



e-commerce TRENDS CEE 2014

Challenges and Differences in Czech and Slovak E-Commerce

Jan Penkala, CEO

www.acomware.eu



- People
- Turnover and market growth
- Biggest e-shops
- Major portals for e-commerce
- Interesting segments
- Study of retailer attitudes to the internet
- Entering the Czech market – specificities
- Online marketing
- Common characteristics/blending of CZ and SK market

	CZ	SK
Population	10.5 mio	5.4 mio
Population with internet access	6.5-7 mio	3.5-4 mio
Smartphone users	2.2 mio	1 mio
Have shopped online	98 %	96 %
Shop online at least 1 per month	40 %	25 %
Largest group	35-44 years olds, 25-34 years olds	15-24 years old, 25-34 years old

Data source: TNS Digital Life, Netmonitor

	CZ	SK
Total online turnover	2.5 bil €	350 mio €
Annual increase	15 %	20-30 %
Share in retail revenue	8 %	2 %
Number of e-shops	35 000	8 000
Number of e-shops that „really mean it“	6 000	1 000

Data source: APEK, Pricemania.sk, Heureka.cz

Biggest CZ e-shops	Revenue	SK
Alza.cz	400 mio €	E-shops from CZ: Alza, Mall, Hej.sk, Okay, Parfums
Mall.cz (Netretail Holding)	285 mio €	Shoppie.sk (NAY)
HP Tronic (Euronics, eProton, Kasa.cz)	125 mio €	Interesting local brands: Martinus.sk, Muziker.sk, Shark.sk, TPD.sk, Parfems.sk
Parfums.cz	90 mio €	

Major portals for e-commerce

Price comparators	Monthly attendance		Price comparators	Monthly attendance
Heureka.cz	2.7 mio		Heureka.sk	1.3 mio
Zbozi.cz	1.7 mio		Najnakup.sk	0.3 mio
Hyperinzerce.cz	0.8 mio		Pricemania.sk	0.2 mio
<i>Aukro.cz</i>	<i>1.5 mio</i>			

Comparator of discount offers				
Skrz.cz	0.9 mio		Odpadnes.sk	0.3 mio

Comparator of retail discount offers				
Kupi.cz	0.6 mio			
Akcniceny.cz	0.5 mio			

Attendance in 8/2014 – real users est., data source: Netmonitor.cz, aimmonitor.sk

Verticals with most significant online presence

CZ	SK
Electronic goods, photography, mobiles	Electronic goods, photography
Books, toys	Tyres
Sports equipment	Perfumes, cosmetics
Furniture, garden	Books
Perfumes, cosmetics	
Tyres	

Highest growth potential by verticals

CZ	SK
Grocery, drugstore	Fashion
Apparel, footwear	Grocery, Drugstore
DIY, hobby	Hobby
	Furniture

