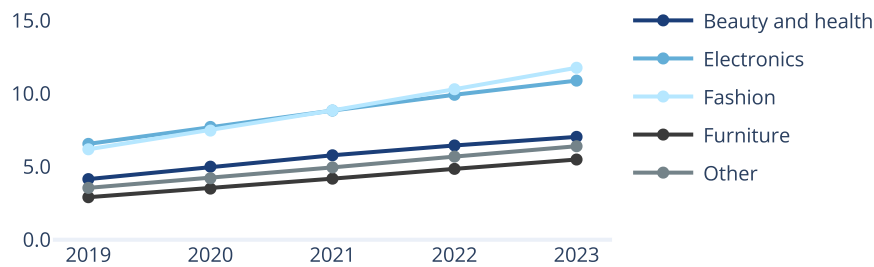
Payment type share by revenue for online shopping (%), Peru, 2019-23



Source: Statista Digital Market Insights

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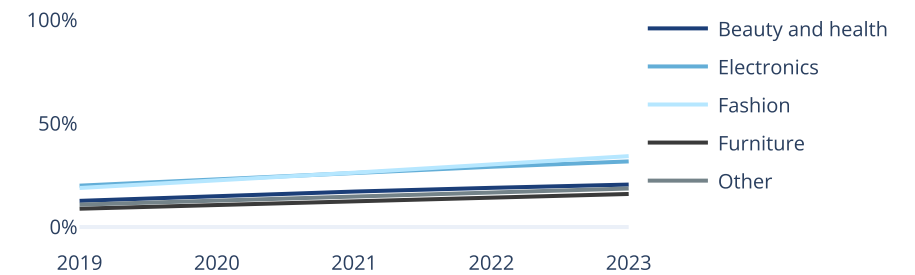
Number of e-shoppers (in millions), Peru, 2019-23



Source: Statista Digital Market Insights

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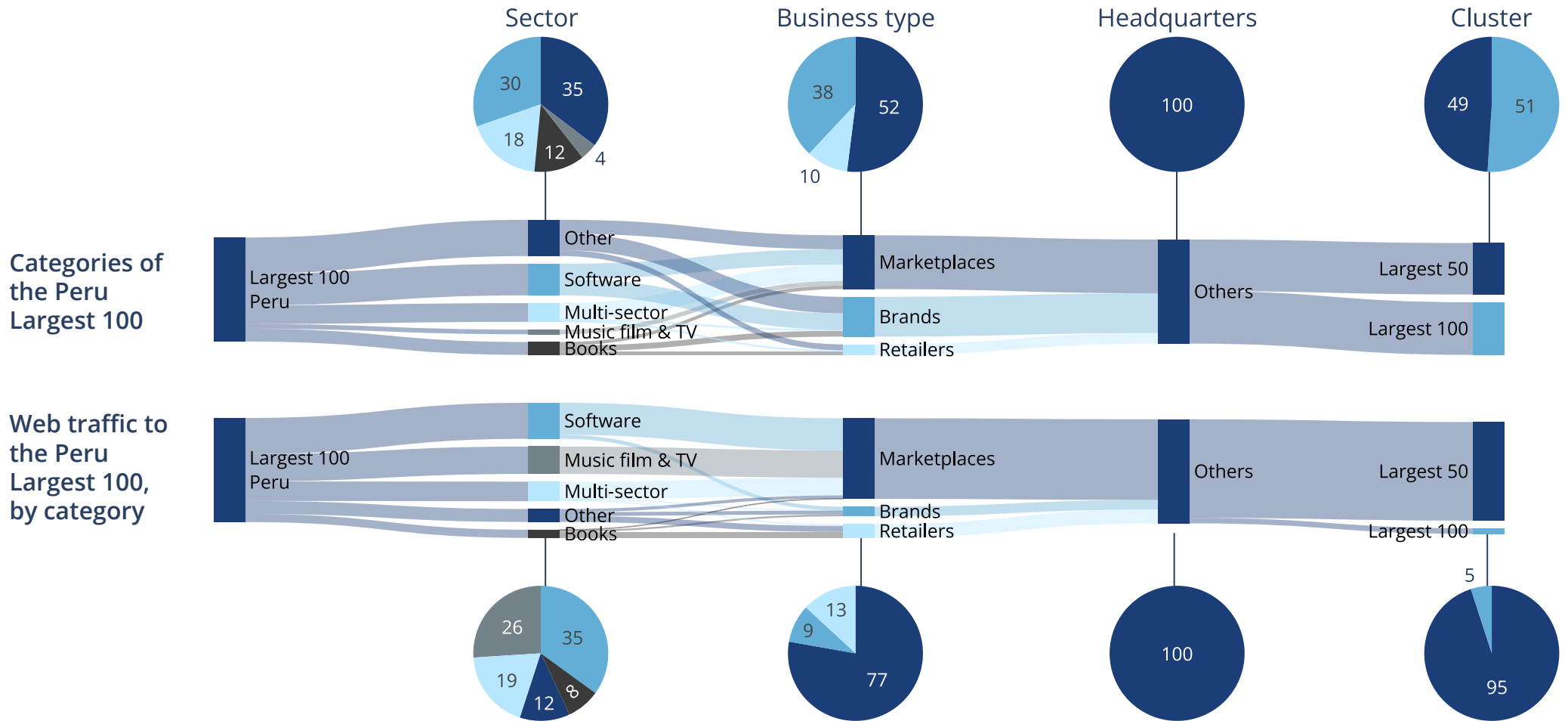
Share of the market taken by ecommerce, by sector, Peru, 2019-23



Source: Statista Digital Market Insights

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Category analysis of the Peru Largest 100



Top Sankey chart: the percentage of Peru Largest 100 retailers in a category. Bottom Sankey chart: the percentage of Peruvian consumer web traffic directed at Peru Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX, SimilarWeb (web traffic)

RetailX 2023
RXRUN23RP-PE

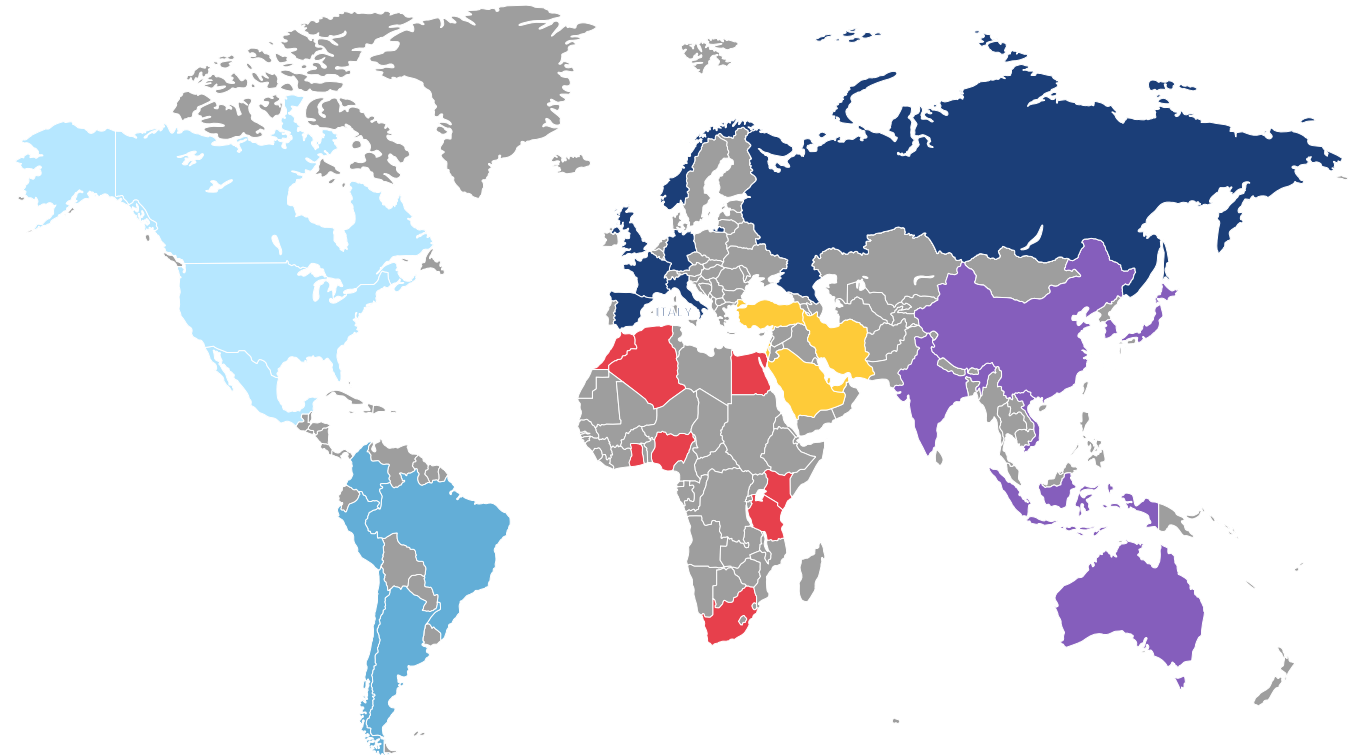
The key issues around the world

Over the following pages, we look at the market issues that retailers and brands need to consider

Even as it becomes a mature industry, multichannel retail is rarely a quiet part of the business landscape. In part, that's because of the nature of the sector. The sizzle and the sell will always be important within retail so it will always produce noise and fuss. And

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despite the fact that European markets are more about incremental gains, there are still exciting opportunities for rapid growth, notably in Africa.

To make the most of these opportunities, retailers need to monitor a number of areas that can affect business going forward. Over the following pages, we look in detail at some of these areas.

We begin with sustainability (page 209), which is becoming increasingly important to consumers, and not just in the developed world. Next, we look at

inflation and consider why it may be a fixture of the economic landscape in the years ahead (page 213).

Turning to logistics, we offer a roundup of what's happening in this area, so vital to the overall customer experience, around the world (page 223). We also look at the future of the web (page 229). Will the promise of a far more immersive, intuitive digital world ever come to pass?

Finally, we look ahead to 2024 to consider issues that may climb up the boardroom agenda (page 232).

Sustainability

As the planet gets hotter, countries, retailers and consumers are all taking action to lower their carbon emissions

The sustainability information provided with a product is enough to sway a consumer into making a purchase instore or when they are browsing online. More than half of the consumers surveyed by RetailX say they have changed what they buy because of the sustainability information provided. They are also likely to spend more on those products that make the right claims.

More than 50% of Gen Z, Millennials and Gen X have paid a premium for products that make the right claims around sustainability. However, a large proportion of shoppers also say they don't always fully understand the environmental impact of what they are buying or have access to the right information. Retailers could be missing out on sales by either not marketing their products to these customers or not giving them enough information.

73% of consumers globally say the ecological impact of purchases needs to be clearer. This is especially important for the 17% of shoppers who always look for the environmental provenance before making a purchase and the 27% who do so "most of the time," according to the *RetailX 2023 Sustainability Report*.

Some companies have sustainability as their core focus and, as such, provide a deep level of



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information about the materials used in their products, as well as how and where they are manufactured. For example, the homepage for MUD Jeans explains the full process of how it uses organic denim, reduces waste and takes back products to recycle into new jeans at the end of their lives. Customers are able to lease jeans from the company, so they always have the latest fashion but in a more circular way than constant purchases. MUD Jeans highlights the social side of its ESG ethos by only working with carefully selected manufacturers so that it can ensure the wellbeing of everybody involved in its product supply chain.

GREENWASHING

Some retailers have become cautious about publicising their ESG credentials and are wary of being accused of making claims that cannot be substantiated or need further explanation. Simply calling a product 'natural' is not good enough in the eyes of eco-conscious consumers.

