



# Click for Growth

## The E-commerce Manifesto

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*Click for Growth – Brussels, 9 June 2010*



# Why We Are Here Today?



# Using the Web to Better Connect Buyers and Sellers



- 150M+ unique visitors
- €50B of goods bought
- 3M items bought daily on eBay
- 34 currencies/ 190 countries
- €59B in payment volume
- 25M sellers/ 350K B2C EU retailers
- 70K UK/DE/FR SMEs joined since '08
- 1.3M people making living on eBay
- 200M live listings/ multiple formats
- >100K websites accept PayPal

# Agenda

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- **EU Momentum For a Digital Internal Market**
- **Our Growth Manifesto**
- **E-commerce...Why it Matters and What Is Next**
- **Teeing Off a Good Discussion**

# E-commerce and Digital Agenda – a EU Policy Priority

## Many EU Policy Reports on E-commerce/ Digital

- 2009
- Communication on Cross-Border Business to Consumer, COM(2009)557
  - Commission Report on Cross-Border E-commerce
- 2010
- MEP Echeverria Report on “Completing the Internal Market for E-Commerce”
  - Monti Report on “Re-launch of the Single Market”
  - 3<sup>rd</sup> ed. of the Commission Consumer Market Scoreboard
  - Communication on a Digital Agenda
  - EU 2020 Strategy

- E-commerce/x-border a priority
- Consumer choice central
- Understanding of barriers
- Digital Agenda plan
- Operationalizing?

# Our Growth Manifesto



Deutsche Post DHL

- 1. Safeguard Key Legislation**
- 2. Reliable and Sustainable Shipping**
- 3. Safe Payments**
- 4. Access to E-commerce**
- 5. Complete the Single Market**

