

Ecommerce Report Russia 2017



Report partners

Thank you...

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

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

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

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

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



Jorij Abraham
MD Ecommerce Foundation



AITC, the Russian Ecommerce Association

About The Association of Internet Trade Companies (AITC)

AITC and its members contribute to a variety of Government of Russian Federation and parliamentary initiatives and are regularly approached by the government for help and advice and to enact better policy.

AITC is active in promoting consumer rights protection and AITC Trustmark allows Russian consumers to find reliable and trustworthy merchants. Compliance with the EMOTA European Trustmark is mandatory for all AITC members and it viewed as a mark of good business practice.



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A Thank You to our Report Partners



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



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



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



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

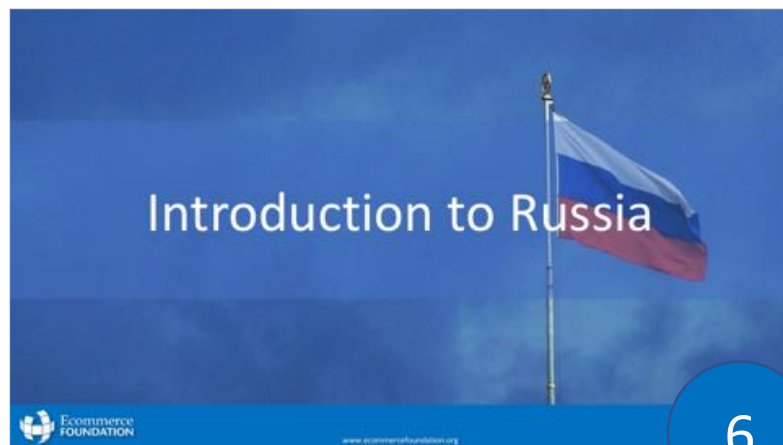


SAP Hybris solutions provide omnichannel customer engagement and commerce software that allows organizations to build up a contextual understanding of their customers in real time, deliver a more impactful, relevant customer experience, and sell more goods, services and digital content across every touch point, channel and device. SAP Hybris software for customer engagement and commerce provides organizations with the foundation, framework and business tools to create a holistic customer view across channels, simplify customer engagement and solve complex business problems.



Arvato Russia is the leading independent service provider for E-commerce in Russia with focus on fashion, cosmetics and household goods as well as supply chain management (with focus on Hi-Tech industry) with 20 years of experience in this challenging market. It also offers unique, tailor made loyalty programs and executes financial projects for global players.

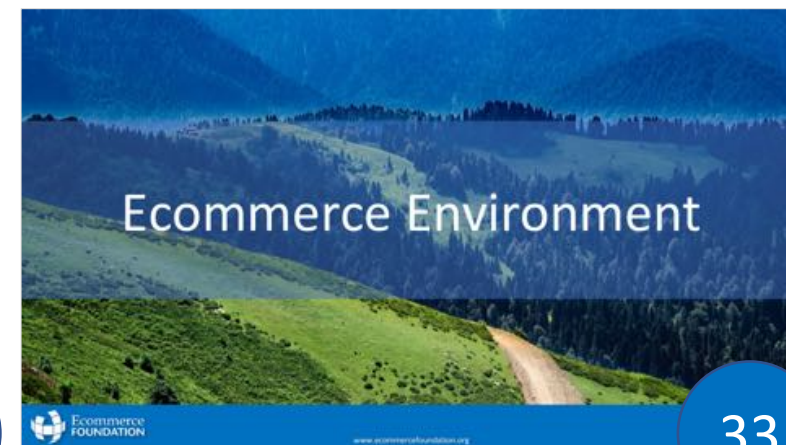
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Introduction to Russia




The Russian e-commerce market continues to grow, as the amount of customers is growing by 10-15%, and cross-border trade grows rapidly. The Russian market has some significant differences from the European market in logistic and payments, but on the whole, the same processes take place: move to OMNI, IT, cross-border and mobile.

Fedor Virin
Partner



Demographic Indicators

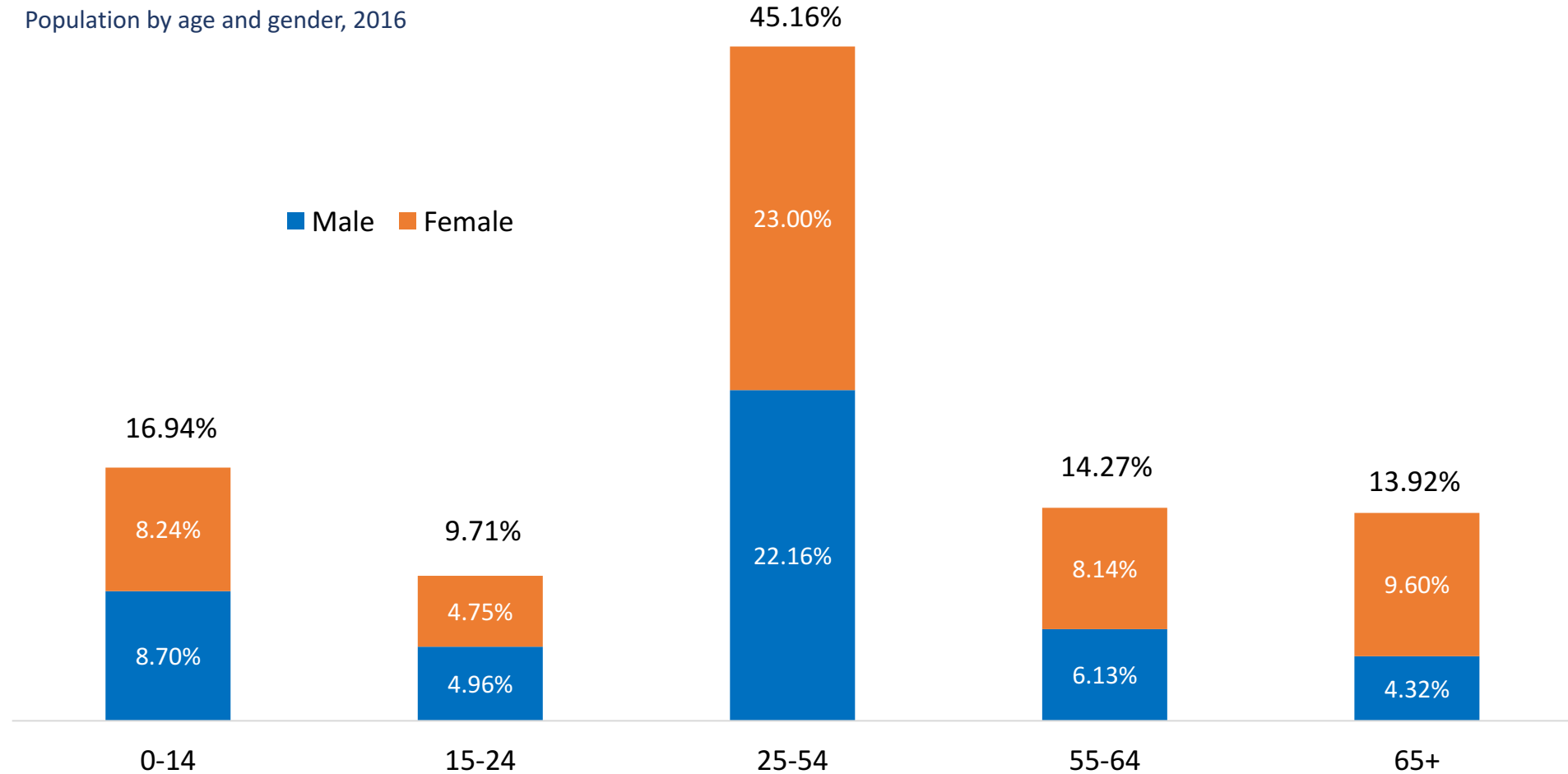
 Area: 17.075.000 km²
Capital: Moscow
Currency: Ruble (RUB)



Population, 2016: 147,000,000
Institution: federal semi-presidential constitutional republic
Internet users: 70%
URL country code: .ru
Official language: Russian
Widely spoken foreign languages: English, Tatar and German

AGE AND GENDER¹

Population by age and gender, 2016



¹Age and Gender. Source: CIA World Factbook, 2017; Eurostat, 2017.

Gross Domestic Product has been reduced by 7,2% in 2016

TOTAL GROSS DOMESTIC PRODUCT¹

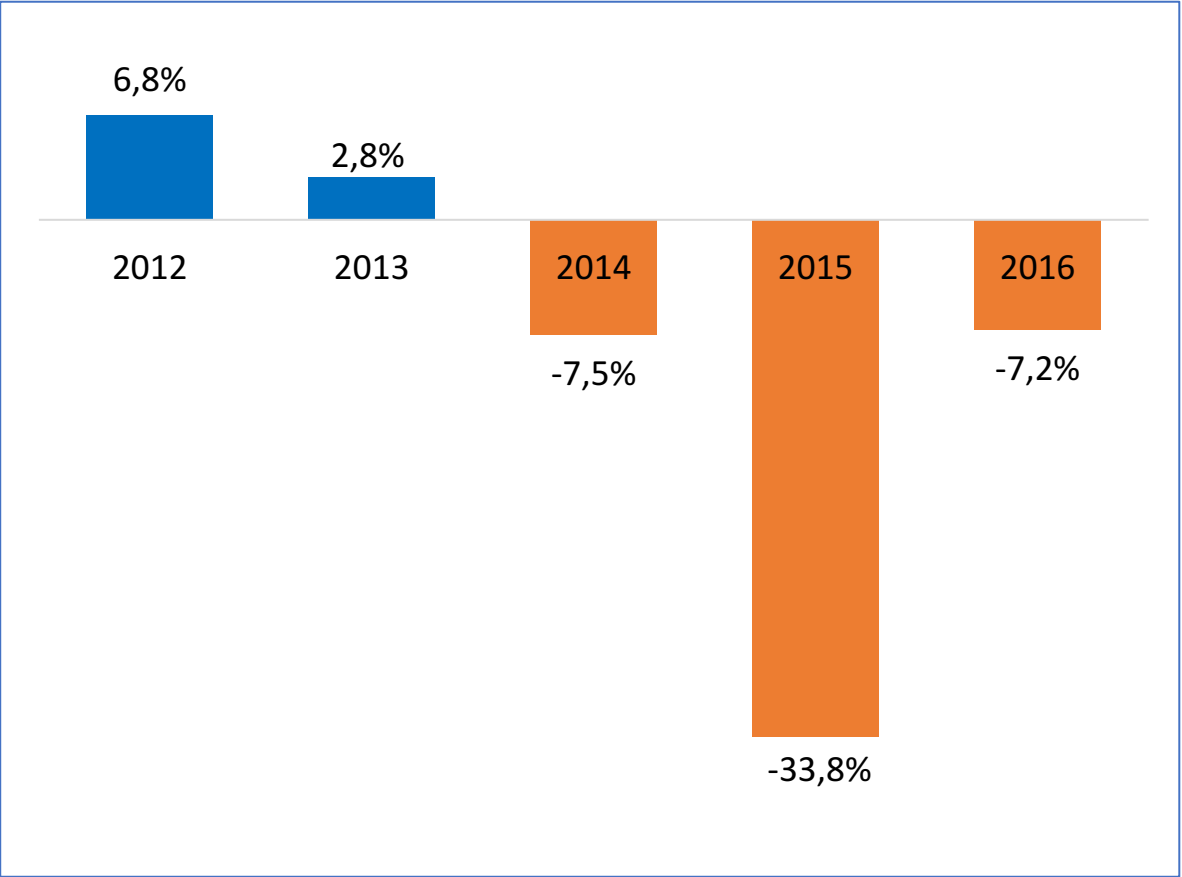
Constant GDP, 2012 – 2016

Year	GDP (in millions of euros)	GDP (in millions of Russian ruble)
2016	€1,162,212	60,221,000 RUB
2015	€1,252,004	60,682,000 RUB
2014	€1,891,755	60,031,000 RUB
2013	€2,044,819	63,031,000 RUB
2012	€1,988,909	62,589,000 RUB

Year	GDP per capita (in euros)	GDP per capita (in Russian ruble)
2016	€8,102	645,097 RUB
2015	€8,727	601,398 RUB
2014	€13,154	654,428 RUB
2013	€14,249	568,619 RUB
2012	€13,889	540,146 RUB

GDP GROWTH²

GDP Growth, 2012 – 2016

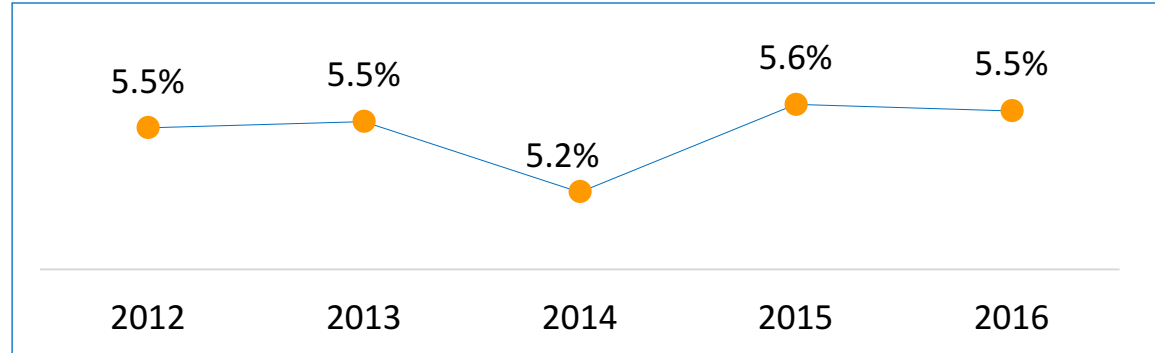


¹GDP in Euros, and GDP per capita in Euros, 2012-2016. Source: Ecommerce Foundation, 2017. | ²GDP Growth, 2012-2016. Source: Eurostat, 2016; Ecommerce Foundation, 2017.

