EXPAND YOUR BUSINESS ON A GLOBAL SCALE.

Tap opportunities on global and regional marketplaces.

A white paper for new sellers and retailers.

CED COMMERCE

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Introduction

This guide will provide a comprehensive overview of the ecommerce prospects available in major hotspots worldwide. Additionally, we will highlight the potential challenges and obstacles you may encounter and present practical strategies to overcome them, enabling you to enter and establish your presence in each region successfully.
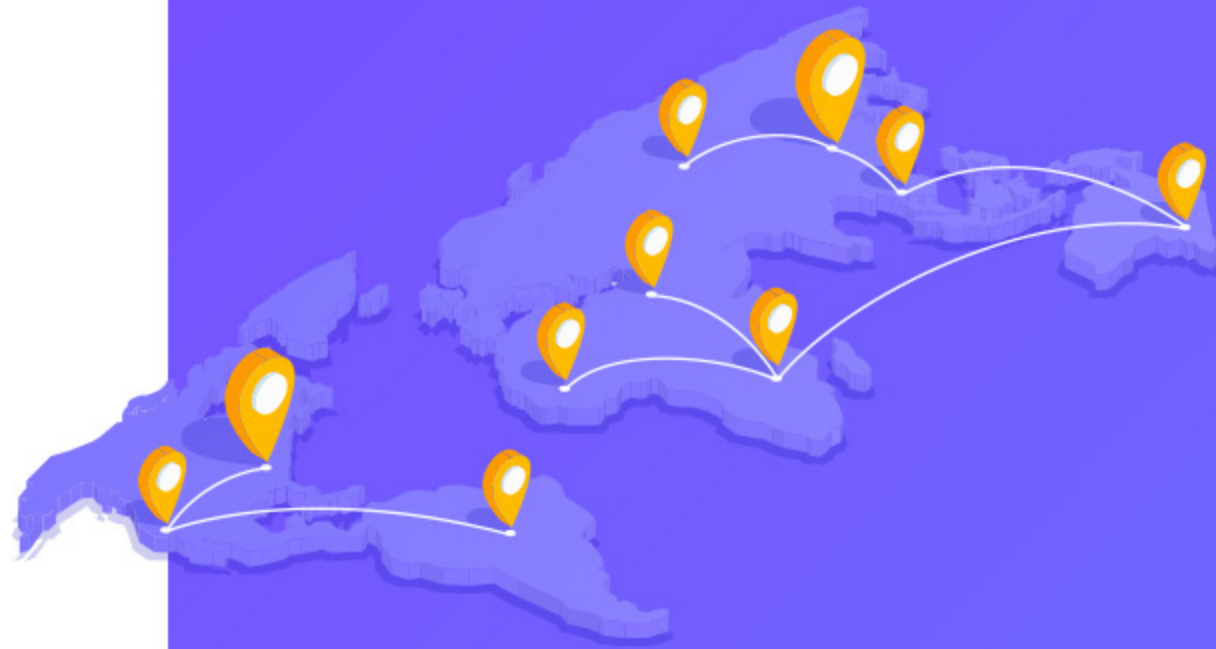
Selling in US

The Landscape:

Projected to surpass $1.36 billion in 2025, up from $675 million in 2020, the United States is the world's second-largest ecommerce market. With over 250 million digital buyers, accounting for nearly 75% of the population, the US strongly desires online shopping. Notably, in the first quarter of 2022, online transactions accounted for 20% of consumer spending, which is expected to increase further.
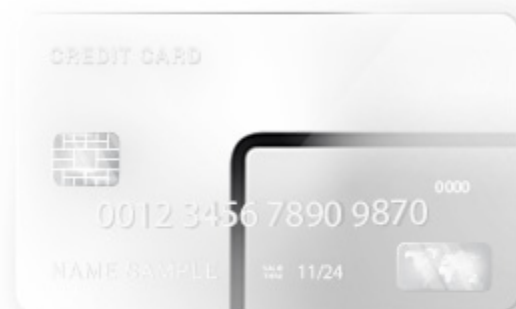
20% of the total consumer spending took place online in the first quarter of 2022.