# E-commerce ...Why It Matters and What Is Next

1. Internet & e-commerce “necessity”

2. Value is King and Goes Dynamic

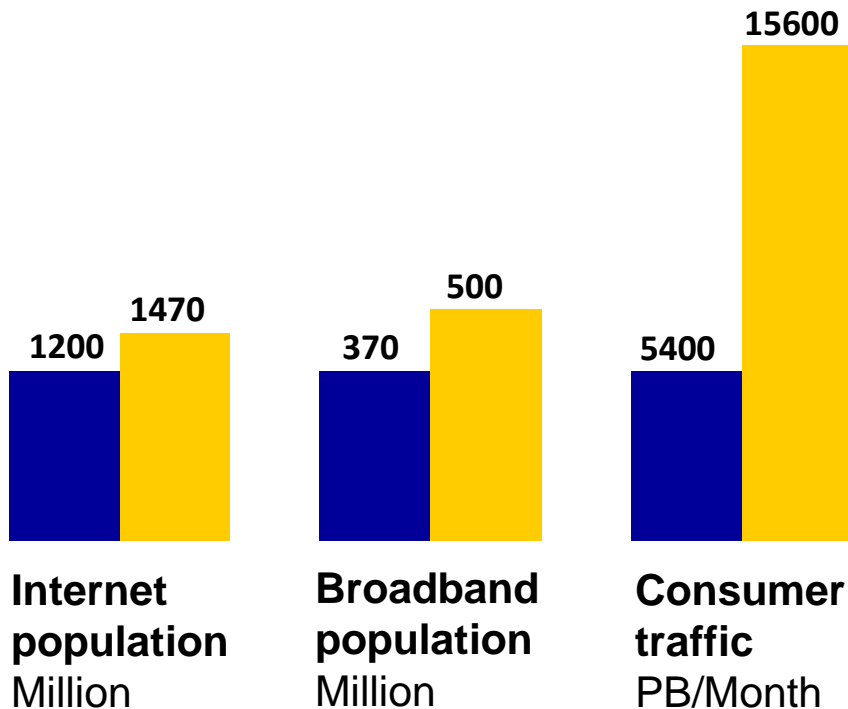
3. Online and offline blurring

4. Mobile paradigm shift

5. Cross-border promise and pitfalls



# 1. Access to Broadband Internet... a New Necessity



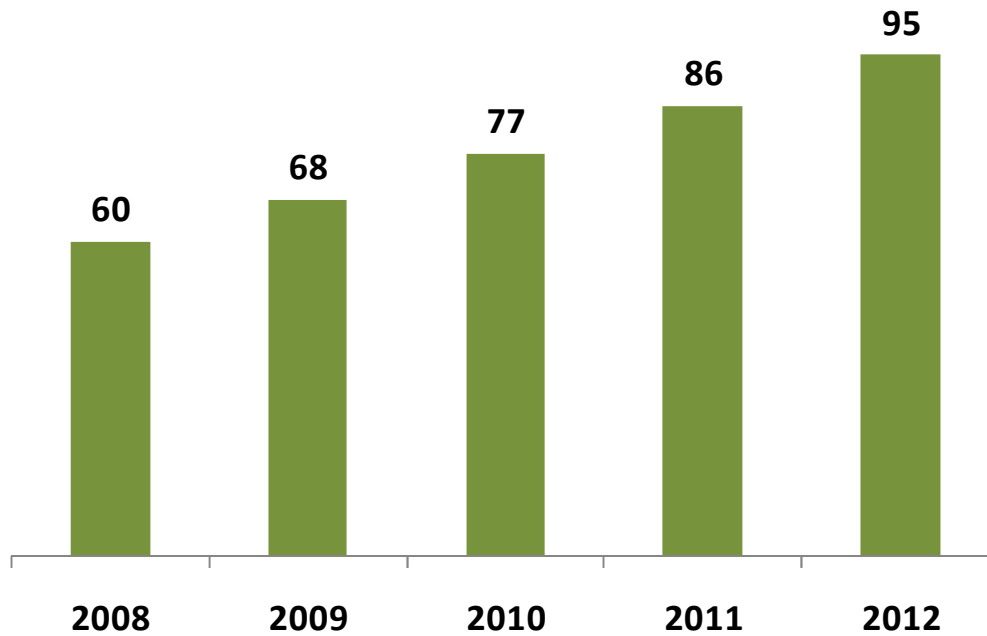
## Top 5 commodities least likely to get discarded during recession

1. Broadband Internet
2. Fixed-line phone calls
3. Personal care
4. Mobile phone
5. Clothing, Shoes & Accessories

# E-commerce Gaining In Importance

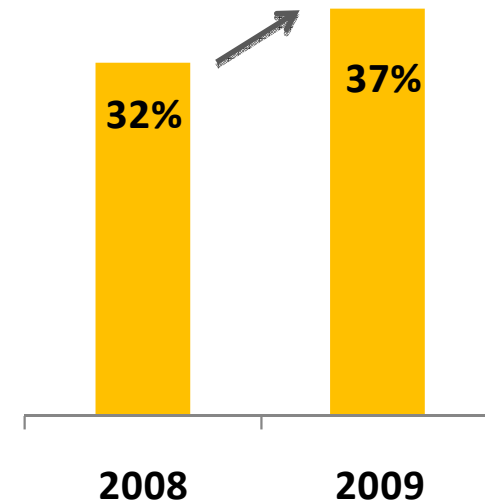
## EU-17 Online Retail Sales

Billion Euro



## E-commerce Adoption

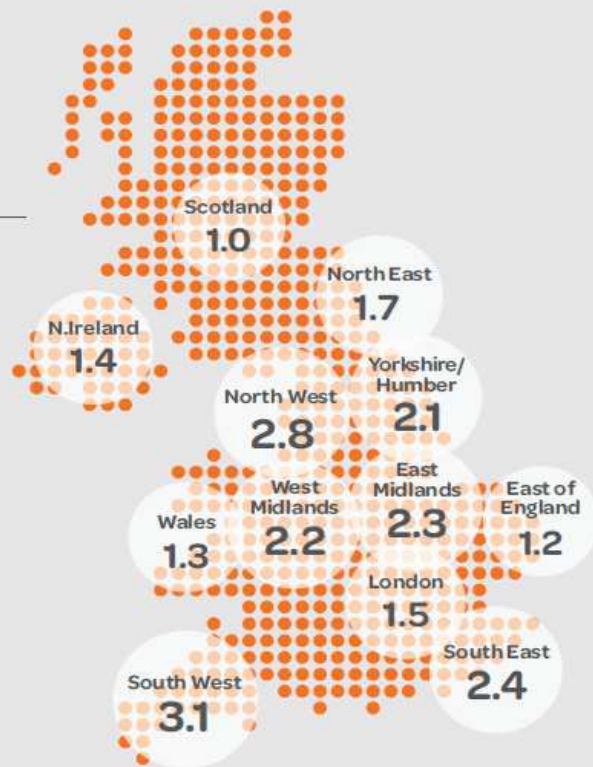
% of Adults shopping online



# Not Limited To Urban Areas

## Hotspots of online entrepreneurship

How entrepreneurial is your region of the country? The Online Business Index has mapped the number of online firms per thousand of population up and down the country.



