



# CoolaData eCommerce



## About CoolaData

CoolaData empowers online companies to become proactive and predictive without having to develop, store, manage or monitor data themselves. It is an open data infrastructure which provides deep behavioral analytics to analyze, visualize, predict and act on data. CoolaData provides a full analytical stack at a fraction of the cost of developing similar capabilities in-house. Its customers get actionable answers to business questions, resulting in improved user acquisition, reduced churn rates, better conversion and higher customer lifetime value.

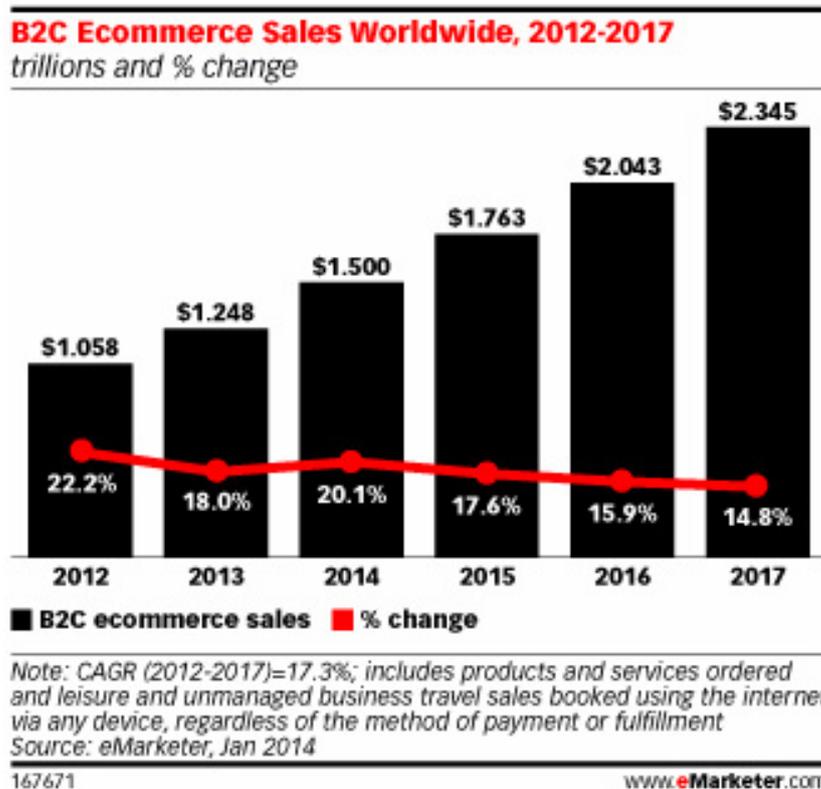
For more about CoolaData go to [www.cooladata.com](http://www.cooladata.com).

## eCommerce Analytics: an In-Depth Look at Who's Doing eCommerce Well, and How

Overall, the growth of eCommerce has been rising with each passing year and it does not look like this will be slowing down anytime soon. eCommerce is the quickest growing market in the European retail arena with Germany, France, UK, Italy, Poland, Spain, the Netherlands and Italy leading the pack. A study by [Retail Research](#) found that this group is collectively expected to reach a combined total of \$212.8B in 2014. Retail Research expects online sales in the US to reach \$306.0B in 2014.

[eMarketer's](#) most recent forecasts on global B2C eCommerce sales predict an increase of slightly over 20% in 2014, to reach the peak of \$1.5 trillion dollars. This growth is primarily due to the booming mobile and online user bases of developing markets, heightened sales in mCommerce, a focus from major brands to penetrate global markets with new technologies and advanced options in the areas of shipping and payment.

The graph below is a great presentation of how much B2C eCommerce is taking off globally:



In a report released by [Forrester](#) research in the first quarter of 2013, US eCommerce sales were predicted to keep increasing and outpace growth in sales at physical stores over the next four years, heading into 2017, hitting the \$370B mark. By 2017 eCommerce sales are expected to make up a whopping 10% of all US retail sales.

Driving this growth, Forrester cites the increasing use of smart devices, which contribute to the total amount of time consumers are spending online, with over half of online consumers owning such devices and completing transactions from them.

