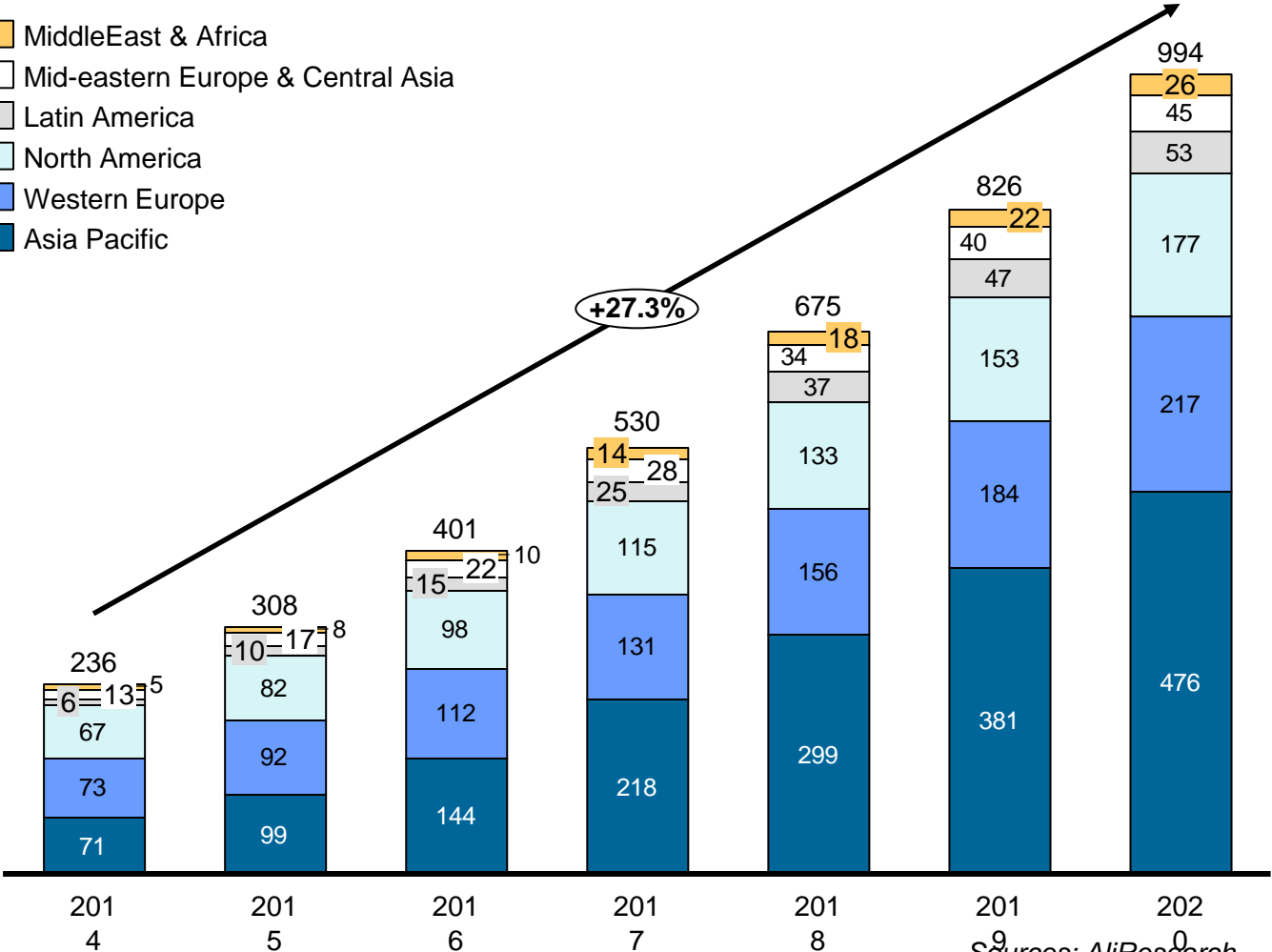# Global Cross Border B2C e-Commerce Market 2020:
Report highlights & methodology sharing

Apr. 2016

AliResearch
阿里研究院

Cross border B2C e-commerce market 2020: report highlights

Cross border B2C e-commerce market forecast by region (US$ bn)

