

Ecommerce Report 2017

Focus on Central & Eastern Europe



Methodology

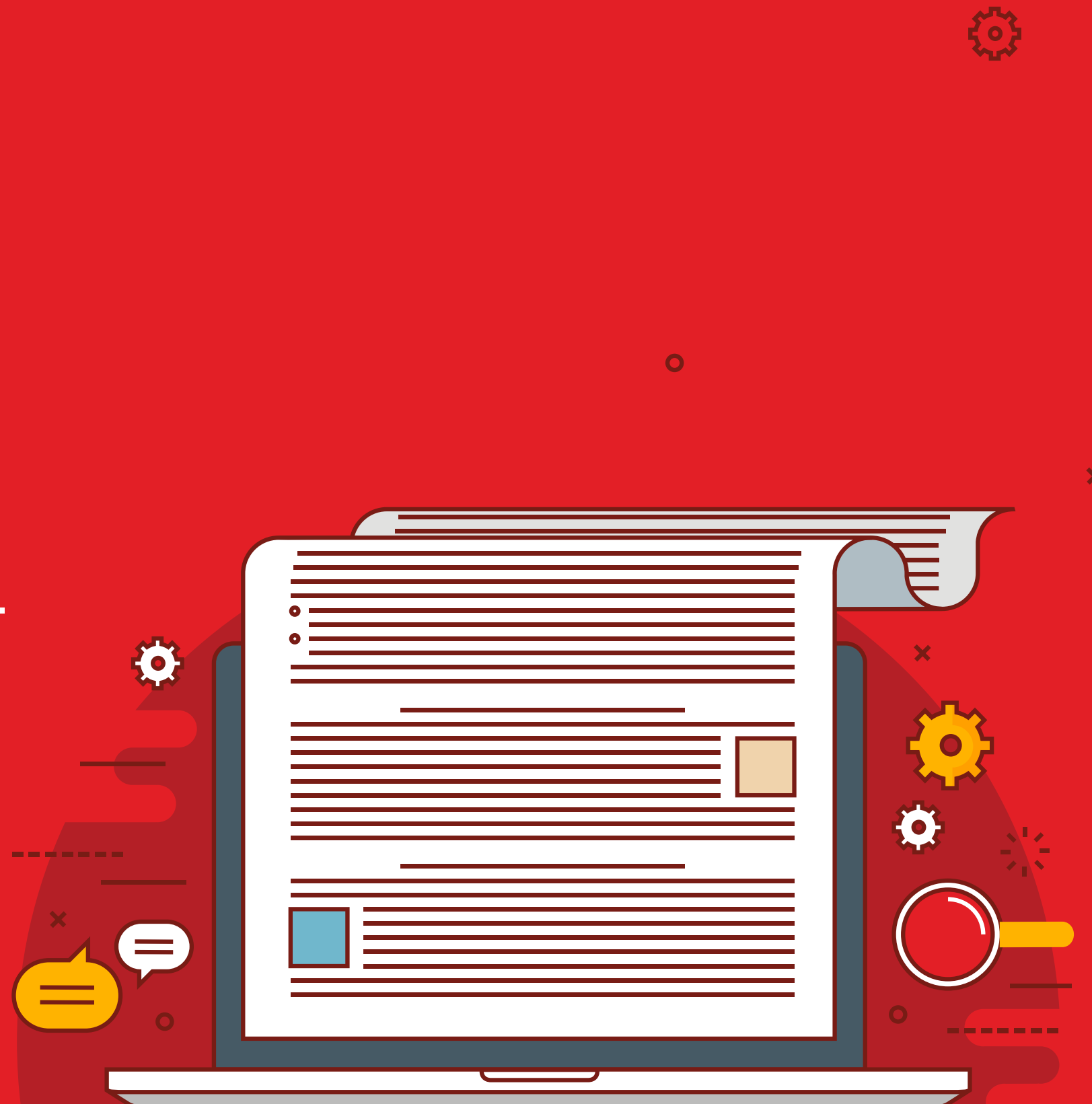
We have studied 93 ecommerce websites with a total of 530 million sessions from Eastern European countries.

The goal of this research is to provide marketers with data-based takeaways that will help them improve their digital marketing strategies.

We addressed the following points:

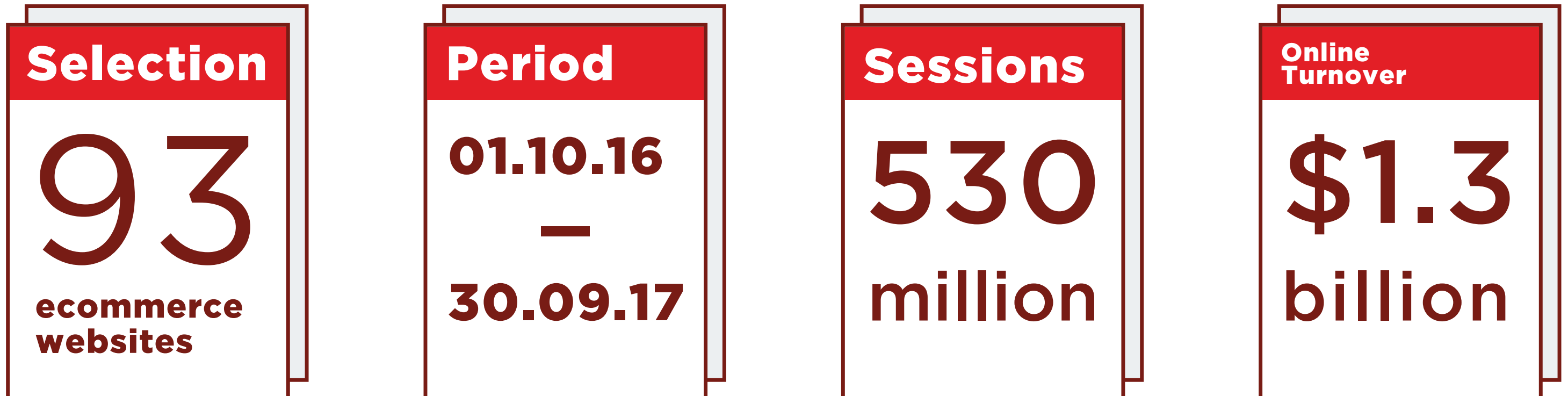
- Advertising channels used,
- User behavior on websites,
- Ecommerce key performance indicators.