See below for an in depth look at B2C eCommerce sales growth for the 2012-2017 period

### **B2C Ecommerce Sales Growth Worldwide, by Country, 2012-2017**

% change

	2012	2013	2014	2015	2016	2017
China*	93.7%	78.5%	63.8%	43.3%	34.4%	29.4%
Indonesia	85.0%	71.3%	45.1%	37.2%	26.0%	22.0%
India**	35.9%	34.9%	31.5%	30.3%	24.5%	20.0%
Argentina	31.1%	6.3%	24.0%	18.0%	12.0%	10.0%
Mexico	55.8%	41.9%	20.0%	14.5%	10.0%	5.0%
Brazil	21.8%	16.5%	19.1%	8.5%	6.9%	6.0%
Russia	34.4%	19.4%	17.1%	10.8%	6.9%	5.2%
Italy	17.0%	16.8%	15.3%	13.5%	12.0%	10.6%
Canada	15.0%	14.2%	14.0%	13.5%	12.5%	11.5%
Spain	10.0%	10.0%	13.8%	11.9%	10.0%	8.0%
Sweden	18.4%	16.2%	13.3%	10.3%	9.0%	8.4%
UK	13.7%	13.7%	12.2%	10.2%	8.2%	7.3%
US***	14.2%	13.4%	11.8%	11.4%	10.9%	10.4%
Norway	14.9%	12.7%	11.0%	10.8%	8.1%	7.2%
Denmark	14.3%	12.4%	10.6%	8.9%	6.5%	5.9%
France	32.3%	10.3%	10.0%	9.8%	7.6%	7.1%
Netherlands	12.7%	11.4%	9.4%	8.4%	6.3%	5.3%
South Korea	12.7%	9.6%	7.4%	4.8%	4.3%	3.6%
Germany	25.6%	5.7%	7.4%	6.9%	6.5%	6.1%
Japan	12.3%	-10.2%	7.1%	6.7%	5.6%	5.0%
Australia	10.5%	6.0%	5.7%	5.1%	5.0%	4.2%
Finland	4.3%	4.4%	3.7%	3.2%	2.7%	2.5%
<b>Worldwide</b>	<b>22.2%</b>	<b>18.0%</b>	<b>20.1%</b>	<b>17.6%</b>	<b>15.9%</b>	<b>14.8%</b>

*Note: includes products and services ordered and leisure and unmanaged business travel sales booked using the internet via any device, regardless of the method of payment or fulfillment; \*includes sales from businesses that occur over C2C platforms; excludes Hong Kong; \*\*digital travel sales represent roughly 70% of B2C ecommerce sales; \*\*\*excludes event tickets*  
Source: eMarketer, Jan 2014

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www.eMarketer.com

According to [Retail Research](#), 2014 will be the first year that consumers in the Asia-Pacific will spend more than their North American counterparts online. This will make it the top eCommerce market in the world: B2C eCommerce sales in Asia are predicted to reach over \$525 Billion dollars in comparison to \$482 Billion dollars in North America.

The graph below paints a great picture of the state of eCommerce worldwide, by region.

**B2C Ecommerce Sales Worldwide, by Region, 2012-2017**  
billions

	2012	2013	2014	2015	2016	2017
Asia-Pacific	\$301.2	\$383.9	\$525.2	\$681.2	\$855.7	\$1,052.9
North America	\$379.8	\$431.0	\$482.6	\$538.3	\$597.9	\$660.4
Western Europe	\$276.8	\$308.9	\$342.0	\$374.5	\$404.0	\$432.6
Central & Eastern Europe	\$41.5	\$49.5	\$58.0	\$64.4	\$68.9	\$73.1
Latin America	\$37.6	\$48.1	\$57.7	\$64.9	\$70.6	\$74.6
Middle East & Africa	\$20.6	\$27.0	\$33.8	\$39.6	\$45.5	\$51.4
<b>Worldwide</b>	<b>\$1,057.6</b>	<b>\$1,248.4</b>	<b>\$1,499.2</b>	<b>\$1,762.7</b>	<b>\$2,042.5</b>	<b>\$2,345.0</b>

*Note: includes products and services ordered and leisure and unmanaged business travel sales booked using the internet via any device, regardless of the method of payment or fulfillment; numbers may not add up to total due to rounding*  
Source: eMarketer, Jan 2014

167707 [www.eMarketer.com](http://www.eMarketer.com)

Out of this \$525 Billion, Chinese online consumers will spend 6 out of every 10 dollars in the Asia-Pacific region. By 2017 they will make up over 75% of Asia-Pacific's total eCommerce spending. China's eCommerce market is second globally, just after the US, but will be looking to overtake it this year. Not only is China's growth propelling the region forward, but in the other two giants - India and Indonesia - consumer purchases will be adding exponentially to this growth as well.

So, being that China is indeed the world's largest market with well over a billion people, what is its secret for success? Let's focus on one Internet retailer that dwarfs Amazon and see what it is doing right.

## Chinese eCommerce Success: Taobao

In 2002 eBay invested in EachNet, an online auction that was founded in 1999. That decision quickly fizzled and eBay deemed the acquisition a failure. eBay concentrated its efforts elsewhere.