Economic Indicators

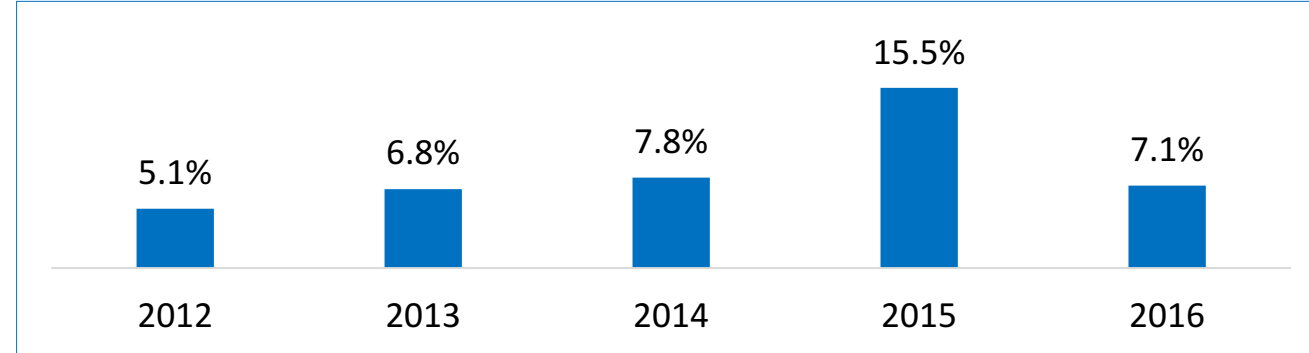
UNEMPLOYMENT RATE¹

Percentage of the total labor force, 2012-2016



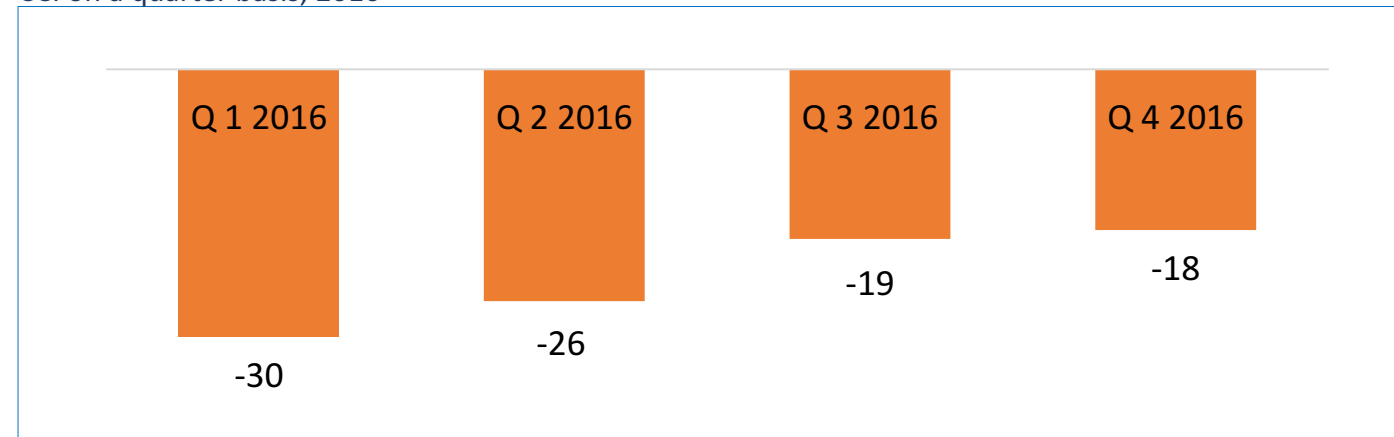
INFLATION RATE²

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



CONSUMER CONFIDENCE INDEX³

CCI on a quarter basis, 2016



¹Unemployment Rate, 2012-2016. Source: Eurostat, 2016. | ²Inflation Rate, 2012-2016. Source: Worldbank, 2016. | ³Consumer Confidence Index, 2016-2017. Source: Trading Economics, 2016.

Russia ranks 35th in E-Government Index

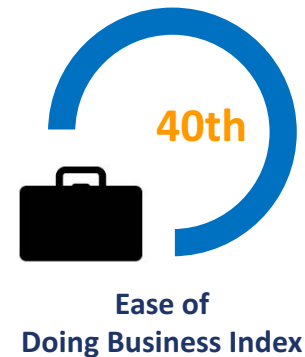
Logistical Performance Index¹

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



Ease of Doing Business Index²

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



E-Government Development Index³

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



¹Logistical Performance Index | ²Ease of Doing Business Index | ³E-Government Development Index | Source: World Bank, 2017; United Nations, 2017.

A close-up photograph of several Euro banknotes, including a 100 Euro note and a 50 Euro note, tucked into the pocket of a blue denim jeans. The pocket's stitching and a metal button are visible. The banknotes are slightly crumpled and layered.

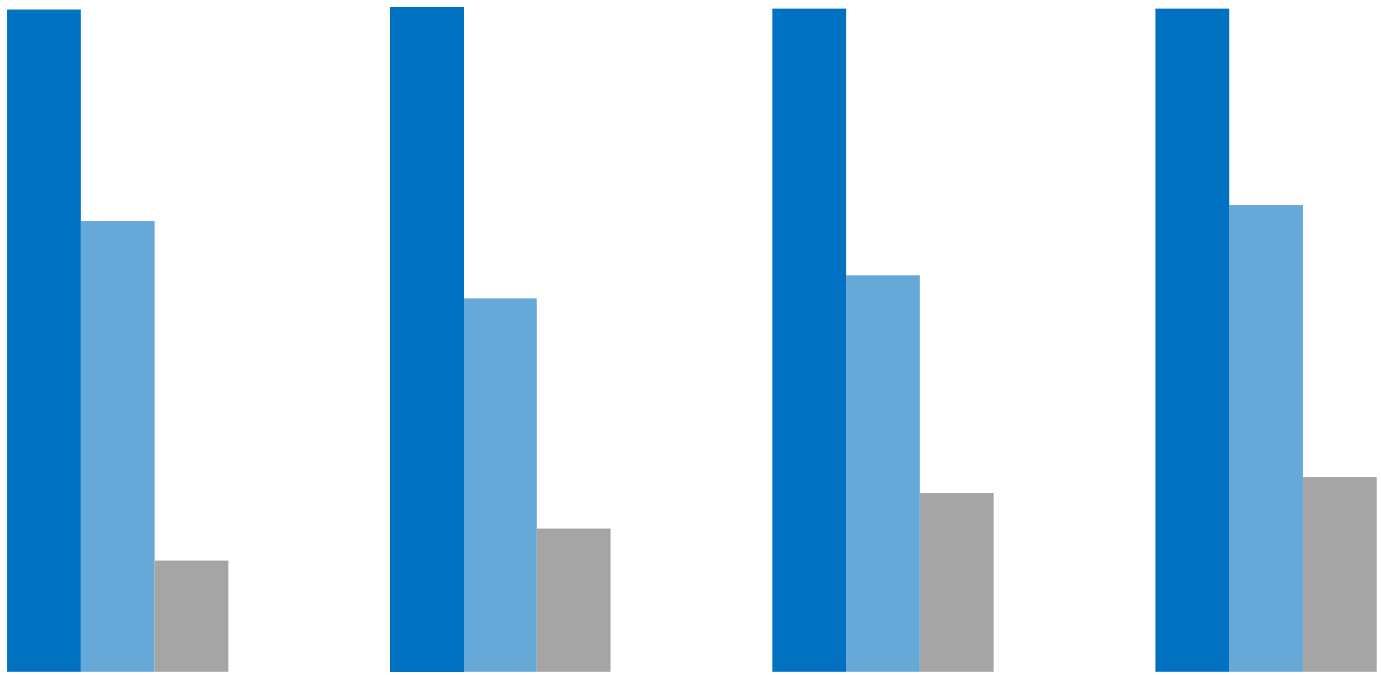
Ecommerce Facts & Figures

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

David Shell
VP of Global Marketing



Approximately 50% of Russians shopped online in 2016



Full version available at www.ecommercefoundation.org/reports

	2013	2014	2015	2016
Total Population	143,367,341	143,429,435	143,456,918	143,439,832
Population online	97,446,782	101,146,438	101,928,190	102,258,256
Number of e-shoppers	24,000,000	31,000,000	40,000,000	50,000,000

¹Online Shopping Habits, 2013-2016. Source: Eurostat, 2016; AITC, 2017.

The B2C Ecommerce growth rate increased by 20% in 2016

B2C ECOMMERCE¹

Total online sales of goods and services, in millions of euros, 2013-2017 (f)¹

B2C ECOMMERCE GROWTH RATE²

Percentage change in B2C ecommerce turnover, 2016-2017 (f)²

Full version available at
www.ecommercefoundation.org/reports

¹B2C Ecommerce, 2013-2017(f). Source: Statista, 2017; Ecommerce Foundation, 2017. | ²B2C Ecommerce Growth Rate, 2016-2017(f). Source: Statista, 2017; Ecommerce Foundation, 2017.

Ecommerce market forecasted to be 1150 bn rubles in 2017

B2C ECOMMERCE¹

Online Retail Market Turnover, billions of rubles, 2016

Full version available at
www.ecommercefoundation.org/reports

¹B2C Ecommerce. Source: AITC, 2016.

B2C e-commerce forecasted to be 1.39% of total GDP in 2017

B2C E-COMMERCE SHARE OF GDP¹

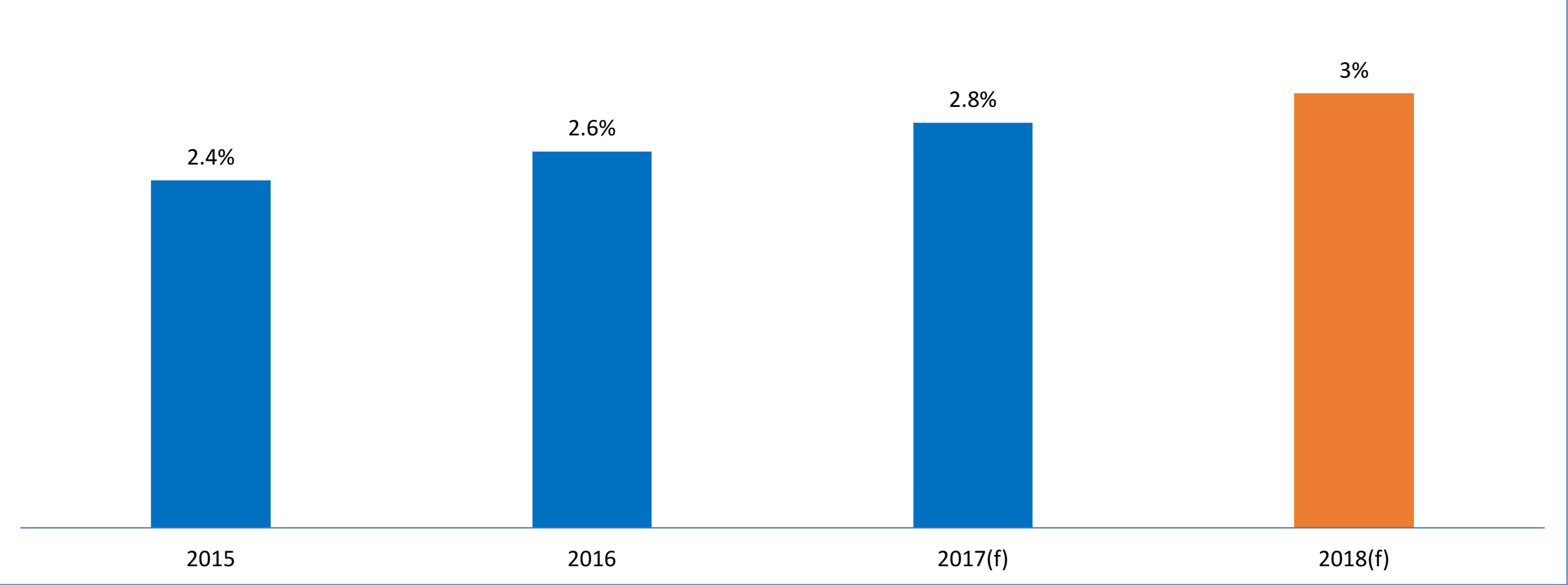
B2C e-commerce as percentage of GDP, 2012-2018(f)

Full version available at
www.ecommercefoundation.org/reports

¹B2C E-Commerce Share of GDP. Source: Statista; Goldman Sachs, 2017.