Where are online firms located?

**RURAL AREAS 44%**

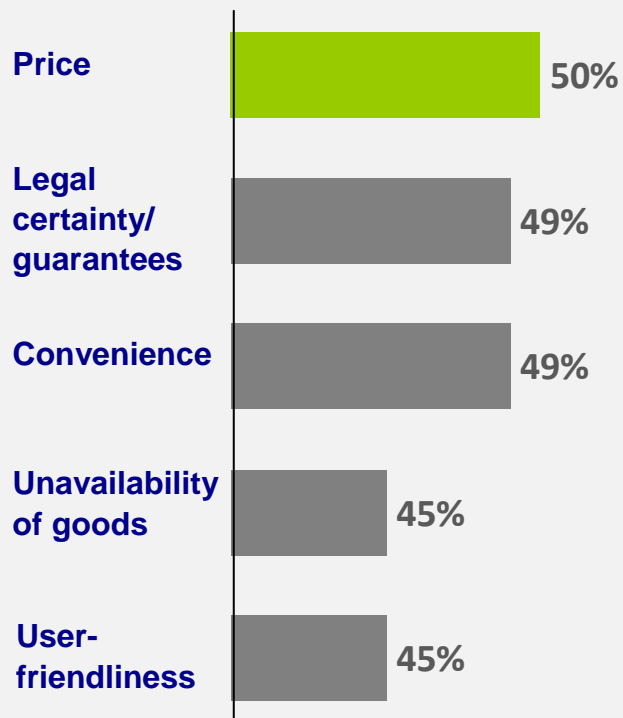
**MAJOR URBAN AREAS 22%**

**OTHER URBAN AREAS 33%**

## 2. Value, Value, Value...Goes Dynamic

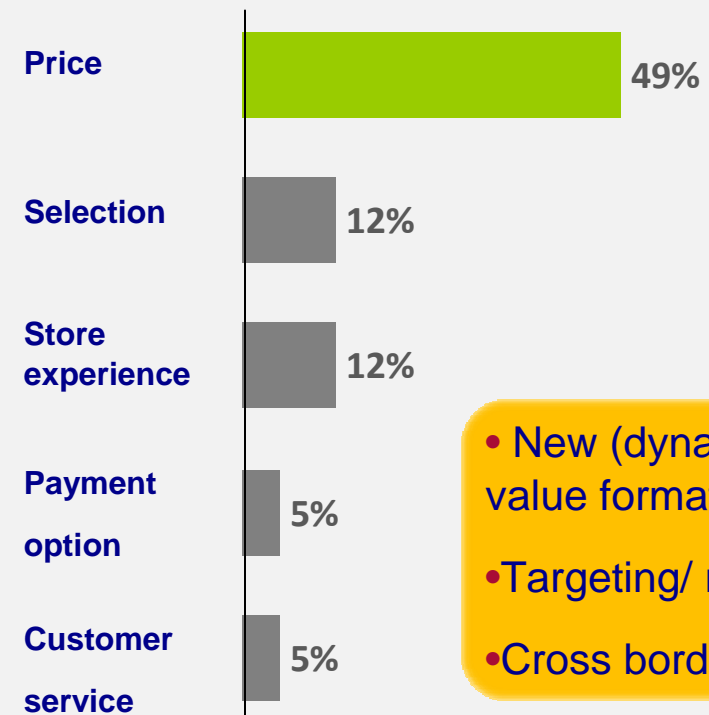
### Reasons for shopping online

% of people indicating factor as very important, EU



### Main online purchase decision factor

% of respondents, US