Marketplaces:

With its remarkable 2.5 billion monthly visits, Amazon reigns as the most popular marketplace in America, surpassing its closest competitor, eBay, by more than double the traffic. Notably, nearly half of all online shopping journeys commence on Amazon, and 80% of Amazon shoppers are drawn to the platform due to its fast and complimentary shipping services. While the competition may be challenging, it's worth considering listing some of your products on Amazon to gain heightened visibility and exposure for your brand. Once customers land on your website, entice them to make direct purchases by offering enticing incentives such as loyalty programs and exclusive products. For Shopify store owners, the convenience of managing inventory and orders across multiple platforms like Amazon, eBay, and Walmart Marketplace can be achieved seamlessly from one central location.

Leading marketplaces in the United States:
(Based on visits per month)

Marketplace	Visits
Amazon	2,449 million
eBay	885.5 million
Walmart	410.0 million
Etsy	302 million
Home Depot	233 million
Target	182 million
Lowe's	146.5 million
Best Buy	135 million
Wayfair	126 million
Costco	83 million

Rules and Regulations:

Consumer protection and privacy have become increasingly significant topics in ecommerce. It is important to note that laws such as the EU's General Data Protection Regulation (GDPR) are not developed in isolation. A relevant comparison can be drawn between the GDPR mentioned earlier and the California Consumer Privacy Act (CCPA) implemented in California around the same period.

Similar to the GDPR, the CCPA grants consumers specific rights, including the ability to delete their information, opt out of data collection, protect against discrimination, and receive notice at the time of data collection. Although the CCPA specifically applies to residents of California, the global trend is moving towards enhanced privacy protection, resulting in reduced personalization. Notably, Google, among others, is anticipated to prohibit tracking cookies by the conclusion of 2023, further emphasizing the shift toward greater privacy measures.

Logistics and Fulfillments:

Meeting online shoppers' expectations is crucial, with over 60% expressing a desire for expedited delivery options such as same-day, one-day, or two-day shipping. Moreover, offering free shipping significantly increases the likelihood of a purchase. To facilitate meeting these customer demands, outsourcing fulfillment operations can prove beneficial.

In the United States, there are numerous well-established third-party logistics (3PL) providers to choose from, offering a range of services. Some comprehensive options include storage and restock recommendations, branded solutions, and efficient same-day order fulfillment.

Selling in EU

The Landscape:

The ecommerce landscape in the European Union (EU) region is thriving and evolving at a rapid pace. With a population of over 500 million people and a well-developed digital infrastructure, the EU presents a significant market opportunity for online businesses. The region boasts a high internet penetration rate, which has led to a surge in online shopping. Consumers in the EU are increasingly embracing ecommerce, driven by factors such as convenience, competitive pricing, and a wide range of product choices. The EU has implemented regulations to protect consumer rights and ensure secure transactions, fostering trust and confidence in online shopping. Cross-border ecommerce is also on the rise, facilitated by initiatives like the EU's Digital Single Market strategy, which aims to remove barriers and harmonize regulations for seamless online trade within the region. As a result, both domestic and international ecommerce players are actively targeting the EU market, leading to intense competition and innovation. The EU ecommerce landscape is characterized by a diverse range of online marketplaces, retailers, and emerging startups, catering to various consumer needs and preferences. With continuous growth and a dynamic environment, the EU region presents abundant opportunities for businesses to tap into the thriving ecommerce market.