E-commerce share of retail sales forecasted to be 3% in 2018

E-COMMERCE SHARE OF RETAIL SALES¹
Forecast of e-commerce share of total retail sales, 2015-2018(f)



¹E-Commerce Share of Retail Sales. Source: Statista; eMarketer, 2017.

Average online spending, and shoppers, increased

E-SHOPPERS¹

Number of e-shoppers and average spending per e-shopper, 2015-2017(f)

Full version available at
www.ecommercefoundation.org/reports

¹Online Shopping Habits, 2015-2017. Source: Statista, 2017; Ecommerce Foundation, 2017.

Most Russians are ‘occasional online buyers’

ECOMMERCE PENETRATION¹

Ecommerce Penetration, by internet use, 2016

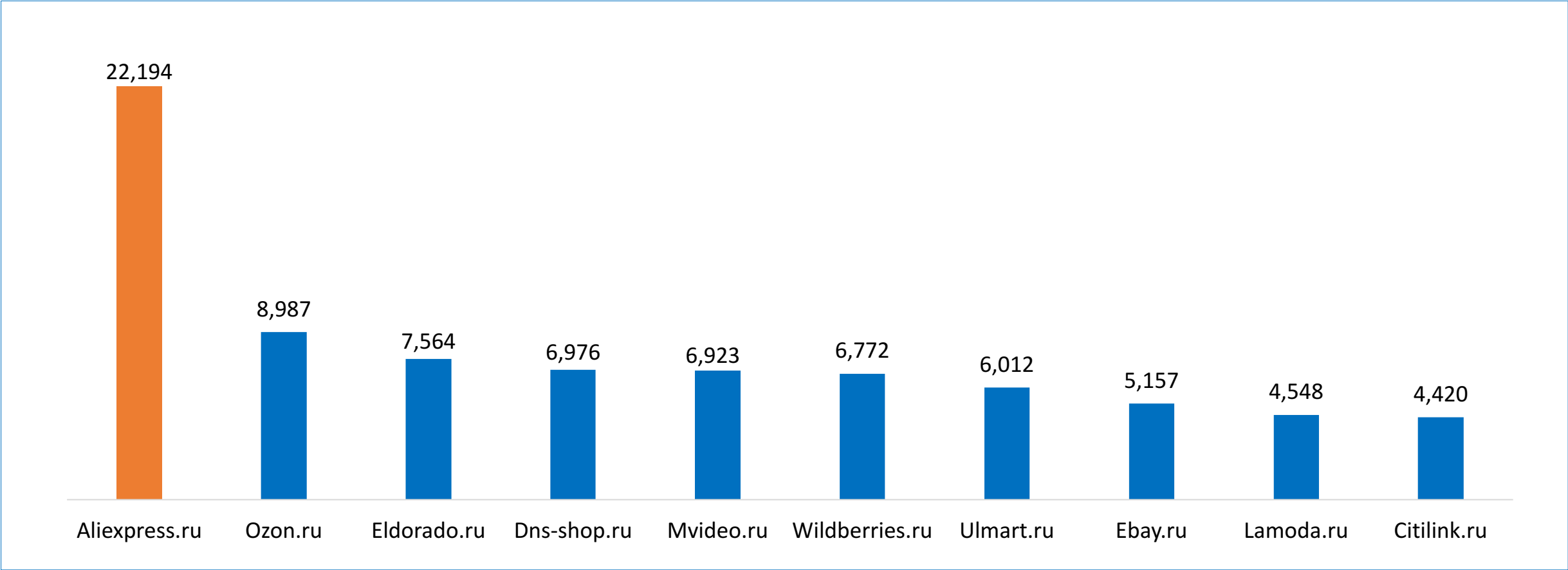
Full version available at
www.ecommercefoundation.org/reports

¹Ecommerce Penetration. Source: Data Insight Analysis based on Levada Center Survey, September 2016; across Russia, 18+.

Aliexpress is the most visited e-commerce website

TOP 10 MOST VISITED E-COMMERCE WEBSITES

Most visited e-commerce websites in Russia, in millions, 2017¹



¹Top 10 most visited e-commerce websites in Russia, 2017. Source: RBTL, 2017.

Wildberries is the top e-commerce site in Russia

TOP 10 ECOMMERCE SITES¹

Top 10 ecommerce sites, 2016

Full version available at
www.ecommercefoundation.org/reports



¹Top 10 Ecommerce Sites. Source: Data Insight and Ruward, 2016. | ²M-commerce. Source: Statista; Criteo, 2017.

Parcels from foreign online stores expected to rise to 400 million

PARCELS: FOREIGN ONLINE STORES¹

Parcels with goods from foreign online stores and growth, in millions, 2013-2017(f)



Full version available at
www.ecommercefoundation.org/reports

¹Parcels: Foreign Online Stores. Source: AITC; Russian Post, 2016. | ²Cross-border Purchase. Source: Statista; Accenture, 2015.

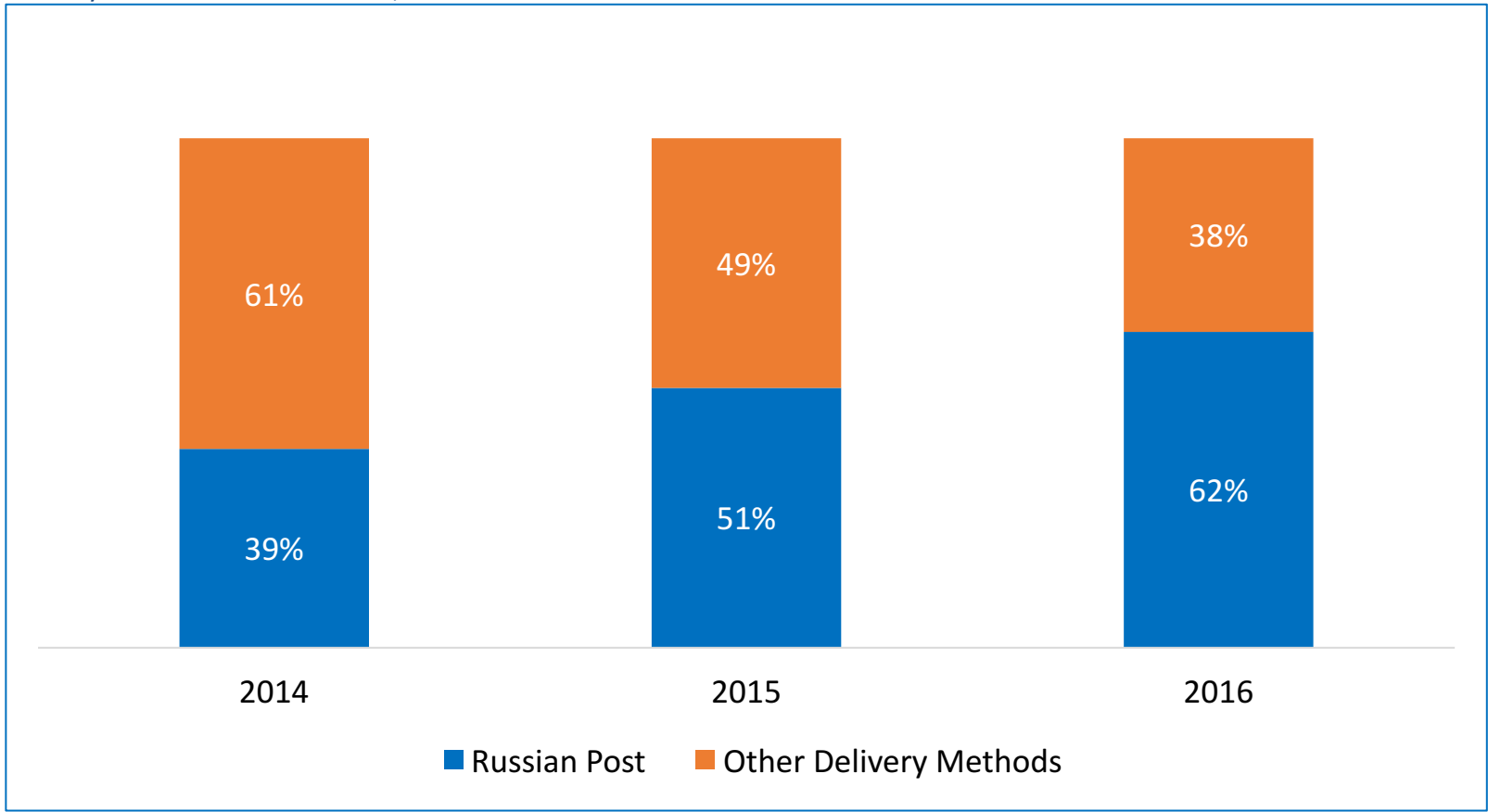
*2015; 15 years and older.

Number of imported parcels increased 73% in 2016

From 2015 to 2016, the number of imported parcels with goods increased on 73%, and the number of orders on local market increased on 6%¹

DELIVERY METHODS²

Delivery methods in online retail, 2016



¹Imported Parcels. Source: AITC; Russian Post, 2016. | ²Delivery Methods. Source: AITC; Russian Post, 2016.

Technology is key. Whether AI-powered chatbots that drive conversion through personalized communications, contextual ecommerce in-the-moment, shorter delivery times or seamless processes, winning innovations are all focused on delivering great experiences.