In recent years, there has been a backlash against those brands and retailers making unfounded claims, with regulations becoming more rigid to ensure that such companies are held to account. Australia is among the latest countries to adopt new measures. The Australian Competition & Consumer Commission (ACCC) has issued eight practical principles which it encourages businesses to apply so as not to mislead consumers or contravene existing consumer law^[1].

"Businesses must provide clear, accurate and trustworthy information to consumers about any environmental or sustainability claims and be able to provide evidence to back them up," says ACCC Chair, Gina Cass-Gottlieb.

"If you make a claim about the environmental or sustainability benefits of your product or service then make sure it's right. If you are unsure or can't substantiate claims, then don't make the claim."

EXTENDED PRODUCER RESPONSIBILITY

At the same time, retailers in Europe are finding how they operate is increasingly under scrutiny by regulators, with new legislation requiring them to take responsibility for their waste, packaging and entire product life cycle. Human rights issues and the way companies treat workers along the entire supply chain are being aligned with international standards and UN guiding principles.

France was the first to introduce legislation that moved retailer responsibility beyond packaging. The French decree 2022-748, which forms part of the country's Anti-Waste for a Circular Economy Law, requires retailers to include environmental information relating to a product on its label or hang tag. The goal of this is to allow consumers to evaluate products before purchasing.

However, the amount of information required far exceeds what could be included practicably on a small label. The decree calls for detailed information relating to a product's repairability, recyclability, sustainability and possibilities for reuse, as well as the percentage of recycled material used in the products, use of renewable resources and presence of plastic microfibers. Furthermore, information on traceability must be made available, along with the name of each country where weaving, dyeing, printing and assembly of all materials take place.

In this way, the French decree puts responsibility for the full life cycle of the product firmly in the hands of the producer. Any product that remains unsold should be reused or recycled and brands are called on to participate actively with recycling organisations



for products at the end of their life as well. The penalty for not handling deadstock in an appropriate manner is €15,000.

All of these moves require brands to have visibility of the full supply chain, as well as a way to make product information available in a format that is easily understood by French consumers and other interested parties post-purchase. This raises the importance of digitisation, enabling supply chain traceability and full product life cycle assessments, along with ways to connect data sets with consumer-facing systems, regulatory reporting and wider cradle-to-grave industry use.

THE RETAILX GLOBAL TOP1000

Currently, just 4% of the world's leading brands and retailers share details of their suppliers and manufacturing facilities with consumers online, although a greater number have a code of conduct outlining how such partners should behave.

Fashion companies are in the retail sector most likely to share information about their sustainability policies on their consumer-facing ecommerce site. 22% of fashion brands and retailers within the RetailX Global Top1000 do so. Of these, 19% also publish a plan of action sharing how they will reach their stated sustainability goals.

Such fashion platforms are becoming advocates for sustainability by also helping the smaller brands that supply them change their own businesses. Fashion platforms About You, Yoox Net-a-Porter and Zalando have collaborated on a climate learning platform to help the brands they stock know more about setting science-based targets. These brands also have the opportunity to discuss sustainability and exchange ideas with experts and peers. 55 brands took part in the first year of the programme, with its successful launch followed by invitations sent out to a further 250 brand partners in 2023.

The programme forms a critical part of the three online retailers' respective climate journeys, with each working to support a reduction in their brand partners' emissions to achieve their own Scope 3 targets. Looking ahead, these retailers see potential to scale the platform's reach to become available to every fashion brand partner and the wider industry.

"At About You, we believe that collaboration and transparency are key to sustainable change across the industry," says Hannes Wiese, co-CEO, About You Holding. "This creates accountability but also comparability between businesses and leads to positive change within the fashion sector."

He adds, "We are proud of last year's strong results of Fashion Leap for Climate and are excited – together with Zalando and Yoox Net-a-Porter – to start its second year. The successful completion of the learning journeys by our initial partner brands marks a crucial initial stride in the right direction. We are convinced it will take collective initiatives from the entire industry to create sustainable change."

Fashion brands are also embracing the second-hand market and taking charge of the resale of their own branded goods. Zara, which introduced a resale option on its core ecommerce site in the UK, has recently expanded it to France, with further launches planned for Spain and Germany.

However, other retail sectors have made bigger inroads into circular retail models, such as through product rental, repair, take-back schemes and recycling. Almost 14% of DIY and building trade retailers have rental schemes for tools so that consumers don't have to go to the expense of buying something outright that they may only use once.

26% of consumer electronics retailers offer a recycling scheme for at least some of the products they sell, while 24% have a way for customers to return products for repair. There is a higher prevalence of homeware retailers sharing instructions online for customers to mend their own items than for fashion retailers to do so.

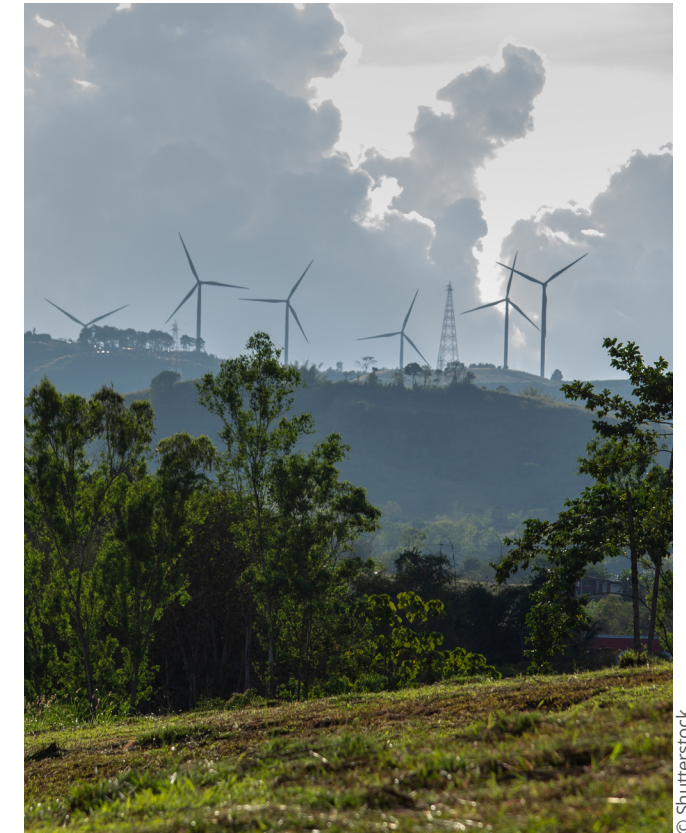
Overall, 11.4% of the retailers and brands within the RetailX Global Top1000 outline their sustainability ambitions on their ecommerce site, making the information easily accessible to their customers. Some make the information prominent while others include a link in the site footer or the top navigation.

GEOGRAPHIC DIFFERENCES

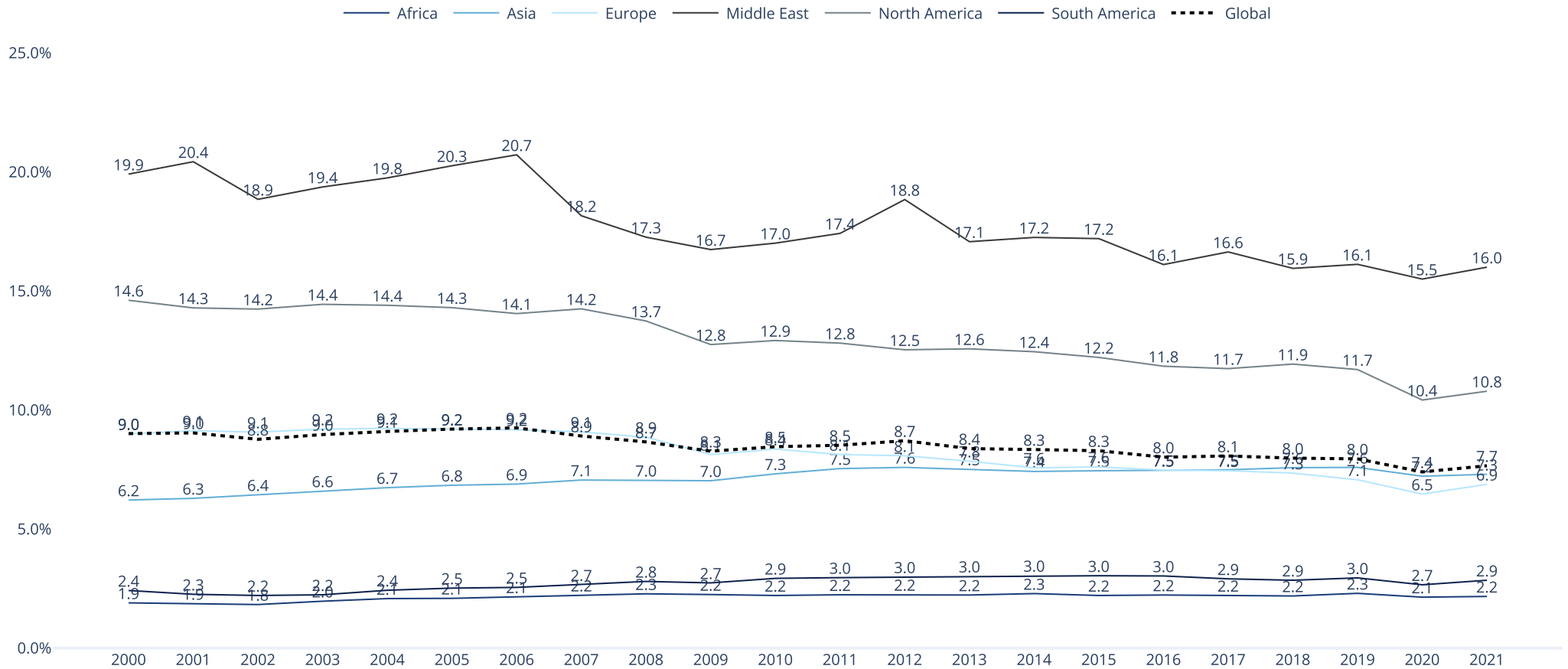
From a geographic standpoint, it is more common for retailers in Southeast Asia to share sustainability information with consumers. Among these retailers, 12.1% include sustainability on their ecommerce site. Among retailers in Europe, the figure drops to 6.9% while the percentage is even lower (5.8%) in North America. The majority of the RetailX Global Top1000 in North America are based in the US, a country that is moving increasingly towards environmental reporting and investment.

8.6% of retailers in Southeast Asia include their full sustainability report with customers online. The figure drops below 5% for retailers in the Middle East (4.7%), Europe (4.6%) and North America (4.3%). 6% of the retailers in Southeast Asia include a full archive of sustainability reports to show how and where progress is being made.

[1] www.accc.gov.au/about-us/publications/environmental-and-sustainability-claims-draft-guidance-for-business



Carbon dioxide emissions (metric tons per capita), Worldwide, 2000-21



Figures calculated using the average for countries showcased in this report

Source: The World Bank

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Inflation

Rising prices could be a fixed feature of the global economy in the years ahead

When inflation rates are high, 21st-century economic orthodoxy is clear: central banks raise interest rates. When interest rates are higher, people find it more expensive to borrow, so it encourages them to save. Higher interest rates dampen economic activity.

The current round of rate rises began from an abnormally low starting point because rates had been pushed down so far in the wake of the global economic crisis. The hope was that rates would rise quickly before also coming down quickly.

But thus far, that's not what's happening in many territories. Indeed, the idea that inflation could drop to 2% in the developed world anytime soon – the typical target set by governments – seems fanciful. In the UK, for example, consumer price inflation stood at 5.9% in August 2023^[1]. While this has put huge strain on consumers, the rate is still low compared to Turkey, for example, where people were living with inflation at 61.5% in September 2023.