And then we analyzed how these indicators have changed over the past 12 months.

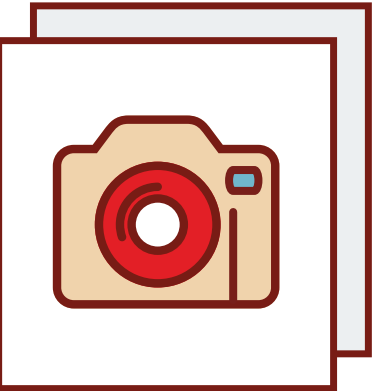


Research Data

This research is based on Google Analytics data of large and medium-size ecommerce projects from Central & Eastern European countries. When analyzing the efficiency of the traffic channels, we used the last click attribution model.



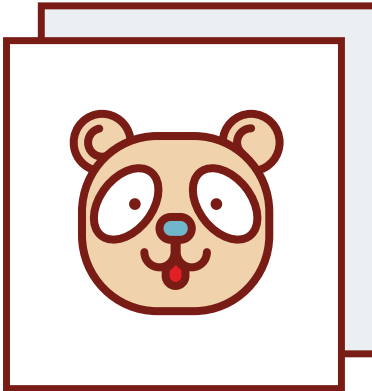
The websites are online stores within the following niches.



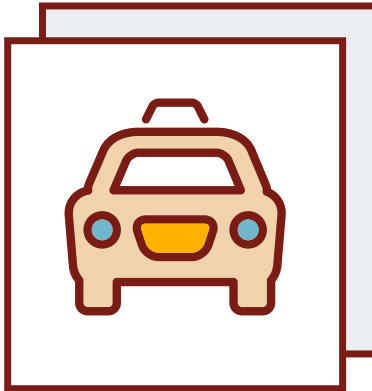
electronics



clothing



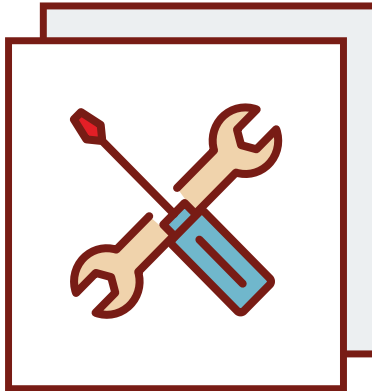
**children's
items**



car parts



**medical
goods**



**specialized
goods**

We examined these projects from 15 countries across Central & Eastern Europe.

Findings

We were curious to find the answers to questions that arise while promoting ecommerce projects. So, our marketing team analyzed the most interesting and representative projects to find the data to support each conclusion.

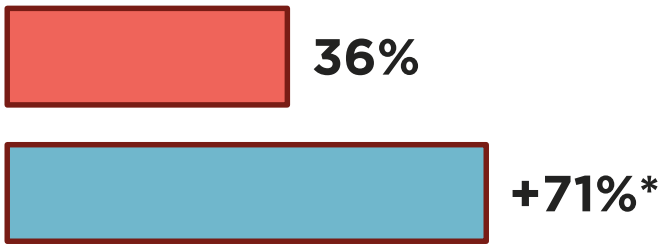


Do I need to optimize my website and advertising activities for mobile?

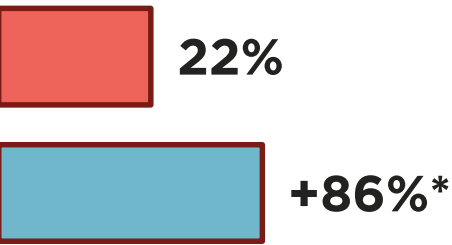
This may not come as a surprise but yes you do. Mobile traffic is growing and already takes a significant share in ecommerce as the data below states.

Mobile traffic share in Sept 2017

Sessions



Revenue



**Change as compared with 2016.*

The percentage of purchases from mobile devices is also growing. The number of conversions increased by 67% compared to 2016.

Takeaway: A website optimized for mobile devices and marketing focused for mobile users will provide you with a significant increase in sales.

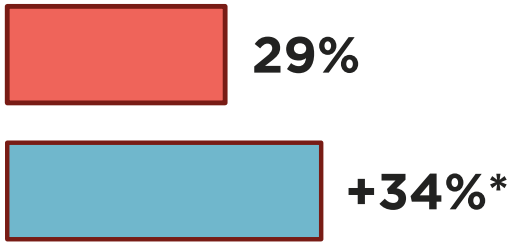


How important is it to be featured in Google's search results for ecommerce?

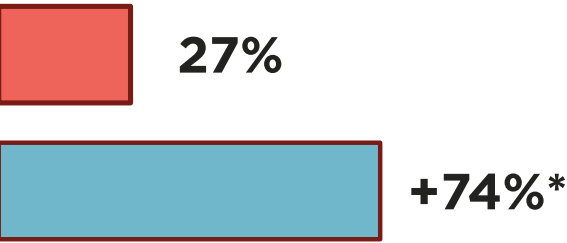
At the moment, Google is the main source of traffic that drives the highest amount of profit in ecommerce. Over the past 12 months, the number of its users and its share in sales have increased.

Google organic traffic share in Sept 2017

Sessions



Revenue



**Change as compared with 2016.*

In addition, customers demonstrated even more trust to Google's search results which in turn the revenue of this channel grew by 74% along with traffic growth of 34%.

Takeaway: If Google has a share less than 30% in your portfolio, you have been losing customers. Therefore, it makes sense to improve the effectiveness of your SEO department.



Is your website page load speed crucial?

Definitely! Your website load speed directly affects conversion, especially on mobile. The average page load speed in ecommerce is 8 seconds.

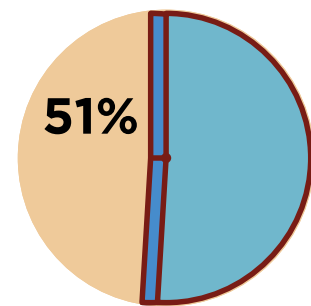
Conv. Rate	< 8 sec	> 8 sec
Desktop	1.5%	1%
Mobile	1.13%	0.6%

Takeaway: You need to minimize the page load time, especially if you target users of mobile devices.