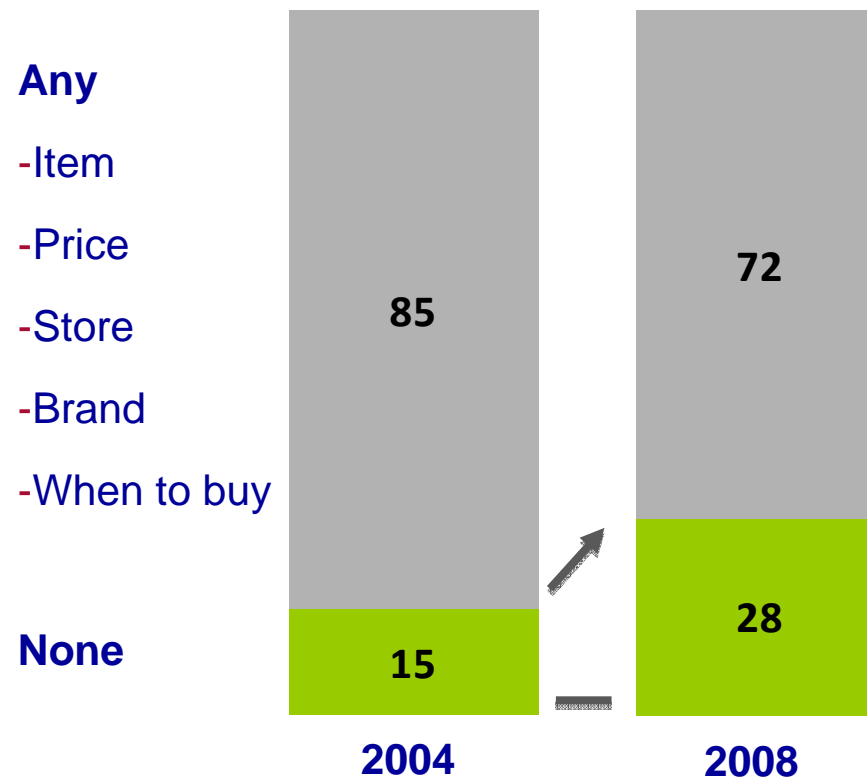


- New (dynamic) value formats
- Targeting/ relevance
- Cross border trade

### 3. Consumers online sooner in their decision process

Q: Which decisions had you already made before going to research your most recent purchase?

Percent of respondents



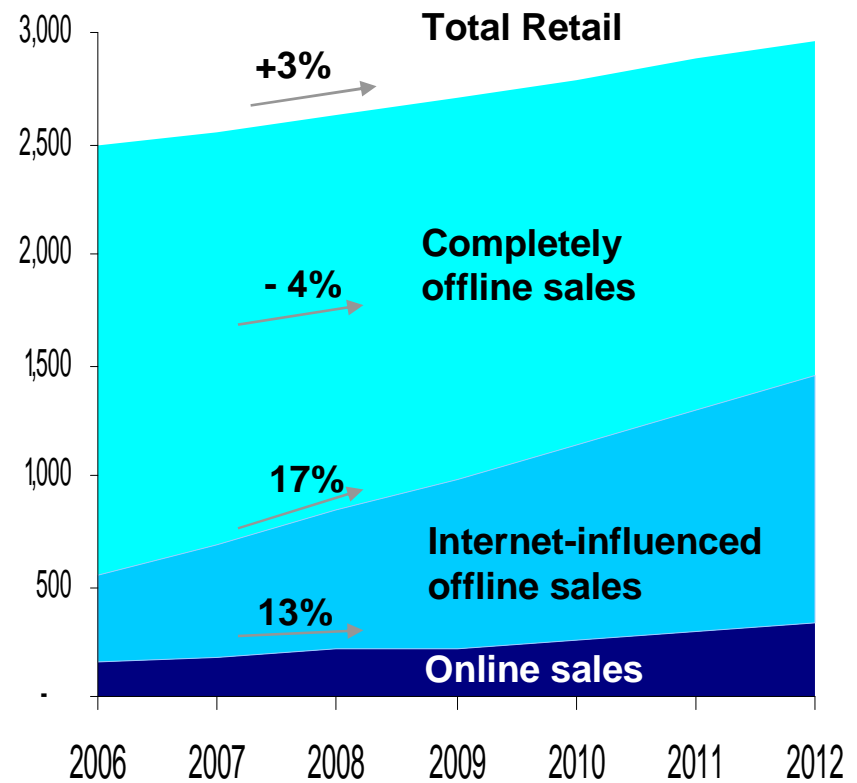
# Offline and Online Commerce Blur and Blend