The bad news is that inflation may be here to stay, as economist Alexander Tziamalis of Sheffield University has argued^[2], arguments on which this article draws. Leaving aside the argument that the idea of central banks setting interest rates to damp demand has long over-estimated the power of the institutions, there are several reasons to suspect this, which we will now consider in turn:



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GLOBAL HEATING

In 2023, global temperatures soared, caused in part by a strong El Niño^[3]. The World Meteorological Organization (WMO) has said that global temperatures will likely move more than 1.5°C above pre-industrial levels in the next five years.^[4] This breaches the threshold agreed under the 2015 Paris Climate Agreement.

It can be difficult to grasp what this might mean, but Simon Sharpe, a senior fellow at the non-profit World Resources Institute and former climate advisor to the UK government, recently made the point that a sustained warming of 2°C likely locks in sea level increases of 10m. The practical threshold for protecting London without building a huge wall around the city centre, he told *New Scientist*, is 5m. If things carry on as they are doing, central London may have to be abandoned as early as 2150.^[5]

It is not a great leap from this prediction to understanding why the World Economic Forum's Global Risks Report 2023 identifies a "failure to mitigate climate change" as the biggest risk facing the world over the next decade. An underlying fear is that global heating will be accompanied by natural disasters, ecological breakdown, disputes over resources and increased migration flows^[6].

WAGES AND PRICES TEND TO RISE IN STEP

One of the main reasons it is so difficult to squeeze inflation out of the system is that people who are being paid less push for pay rises to protect their living standards. In turn, this means businesses try to pass on the rise in wage costs by increasing prices.

We are currently seeing this dance play out around the world. It's worth noting that, in most countries, wage rises have been below inflation. Workers can

be surprisingly reasonable. Nevertheless, it will still be some time before employees are able to get away with offering the kinds of low rises that were customary in the wake of the financial crisis.

A secondary point here is that the behaviour of those in positions of power matters. There was some resentment in the UK when, in 2022, the Bank of England's governor, Andrew Bailey, called for wage restraint just as inflation was taking off and following the worst decade for average pay growth since the Napoleonic Wars^[7]. To be fair to Bailey, a refreshingly non-flashy and down-to-earth presence, he spoke clumsily, yet it wasn't his best moment.

THE LINGERING EFFECTS OF 2008

While global leaders narrowly headed off another Great Depression in 2008-09, a side effect of pumping money into the system was that asset prices rose. A similar, if less pronounced, effect occurred the Covid-19 crisis when people who couldn't spend their money on going out looked at the low interest rates then on offer and for places to put their cash instead. While a direct correlation would be hard to prove, you can't help thinking it's no coincidence that a peak in the prices of Banksy prints occurred in March 2021^[8].

More seriously, there is evidence that many households are under huge strain because they have bought their biggest asset, a home, following a long-term rise in house prices. A rise in interest rates for those with mortgages that are high in relation either to their borrowings or to their incomes – or even dealing with both these factors – can be especially difficult for such households.

This limits the scope for central banks, fearful of causing a recession and negative equity if a house price downward spiral sets in, to raise rates.

CHANGING NATIONAL ECONOMIES

One of the reasons the 1990s were so benign economically for many in the developed world was because of the offshoring of production, most notably to China. This kept costs down, albeit at the expense of domestic jobs.

In 2023, by contrast, the talk is centred on what *The Economist* has called "Homeland Economics"^[9]. Legislation such as Joe Biden's Inflation Reduction Act, now a year old^[10], is designed to onshore jobs.

Philosophically, you can also express this as a move from a just-in-time approach to the supply chain to one that's been dubbed just-in-case. Proponents of the latter approach argue that it's necessary because of volatility in global markets and because it helps to preserve the industrial base. Those against it argue that such protectionism has too many downsides.

Wherever you sit on this debate, there is certainly evidence that onshoring leads to inflation within developed economies due to manufacturing costs being higher in these nations. However, it is also worth noting that the effects of interventions are not always as long term as some fear. The renewables industry around the world has been heavily subsidised. However, the payback has been that wind and solar are now cheaper than fossil fuels, even to the extent where you could argue it's the fossil fuel sector, which has long enjoyed tax breaks, that skews the market for energy.

CONFLICT

In 1973, the Yom Kippur War led to a hike in energy prices. Marking the 50th anniversary of the conflict for BBC Radio 4, the American journalist Michael Goldfarb argued this relatively brief event changed the world forever because the associated oil embargo ended the post-Second World War boom, and helped the rise of Reagan and Thatcher.

It's too soon yet to say whether recent events in the Middle East will have such profound consequences but at the very, least wars create uncertainty. Russia's invasion of Ukraine was proof of this and we are living with its economic consequences.

For those in ecommerce and multichannel retail, what can be done to mitigate against inflation may be limited – and at least everybody else is in the same boat. The point remains, though, that inflation is not necessarily a blip. Better to prepare for the years ahead with this mind.

[1] www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/august2023

[2] www.globalgovernmentforum.com/four-reasons-inflation-will-stay-stubbornly-high-for-some-time

[3] <https://oceanservice.noaa.gov/facts/ninonina.html>

[4] www.theguardian.com/environment/2023/may/17/global-heating-climate-crisis-record-temperatures-wmo-research

[5] www.newscientist.com/article/mg25934580-100-how-to-reach-net-zero-five-times-faster/

[6] www3.weforum.org/docs/WEF_Global_Risks_Report_2023.pdf

[7] www.theguardian.com/business/2022/feb/04/bank-of-england-boss-calls-for-wage-restraint-to-help-control-inflation

[8] <https://banksy-value.com/>

[9] www.economist.com/special-report/2023-10-07

[10] www.theguardian.com/business/2023/oct/09/industrial-policy-government-intervention-joe-biden-inflation-reduction-act-subsidies

[11] www.bbc.co.uk/programmes/m001r0tz#

Appendix: Inflation around the world

Rising prices are a problem for countries around the world, as the following graphics reveal

For reasons of space, we haven't been able to publish inflation figures on all of the country pages. However, as these figures reveal much about different economies, we have gathered them here:

Algeria	216	Ghana	216
South Africa	217	Tanzania	217
China	217	India	217
Indonesia	218	Japan	218
South Korea	218	Vietnam	218
France	219	Germany	219
Italy	219	Norway	219
Spain	220	The United Kingdom	220
Iran	220	Israel	220
Qatar	221	Saudi Arabia	221
Turkey	221	UAE	221
Canada	222	Mexico	222
United States	222		
Argentina	222	Brazil	223
Chile	223	Colombia	223
Peru	223		

Annual percentage change in the Consumer Prices Index (CPI), Algeria, 2022-2023

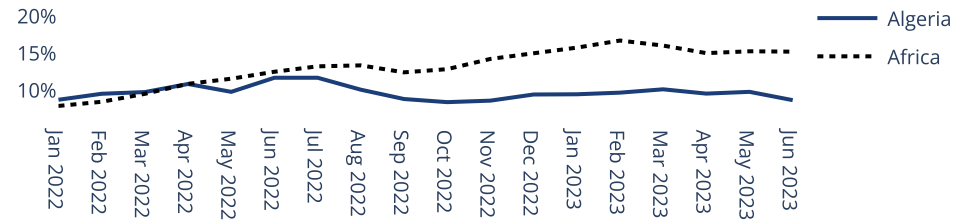


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-DZ-1-1-v5

Annual percentage change in the Consumer Prices Index (CPI), Ghana, 2022-2023

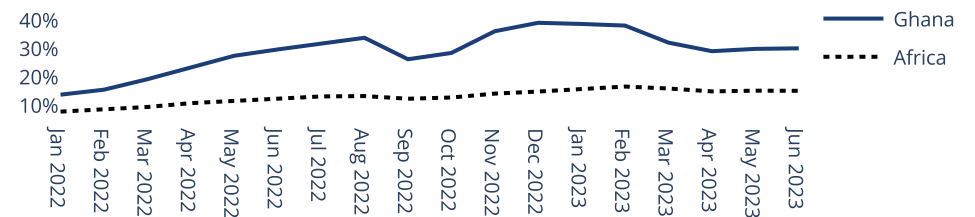


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-GH-1-1-v5

Annual percentage change in the Consumer Prices Index (CPI), South Africa, 2022-23

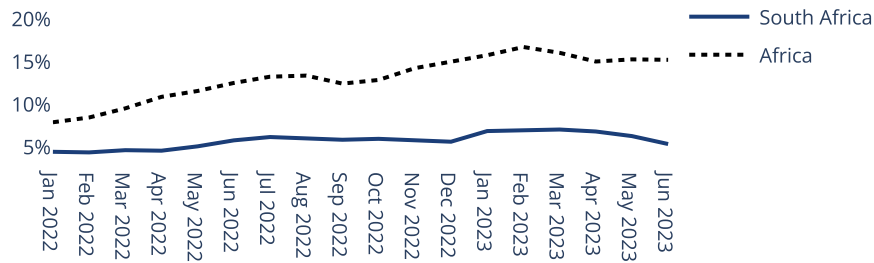


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-ZA-I-2-v3

Annual percentage change in the Consumer Prices Index (CPI), Tanzania, 2022-2023

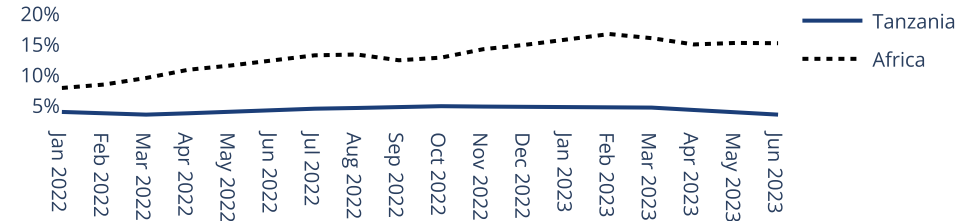


Figure for Africa calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-TZ-I-1-v4

Annual percentage change in the Consumer Prices Index (CPI), China, 2022-23

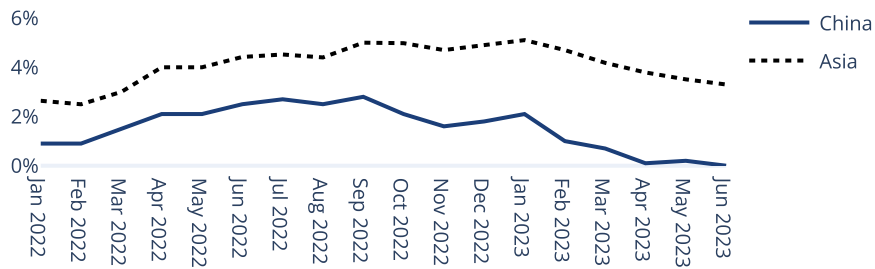


Figure for Asia calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-CN-I-2-v3

Annual percentage change in the Consumer Prices Index (CPI), India, 2022-2023

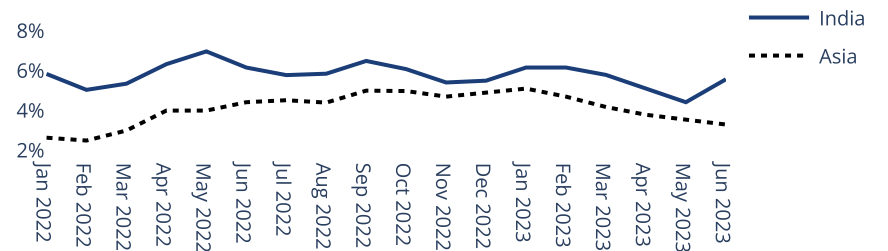


Figure for Asia calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-IN-I-1-v2