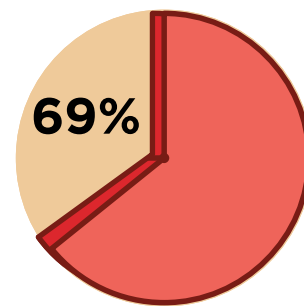


What is more profitable? To attract new customers or to retain the current ones?

The value of repeated visitors to ecommerce is significant. A returned visitors conversion rate is 25% higher than a conversion rate of a first-time buyer. So, the statement that it's more important to work at customer retention than for attracting new ones, is very true for ecommerce.

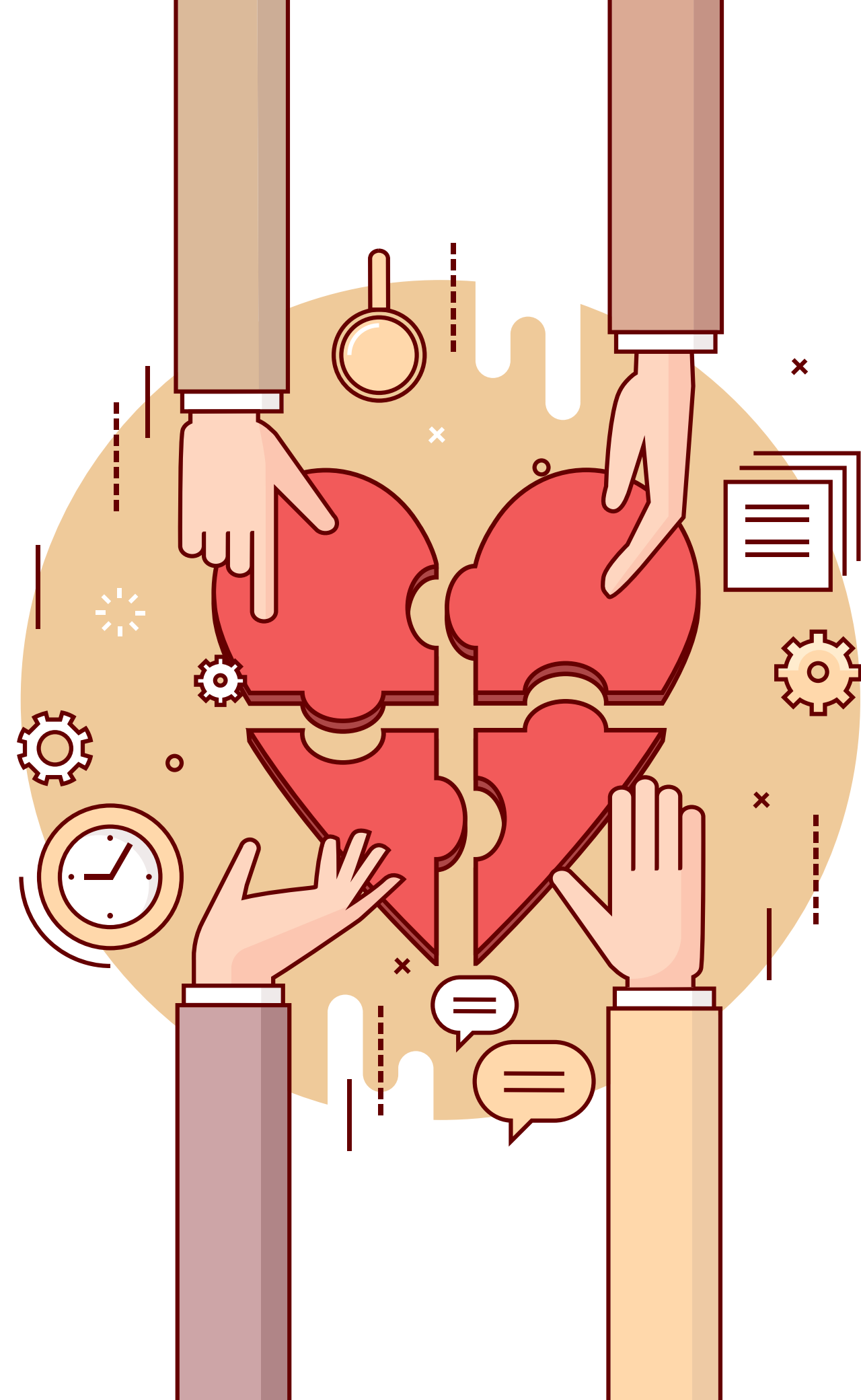


share of traffic generated
by repeat visits



share of revenue generated
by repeat visits

Takeaway: Try different options such as email marketing, remarketing, promotions, and content marketing to retain your customers and encourage them to make additional purchases.

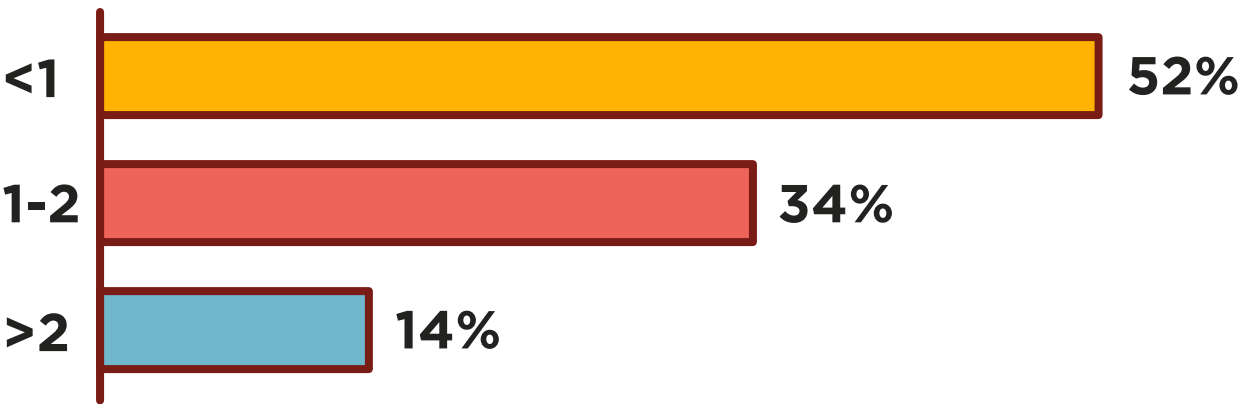


Is my conversion rate too low?