$556 B

By 2025 EU will project $556 B USD in revenue.
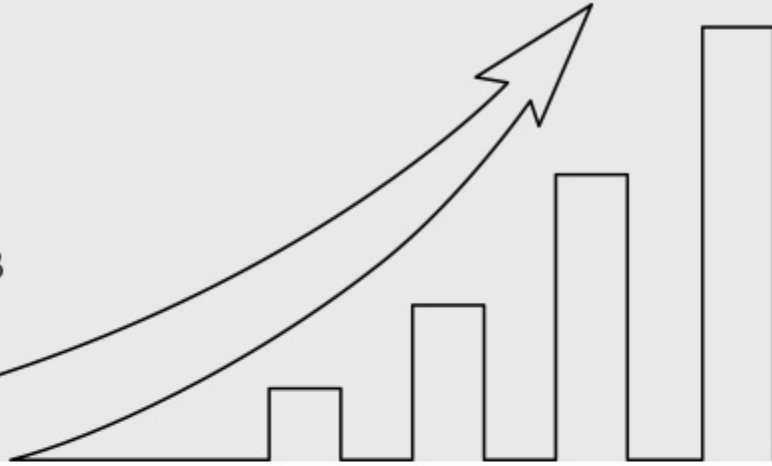
Rules and Regulations:

When expanding your business to the European Union (EU), it's crucial to stay informed about the specific rules and regulations that apply to each target country. While some regulations may be unique to a particular country, there are also certain EU-wide regulations that you need to be aware of. For instance, in Germany, it's essential to include a statement on your website stating that you own and authored all the content. Failure to do so could result in a hefty fine of €50,000. This emphasizes the importance of understanding and adhering to country-specific requirements within the EU.

Additionally, there are regulations that apply across the entire EU, such as those concerning harmonized system (HS) codes and geo-blocking. Harmonized system codes are standardized codes used to classify products for import and export purposes. Familiarizing yourself with the correct HS codes for your products is vital to ensure smooth customs procedures and compliance with EU trade regulations.

Geo-blocking is another important aspect to consider. It refers to the practice of blocking or limiting access to online content or services based on a user's geographic location. The EU has regulations in place to prevent unjustified geo-blocking, ensuring equal access to goods and services for all EU consumers, regardless of their location within the EU.

To ensure compliance and avoid potential penalties, it is advisable to consult legal experts or regulatory authorities familiar with the specific rules of the target country in the EU. By staying informed about country-specific regulations and adhering to EU-wide requirements, you can navigate the European market confidently and establish a strong foundation for your business's success.

Selling from UK:

The process of adjusting to Brexit poses challenges for both businesses and consumers alike. Implementing additional regulations is expected to lead to increased taxes and slower delivery times, which could significantly impact the overall U.K. market and potentially the British economy. As a result, the value of the British pound is projected to gradually decline over the coming years, potentially leading to an impending recession. However, this weaker currency may present an unexpected opportunity for U.K. sellers, as it could make goods sold from the United Kingdom more appealing to international consumers. With strategic marketing efforts and adaptation, certain ecommerce industries may experience a paradoxical positive effect.

Selling in Australia

The Landscape:

The global surge in ecommerce growth during the COVID-19 pandemic was also evident in Australia and New Zealand (ANZ). In fact, these two countries experienced the highest growth rates globally in 2020, witnessing significant year-on-year increases in revenue, online traffic, and average order size.

In New Zealand, various categories are projected to witness sales growth ranging from 6.8% to 31.3% in 2022. By 2025, it is expected that 3.2 million out of the country's 5 million population will be engaged in online purchases.

In Australia, the ecommerce industry is anticipated to generate revenue of approximately $45.54 billion in 2022, with a user base of 20.5 million out of the country's 25.7 million residents. In 2021, more than 80% of Australians engaged in online shopping, with around 5.4 million households making monthly online purchases. While fashion and beauty are witnessing the most significant growth, all categories show strong upward trends.

The continued growth and adoption of ecommerce in Australia and New Zealand highlight the increasing reliance on online platforms for shopping and the significant potential for businesses operating in this space.