Legend:
- MiddleEast & Africa
- Mid-eastern Europe & Central Asia
- Latin America
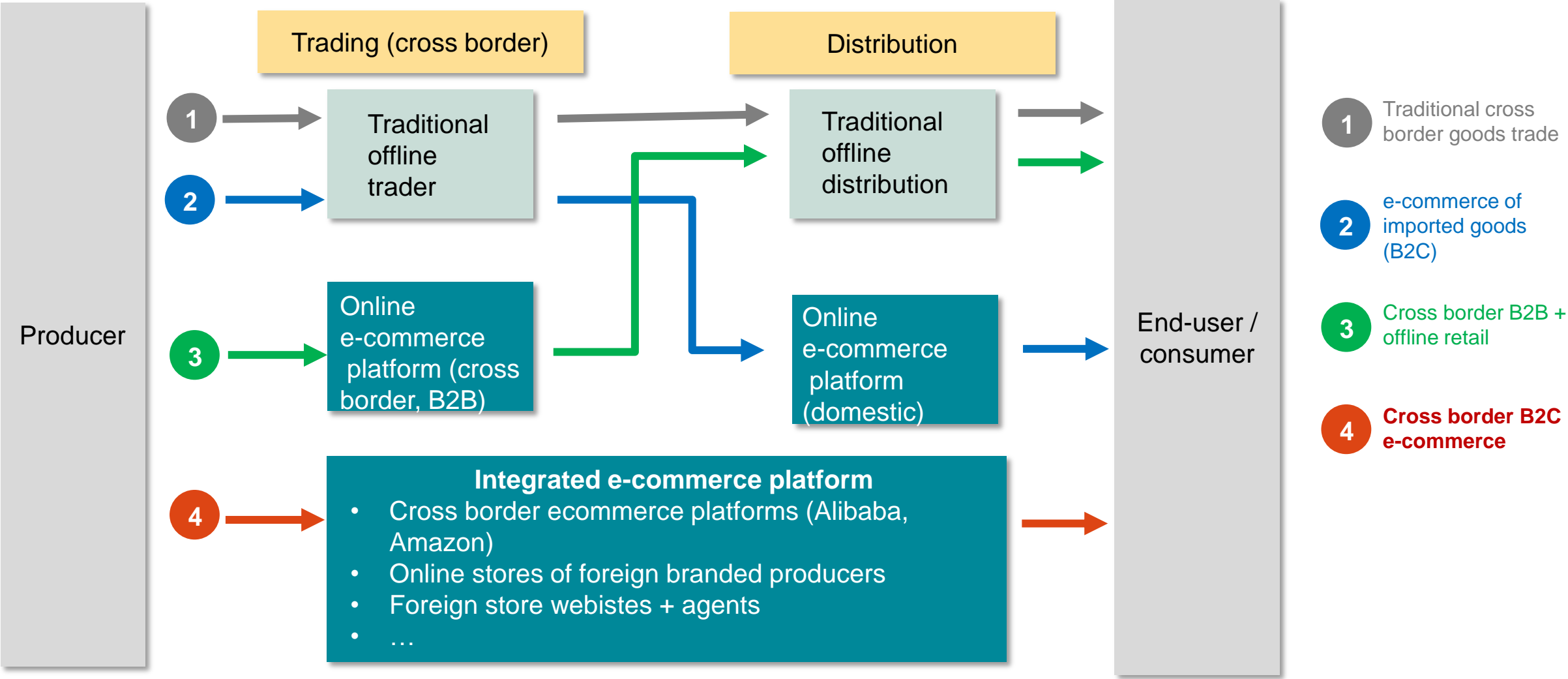- North America
- Western Europe
- Asia Pacific

+27.3%

Region	2014	2015	2016	2017	2018	2019	2020
Total	236	308	401	530	675	826	994
MiddleEast & Africa	6	10	15	14	18	22	26
Mid-eastern Europe & Central Asia	5	8	10	28	34	40	45
Latin America	13	17	22	25	37	47	53
North America	67	82	98	115	133	153	177
Western Europe	73	92	112	131	156	184	217
Asia Pacific	71	99	144	218	299	381	476

Infrastructure readiness

Ease of cross border trade

Tariff, Regional economic integration & single market

Penetration of mobile Internet

Demand – supply dynamism

Local industry structure

Development level of consumer goods & services sector

Development of retail industry

Potentials for B2C e-commerce growth

Sizing of local consumption market

'Long tail' customers to be addressed internationally

Sources: AliResearch – Accenture, Global Cross Border e-Commerce Market 2020, Jun. 2015