Study of retailer attitudes to the internet

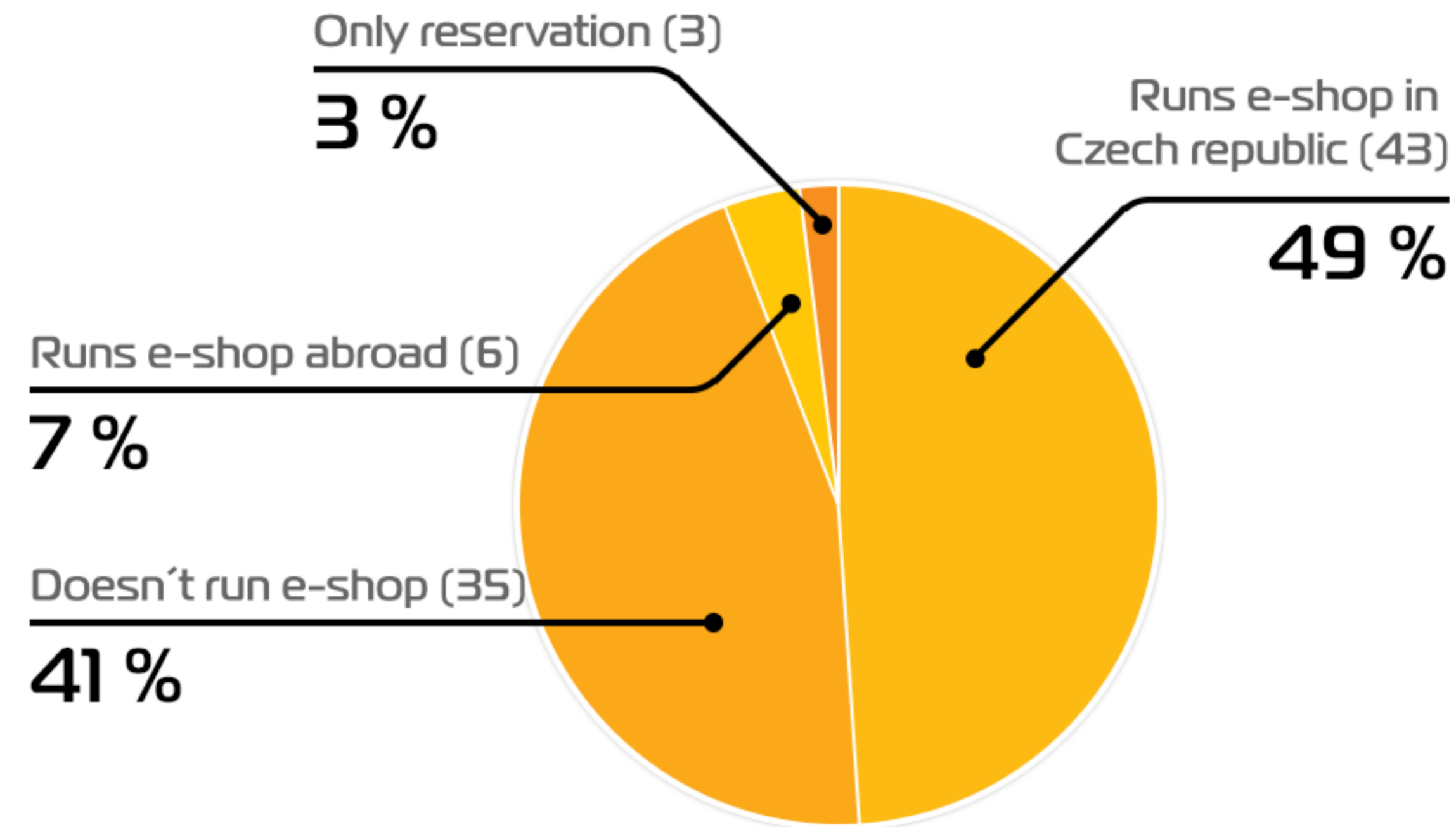
Sales/year over
13 billion Euro

Over
8 800 stores

87 biggest CZ retailers

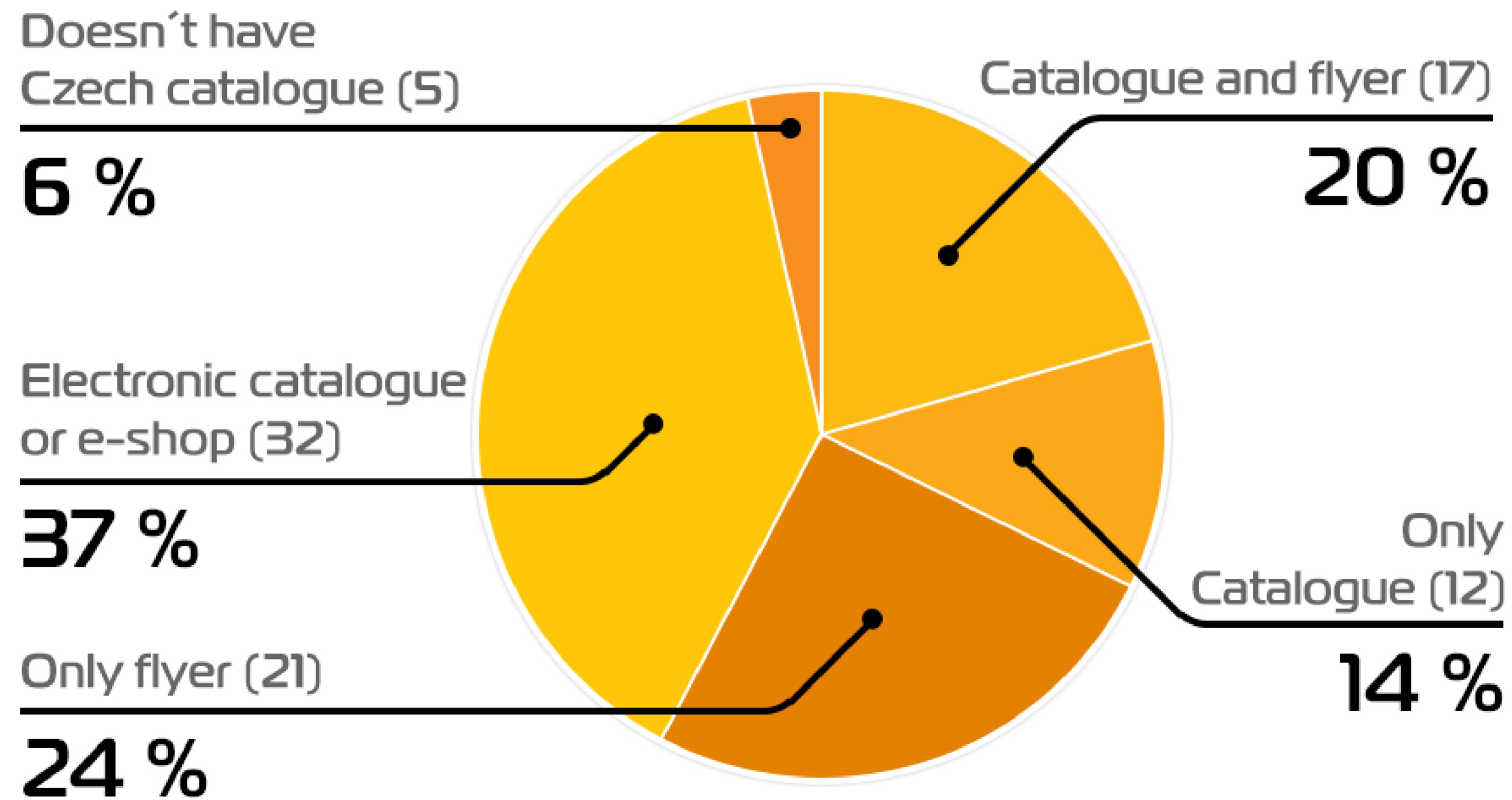
>50 % of retail revenue

Does company run e-shop in Czech republic?