Well, it depends. The average conversion rate in ecommerce is 1.1%. This slightly differs by niches:

- electronics – 0.8%,
- books – 2.05%,
- clothing – 0.75%,
- children’s items – 1.7%,
- car parts – 1.1%.

Conversion rate, %



Conversion rate by channels (last click attribution):

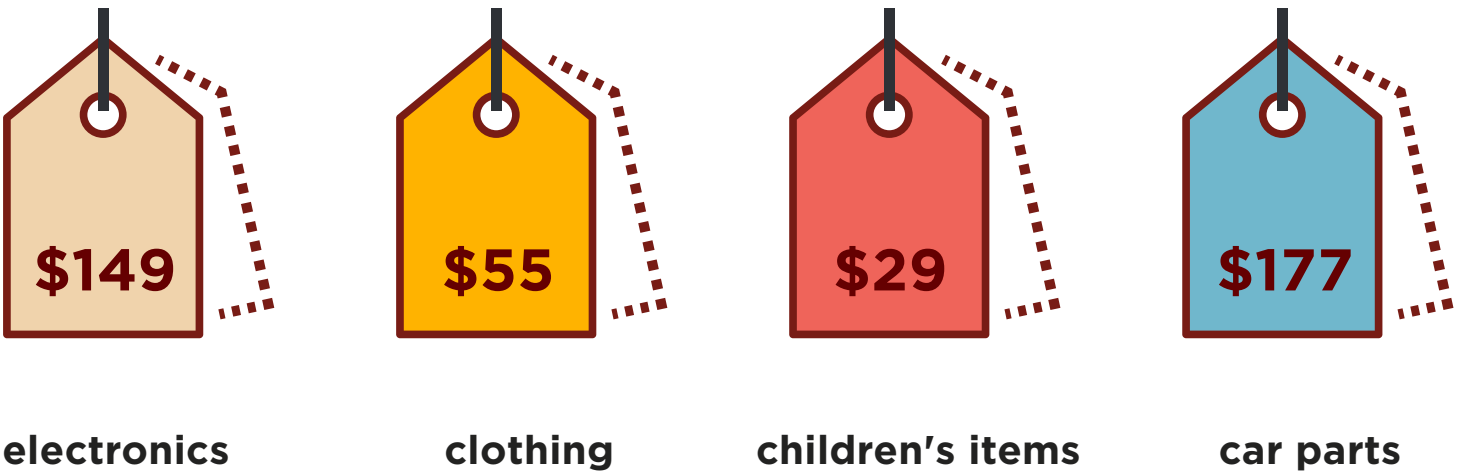
	Organic	CPC	Direct	Email	Social	Referral
Conv. rate	1.25%	1%	1.5%	2.25%	1.5%	1.7%

Takeaway: If your conversion rate for various channels is below average, it’s worthwhile to consider their effectiveness.



What are the key indicators in ecommerce?

Average order values:



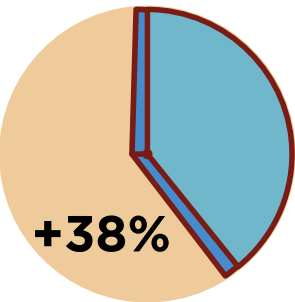
Pages per session – 4.6.
Session duration – 3.6 min.
Bounce rate – 45%.

Takeaway: If your project indicators are below the average for the market, it's worthwhile to determine the reasons that caused this.

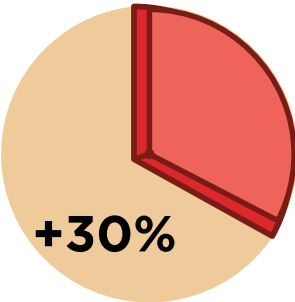


Is the volume of the ecommerce market growing?

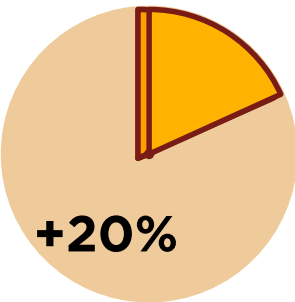
No surprise here. Over the past 12 months, indicators in ecommerce have grown significantly:



turnover

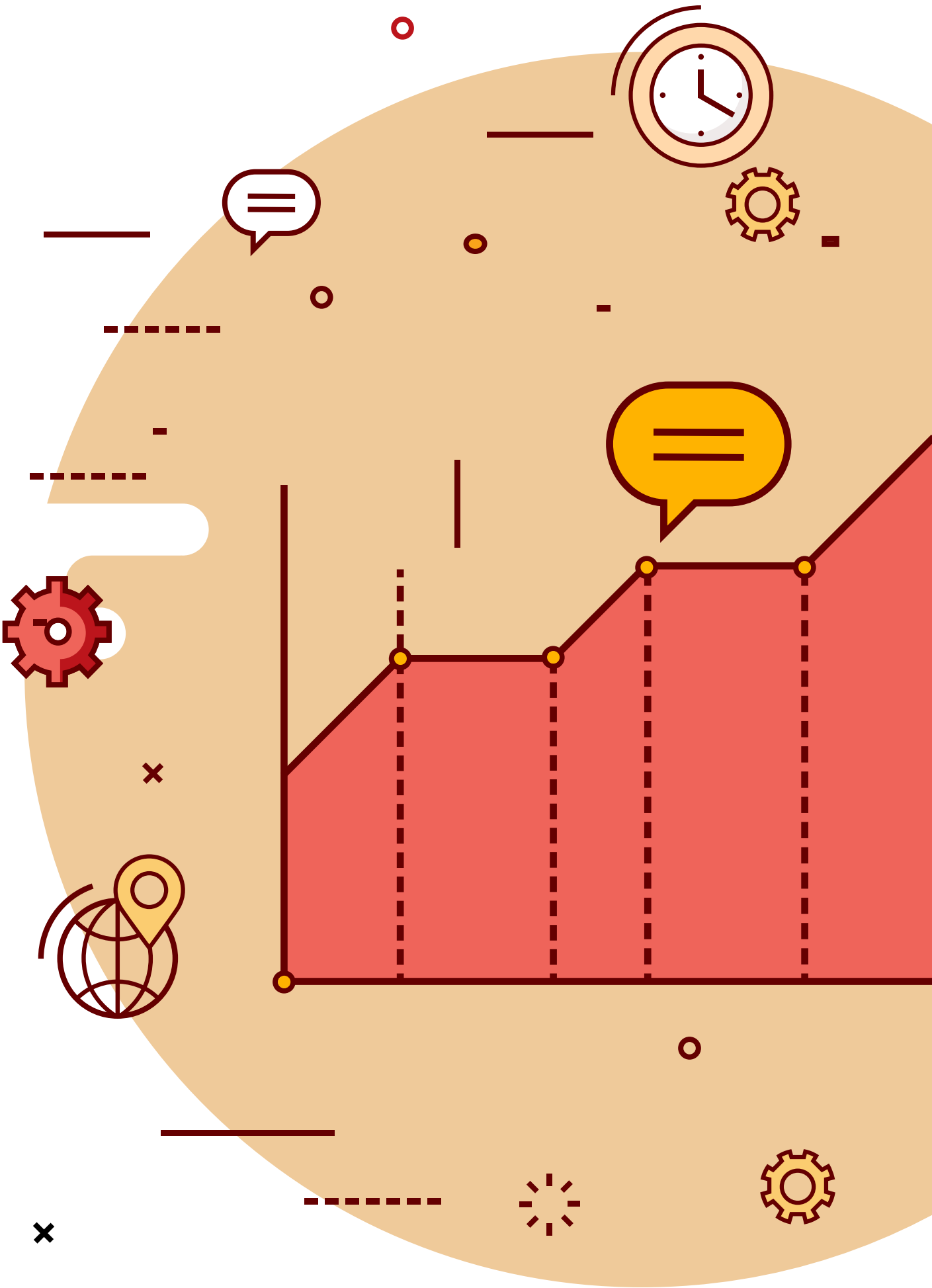


visits



average check

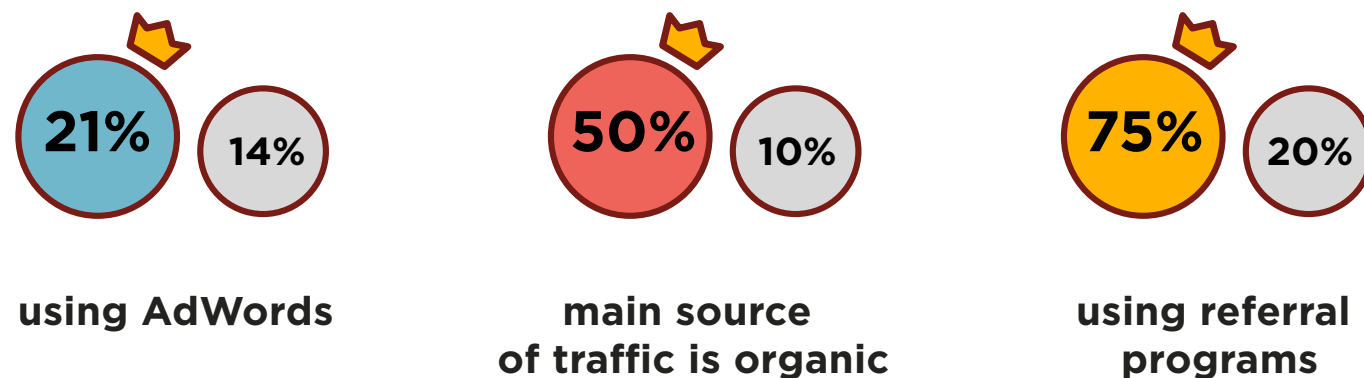
Takeaway: The ecommerce market is growing: more customers are buying online and spending more at online stores. If the performance of your project has not improved in the past year, this is a red flag for you.



What is the difference between the successful and other ecommerce projects?

We analyzed the websites, the profitability of which increased by 30%+ over the last year, and identified some patterns:

- The share of AdWords in total traffic of the successful projects is more than 50%.
- Organic has been the main source of traffic on such projects.
- They also have used numerous referral programs constantly.



Takeaway: We recommend to apply successful practices of the market leaders. For example, focus on search engine optimization, search media marketing, and building partnerships.



How does ecommerce in Eastern Europe use Yandex?

The share of Yandex in Eastern European countries is insignificant in both organic and paid traffic (without Ukraine).

	Yandex Organic	Google Organic	Yandex CPC	Google CPC
Sessions	6%	27%	3.2%	26%
Revenue	4.6%	27%	2.3%	18%

Ecommerce in Eastern Europe has seen reduced budgets for advertising in Yandex by 20% in 2017 compared to the previous year. The volume of organic traffic from Yandex has not increased, while traffic from Google has increased by 34%.

