



E-commerce in Russia 2019

datainsight.ru

Research partners



Report structure

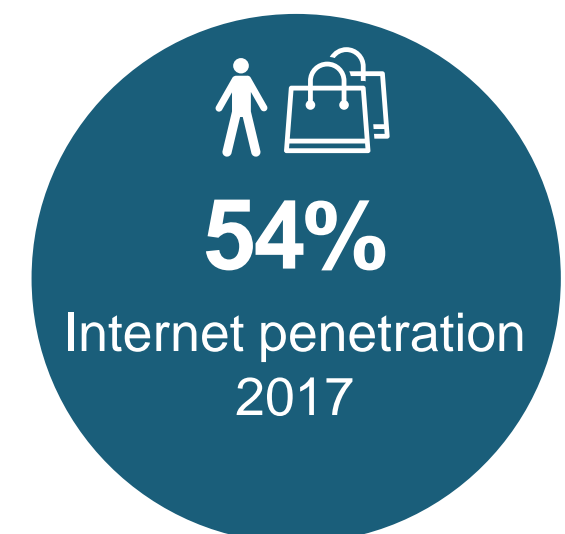
1	<u>Global e-commerce</u>	4	8	<u>E-commerce logistics</u>	66
2	<u>Online audience in Russia</u>	18	9	<u>The geography of e-commerce</u>	75
3	<u>Russian B2C e-commerce</u>	24	10	<u>Consumer goods categories</u>	79
4	<u>Russian C2C e-commerce</u>	29	11	<u>Online stores</u>	85
5	<u>Retail online export of goods</u>	37	12	<u>Data sources</u>	93
6	<u>E-commerce ecosystem</u>	45	13	<u>Research partners</u>	95
7	<u>Tech trends in retail</u>	58	14	<u>Data Insight</u>	103

Global e-commerce

- key markets: overview per country
- markets compared: major markets, growth in 2019, growth forecast for 2019-2023, e-commerce market size, e-commerce market share
- share of cross-border online purchases by region



1 / Key markets: overview per country



China

\$9.8K
GDP per capita, 2018

5.1%
E-commerce share in GDP, 2019F

\$4.700
Household final consumption*, 2017, \$ bn

\$738
B2C e-commerce market in 2019F, \$ bn

The Logistics Performance Index is the logistics efficiency indicator used to assess the logistics infrastructure in various countries.

The Ease of Doing Business Index measures regulations and conditions affecting businesses in various countries.

The Inclusive Internet Index measures the Internet accessibility based on the local Internet infrastructure, prices, content, skills of the population and cultural factors.

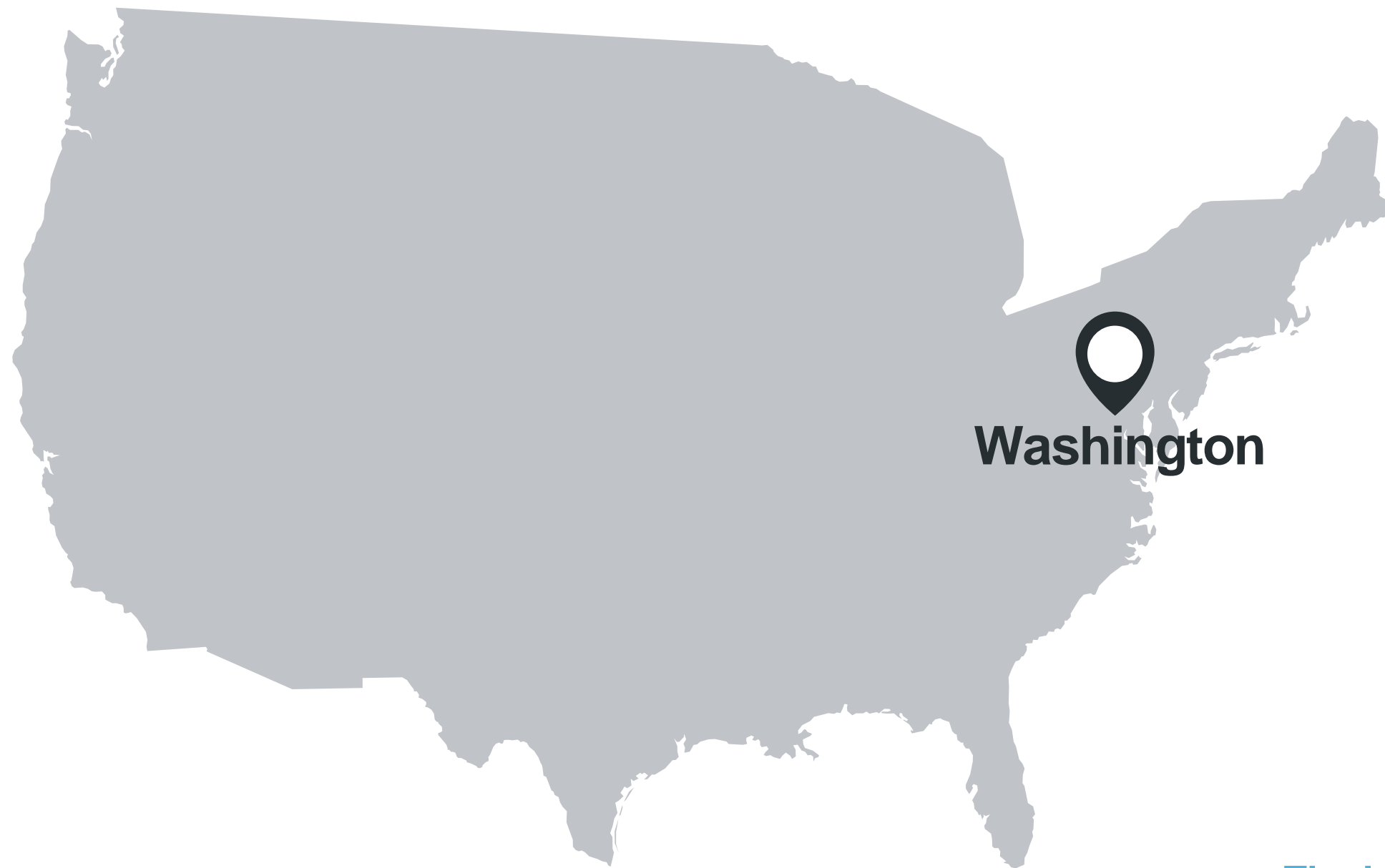
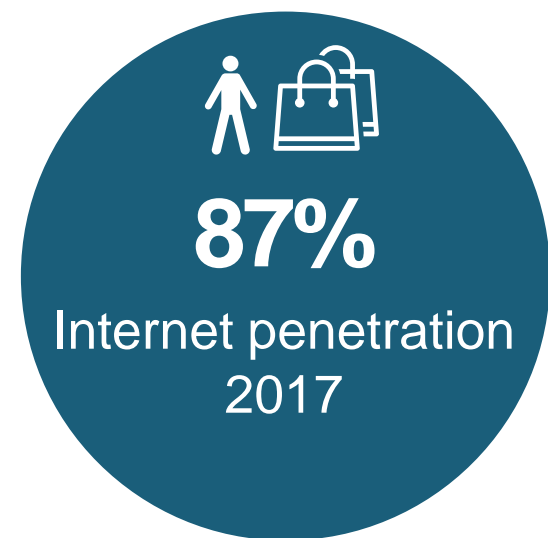
- #26** Logistics Performance Index Rank, 2018
- #31** Ease of Doing Business Index Rank, 2020
- #42** The Inclusive Internet Index Rank, 2019

* households and non-profit institutions servicing households

Source: The World Bank, 2019; International Telecommunication Union (ITU), 2019; Ecommerce Foundation, country profiles, 2019; Data Insight, 2019

1 / Key markets: overview per country

The USA



\$62.6K

GDP per capita, 2018

2.6%

E-commerce share in GDP, 2019F

\$13.300

Household final consumption*, 2017, \$ bn

\$542

B2C e-commerce market in 2019F, \$ bn

#14 Logistics Performance Index Rank, 2018

#6 Ease of Doing Business Index Rank, 2020

#3 The Inclusive Internet Index Rank, 2019

The Logistics Performance Index is the logistics efficiency indicator used to assess the logistics infrastructure in various countries.

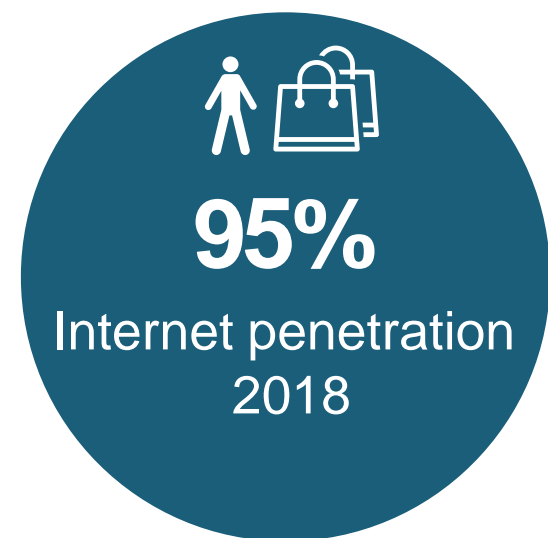
The Ease of Doing Business Index measures regulations and conditions affecting businesses in various countries.

The Inclusive Internet Index measures the Internet accessibility based on the local Internet infrastructure, prices, content, skills of the population and cultural factors.

* households and non-profit institutions servicing households

Source: The World Bank, 2019; International Telecommunication Union (ITU), 2019; Ecommerce Foundation, country profiles, 2019; Data Insight, 2019

1 / Key markets: overview per country



The UK

\$42.5K
GDP per capita, 2018

2.8%
E-commerce share in GDP, 2019F

\$1.850
Household final consumption*, 2018, \$ bn

\$79
B2C e-commerce market in 2019F, \$ bn

#9 Logistics Performance Index Rank, 2018

#8 Ease of Doing Business Index Rank, 2020

#5 The Inclusive Internet Index Rank, 2019

The Logistics Performance Index is the logistics efficiency indicator used to assess the logistics infrastructure in various countries.

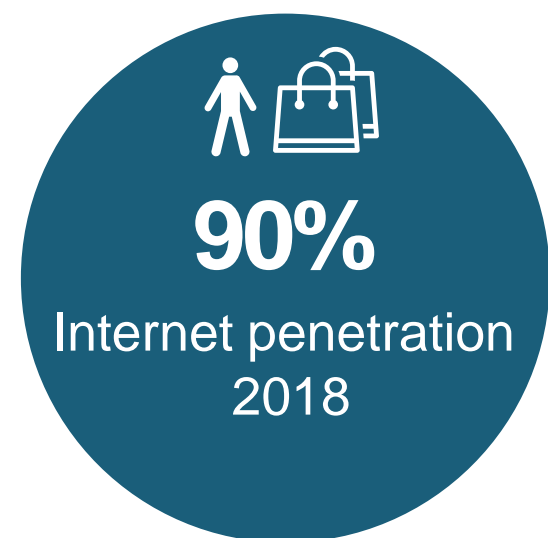
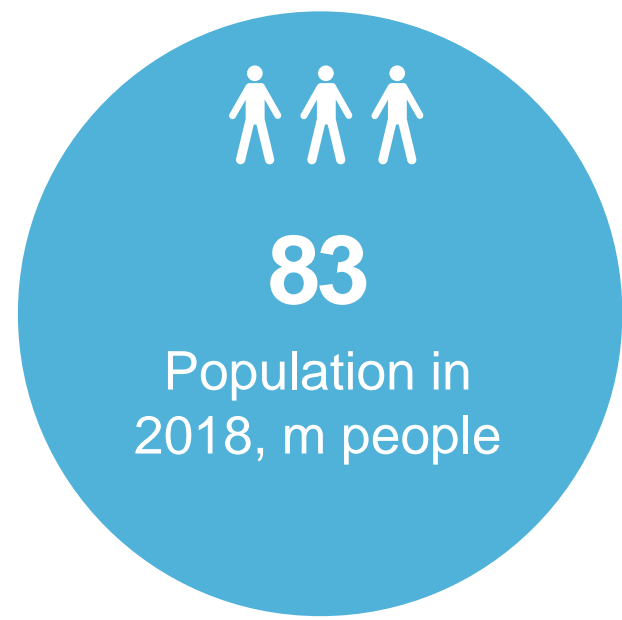
The Ease of Doing Business Index measures regulations and conditions affecting businesses in various countries.

The Inclusive Internet Index measures the Internet accessibility based on the local Internet infrastructure, prices, content, skills of the population and cultural factors.

* households and non-profit institutions servicing households

Source: The World Bank, 2019; International Telecommunication Union (ITU), 2019; Ecommerce Foundation, country profiles, 2019, Statista, 2019; Data Insight, 2019

1 / Key markets: overview per country



Germany

\$48.2K
GDP per capita, 2018

1.8%
E-commerce share in GDP, 2019F

\$2.100
Household final consumption*, 2017, \$ bn

\$74
B2C e-commerce market in 2019F, \$ bn

The Logistics Performance Index is the logistics efficiency indicator used to assess the logistics infrastructure in various countries.

The Ease of Doing Business Index measures regulations and conditions affecting businesses in various countries.

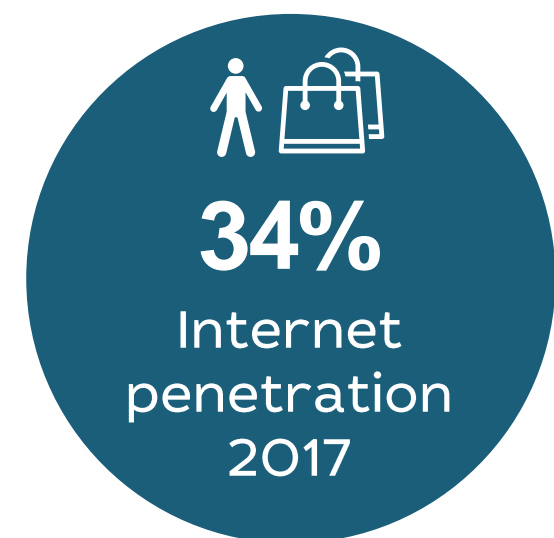
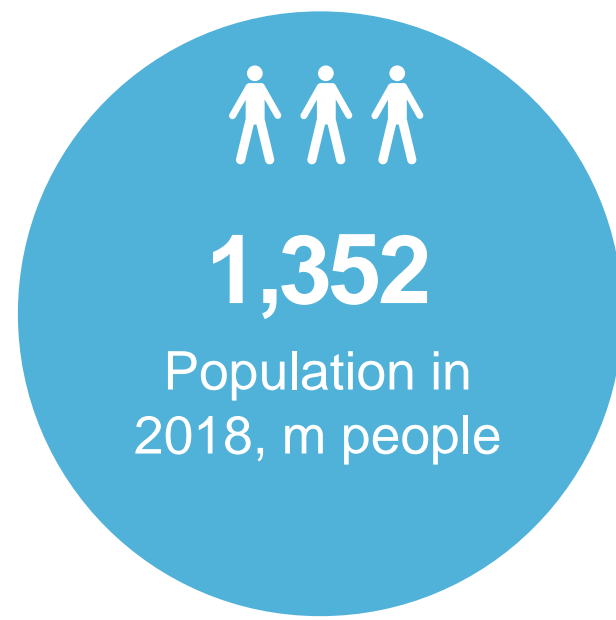
The Inclusive Internet Index measures the Internet accessibility based on the local Internet infrastructure, prices, content, skills of the population and cultural factors.

- #1** Logistics Performance Index Rank, 2018
- #22** Ease of Doing Business Index Rank, 2020
- #5** The Inclusive Internet Index Rank, 2019

* households and non-profit institutions servicing households

Source: The World Bank, 2019; International Telecommunication Union (ITU), 2019; Ecommerce Foundation, country profiles, 2019, Statista, 2019; Data Insight, 2019

1 / Key markets: overview per country



India

\$2.0K
GDP per capita, 2018

1.1%
E-commerce share in GDP, 2019F

\$1.600
Household final consumption*, 2017, \$ bn

\$32
B2C e-commerce market in 2019F, \$ bn

#44 Logistics Performance Index Rank, 2018

#63 Ease of Doing Business Index Rank, 2020

#47 The Inclusive Internet Index Rank, 2019

The Logistics Performance Index is the logistics efficiency indicator used to assess the logistics infrastructure in various countries.

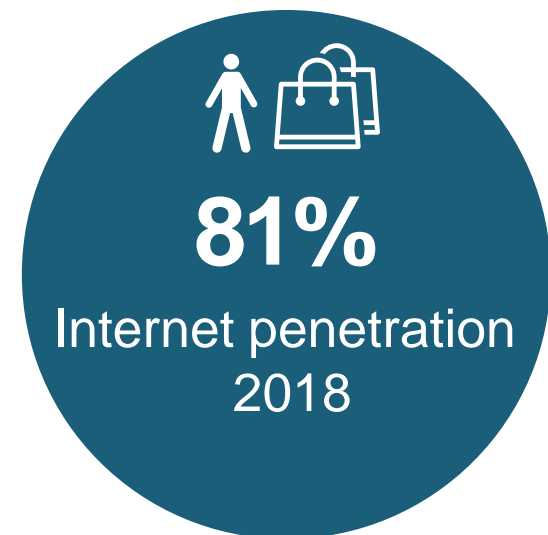
The Ease of Doing Business Index measures regulations and conditions affecting businesses in various countries.

The Inclusive Internet Index measures the Internet accessibility based on the local Internet infrastructure, prices, content, skills of the population and cultural factors.

* households and non-profit institutions servicing households

Source: The World Bank, 2019; International Telecommunication Union (ITU), 2019; Ecommerce Foundation, country profiles, 2019; Data Insight, 2019

1 / Key markets: overview per country



Russia

\$11.3K
GDP per capita, 2017

1.4%
E-commerce share in GDP, 2019**

\$800
Household final consumption*, 2018, \$ bn

\$30.6**
B2C e-commerce market in 2019, \$ bn**

#75 Logistics Performance Index Rank, 2018

#28 Ease of Doing Business Index Rank, 2020

#19 The Inclusive Internet Index Rank, 2019

The Logistics Performance Index is the logistics efficiency indicator used to assess the logistics infrastructure in various countries.

The Ease of Doing Business Index measures regulations and conditions affecting businesses in various countries.

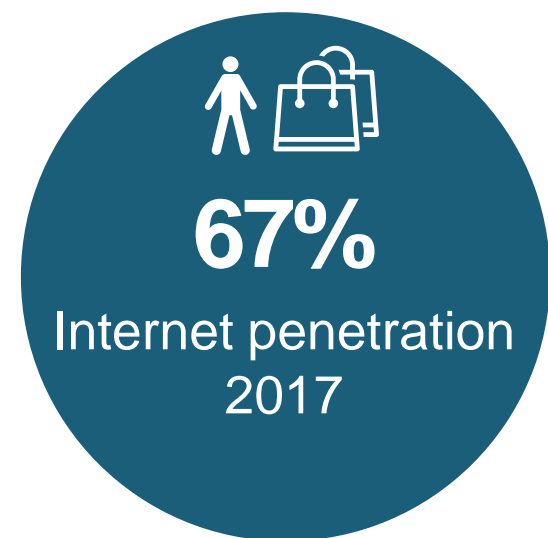
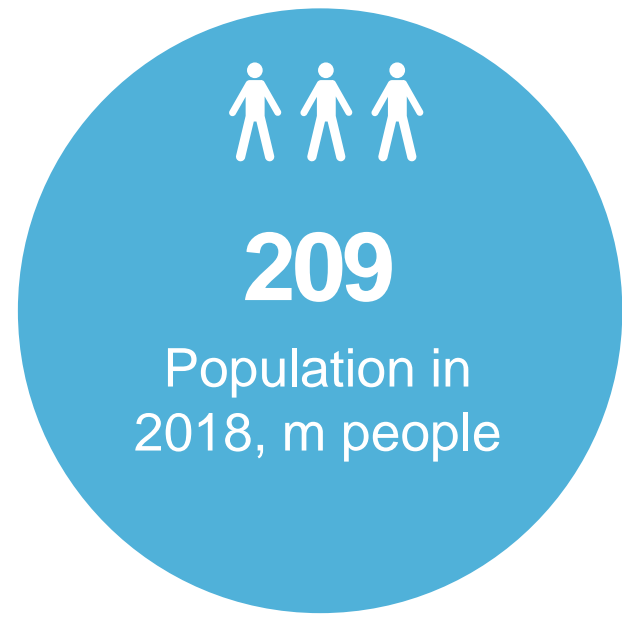
The Inclusive Internet Index measures the Internet accessibility based on the local Internet infrastructure, prices, content, skills of the population and cultural factors.

* households and non-profit institutions servicing households

** Data Insight estimates B2C e-commerce market size estimate includes the incoming cross-border purchases

Source: The World Bank, 2019; International Telecommunication Union (ITU), 2019; Ecommerce Foundation, country profiles, 2019; Data Insight, 2019

1 / Key markets: overview per country



Brazil

\$8.9K
GDP per capita, 2018

1.1%
E-commerce share in GDP, 2019

\$1.200
Household final consumption*, 2018, \$ bn

\$21
B2C e-commerce market in 2019, \$ bn

- #56** Logistics Performance Index Rank, 2018
- #124** Ease of Doing Business Index Rank, 2020
- #31** The Inclusive Internet Index Rank, 2019

The Logistics Performance Index is the logistics efficiency indicator used to assess the logistics infrastructure in various countries.

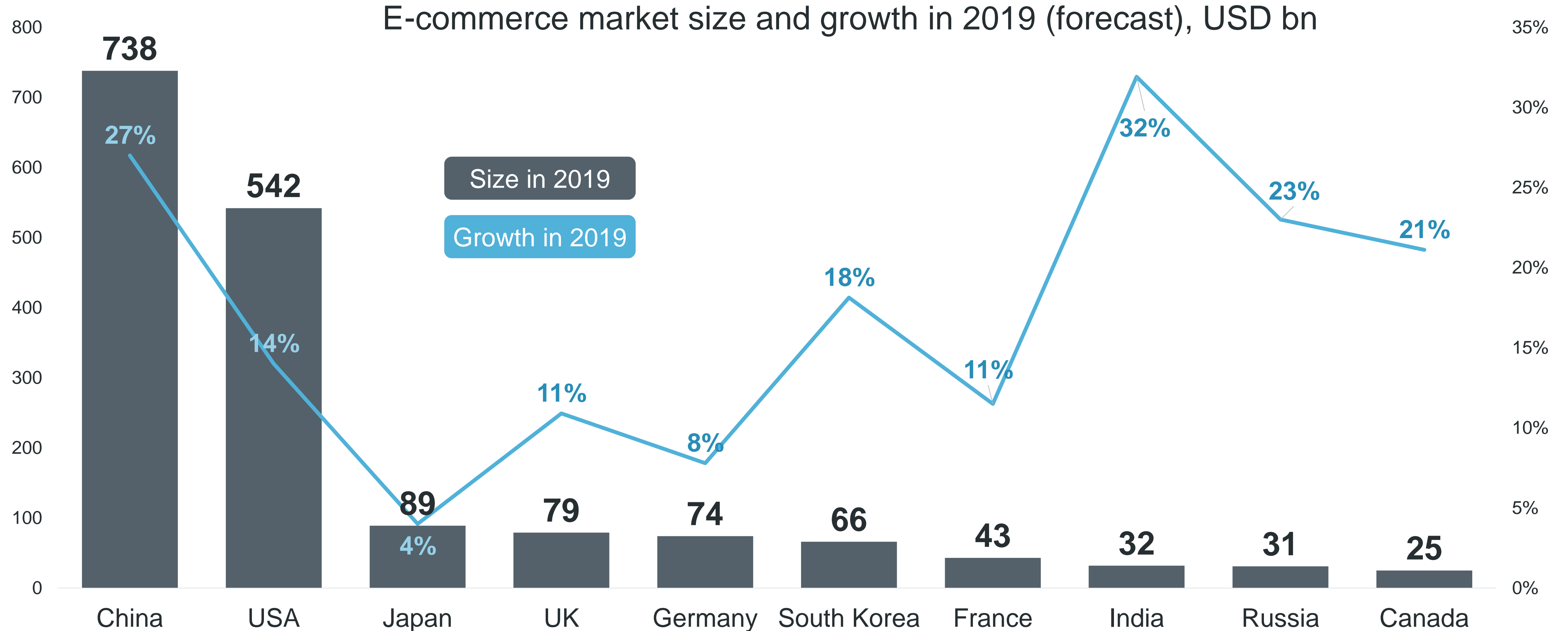
The Ease of Doing Business Index measures regulations and conditions affecting businesses in various countries.

The Inclusive Internet Index measures the Internet accessibility based on the local Internet infrastructure, prices, content, skills of the population and cultural factors.

* households and non-profit institutions servicing households

Source: The World Bank, 2019; International Telecommunication Union (ITU), 2019; Ecommerce Foundation, country profiles, 2019; Data Insight, 2019

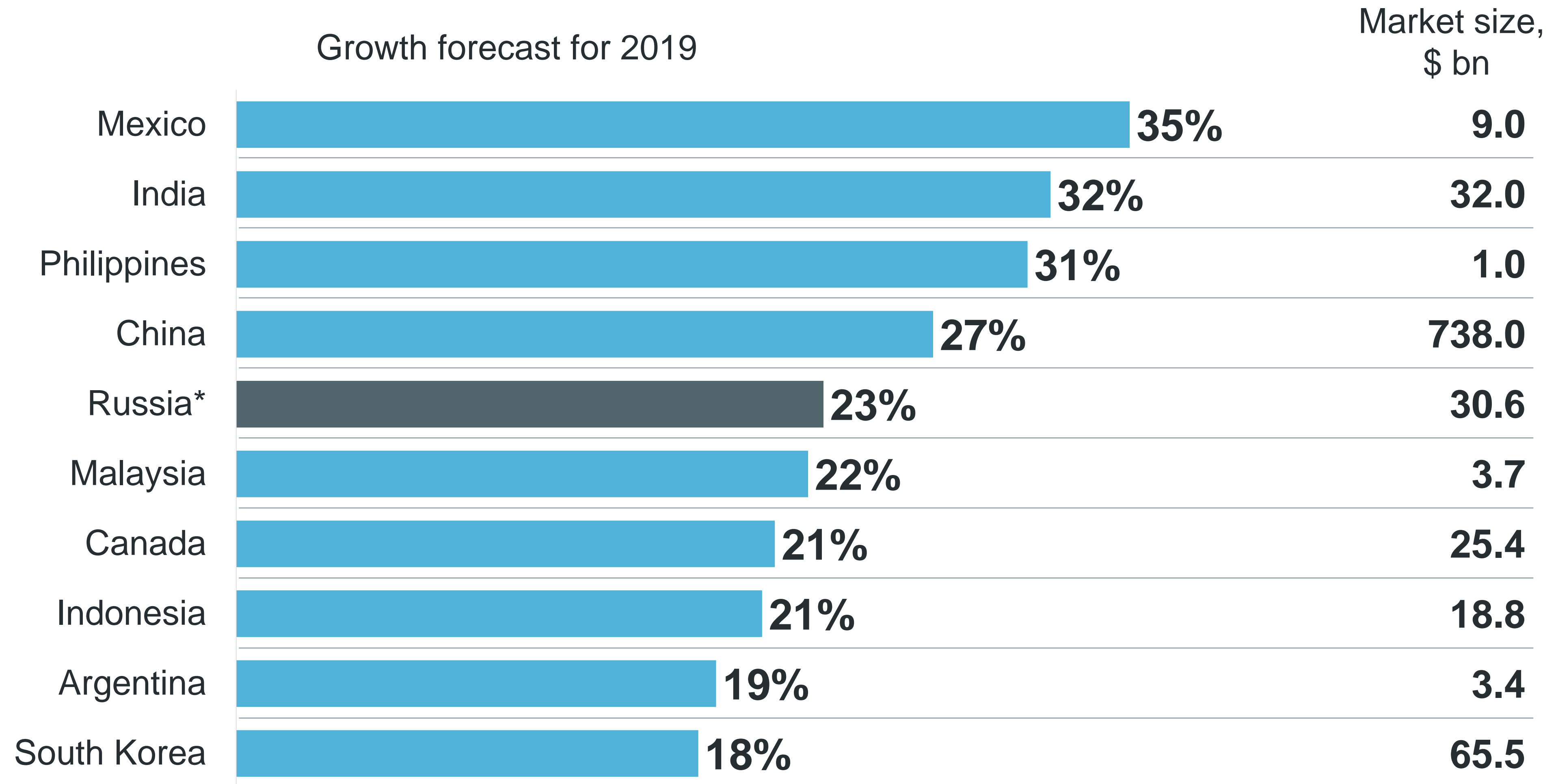
1 Markets compared: major markets



Sources: Statista, 2019; Ecommerce Foundation, 2019; Data on Russia by Data Insight, November 2019; Growth rate forecast by eMarketer, May 2019; Data on Russia by Data Insight, November 2019 (the forecast is regardless of FX differences)

1 / Markets compared:

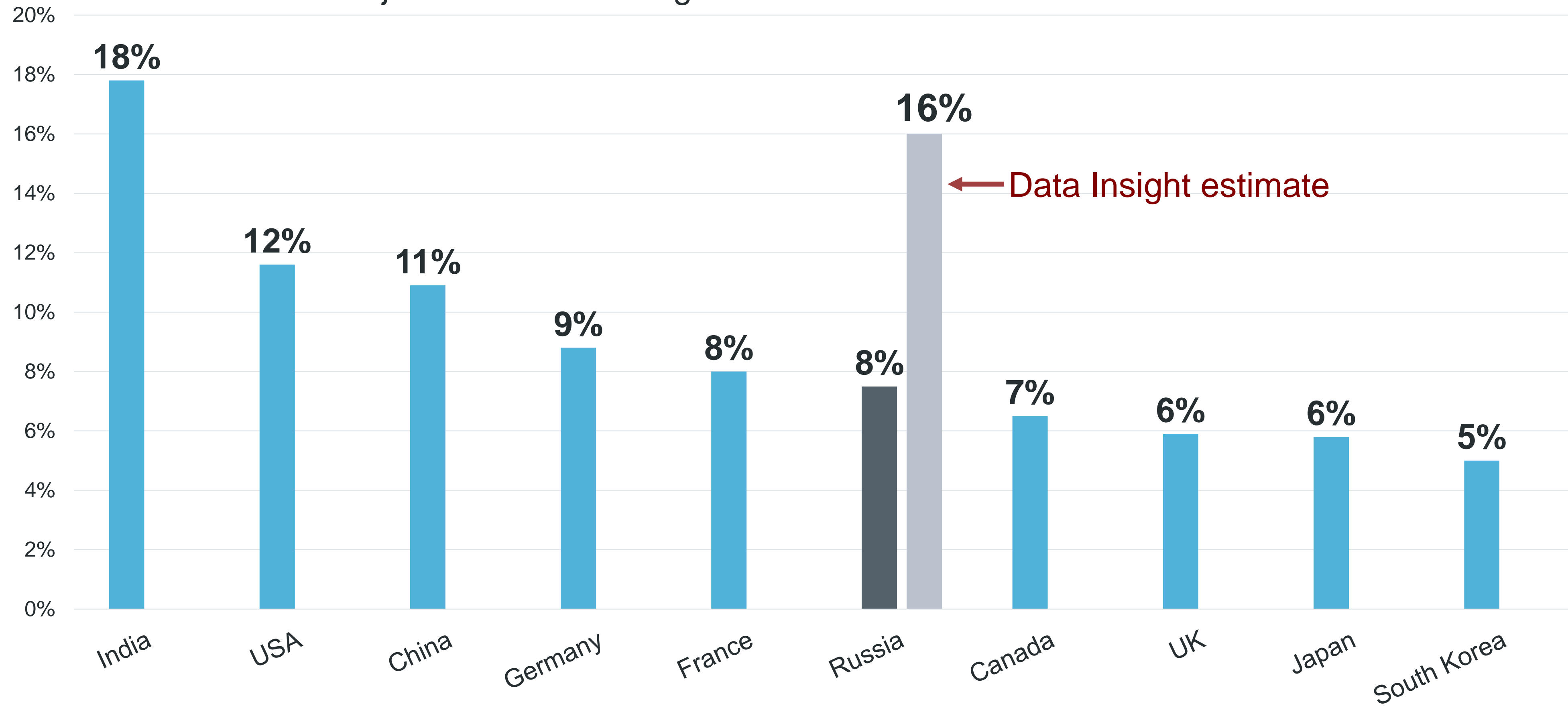
fastest growing markets in 2019



Source: Growth data by eMarketer, May 2019; market size data by Statista (except India and China data by eCommerce Foundation), 2019; size and growth data on Russia by Data Insight, November 2019F
Growth forecast is regardless of FX differences

1 / Markets compared: growth forecast for 2019-2023

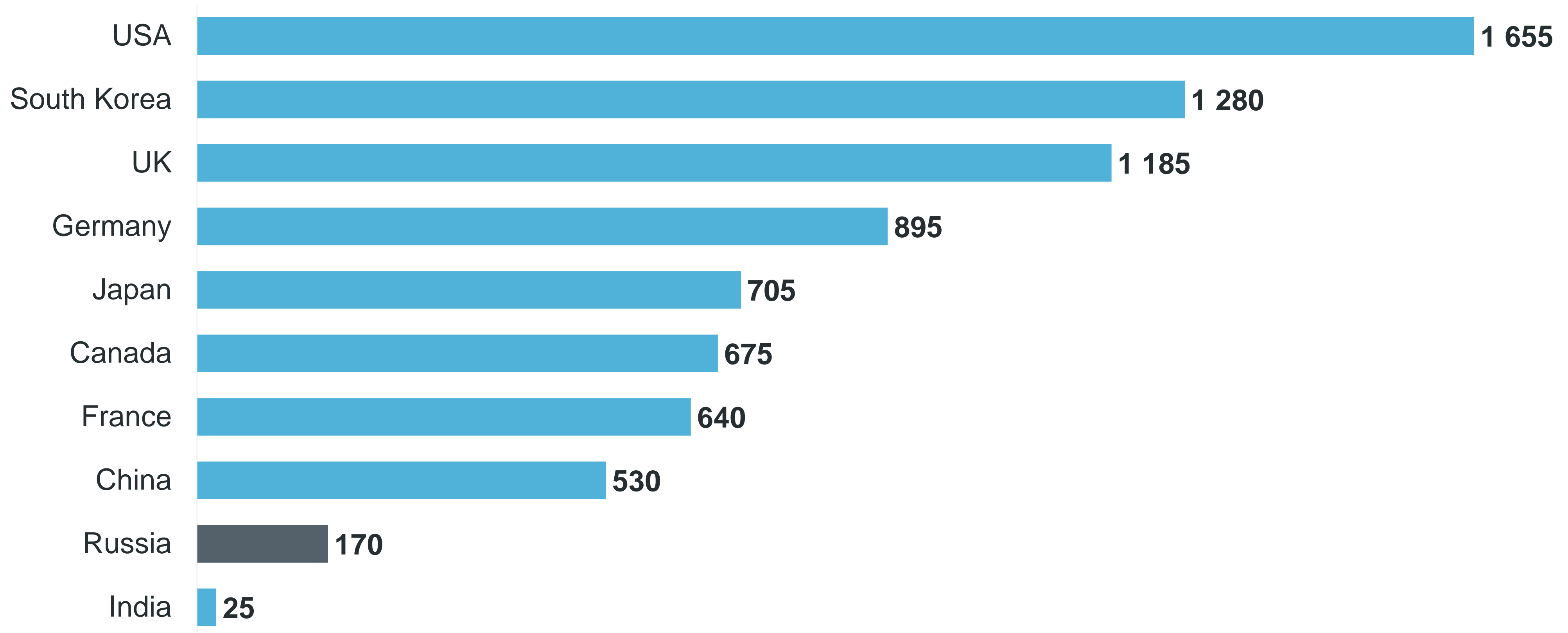
Major markets annual growth forecast for 2019-2023



Source: Statista, Data Insight; growth rate forecast is in USD.