	E-shop in Czech republic	Without e-shop in Czech republic
Home	ASKO, Jamall, Jena Nábytek, Jysk, Möbelix, Sconto, IDEA nábytek, Tchibo	IKEA, KIKa, XXXLutz
Drugstore		DM Drogerie, Rossmann, Teta
Electronics	Datart, Electroworld, Euronics, Okay, Expert Elektro	Planeo elektro
Toys	Pompo, Dráčik, Bambule, HM Hračky, Sparkys	
Books	Levné knihy, Kanzelsberger, Librex, Knihy Dobrovský, Neoluxor	
Bathroom	Koupelny JaS, Koupelny Ptáček, SIKO koupelny	
Footwear	Baťa, Deichmann	CCC, Reno, Humanic
Clothing	Next, Pietro Filippi, Bushman, Blažek	Lindex, ZARA, Promod, KIK, Takko, Orsay, New Yorker, C&A, Kenvelo, Camaieu, H&M, Reserved, Marks&Spencer, Tally Weijl, S.Oliver, Esprit, Kara Trutnov
Grocery	TESCO	Albert, Billa, COOP, Globus, Hruška, Kaufland, Lidl, Makro, Penny
Sport	Alpine Pro, Sportissimo, A3 Sport, Hudy Sport, Adidas, Hervis, Nordblanc, Husky, Rock Point	Intersport, Envy, Decathlon
DIY	Mountfield	Bauhaus, Baumax, Hornbach, OBI, Uni Hobby

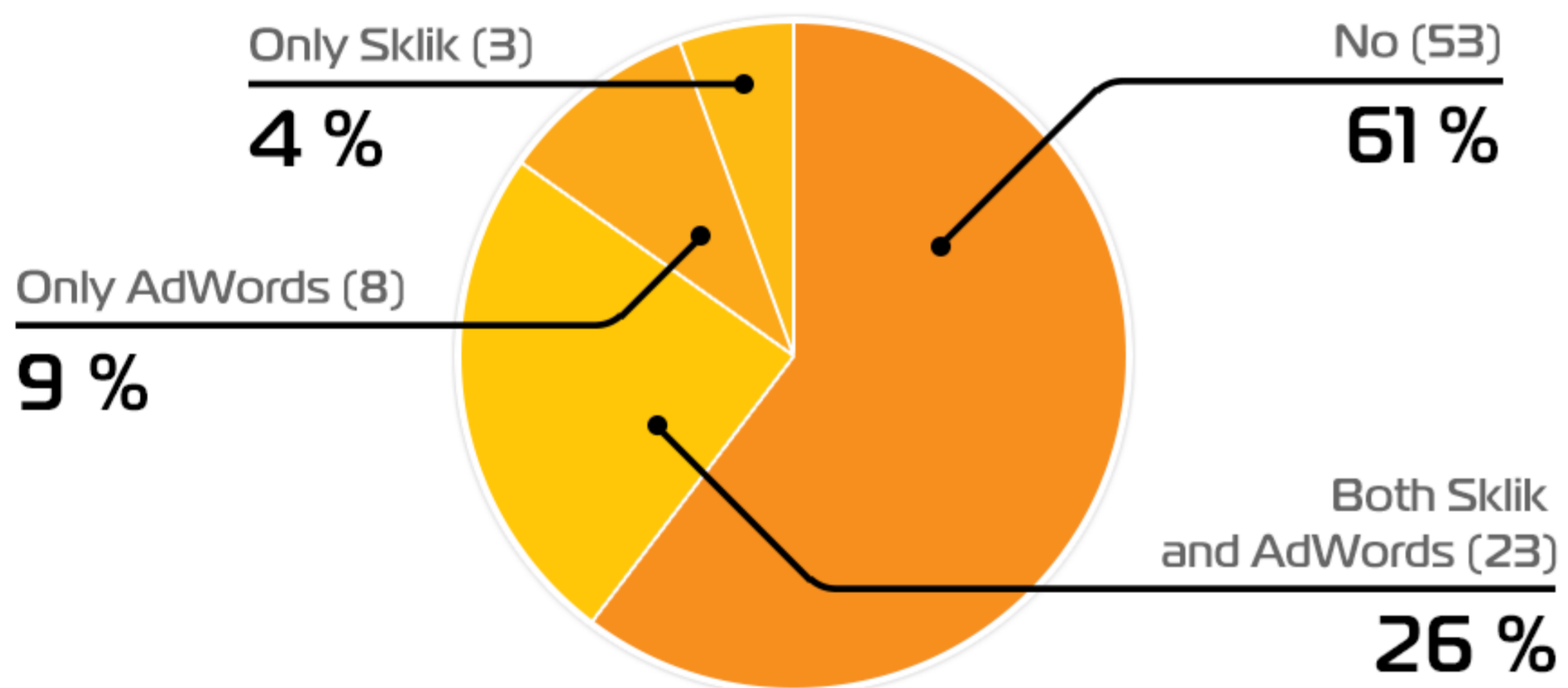
Does company publish catalogue or flyer on their own website?



