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What is E-commerce?

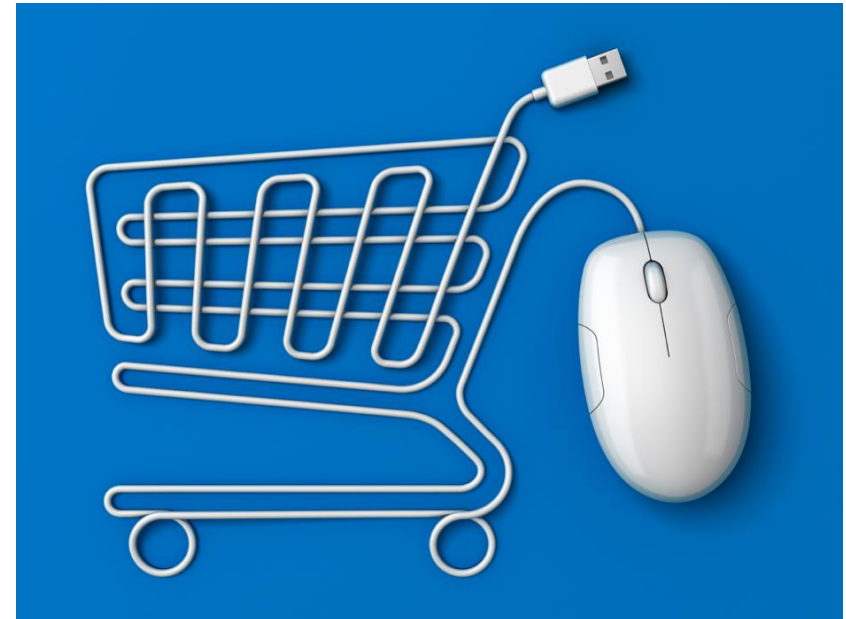


What is E-commerce?

Commerce conducted via electronic means is called *E-commerce*.

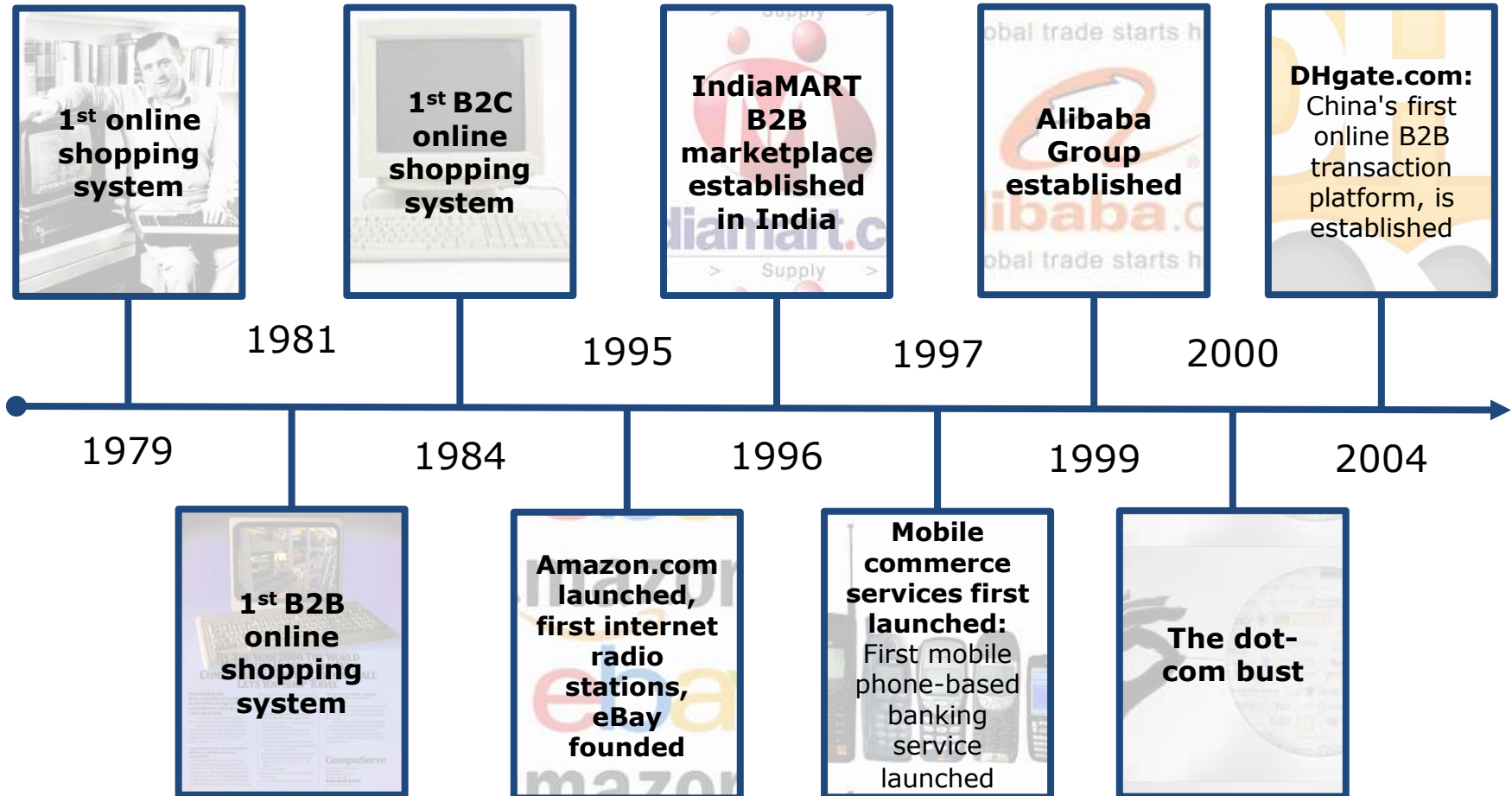
E-commerce was first conducted using PCs and laptops, but now includes:

- M-Commerce/Mobile Commerce: using smart phones and tablets
- S-Commerce/Social Commerce: using social media





A brief history





The E-commerce market

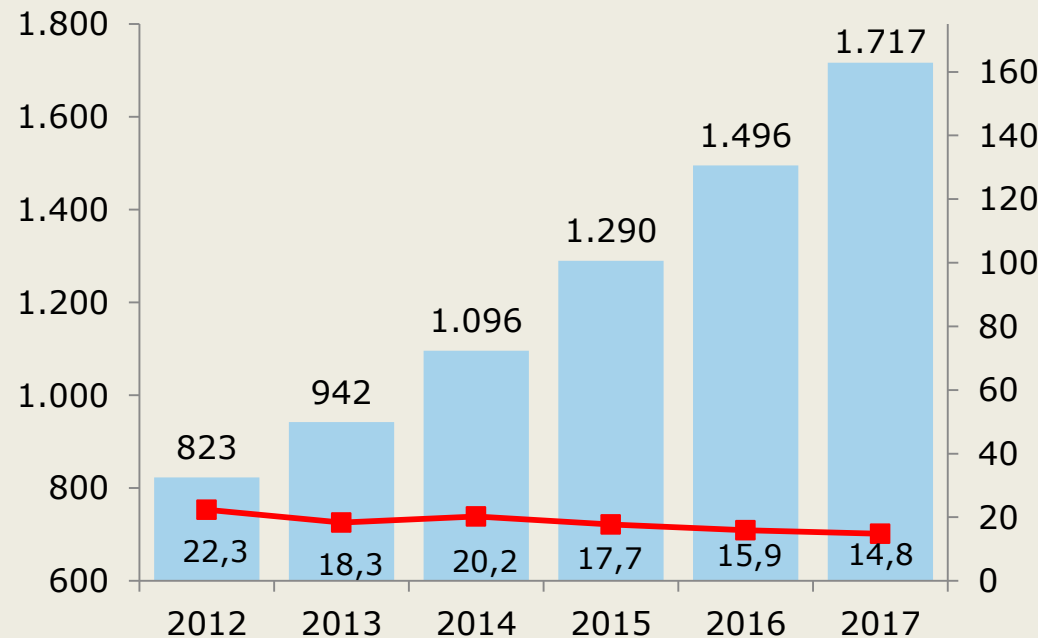
ADD TO CART



B2C E-commerce: Global sales

- 1979: Michael Aldrich connected his computer via a telephone line to his local supermarket. Now he could shop from the convenience of their home instead of physically going to the shop.
- Convenience remains one of the main drivers of B2C E-commerce.
- Growth of B2C via the internet between 2012 and 2017 is expected to be 123%!