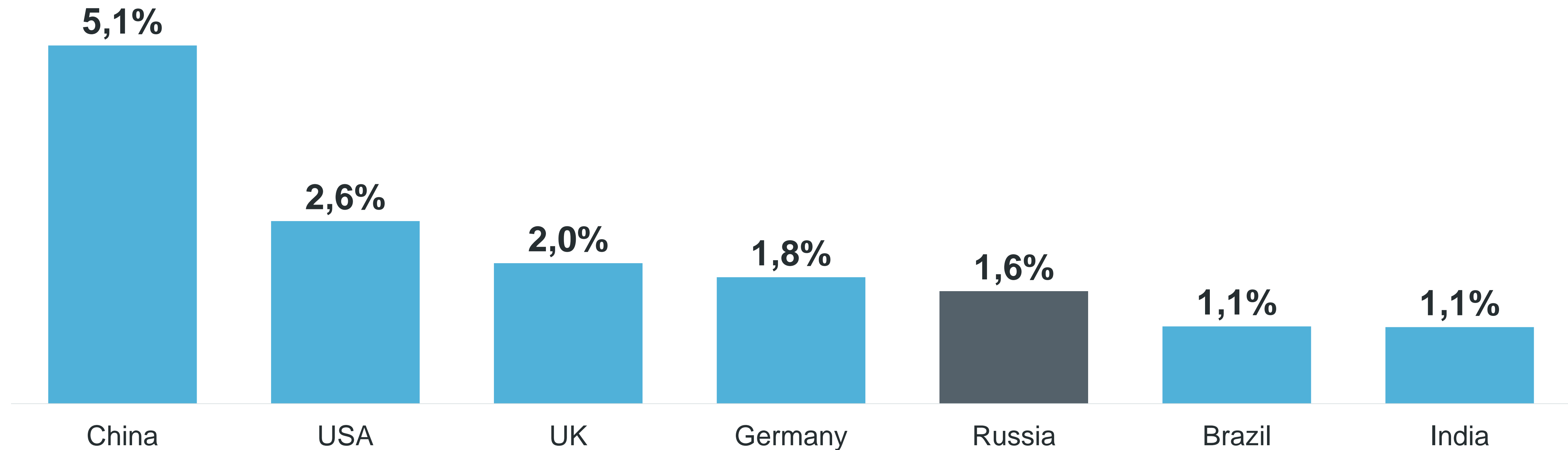
1 / Markets compared: online vs population

E-commerce transactions value per capita, 2019, USD



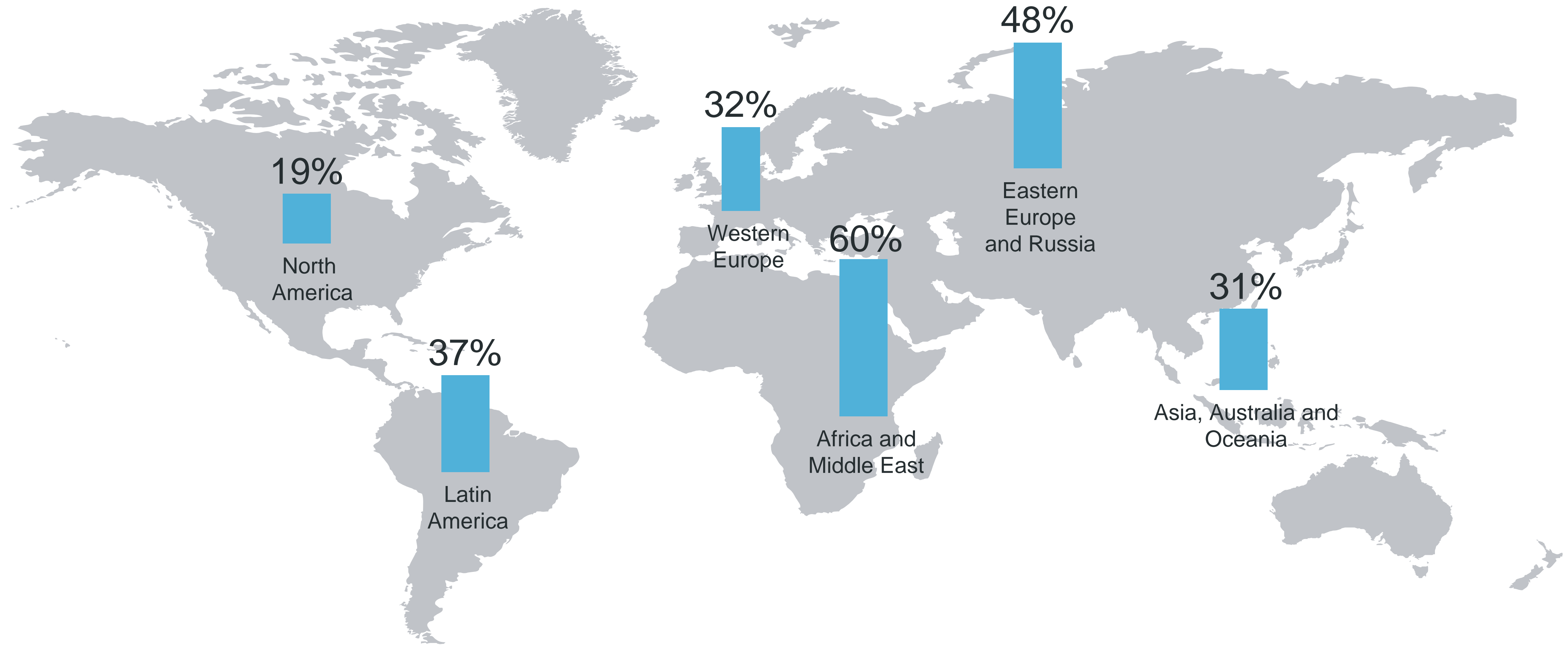
Source: Statista, 2019, Ecommerce Foundation, country profiles, 2019, World Bank, 2019, Data Insight, 2019

1 / Markets compared: share of B2C e-commerce in GDP



Source: The World Bank, 2019; Ecommerce Foundation, country profiles, 2019, Statista, 2019, Data Insight, 2019

1 / Share of cross-border online purchases by region



2020 Forecast

Source: Accenture report on Cross-Border E-Commerce 2020

Online audience in Russia

- size and preferences of Russia's online audience
- user age and preferred devices
- average time online per user



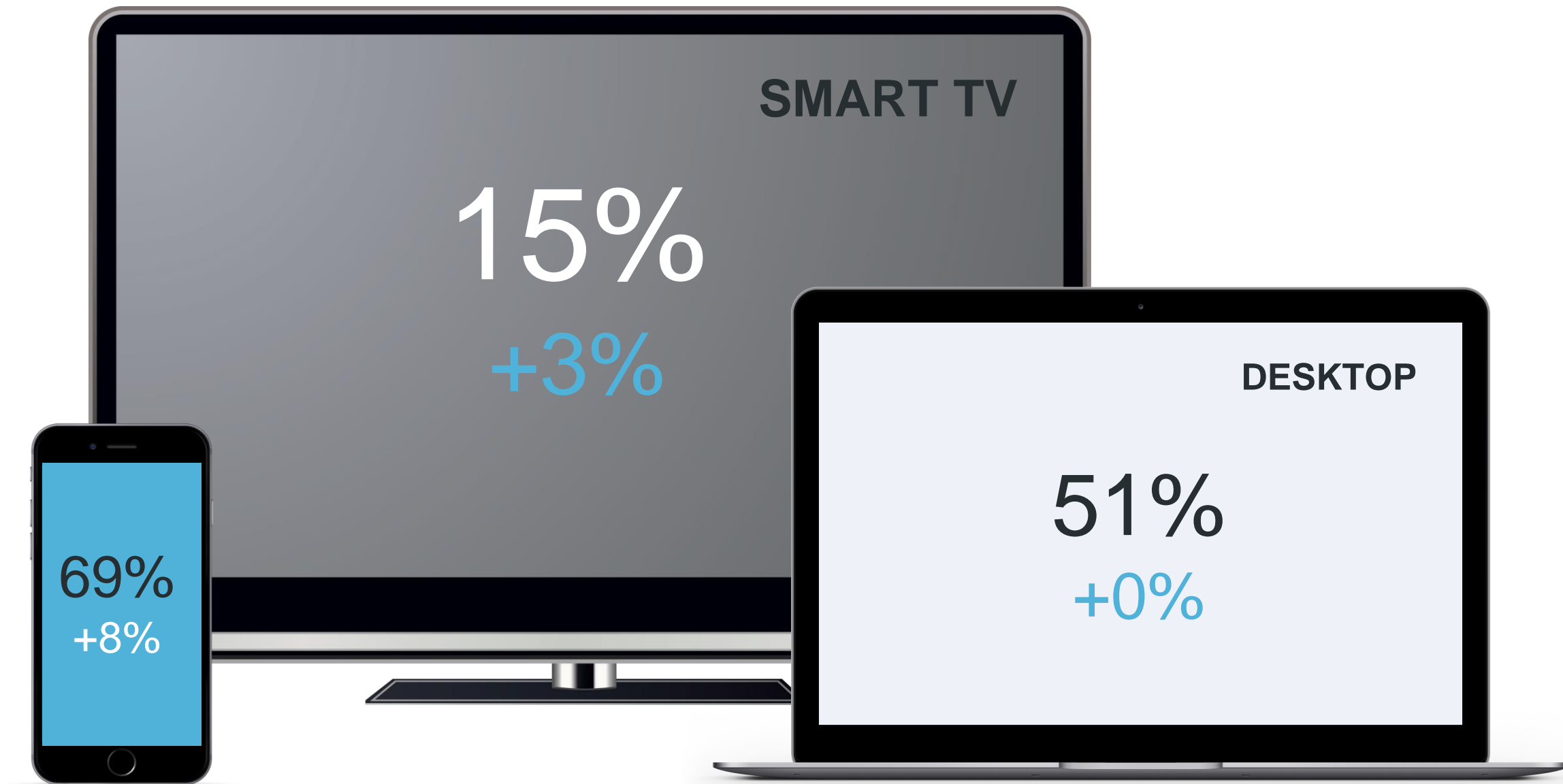
2 / Size and preferences of Russia's online audience



90% go online every day

Monthly online audience

95.7 M PEOPLE +6% (per year)



Russia 0+, Monthly reach, all 12 y.o.+, % of population, April 2019 – September 2019, year-on-year growth for April 2019 – September 2019

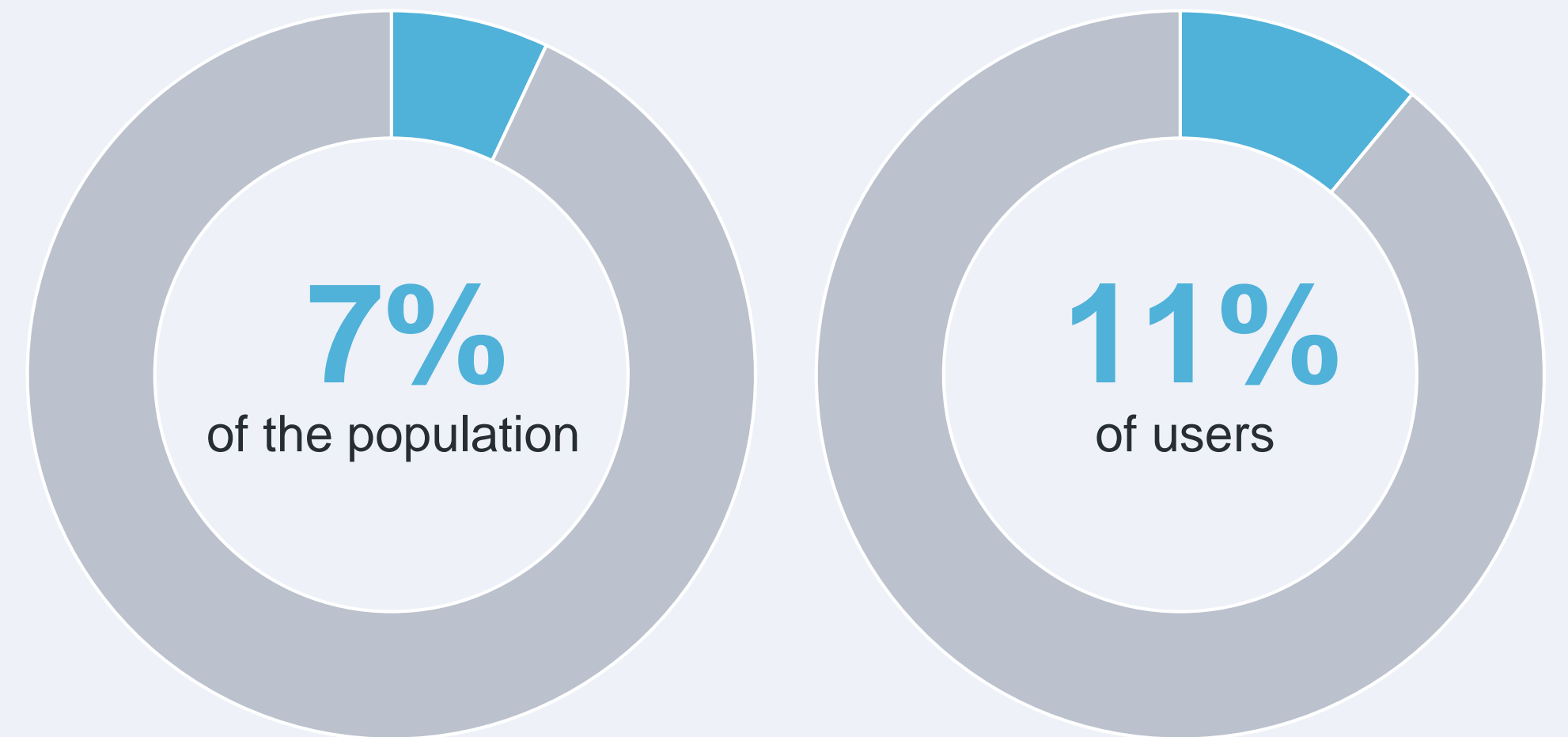
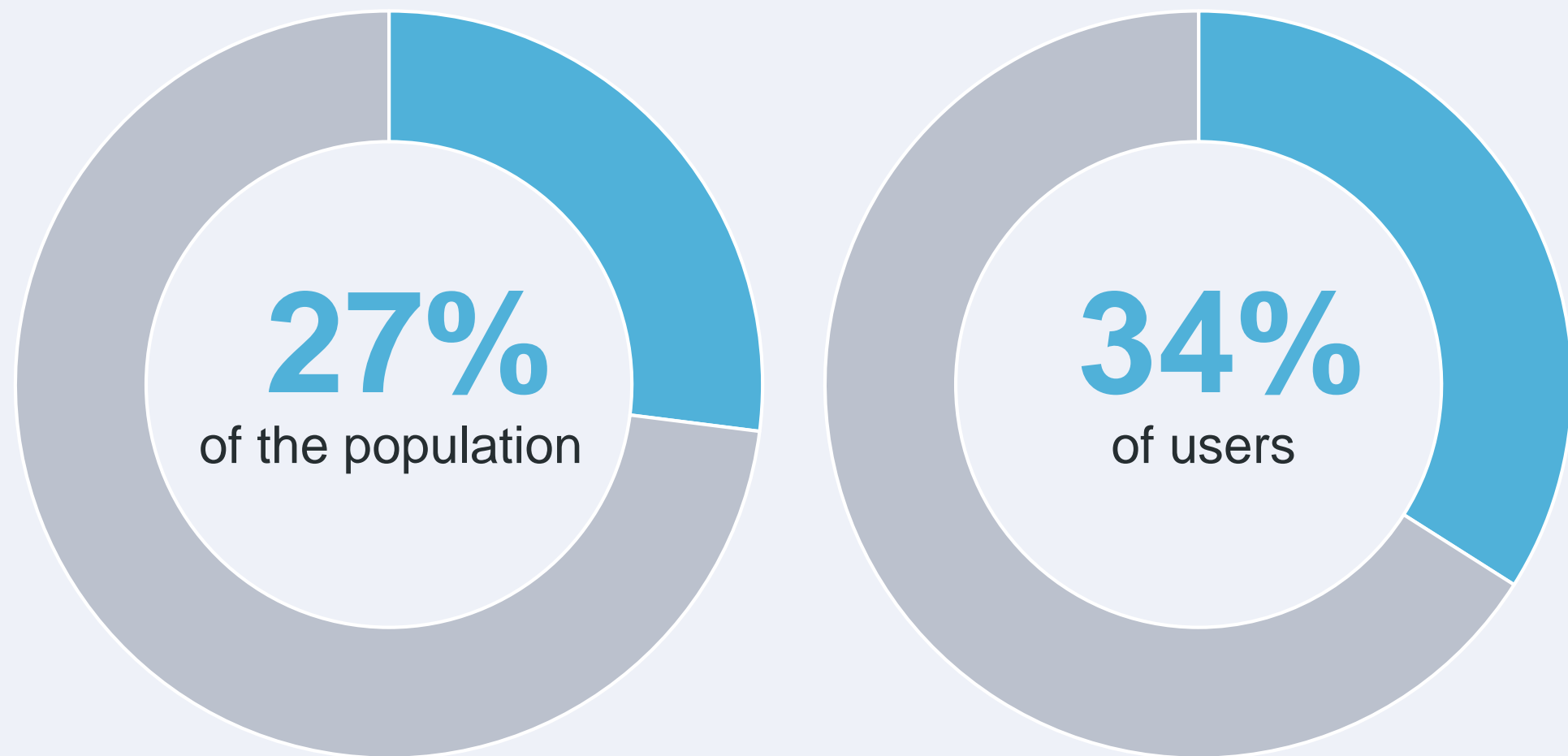
Source: Mediascope: Online Audience, 2019

2 / Size and preferences of Russia's online audience

MOBILE ONLY

VS

DESKTOP ONLY

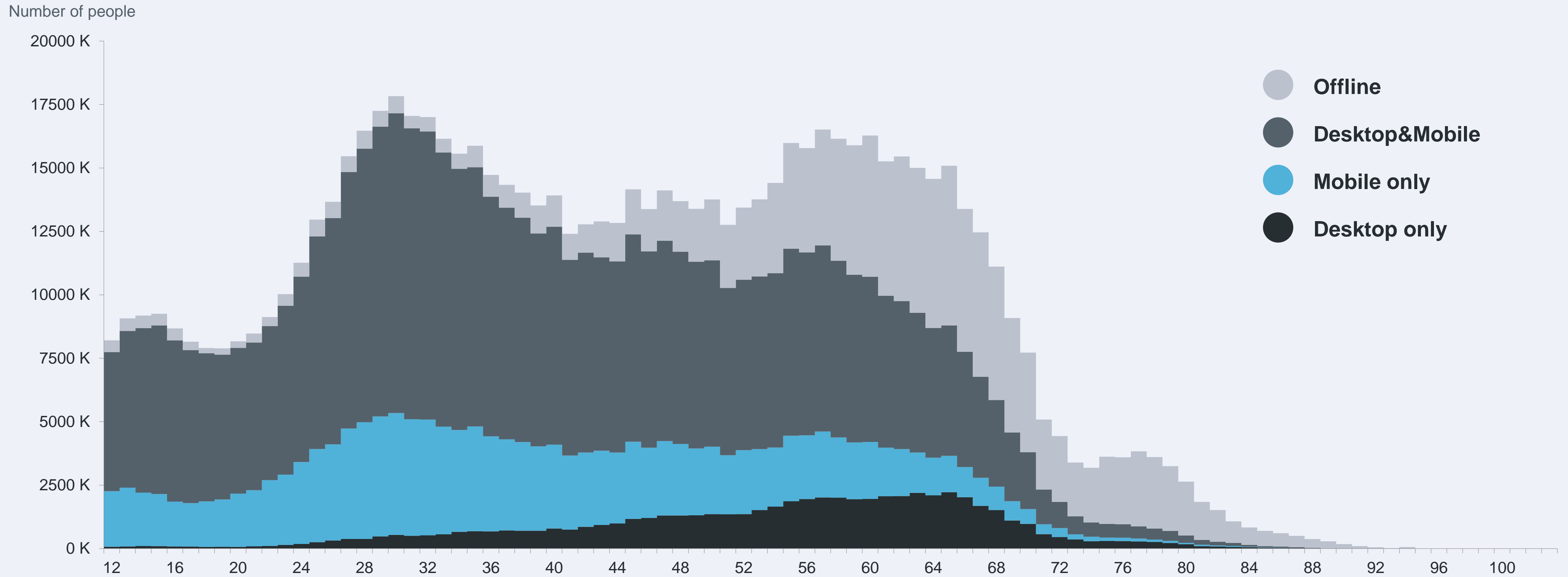


32.8 M PEOPLE +21% (per year)

10.6 M PEOPLE - 28% (per year)

Russia 0+, Monthly reach, all 12 y.o.+, % of population, April 2019 – September 2019, year-on-year growth for April 2019 – September 2019
Source: Mediascope: Online Audience, 2019

2 / User age and preferred devices



Russia 0+, Monthly reach, moving average for 6 years, starting from 12 years, March-August 2019

Source: Mediascope: Web-Index Establishment Survey, 2019

2 / Average time online per user (per day)



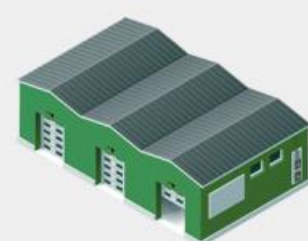
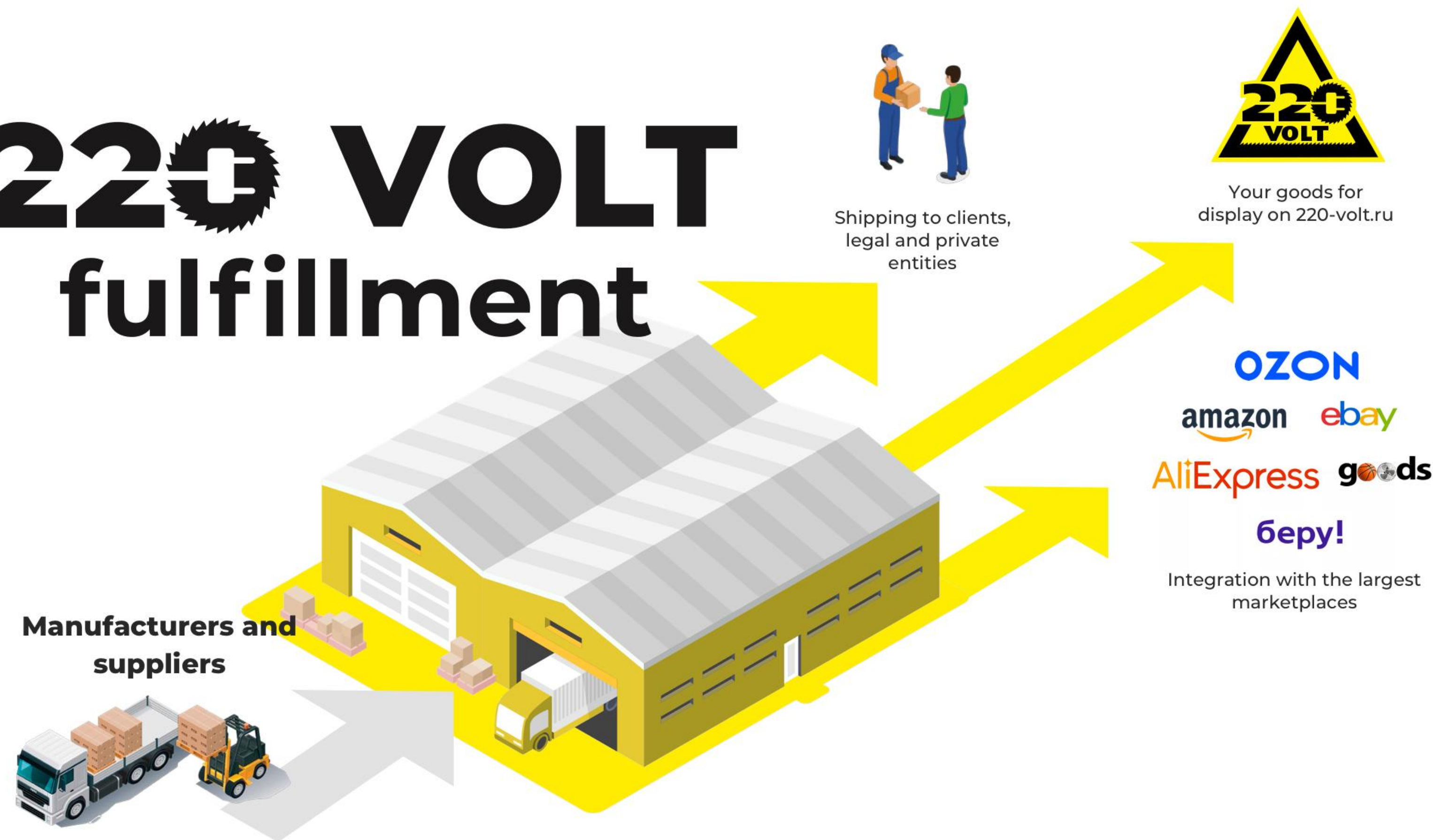
Russia 100k+, 12–64, average minutes per day online, net of time spent in "offline" themed groups in mobile applications, September 2018

Source: Mediascope: Online Audience, 2018

Retail in the country's largest marketplaces

- ✓ Secure storage warehouse
- ✓ Cross-docking
- ✓ Stickers
- ✓ Order status API
- ✓ Shipping across all regions of Russia, Belarus and Kazakhstan

220 VOLT fulfillment



Over 45.000 sq.m.

Moscow, Saint-Petersburg,
Novosibirsk and Rostov-on-the-Don



Shipping period from 1 day



No dimension limitations

Russian B2C e-commerce

- online B2C in Russia, 2019
- online sales in Russia, 2011-2019
- e-commerce market growth drivers
- growth acceleration of the e-commerce market



3 / Online B2C in Russia, 2019

Online B2C commerce is the acquisition of tangible goods from legal entities via the Internet, where the acquisition is understood as ordering products via a website or mobile app, regardless of the payment method and order delivery/receipt options.

Data only includes the purchases of tangible goods in Russian online retail stores by individuals and do not include the purchases of travel and other services, ready-made food, public transport tickets, tickets to events, digital/virtual products and cross-border purchases. The end price for the buyer is taken into account, including VAT and shipping costs.



425 m
orders (+41%)*

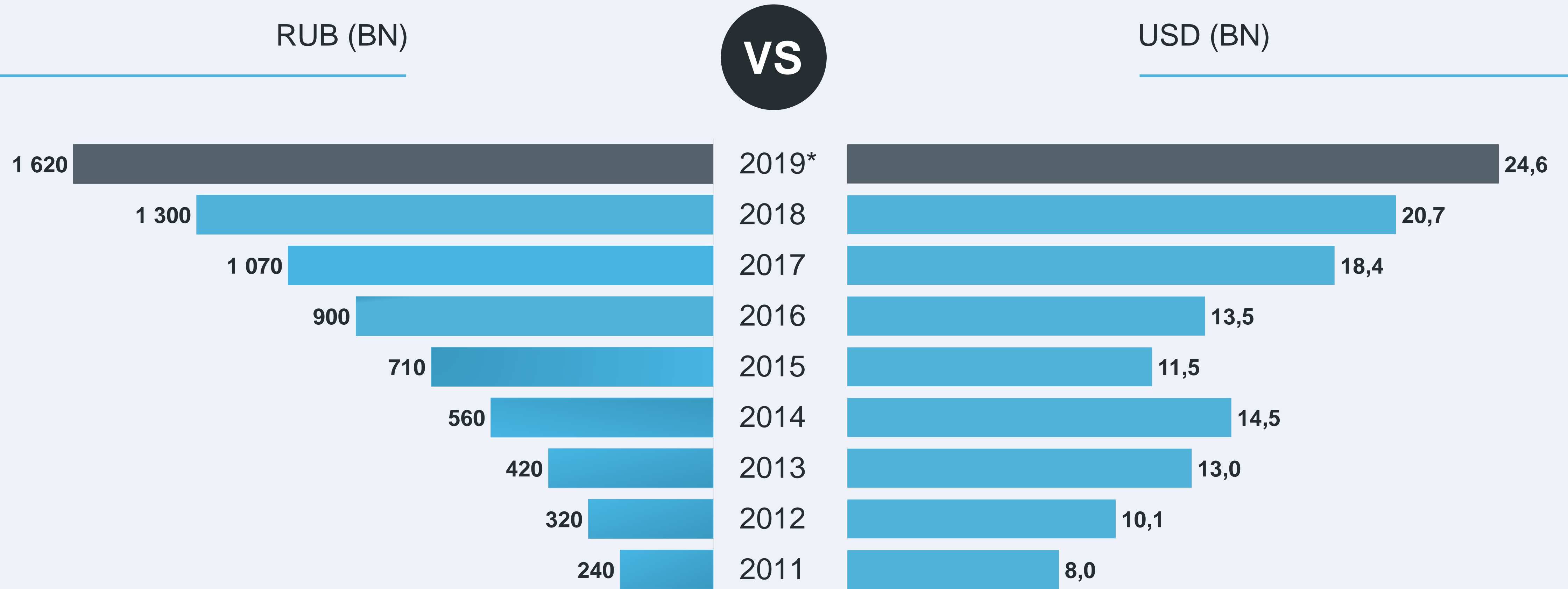


RUB 3.800
average check (-12%)*



* forecast (November 2019)
Source: Data Insight, 2019

3 / Online sales in Russia, 2011-2019

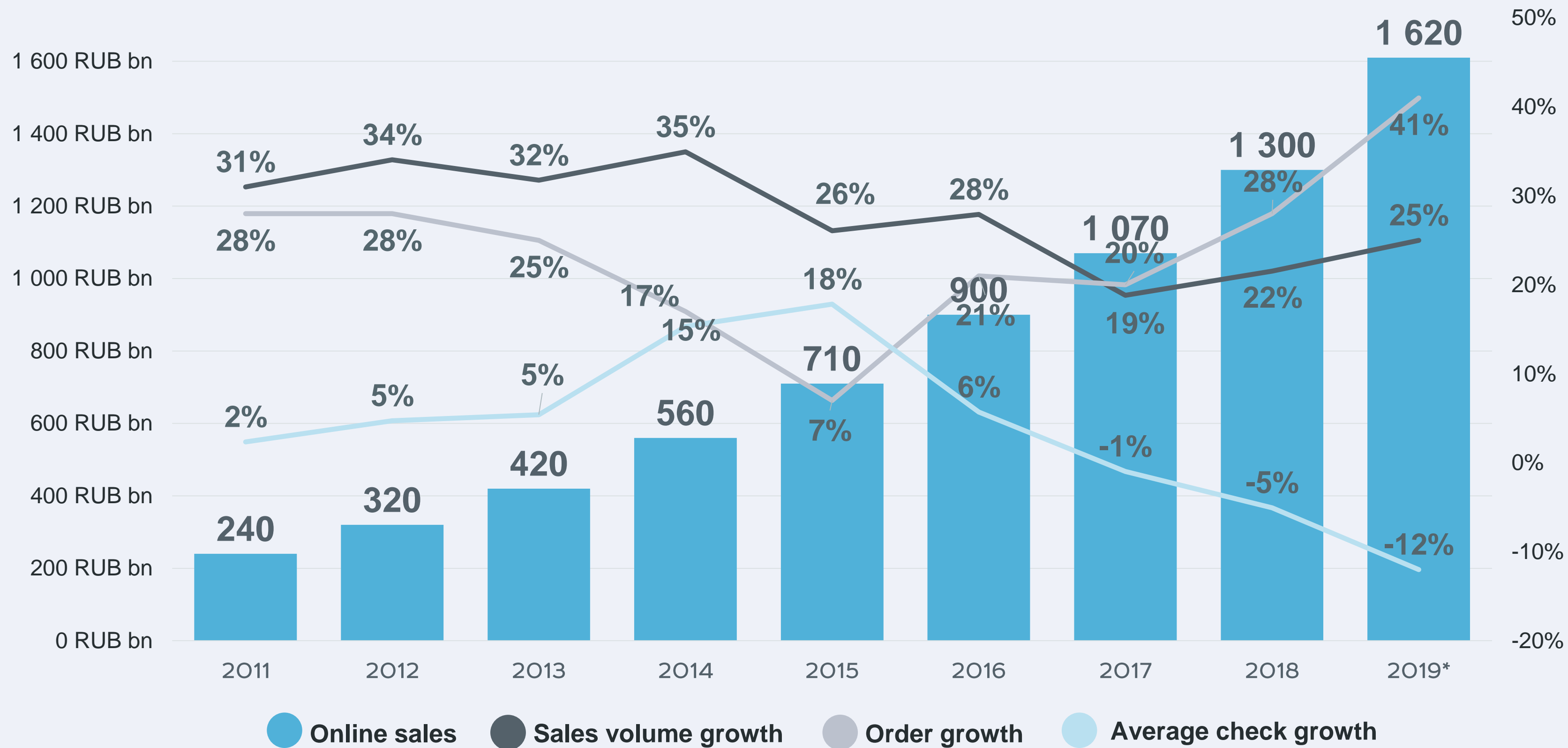


* forecast (November 2019)

The indicated amount of online retail sales is by Russian online stores. See slide 25 for details

Source: Data Insight, 2019

3 / Growth drivers of e-commerce market



Online e-commerce growth is due to the increased number of orders rather than average check size, which has shrunk consecutively for the past 3 years.