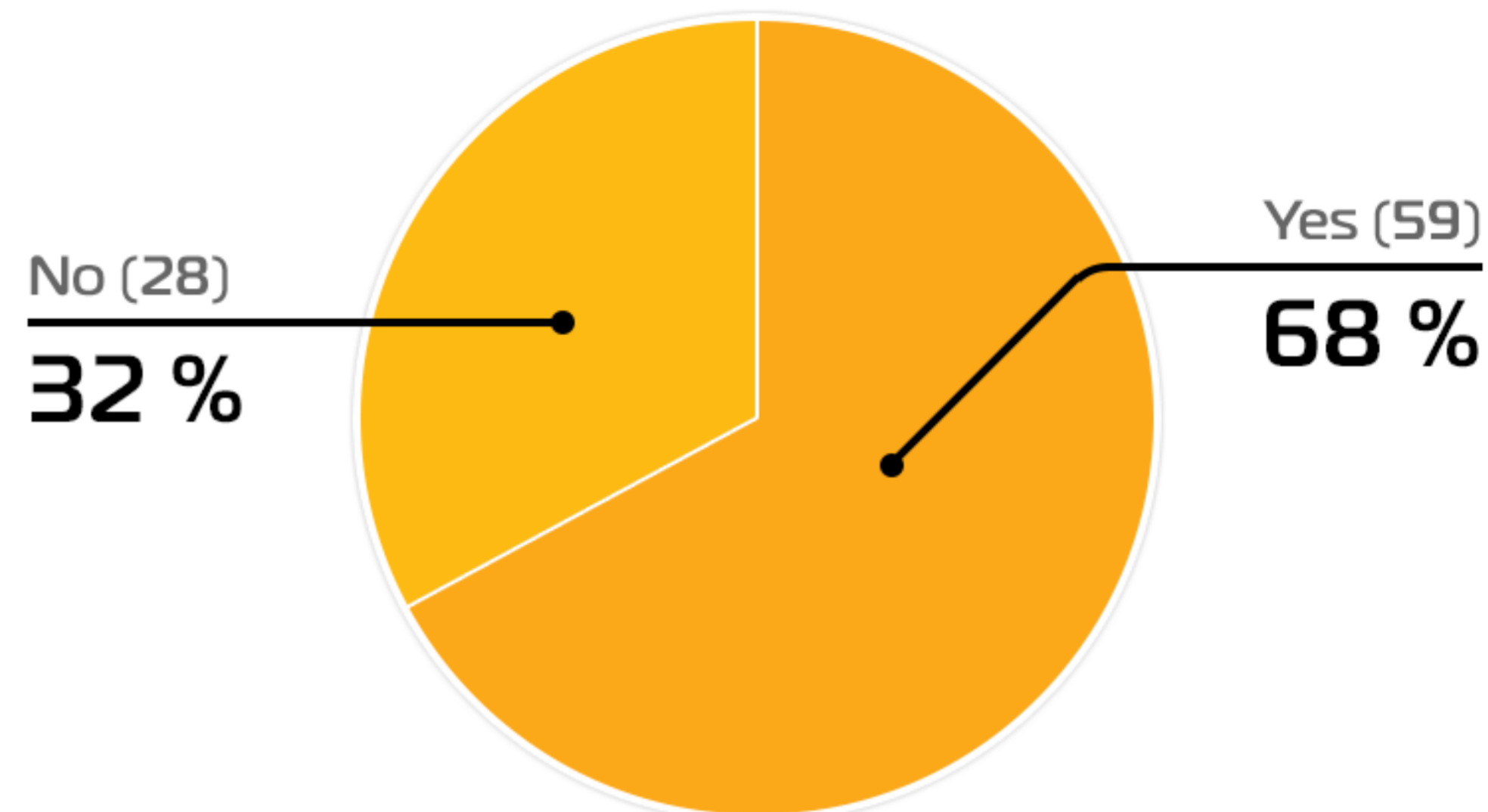


ACOMWARE

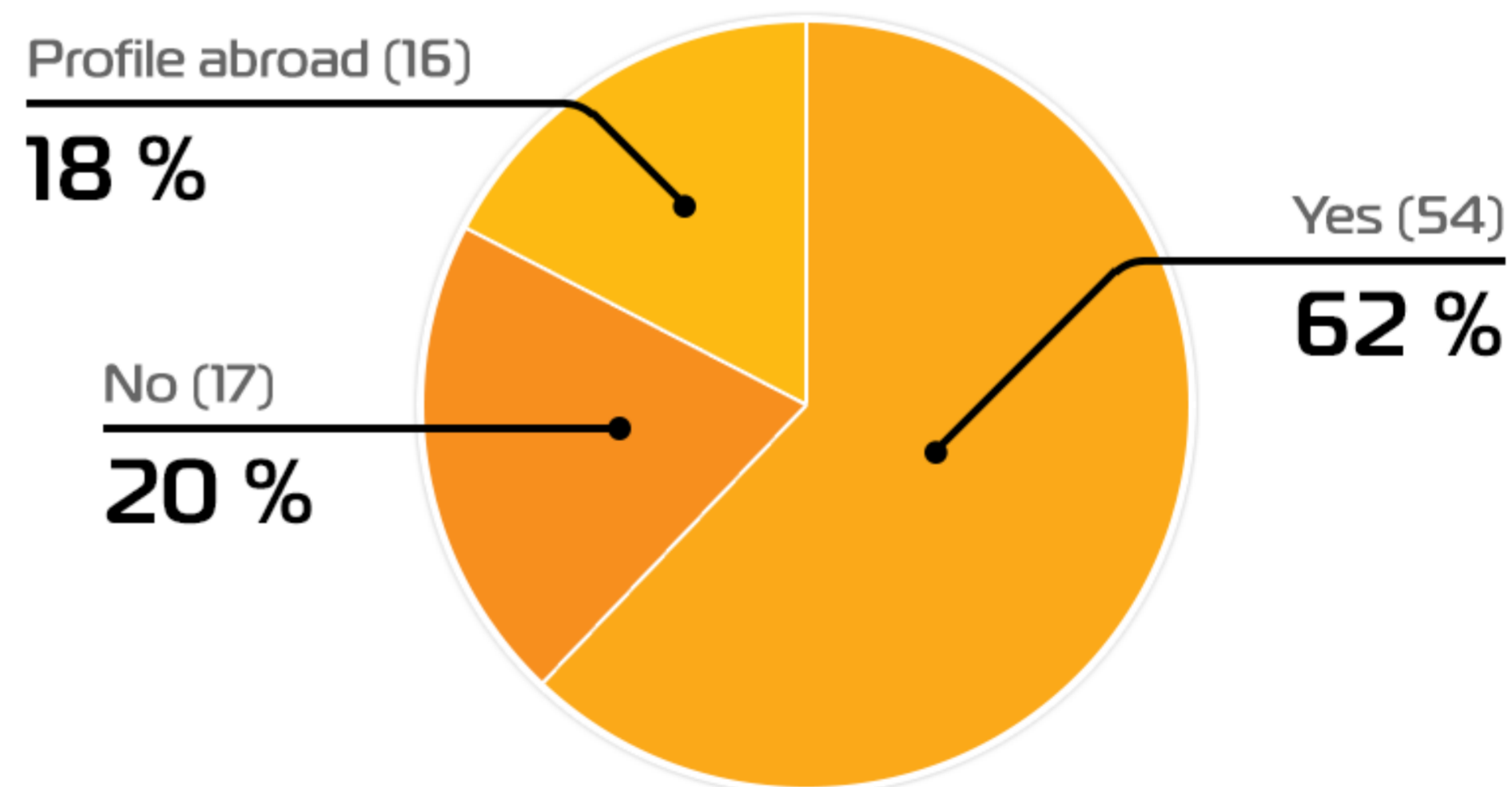
Does company use PPC advertising?