2

Cross border B2C ecommerce market definition: in context of global consumer goods trade

Producer

Trading (cross border)

Distribution

1 Traditional offline trader

2

3 Online e-commerce platform (cross border, B2B)

4 Integrated e-commerce platform
- Cross border ecommerce platforms (Alibaba, Amazon)
- Online stores of foreign branded producers
- Foreign store webistes + agents
- …

Traditional offline distribution

Online e-commerce platform (domestic)

End-user / consumer

1 Traditional cross border goods trade

2 e-commerce of imported goods (B2C)

3 Cross border B2B + offline retail

4 **Cross border B2C e-commerce**

Market definition & coverage in the report

Criteria selection	Definition of 'cross border'	Major concerns of the definition
☐	**By products: origin, brands, etc.**	Might not really cross border 'online'
✓	**Transaction parties in different economies**	Could via agents: to cover Haitao type of deals
☐	**Whether cross border shipment of goods involved**	Might not really 'B2C'
☐	**Whether cross border payment involved**	Localization of payment might lead to misjudge
☐	**Whether cross border transmission of data / info involved**	Too vague to define

**Market definition in the report:
Cross Border B2C e-Commerce**

Scope of delivery:
- Physical products
- Digital contents
- Services (OTA, etc.)

Type of sellers:
- Cross border platforms
- Foreign distributors (e.g. retailers)
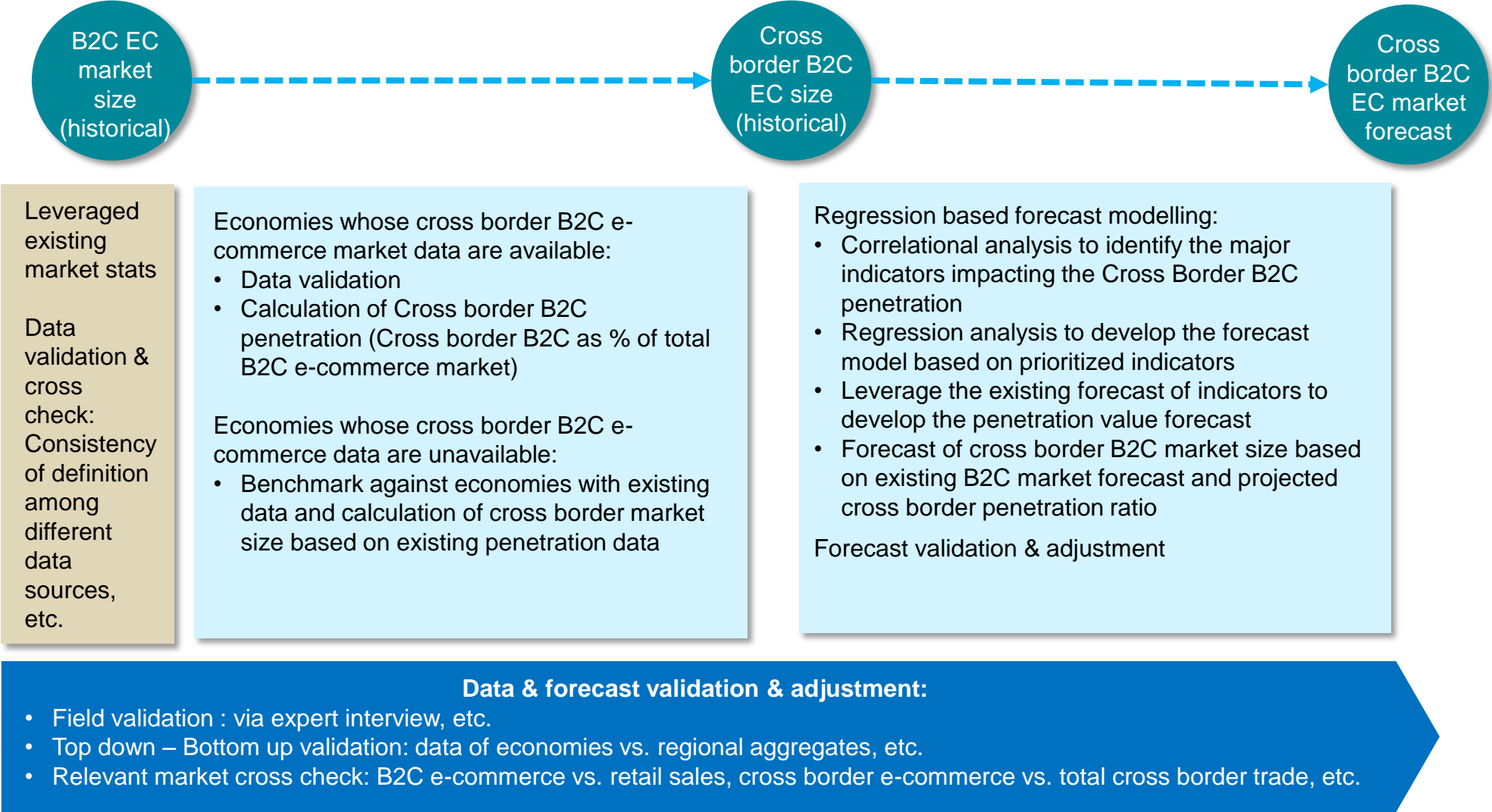- Foreign producers / service providers