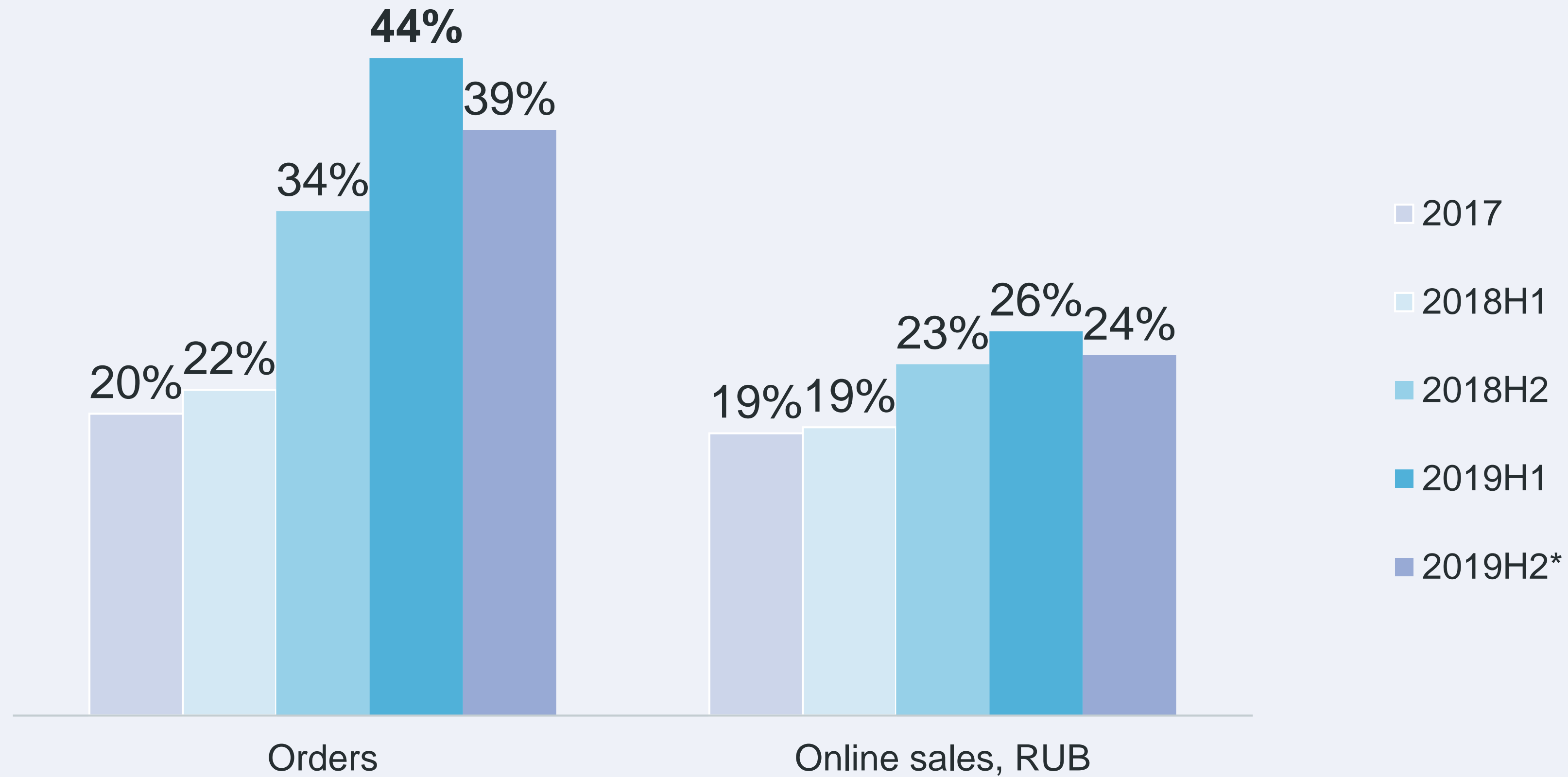
Although the number of online shoppers is still growing, the increment in online orders is primarily due to the higher frequency of purchases.

* forecast (November 2019)

The indicated amount of online retail sales is by Russian online stores. See slide 25 for details

Source: Data Insight, 2019

3 Accelerated growth of the e-commerce market



* forecast (November 2019)
Source: Data Insight, 2019

Russian C2C e-commerce

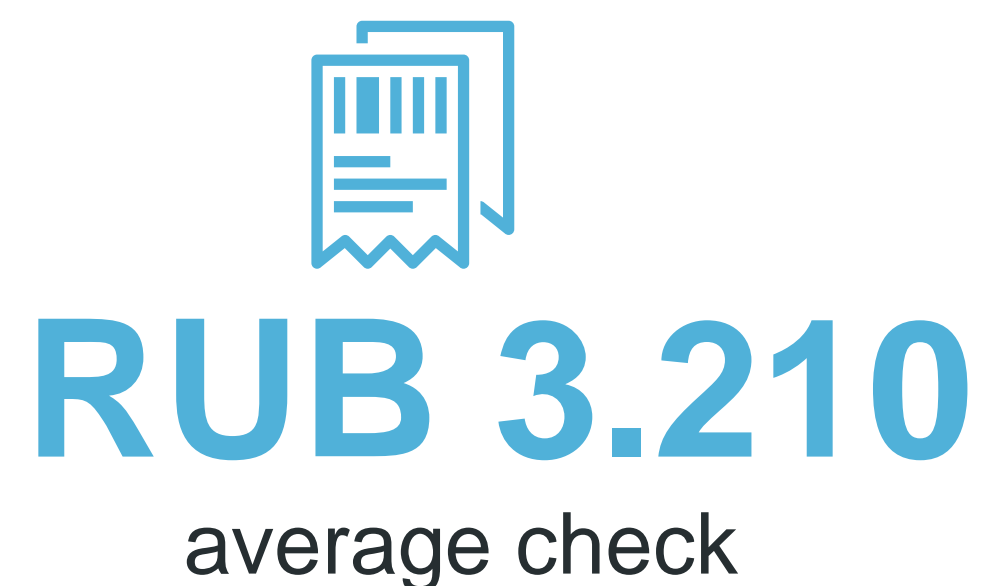
- online C2C in Russia, 2019
- C2C sellers: profile, geography, interregional commerce
- C2C product categories: sales in various products categories
- Russian C2C market in 2019: 6 key facts



4 / Online C2C in Russia, 2019

C2C commerce is understood as the acquisition of new or used tangible goods, exclusive of motor vehicles and real estate, by individuals from other individuals over the Internet.

The number of C2C sellers has almost doubled in two years and reached 13.9 million. The number of buyers grew to 11.8 million.



* compound annual growth rate from 2017 to 2019

Source: Data Insight in conjunction with Avito, C2C transactions on the RuNet: E-commerce of Individuals, 2019 – datainsight.ru/c2c_Avito_2019

4 / C2C sellers: profile

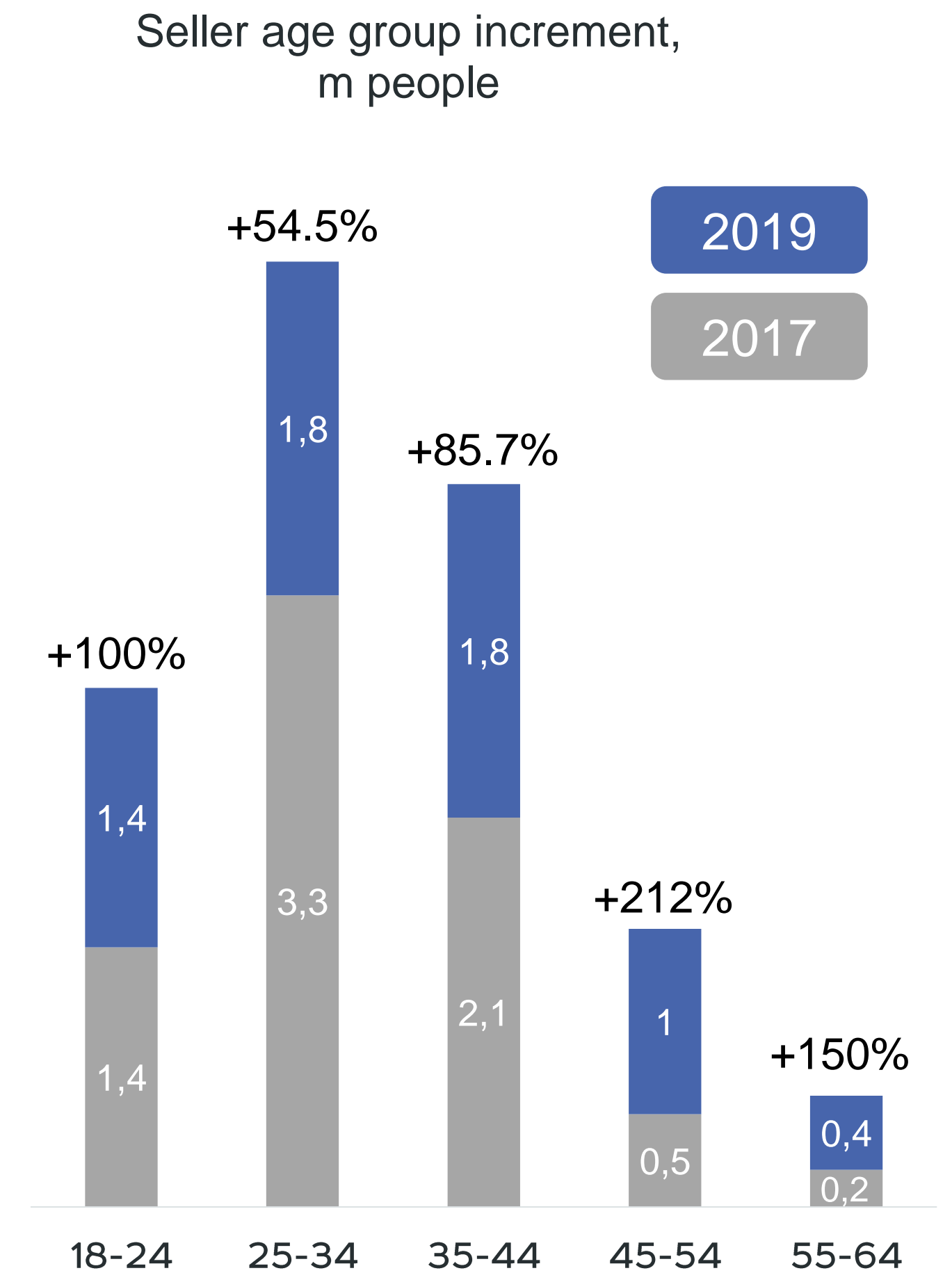
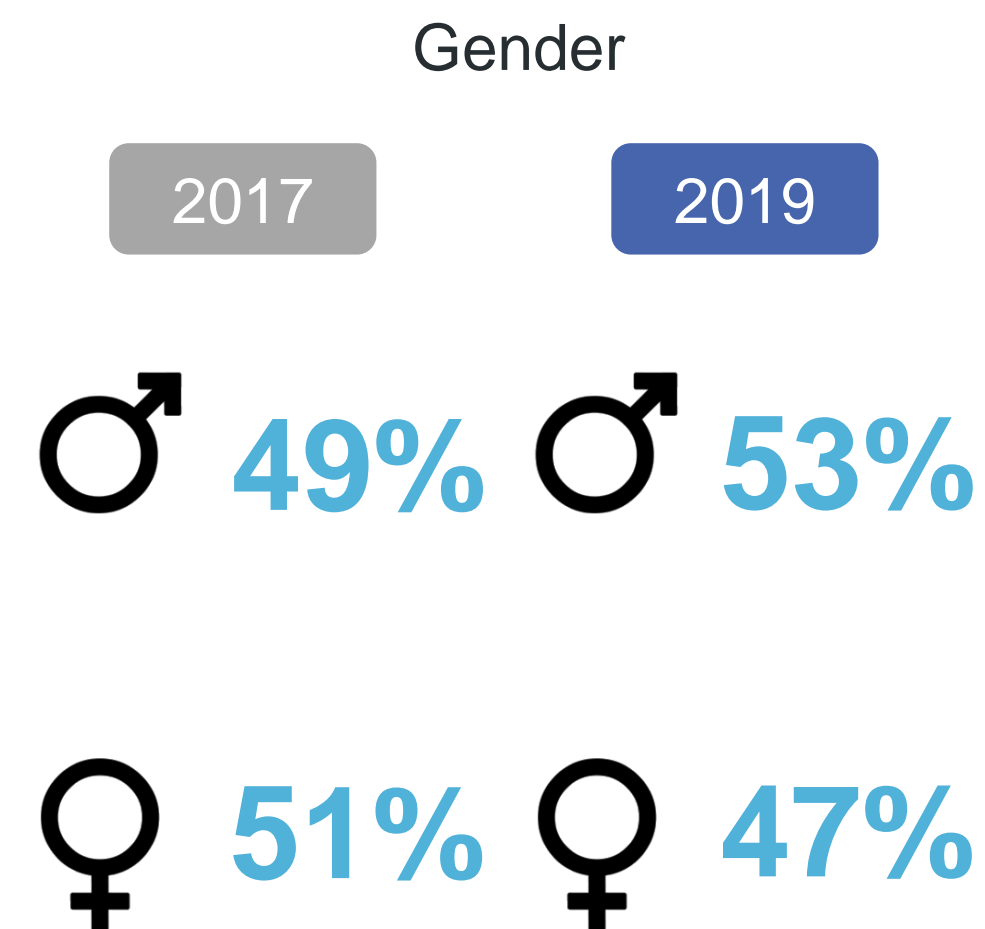
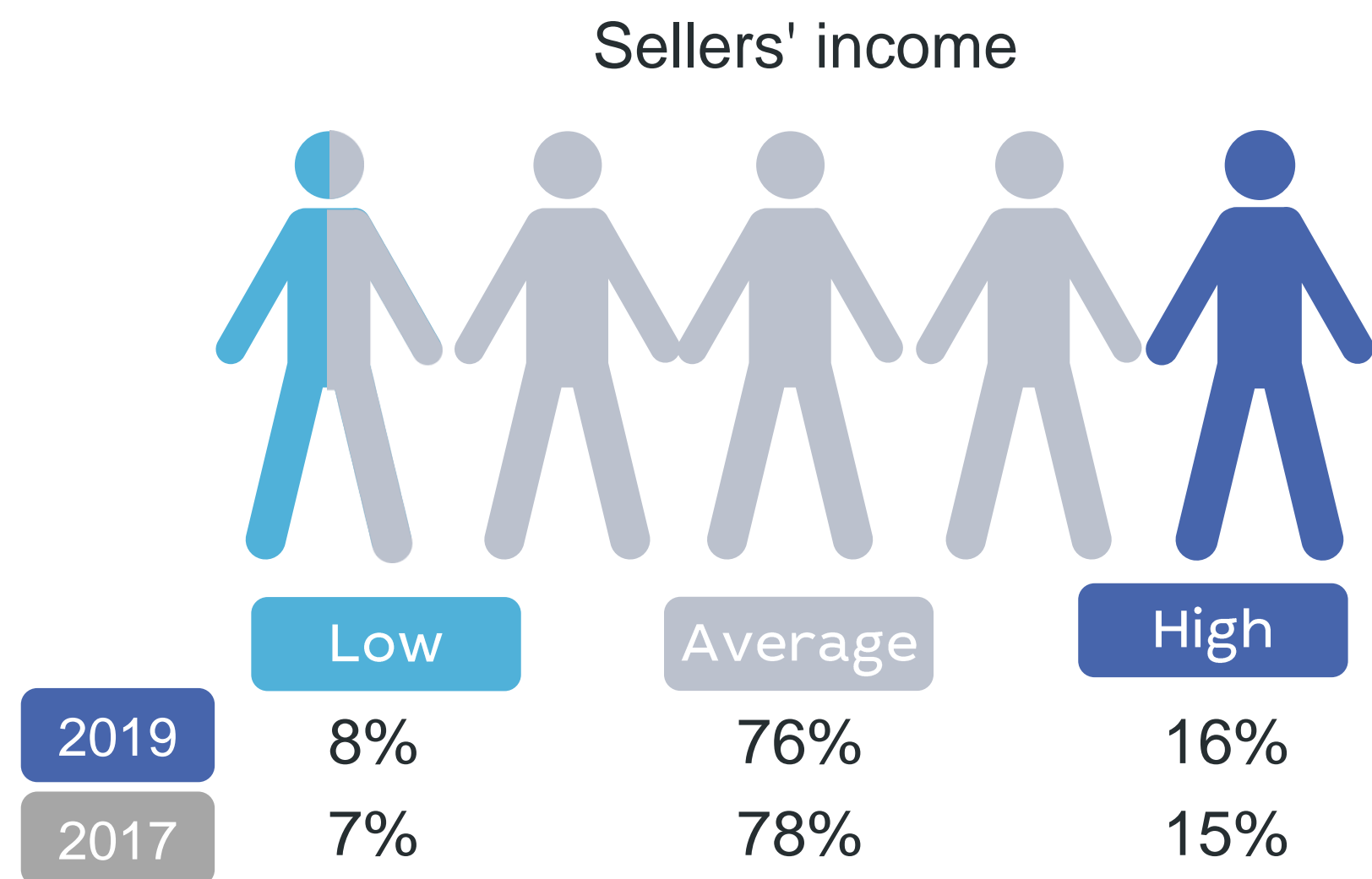
The spread of sellers by income level showed little change versus 2017.

There were slightly more male C2C sellers in 2019 than female.

The sellers age group structure seems to be flattening.

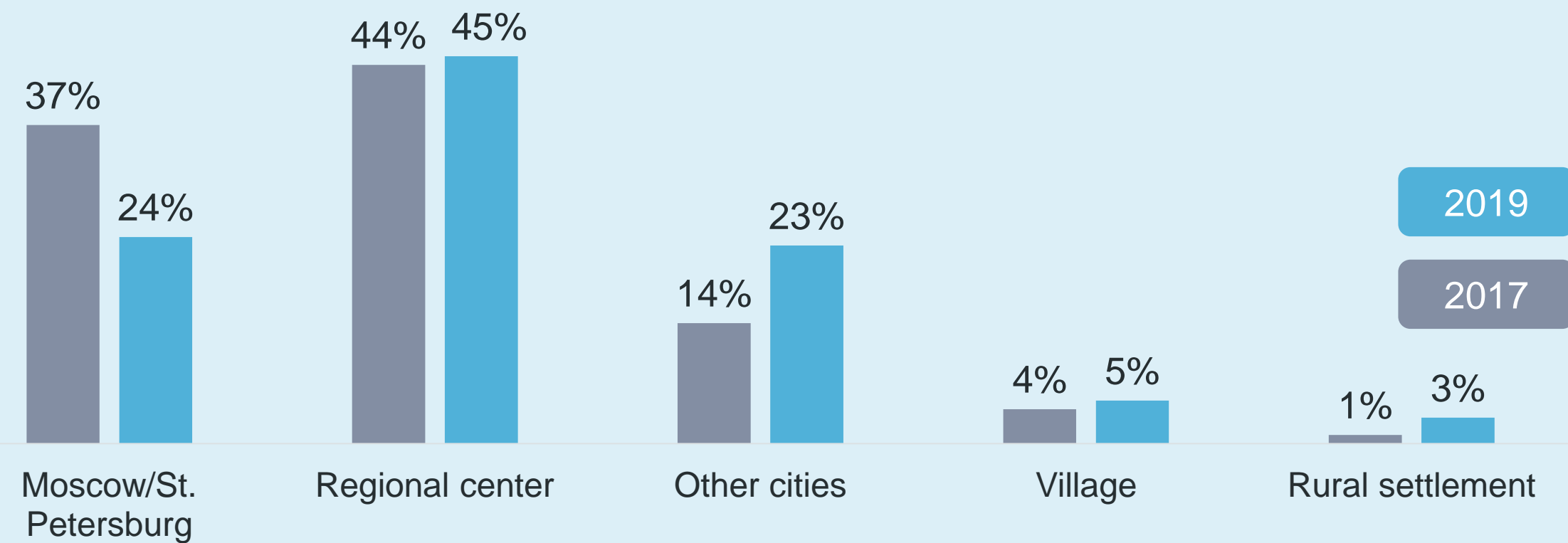
The major gain was among 45-54 year-old sellers, however the group aged 25-34 is still the biggest, with 5.1 million participants.

C2C sellers spread by income and gender



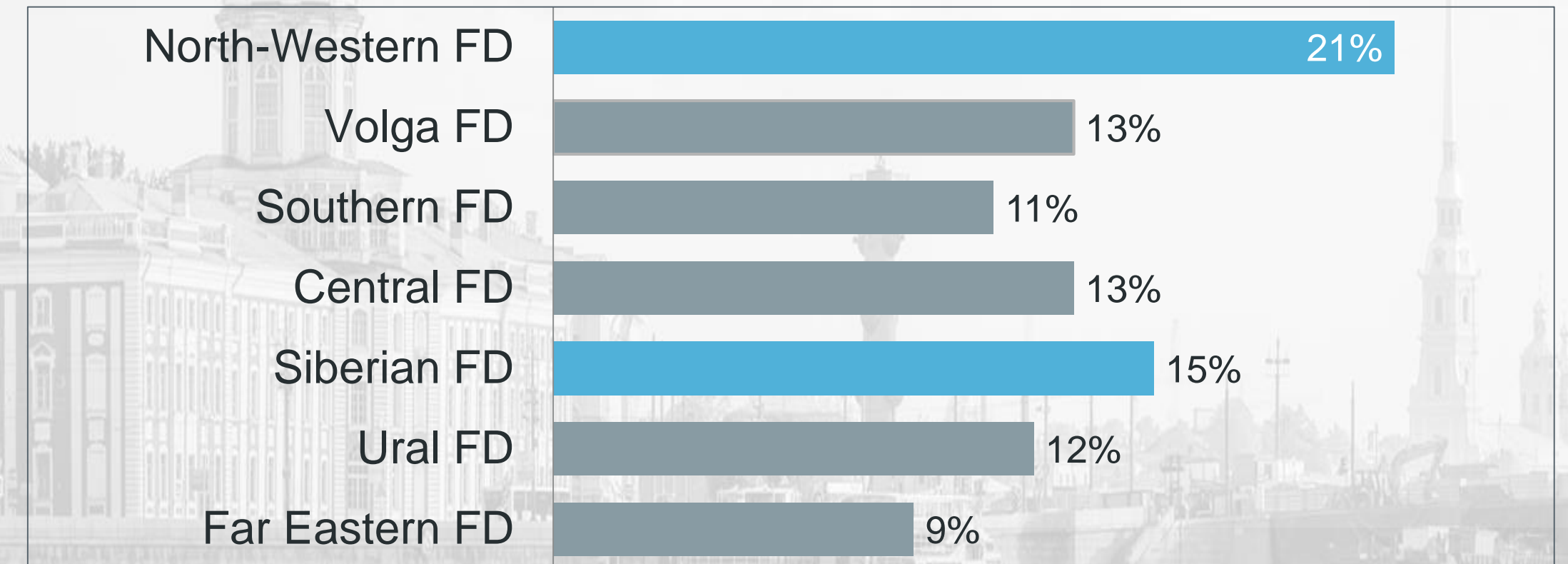
4 / C2C sellers: geography

Individual sellers' allocation by different population center



Regional C2C commerce became more active than two years ago. The share of sellers living in small towns is growing. While in 2017, the capital cities and regional centers accounted for 80% of C2C sellers, their share dropped to 70% in 2019.

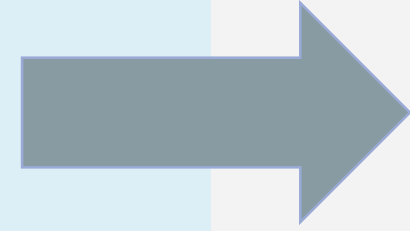
Individual sellers penetration among Internet users



North-Western Federal District is the most advanced in terms of C2C commerce. In 2019, it is still the leading region in terms of seller penetration into Internet users. Siberian Federal District is the second, with the percentage of sellers increased more than twice.

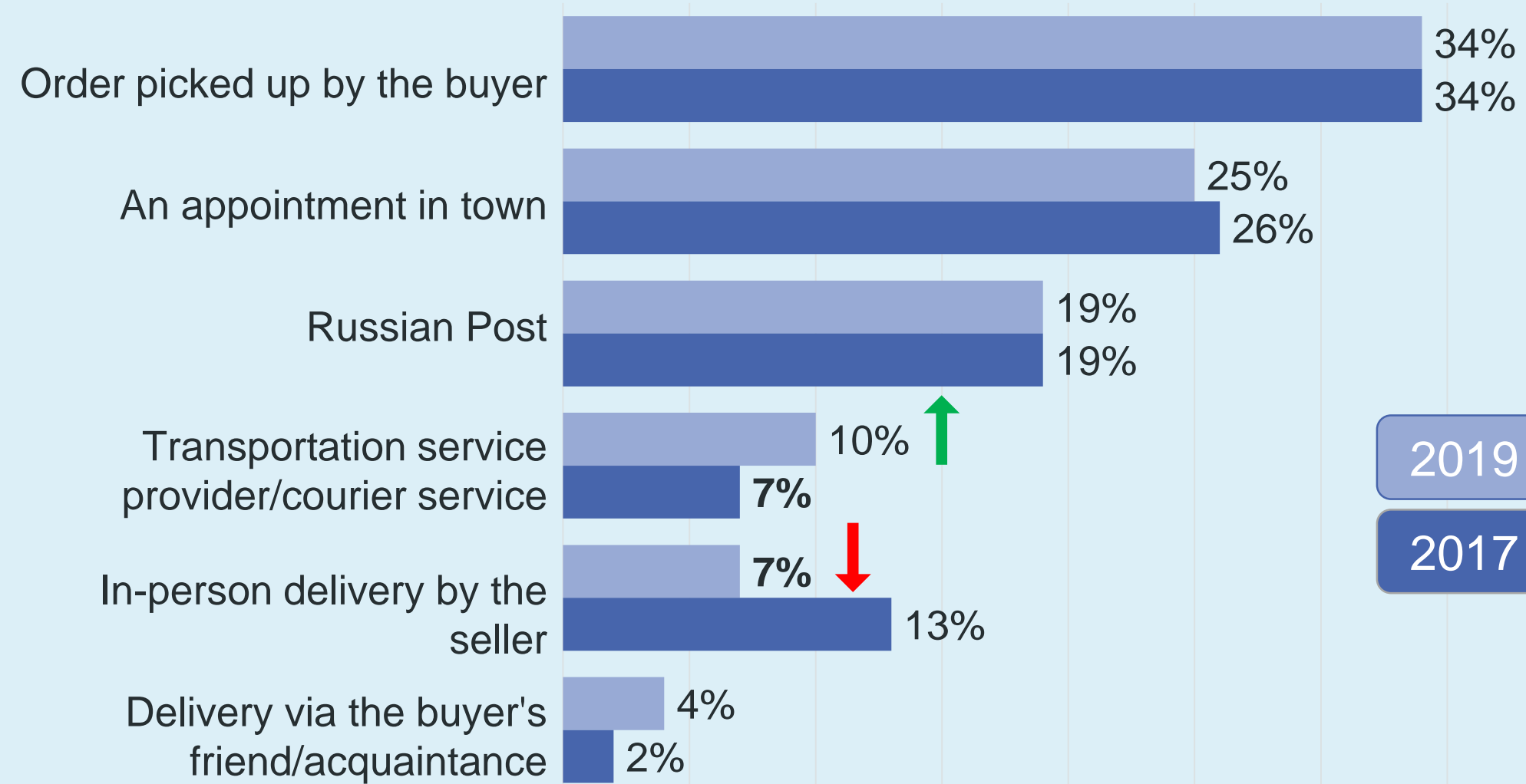
4 / C2C sellers: interregional commerce

In comparison with 2017, C2C sellers have become more likely to deliver products using a transportation service provider or courier service. The percentage of deliveries made in person has decreased by almost 50% in two years.



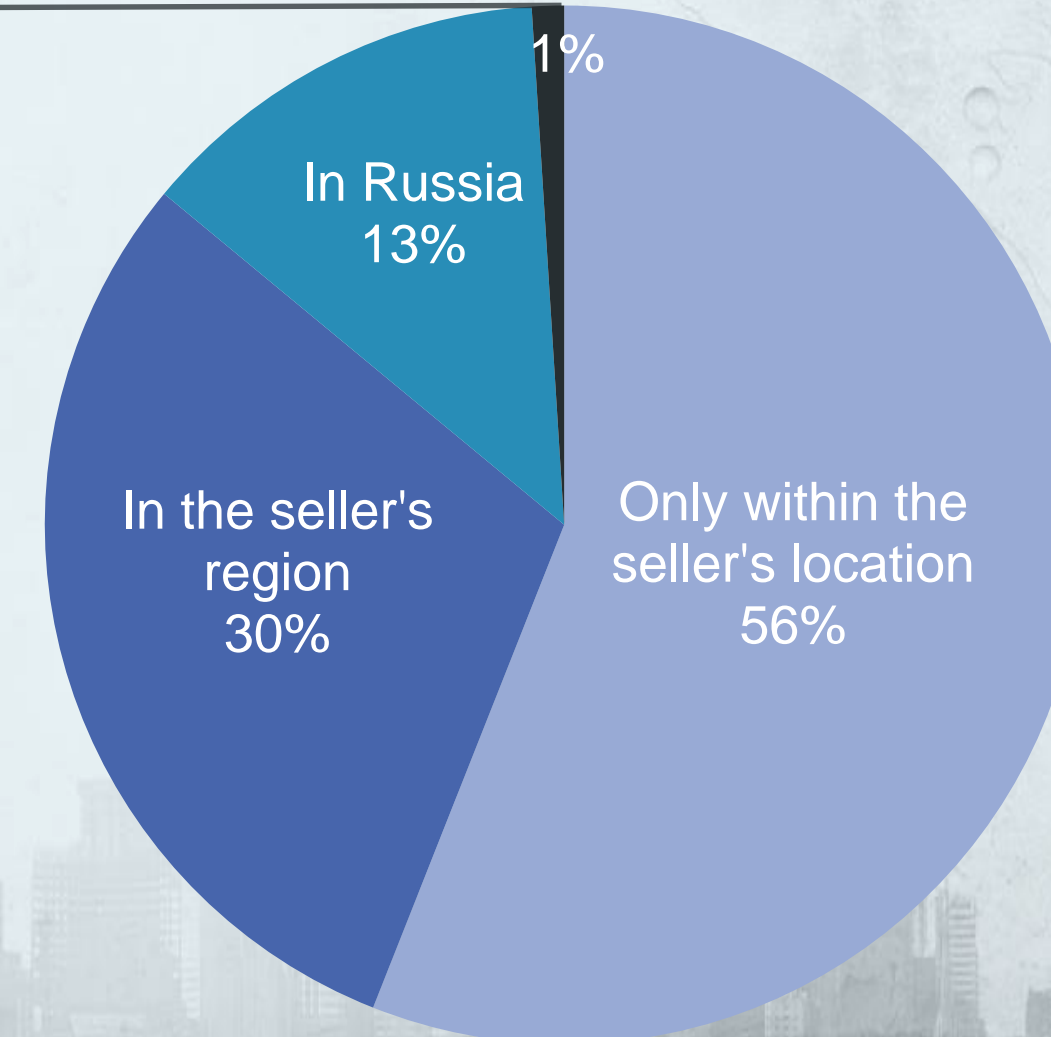
The geographic spread of the buyers has changed: the share of sellers who deliver only within their own city or town dropped by more than a fifth, while the share of those who ship their products within their own region and throughout Russia increased 1.5 and almost 2 times, respectively.