Does company collect e-mail addresses?



Does company have Facebook profile?



Delivery time according to Heureka.cz*

Fastest delivery (days)

- 1. Intersport 1.4
- 2. Expert Elektro 1.8
- 3. Bambule 1.8

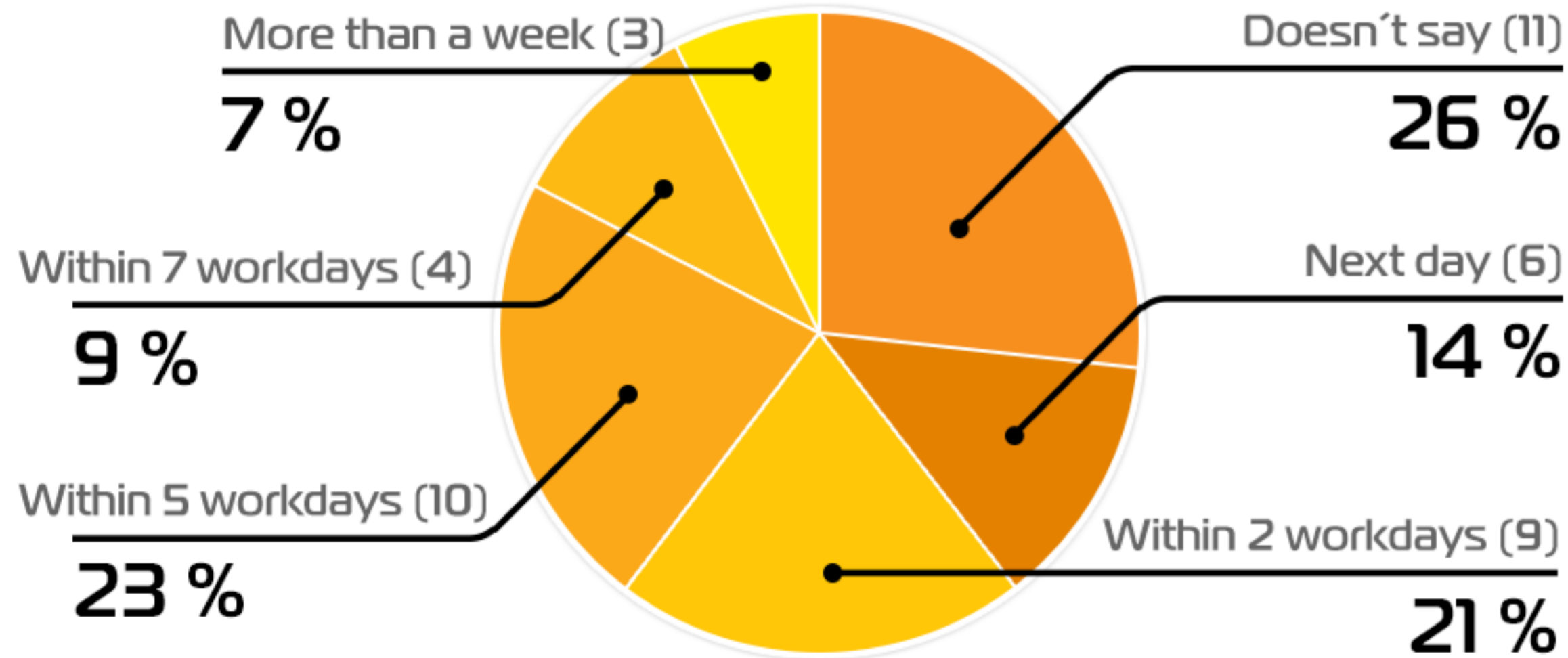


Slowest delivery (days)