80%

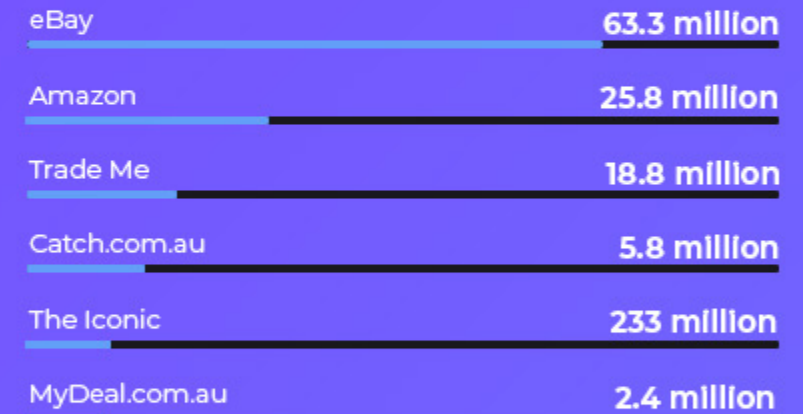Approx 80% of Australians shopped online in 2021.

Marketplaces:

Australia and New Zealand offer favorable business environments, but with a population of over 30 million spread across eight time zones and a vast land area comparable to that of the United States, ensuring timely shipments and customer support can be challenging.

To overcome these challenges, it is beneficial to leverage established fulfillment centers by entering the ecommerce market in Australia and New Zealand through an online marketplace. Here are some of the most popular marketplaces in the region:

Leading marketplaces in Australia:
(Based on visits per month)

eBay	63.3 million
Amazon	25.8 million
Trade Me	18.8 million
Catch.com.au	5.8 million
The Iconic	233 million
MyDeal.com.au	2.4 million

Selling in China

The Landscape:

China remains a dominant force in the global ecommerce landscape, accounting for more than 46.3% of total ecommerce sales. Despite a slight slowdown in growth attributed to the conflict in Ukraine and China's close relations with Europe, the country still holds significant growth opportunities with vast potential for expansion in the foreseeable future.

2019-2024 Retail eCommerce sales in China.
(In trillions and percentages of total retail sales)

Year	Sales	Percentage
2019	$1.801	34.1%
2020	$2.297	44.8%
2021	$2.779	52.1%
2022	$3.085	55.6%
2023	$3.331	57.0%
2024	$3.565	58.1%

Note: Includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling, and other vice good sales; excludes Hong Kong

The digitization of payment methods has kept pace with the evolution of shopping methods. Nearly 56% of ecommerce payments are now conducted through mobile devices, with a staggering 99% of these transactions being facilitated by two prominent apps: Alipay and WeChat Pay.
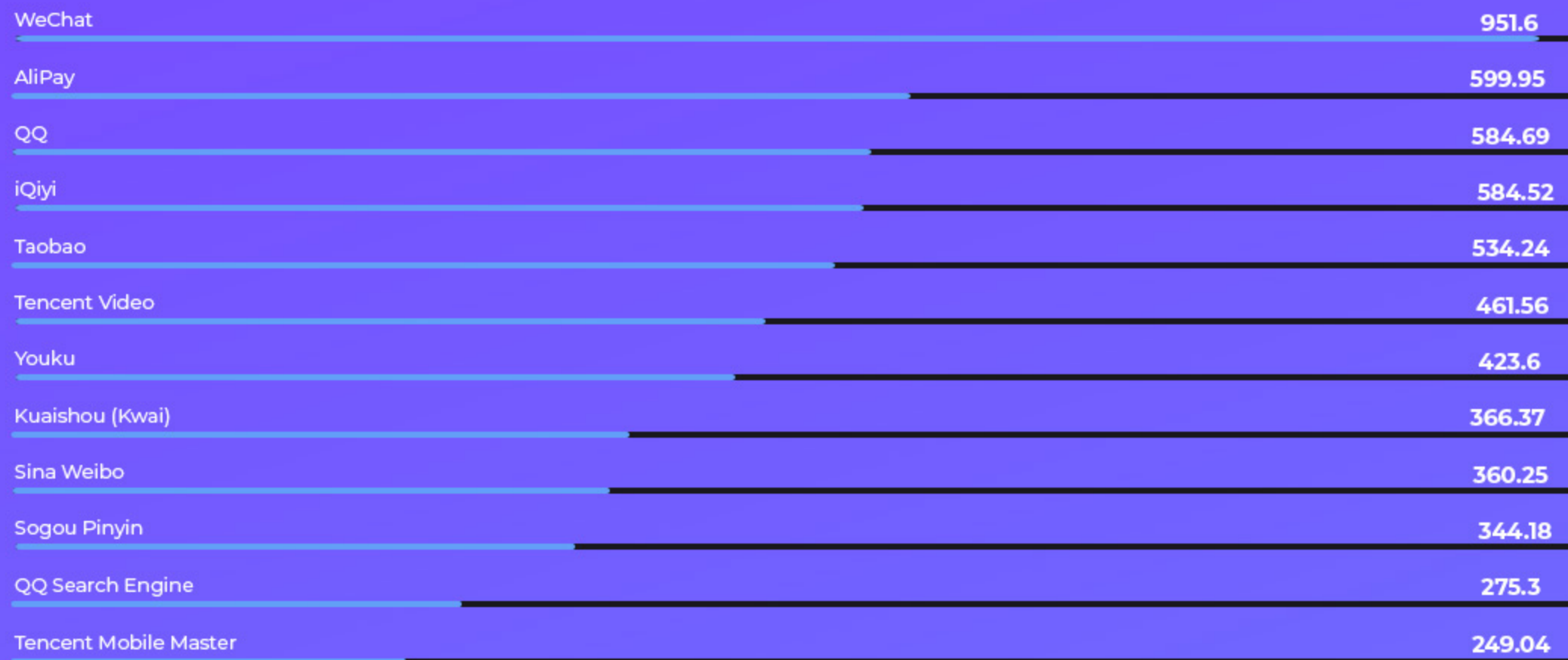
56%