Order delivery options offered by C2C sellers



Where do your buyers live? Sellers' responses

In Russia and other countries



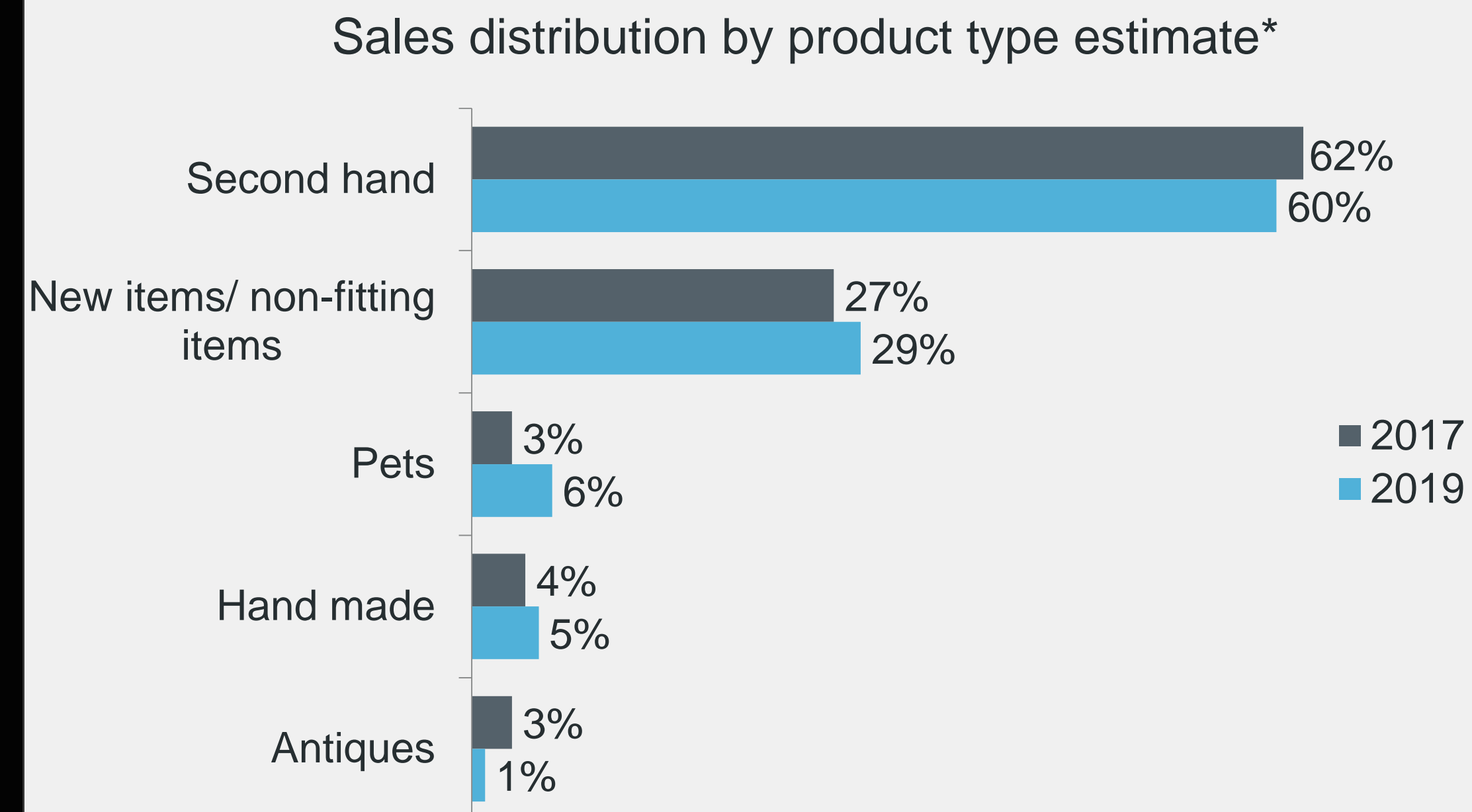
4 / C2C product categories: sales in various products categories

Share of new products in C2C sales has increased

The percentage of **second-hand products in C2C sales dropped to 60%**, while the transactions with **new products or items that did not fit the seller increased to 29%**.

The top-3 popular product categories on the C2C market are electronics and home appliances, apparel and footwear and children's goods, accounting for 23%, 18%, and 16% of the market, respectively.

Most transactions (27.4%) were in the category of electronics and home appliances, followed by children's goods (19.8%) and auto parts and accessories (12.5%).



* The estimate is based on an online seller survey with 1,500 participants

4 / Russian C2C market in 2019: 5 key facts

MARKET



Over the past 2 years, the online C2C market **grew by 92.5% in monetary terms and amounted to RUB 568 bn** in 2019 versus RUB 295 bn in 2017.

The penetration of private e-commerce in the Central, Ural and Siberian Federal districts **has increased** by 5%, 5% and 8%, respectively, over the same period.

SELLERS AND BUYERS



In 2019, the number of sellers and buyers was **14 and 12 million**, respectively, versus 8 and 10 million two years back.

TRANSACTIONS



60% of C2C transactions were made in 3 product categories: electronics and home appliances, children's goods and auto parts and auto accessories.

One of the most noticeable trends in the online commerce of individuals was **the increased number of intercity and interregional transactions and growing popularity of order delivery.**

lamoda

Lamoda delivers personal lifestyle solutions for everyone, every day



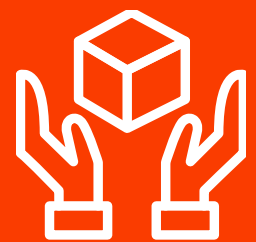
3,000+
fashion brands



6,000,000+
products



70%
orders from mobile
apps



200+
cities next day delivery

Ecosystem:

- Moscow, Minsk, Kyiv and Almaty offices
- Cutting-edge automated fulfilment centre
- Technology hub
- Large-scale last mile delivery network
- 3 call centres



Retail online export of goods

- retail online export of goods in Russia, 2019
- retail online export revenue dynamics
- retail online export structure
- retail online export structure by country, 2019
- product categories in retail online export
- retail online export by federal district



5 / Online export, 2019

Retail online export of goods means Russian online stores` foreign orders including ordering the goods on the store website, social media and other channels, in the same time it is online sales via representative offices and the store websites with international country-code domains, it is also foreign orders from Russian SMEs received by sales platforms, including global marketplaces and social media.



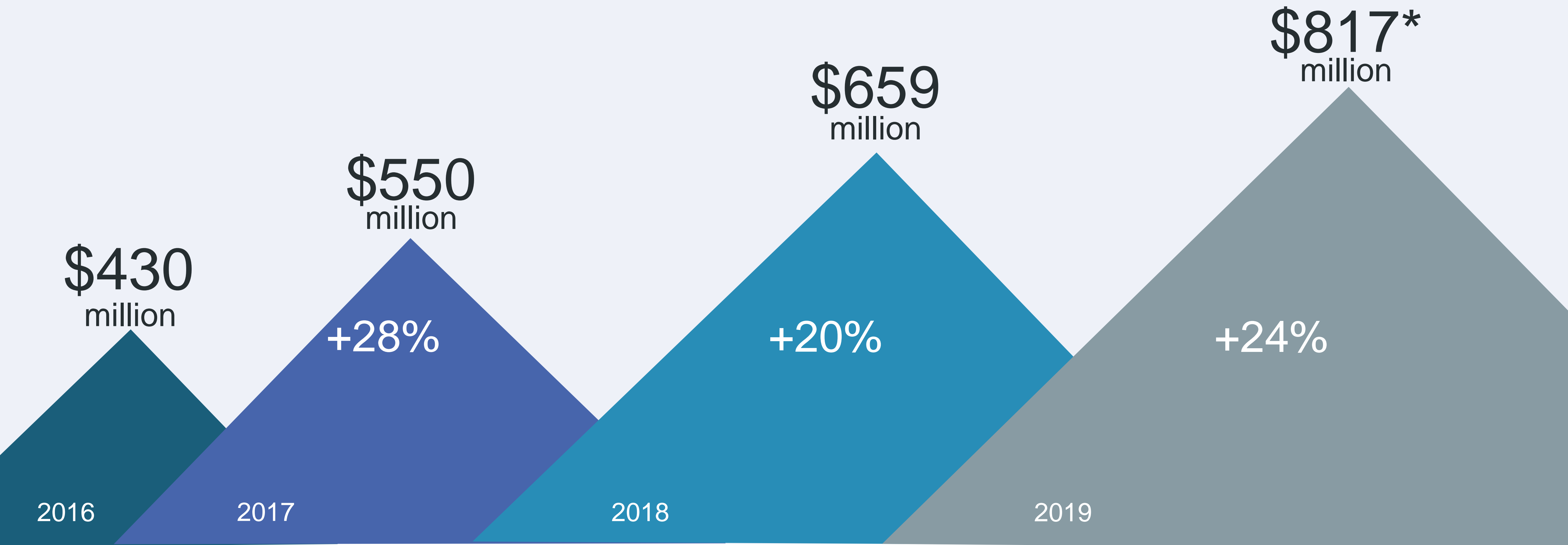
Compared to last year, the number of shipments grew by 5.4 million, while the average check decreased by 16%.



* Year-average USD exchange rate forecast for 2019

Source: Data Insight in conjunction with eBay, Retail exports via the Internet, 2019 – datainsight.ru/eBay_export2019

5 / Retail online export revenue dynamics

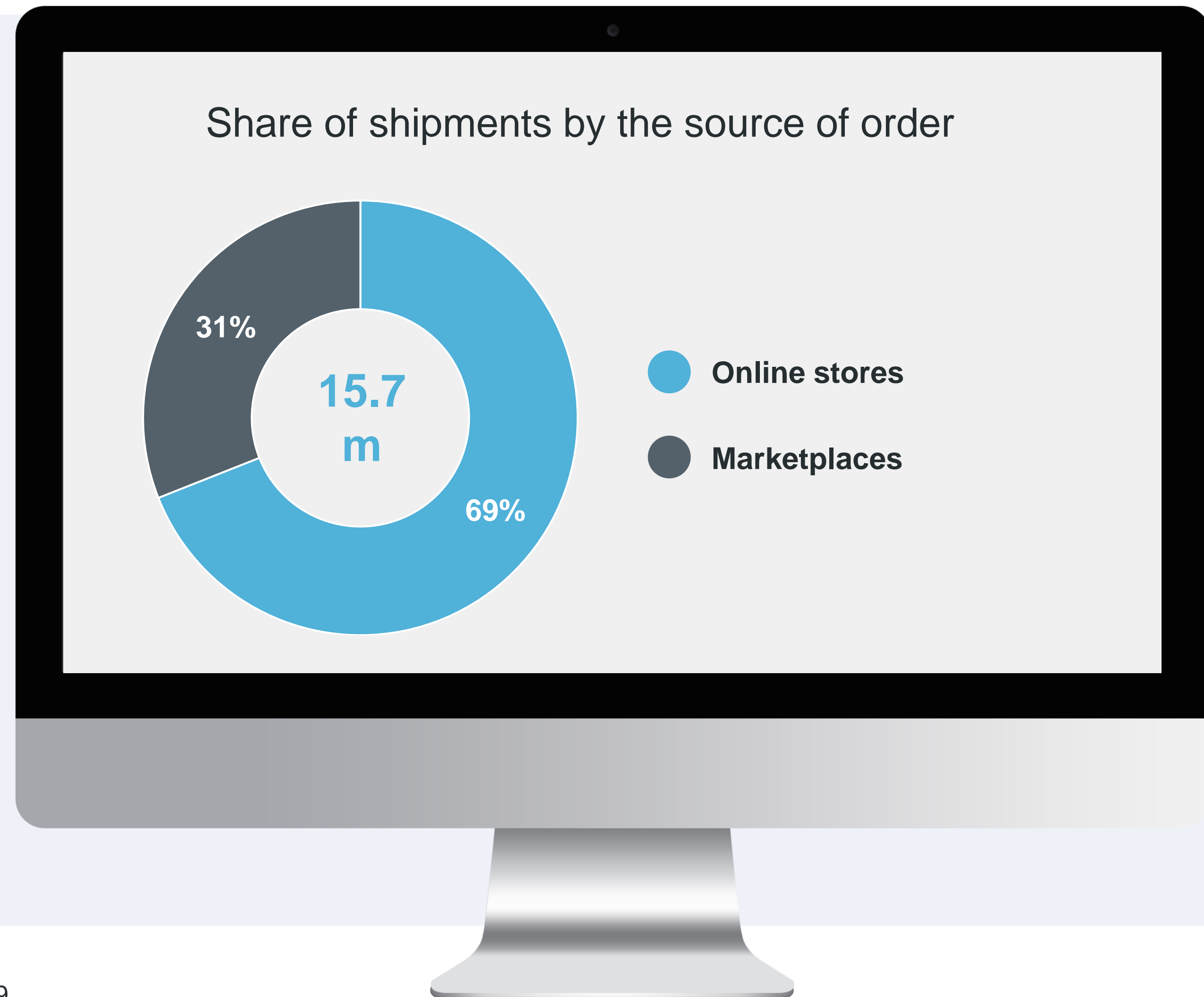


* Assessment for 2019 is based on Q1-Q3 data

Source: Data Insight in conjunction with eBay, Retail exports via the Internet, 2019 – datainsight.ru/eBay_export2019

5 / Retail online export structure

Two-thirds (69%) of online retail orders from abroad are made via marketplaces. The vast majority of those orders are placed with medium and small sellers.



Source: Data Insight in conjunction with eBay, Retail exports via the Internet, 2019 – datainsight.ru/eBay_export2019

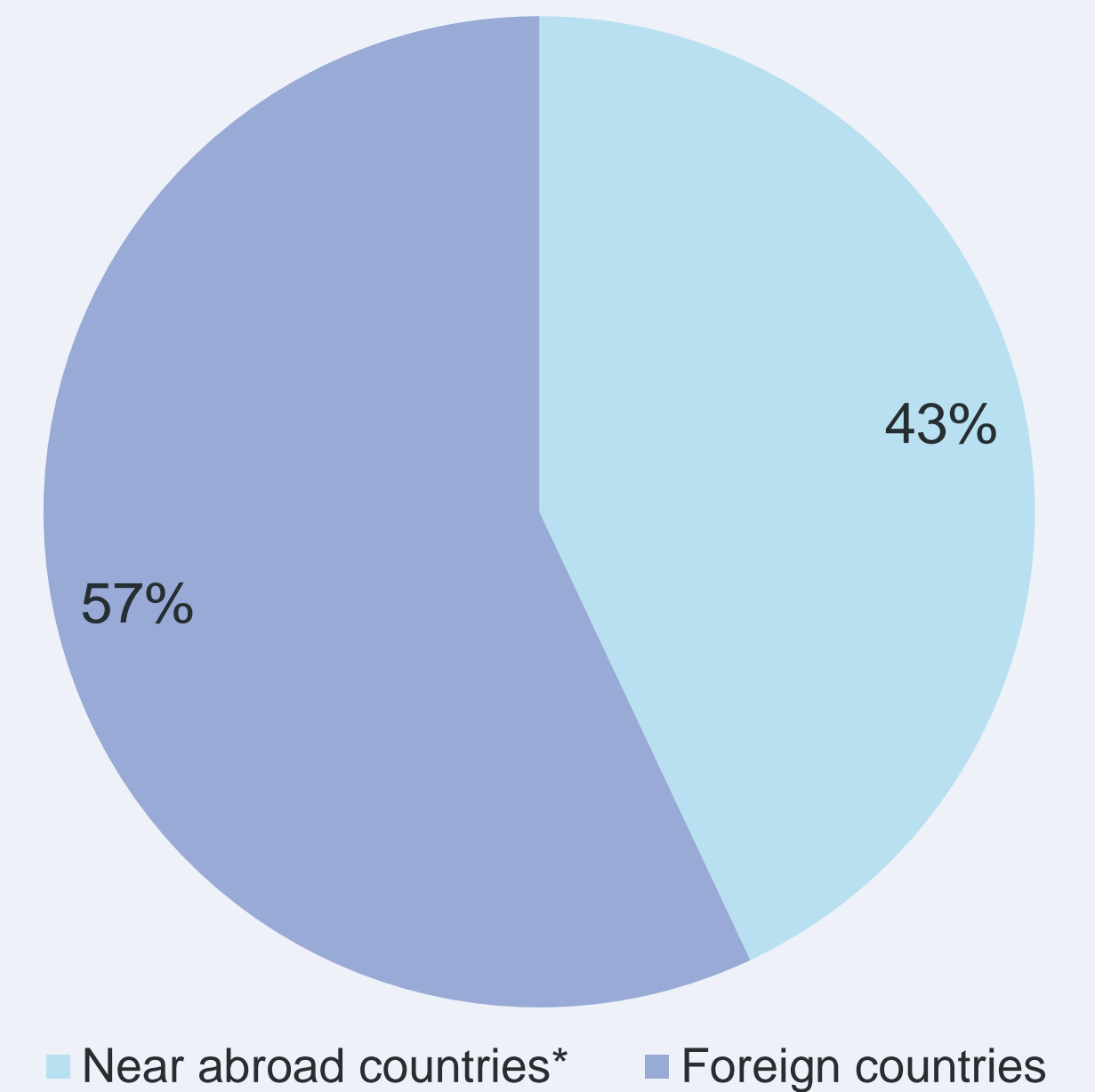
5 / Retail online export structure by country, 2019

Near-abroad countries	2018	2019
Belarus	17.5 %	21.8 %
Kazakhstan	13.7 %	12.9 %
Ukraine	6.6 %	4.6 %
Other near-abroad countries		3.5 %

Foreign countries	2018	2019
The USA	17.6 %	20.4 %
Germany	4.5 %	4.3 %
The UK	3.8 %	3.8 %
France	2.4 %	2.3 %
Canada	2.2 %	2.3 %
Israel	2.0 %	2.2 %
China	2.4 %	1.9 %
Other foreign countries		20.0 %

Online exports to both near abroad and foreign countries are growing.

The top export destination among the CIS countries is still Belarus, while the USA is the leader among foreign states.



* Former USSR republics (except for the Baltic countries)

Source: Data Insight in conjunction with eBay, Retail exports via the Internet, 2019 – datainsight.ru/eBay_export2019

5 / Product categories in retail online export

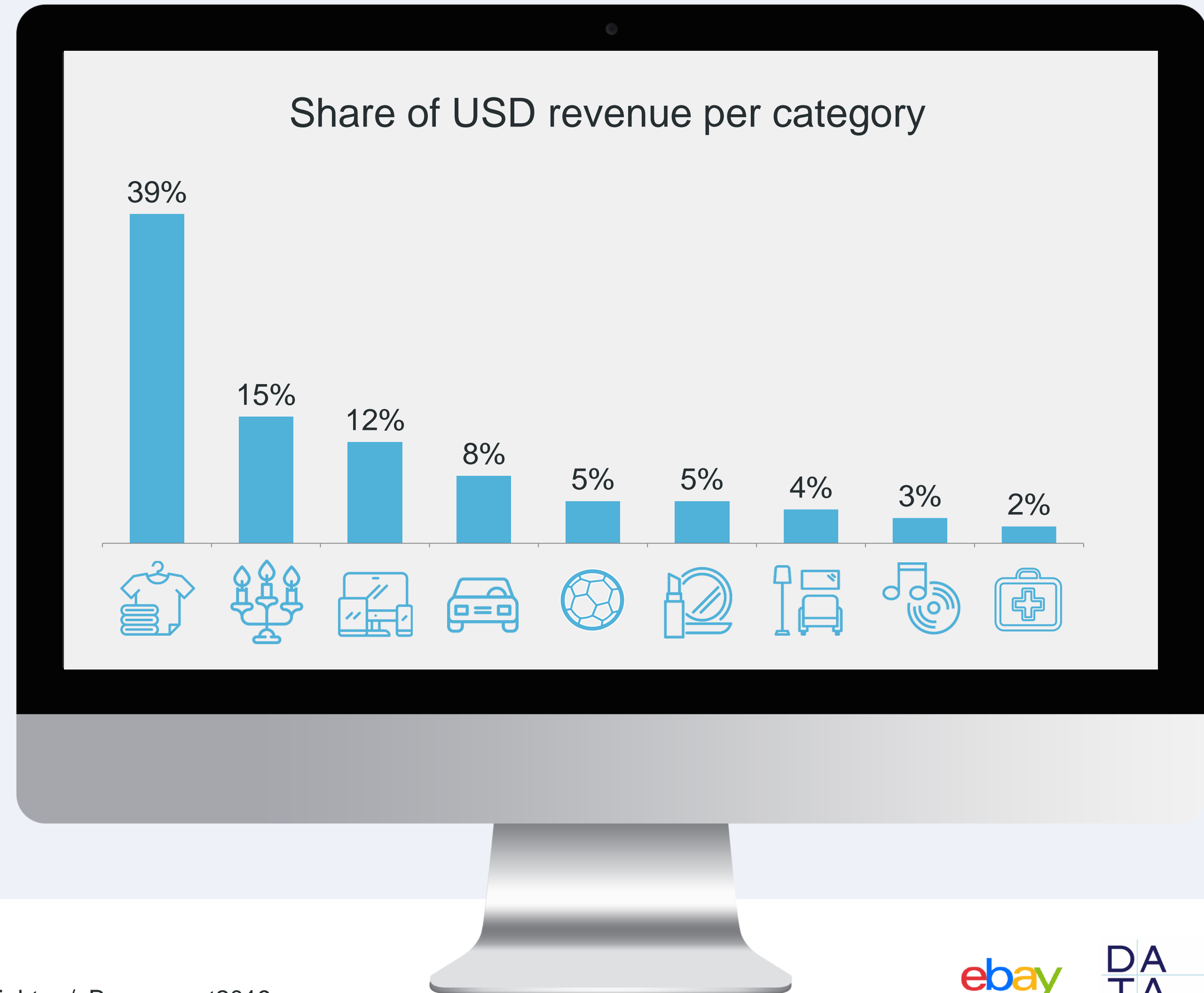
Apparel and footwear had the biggest share of USD revenue among all product categories for the second year in a row.

Electronics went one step down to line three in 2019, with collectibles ranking second.



Most dynamic categories in 2019:

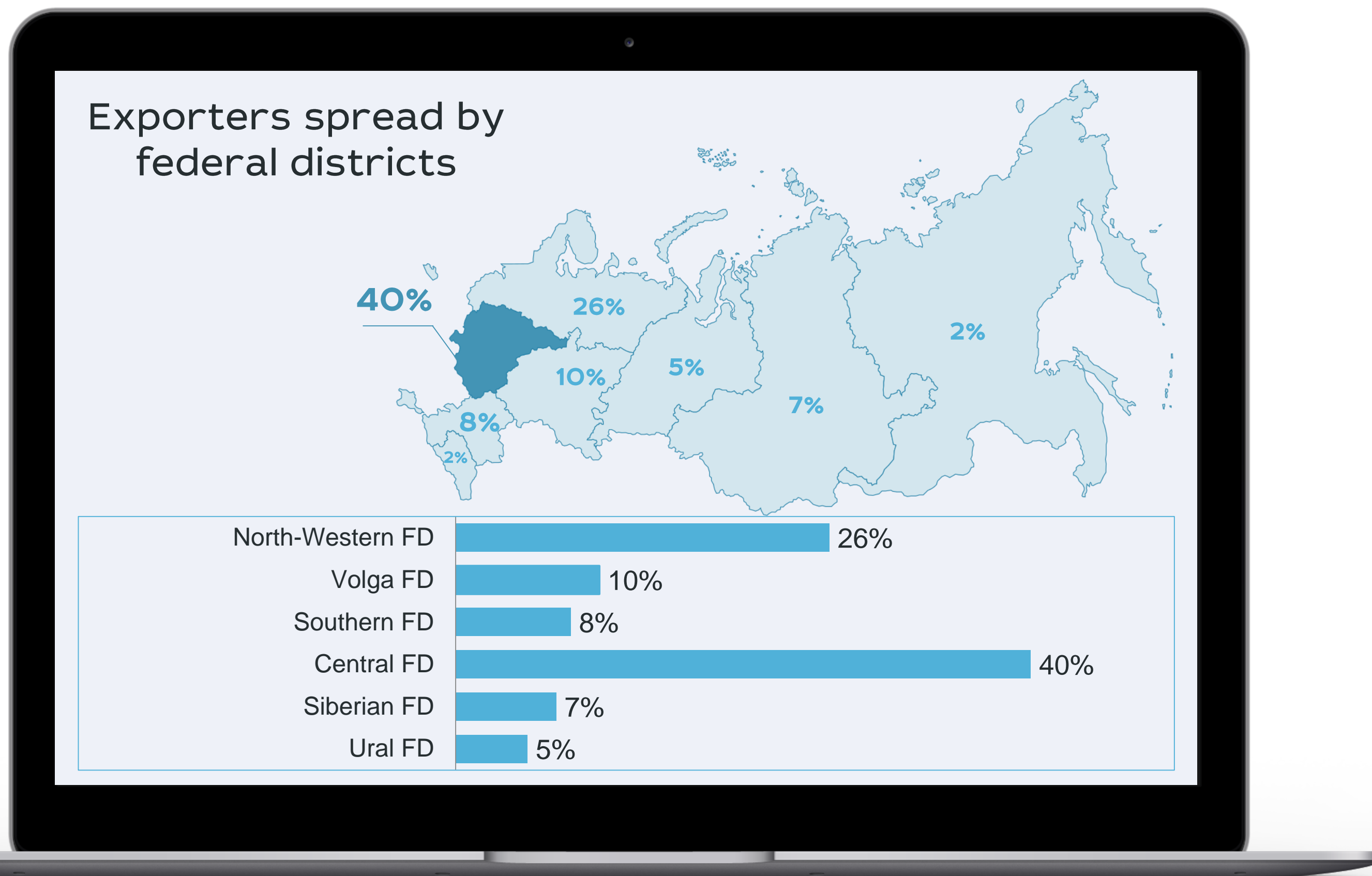
- Beauty and health +24% YoY*;
- Home and garden +10 YoY*;
- Spare parts +9% YoY*.



* Year-over-year

Source: Data Insight in conjunction with eBay, Retail exports via the Internet, 2019 – datainsight.ru/eBay_export2019

5 / Retail online export by federal district



Export activities of SMEs by region*:

209 (+24) Saint Petersburg

179 (-17) Moscow

135 (+7) Mari El Republic

125 (+5) Yaroslavl Region

122 (+5) Moscow Region

121 (-13) Saratov Region

119 (+18) Udmurtia

117 (+11) Kaliningrad Region

117 (+4) Omsk Region

109 (-16) Volgograd Region

104 (+49) Astrakhan Region

11 regions with the share of eBay exporters above the national average

* Regional Export Index is calculated as an affinity index and equals the ratio of Ebay exporters' share in the regional businesses to their share in all Russian businesses (%).

Source: Data Insight in conjunction with eBay, Retail exports via the Internet, 2019 – datainsight.ru/eBay_export2019

Integrated individual solutions for your e-commerce business



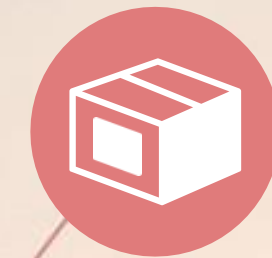
IT SOLUTIONS



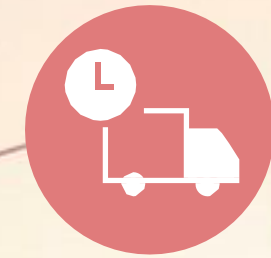
CUSTOMER SERVICE



WAREHOUSE LOGISTICS



TRANSPORT MANAGEMENT



LOYALTY PROGRAMS DEVELOPMENT



FINANCIAL SERVICES



www.arvato-supply-chain.ru

solution@arvato.ru

+7(4852) 672-999

E-commerce ecosystem

E-commerce ecosystem, 2019

- logistics
- IT
- assortment management
- payment processing
- product platforms
- loyalty management
- customer acquisition
- other

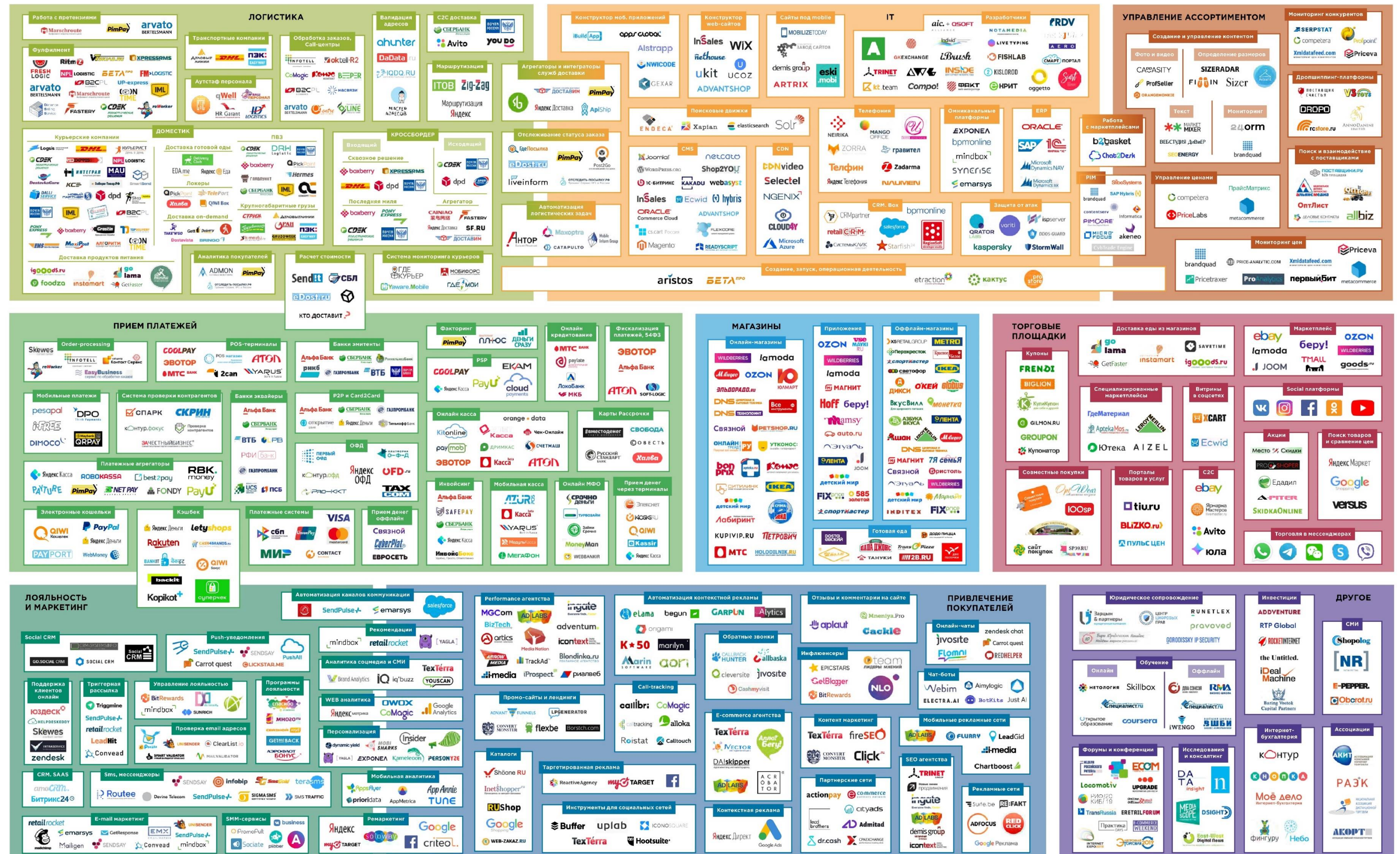


6 / E-commerce ecosystem, 2019

Presented in September 2019.

Includes:

- 9 sections (competencies);
- 140 clusters;
- 852 companies and services.



Source: Data Insight, Russian e-commerce ecosystem map, 2019 – ecommerce.datainsight.ru

7 / Become part of the e-commerce Ecosystem

Application for the Ecosystem partnership:

- Send your company profile to Data Insight experts
- Tell us about your e-commerce market segment

Become the Ecosystem partner:

- Logo in Partners section of the Ecosystem print-out
- Expert commentary

Feel free to reach out at coordinator@datansight.ru for the details.

The ecosystem map includes **8 major sections corresponding to 8 operating units:**

- Logistics;
- Assortment management;
- Trading platforms;
- Customer acquisition;
- IT;
- Payment processing;
- Loyalty and marketing;
- Other.

Goals of the e-commerce ecosystem map:

- showcase the available services for online stores;
- demonstrate the correlation between various units of the services;
- find new niches for the development of services.

Key trends in the ecosystem:

- local ecosystems emerging around marketplaces and specific areas;
- niche targeting;
- integration of services, offering the maximum range of services, most of which is provided by third-party companies.

6 / E-commerce ecosystem

Logistics

Logistics section comprises services in the area of online-store shipments delivery and tracking within Russia and abroad, as well as companies that offer assistance in optimizing and automating logistic processes in e-commerce.

The logistics of e-commerce in Russia comprises 28 clusters and 162 services.

As compared to the 2016 ecosystem, it includes 10 new clusters and 106 new services.

Logistics is closely linked to IT and Payment Processing.