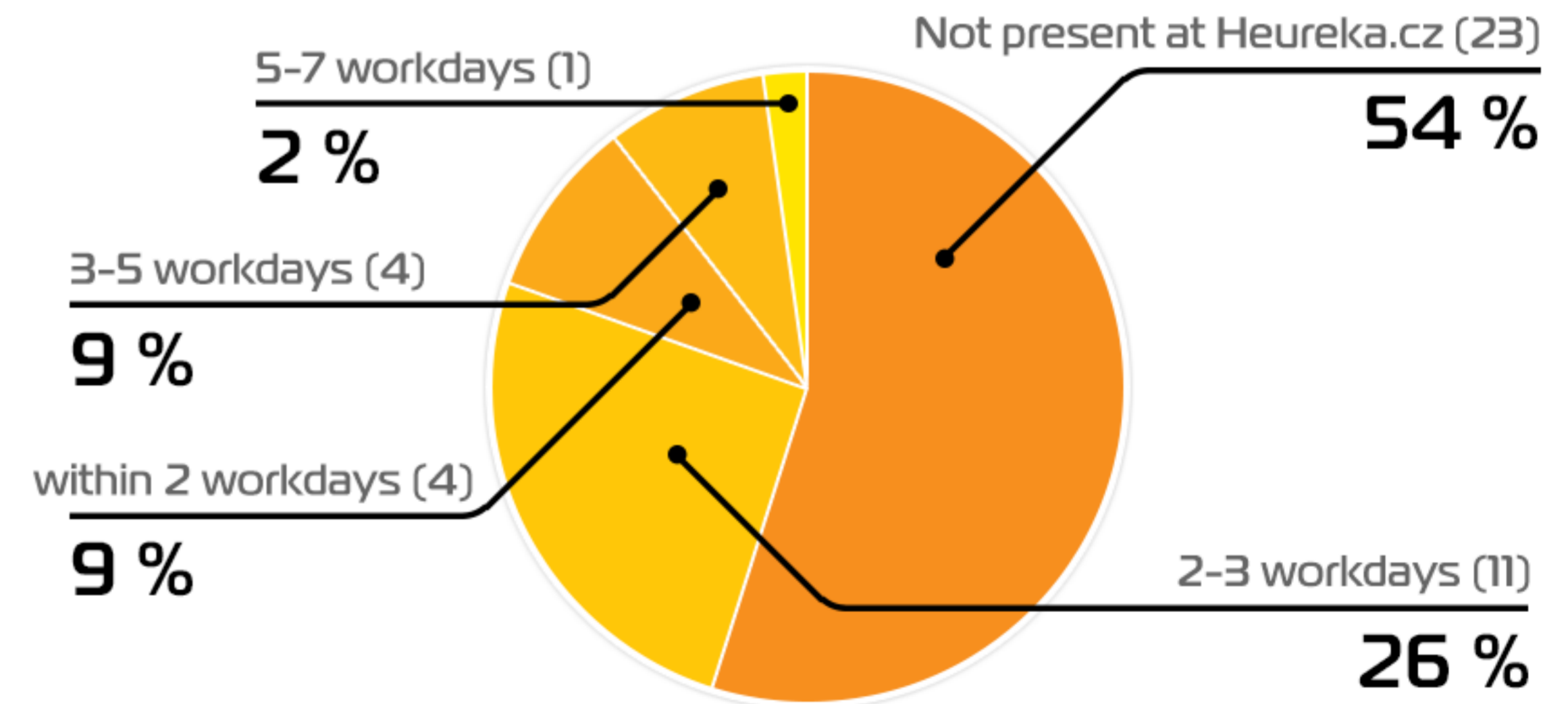
- 1. Sconto 6.1
- 2. Rock Point 4.3
- 3. Jena nábytek 4.1



What is estimated delivery time at company's website?



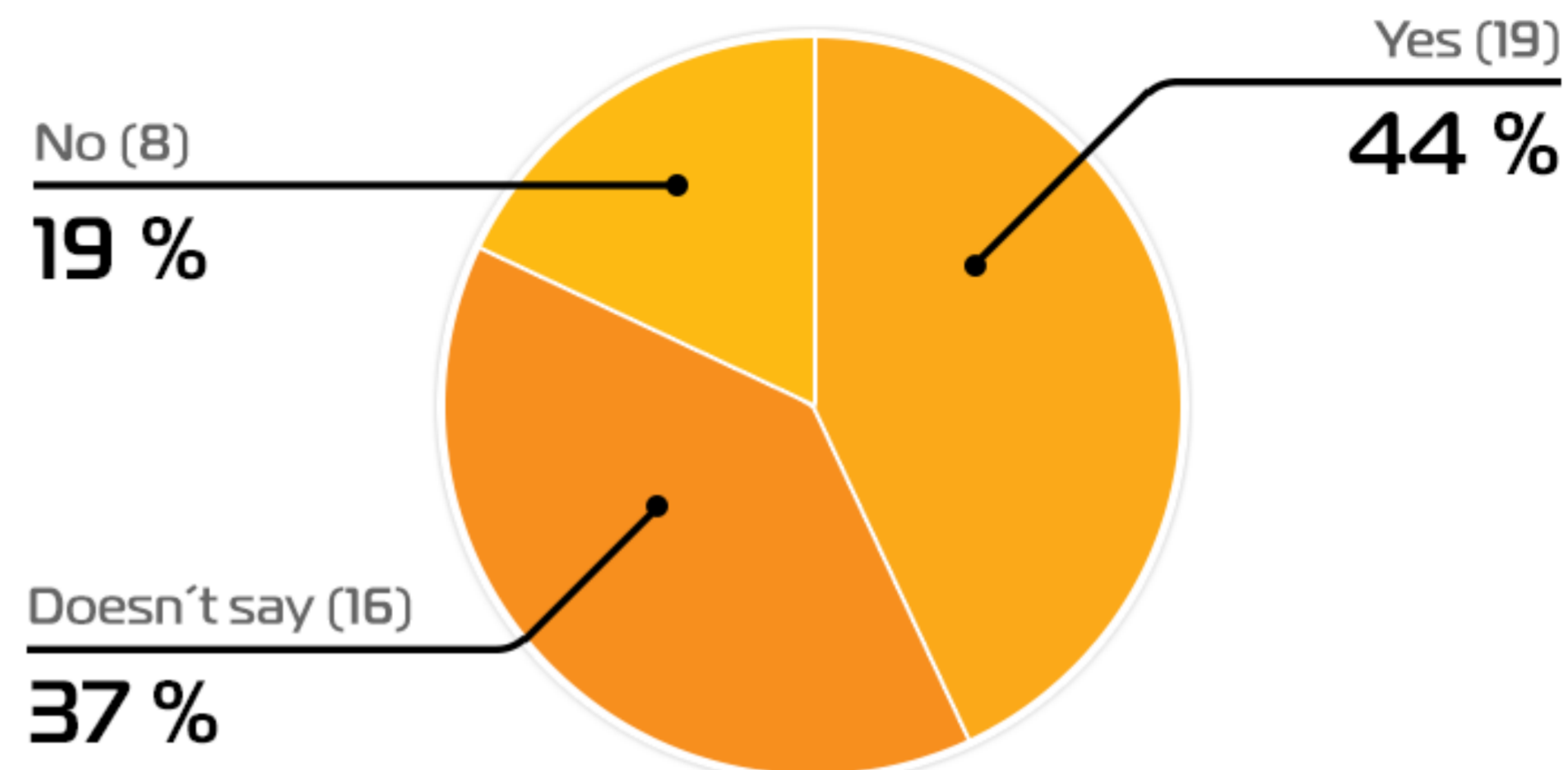
What's average delivery time according to Heureka.cz?



