

MARKET INSIGHTS

UNITED KINGDOM



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YOUR POTENTIAL



UNITED KINGDOM

AT A GLANCE

QUICK INTRODUCTION

Population: 65.5 million

VAT: 20%

Currency: GBP

GDP per Capita: US\$47,813

97.52%

Internet penetration

US\$5,900

Average spend per shopper

US\$196.3bn

B2C e-commerce turnover

0.44%

Growth e-commerce market

81%

Of the population shops online



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E-COMMERCE ENVIRONMENT

3rd largest e-commerce market in the world. The strong growth of e-commerce in the UK was fueled by the continued growth of e-commerce. The UK is a competitive and customer-focused market.

1st

Largest e-commerce market in Europe

E-COMMERCE SALES








(US\$, billions)



TOP ONLINE PAYMENT METHODS

Debit cards	32%
eWallet (PayPal)	25%
Credit cards	17%
Cash on delivery	9%
Other	9%
Bank transfer	5%
Pre-paid	3%

SOCIAL MEDIA USAGE

 47%	 10%
 20%	 10%
 14%	 12%
 8%	









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DELIVERY PREFERENCES

						
Signature Release	Neighbor Delivery	Scheduled Delivery	Signature Form	Vacation Hold	Service Point Delivery	Alternate Address

32% 13% 32% 1% 1% 19% 5%

SHIPPING TO THE UK

1-2

Days transit time

2,363

DHL Service Points

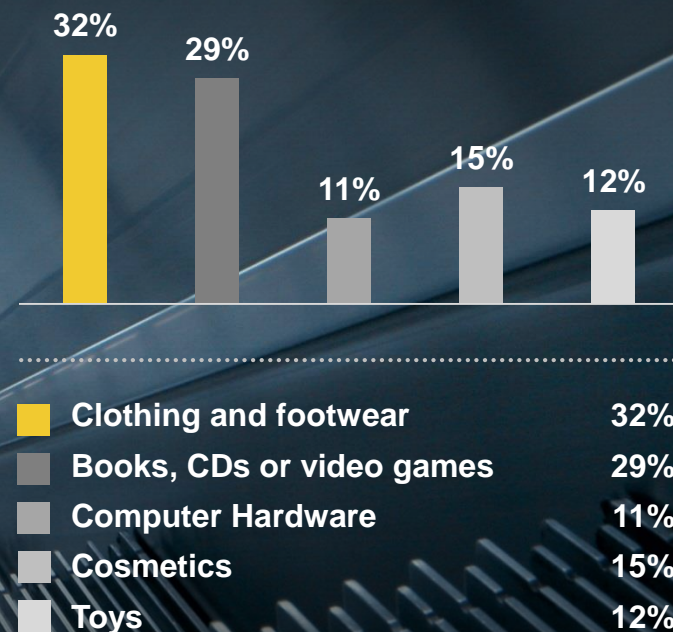
TRADE REGULATION AND CUSTOMS:
please refer to BREXIT document

ON DEMAND DELIVERY

ODD Options Available

1. Signature release
2. Neighbor delivery
3. Scheduled delivery
4. Signature form
5. Vacation hold
6. Service Point delivery
7. Alternate address