Annual percentage change in the Consumer Prices Index (CPI), Indonesia, 2022-23

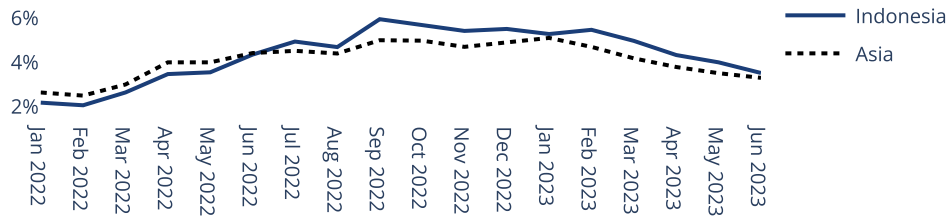


Figure for Asia calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-ID-I-2-v4

Annual percentage change in the Consumer Prices Index (CPI), Japan, 2022-23

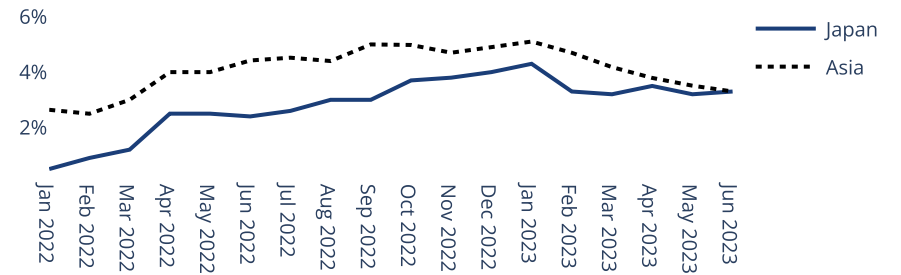


Figure for Asia calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-JP-I-2-v3

Annual percentage change in the Consumer Prices Index (CPI), South Korea, 2022-23

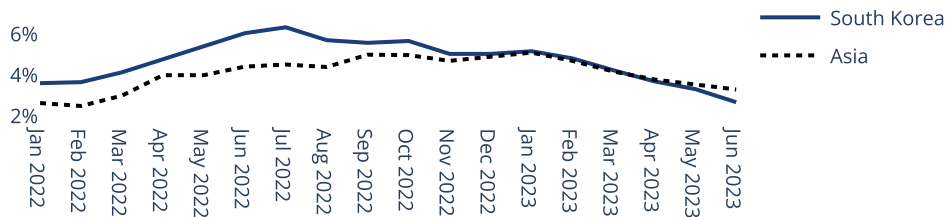


Figure for Asia calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-KR-I-2-v4

Annual percentage change in the Consumer Prices Index (CPI), Vietnam, 2022-23

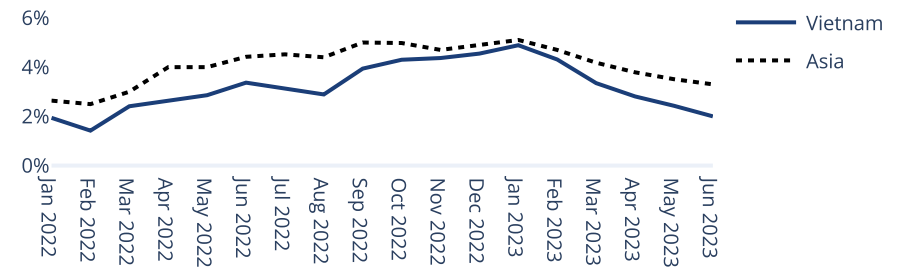


Figure for Asia calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-VN-I-1-v2

Annual percentage change in the Consumer Prices Index (CPI), France, 2022-23

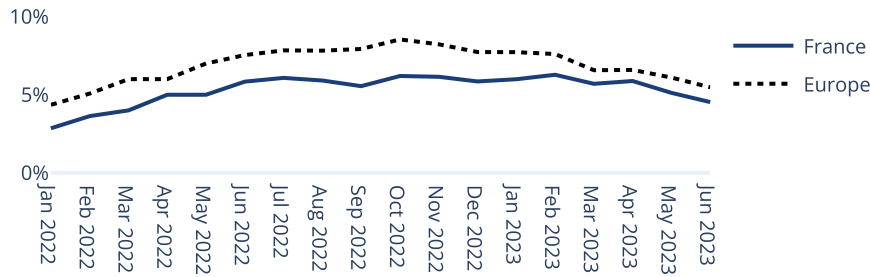


Figure for Europe calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-FR-I-2-v3

Annual percentage change in the Consumer Prices Index (CPI), Germany, 2022-23

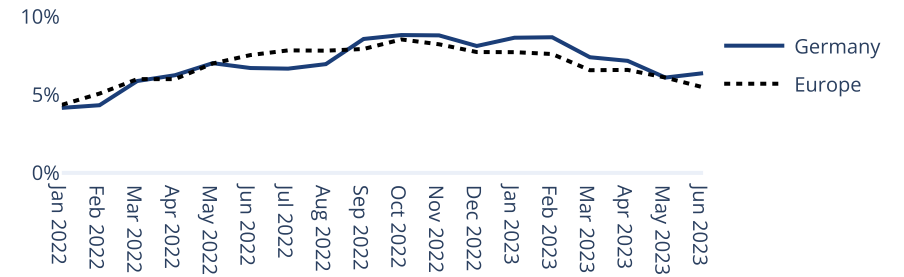


Figure for Europe calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-DE-I-2-v3

Annual percentage change in the Consumer Prices Index (CPI), Italy, 2022-23

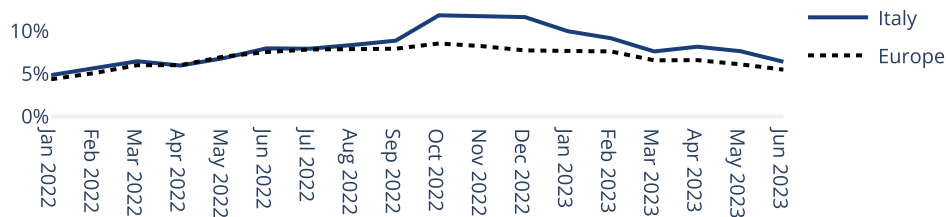


Figure for Europe calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-IT-I-2-v5

Annual percentage change in the Consumer Prices Index (CPI), Norway, 2022-23

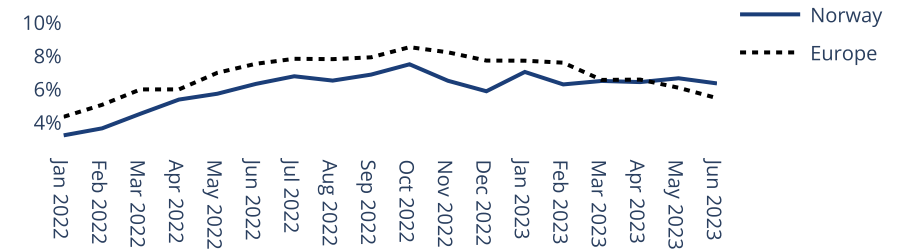


Figure for Europe calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-NO-I-1-v2

Annual percentage change in the Consumer Prices Index (CPI), Spain, 2022-23

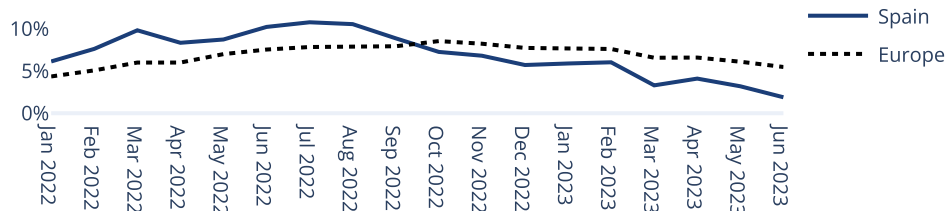


Figure for Europe calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-ES-I-2-v5

Annual percentage change in the Consumer Prices Index (CPI), United Kingdom, 2022-23

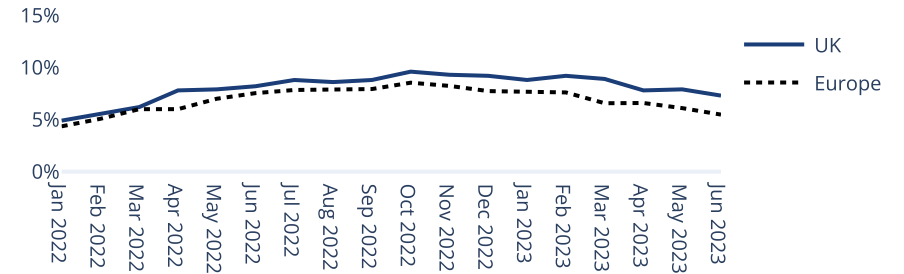


Figure for Europe calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-GB-I-2-v2

Annual percentage change in the Consumer Prices Index (CPI), Iran, 2022-2023

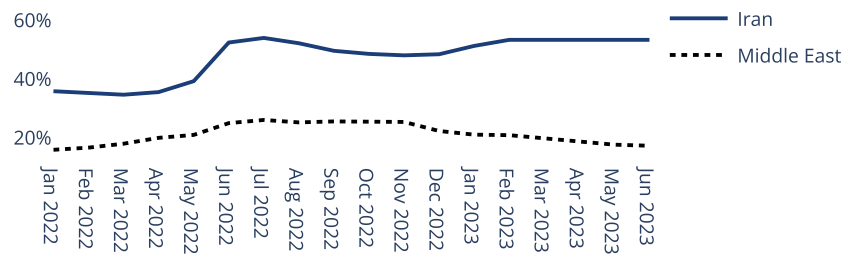


Figure for Middle East calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-IR-I-1-v1

Annual percentage change in the Consumer Prices Index (CPI), Israel, 2022-23

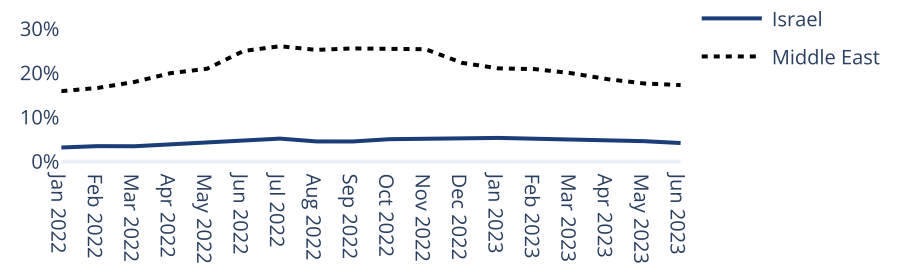


Figure for Middle East calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-IL-I-2-v3

Annual percentage change in the Consumer Prices Index (CPI), Qatar, 2022-2023

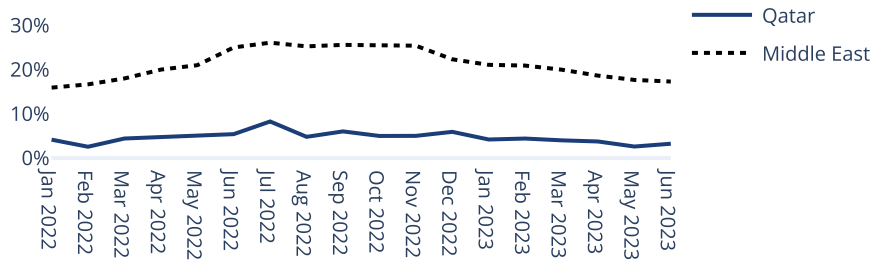


Figure for Middle East calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-QA-I-1-v2