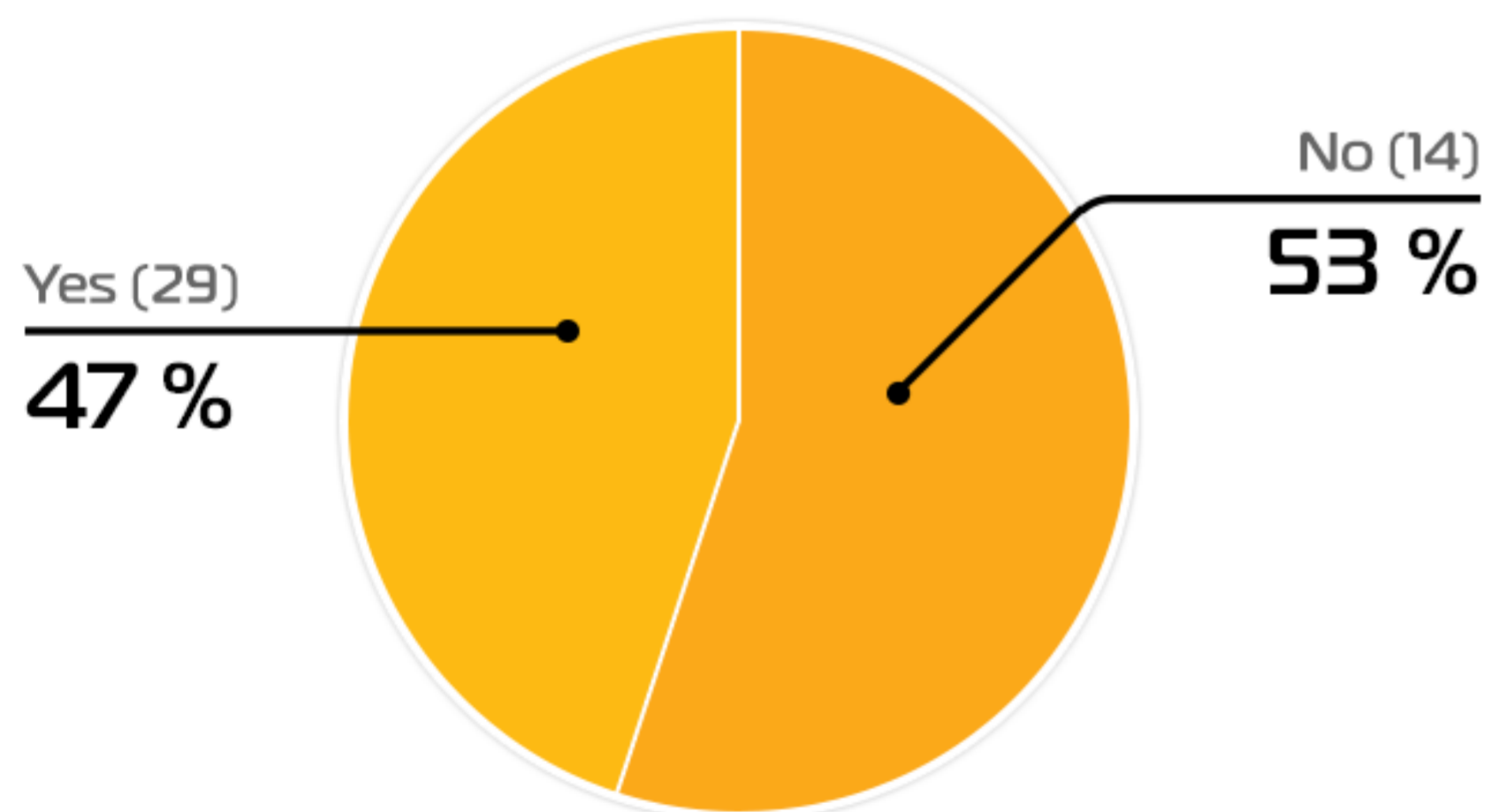


ACOMWARE

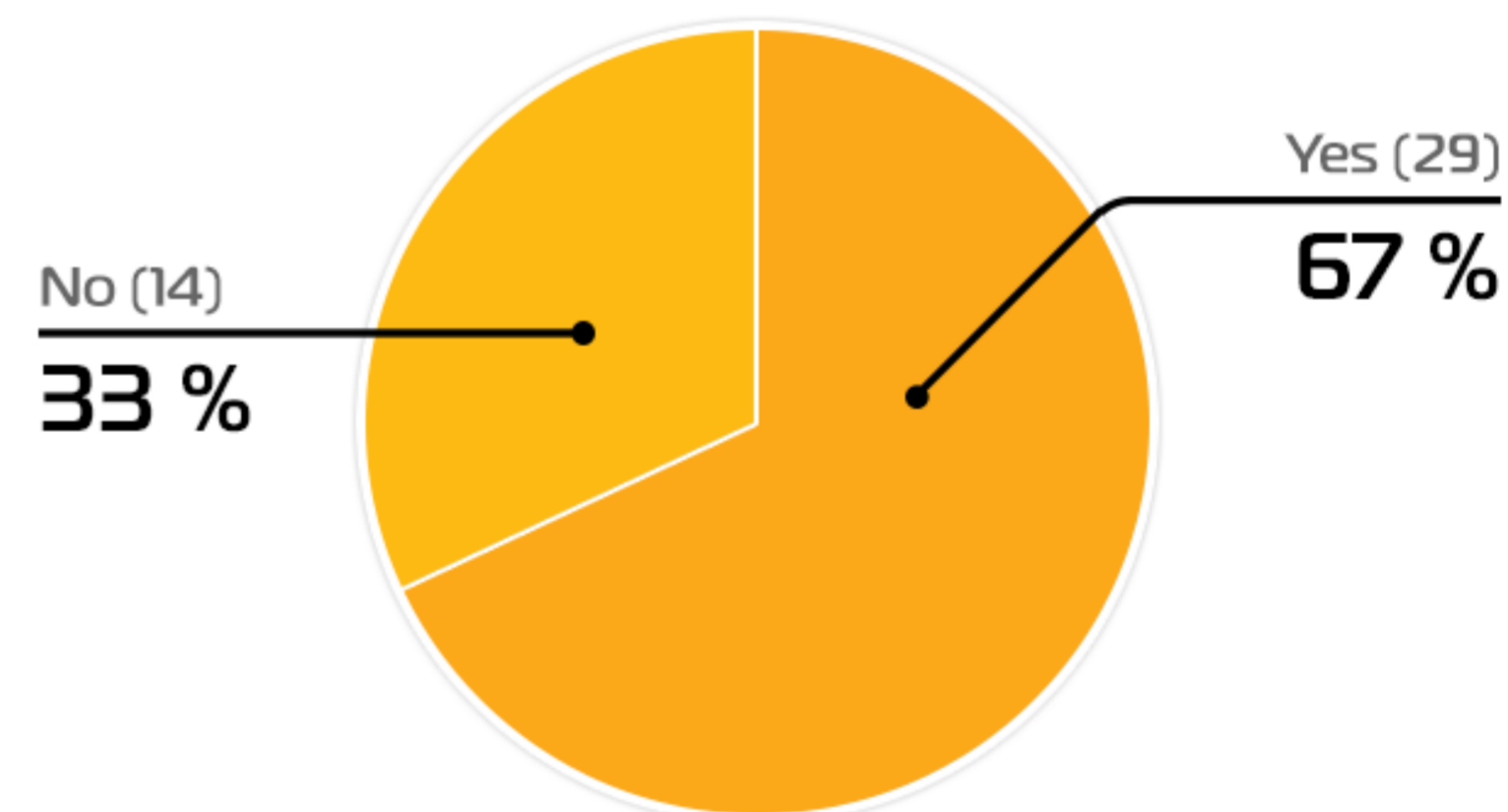
Can customers return goods in offline store?



Can customers find on e-shop product page goods availability in offline stores?



Can customers buy online and pick up at store?



- **High competition**
- **Price war**
- **Brand** is important
- **Margins** in retail and online
- **Stronger** biggest players and the smallest one

- **Multichannel** in logistics, customer service and communication with customers - also in web accesses

- 2014: **grocery** started to be sold online



ACOMWARE

Online marketing – Czech market

- **PPC** works very well
- **CPT display** campaigns at Seznam.cz work quite well
- **RTB** relatively developed
- **SEO** is more complicated
- **Facebook** – narrow target groups, **Twitter, LinkedIn** – small penetration
- **Emailing** – still efficient despite of „mass emails“
- **Affiliate** – strong position of CJ, total turnover is rather small
- **Aukro (Allegro)** maintains its position – transition from C2C to B2C and brand shops, **Ebay + Amazon** in minority
- **Google Analytics**, about 20 e-shops may have Omniture/Webtrekk
- **TV campaigns** work relatively well for the biggest players