MOST POPULAR PURCHASES FOR CROSS-BORDER SHOPPING



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E-COMMERCE TRENDS

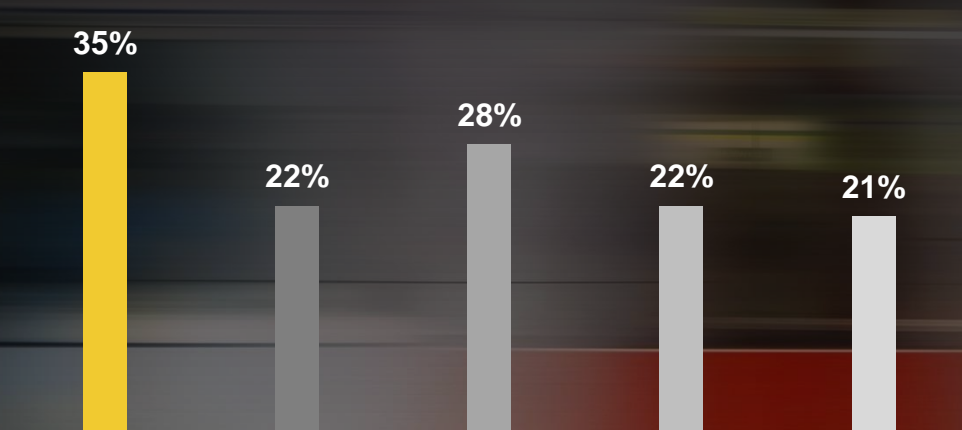
- The Office for National Statistics (ONS) – UK found in 2017 that **UK online buyers had bought equally from EU and non-EU countries in the past year**
- Cross-border buyers in France, the UK and Germany had the highest preference for buying physical goods on foreign sites out of all countries in Europe surveyed by Eurostat in 2017 – 85%, 83% and 82%, respectively
- UK consumers in general were most inclined to buy physical goods on overseas sites (27%). This behavior was strongest among 25- to 34-year-olds (37%), while those 35 to 44 had slightly more propensity to buy travel (20%), and those 45 to 54 were the biggest buyers of event tickets (10%)

Per a June 2017 Forrester study, most cross-border purchases occur on marketplaces like Amazon or AliExpress (66%). The UK had one of the highest rates of this behavior, at 91%, followed by Germany (88%), Italy (84%), France (77%) and Spain (72%).

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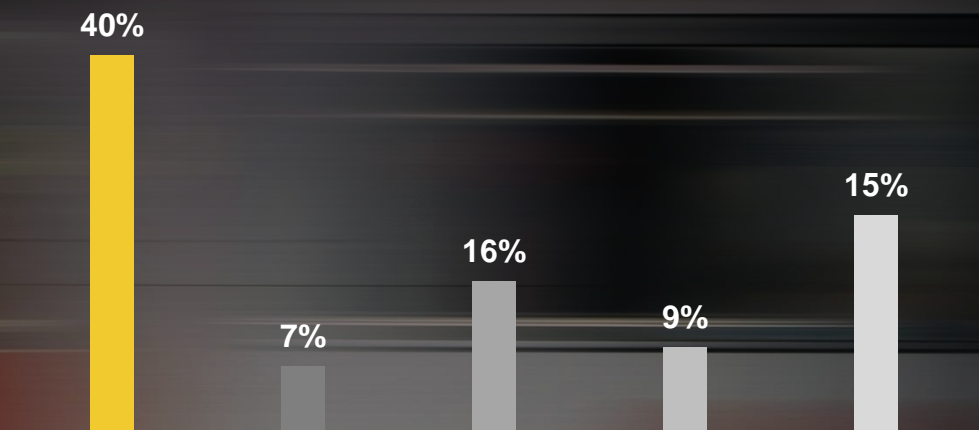
CONSUMER MOTIVATION

REASONS FOR NOT BUYING ABROAD



Own country meets my needs	35%
Never occurred	22%
Assuming difficult to return/costly	28%
Assuming delivery takes longer	22%
Worrying about customer service	21%

REASONS FOR BUYING ABROAD



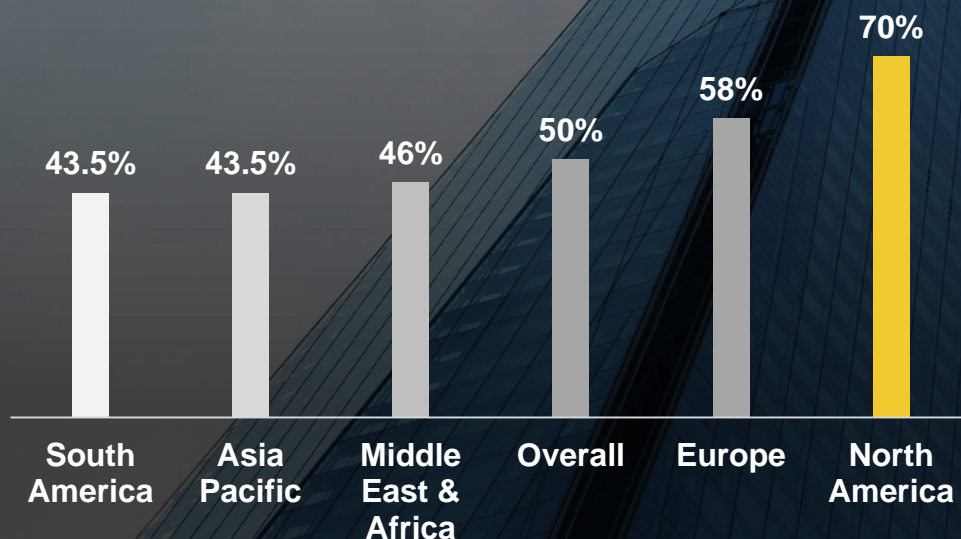
Better availability	40%
Recommendations from others	7%
Better conditions	16%
Better quality	9%
Broader range of products	15%