Source: Data Insight, Russian e-commerce ecosystem map, 2019 – ecommerce.datainsight.ru

6 / E-commerce ecosystem

Assortment management

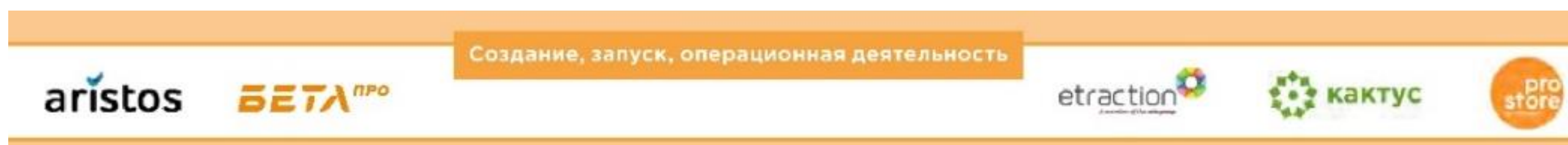
The Assortment Management process involves companies that provide services for supplier scouting, website content creation and management, price and competitor monitoring.

This section combines clusters from Launch and Management, Marketing and Logistics sections of the 2016 ecosystem.

Assortment Management comprises **13 clusters and 56 services**.

In 2019, 6 new clusters and 31 new services were added in this section.

Assortment Management is interdependent with the IT section across 3 clusters.



Source: Data Insight, Russian e-commerce ecosystem map, 2019 – ecommerce.datainsight.ru

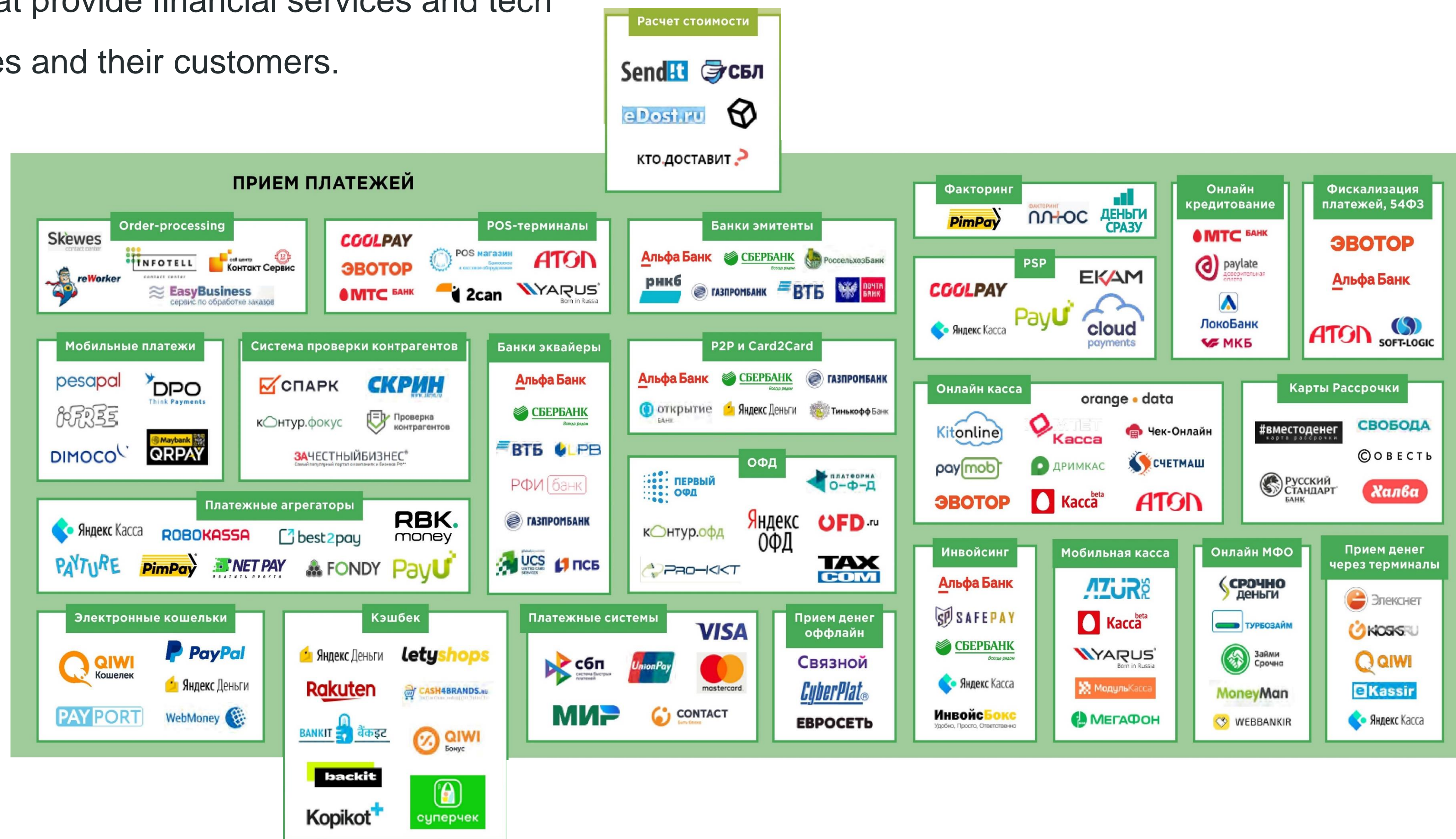
6 / E-commerce ecosystem

Payment processing

Payment Processing includes companies that provide financial services and tech support for settlements between online stores and their customers.

This section comprises 25 clusters and 138 services, including 11 new clusters and 77 new stores.

Payment Processing is linked to Logistics and Loyalty and Marketing sections (one shared cluster).



Source: Data Insight, Russian e-commerce ecosystem map, 2019 – ecommerce.datainsight.ru

6 / E-commerce ecosystem

Trading platforms

Trading Platforms comprise marketplaces (both generic and specialized), social storefronts, shopping features in messengers and social media, as well as services for shared purchases and C2C sales.

Trading Platforms section covers 12 clusters and 57 services. A number of clusters previously (in 2016) grouped under Marketing are now included in Trading Platforms, as well as 7 new clusters.



Source: Data Insight, Russian e-commerce ecosystem map, 2019 – ecommerce.datainsight.ru

6 / E-commerce ecosystem

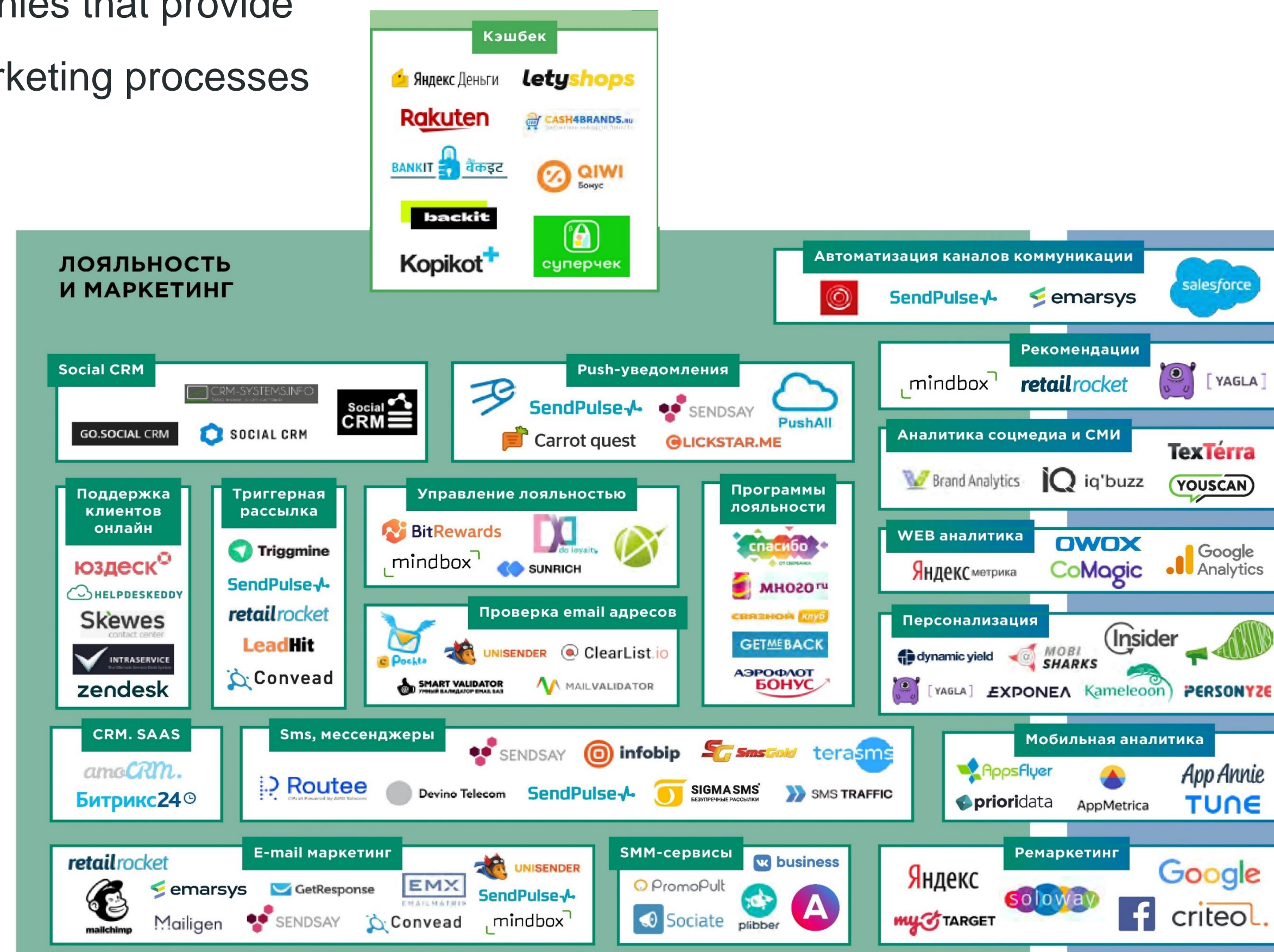
Loyalty and Marketing

Loyalty and Marketing section of the ecosystem includes companies that provide analytics and promotion services to online stores, as well as marketing processes automation services.

Loyalty and Marketing consists of clusters that were grouped under Marketing, Customer Base and Launch and Management sections in the 2016 ecosystem.

This section consists of 19 clusters and 104 companies, including 5 new clusters and 46 new companies.

Loyalty and Marketing intersects with Payment Processing and Customer Acquisition processes across a number of clusters.



Source: Data Insight, Russian e-commerce ecosystem map, 2019 – ecommerce.datainsight.ru

6 / E-commerce ecosystem

Customer Acquisition

The Customer Acquisition process involves players focused on bringing customers to the company's website and encouraging them to perform target actions. Customer Acquisition includes clusters from Customer Base and Marketing sections of the 2016 ecosystem.

This section consists of 26 clusters and 140 services, including 11 new clusters and 62 new services.

7 clusters of this section are also included in Loyalty and Marketing.



Source: Data Insight, Russian e-commerce ecosystem map, 2019 – ecommerce.datainsight.ru

6 / E-commerce ecosystem

Other

The Other section includes providers of legal and informational support for e-commerce players in Russia.

Other consists of 10 clusters and 53 services.

Compared to the 2016 ecosystem, 2 new clusters were formed: Legal Support and E-accounting.



Source: Data Insight, Russian e-commerce ecosystem map, 2019 – ecommerce.datainsight.ru



social
media
agency

we@nlomarketing.ru

RU: +7 (495) 781 59 80

Full social media support for e-commerce

Strategy | Content ideas | Shooting and production
Promotion | Influence marketing | Bloggers relations
Social media performance | Analytics



Tech trends in retail

- technology implementation forecast
- application of technologies in retail: artificial intelligence, internet of things, AR/VR, blockchain
- technology-driven changes in retail landscape
- Data Insight research



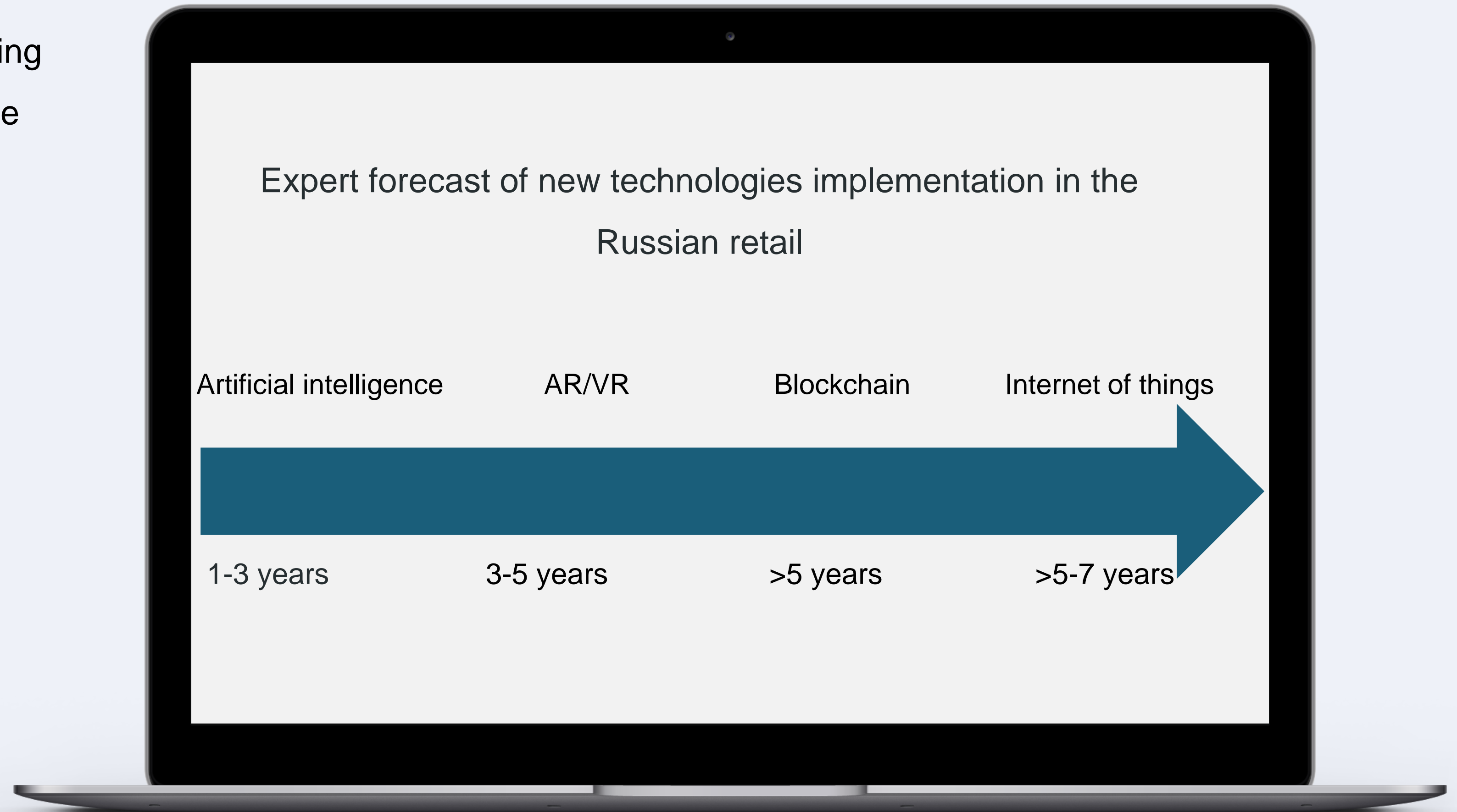
7 / Technology implementation forecast

Artificial intelligence, i.e. machine learning and big data processing is the number one priority in tech for retail companies.

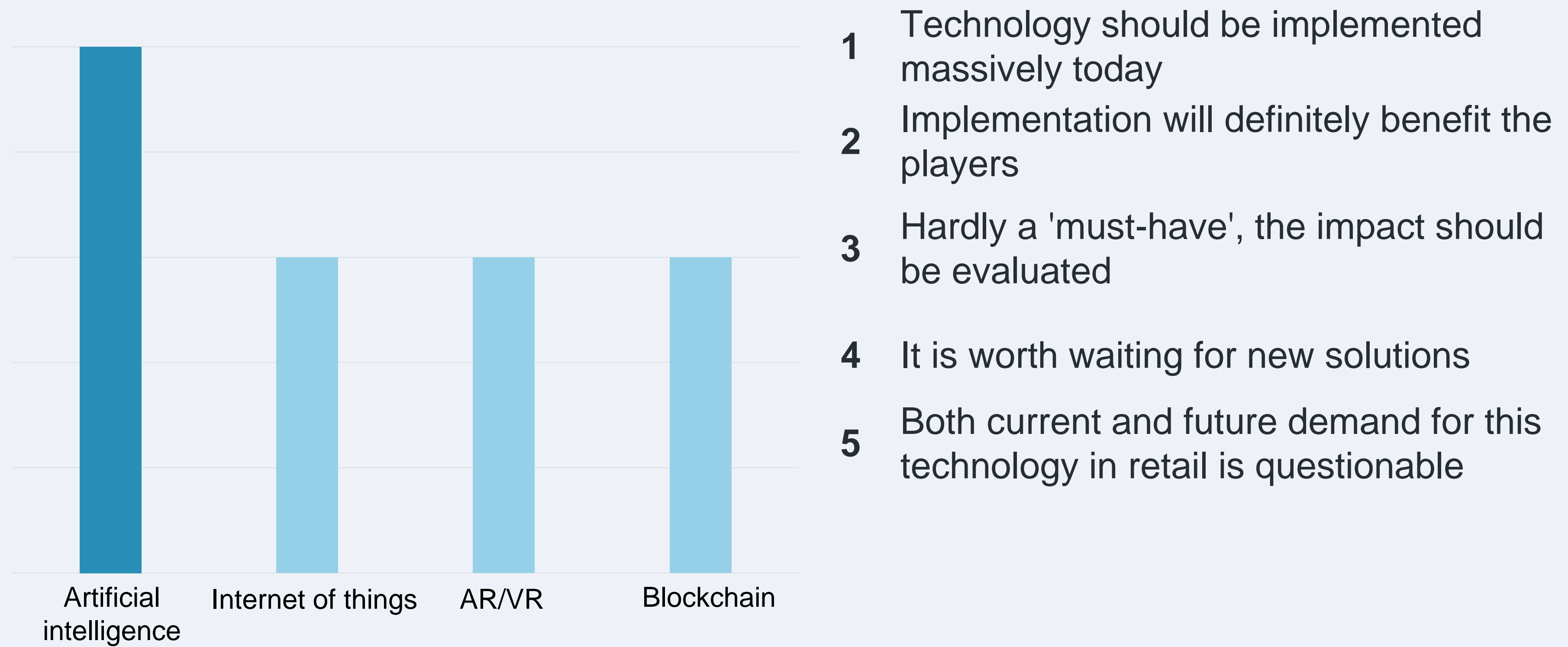


The Future Of Retail Tech report.

Release: December 2019.



Priorities of technology implementation in retail: expert assessment



Source: Data Insight, The Future Of Retail Tech report, 2019 - datainsight.ru/Retail_Tech_2019

Artificial intelligence:

- marketing
- category management
- pricing
- logistics



Internet of things:

- logistics
- storage
- offer personalization



AR/VR:

- marketing
- sales
- interior design
- personnel management

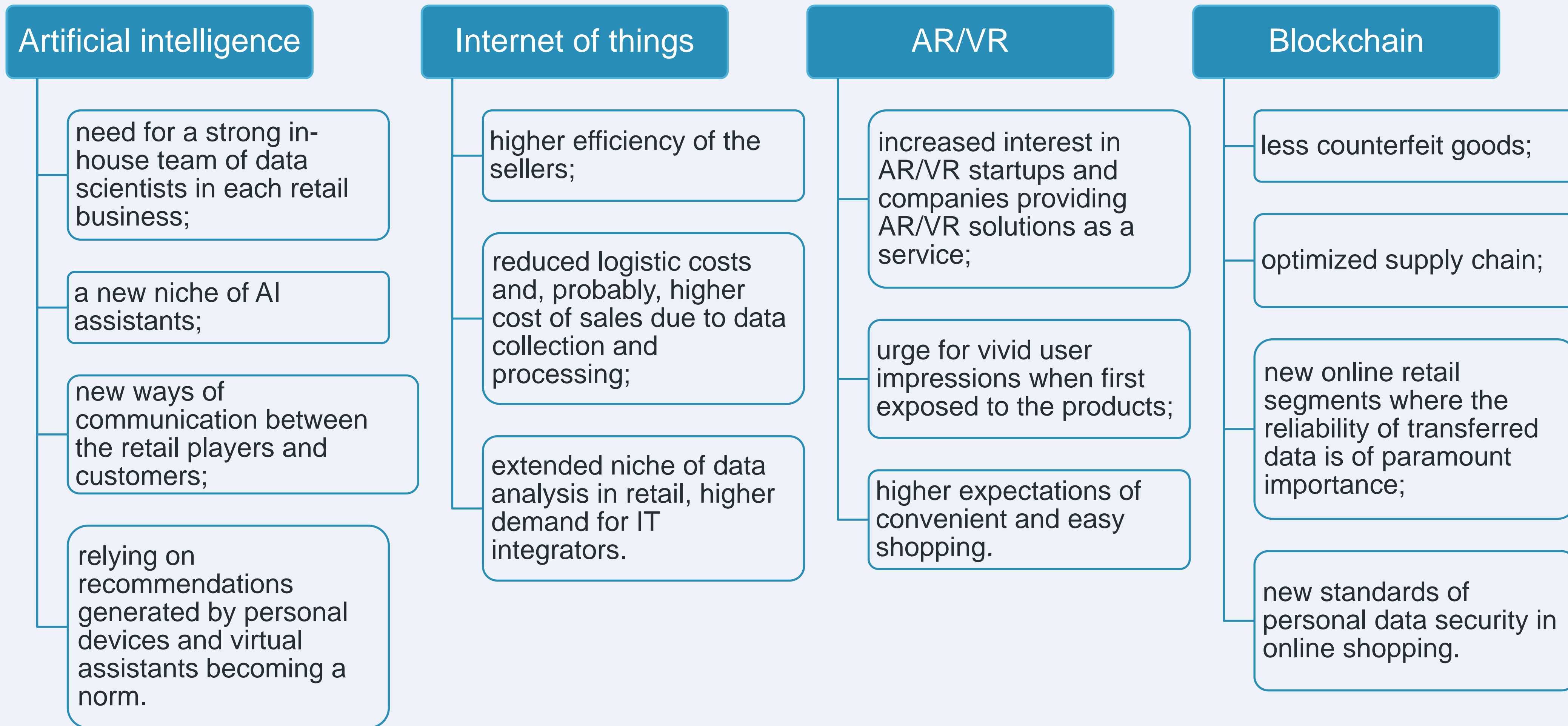


Blockchain:

- supply chain control
- information storage and transfer
- guarantee of product authenticity



7 / Technology-driven changes in retail landscape



The Future Of Retail Tech: new technologies in retail today and in 5 years

Technology development drives changes in customer behavior and shapes new formats in retail. By evaluating the prospects of various technologies, we enable a clearer vision of the future of retail.

We asked the experts to assess the potential of the most trending technologies when applied in retail, such as artificial intelligence, augmented and virtual reality, the Internet of things, and blockchain.

The white paper is based on expert interviews covering their expectations regarding the implementation period, current status and potential of each technology, as well as its impact on the industry and consumer behavior.

Key finding: AI/ML will have the strongest impact on the industry, with a mass usage horizon of 1 - 3 years.

[White paper](#)

AI/ML in retail

Artificial intelligence and machine learning are at the forefront of the current technology in retail and e-commerce discourse. But what is AI/ML in retail exactly: a buzzword or a new daily reality?

We discussed the following topics with 11 large and medium-sized retailers: AI/ML perception in the company and on the market, scope of its application, choices between in-house or outsourced development, implementation issues, to get a general idea of how much the industry players are immersed in ML technologies development and/or application.

Key finding: a significant number of large retailers have already implemented AI/ML technologies or are developing them in such areas as personalized offers, dynamic pricing and sourcing management.

White paper to be released in April 2020.



Sponsored content

sale@dalli-service.com

+7 (495) 646-86-82

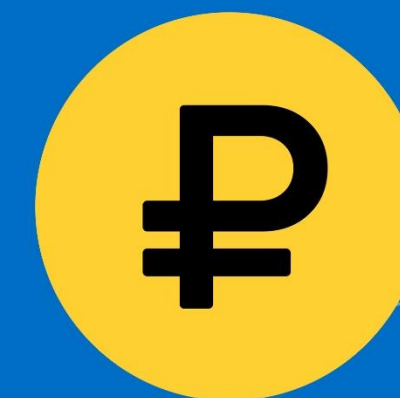
Delivery service for online retailers



Daily delivery from 9 a.m. to 10 p.m. with 4-hour intervals.



Deliverability >98%. 97% of recipients **are satisfied** with the quality of the delivery service company.



Daily money refunds and return of unclaimed packages.



Single rate of 290 rubles for delivery within Moscow region.



Delivery service in Moscow, St. Petersburg and regions. Delivery to >500 Russian cities in the mediation format.

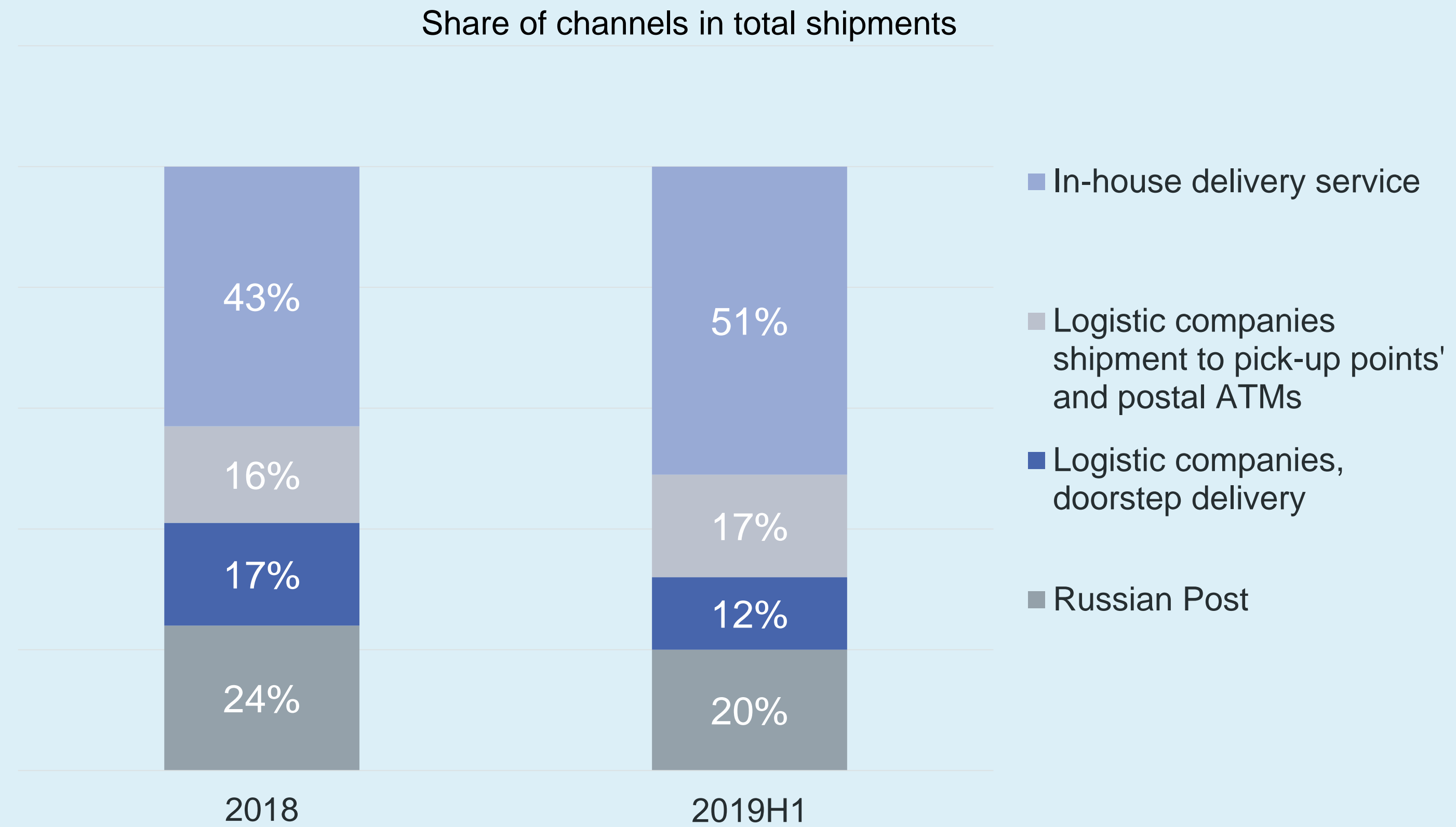
E-commerce logistics

- online orders (shipments) spread by delivery/pick-up options
- e-commerce logistics in Russia, 2019H1
- top trends in e-commerce logistics: online stores develop in-house logistic solutions, pick-up points and postal ATM networks are growing
- online order delivery options, 2019H1
- delivery through the buyer's eyes: last order



8 / Online orders (shipments) spread by delivery/pick-up options

The e-commerce market growth is almost entirely accumulated by in-house delivery services of online stores and ODP/postal ATM networks of logistics companies.



8 / E-commerce logistics in Russia, 2019H1

E-commerce logistics encompasses all options of online order receipt by the end buyer.

Delivery channels	2019H1, million parcels	2019H1, share	Growth in 2018H1 – 2019H1	2018, million parcels	2018, share	2018H1, million parcels
Russian Post	44	20%	3%	88	24%	43
Logistics companies, doorstep delivery	27	12%	2%	61	17%	27
Logistics companies, delivery to pick-up points/postal ATM	36	17%	40%	59	16%	26
In-house delivery services	111	51%	61%	158	43%	69
Total	218			366		165

Two factors influenced the logistic services market in the first half of 2019:

1. rapid growth of large stores and marketplaces and development of their own delivery services: in 2019H1, online stores shipped 61% more orders using their own delivery service;
2. a hike in demand for pick-up service among customers fueled the growth of order delivery point networks: 40% more parcels were shipped to pick-up points.

8 / Top trends in e-commerce logistics:

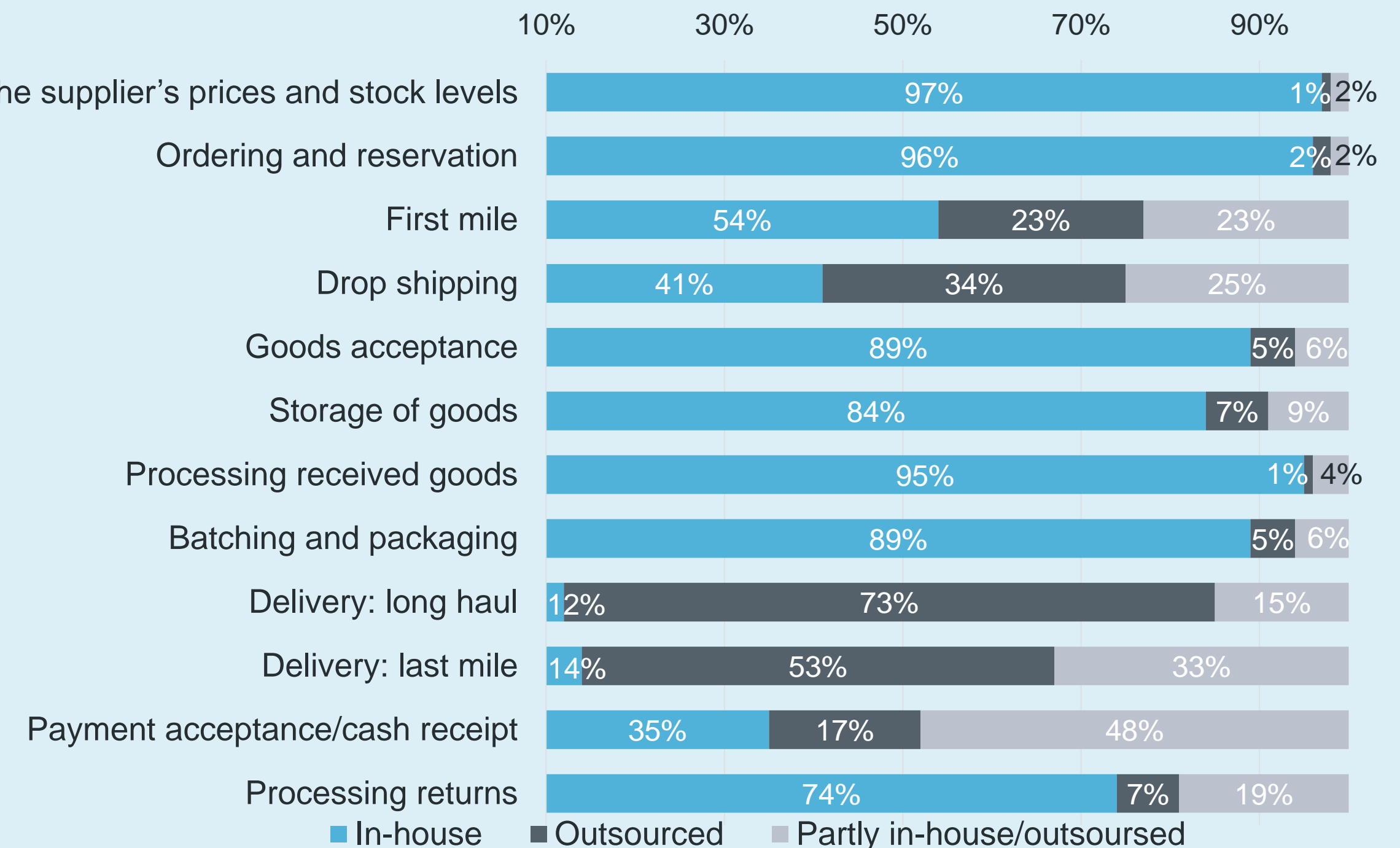
In-house logistic solutions development

TOP3 online stores, **Wildberries, Ozon and Apteka.ru**, rely heavily on their own resources to facilitate deliveries.