Annual percentage change in the Consumer Prices Index (CPI), Saudi Arabia, 2022-2023

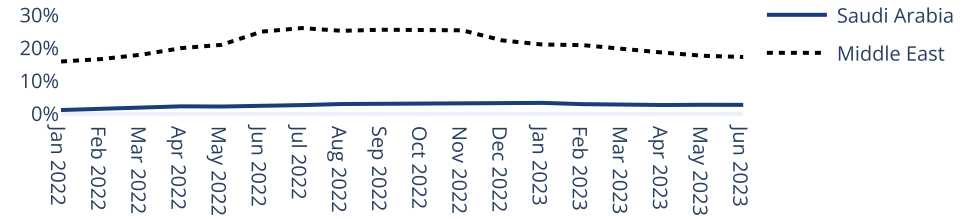


Figure for Middle East calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-SA-I-1-v2

Annual percentage change in the Consumer Prices Index (CPI), Turkey, 2022-23

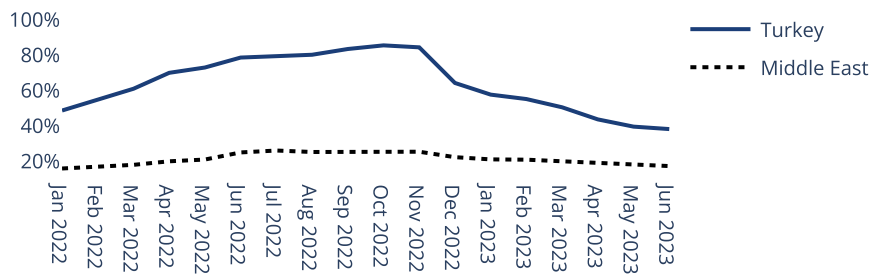


Figure for Middle East calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-TR-I-2-v2

Annual percentage change in the Consumer Prices Index (CPI), UAE, 2022-2023

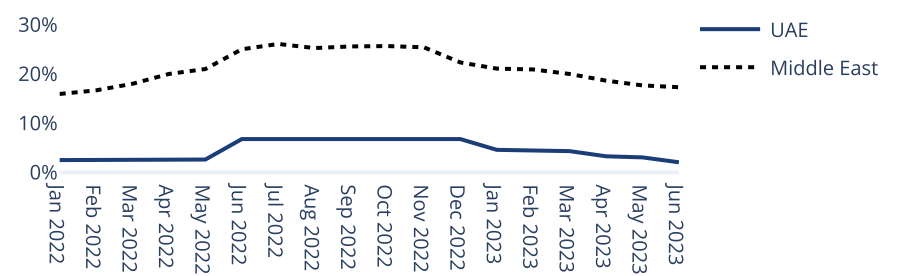


Figure for Middle East calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-AE-I-1-v5

Annual percentage change in the Consumer Prices Index (CPI), Canada, 2022-2023

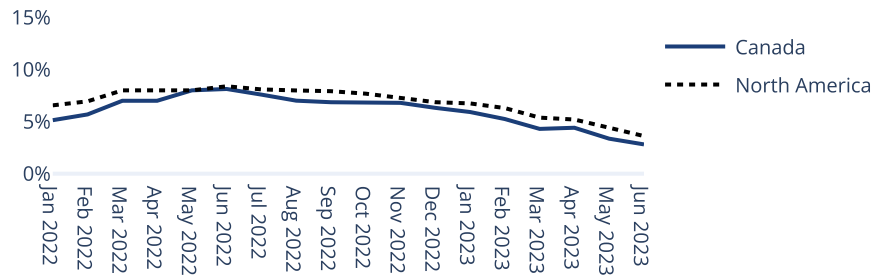


Figure for North America calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-CA-I-1-v2

Annual percentage change in the Consumer Prices Index (CPI), Mexico, 2022-23

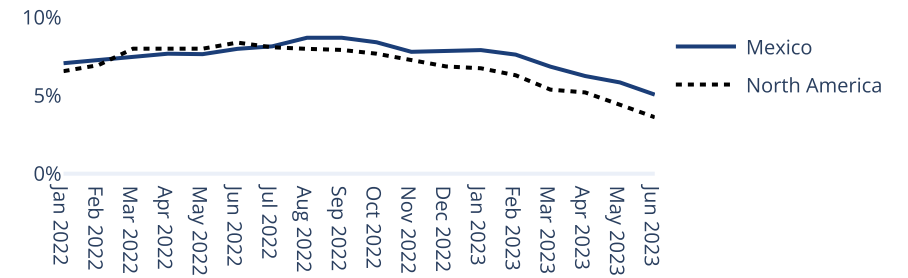


Figure for North America calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-MX-I-2-v3

Annual percentage change in the Consumer Prices Index (CPI), United States, 2022-23

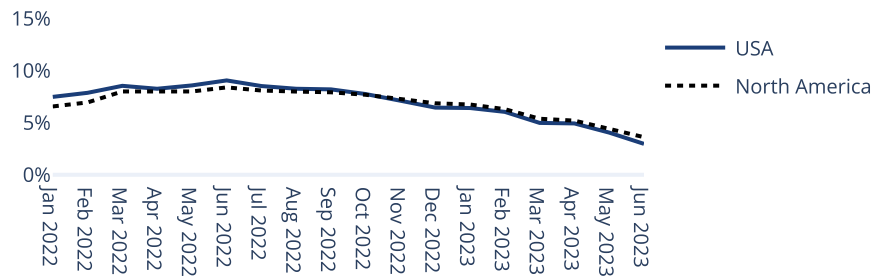


Figure for North America calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-US-I-2-v2

Annual percentage change in the Consumer Prices Index (CPI), Argentina, 2022-2023

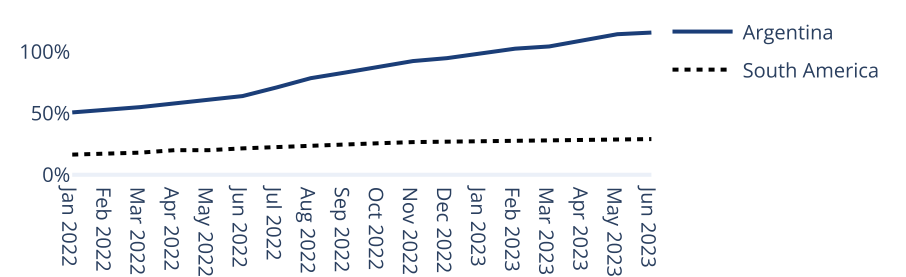


Figure for South America calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-AR-I-1-v3

Annual percentage change in the Consumer Prices Index (CPI), Brazil, 2022-23

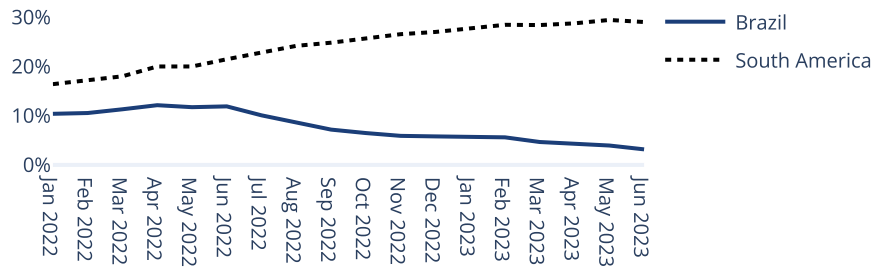


Figure for South America calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-BR-I-2-v2

Annual percentage change in the Consumer Prices Index (CPI), Colombia, 2022-23

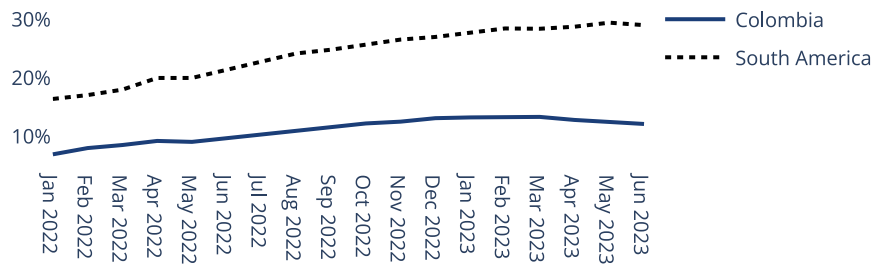


Figure for South America calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-CO-I-2-v2

Annual percentage change in the Consumer Prices Index (CPI), Chile, 2022-23

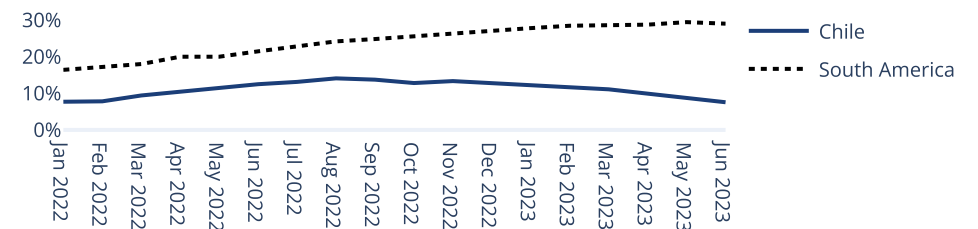


Figure for South America calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-CL-I-2-v3

Annual percentage change in the Consumer Prices Index (CPI), Peru, 2022-2023

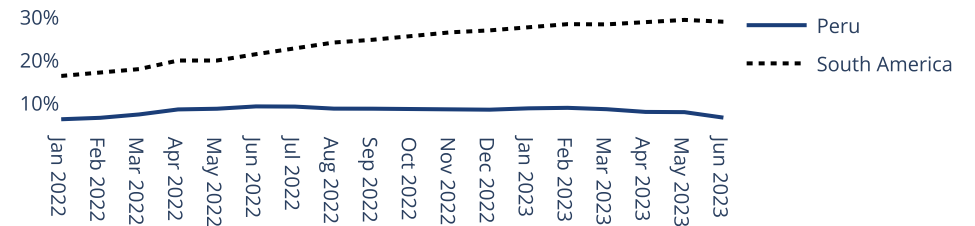


Figure for South America calculated using the average for countries showcased in this report

Source: OECD

RetailX 2023
RXRUN23RP-PE-I-1-v1

Logistics

Advancing technology has played its part in a year filled with economic and environmental challenges

The logistics industry had only just recovered from the extremes of Covid-19 but this year, immediately had to face soaring energy costs and record-high inflation, as well as fluctuations in demand caused in part by the resulting low consumer spending.

A newly published study found that demand levels are the number one concern for 71% of logistics businesses. The Logistics Confidence Index 2023 highlighted that 75% of operators think business conditions are more difficult now than a year ago.

These businesses are also dealing with a rebalancing of retail as the ecommerce boom of the pandemic slows down. While shoppers may be able, and willing, to return to bricks-and-mortar stores, their delivery expectations have been forever changed.

Adjusting to the complexities of direct-to-consumer fulfilment, changing consumer habits and challenging economic conditions, has seen many of these companies turn to technology and advanced solutions in order to keep up.

ADOPTING AUTOMATION

The use of software, such as Transport Management Systems (TMS) and Warehouse Management Systems (WMS), is nothing new in this sector. Yet an increasing number of logistics firms are putting

their faith in such solutions and 64% of logistics companies (64%) are investing in supply chain management systems, according to a recent report.