	CZ	SK
Twitter	190 000	80 000
Facebook	4 mio	2.2 mio
Linkedin	440 000	85 000

RTB inventory	CZ	SK
Facebook	4198 mio	5350 mio
Double Click (Google)	2595 mio	1146 mio
Other networks (Admeta, Rubicon)	5333 mio	1155 mio

Data source: advertising tools, Adform report 8/2014



ACOMWARE

Common characteristics/blending of CZ and SK market

- Many e-shops **expand from CZ to SK**, only several shops in reverse
- 10-30% level of CZ turnovers in SK
- Ratio of **personal pick-ups** is rather high – company branches, showrooms, outsourced branches, distribution points at newsagents', sellers' depots
- **Payment** method: pay on delivery
- Mobile payments, credit cards, PayPal
- **Certificate** „Certified by customers“ at Heureka.cz/sk
- **AdWords** is slightly more efficient in Slovakia
- **RTB** more developed in CZ, media are relatively more expensive in SK
- Responsive web/**mobile** app is convenient but not necessary



Thank you for your attention!

More information www.acomware.cz and www.acomware.eu



Let's follow [@acomware](https://twitter.com/acomware) and my personal [@intelligentemail](https://twitter.com/intelligentemail)

Your Q and my A: jan.penkala@acomware.cz