Meanwhile [TaoBao](#) burst onto the scene in 2003. It dominated Chinese eCommerce and is the global eCommerce leader. So, how did TaoBao beat out eBay in the Chinese market and become the success that it is? TaoBao adapted its platform perfectly to the local Chinese culture.

### Design

Taobao's design conformed perfectly to the local culture, giving it an attractive identity in the Chinese market. TaoBao chose fictional characters from Chinese writer's [Jin Yong's](#) renowned "kung fu" novels. By selecting such characters, the company was able to instill a sense of knowing what Chinese consumers need and want. Furthermore, this allowed shoppers to feel welcome and comfortable as members of the community.

The colors Taobao chose to use are red and orange, which tie into the Chinese cultural associations of prosperity and festivity.

While western-designed sites utilize minimalism, Chinese culture connects with sites that are busy with a plethora of information, links and colors, thus reflecting Chinese society where signs and colors are everywhere along with lots of noise.



Above is a picture of the Taobao homepage, which connects with Chinese shoppers, as it reminds them of a noisy, busy, real world shopping experience.

## Trust

Relationships and the motivation to create them are inspired by trust. eBay failed to recognize how this would be done in the Chinese culture. As a facilitator of confidence building between sellers and buyers, Taobao succeeded where eBay did not. Taobao possesses an understanding of how Chinese want to conduct business, putting an emphasis on negotiation and bargaining. It is an enabler of Chinese transactions in every sense of the word.

Online shopping sprees can be conducted without having to pay till the goods are received and inspected, further building confidence and trust. Payments can be deducted from a Chinese bank account via [Alipay](#), a service resembling PayPal, smoothing out the consumer's path to conversion.

## European eCommerce – Markets that Made it Happen

According to Retail Research, last year retail eCommerce sales increased by an average of slightly over 21% to \$184.3B. Shoppers were lured by the offering of special online discounts, turning to online shopping because of the recession.

Other than eCommerce markets in Germany and the UK, most European countries exhibit low market shares. Let's take a look at some recent 2013 stats with a focus on Europe:

Source: [Retail Research](#)

Online Retail Sales	Online Sales (£ bn) 2013	Growth 2013	Online Sales (£ bn) 2014	Growth 2014
UK	£38.83	16.8%	£44.97	15.8%
Germany	£28.98	39.2%	£35.36	22.0%
France	£22.65	12.0%	£26.38	16.5%
Spain	£5.75	22.5%	£6.87	19.6%
Italy	£4.48	18.6%	£5.33	19.0%
Netherlands	£4.48	11.6%	£5.09	13.5%
Sweden	£3.13	15.9%	£3.61	15.5%
Poland	£2.92	24.0%	£3.57	22.6%
<b>Europe</b>	<b>£111.21</b>	<b>21.1%</b>	<b>£131.18</b>	<b>18.1%</b>

Let's have a look at what factors are contributing to the UK's status as the eCommerce leader of Europe, according to research conducted by KPMG of nearly 10,000 consumers in 31 countries. In the UK's case it is more about smartphone concentration and how Britons have adapted to shopping from their mobile. Here are some stats that have pushed UK eCommerce to the top.

- 45% of UK respondents use mobile devices to locate a nearest store
- 32% use mobile devices to research products and services, 30% for online coupons and 19% to scan in barcodes for product information
- Around 74% of consumers in the UK also said they were more likely to buy flights and holidays online, and six in ten used some form of online grocery shopping

Retailers have been following these trends to optimize their sites, hence increasing competition and making online shopping an increasingly positive experience.

## Behavioral Analytics Improve eCommerce Performance

In optimizing the online shopping experience, an increasing number of online retailers are utilizing behavioral analytics.

Many eCommerce sites are implementing behavioral analytics in their mission to optimize the mobile user experience and move beyond numbers offered by traditional analytics (page visits, bounce rates, downloads, etc.). They stand to gain pinpoint insights by viewing customer lifetime and loyalty data as well as customer acquisition costs. What use are numbers without actually seeing the app screen navigation paths? They are using the historical data at their disposal to optimize conversion funnels, screens, the overall user experience and conversions.

Behavioral analysis highlights where users are becoming frustrated by the lack of clear pricing information, where they experience product friction and how to improve conversion funnels.

The idea behind optimizing sites for a more fluid user experience, whether it be for mobile or web, is to learn the behavior of your users as they navigate from screen to screen, learn why they are abandoning their cart with all their items, go back to the drawing board, refine, release and do it all over again. Behavioral analytics allows eCommerce site operators to grow conversions and their bottom line by going beyond the traditional numbers to see what consumers really want.

Contact us now for a free trial and demo

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