Unlocking the Future: Embracing Digital Transformation in Logistics found that 82% of logistics companies have increased their technology investments since 2020, with 95% of logistics organisations stating they will either increase or maintain their current levels of investment in new systems and technologies over the next 12 months^[1].

The use of advancing technologies can help logistics companies deal with the ongoing challenge of labour shortages across the industry. Technology has been championed as a solution to drive efficiency, and therefore cost savings. It is also proving increasingly important in meeting sustainability targets.

“Through innovative technology and efficient digital processes, we need fewer resources and can reduce emissions,” says DSLV, the German freight forwarding and logistics association.

THE COST OF TACKLING EMISSIONS

Work to clean up the logistics industry is long overdue. Before the pandemic, the total transport sector accounted for a fifth of global CO2 emissions, with road traffic making up three-quarters of this^[2].

Carriers, retailers and governing bodies are all setting net zero target dates. The UK’s freight transport association, now Logistics UK, is focusing its efforts on transport decarbonisation, stressing that it “is fully committed to achieving net zero by 2050”.

Investment in cleaner vehicles has remained high in 2023 and as the DSLV suggested, there has been a conscious effort to deploy the latest technology to help make logistics greener. This can mean routing software, or WMS to optimise inventory, manage resources effectively and reduce wastage. It can even be the introduction of AI-powered tools to analyse huge data sets and find how to optimise operations.

While the initial high investment needed for such technologies may put some companies off, addressing sustainability concerns is no longer just a box-ticking exercise or good for an environmentally friendly brand image. With governments worldwide collectively trying to limit global warming, the pressure is now on for everyone to limit emissions.

The logistics industry must quickly recognise it has a huge part to play and that investment into sustainable practices could also lead to business efficiency and substantial cost savings.

[1] https://1.reutersevents.com/LP=35606?extsource=media_partner_transport_advancement_cargowise_prime_banner

[2] www.ing.com/Newsroom/News/Global-transport-and-logistics-outlook-normalisation-in-a-different-world.htm

Africa

As previously mentioned in this report, Africa will be home to more than half a billion online shoppers by 2025. The continent has witnessed significant growth in internet use and, according to the World Bank, has grown from a reported usage of 1% in 2000 to 29% of the population actively using the internet today.

Those countries strengthening their internet access also present an opportunity for logistics players to build-out modern, relevant solutions as critical infrastructure is installed.

Digitisation can be seen throughout the African logistics sector, which will in turn support any ecommerce growth. A recent blog post by shipping and logistics company Maersk noted that digital transformation is sweeping the continent and affecting every industry^[3].

It noted that digital transport and logistics players are looking to capitalise on their strengths. These include increased ability to predict and meet demand, opportunities to improve efficiency, increased opportunities to centralise and analyse data, and the automation of routine tasks.

A report by the World Economic Forum, in association with Deloitte, highlighted several efforts that are being undertaken by regional economic communities to build better trade networks in Africa by engaging world class logistics networks that can withstand supply



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chain shocks. A McKinsey survey also reported that 90% of supply chain leaders have been investing in digital supply chain management technology since 2021, with 80% expecting to continue with these efforts well into 2023 and beyond^[4].

While advancements in logistics technology are steadily being adopted by the industry, there are still numerous challenges to overcome. Africa has a lot of work to do to grow in the Artificial Intelligence (AI) space. According to Oxford Insights, it had the lowest average score in AI readiness^[5].

If the continent can invest in developing and innovative technologies further and improve this score, its logistics industry could well keep up with the growing demand of an increasingly ecommerce-friendly consumer base.

[3] www.maersk.com/insights/integrated-logistics/africa-integrated-logistics

[4] www.mckinsey.com/capabilities/operations/our-insights/taking-the-pulse-of-shifting-supply-chains

[5] www.oxfordinsights.com/government-ai-readiness-index-2022

Asia

It wasn't until January 2023 that mainland China lifted strict lockdown measures. This put a strain on global supply chains worldwide, with recent trade data hinting that China's status as the world's largest exporter is now under threat.

According to data published in July, China's exports witnessed a 14.5% year-on-year contraction – the biggest drop in more than three years, with declines among most of its major trade partners. Shipments to the US fell for the twelfth consecutive month. Exports to both the EU and to the Association of Southeast Asian Nations declined by 21% YOY^[6].

Furthermore, companies across Asia have looked to decouple from the Chinese mainland and focus on reshoring, driven in part by pandemic disruption but also costs. A study by the Reshoring Institute in 2022 showed that the average wage in the Chinese mainland has significantly increased in the past decade, while Vietnam and India offer some of the lowest average wages.

This has driven some businesses to redirect their investment planned for China elsewhere. One-third of the 307 companies surveyed by the American Chamber of Commerce in Shanghai's annual business report are doing so.

Southeast Asian and Indian economies are benefiting, according to Knight Frank. Its 2023



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paper, *The State of Logistics Asia-Pacific Focus Report*, found Vietnam's exports rose to \$29.6bn, up 10.1% YOY. Foreign investment in Thailand soared by 56% to 129bn baht, up from 82.5bn baht in 2021.

However, some companies are looking at the region as a whole, taking a China+1 approach. Those with an existing presence in China are unlikely to abandon the market entirely, instead choosing to supplement Chinese operations with low-cost

inputs sourced from production facilities in the previously mentioned regions. This pragmatic approach enables such firms to diversify operations while also minimising risks of trade and supply chain disruption.

[6] www.northerntrust.com/middle-east/insights-research/2023/weekly-economic-commentary/reshoring-is-real

Europe

European ecommerce shoppers have started to look further afield for the products and deals they want. A study by Helsinki-based ecommerce logistics firm Ogo Ship found more than 73% of online consumers in Europe shop in countries other than their own.

This creates an opportunity for those retailers and logistics companies who are willing to go the extra mile. Cross-border ecommerce in Europe was worth €179.4bn in 2022 – an increase of 4.8% compared to a year earlier. European online stores achieved a record high turnover of €105.5bn across borders – a 5.5% increase compared to 2021.

Germany had the largest European cross-border market, with €34bn in 2022 – a 5% increase compared to a year before. This meant the UK lost its top spot as cross-border sales dropped 4% to a historical low, resulting in €28bn cross-border sales compared to €33bn in 2020 and €29bn in 2021. EU retail business accelerator Cross Border Commerce Europe blamed Brexit and its VAT regulations, import duties, logistics and returns for this.

The complexity of cross-border logistics – as well as the reverse logistics of returns – needs to be a key consideration for any European retailer looking to sell outside their country. Cross-border logistics means a lot of spinning plates. This includes tracking orders, meeting delivery time



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frames, tax and customs, regulations, compliance, even multi-carrier hand-offs or border delays. Those looking to take on this international challenge can go down the route of cross-border shipping, localised fulfilment or even bringing in a third-party specialist to handle everything for them.

Unsurprisingly, technology plays a major part in cross-border logistics, with multi-carrier software platforms helping brands and retailers to select

the most appropriate shipping partners. Yet having the right logistics partner, especially one based in the country, could also be critical to understanding the market.

Changing consumer habits and delivery trends can vary from country to country, so having an informed partner on the ground could enable retailers and their logistics partners to keep up with local developments.

Middle East

As mentioned in the introduction to this feature, decarbonising transport within the logistics sector is a goal for many operators and governing bodies. The UAE has strategic plans to achieve its net zero goals by 2050. Cleaner supply chains will be a key part of this, as will sustainable logistics parks. These hubs are already investing in green transportation solutions such as electric and fuel-efficient trucks, as well as alternative power supply options.

DHL has launched the region's first compliant facility for electric vehicle (EV) batteries. The 23,478m² EV and battery logistics hub in Dubai features a 652m² EV battery storage area, which can be expanded to 2,000m² to support future growth and use of this technology.

The hub aims to pave the way for a circular EV economy, where batteries can be stored, recycled, repaired and processed at end of life to ensure long-term sustainability. Moreover, it facilitates the anticipated shift to electrified transport, especially for last-mile delivery.

In Qatar, the Hamad Port Free Zone has introduced smart technology to reduce its carbon footprint and achieve more optimised logistics operations. This includes solutions to utilise solar energy and recycle waste.

Oman's Asyad Ports, which was only established in 2016, has similarly been designed as a



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sustainable development with a reduced carbon footprint. Ahmed Al-Abri, CEO of Asyad Ports, explained: "These facilities provide comprehensive logistics services. They offer all means of transportation to ensure supply, which is an essential activity for economic growth and sustainable development with the goal of zero emissions."

Saudi Arabia has invested more than US\$180bn to reach its sustainability targets, with plans to develop new clean cities and sustainable logistics solutions. Its King Abdullah Economic City features the largest

sustainable logistics park in the Middle East, prioritising waste reduction, green technology adaptation and carbon footprint minimisation.

With the continued growth of online shopping in the region, further investment in logistics to support this ecommerce expansion is likely. The Gulf and Middle East regions are ensuring this is done sustainably.

North & South America

The US trucking industry is facing a record shortage of 80,000 drivers, with ecommerce demand and rapid delivery times testing the logistics sector. Drivers also account for over 40% of per-mile costs, according to data from the American Transportation Research Institute.

Innovative trials that could minimise these costs and labour pressures have seen the roll-out of self-driving trucks. Indeed, Volvo Group's chief technology officer predicts that fully autonomous trucks without safety drivers could be on American roads within five years.

"Confined areas are the starting point, it's happening today," Lars Stenqvist, told the *Wall Street Journal*^[7]. "The big thing is highway operations. We certainly believe in highway operations. We see the starting point, the market that will take off first, is the US."

Two dozen states already allow commercial deployment of intrastate autonomous trucks, while most states allow testing of self-driving trucks that have a human backup on board. For interstate travel, however, autonomous trucks still need clearance from the federal government.

The technology is still being rigorously tested and there are vocal concerns over safety, especially in the wake of high-profile accidents



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involving autopilot features in some electric cars. Yet supporters stress that autonomous trucks will actually be safer and more efficient than those with human drivers.

This assertion is backed by data from the National Highway Traffic Safety Administration, which highlighted that 94% of all motor vehicle accidents involve driver-related factors such as impaired driving, distraction, illegal manoeuvres or tiredness.

Since autonomous trucks don't require rest stops, they should even shorten delivery times. In 2022, a self-driving eighteen-wheeler spent more than five straight days hauling goods between Dallas and Atlanta. Running around the clock, it travelled more than 6,300 miles, making four round trips and delivering eight loads of freight. The same truck with a human behind the wheel would take ten days to

deliver the same amount of freight, since it's also predicted that one-day mileage for long-haul trucks could increase by 125% using autonomous technology.

These efficiency gains are still some way off, with Stenqvist predicting it will take years for these self-driving giants to become widely introduced. There may still be many bumps in the road ahead surrounding funding and regulation, so whether robo-trucks will transform the US logistics industry or not remains to be seen.

[7] www.wsj.com/livecoverage/davos2023/card/volvo-trucks-head-of-technology-predicts-driverless-trucks-on-highways-soon-JLuxk9g2copMR1vG0Kn4

Welcome to a decentralised world

A new generation of Web3.0 technologies is set to revolutionise the web

The internet, or Web 2.0 as it may soon be called, is abuzz with how the world is going to be changed – probably for the better, though that isn't a given – by Web 3.0 technologies starting to come together to create a new 'read/write/own' version of the internet.

But what does that mean in practice? For starters, what even is Web 3.0 and why should anyone in retail or beyond care? Isn't it all just part of the ongoing evolution of the technology we already use that will seamlessly seep into our lives and business?