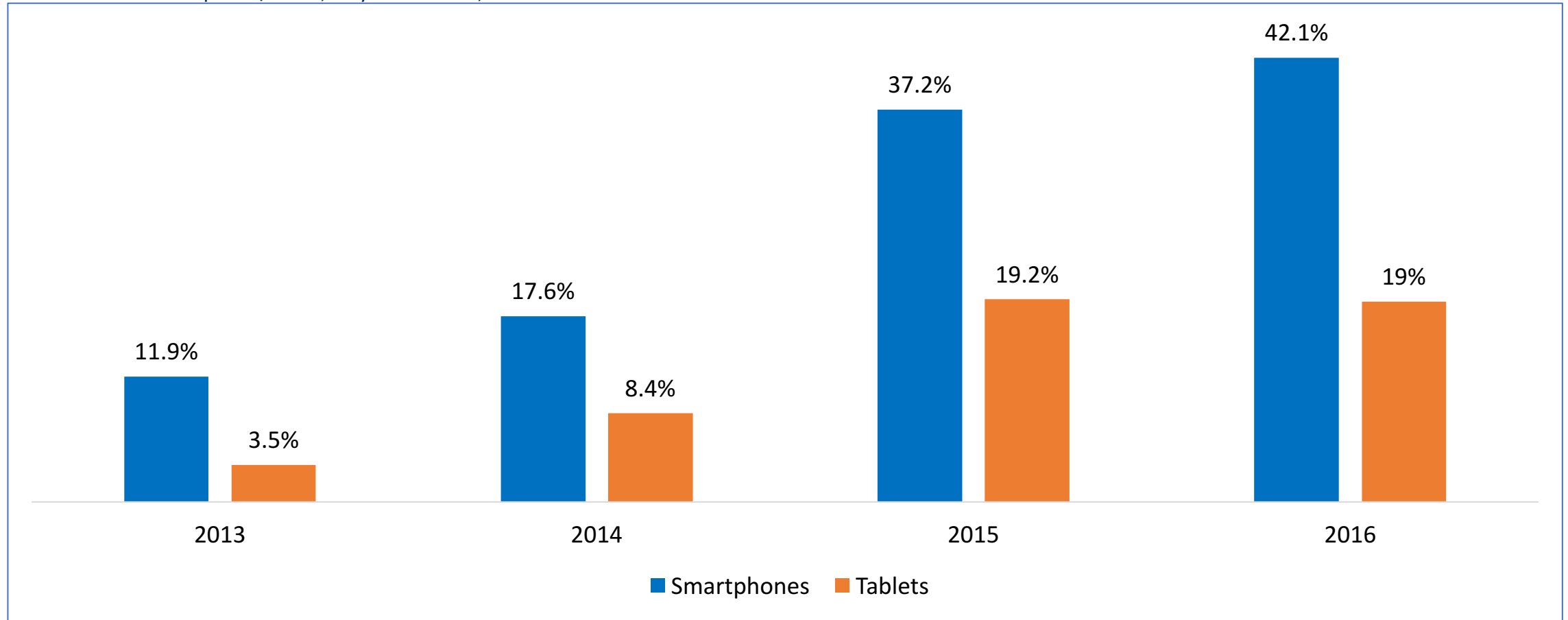
Jamie Anderson
CMO



Internet use via smartphones continues to rise

MOBILE INTERNET PENETRATION¹

Internet use via smartphone/tablet, 16 y.o. and older, 2013-2016

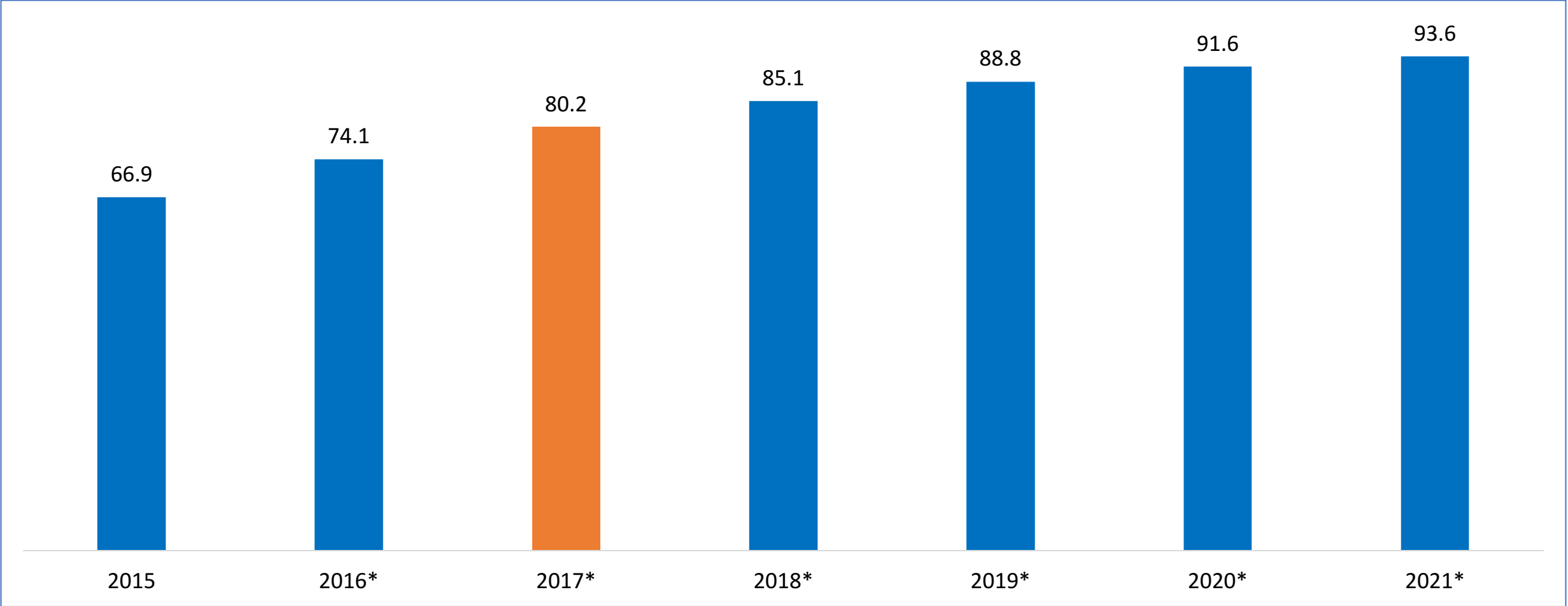


¹Mobile Internet Penetration. Source: EAST WEST Digital; Gfk Omnibus survey 2016, all Russia, 16+.

Over 80 million Russians will use smartphones in 2017

SMARTPHONE USAGE¹

Number of smartphone users, in millions, 2015 – 2021*



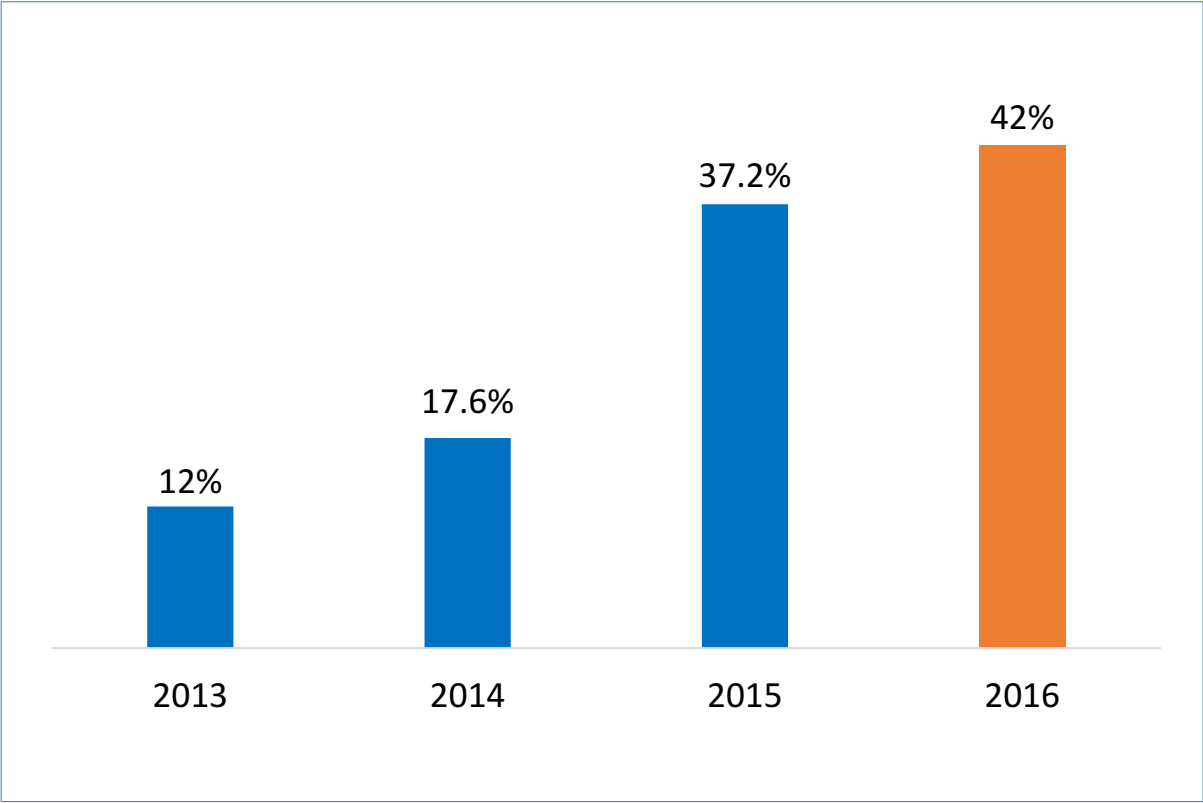
¹Smartphone Usage. Source: Statista; DMO, October 2016; Individuals of any age who own at least one smartphone and use it at least once per month.

*Forecasted Data.

42% of the population (16+) uses a smartphone

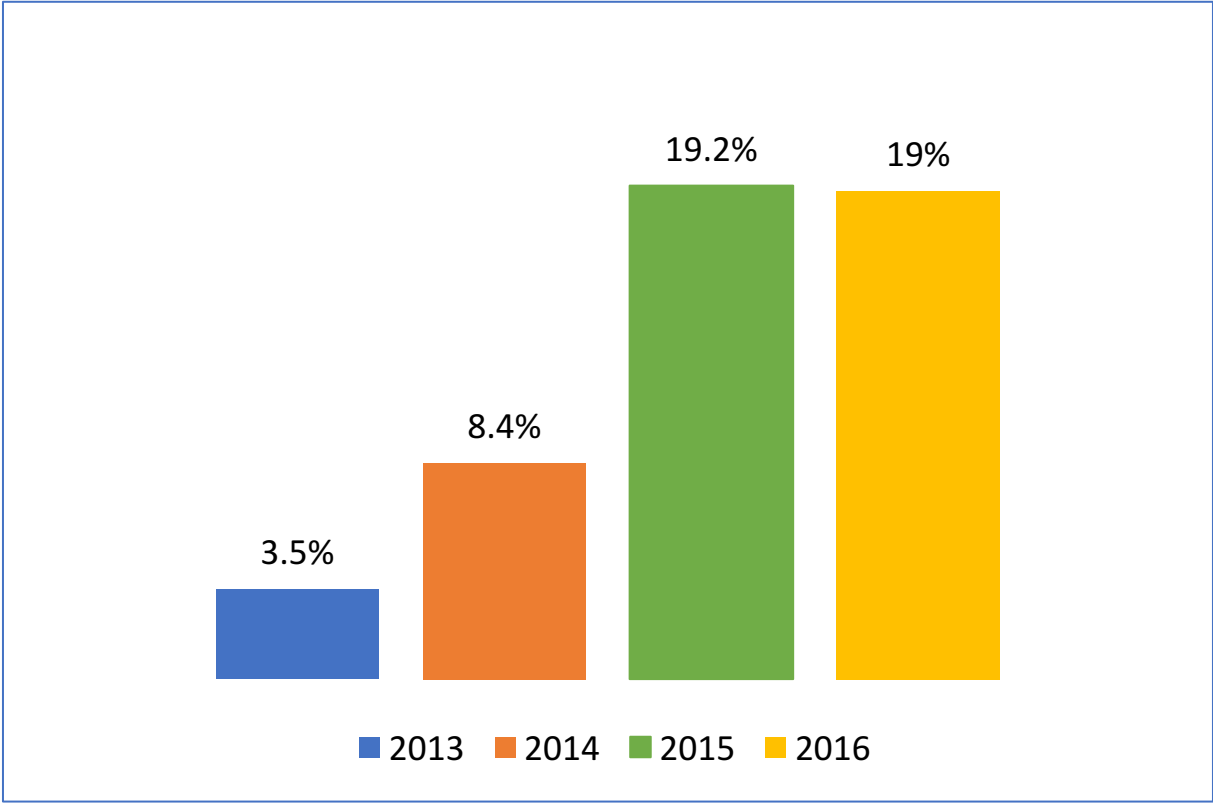
OVERVIEW OF SMARTPHONE USAGE¹

Percentage of population using smartphones, 16+ years old, 2013-2016



OVERVIEW OF TABLET USAGE²

Percentage of population using tablets, 16+ years old, 2013-2016

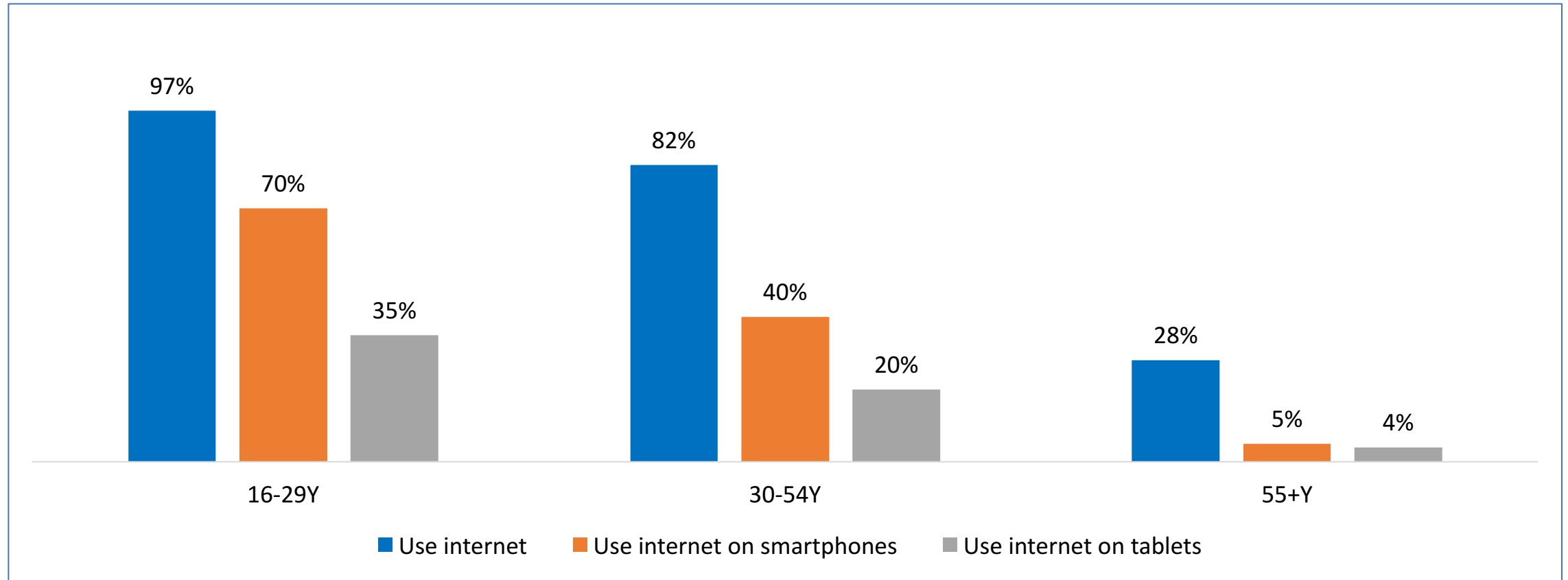


¹Overview of Smartphone Usage and Tablet Usage. Source: AITC, 2017.