Delivery methods:
- International parcels
- Delivery from bonded warehouses (to distinguish between country border and customs border

Payment:
- Banking card
- 3rd party payment platforms
…

Our methodology for market sizing and forecast

B2C EC market size (historical) → **Cross border B2C EC size (historical)** → **Cross border B2C EC market forecast**

Leveraged existing market stats

Data validation & cross check: Consistency of definition among different data sources, etc.

Economies whose cross border B2C e-commerce market data are available:
- Data validation
- Calculation of Cross border B2C penetration (Cross border B2C as % of total B2C e-commerce market)

Economies whose cross border B2C e-commerce data are unavailable:
- Benchmark against economies with existing data and calculation of cross border market size based on existing penetration data

Regression based forecast modelling:
- Correlational analysis to identify the major indicators impacting the Cross Border B2C penetration
- Regression analysis to develop the forecast model based on prioritized indicators
- Leverage the existing forecast of indicators to develop the penetration value forecast
- Forecast of cross border B2C market size based on existing B2C market forecast and projected cross border penetration ratio

Forecast validation & adjustment

Data & forecast validation & adjustment:
- Field validation : via expert interview, etc.
- Top down – Bottom up validation: data of economies vs. regional aggregates, etc.
- Relevant market cross check: B2C e-commerce vs. retail sales, cross border e-commerce vs. total cross border trade, etc.

Cross border ecommerce market measurement: rough ideas from private sector point of view

Following experiences in other industries, a global industry body of (cross border) e-commerce might play an constructive role:

- Constituents of a private sector driven industry body:

  – Key industry players: major cross border ecommerce platforms

  – National / regional industry associations

  – Players in relevant services sectors: payment, logistic services, etc.

- A Specialized Statistics Committee / work group to work on global market stats:

  – Standardization of market definition and statistical methodology

  – Request members to contribute market data

  – Consolidation and validation of contributed data

  – Coordinate with public sector for further validation: customs, etc.

Another aspects of private sector data: rich and insightful data from e-commerce platforms: case of Alibaba (1/2)