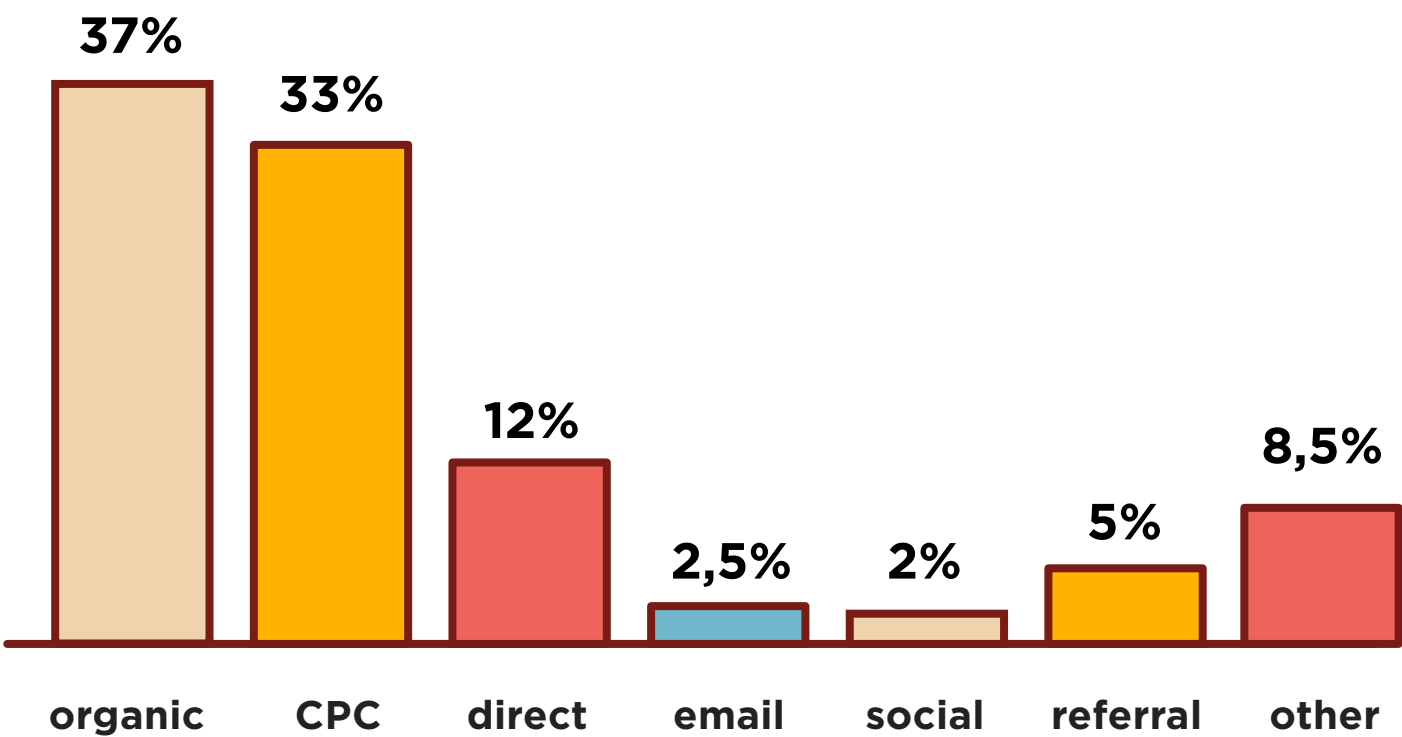
	Yandex Organic	Yandex CPC
Eastern Europe (without Ukraine)	-0.5%	-20%
Ukraine	-52%	-93%

In Ukraine, after blocking Yandex in May 2017, almost all advertisers resigned from paid advertising in this channel.

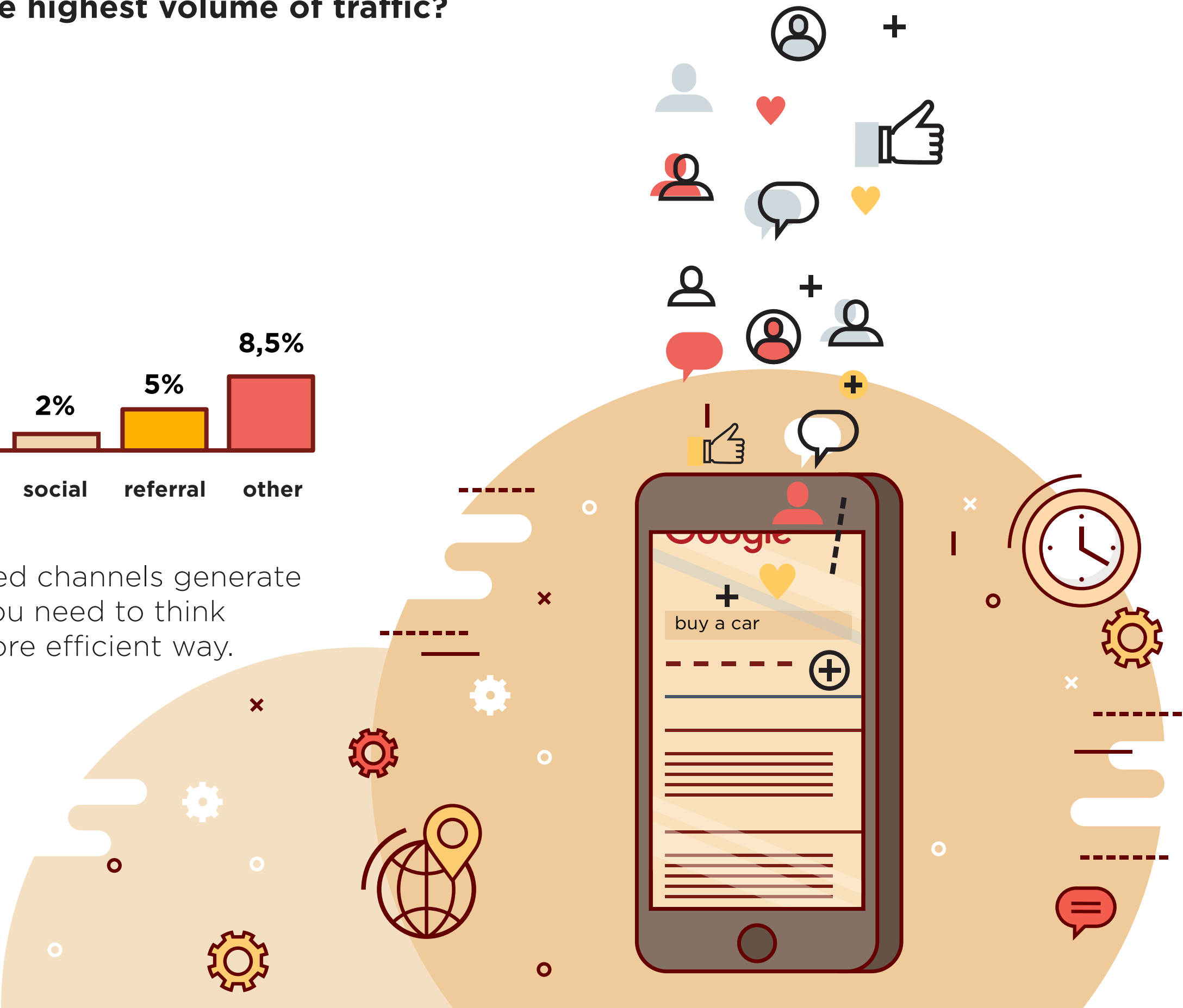
Takeaway: If Yandex is a popular search engine in your country, certainly use this channel, but do not expect a large volume of traffic like you may have experienced in previous years. We also recommend to review your Yandex digital marketing strategy due to the Google market share increase in all the countries under this study.