**Q: Which of the following best describes your research and shopping process?**

Percent of respondents



**Total US Retail Sales by channel**  
\$Billion

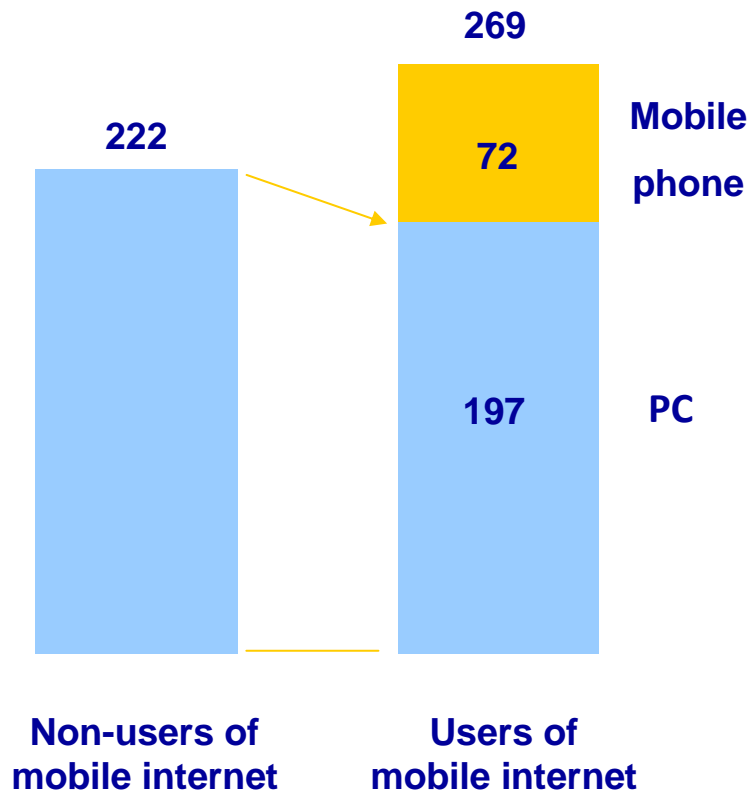


Source: Web/Store Cross-channel Shopping Study, Krillion & e-tailing group, February 2008; Opinion Research Corp Survey, April 2009

# 4. New Mobile Paradigm Shift

## Internet use by device and use of mobile internet

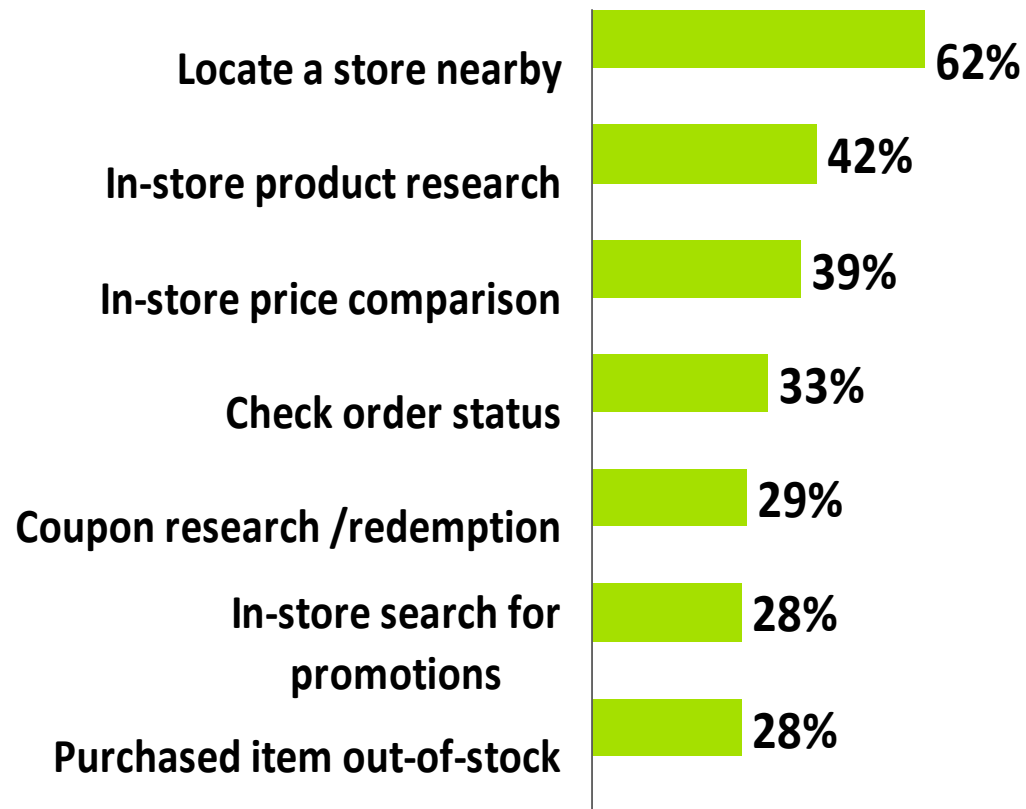
Minutes of use per day



# Mobile at the forefront of blurring online and offline shopping

## US m-buyers are changing behaviors

Percent of respondents, multiple answers



### More to come...

- Visual Product Search
- Barcode scanning
- Mobile PoS payments
- Location/User targeting
- ...