Over 82% of 16-54 year-olds use the internet

INTERNET USE¹

Internet use, by age, 2016

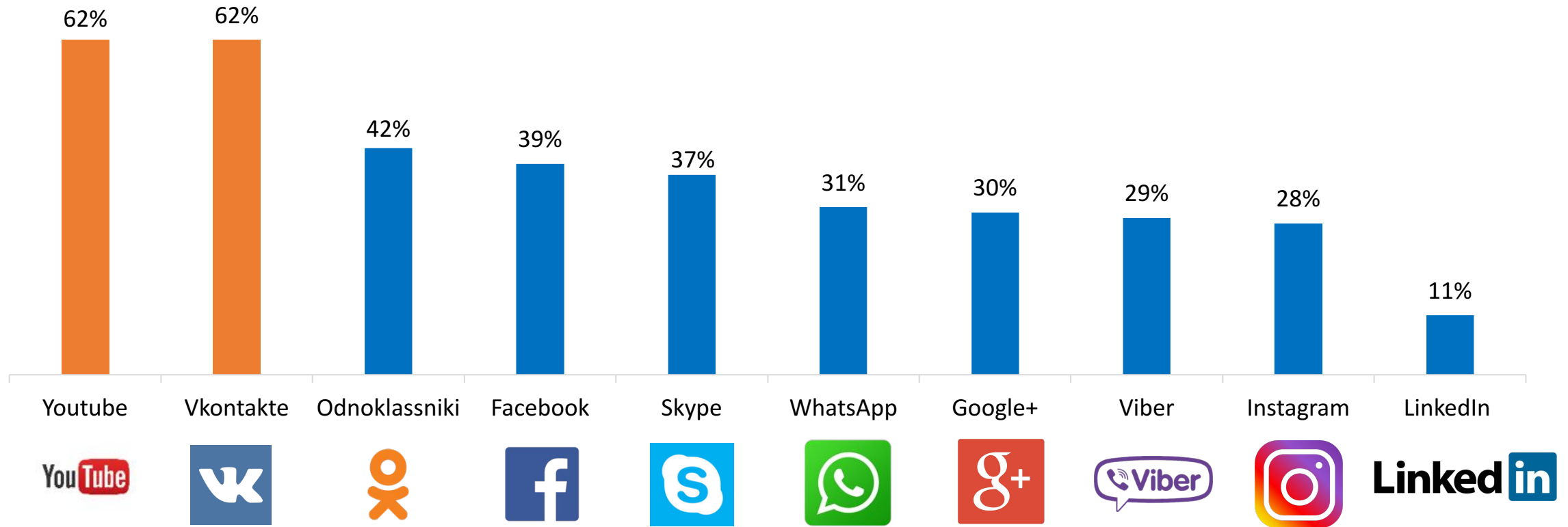


¹Internet Use. Source: Gfk, 2016.

Facebook & Vkontakte are the most used social media platforms

SOCIAL MEDIA PLATFORMS

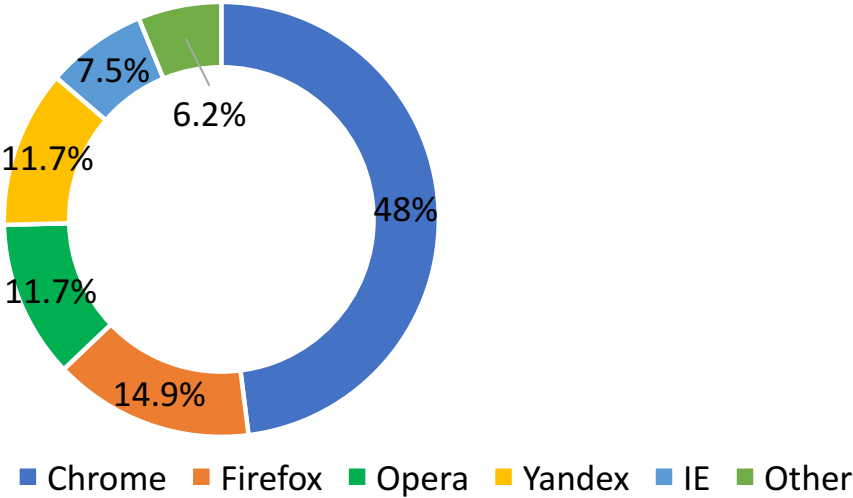
Percentage of social media platforms usage, by population, 2016¹



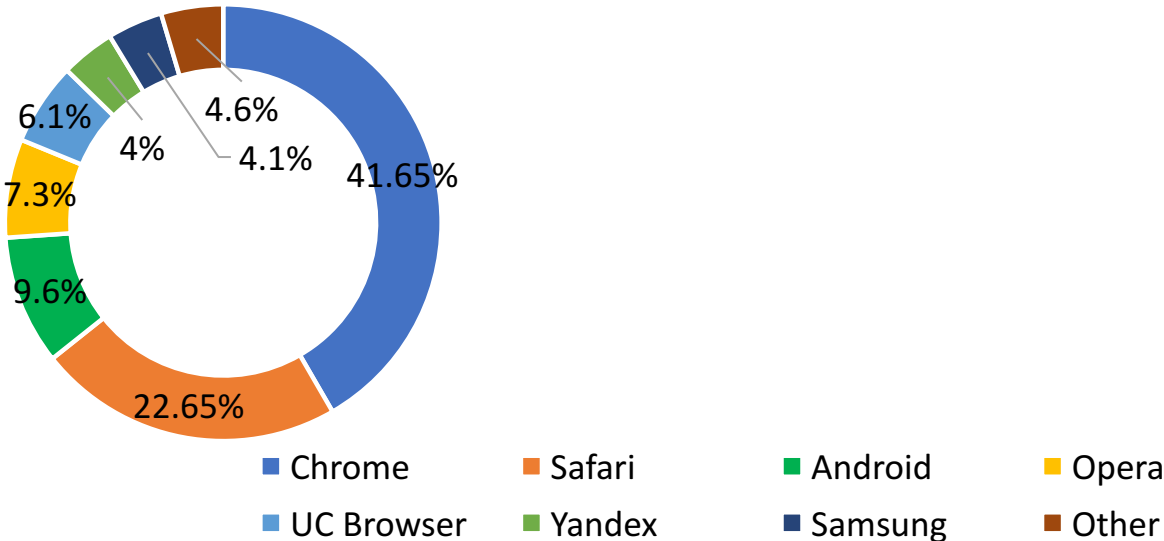
¹Top 5 Social Media Platforms. Source: Statista, 2017.

Internet Browsers: Chrome leads for both desktop and mobile

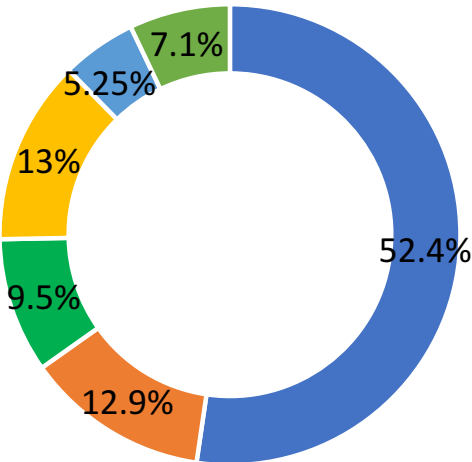
INTERNET BROWSERS: DESKTOP, 2016¹
Internet Browsers used on Desktop Devices, 2016



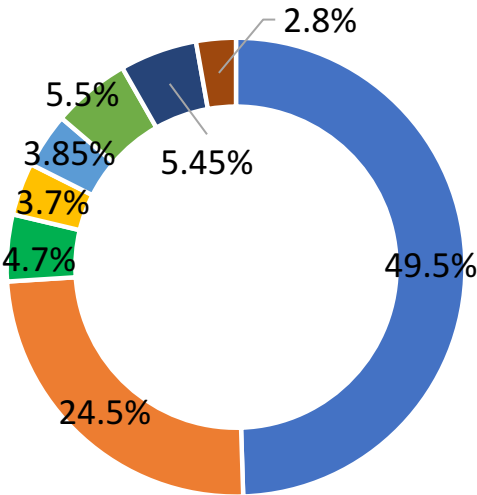
INTERNET BROWSERS: MOBILE, 2016²
Internet Browsers used on Mobile Devices, 2016



INTERNET BROWSERS: DESKTOP, 2017¹
Internet Browsers used on Desktop Devices, 2017



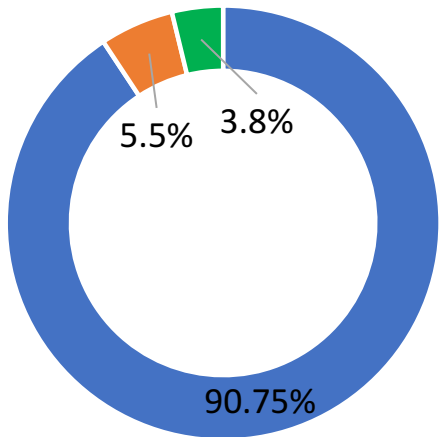
INTERNET BROWSERS: MOBILE, 2017²
Internet Browsers used on Mobile Devices, 2017



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

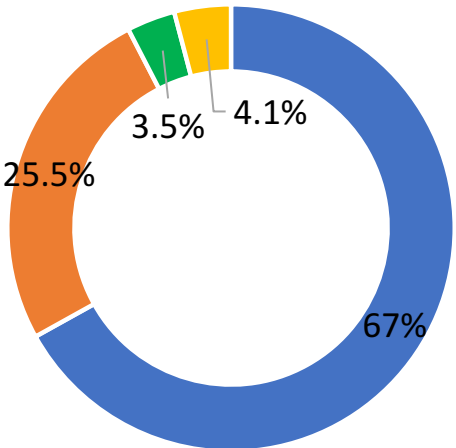
Operating Systems: Windows and Android are at the top

OPERATING SYSTEMS: DESKTOP, 2016¹
Operating Systems used on Desktop Devices, 2016



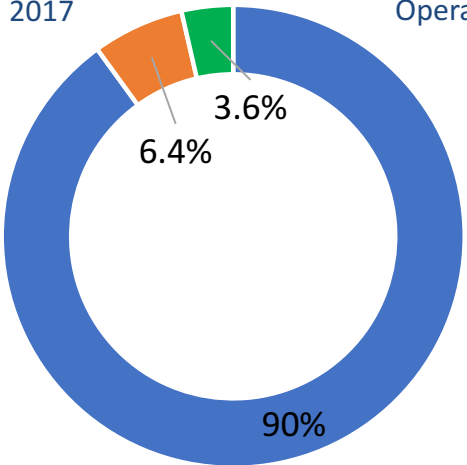
■ Windows ■ OS X ■ Other

OPERATING SYSTEMS: MOBILE, 2016²
Operating Systems used on Mobile Devices, 2016

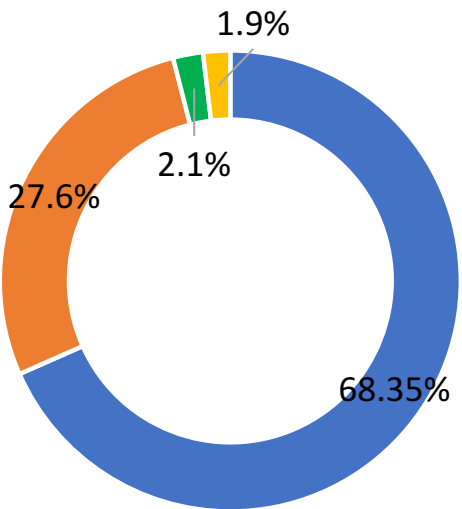


■ Android ■ iOS ■ Windows ■ Other

OPERATING SYSTEMS: DESKTOP, 2017¹
Operating Systems used on Desktop Devices, 2017



OPERATING SYSTEMS: MOBILE, 2017²
Operating Systems used on Mobile Devices, 2017



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

Ecommerce Environment

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

Pieter Van den Broecke
Managing Director
Benelux and Germany



Current trends show a shift towards standard European market

Current Trends: Movement to standard European Market¹

Growing share of **mobile**:
2015: ~30% of orders at
large online stores

Migration from COD to
online pre-payment:
Share of COD is decreasing
by ~5 p.p. per year (58% of
orders in domestic segment
in 2016)