Web 1.0, history fans, was the first iteration of the internet that transformed government and academe-run networks into something that everyone could use. Thanks to URLs and HTML, this 'read only' version of the web took off across the 1990s. By 2000, social media and user-generated content – along with smartphones and wifi – started to make the web more of a read/write affair. This is what we have today and is thought of as Web 2.0.

So, what's next? Increasing concerns that control of the web is in the hands of a small cabal of mega-companies – alongside concerns around data use, privacy and cyber security – have ushered in



emergent technologies that seek to instigate a root and branch change to how the web works.

The key to this change is decentralisation: taking the storage and control of information out of the hands of single-point companies running massive data farms and distributing it across the web.

This brings us to our first key technology underpinning Web 3.0, the blockchain. This distributed web of computers that store and verify data has no central point of control and is often associated with cryptocurrencies such as Bitcoin. Yet the underlying technology of blockchain is increasingly being used to fuel the development of all sorts of projects across the internet. Streaming services such as Sound.xyz and games such as *Axie Infinity* are already starting to gain ground, using distributed processing to verify who is doing what.

While cryptocurrencies that use blockchain to authenticate and map transactions are the poster children of this Web 3.0-underpinning technology, there are some who believe that blockchain is in fact a new form of computing that leverages all the world's computers to process information with no single entity controlling it. It is this that really defines what Web 3.0 is.

So, what are retailers and brands able to do with it?

NFTS AND CRYPTOS

The most immediate examples of how retailers and brands are branching out into this new Web 3.0 world are through the use of cryptocurrency payments and in the sale and trading of non-fungible tokens (NFTs). Cryptocurrency payments – typically Bitcoin and Ethereum – have been slow to grow among retailers, although some big-names do take

them. Gucci, for instance, accepts cryptopayments while Walmart was actively recruiting a cryptopayments MD.

However, there have been few big names using it. A combination of the global downturn hampering both spending and investment, along with crypto not being seen to solve any actual retail problems have seen mainstream chatter quieten. Only smaller players are truly exploiting the tech currently, particularly around gaming and on the dark web. These users, however, may bring it to the mainstream in time, although as you will see elsewhere on these pages, not all of our analysts agree with this assessment.

The real power of crypto and blockchain, lies in the allied technology of NFTs. These digital one-off goods are increasingly being traded in games and on retailer offerings in the putative metaverse, with fashion brands such as Adidas, Nike, Gucci, Tommy Hilfiger and Gap among a growing list of players offering virtual goods. According to data from US analyst firm Dune Analytics, Nike sold \$185.3mn worth of NFTs in 2022, and jewellers Tiffany & Co. more than \$12mn.

The attraction of these blockchain-backed virtual one-offs is that they are collectible and therefore tradeable. Nike's NFTs have been found to have generated \$1.3bn in secondary trading, for example. The drive behind these NFTs is not just to create a new market for brands but to create new experiences for customers – which in turn will attract more virtual and real-world sales. This is where the metaverse comes in.

While the hype around the metaverse seen in 2022 has subsided, a hard-core of users – a group which is growing, albeit slowly – is immersed in virtual world's created by brands and retailers, drawn by the novelty of the experience but increasingly returning to buy, show-off and trade NFTs.

Many gamers now trade 'skins' in metaverse games, all backed by blockchain-based NFTs and, with Statista predicting that the global metaverse market is set to grow from \$65.5bn in 2022 to \$82bn in 2023 and could hit almost \$1tn by 2030, this combination of immersive experiences, NFTs and cryptocurrencies on a decentralised web looks set to become the natural evolution of Web 2.0.

MEANWHILE, IN OTHER NEWS...

Web 3.0 may be centred around how decentralisation, blockchain, crypto and NFTs are redefining the fabric of the internet, there are a range of other technologies that are also impacting what is likely to be done within Web 3.0.

Open banking and AI are the two that currently presage the biggest changes in internet use that impact retailers and merchants. Open banking – which allows the sharing of banking data between banks and third-parties – has created a range of new applications that centre around adding services to payments that can either create new services for customers or greatly enhance existing ones.

Already, brands and retailers such as Amazon, Apple, Google and Tesco have sought to leverage open banking to offer payment services in their own apps, effectively treating the banking infrastructure as

a 'dumb pipe' that merely processes information, the retailer being the payment interface for the customer. Just look at Apple Pay or Google Pay. Here, Apple and Google are the trusted payment providers that the customer uses, even though both are just an interface between the customer's bank and the merchant they are paying.

These open banking offerings – perhaps eventually underpinned by blockchain and even perhaps incorporating cryptocurrencies – open up new ways for merchants and retailers to offer how customers pay and, more importantly, what happens to that payment data. This plays strongly into the ethos of what Web 3.0 should be and is already starting to establish itself as a staple of the internet.

The other technology that is reshaping the internet of today, and so is inherently part of the evolution of Web 2.0 to Web 3.0, is AI.

While not strictly part of what defines Web 3.0 – decentralised and democratised data and processing distribution – AI and machine learning will play a role in enhancing the efficient and secure running of the Web 3.0 infrastructure.

AI is already creating deeper personalisation and more natural interactions with the internet, so it does have a vital role to play in the kinds of services that will run on Web 3.0. Since AI also relies on data and processing, it will likely be run and managed in a distributed and blockchained fashion to some degree in the years ahead.

Web 3.0 today

Web 3.0 may currently be an idealised view of a decentralised, democratised version of the web we have today, but there are already putative examples of it in action that offer some insight into how it might eventually look

- **Decentraland and The Sandbox:** let's deal with these early metaverse platforms first. Decentraland and The Sandbox are both Web 3.0 platforms that work in a Web 2.0 world, allowing businesses to build properties on these platforms where consumers who have created a virtual presence can interact and shop (for NFTs), play games and even watch concerts. Each has its own traits but essentially these two platforms are a place you can visit today from anywhere in the world and experience the beginnings of what Web 3.0 might offer. Brands such as Gucci, Nike, Adidas, Sony and many more can be found in both, hosting events, running adverts and selling digital goods.

- **Roblox:** essentially a game, *Roblox* is perhaps the most widely used metaverse platform, played by 214mn active users a month, split evenly between the US (23%), Europe (27%), Asia Pacific (23%) and RoW (26%). *Roblox* offers users the means to build their own avatar and home in a virtual world, earn credits to buy things by playing games and meet and chat with friends. A generation of kids worldwide are growing up using *Roblox*, unknowingly playing in the metaverse and ushering in the need for Web3.0.

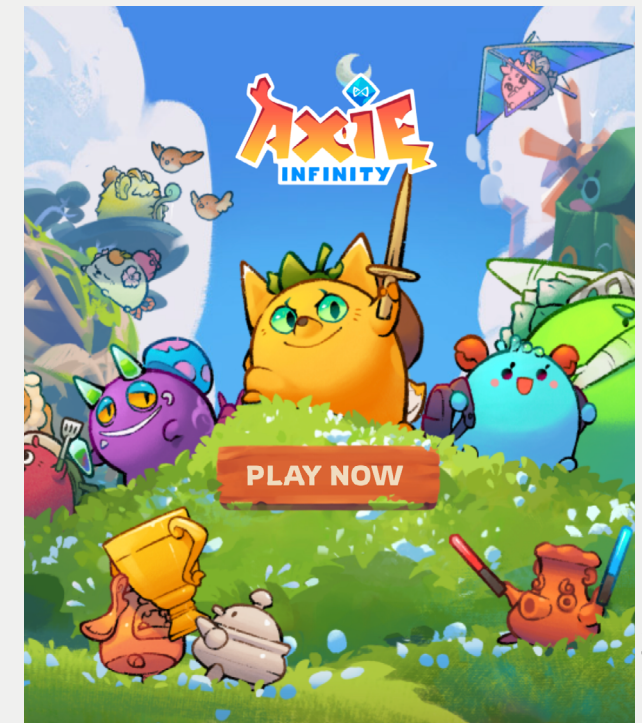
- **STEPN:** Looking more specifically at apps that offer a more Web3.0 experience, fitness app STEPN perhaps best encapsulates where we might be heading. Rather than just logging what exercise the user does, STEPN rewards users with NFT-based credits for doing outdoor exercise. These tokens can then be exchanged for cryptocurrency or real money in a digital bank account, bringing together blockchain, NFTs, crypto and open banking in one app. This idea of rewards for doing things is today one of the early drivers of Web 3.0 use.

- **Axie Infinity:** this blockchain game created in Vietnam that offers a virtual world where users battle and collect virtual creatures called Axies, that can then be bred and sold to generate money for their users. It, in essence, turns *Pokémon*-style game play into an income stream. Users start small by collecting and selling potions, then breeding Axies and eventually investing in owning 'land' and selling it. Ultimately, high-rolling users can own shares in *Axie* itself. The kicker is that they can, as with STEPN, remove their earnings as Ethereum cryptocurrency, which they can spend elsewhere or trade for real currency. It is, in effect, a game that can be turned into an income stream... if you have the time.

- **Jambo:** taking its inspiration from *Axie*, Jambo – Swahili for “Hello” – is a gaming platform that allows users to access a range of play-to-earn, blockchain-backed games that allow users to generate real-world money from game play. Where Jambo differs is that its founders, Alice Zhang and her brother James, are already looking to use the platform and its blockchain tokenisation to create Africa's first super-app like WeChat. While not strictly Web 3.0, WeChat's

model of an app that combines everything from messaging to payments to social media to gaming does offer an insight into how properties on Web 3.0 may work. Use-to-earn combined with all these other functions is what early Web 3.0 services are likely to encompass.

The caveat is that, while these super apps may well have ambitions to call themselves Web 3.0, they go against the decentralised approach Web 3.0 is built upon, seeking to concentrate services in one place.



Issues to track

Were we correct in the issues we highlighted for 2023? What's likely to be important to the retail sector in 2024?

Looking ahead, it is often the events you don't expect that turn out to have the greatest impact on business. As we go to press, long-standing tensions in the Middle East have boiled over and Israel has made an incursion into the Gaza Strip in an effort to recover hostages and to strike at Hamas^[1], the militant group in control of the area. While it is hardly the most important consideration when compared with the horrors on view, it is difficult to know just how this will affect the global economy in the months ahead.

To turn to another conflict, few would have predicted how friction would build between Ukraine and one of its staunchest allies in the war against Russia, Poland. Nevertheless, tension has ratcheted up because of the Polish government's unhappiness at the price Ukraine has been charging for grain. This has also been an issue in Hungary and Slovakia, to the extent all three countries have imposed bans on Ukrainian grain, in contravention of European Union single market rules^[2]. All of which brings us to the first of four issues we would highlight for 2024:

POLITICS WILL MATTER IN 2024

We could, of course, list plenty of further instances of where geopolitical events will likely affect the wider economy in the year ahead. Better perhaps to take a step back and consider the idea that we are at a



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point where plenty of elections suddenly present stark choices. In Slovakia, for instance, Robert Fico's populist left-wing Smer-SSD party recently won a vote in part by pledging to halt military aid to Ukraine – a high-profile break with European solidarity.

On the other side of the Atlantic, the USA is gearing up for a presidential election that, assuming it is once again a contest between Joe Biden and Donald Trump, offers two very different views of the world: the American version of social democracy offered by Biden and the make-America-great-again (MAGA) rhetoric of Trump. While their policies may not at times be as divergent as you might expect or it suits

both candidates to pretend – Biden has focused on US jobs and industry, just as Trump claims to do, a way in part to reach voters in key swing states – they represent very different political traditions.

There's not a lot that business leaders can do to influence political events but in 2024 in particular, it would be remiss not to understand how geopolitical events may shape the business landscape.

ONSHORE/OFFSHORE

This is especially true because, as we discuss in more depth in our feature on inflation (page 213), political pressure to 'onshore' supply chains is only growing.