Many online stores develop their own logistic solutions, having understood the importance of the last mile and seeking to improve overall customer experience.

Compared to 2016, in all logistics processes, the shares of stores that perform them independently, without resorting to outsourcing, have grown.

Logistic processes structure



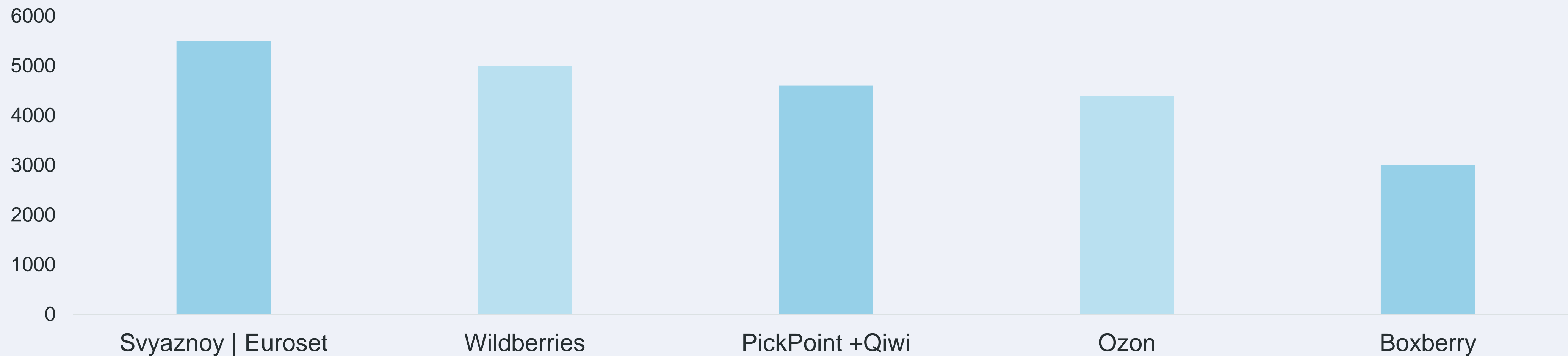
8 / Top trends in e-commerce logistics:

Growth of ODP/postal ATM networks

In spring 2019, the total number of unique order delivery points and postal ATMs operated by 27 major market players **exceeded 35,000**, while the major networks demonstrated 15%-30% growth in the number of pick-up points in 2019H2.

The capacity of pick-up points'/postal ATMs is growing: extended working hours, added payment methods and extra services, such as product fitting.

Networks ranking by number of pick-up points' and postal ATMs*

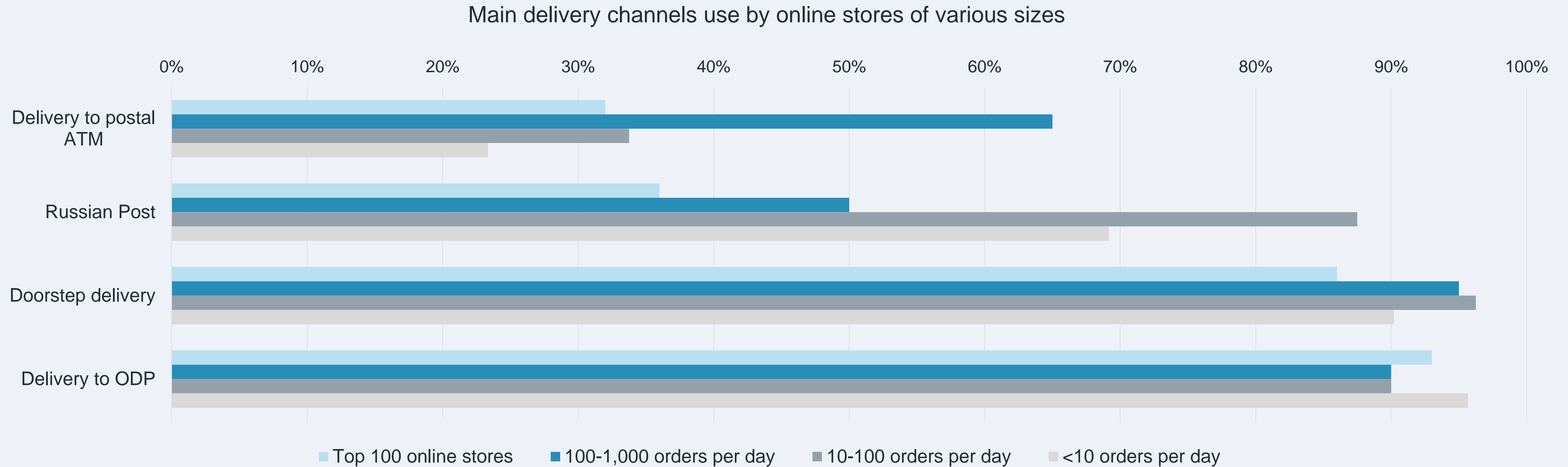


* Based on overall numbers, including non-unique addresses that are used by multiple companies

Source: Data Insight, Logistics for Online Stores: Opinions and Expectations, 2019 – logistics.datainsight.ru/LogisticsOpinion2019

8 / Online order delivery options, 2019H1

23% of online stores in the TOP100 offer all four of the main delivery options: doorstep delivery by courier, shipments to order delivery points, postal ATMs and delivery via Russian Post. 58% of stores in the TOP100 offer two or three options. 19% of stores offer only 1 order delivery/receipt option.

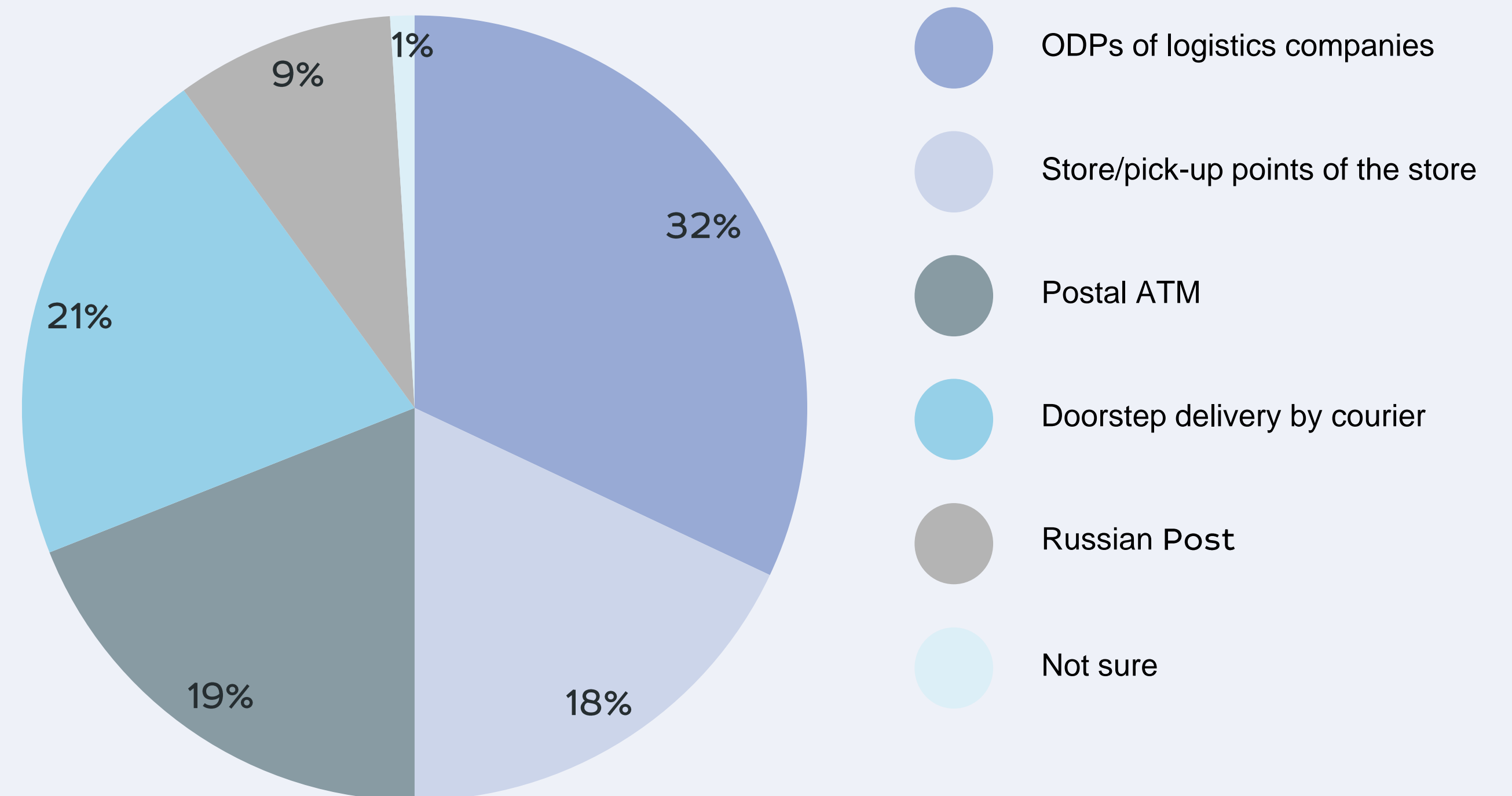


Source: Data Insight, Logistics for Online Stores: Opinions and Expectations, 2019 – logistics.datainsight.ru/LogisticsOpinion2019

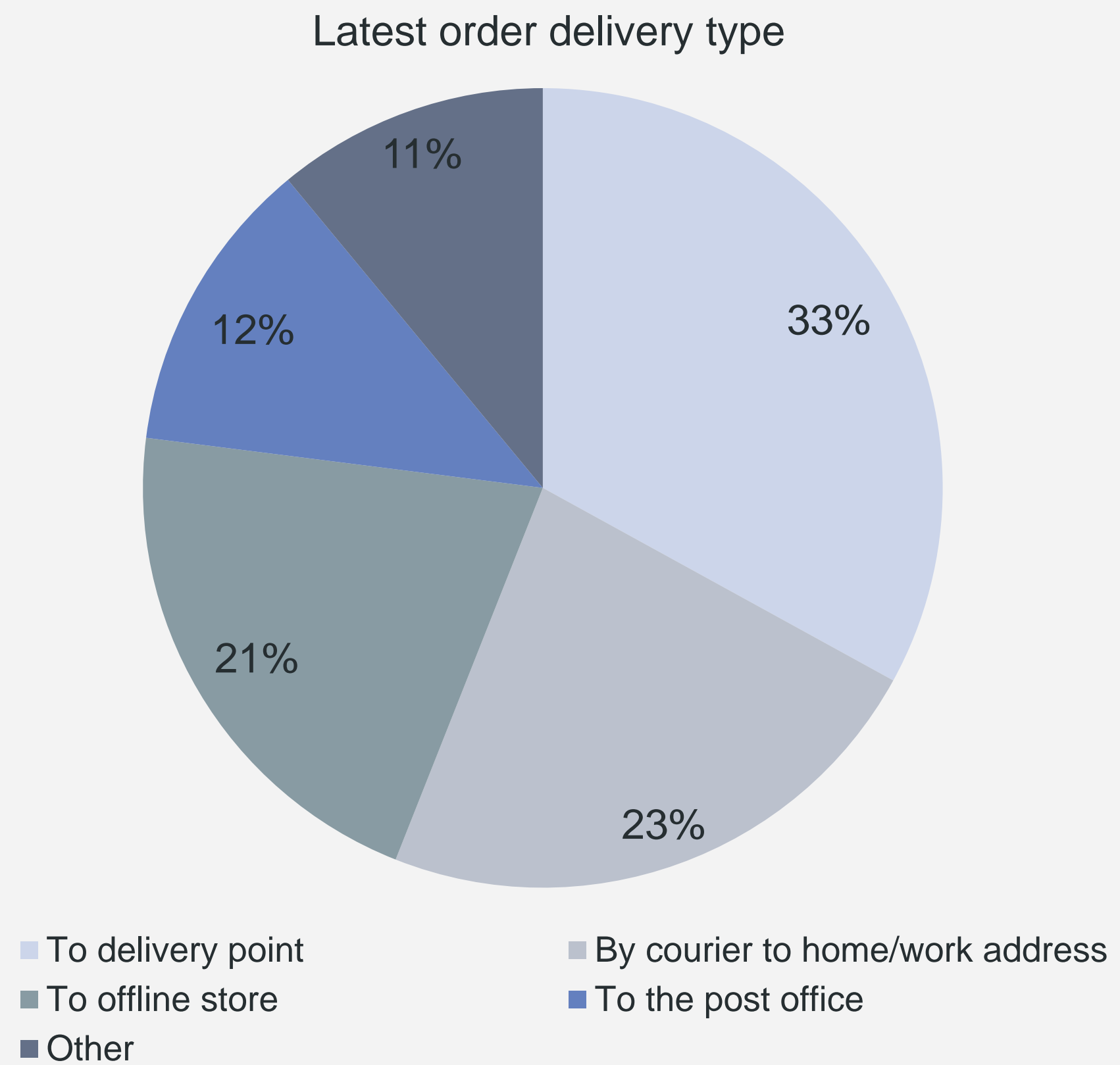
8 / Online order delivery options, 2019H1

For **65%** of customers, price is the key parameter of the order delivery, while **43%** quoted time as its most important aspect. Therefore, most customers choose deliveries to the ODP of the logistic company or the store/ODP of the store as the cheapest and non-time-bound option.

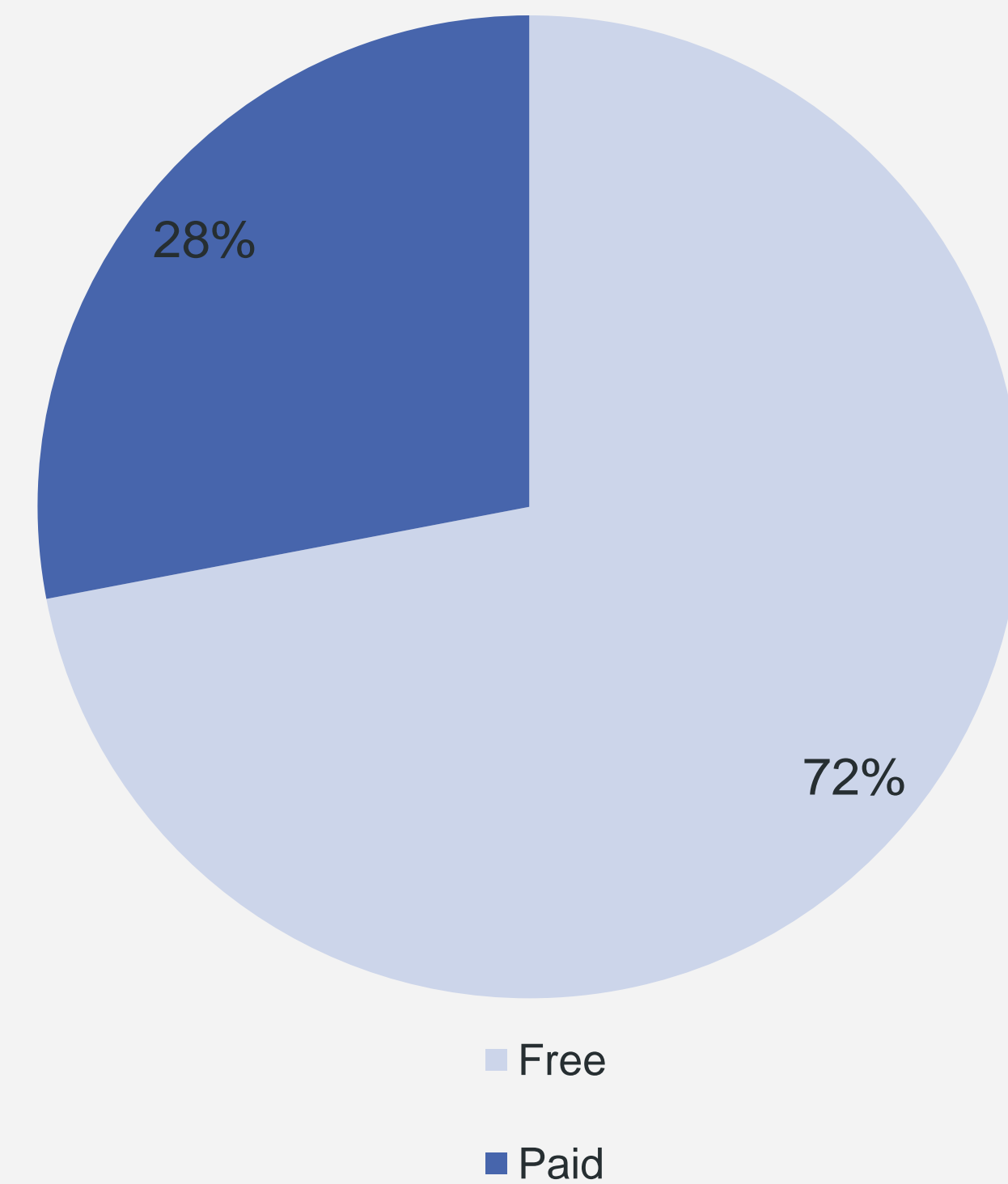
The buyers' preferred delivery option



8 / Delivery through the buyers' eyes



Was the latest order delivery free or paid?





Sponsored content

 **PickPoint**  sales@pickpoint.ru

 +7 (495) 984-31-22

 pickpoint.ru

PickPoint is a full-cycle logistics service for delivering parcels from online stores across all of Russia.

8 000

lockers and pick up stations

626

cities

1.5 million

parcels delivered monthly

97%

On-time delivery KPI

10 million

unique customers

89%

consumer loyalty NPS

3 days

cashback

99,9%

Quality KPI

The geography of e-commerce

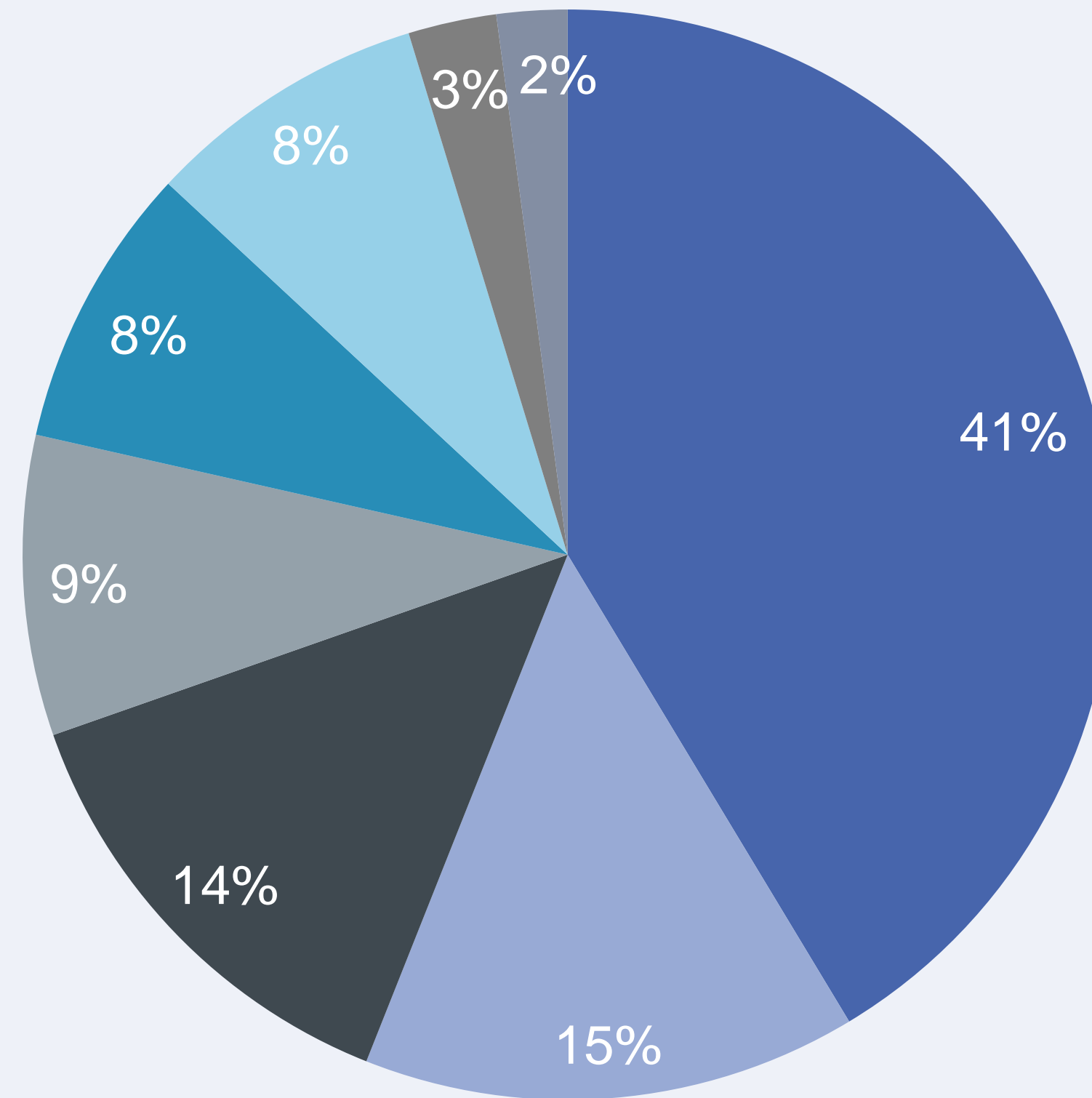
- online orders geography
- average shipping distance
- federal districts ranking by engagement in e-commerce
- deliveries geography: major cities compared



9 / Online orders geography

Online orders spread by federal district of origin

The sum of orders made in the Central Federal District and Volga Federal District accounts for **more than 50% of the total**.

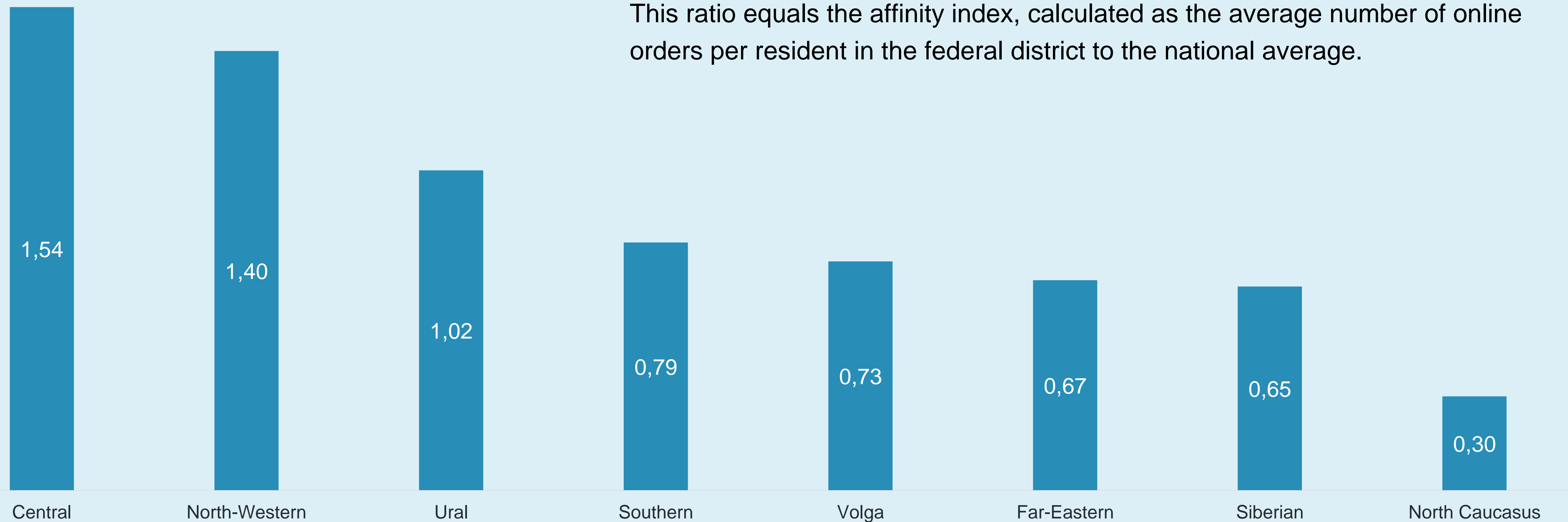


- Central
- Volga
- North-Western
- Southern
- Ural
- Siberian
- Far-Eastern
- North Caucasus

* Shares in all online orders placed in H1 2019
Source: Data Insight in conjunction with PimPay, Geography of Online Store Deliveries, 2019 – datainsight.ru/PP-DeliveryRussia2019

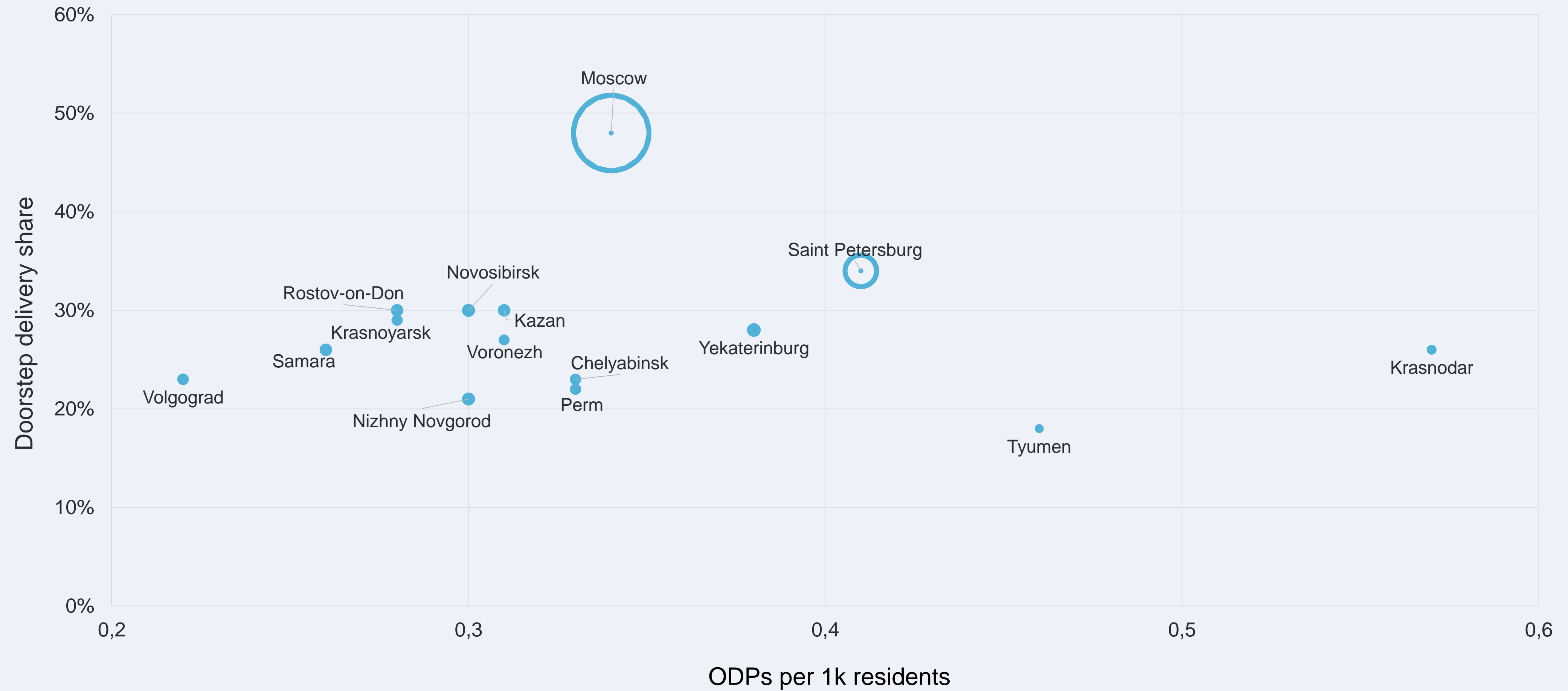
9 Federal districts ranking by engagement in e-commerce

Federal district engagement in e-commerce is calculated as the share of orders made in the district to the share of the district population. This ratio equals the affinity index, calculated as the average number of online orders per resident in the federal district to the national average.



Source: Data Insight, 2019

9 / Deliveries geography: major cities compared



The circle size is proportional to the city population.
Source: Data Insight, 2019

Consumer goods categories

- structure of TOP1000 Russian online stores:
number of stores
- online orders per product category, 2019
- conversion by product category
- traffic sources by product category



10 / Structure of TOP1000 Russian online stores: number of stores

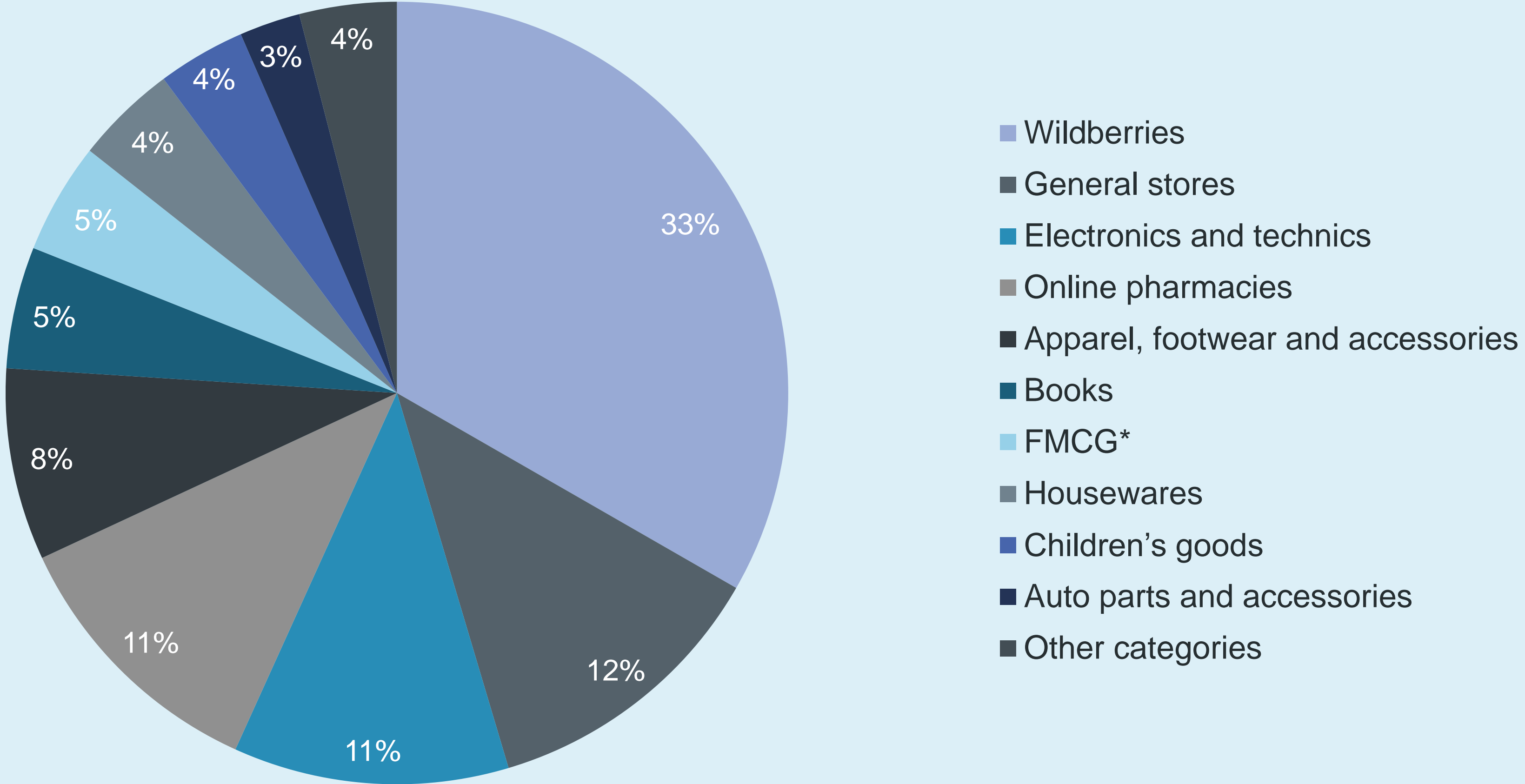


* Including cosmetics/perfumes
Source: Data Insight, July 2018 - June 2019

10 / Online orders

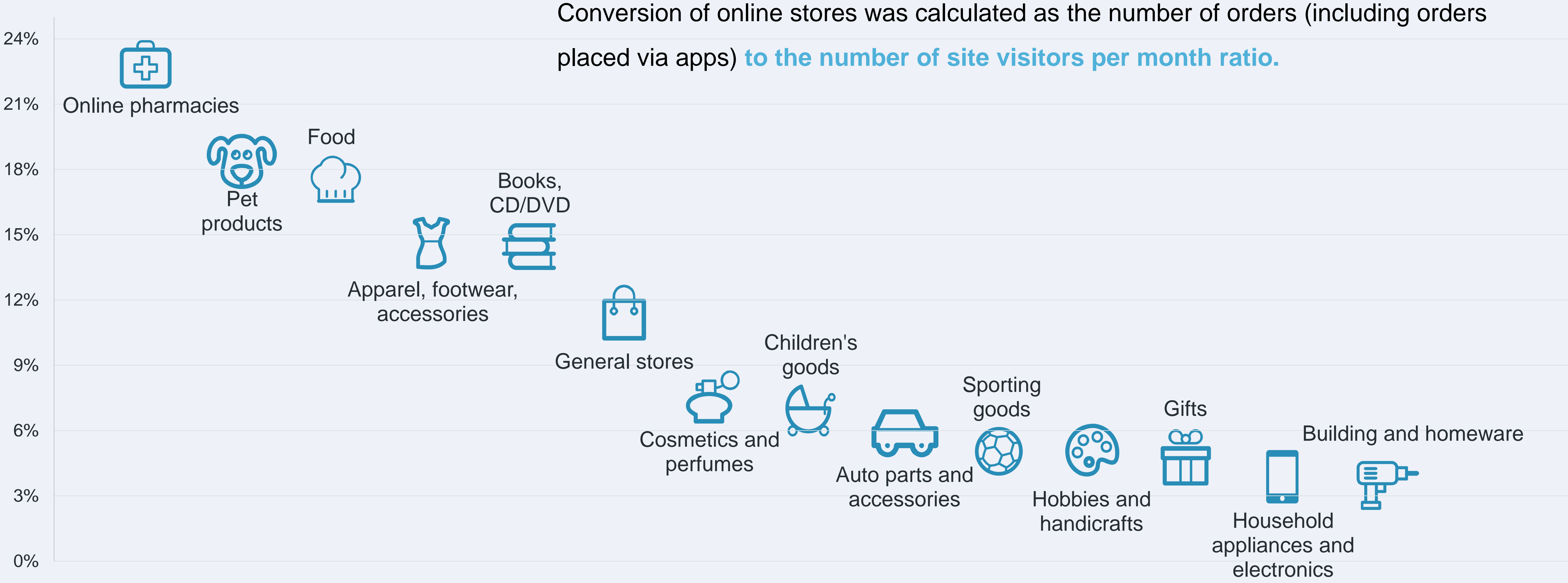
per product category, 2019

Order spread by product category of online stores



* Including cosmetics/perfumes
Source: Data Insight, July 2018 - June 2019

10 / Conversion by product category



Source: Data Insight, December 2019

10 / Traffic sources by product category

Online bookstores are the most dependent on organic search traffic, while the share of direct traffic is the highest in general stores and food stores.