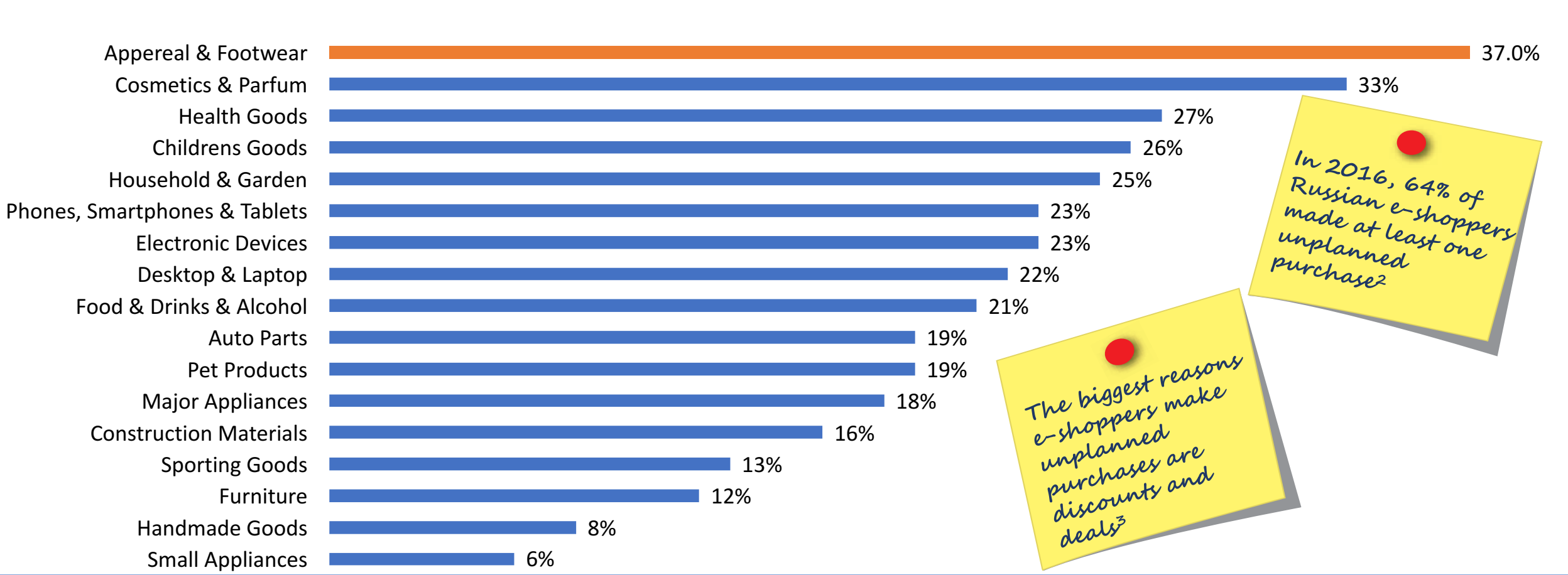
Market is **concentrating** –
though very slow:
Share of top 100 retailers (by
of orders) grew from 64%
in 2014 to 66% in 2016

Click & Collect/ Parcel Shops
instead of courier delivery:
Share of courier delivery is
decreasing by 6 p.p. a year

¹Current Trends. Source: Data Insight, 2016.

Most Purchased Good(s) in Russian Shops: Apparel & Footwear

OVERVIEW OF POPULAR GOODS PURCHASED¹
Goods purchased from Russian online stores, 2016



¹Overview of Popular Goods Purchased. Source: Gfk Rus and Yandex.Market, 2016. | ²Russian E-Shoppers. Source: East-West Digital News, 2017. | ³Unplanned Purchases. Source: East-West Digital News, 2017.

Cross-border purchases are increasing

ONLINE RETAIL MARKET¹

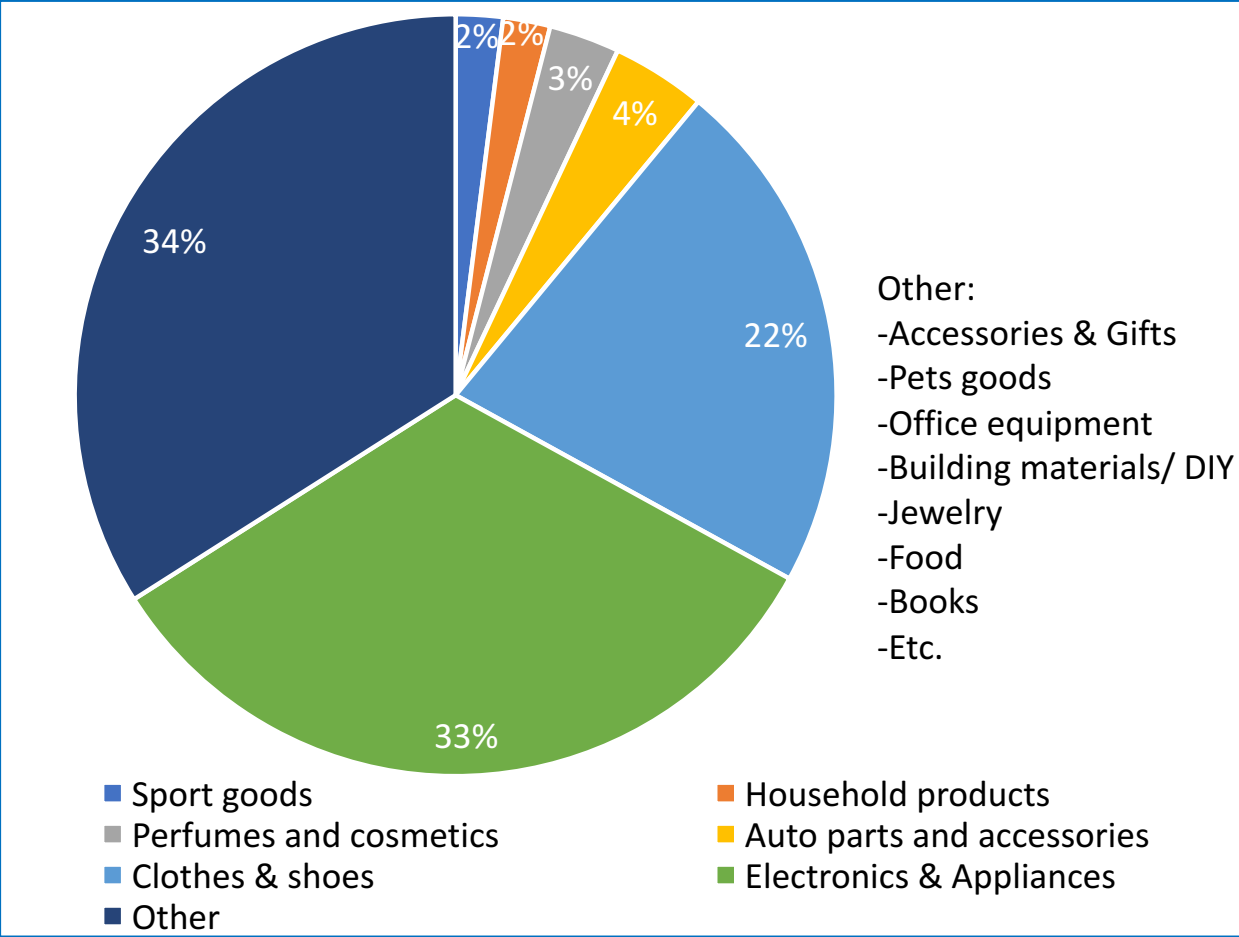
Online retail market, turnover in rubles, 2016

Full version available at
www.ecommercefoundation.org/reports

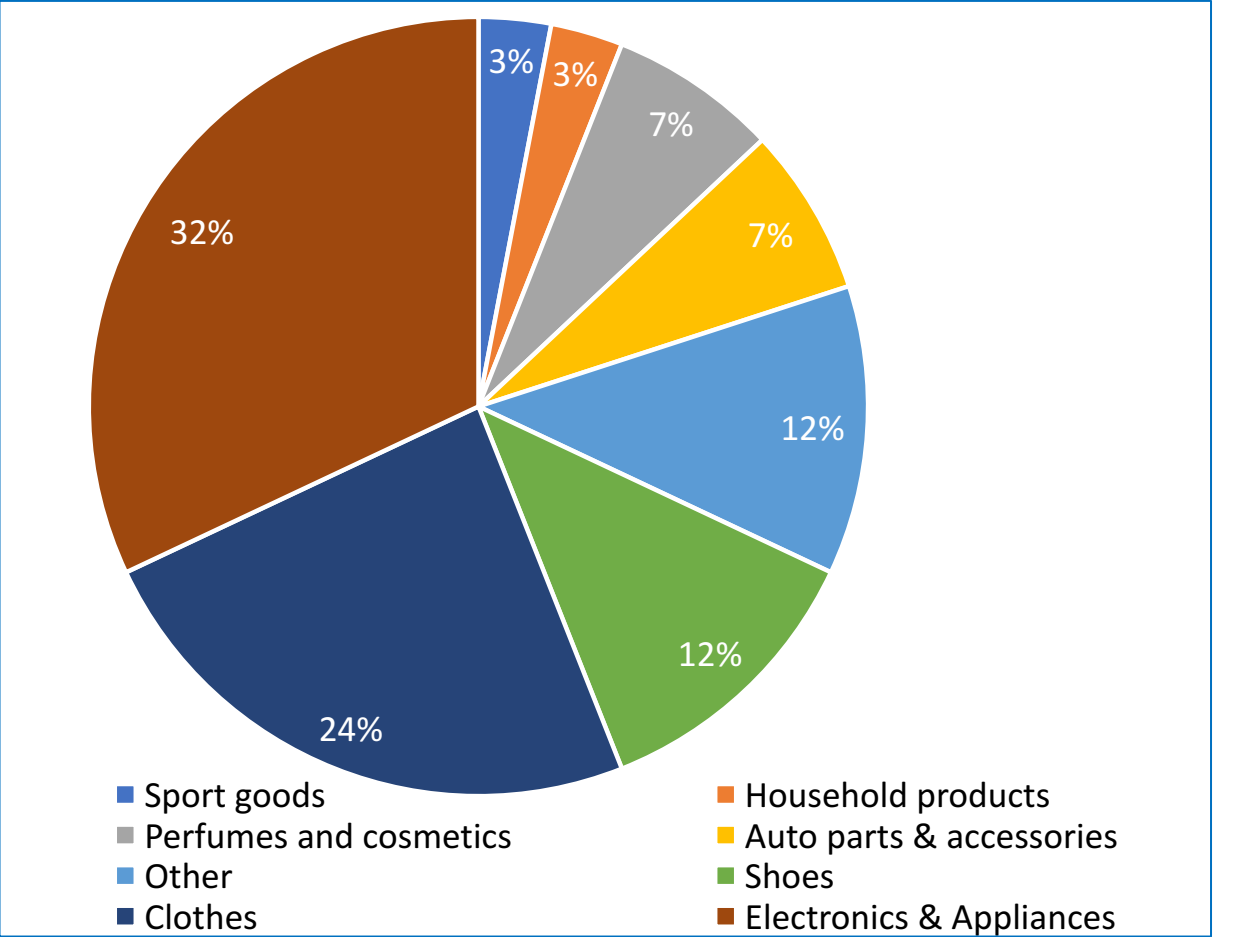
¹Online Retail Market. Source: AITC; Gfk, 2016.

32% of cross-border purchases are electronics & appliances

LOCAL MARKET¹
Segmentation by turnover, rubles, 2016



CROSS-BORDER MARKET²
Segmentation by turnover, rubles, 2016



¹Local Market. Source: AITC; Gfk, 2016. | ²Cross-Border Market. Source: AITC; Gfk, 2016.

Majority of cross-border purchases are in China

CROSS-BORDER DESTINATIONS¹

Cross-border parcel distribution, 2016

CROSS-BORDER SPENDING DISTRIBUTION²

Cross-border spending distribution

Full version available at
www.ecommercefoundation.org/reports

¹Cross-Border Destinations. Source: AITC; Gfk, 2016. | ²Cross-Border Spending Distribution. Source: AITC; Gfk, 2016.

~60% of domestic sales are paid via cash on delivery (COD)

Key Drivers of Consumer Delivery Preferences¹

Full version available at
www.ecommercefoundation.org/reports

Consumer Preferences: Payment Methods¹

~60% of domestic sales are paid via COD

COD share is declining – in favor of card payments (online or delivery)

Cross-border: almost 100% of orders are prepaid

No psychological factor or strong fears – COD dominance is based on convenience

¹Consumer Preferences: Delivery and Payment Methods. Source: Data Insight, 2016.

Being part of the international concern Bertelsmann and with 20 years of experience on the Russian market Arvato Russia is capable to design and implement the most optimal solutions that enable our customers to save time and cost, avoid risks and losses and to concentrate on their assortment and marketing policy as well as enhancing their clients' satisfaction.

