# Ecommerce Report 2019

**Focus on Central & Eastern Europe**

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# Research Data

**292** ecommerce websites

**2.38** bn of annual revenue

**2.39** of Google Analytics sessions

This research is based on the Google Analytics data of large and medium-scale ecommerce websites from Central & Eastern European countries.

The indicators were calculated as average weighted (medians) in order to avoid limit values distort the overall picture.

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# Ecommerce Market Trends in Central and Eastern Europe

# How has the ecommerce market increased in 2019

## The eCommerce market has quadrupled in revenue and sessions.

The growth rate of the average order value has exceeded inflation. However, we noted a slight increase in the number of transactions.

**Takeaway:** focus on channels that generate the most traffic.

To improve the number of transactions, make sure the customer journey on your website is simple, and the product recommendation sections are displayed correctly for different scenarios. AI merchandising is a trend for 2020.

**+26.6%**

**+25.6%**

**+9.4%**

**+6.6%**

Revenue

Sessions

Average order value

Transactions

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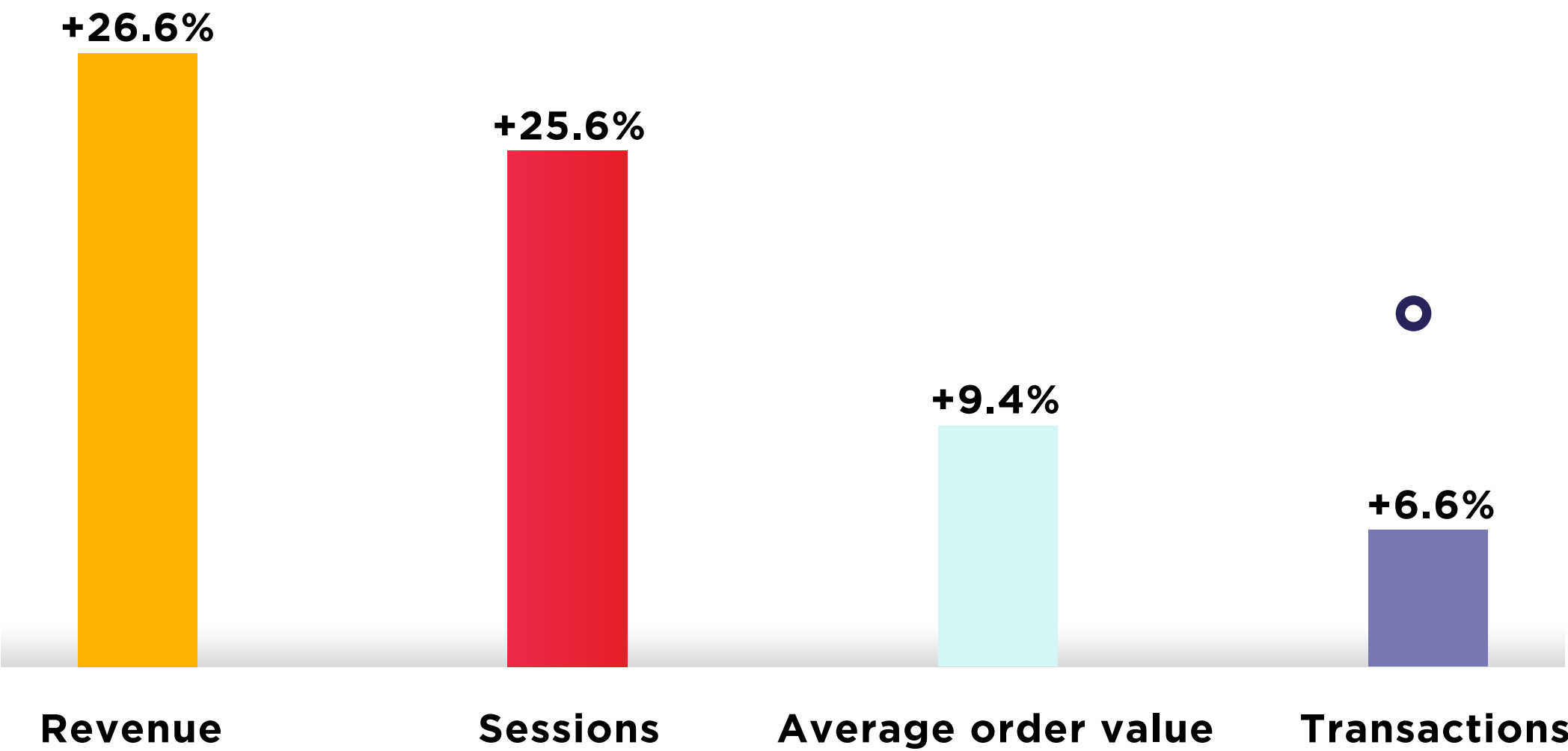
# Key performance indicators for ecommerce website