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FACTS AND FIGURES

E-SHOPPER PENETRATION REGIONAL

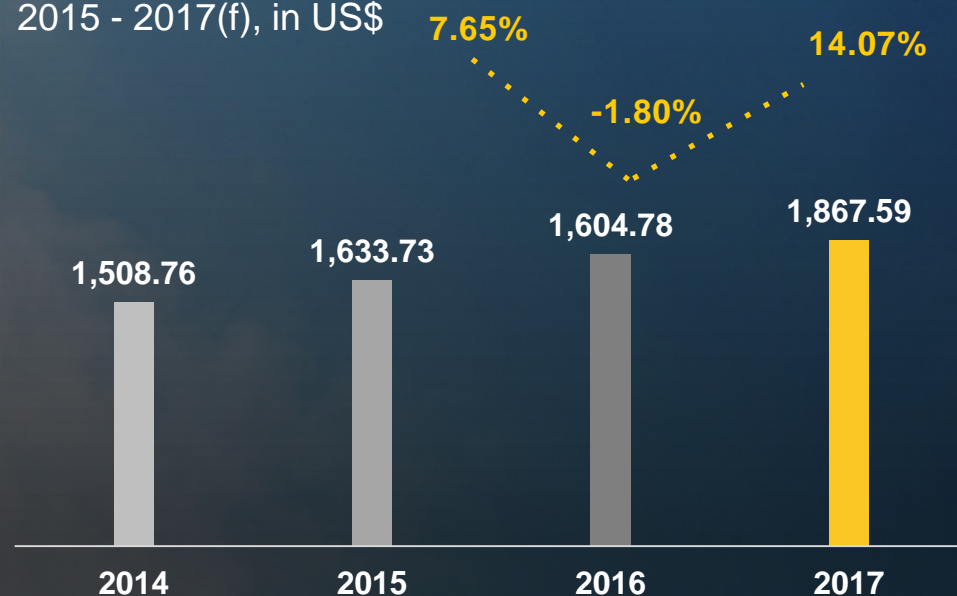
Share of internet users shopping online, regional, 2017(f)



North America has the highest share of e-shoppers at **70%**.

E-SHOPPER SPENDING GROWTH

Average amount spent per e-shopper, per year, Europe, 2014 -2017(f); e-shopper spending growth rate, Europe, 2015 - 2017(f), in US\$



Average online spending among Europeans is increasing.



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CROSS BORDER PENETRATION



Cross-border digital buyer penetration
in selected countries in western Europe, 2011-2017

% of digital buyers

	2011	2012	2013	2014	2015	2016	2017
Spain	40%	41%	44%	48%	52%	58%	55%
Italy	37%	36%	38%	45%	46%	47%	46%
Netherlands	25%	26%	29%	37%	37%	42%	46%
UK	26%	27%	28%	34%	37%	40%	43%
France	32%	34%	37%	39%	38%	41%	42%
Germany	17%	18%	20%	22%	23%	26%	33%

Note: ages 16-74 who purchased goods/services via the internet for private use in the past year; ordered goods/services via the Internet from sellers in other countries in the past 12 months Source: Eurostat, 'ICT Usage in Households and by Individuals 2017'.

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INDUSTRY COMMENTS

AUTOMOBILES AND AFTERMARKET PARTS

Although signs suggest automobile sales are cooling off, long-term trends paint a picture of a rapidly growing market for vehicles and related components.

ELECTRONICS

Electronics are a major growth area. Between 2009 and 2016, imports like smartphones, circuits, and micro assemblies grew by an incredible 8,000%.

PHARMACEUTICALS

The UK pharmaceuticals import market grew by nearly 60% between 2009 and 2016. Pharmaceuticals worth US\$33bn entered the UK in 2016.

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THANK YOU



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