Share of traffic sources in online stores by product category

Category	Organic search	Direct traffic	Links	Paid search	Email	Social media	Display advertising
Books	55%	22%	8%	5%	5%	4%	1%
Sporting goods	46%	25%	7%	7%	5%	5%	5%
Children's goods	45%	27%	11%	9%	6%	4%	3%
Home appliances and electronics	34%	27%	19%	11%	3%	4%	2%
Food	34%	31%	10%	7%	5%	9%	4%
General products	34%	28%	17%	4%	3%	11%	3%
Apparel, footwear and accessories	32%	26%	9%	8%	13%	6%	6%

The average traffic sources structure in online stores of specific product categories is calculated as the arithmetic mean, regardless of the "weight" of individual stores based on the number of visits or orders. The calculation is based on TOP1000 Russian online stores

Source: Data Insight, based on SimilarWeb data, 2019

NEXT LEVEL IT

AWG is IT company specialized in development and programming for e-commerce and bank projects. Our work is based on intersection of business and IT. Following the principle NEXT LEVEL IT we believe that IT facilitates business development.

What we do?

We are experienced in building omnichannel which helps to gain seamless contact with consumers and clients of your brand. We have 15 years experience as IT agency on the Russian market. Basing our local experience we expand the business in EU offering IT outsource services.



Sponsored content



Who we are?

We are a team of professionals who has more than 15 years experience in e-commerce. Our team consists of more than 130 members located in Moscow. Serving companies since 2011, we have accomplished more than 100 projects for Russian top companies.



INSIDER



www.awg.ru/en

Online stores

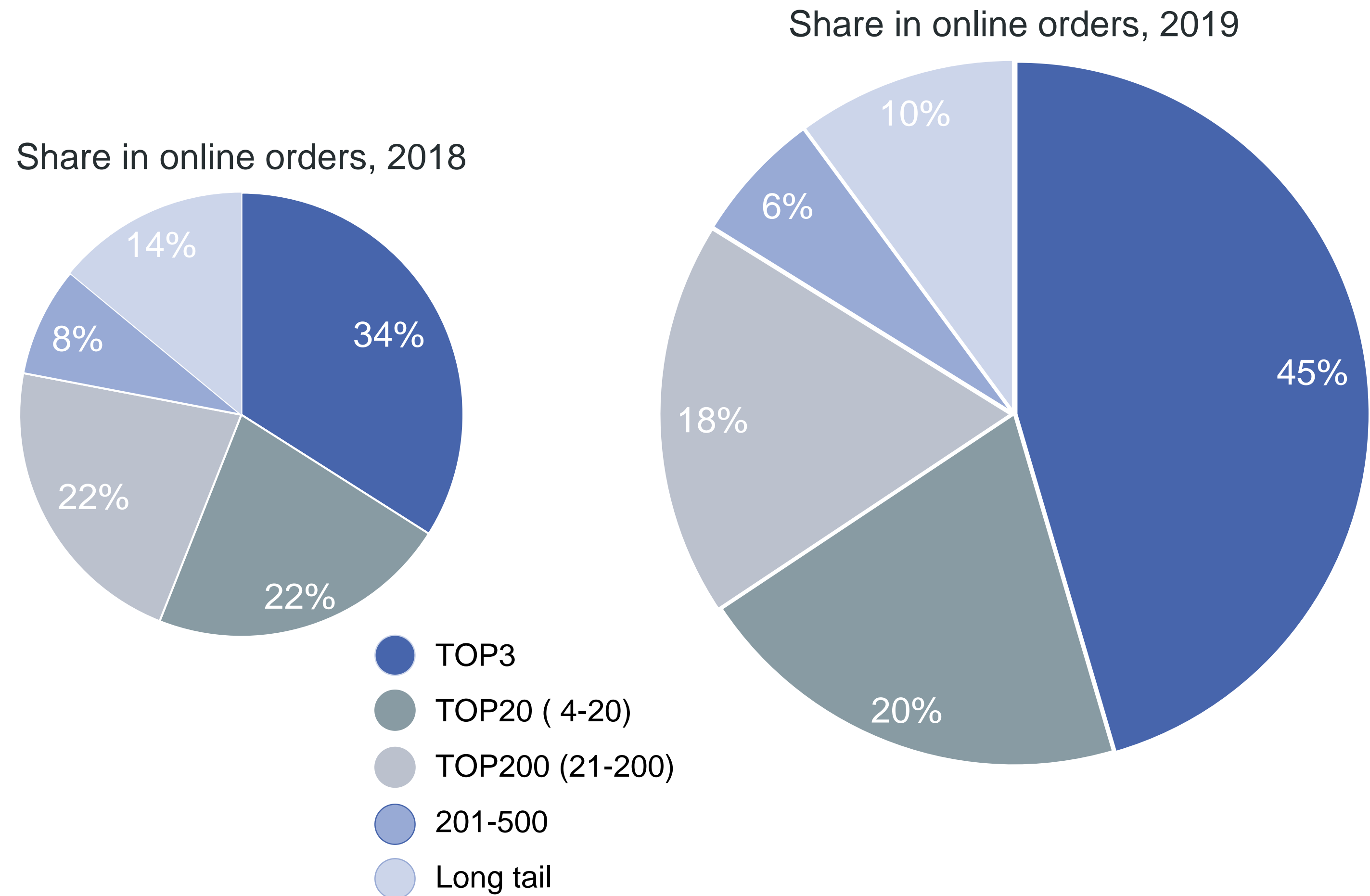
- market distribution by store size
- TOP10 online stores
- technologies used by online stores: CMS, email newsletter, marketing services
- Yandex.Market: placement of online stores
- mobile apps of TOP20 online stores, 2019



11 / Market distribution by store size

In 2019, the share of online orders placed with the TOP3 online stores increased by 90%.

Within the TOP20 (4-20) and TOP200 (21-200), the growth amounted to 34% and 21%, respectively.



Source: Data Insight, 2019

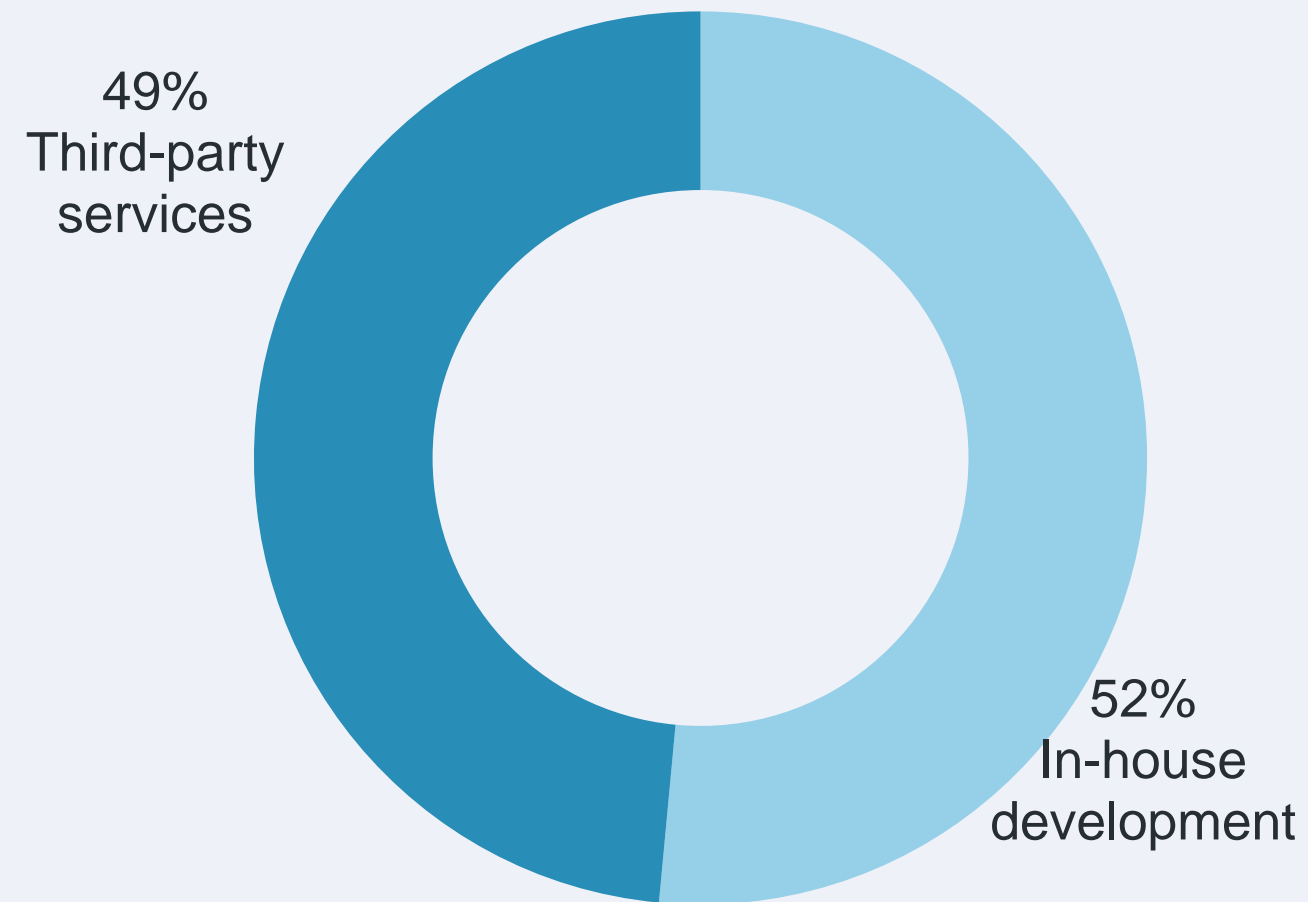
11 / TOP10 online stores

Store	Online sales, 2018, RUB m	Growth in 2018 vs 2017, %	Orders, 2018, K	Growth in 2018 vs 2017, %	Average check, 2018, RUB	Growth in 2018 vs 2017, %
Wildberries.ru	111.200	74%	72.500	82%	1.530	-4%
Citilink.ru	73.200	33%	7.670	32%	9.540	1%
Mvideo.ru	52.800	46%	4.590	30%	11.500	12%
Ozon.ru	41.770	73%	15.550	85%	2.690	-6%
DNS-shop.ru	38.810	83%	5.240	78%	7.410	2%
Lamoda.ru	29.030	14%	8.720	14%	3.330	0%
Eldorado.ru	24.500	8%	3.250	-21%	7.540	37%
Svyaznoy.ru	19.720	26%	1.690	14%	11.670	11%
Technopoint.ru	19.080	8%	3.000	5%	6.360	3%
Petrovich.ru	18.000	38%	1.350	32%	13.330	5%

Source: Data Insight, Russia's TOP100 Online Stores Ranking, 2018 – top100.datainsight.ru/

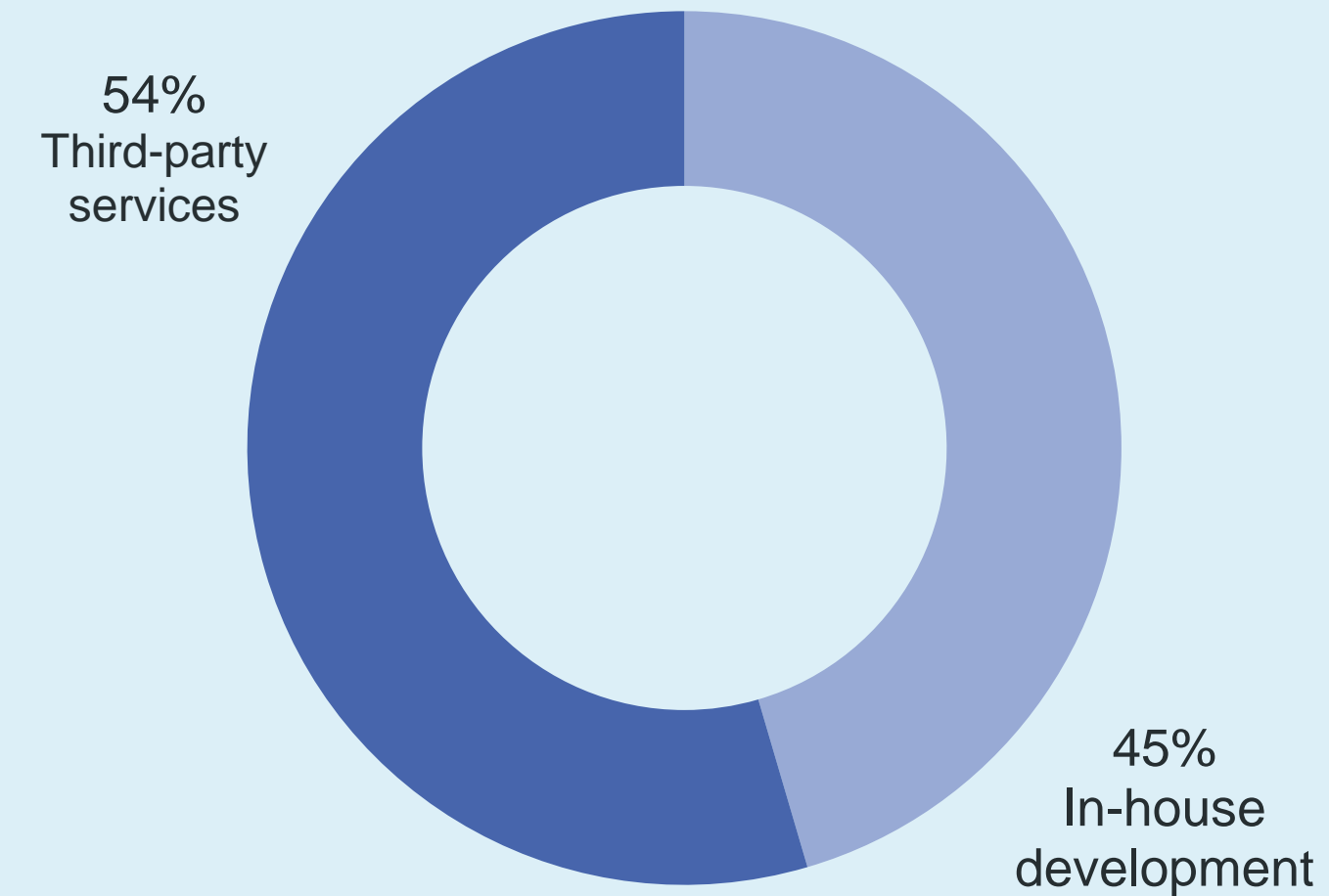
11 / Technologies used by online stores: CMS and email newsletter

CMS



52% of online stores use their own CMS (content creation, management and editing system).
49% of online stores use third-party services.

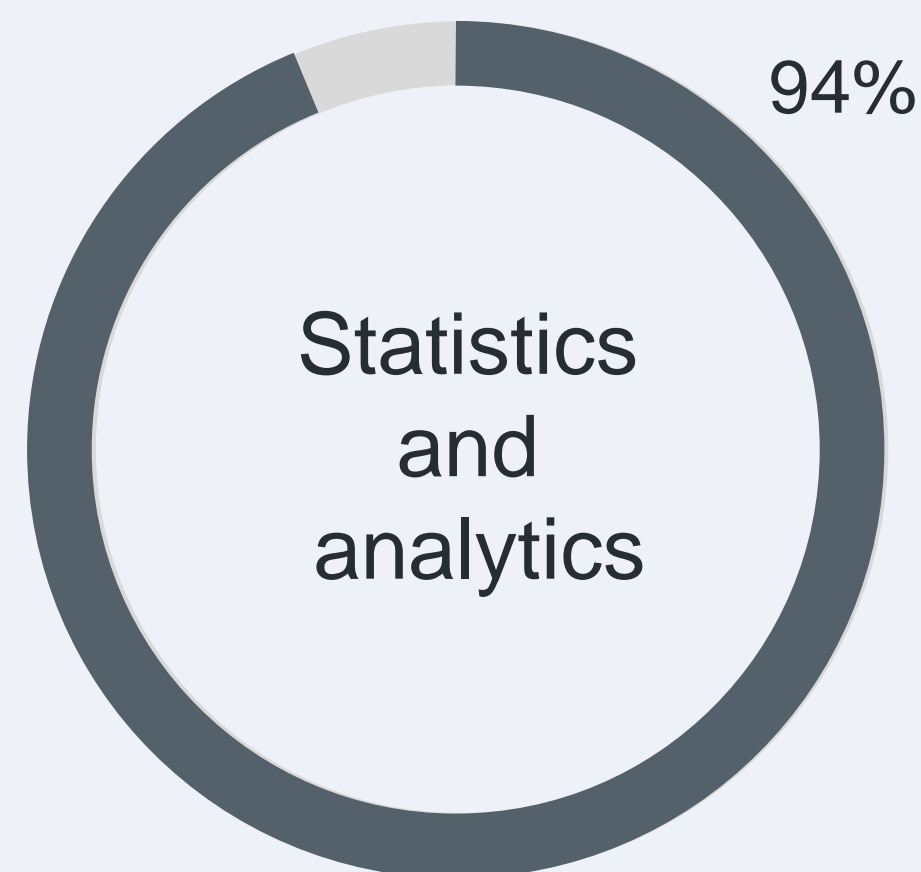
Email newsletter



45% design their email newsletter in-house.
The remaining 54% resort to external service providers.

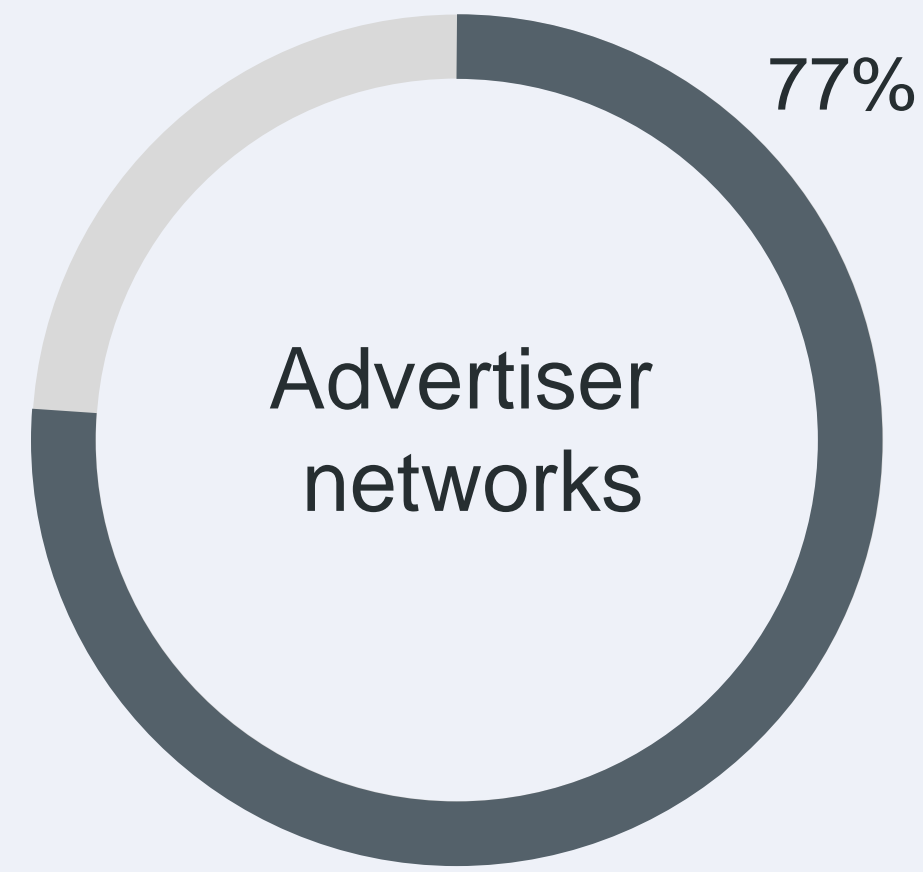
11 / Technologies used by online stores: marketing services

Share of online stores that use marketing services



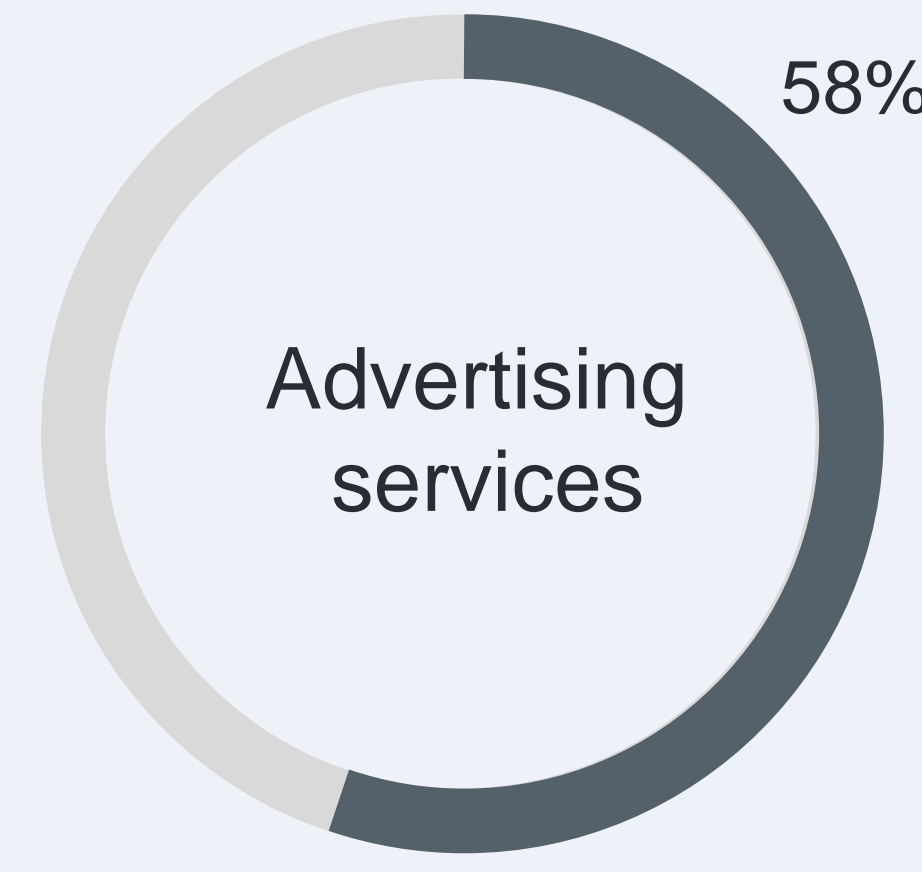
Yandex.Metrics, Google Analytics, call tracking, monitoring traffic and user behavior on the website

🏆 Yandex.Metrics
Google Analytics



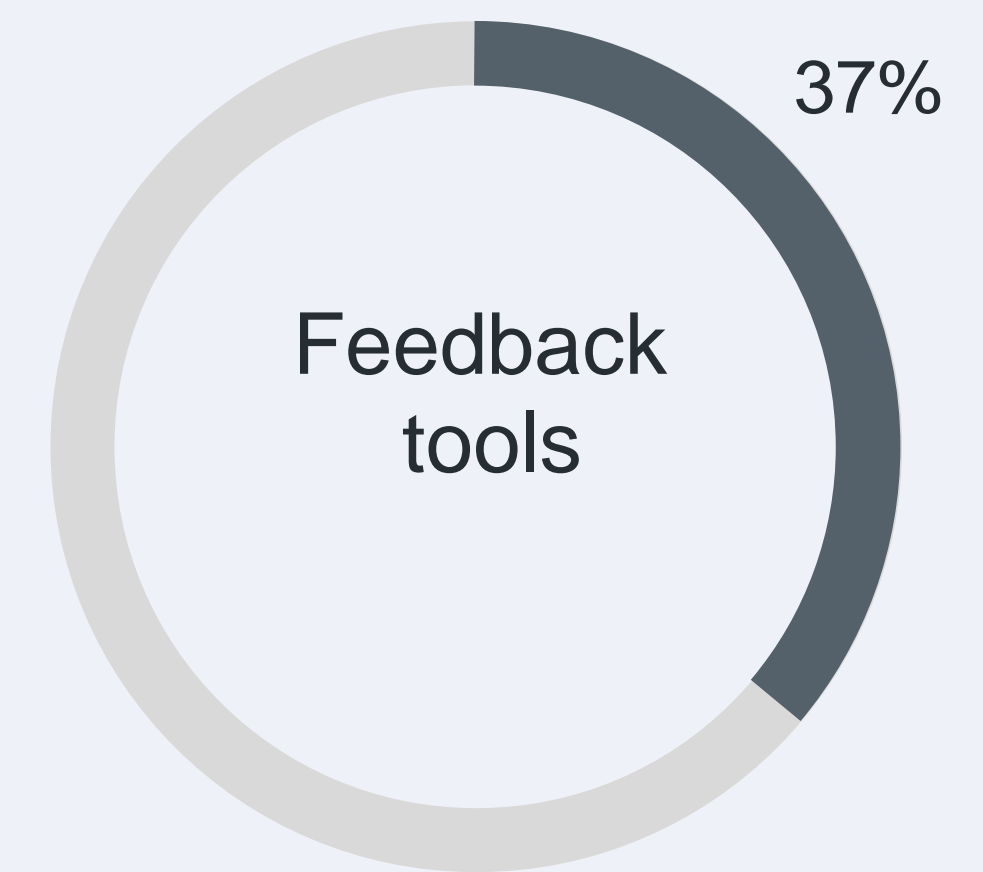
Networks where ads are placed on the pages of other advertiser network members

🏆 DoubleClick (Google Display&Video 360) Google



Ad management and personalization services

🏆 Facebook Custom Audiences



Online chats, online calls, and callback services

🏆 JivoSite

11 / Yandex.Market: placement of online stores

The number of stores placed on Yandex.Market showed a declining trend in 2019.

Over the past two years, the number of TOP100 online stores listed on the platform **has dropped by 8%**.



The calculation was made for 475 online stores included in Russia's TOP1000
Source: Data Insight, 2019

11 / Mobile apps

TOP10 online stores, 2019

	AppStore		Google Play		Downloads, K
	Ratings, K	Average score	Ratings, K	Average score	
Wildberries.ru	702	4,9	183	4.8	10,000+
Ozon.ru	446	4,9	117	3.9	10,000+
Apteka.ru	2	2,1	112	3.3	1,000+
Lamoda.ru	481	4,9	181	4.4	10,000+
Labirint.ru	12	4,8	28	4.8	1.000+
Citilink.ru	n/a	n/a	n/a	n/a	n/a
Detmir.ru	<0.5	4,1	1	3.5	500+
Dns-shop.ru	n/a	n/a	14	4.2	1000+
Mvideo.ru	1	3,8	2	4.8	500+
Vseinstrumenti.ru	2	4,4	8	4.3	500+

TOP20 stores ranked by the number of transactions in descending order, July 2018 - June 2019

Source: Data Insight, 2019

11 / Mobile apps

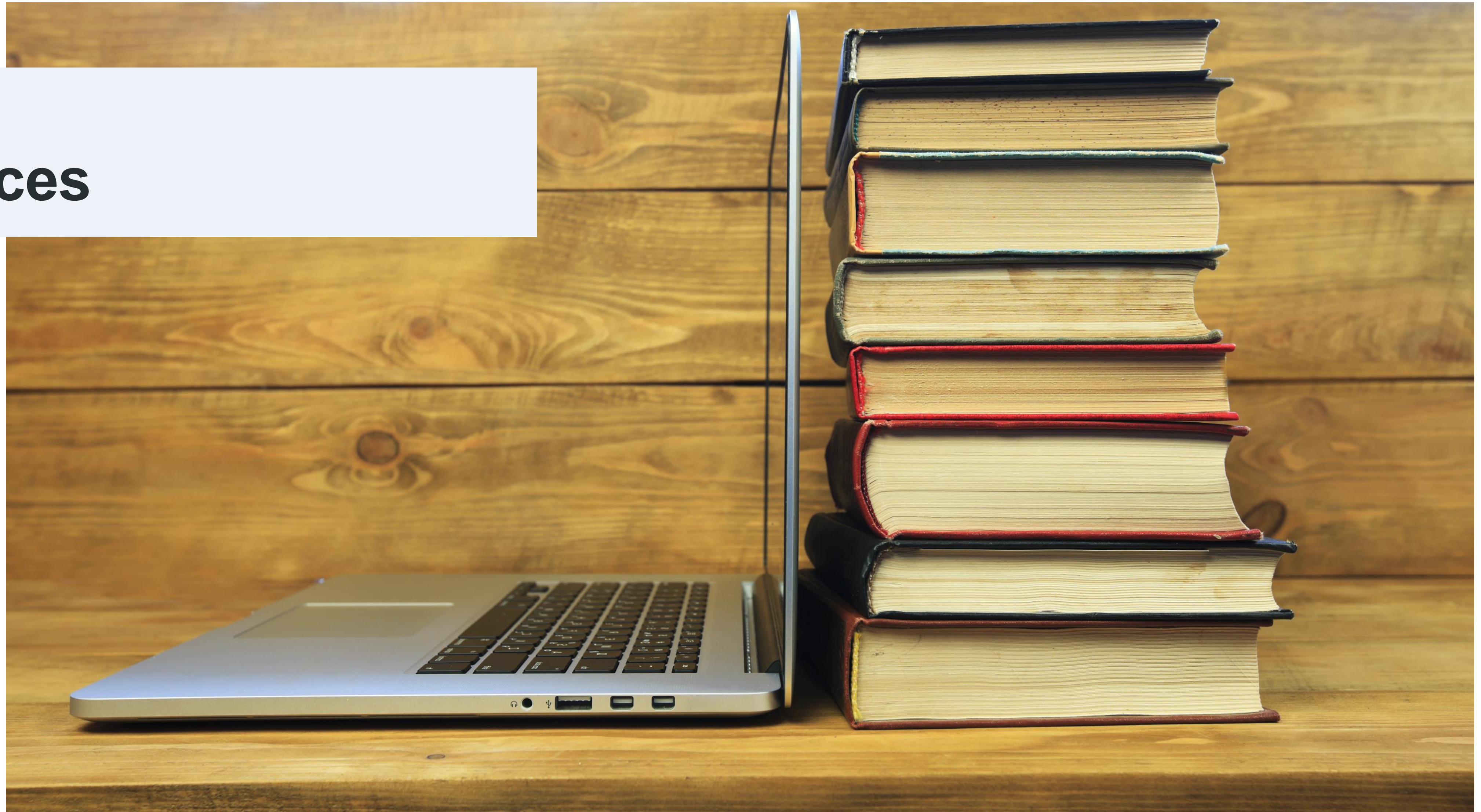
TOP11-20 online stores, 2019

	AppStore		Google Play		Downloads, K
	Ratings, K	Average score	Ratings, K	Average score	
Onlinetrade.ru	n/a	n/a	n/a	n/a	n/a
Eldorado.ru	n/a	n/a	n/a	n/a	100+
Bonprix.ru	32	4,9	90	4,7	5,000+
Beru.ru	23	4,4	73	4,4	5,000+
Chitai-gorod.ru	n/a	n/a	n/a	n/a	n/a
Technopoint.ru	n/a	n/a	n/a	n/a	n/a
Petshop.ru	<0,5	2,4	1	2,8	100+
Apteka-ot-sklada.ru	19	4,9	3	3,9	500+
Sima-land.ru	<0,5	5,0	12	4,8	1,000+
Komus.ru	n/a	n/a	n/a	n/a	n/a

TOP20 stores ranked by the number of transactions in descending order, July 2018 - June 2019

Source: Data Insight, 2019

Data sources



Data Insight research and data:

- Data Insight in conjunction with Avito, C2C on the Russian Internet: E-commerce of Individuals, 2019;
- Data Insight in conjunction with eBay, Online Retail Exports, 2019;
- Data Insight in conjunction with PimPay, Geography of Online Store Deliveries, 2019;
- Data Insight database on Russian online stores;
- Russia's e-Commerce Ecosystem Map, 2019;
- Logistics for online stores: Opinions and Expectations, 2019;
- Russia's TOP100 Online Stores Ranking, 2018;

External sources:

- Accenture report on Cross-Border E-Commerce 2020;
- Ecommerce Foundation, country profiles, 2019;
- eMarketer, May 2019;
- International Telecommunication Union (ITU), 2019;
- Mediascope: Internet Audience, 2018;
- Mediascope: Internet Audience, 2019;
- Mediascope: Web-Index Establishment Survey, 2019;
- Statista, 2019;
- The Economist, 2019;
- The World Bank, 2019.