Michael Poetschke
CEO, Arvato Russia

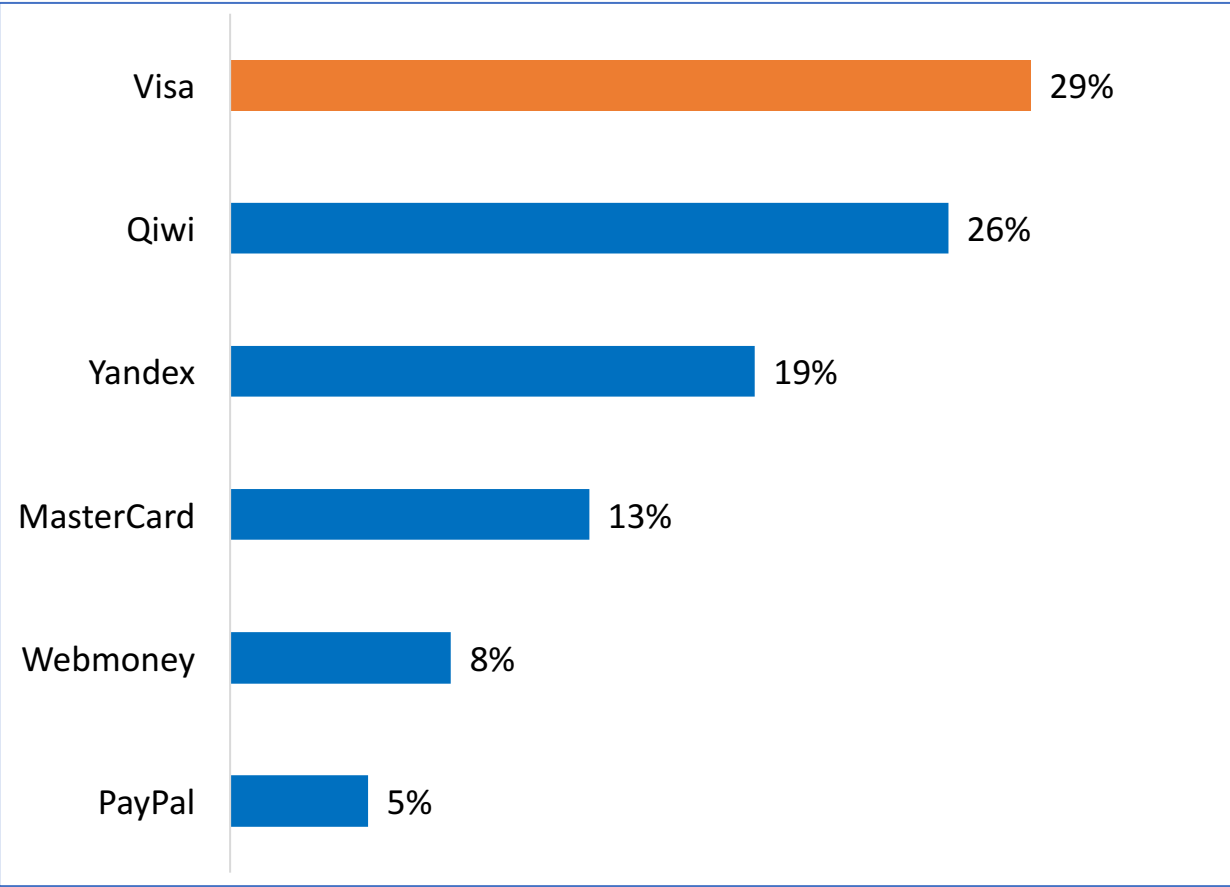
arvato
BERTELSMANN



Consumers prefer Visa payments for online purchases

CONSUMER PREFERENCES: PAYMENT METHODS

Preferred online payment methods, 2015¹



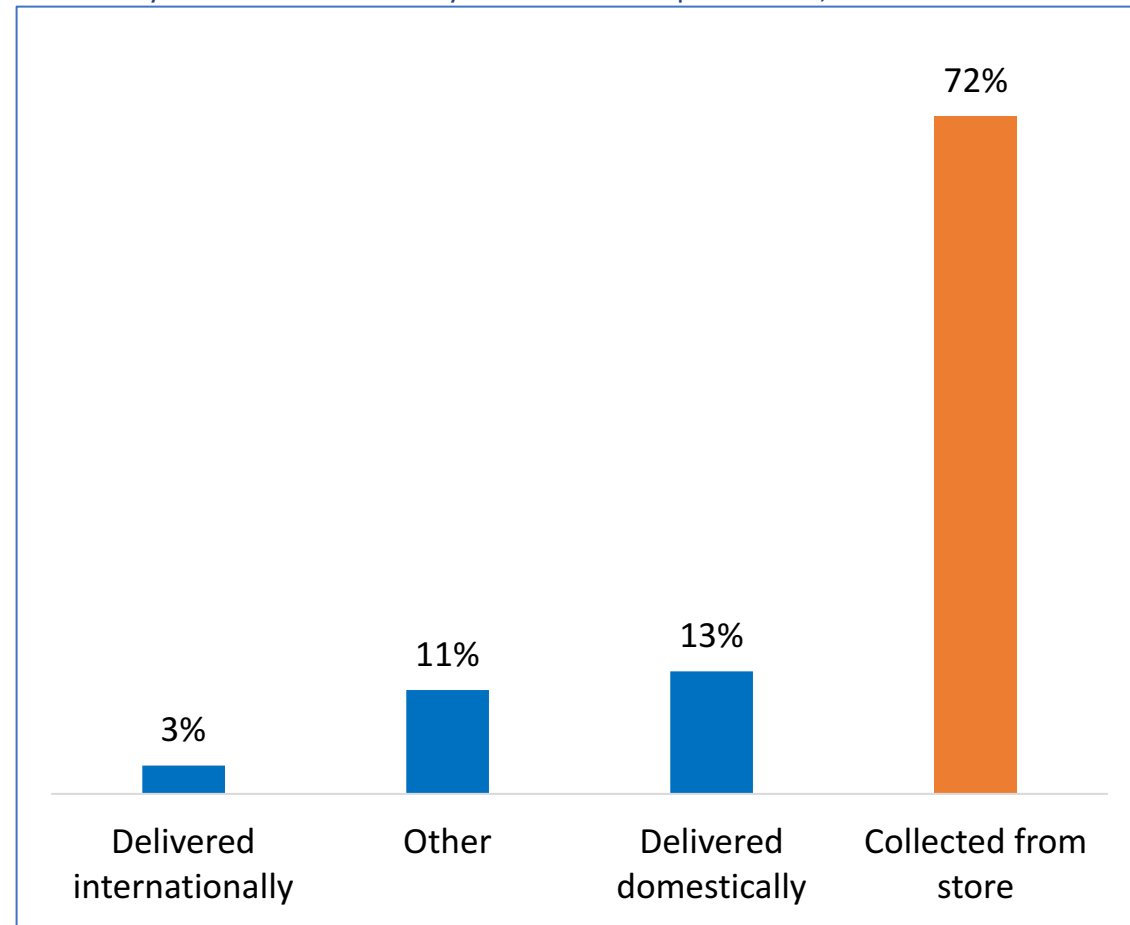
VAT Overview ²	Russia
Threshold for registration	There is no threshold
Standard VAT rate	18%
Reduced VAT rates	10%, 0%
Where to register	Russian VAT is administered by the Federal Tax Service of Russia
Periods for declaration	Monthly or Quarterly (depends on turnover)
Reduced VAT Rates ³	Applies to:
10%	<ul style="list-style-type: none">FoodstuffMedicineWaterBooks
0%	<ul style="list-style-type: none">Exports and associated servicesSuburban rail passenger transport

¹Consumer Preferences: Payment Methods. Source: Statista, 2016. | ²VAT Overview. Source: Vatlive, 2016. | ³Reduced VAT Rates. Source: PwC and European Commission, 2016.

72% of consumers collected online purchases in-store

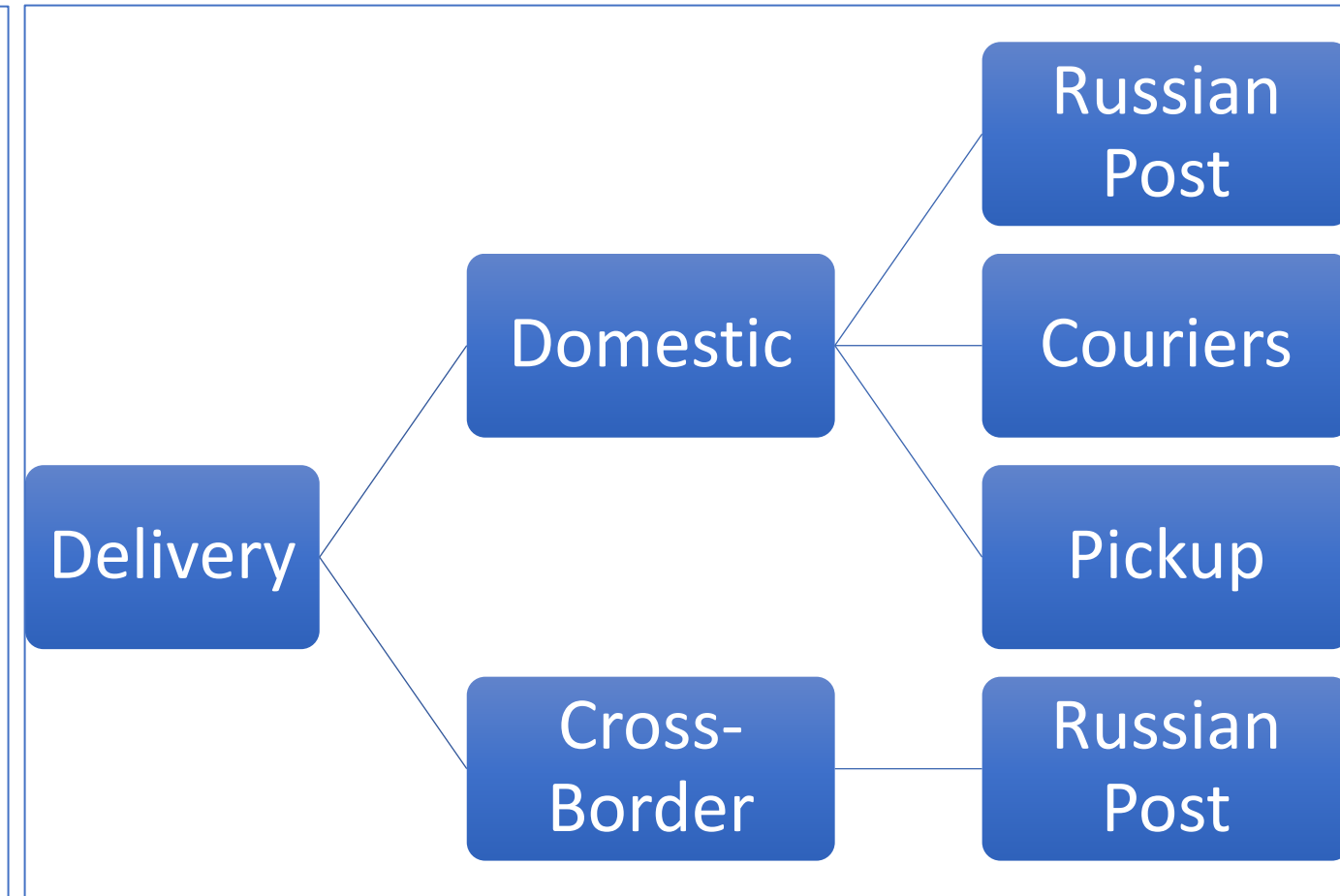
CONSUMER BEHAVIOR: RECEIVING ONLINE PURCHASES¹

"How did you receive or retrieve your most recent purchase?", 2015*



CONSUMER PREFERENCES: DELIVERY²

Consumer preferences for delivery, domestic & cross-border, 2016



¹Consumer Behavior: Receiving Online Purchases. Source: Statista; TNA Infratest; Google, 2016.