Table 1: B2C E-commerce Sales Worldwide 2012-2017, in € trillions and annual growth



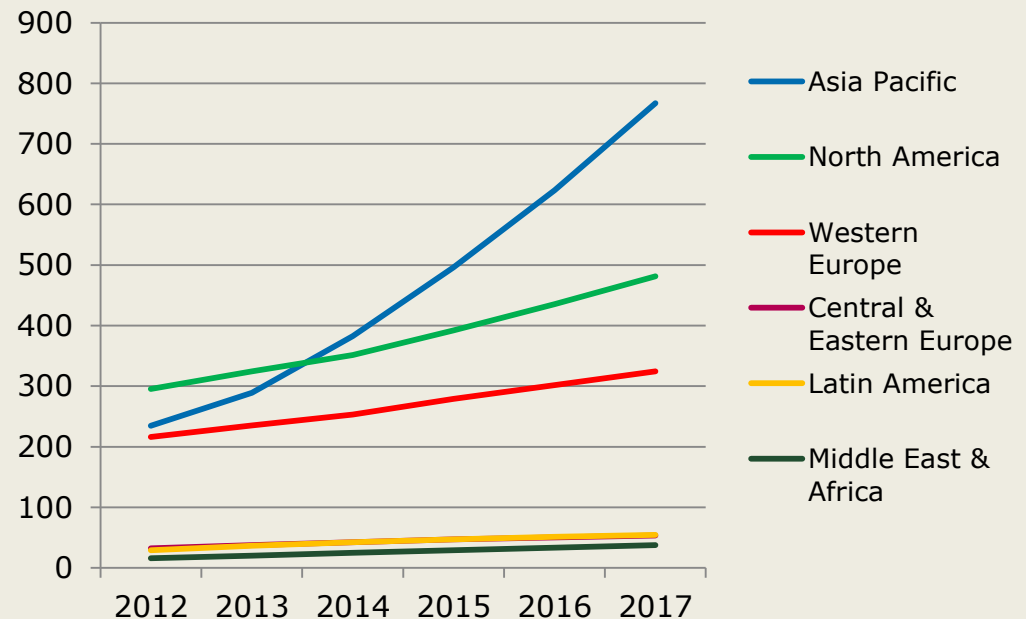
Source: eMarketer, 2014



B2C E-commerce: Global sales

- Sales in the Asia Pacific, North American and Western European regions are growing rapidly.
- Exploding growth in global B2C E-commerce sales offers developing country manufacturers and exporters a golden opportunity to directly target their niche and connect to the world's markets.

Table 2: B2C E-commerce sales per region 2012-2017, in € billions



Source: eMarketer, 2014



B2B E-commerce

- Approximately 80% of all E-commerce sales are B2B, 20% are B2C. This would indicate that the total European B2B E-commerce market will amount to approximately € 1 trillion in 2014.
- B2B transactions cover the entire supply chain from raw materials through distribution, whereas there is only one type of B2C transaction, that of selling the finished product to the end customer.



Interested in entering the E-commerce market?

You require the following:

- Staff that are able to operate and maintain a website and the necessary communication tools
- A fast and reliable internet connection
- A well designed and user friendly website
- A secure payment system
- Excellent quality control
- Adequate stock levels to offer immediate delivery
- Efficient logistics, efficient systems for
 - Delivery and distribution
 - Tracking and monitoring
 - Goods returns
- Quick and clear communication with the client
- And a top notch product!



Considerations for action

Which type of E-commerce suits your company?

Choose **B2B** if:

- You are looking for a long term relationship
- The Return on Investment can wait
- You can deliver larger quantities at lower margins
- You already have a solid portfolio of importers/wholesalers

Choose **B2C** if you

- Have excellent brand recognition
- Are looking for a quick return on investment
- Require high margins
- Have a 'niche' product with a high unit price



The rise of M-commerce & S-commerce



The rise of M-commerce

E-tailing is going mobile

- 30 – 45% of all visits to retail sites in the UK in 2013 were made via mobile phones
- UK government forecasts that the typical M-commerce shopper in the UK will spend €1,106 per annum by 2017, an increase of 243% compared with 2012.
- Goldman Sachs estimates that global M-commerce will constitute nearly half of all e-commerce by 2018.