What channels generate the highest volume of traffic?



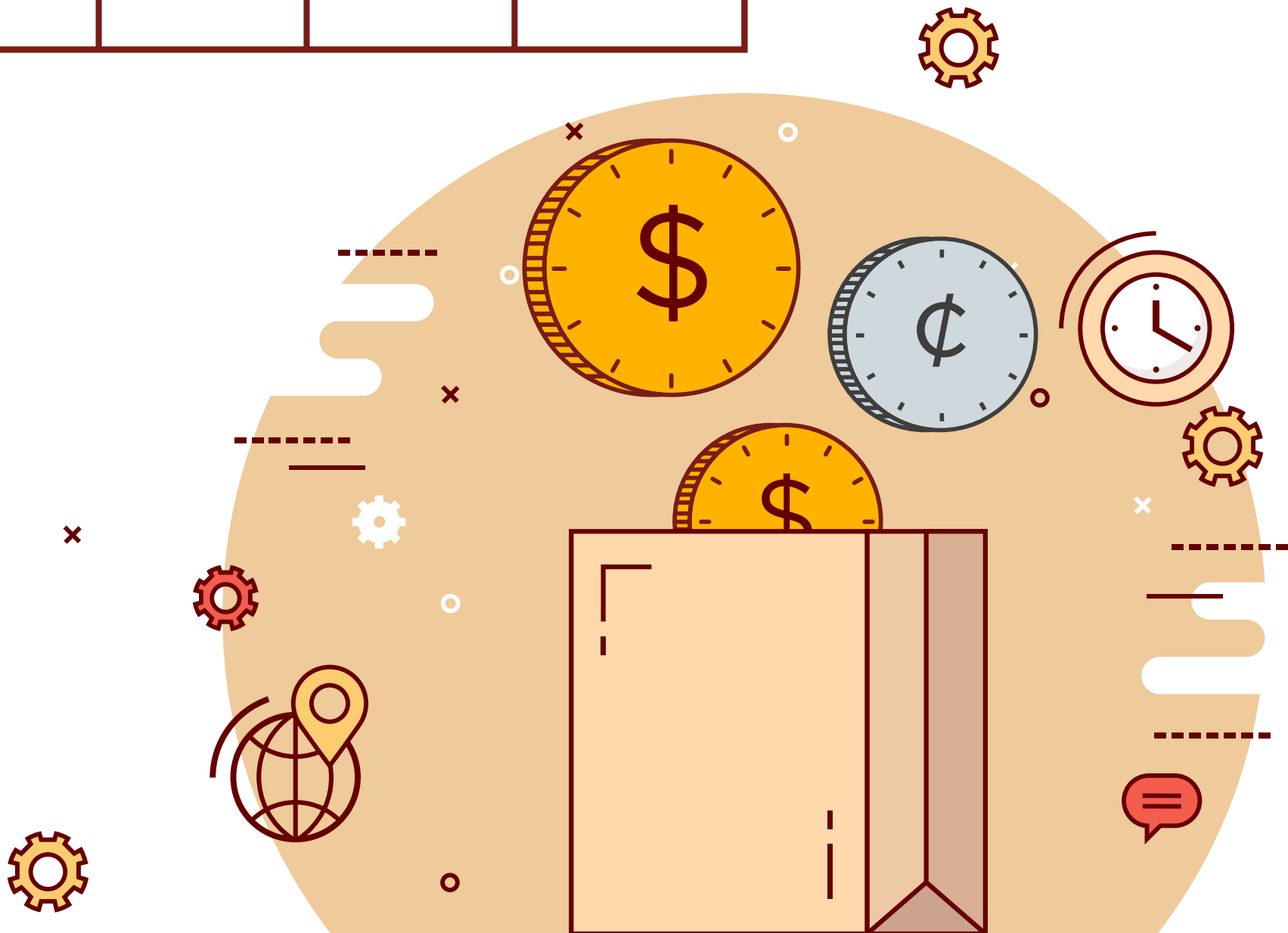
Takeaway: If some of these used channels generate less traffic than the average, you need to think about how to use them in a more efficient way.



What sources bring more revenue?

	Organic	CPC	Direct	Email	Social	Referral
Revenue	34%	26%	17%	6%	2%	8%
Revenue per user	\$1.25	\$1.15	\$1.7	\$4.5	\$1.7	\$2

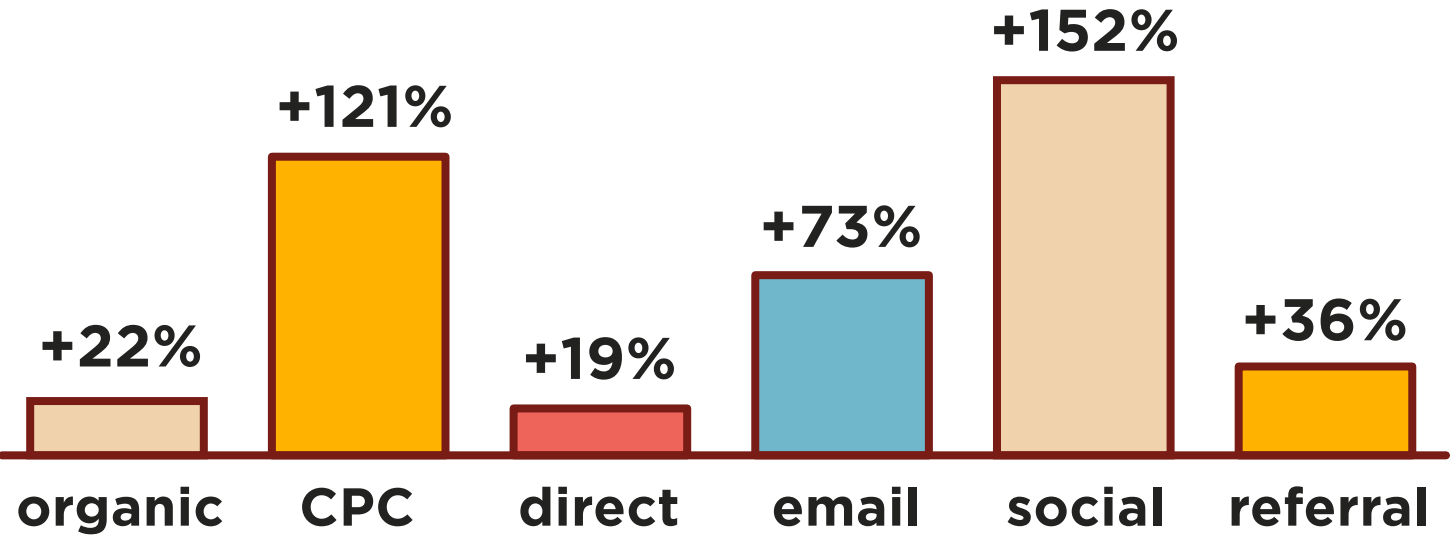
Takeaway: If your project has commercial indicators below average, it's worthwhile to think about their effectiveness.