天猫国际
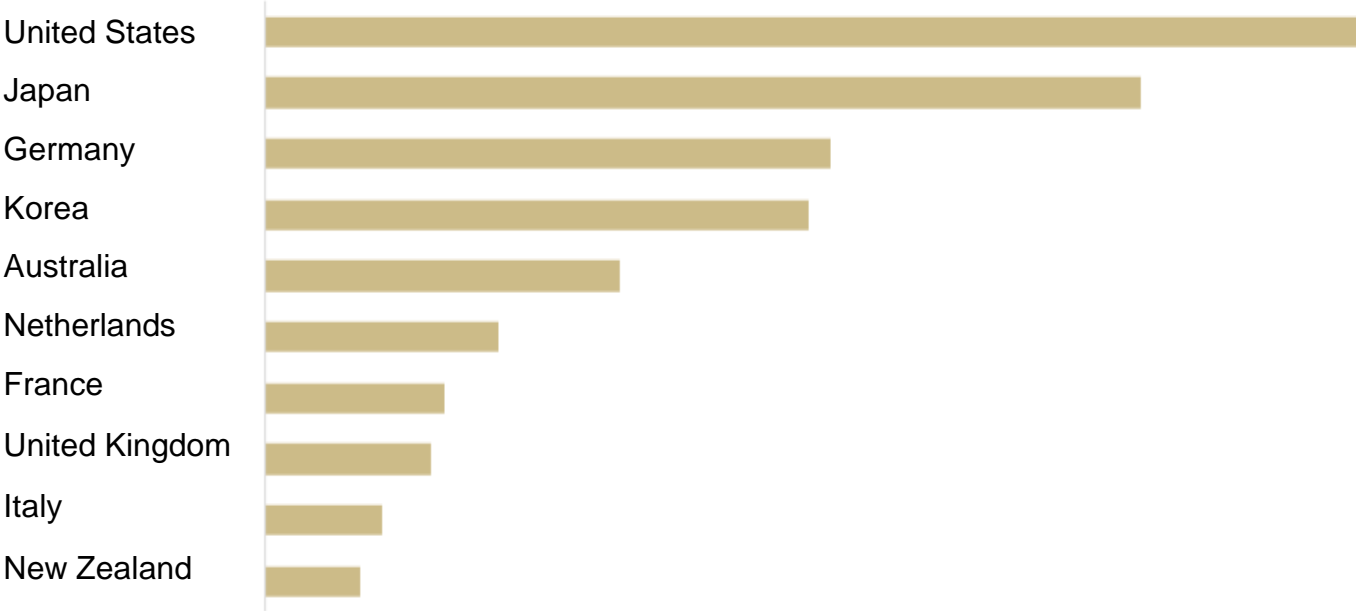TMALL.HK

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Countries / Regions
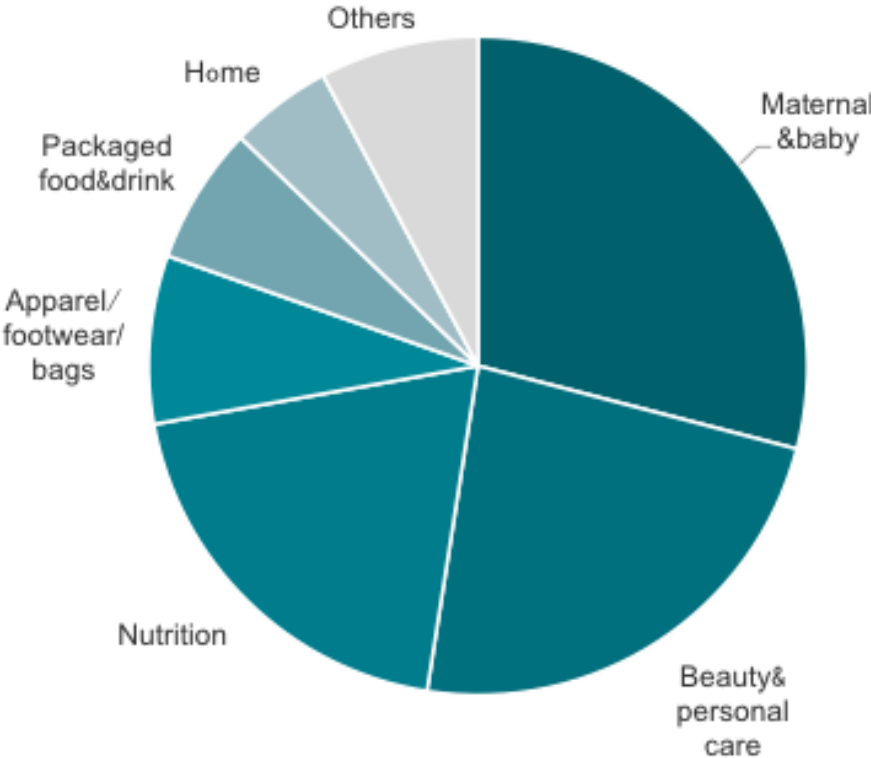
2000+
Categories

5400+
Brands

Another aspects of private sector data: rich and insightful data from e-commerce platforms: case of Alibaba (2/2)

2015 GMV Top 10 on Tmall Global by brand origin

- United States
- Japan
- Germany
- Korea
- Australia
- Netherlands
- France
- United Kingdom
- Italy
- New Zealand

Top categories of Tmall Global

- Others
- Home
- Packaged food&drink
- Apparel/footwear/bags
- Nutrition
- Maternal &baby
- Beauty& personal care

Thank You & Questions

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