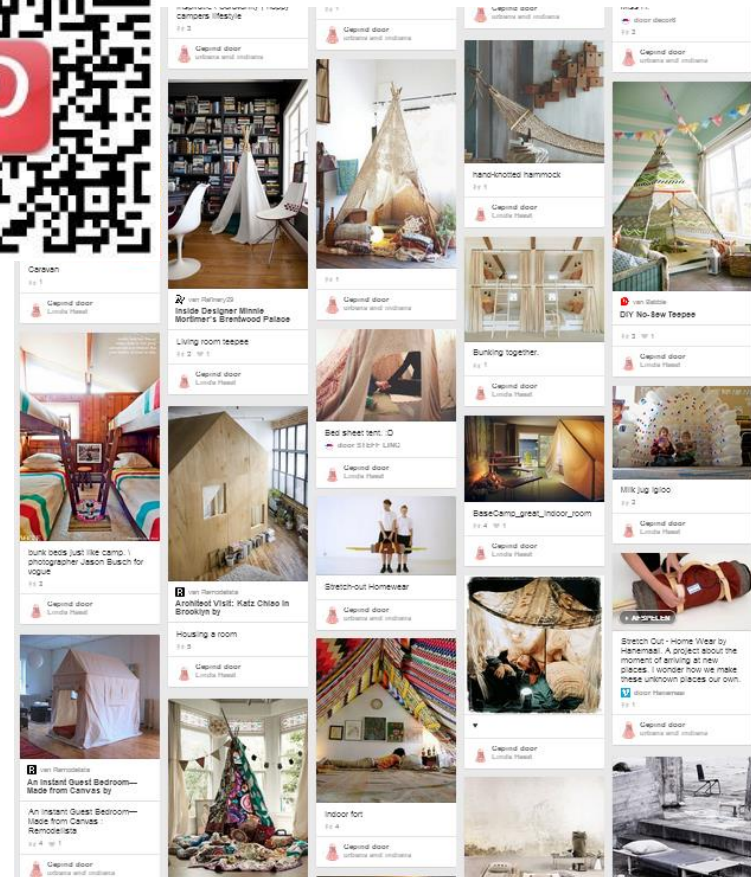




S-commerce flooding social media

Social media is becoming increasingly important in E-commerce. It allows entrepreneurs:

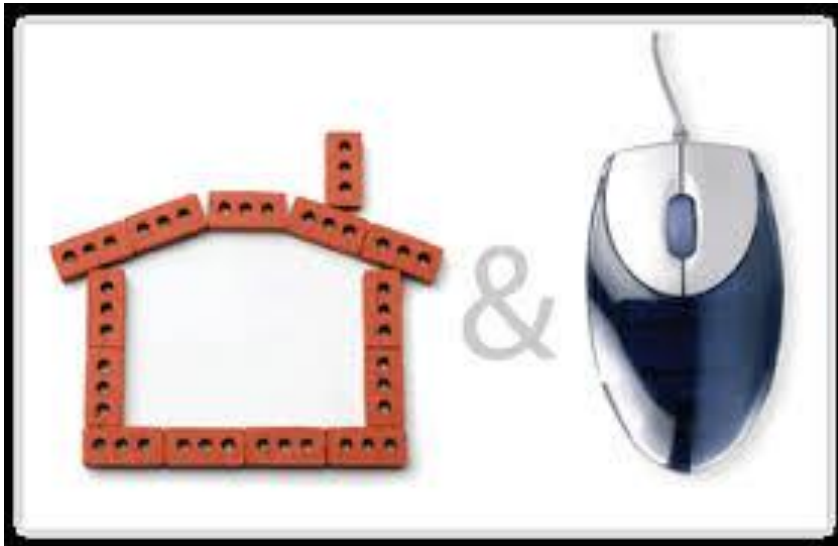
- To share their products and story visually, i.e. photos and videos.
- To create a fan base for their products that they can share with their online friends and business partners.





The internet is not enough - combination of bricks & mortar and E-commerce

'bricks & clicks'



- Clicks & mortar / Click & collect: online ordering, but collecting the purchase from a physical shop
- Showrooming: consumers using phones to compare and buy products online while in a physical shop
- Reverse showrooming (webrooming): consumers researching on line and buying at a physical shop



Consideration for action

Implement multi-channel marketing by combining

Offline

- Shop/showroom
- Trade fairs
- Brochures/mailings
- Catalogues
- (Pop up) events



Online

- Internet site
- M-commerce
- S-commerce
- Facebook
- Twitter
- Pinterest





And what does the B2B and B2C customer want?

- To select and purchase merchandise at the moment he/she chooses – 24/7 – choosing any tool available to him/her
- To have the purchase delivered to his/her door as soon as possible
- The best possible price
- The widest possible choice





This survey was compiled for CBI by
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