## 5. Cross-Border e-commerce - an EU Challenge

**Significant source of value/  
close availability gaps**

*">10% price reduction available on  
~50% of 100 popular products"*

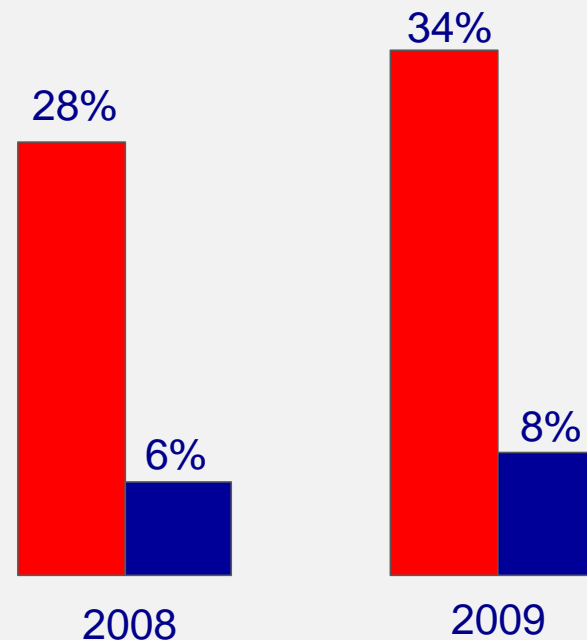
**Significant EU Opportunity  
... eBay as proof point**