Understanding the attitudes that different stripes of governments will have to their domestic industrial bases could become increasingly important in the years ahead.

It is worth noting here that businesses are often more adept at recalibrating supply chains than you might expect. It may be that onshoring will have the biggest effects in areas that are strategically important, notably green technologies, and thus attract tax breaks. Reports of globalisation's demise may, taking the long view, turn out to have been severely exaggerated.

WHEN THE CUSTOMER ISN'T ALWAYS RIGHT

This is an issue we discuss in more details in the strategic overview (page 4) but there is a sense that many digital businesses that impact on the retail sector are going through strange times.

Most obviously, Twitter/X has gone from being a place where those from across the political spectrum gathered to follow events in real-time to becoming a place increasingly dominated by right-wing voices.^[4]

For businesses that have used Twitter as a customer service channel, this is problematic. Is a channel where X boss Elon Musk flags up content featuring conspiracy theories where a business wants to be?

Facebook, meanwhile, is putting many more advertisements into its feed and its users have noticed the change. There's also a growing sense that marketplaces can quickly become more about helping out favoured brands and businesses rather than serving consumers.

As we have argued elsewhere, there's an opportunity for retailers and brands here, in that it's in their DNA to focus on customers. There is also a reputational risk if a retailer or brand has a presence on the 'wrong' platforms.

THE PERFECT TECHNOLOGY STACK DOESN'T EXIST

Each of the above points emphasises in its different way a need for nimbleness and flexibility to react to changes in the market. Nevertheless, it is surprising how many retailers still spend too much time looking inwards. If we can just get the right ecommerce platform, all will be well.

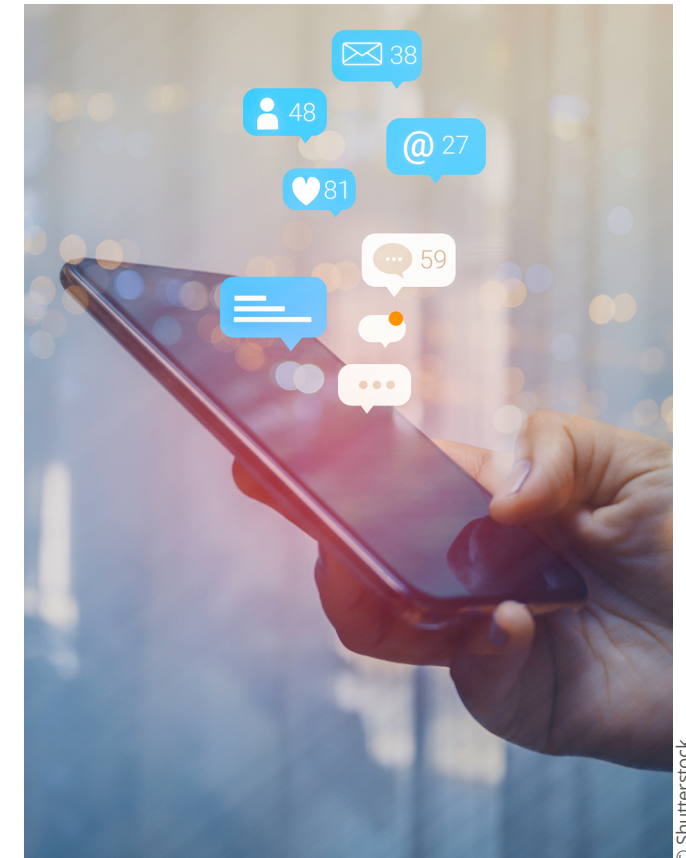
The idea of composable commerce^[5] has been much hyped but the philosophical shift here – less emphasis on enterprise-level software, more on thinking about the tools needed to get specific jobs done and to make the most of opportunities – is one that many retailers have yet to make. And arguably, one that they should.

LOOKING BACK AT 2023

Last year, we highlighted four areas to look at:

- The changing face of town and city centres
- Don't get caught in the middle
- Privacy matters
- Virtual currency woes

To take each of these in turn, we argued that the way we use our town and city centres will change, partly as a result of consumers doing more of their shopping online. Clearly, that process is still playing out. One thing we perhaps under-emphasised last year was how all those town and city centre offices



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have become part-time destinations for so many of us. At the very least, the rise of hybrid working is a key development for multichannel retailers trying to work out where in the world they should be located and how large the retail footprint should be in a specific area.

This development, though, is occurring at the same time that a new urbanism is on the rise. The way

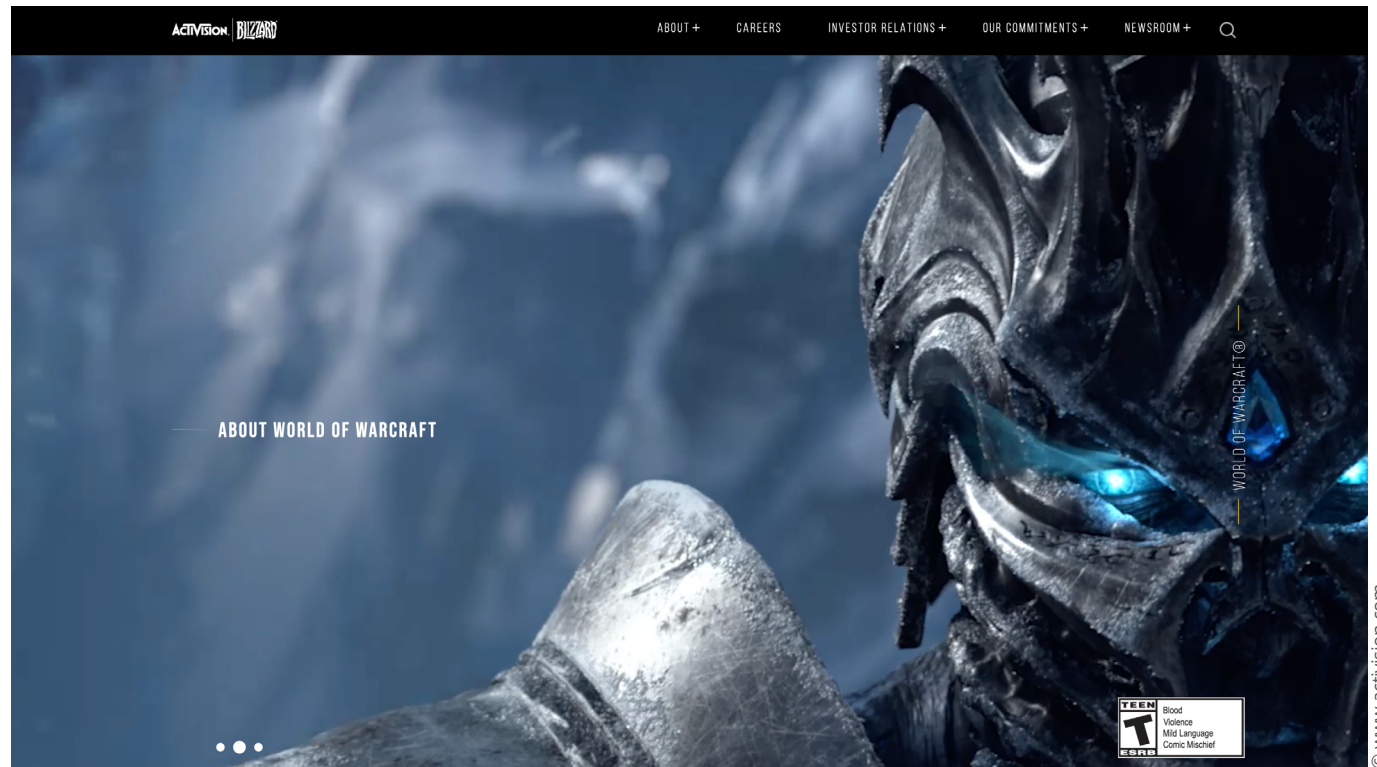
the 15-minute city^[6] has got caught up in the culture wars is in part a result of a backlash against the popularity of the idea by those who don't like it. Forget the noise and fuss of X warriors, there's plenty of evidence that eventually the 15-minute city will become the norm. But what kind of retail space do you need in such a city? It's a question multichannel retailers should be thinking about.

Moving on, the middle ground within retail remains as difficult as ever to occupy successfully. Related to the above point about serving customers, retailers with a sense of who their customers are and how best to serve them will succeed. Trying to be all things to all people continues to be a risky strategy.

Privacy matters, we argued last year, and further argued the effects of the European Union's General Data Protection Regulation (GDPR) had been under-appreciated. That's still true and we would add that maybe businesses need to pay more attention to the role of regulators.

The way Microsoft had to jump through hoops to complete the acquisition of Activision Blizzard^[7] was particularly intriguing if you stopped to think whether it would have been so difficult for the software behemoth if the same deal had gone through a decade ago. Probably not.

Finally, we recommended keeping an eye on the cryptocurrency sector, suggesting that problems in the sector may lead to more regulation. The recent FTX trial^[8] suggests there are certainly issues here but also, considering the sums involved and the noticeable lack of contagion of the wider



financial system, makes us wonder if we might have overestimated the sector's importance.

At the risk of sounding cynical and to offer a counter-balance to our Ecommerce 3.0 feature, maybe the cryptocurrency sector is, at least as yet, a playground for money nerds that needn't concern the rest of us too much.

[1] www.bbc.co.uk/news/world-middle-east-67039975

[2] www.politico.eu/article/poland-hungary-slovakia-extend-grain-bans-despite-blocs-lift/

[3] www.bbc.co.uk/news/world-europe-67085070

[4] www.washingtonpost.com/technology/2023/07/13/twitter-creators-payments-right-wing/

[5] www.sitecore.com/blog/commerce/what-is-composable-commerce#

[6] www.15minutecity.com

[7] www.theguardian.com/business/2023/oct/13/microsoft-deal-to-buy-call-of-duty-maker-activision-blizzard-cleared-by-uk

[8] www.theguardian.com/business/ftx

Methodology

Population analysis

- Data derived from UN population division and taken from the website: www.populationpyramid.net/
- Male and female data for each age range were added up.
- Age ranges belonging to a same generation were added up. Where an age range belonged to more than one generation, the total for each age group was divided by the five years included in it and each year was taken as a fifth of the total.

Population growth

- Total population calculated for the population analysis chart was used.
- Year on year changes were calculated using the standard formula:
- Year-over-year Growth = $((\text{Value Current Year} - \text{Value Last Year}) / \text{Value Last Year}) \times 100$

GDP per capita

- Total population calculated for the population analysis chart was used.
- GDP, current prices normalised for purchasing power parity; billions of international dollars was taken from the website: www.imf.org/external/datamapper/PPPGDP@WEO/OEMDC/ADVEC/WEOWORLD/
- GDP was divided by 1,000 (expressed in thousands) and divided by the total population figure

Internet user analysis

- The share of internet users was taken from the website: <https://datahub.itu.int/data/?i=11624>
- Where the latest data point was missing the previous present value was used.

E-shoppers

- The share of e-shoppers was acquired from a Statista estimate based on current vs potential ecommerce revenue.

Ecommerce revenue growth (indexed)

- The index was calculated using the ecommerce revenue figures present on the website: www.statista.com/outlook/dmo/ecommerce/worldwide?currency=EUR#methodology
- Ecommerce revenue data was normalised using the first year shown as a reference (first year=100).

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Conclusion

The annual *RetailX Global Report* is one of our most important publications of the year. We hope that you have found our research and analysis to be of interest and commercial value.

We would be very pleased to hear from you with questions, suggestions or comments and, in particular, we would like to hear about any areas you think we should include in the 2024 report.

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