How has the efficiency of the channels changed over the past year?

The main trends we have noticed are the following: advertisers have spent significantly more of their budgets on AdWords and social media.

Traffic increase by channels in the 12 months

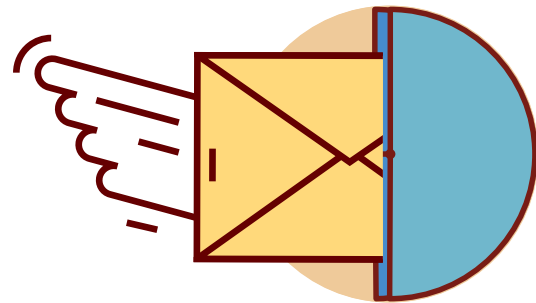


Takeaway: In ecommerce, it is important to remain in trend. You need to use tools and approaches that have been proven of their effectiveness. In 2017, you should increase your AdWords advertising budget and pay close attention to social media marketing.



Is it worth using email marketing in ecommerce?

This is a wise choice indeed because the conversion rate for this channel is the highest one we have identified – 2.25%.



**50% of ecommerce projects
do not use email marketing at all**

Takeaway: If you do not develop your email marketing channel, it's time to get started. This channel directly affects the growth of repeat sales, which generate majority of the profit in e-commerce.



Recommendations for ecommerce projects for 2018

The aforementioned data has been collected to help you assess the condition of your ecommerce project, identify the weak points of your digital marketing strategy, and get some ideas for its improvements.

We recommend ecommerce projects to follow these suggestions in 2018.



We recommend:

1. Make a bet on mobile traffic.

More and more people are making purchases using their mobile devices. If you have not optimized your website yet, a mobile version of the website, or an app, is a must and you should start working on it. We also recommend to launch promotional activities specifically for mobile users.

2. Treat Google as your primary sales channel.

The share of Google in ecommerce traffic continues to grow. The average check for this channel is growing as well. Consumers trust Google when choosing an online store. Therefore, we recommend allocating a significant part of your marketing budget to search engine optimization or consider starting a Google AdWords campaign.

3. Develop brand loyalty and grow a number of returned visitors.

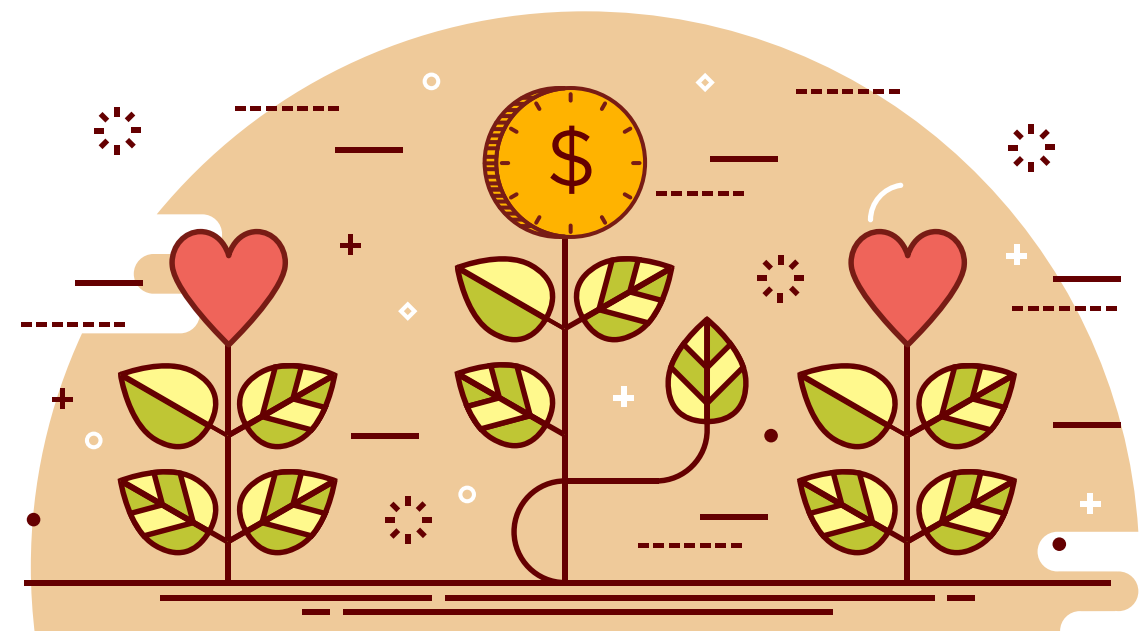
70% of profits in ecommerce are resulted from repeated sales. Use all available tools to retain your customers and have them return to your store. Tools like email marketing, remarketing, loyalty programs, a mobile application, etc.

4. Implement a full-fledged email marketing strategy.

If you have not yet implemented an email marketing strategy, stop missing your opportunities. Email marketing has the highest conversion rate and ROI. In addition, it is a powerful tool to stimulate repeat sales. So, create transactional emails, triggers, and newsletters.

5. Pay attention to marketplaces and affiliate marketing programs.

For successful ecommerce projects referral traffic amounts up to 10% of sales and has a decent conversion rate. So, think what platforms and partners can help you sell your products.





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