*€740M annual export sales from  
UK and DE seller on eBay only*

### Growing Gap vs. Domestic e-commerce

% of EU consumers

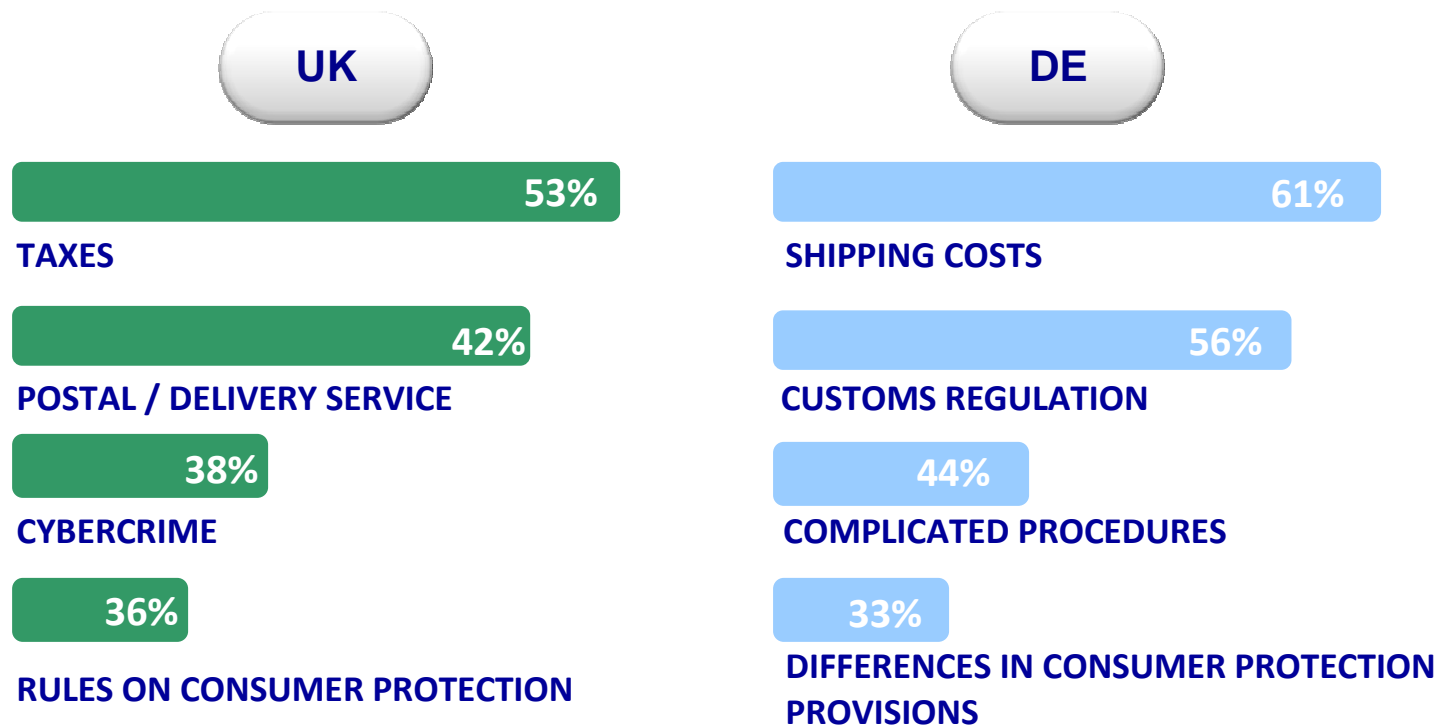
■ Domestic  
■ Cross Border



# Shipping and Fragmented Consumer Rights Are Key Barriers

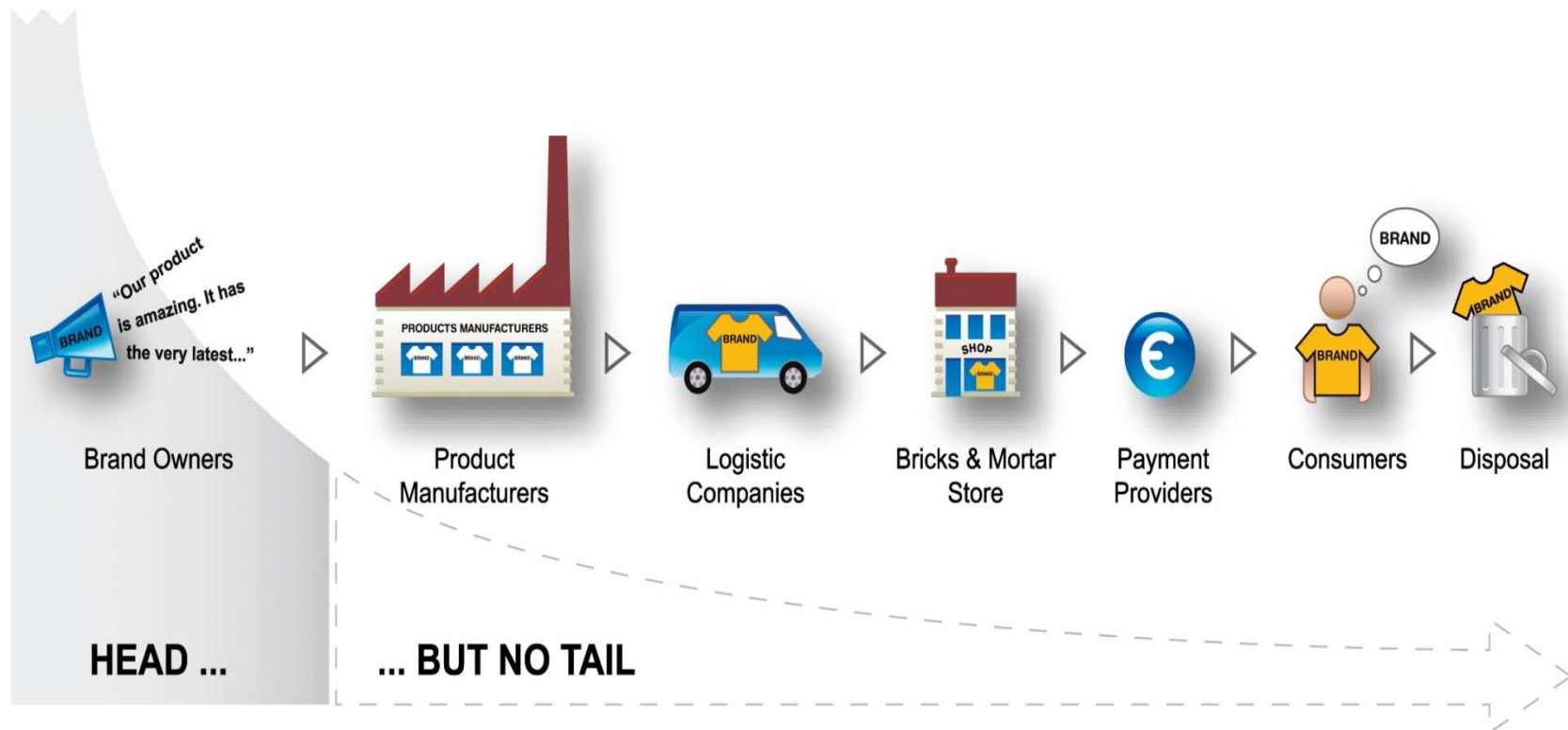
## Top 4 Barriers to EU Online Trade

% of eBay SME surveyed



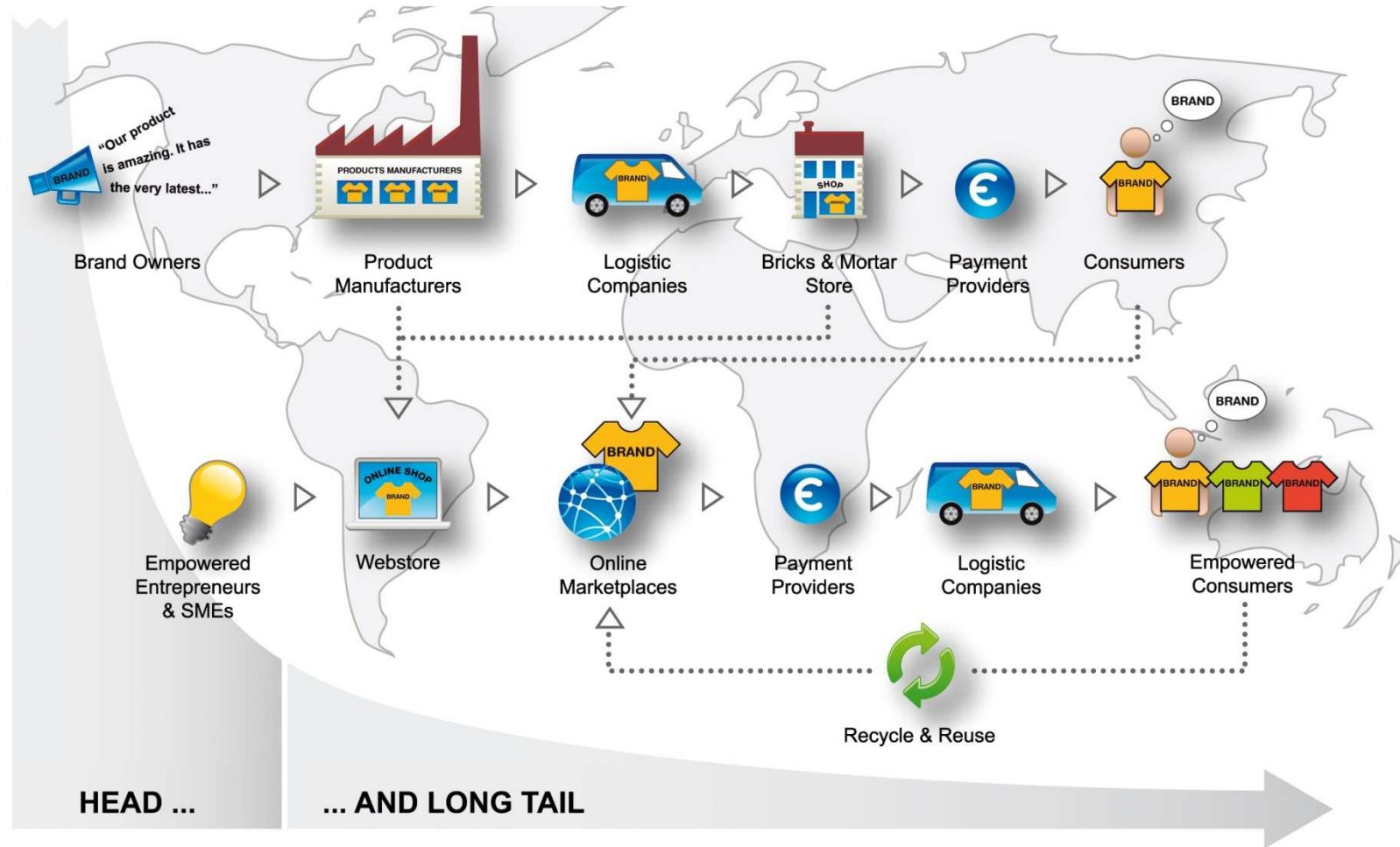
# Value-Chain Morphes from Linear, Push, Static...

## 20<sup>th</sup> Century Market



# ...to Non-Linear, Pull/Push, Dynamic, Customer-Centric

## 21<sup>st</sup> Century Market (Extended & Rewired)



# ...to Non-Linear, Pull/Push, Dynamic, Customer-Centric

## 21<sup>st</sup> Century Market *(Extended & Rewired)*



HEAD ...

... AND LONG TAIL

# Growth Manifesto – Removing the Barriers



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