About 56% of ecommerce payments are completed via mobile devices.

Marketplaces:

(Based on the number of active users in millions)

WeChat	**951.6**
AliPay	**599.95**
QQ	**584.69**
iQiyi	**584.52**
Taobao	**534.24**
Tencent Video	**461.56**
Youku	**423.6**
Kuaishou (Kwai)	**366.37**
Sina Weibo	**360.25**
Sogou Pinyin	**344.18**
QQ Search Engine	**275.3**
Tencent Mobile Master	**249.04**

Networks for affiliate publishers:

Gaining exposure on an affiliate publishing network is akin to being featured on a prestigious top-10-products list curated by Buzzfeed. These websites boast extensive and engaged audiences, serving as effective platforms to connect Chinese shoppers with cross-border brands across various sectors, including electronics, health, and fashion. Among China's leading platforms in this space are Dealmoon, 55Haitao, and SMZDM.y.

Shopping on Livestreams:

Live streaming has emerged as a prevalent marketing trend in China and across Asia, providing customers with the best of both worlds: the convenience of online shopping and the engaging in-store experience. Through live ecommerce, retailers leverage live auctions, events, and influencer streams to interact with their customers in real time.

China continues to lead the way in live ecommerce, with sales reaching approximately 2 trillion yuan (equivalent to US$312.5 billion) in 2021, and the industry is projected to grow significantly, approaching a value of nearly US$500 billion in the near future.

Rules and regulations:

The Great Firewall is the Chinese government's tool to censor and control information flow, blocking services like Google, Facebook, and Reddit. To reach audiences beyond the firewall, utilize local social channels like Weibo, Xiaohongshu, Bytedance, and WeChat. Adapt your China-based website to exclude banned social media links and comply with licensing requirements to overcome restrictions imposed by the Great Firewall.

To sell online and integrate a payment system in China without being blocked, obtaining a commercial Internet Content Provider (ICP) license is crucial. Prior to applying for an ICP license, it is necessary to have a Chinese business license. Streamline the process by seeking assistance from knowledgeable companies like Twinova, who understand the Chinese business landscape.

Logistics and fulfillment:

China's logistics infrastructure has expanded rapidly, enabling swift delivery in major cities. Cross-border ecommerce zones with bonded warehouses offer faster customs clearance and storage at a lower cost. Selling items on China's Positive List provides advantages like a 30% VAT reduction. Direct shipping options are available for goods not on the Positive List, albeit with higher taxes and slower customs processes.