Research partners



✓ About 220 Volt

It all began 15 years ago with abrasive material sales.
Today, **220 Volt** is one of the largest DIY stores in Russia.



Over 230 stores and pickup points across the whole country.
Authorized service centers.
300,000 articles featured in the online catalogue.
10,000 customers daily.

220-volt.ru



✓ About Arvato

Arvato Rus is a leading international service provider, the part of the Arvato Supply Chain Solutions group of companies (Bertelsmann concern)



- More than 20 years of successful business in Russia
- End-to-End solutions for the e-commerce sector: development, promotion and support of online stores, fulfillment services, our own contact center, financial and IT support for our customers ' business, development and maintenance of loyalty programs
- Supply chain management, extensive transport and warehouse logistics with distant warehouses in more than 100 localities in Russia
- After-sales services for various types of equipment for banking, IT and other industries
- Printing services (analogue and digital printing technologies)
- Among the clients are big international brands of such segments as fashion, banks, auto business, Healthcare, High-Tech

Next level IT

AWG is IT company specialized in development and programming for e-commerce and bank projects. Our work is based on intersection of business and IT. Following the principle NEXT LEVEL IT we believe that IT facilitates business development.



Who we are?

We are a team of professionals who has more than 15 years experience in e-commerce. Our team consists of more than 130 members located in Moscow. Serving companies since 2011, we have accomplished more than 100 projects for Russian top companies.



What we do?

We are experienced in building omnichannel which helps to gain seamless contact with consumers and clients of your brand. We have 15 years experience as IT agency on the Russian market. Basing our local experience we expand the business in EU offering IT outsource services.

Website:
awg.ru/en

ISO 9001:2015
ISO 20000-1
Atlassian partner
Oracle certified

+7 495 278-07-08
info@awg.ru

✓ About Dalli Service

The **Dalli Service** delivery service specializes in high-quality delivery of orders for online retailers in Moscow, St. Petersburg and regions.



It is currently used by more than 400 online retailers, delivering more than 4 thousand orders daily. The company delivers to regions through partners.

dalli-service.com

Lamoda was established in 2011 as an online store. Now it is the leading online sale platform for fashion and lifestyle products in Russia and the CIS.

lamoda

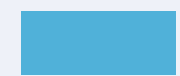
More than 6 million products from 3 thousand international and local brands are represented on the platform. 7K+ employees work across the organization, including central Lamoda Home Moscow office, Minsk, Kyiv and Almaty offices, cutting-edge automated fulfilment centre in Bykovo, large-scale last-mile delivery network, technology hub and 3 call-centres in Volgograd, Zhytomyr and Chernigiv. The mission of the company is to develop convenient, technological services, provide users with good-looking, high-quality products, explain fashion trends, and demonstrate manifestation of the trends in real-life situations. A part of stock-listed Global Fashion Group since 2014.

✓ About NLO Marketing

NLO agency credentials

Full-service social media agency with specialization on complex quality content creation for brands / companies channels on popular in RU social networks (VK, Instagram, OK, Facebook, YouTube, Tik-Tok and others).

NLO has 10+ years experience on RU social media market with Russian and international companies (esp. with global teams in Germany, Austria, USA, China and others).



Main directions:

- Strategy
- Content-planning
- Photo / video / animation production
- Copywriting
- Content promotion
- Influencers relation
- Social media performance
- Analytics

nlomarketing.ru/eng



PickPoint is the largest logistics provider with 9 years of experience in delivering parcels from online stores through parcel lockers and pick up stations.



PickPoint is presented in 626 cities, and is available for 85% of the economically active population in the country.

By the end of 2019, PickPoint provides last mile to 8,000 lockers and pick up stations.

The customers base of PickPoint totals 10 million people.

pickpoint.ru

Data Insight





Market research

- Market sizing
- Key players and their shares
- Market structure
- Key market trends and development barriers



Competitive analysis

- Key competitors: size, market share
- Assortment analysis
- Key strengths and weaknesses



Buyer research

- Consumer behavior analysis
- Buyer persona (socio-demographic characteristics)
- Drivers and barriers to the selection, purchase and use of goods/services



Consulting

- Strategy consulting. Development strategy design
- Marketing consulting
- Overview of market conditions
- Analysis of the client's business needs



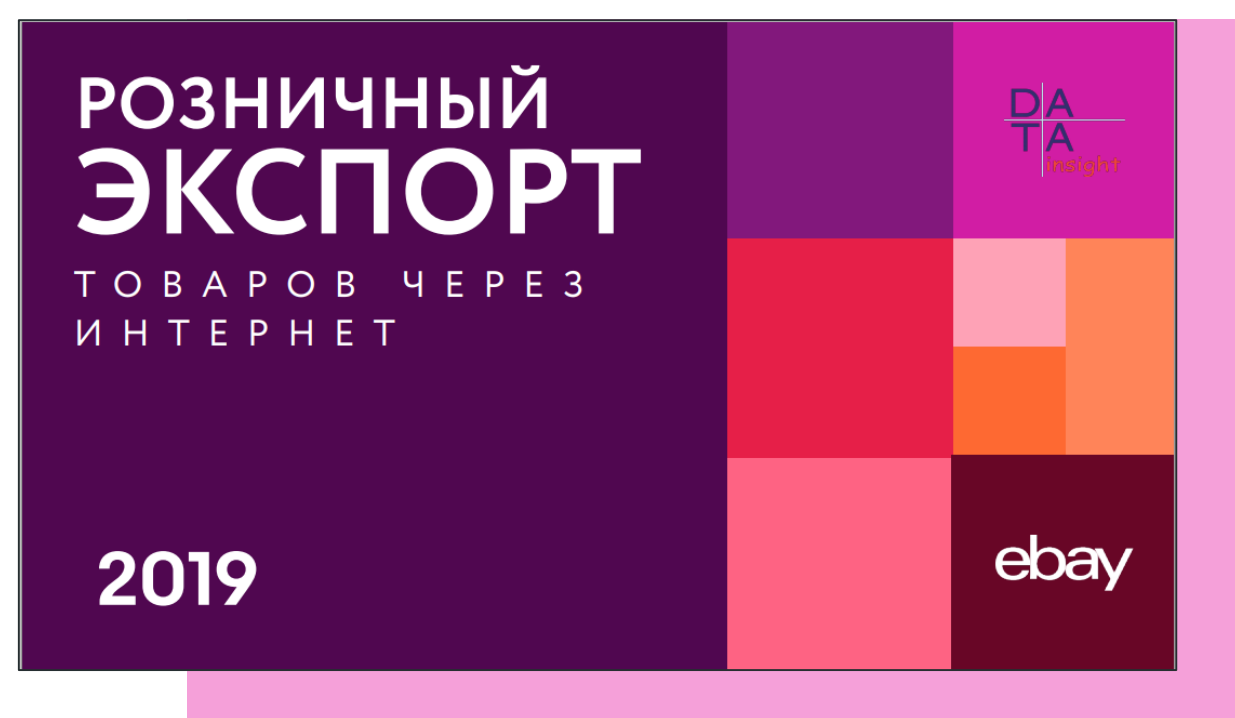
Logistics for Online Stores: Opinions and Expectations, 2019



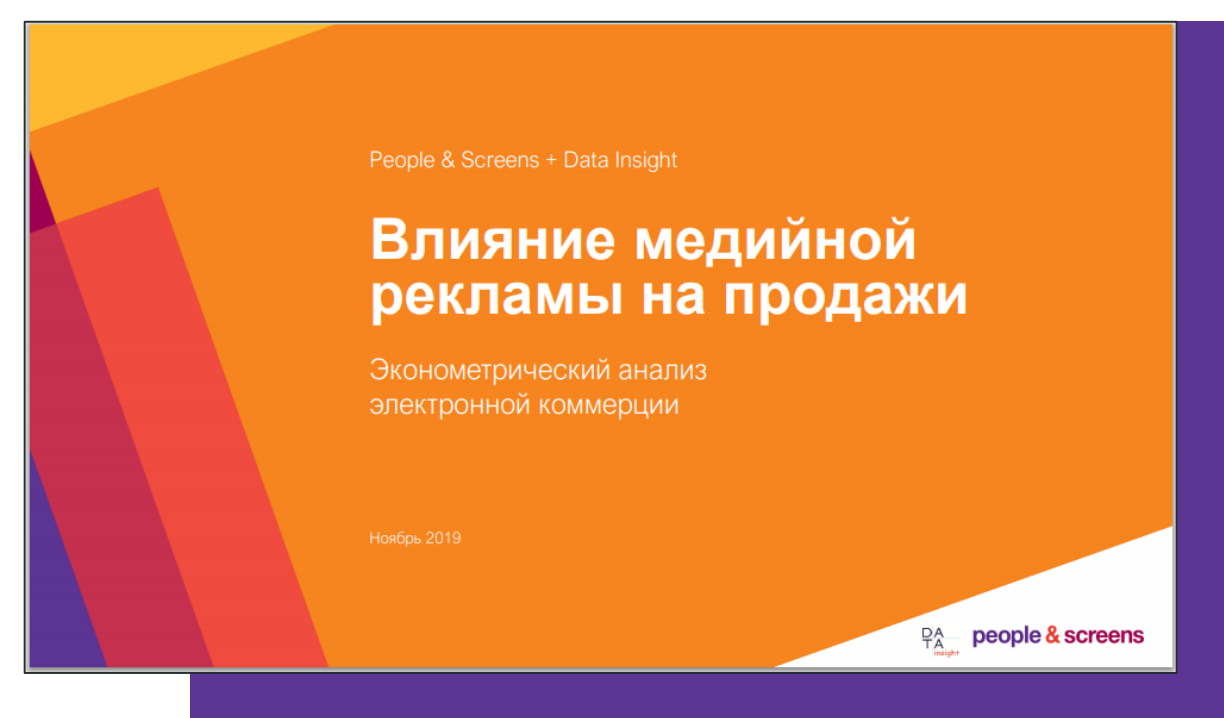
Mobile Advertising Market in Russia 2018/2019



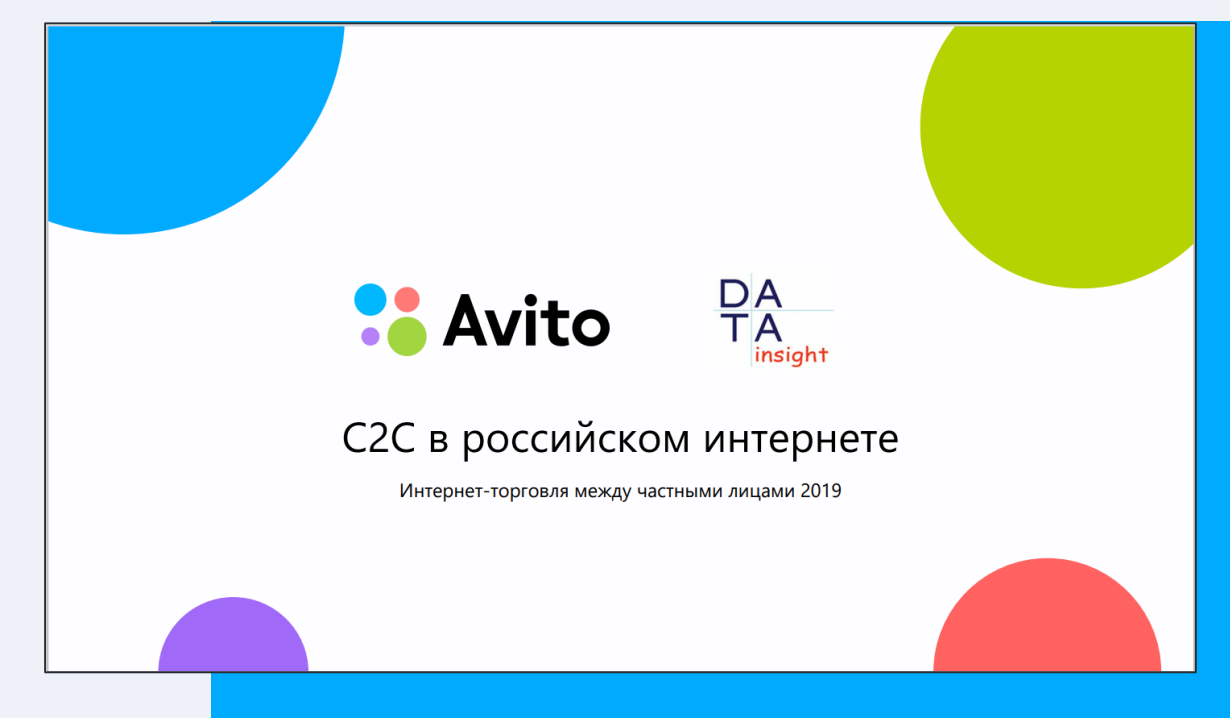
IAB Russia Digital Advertisers Barometer, 2019



Online Retail Exports, 2019

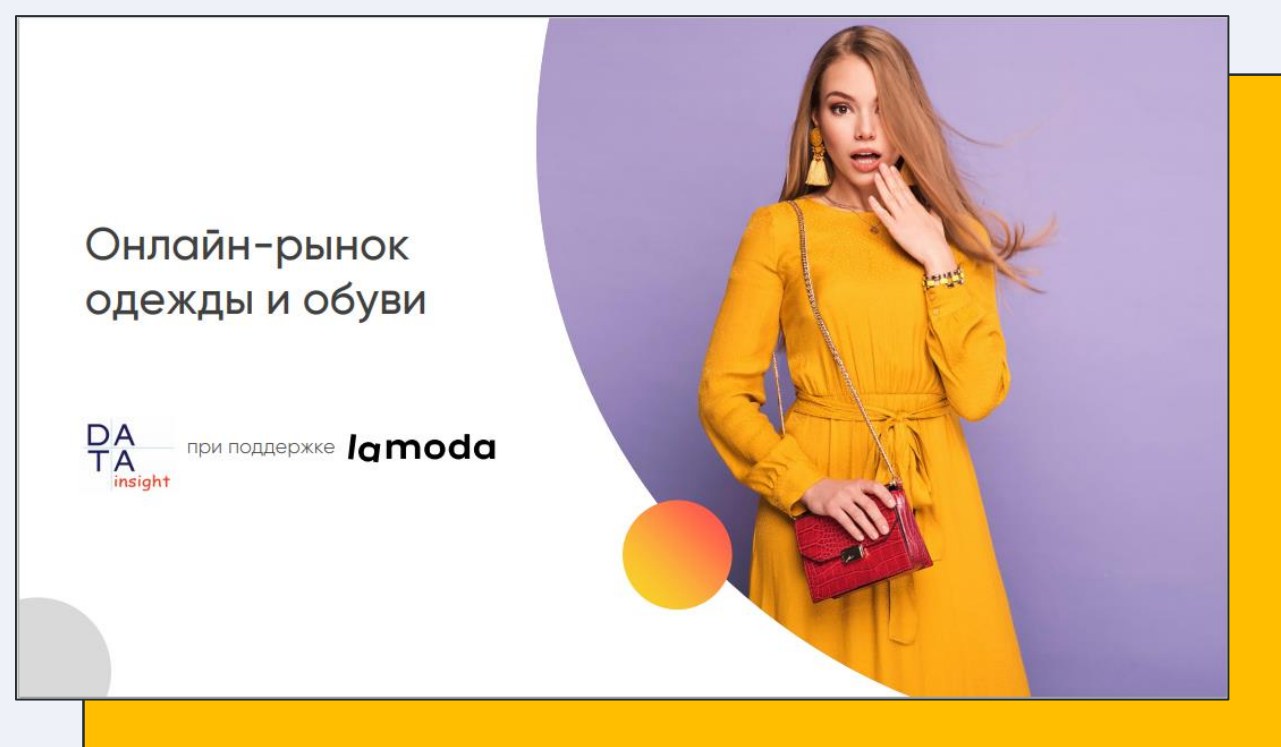


Impact of Display Advertising on Sales, 2019

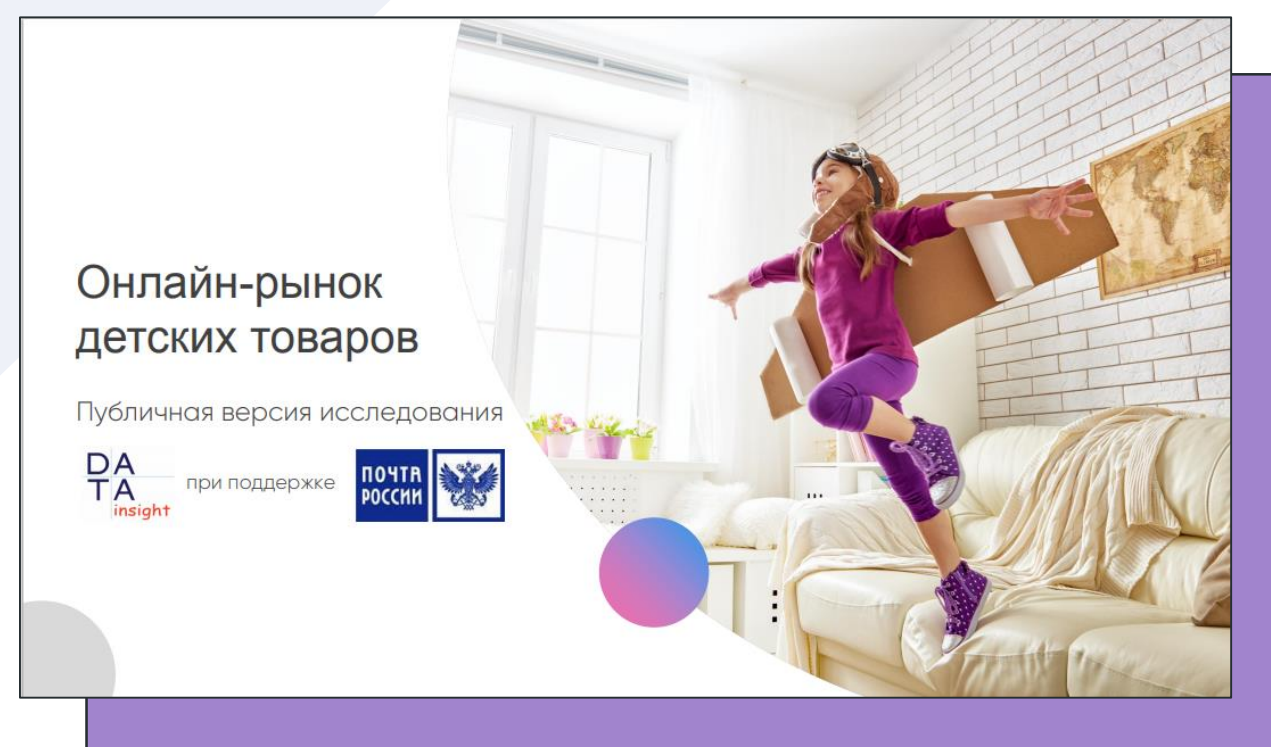


C2C on the Russian Internet, 2019

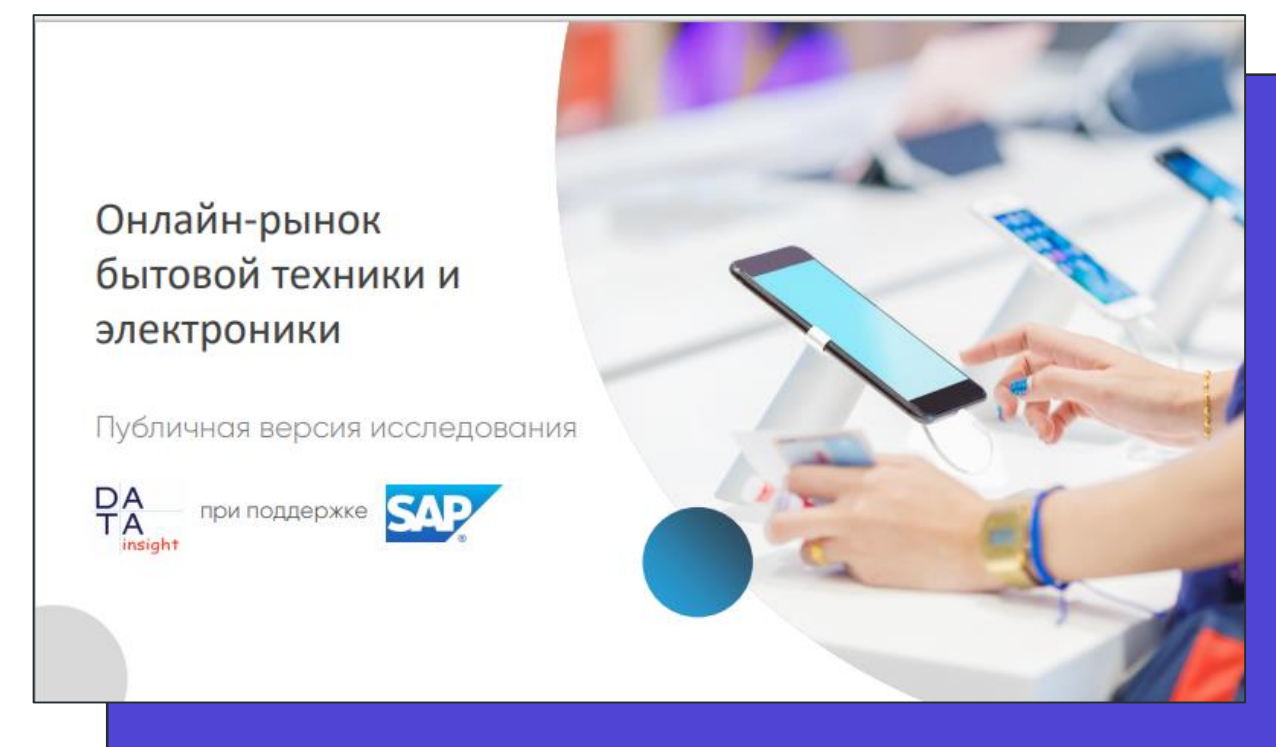
Public reports: market segments



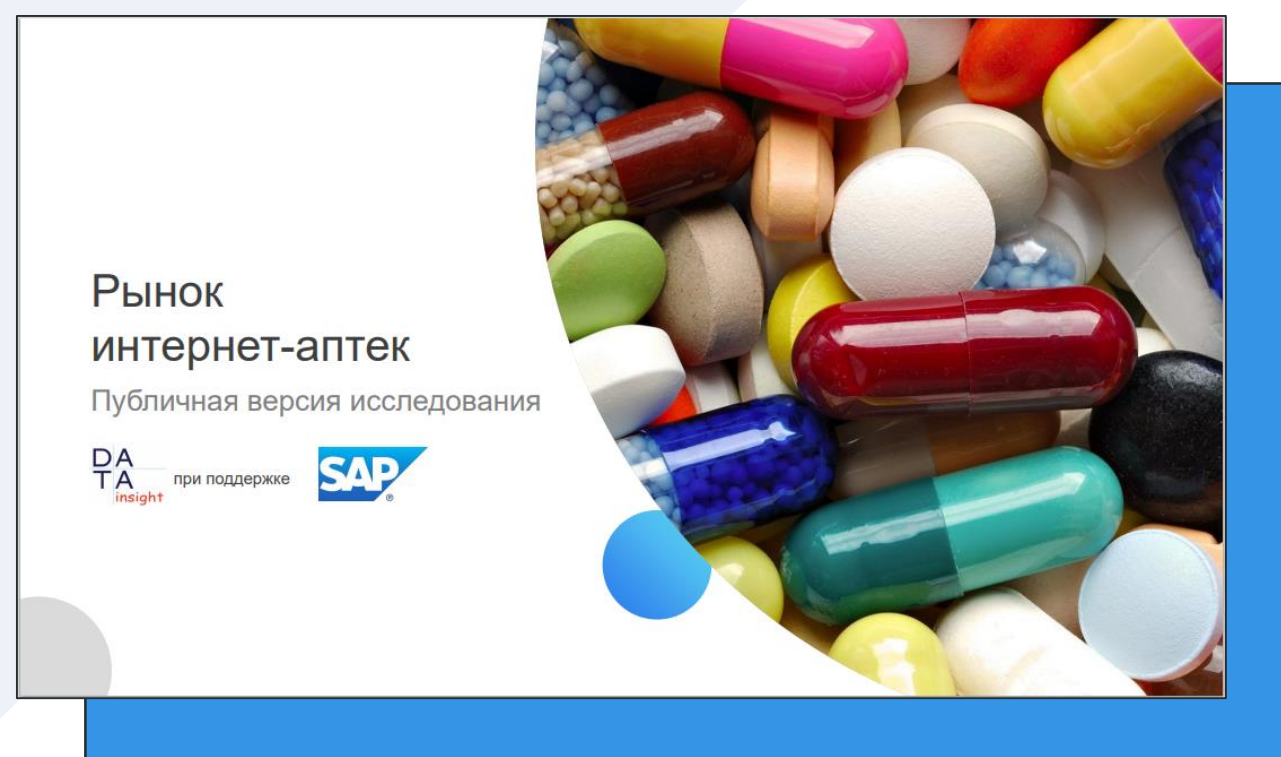
Apparel Online Market



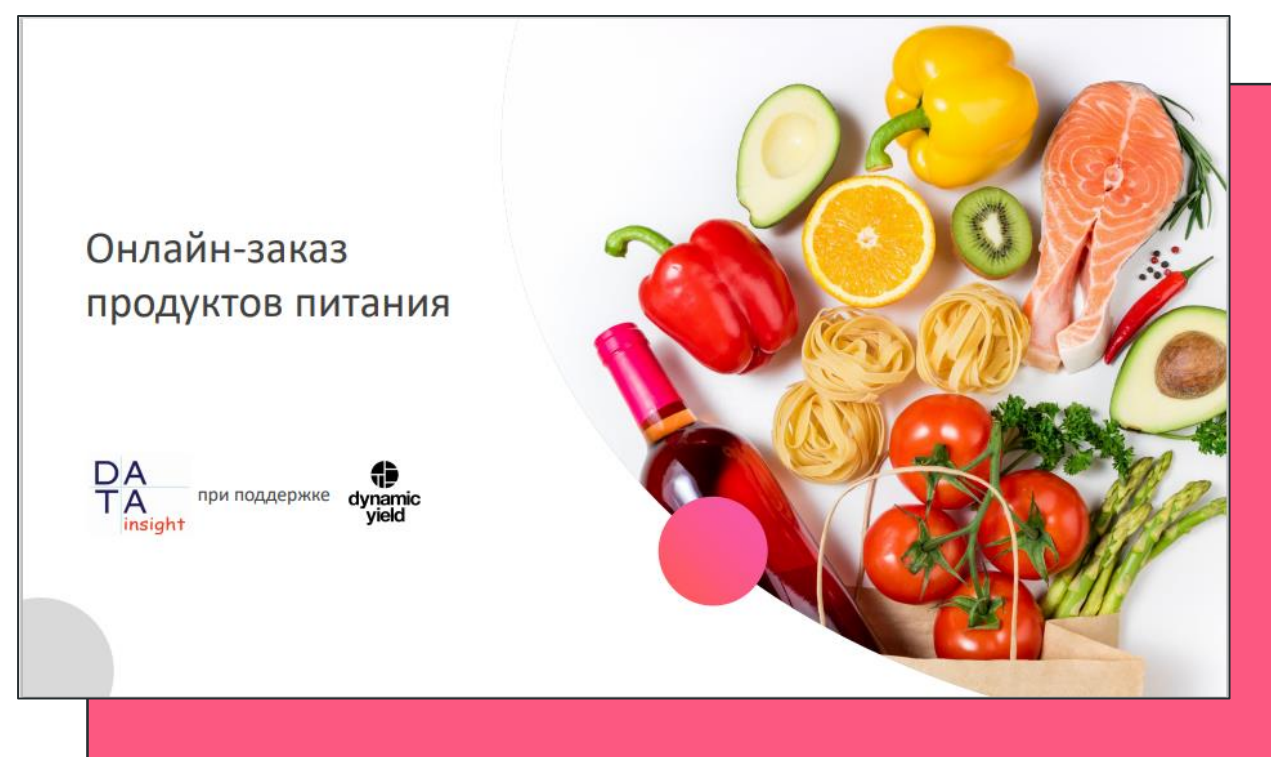
Children's Goods Online Market



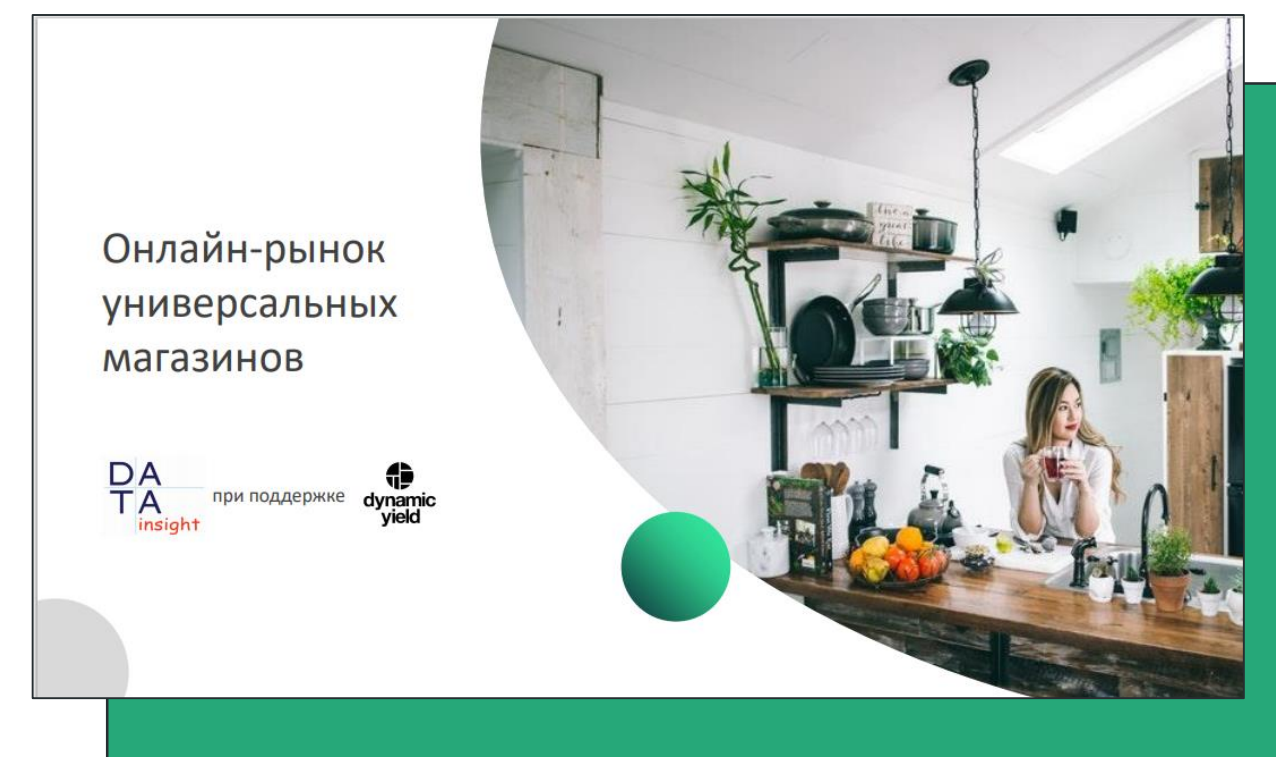
Consumer Electronics Online Market



ePharma Market



eGrocery market



Multi-Category Retailers Online Market

1. E-Commerce in Russia: Product Categories
2. Fulfillment 2020
3. Logistics 2020
4. E-Commerce in Russia 2020
5. Russian E-commerce Ecosystem
6. TOP100 Russian Online Stores, 2019
7. Russian Telehealth Market Research, 2019



✓ Data sources and methodology used by DI

- 1 Surveys of buyers and businesses
- 2 Monitoring online store traffic (data by Yandex.Radar, SimilarWeb etc.)
- 3 Monitoring the number of online store orders (over 3,000 retailers)
- 4 Own data of online stores (over 100 retailers)
- 5 Aggregated data of B2B services (logistic, payment services etc.)
- 6 Analysis of sample data on online behavior of Internet users (clickstreams)
- 7 Website content analysis (assortment, prices, reviews)
- 8 Search queries and user interests analysis



Data Insight Partners



Data Insight

First agency in Russia to specialize in research and consulting in the area of e-commerce and other online markets



Data Insight News

Data Insight research delivered to your mailbox on the day of publication

[Subscribe](#)

E-commerce monitoring

Data Insight performs weekly e-commerce market news monitoring

[Subscribe](#)

Contacts



datainsight.ru
+7 (495) 540 59 06
a@datainsight.ru