The indicators of user behaviour on a website have not changed significantly over 2019.
The page load speed slightly increased, but the page depth fell.

An increase in the number of relevant landing pages that help users quickly find the information they need can be a reason for this drop.

**Takeaway:** analyse your landing pages with marginal indicators, both positive and negative. In this way, you will understand which of them needs to be improved and how to do this.
We would strongly recommend testing all changes. A systematic approach to A/ testing will help ensure that all website elements are working toward increasing sales.

**6.2**sec.
**website load speed**

**45.8**%
**bounce rate**

**3.6**
**number of pages per session**

**246**sec.
**average session duration**

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# How does website load time affect conversion rates?

**Websites that load within 4-5 seconds receive the highest conversion rate.**

**Takeaway:** improving the website load time on both deskto and mobile devices is an efficient way to enhance the customer experience and your revenue.

Moreover, this will positively impact your website ranking.
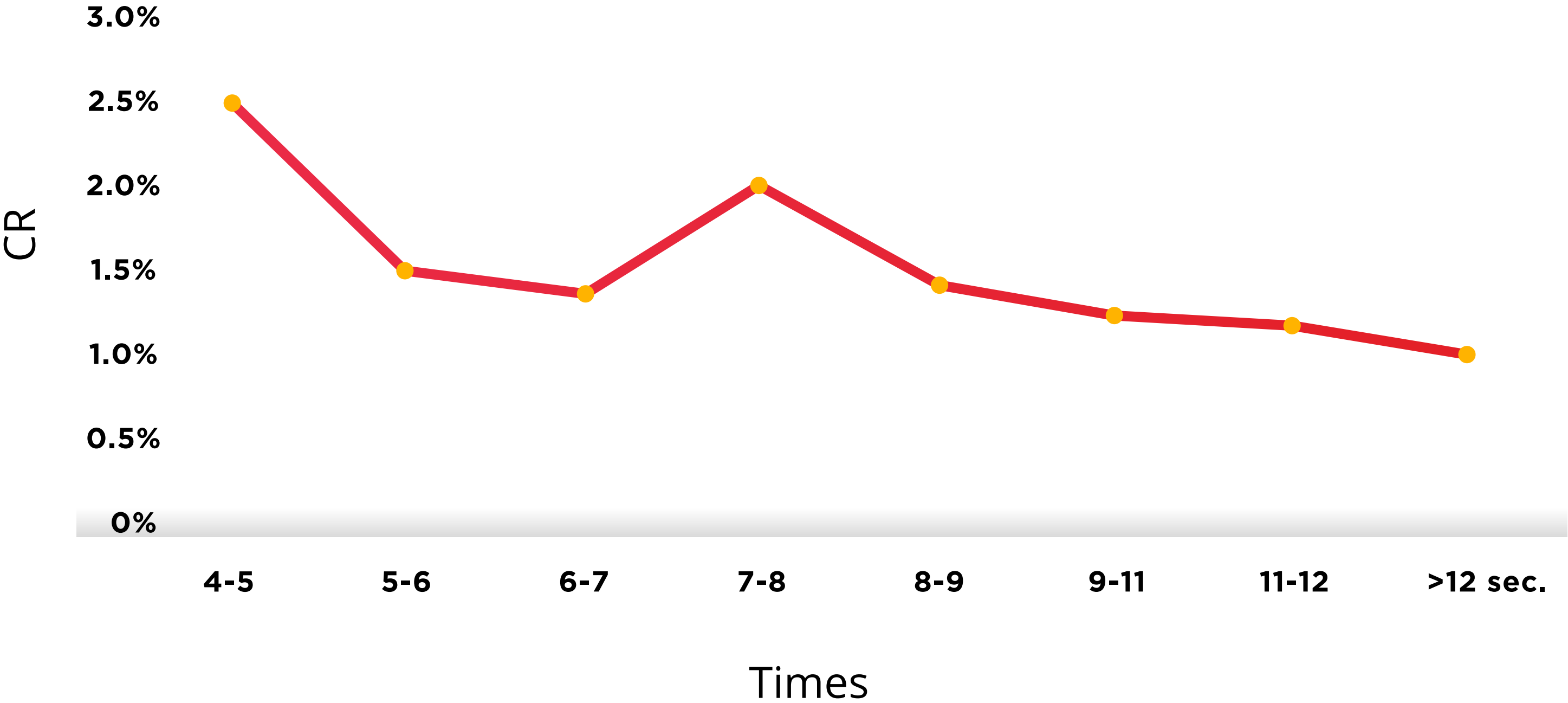
# What devices are consumers using to browse and buy