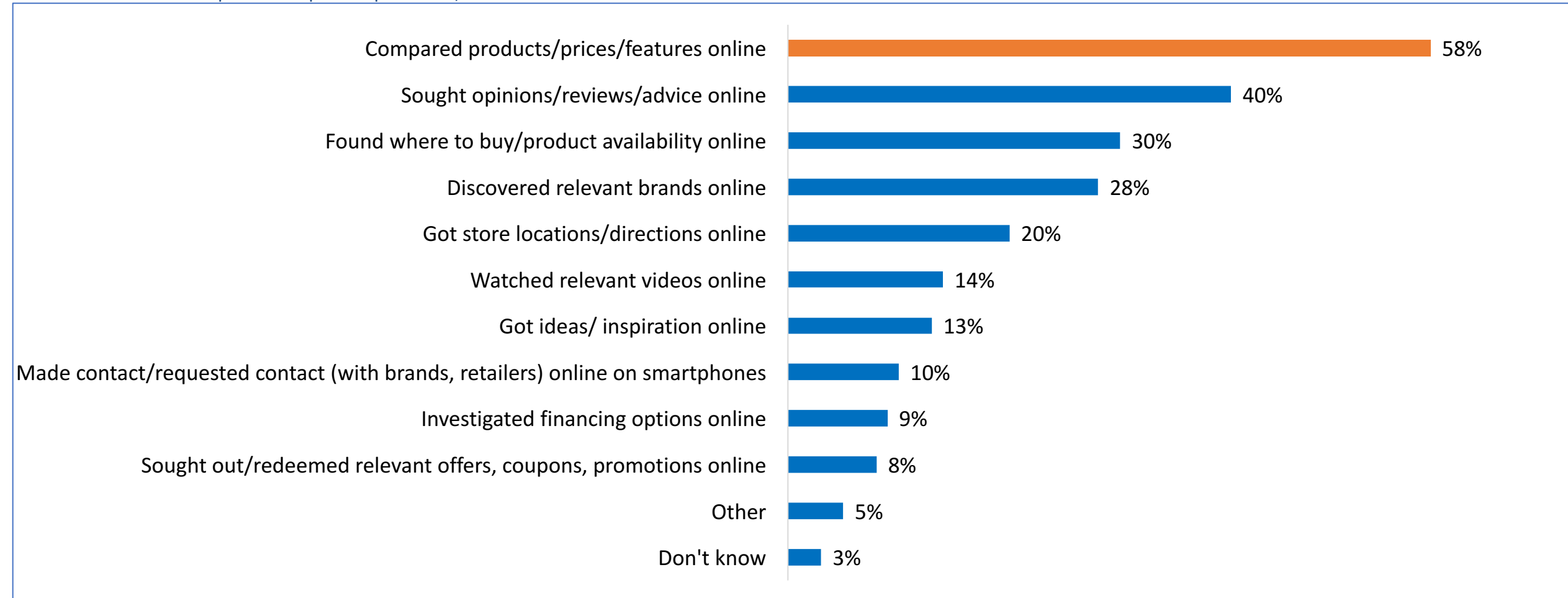
²Consumer Preferences: Delivery. Source: Data Insight, 2016.

*January to March 2015; 3,672 Respondents; 16+ y.o: Internet users who recently made a purchase.

34% of consumers used smartphones to compare products/prices

CONSUMER BEHAVIOR: RESEARCH VIA SMARTPHONE¹

Online research activities performed prior to purchases, 2015



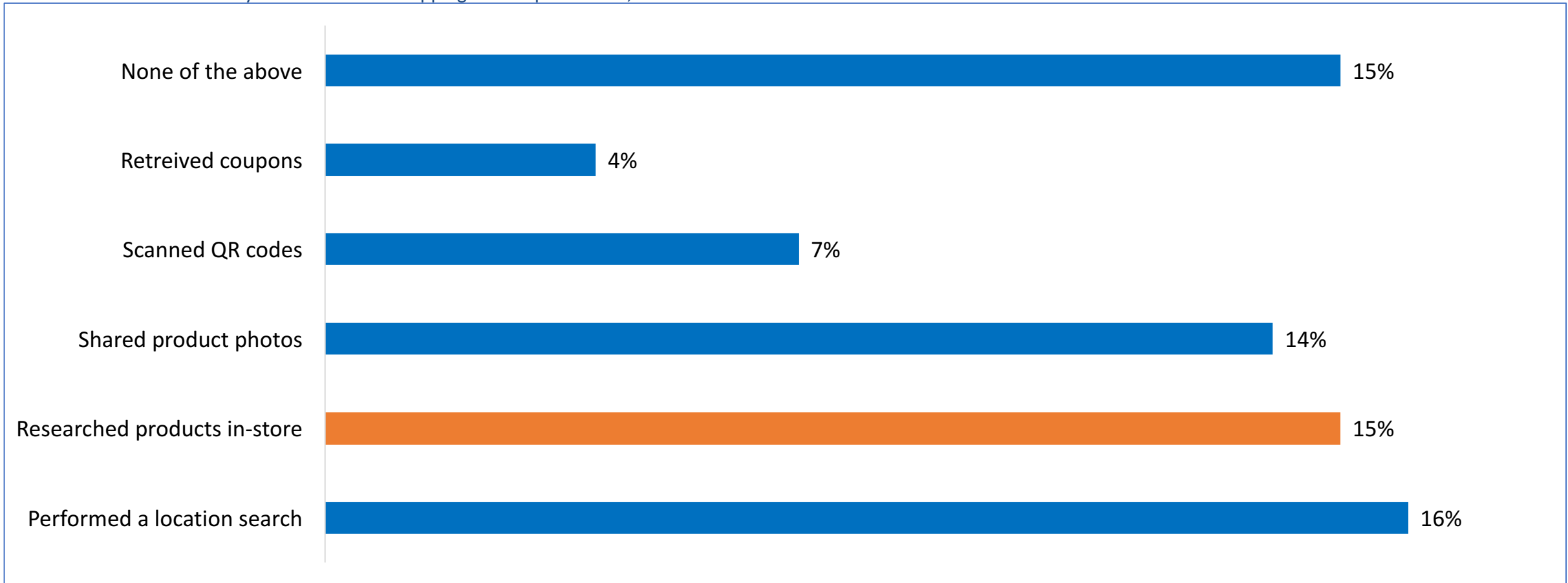
¹Consumer Behavior: Research via Smartphone. Source: Statista; TNS Infratest; Google, 2016.

*January to March 2015; 1,000 Respondents; 16+ y.o.; internet users.

15% of consumers research products in-store on smartphones

CONSUMER BEHAVIOR: SMARTPHONE ACTIVITIES¹

"Which of these activities did you do while out shopping for last purchase?", 2015*



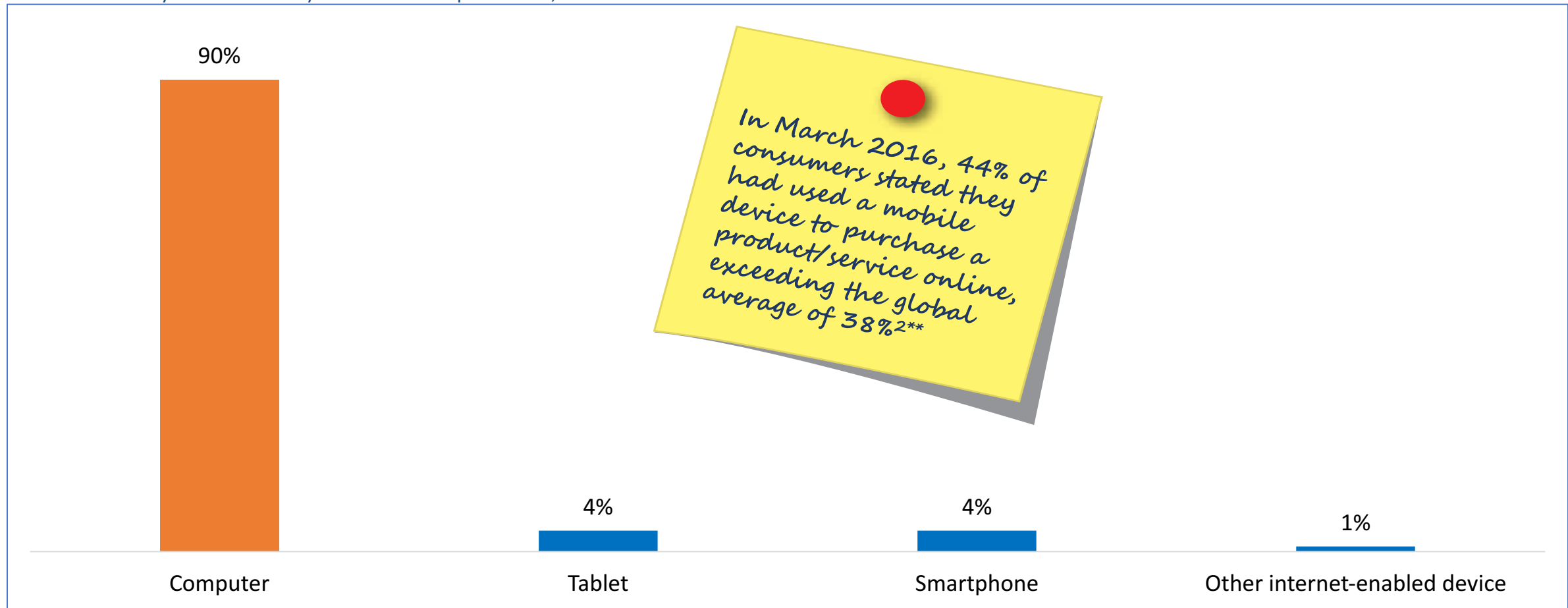
*January to March 2014, January to March 2015; 1,119 Respondents; 16+ years old; internet users who recently made a purchase online and researched online.

¹Consumer Behavior: Smartphone Activities. Source: Statista; TNS Infratest; Google, 2016.

90% of consumers used computer to buy online in 2015

CONSUMER BEHAVIOR: PURCHASES VIA DEVICE¹

“Which device did you use to make your most recent purchase?”, 2015*



¹Consumer Behavior: Purchases via Device. Source: Statista; TNS Infratest; Google, 2016.

²Mobile Device Purchases. Source: Statista; Nielsen, 2017.

*January to March 2014, January to March 2015; 2,212 Respondents; 16+ years old; internet users who recently made a purchase online.

**March 1 to 23, 2016; 30,000 Respondents; mobile connected device owners.



Ecommerce Recommendations

E-commerce has changed shopping across the world – also in Russia. And as everywhere, also cross-border e-commerce spending and deliveries are increasing with more and more Russian shoppers buying overseas. We expect, that – apart from the boost in e-commerce – this fact will soon also be leading to a substantial increase of mailing and catalogue distribution, as distance sellers as well as online stores and former pure e-commerce players will use growing experience in Russia to omnichannel the market. Asendia's product and market management has tailored options for parcel distribution and small packages, return services and marketing mail to Russia, still one of the most promising markets in Europe.

Günter Kopp
Key Account Manager
Asendia PECO



Ecommerce Recommendations

Full version available at
www.ecommercefoundation.org/reports

About the Report

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

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

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

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

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

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

Overview reports

- European overview report Jun. 26
- Global overview report Sep. 15

Country reports

- Spain August 1
- Italy August 4
- Portugal August 8
- Denmark August 10
- Sweden August 15
- Norway August 18
- Switzerland August 25
- Turkey August 28
- Poland September 4
- Greece September 8
- Global September 15

Definitions related to the Internet, ecommerce and Online Retailing

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

Definitions related to the Internet, ecommerce and Online Retailing

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

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

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

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

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

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

Definition of B2C ecommerce sales

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

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

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

Classification of B2C ecommerce

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

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

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

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

Global Online Measurement Standard for B2C ecommerce (GOMSEC)

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

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

Toys
Indoor and outdoor toys

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

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

Global Online Measurement Standard for B2C ecommerce (GOMSEC)

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

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

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

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

Global Online Measurement Standard for B2C ecommerce (GOMSEC)

Insurance		
New indemnity, Life and Health Insurances		
Liability insurance	ANW-gap insurance	Health Insurance –
Car insurance	(insurance for receiving a	Base
Fire and theft insurance	payment in addition to a	Health insurance –
	survivor's allowance)	additional
Bike/caravan/motorbike/	Annuity insurance	Disability insurance –
Scooter insurance	Pension	entrepreneurs
Accident insurance	Life insurance	Disability insurance –
Boat insurance	Funeral insurance	private
Legal assistance insurance	Endowment insurance	Mortgage-related
Home insurance	based on savings	disability insurance
Travel insurance	Endowment insurance	Mixed insurance
(continuous/annual + short	based on investments	(=endowment
term)		insurance + life
Insurance package		insurance)

Travel	
Package Travel	Flight Tickets & Accommodations
Package travel	Flight Tickets
Private transport if booked through a	Hotel stays
tour operator	Apartment/bungalow/camping site
	-> all of the above not booked in
	combination with other travel-parts
Event Tickets	
Tickets for concerts and festivals	
Tickets for (movie) theaters	
Tickets for zoos and amusement parks	
Tickets for museums	
Tickets for sports games	
Other: Services	
New subscriptions to dating service	
Other services	

Sources used in the report

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

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

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

Publications

- Accenture
- AITC
- CIA World Factbook
- Criteo
- Data Insight
- East-West Digital News
- Ecommerce Foundation
- eMarketer
- European Commission
- Eurostat
- Gfk
- Goldman Sachs
- Google
- Nielsen
- Russian Post
- Ruward
- Statcounter
- Statista
- TNS Infratest
- Trading Economics
- United Nations
- Vatlive
- Worldbank
- Yandex Market

About the Ecommerce Foundation

Our History

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

Why an Ecommerce Foundation?

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

How does the Foundation help?

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

What does the Ecommerce Foundation do?

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

The Ecommerce Foundation offers several services to associations & retailers



40+ National Ecommerce Reports supporting retailers going across borders



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



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



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



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



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



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



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

A multinational expert team for your success in Russia



**On-demand research – Market entry consulting
Growth and optimizations**

East-West Digital News is the first international information and consulting agency dedicated to the Russian e-commerce and digital industries.

Read the latest Russian industry news <http://www.ewdn.com/category/ecommerce>
Download our free report <http://www.ewdn.com/reports/e-commerce-in-russia-insights>
Get in touch with us at contact@ewdn.com

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

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