## The number of mobile sessions exceeds desktop more than twice.

2020 is expected to be a watershed year when the number of transactions and revenue from mobile devices exceeds desktop indicators.

**Takeaway:** the Mobile First strategy has reached the CEE region. We would recommend focusing on your adaptive web design, i.e. separate UX structure for mobile devices, to make your website as a whole and the checkout process in particular convenient and clear for mobile users.

**Transactions, %**

| 59 | 41 |
|---|---|

**Revenue, %**

| 56 | 44 |
|---|---|

**Sessions, %**

| 31 | 69 |
|---|---|

■ desktop

■ mobile

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# Is it more profitable to attract new visitors or retain existing?

Returning users make 83% of the total number of transactions, generating 3 times more revenue.

At the same time, the conversion rate among returning users is twice as high as the website average.

**Takeaway:** focus on retention marketing solutions since this is a trend for 2020. Email marketing, loyalty programs, and carefully configured remarketing campaigns will help you cope with this task.

**The share, generated by returning visitors, %**

**Conversion Rate, %**

77.2

revenue

30.4

sessions

82.9
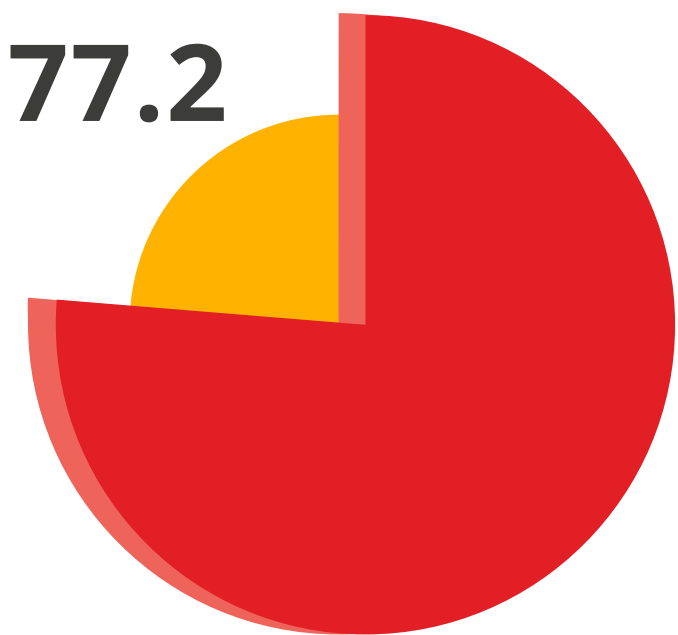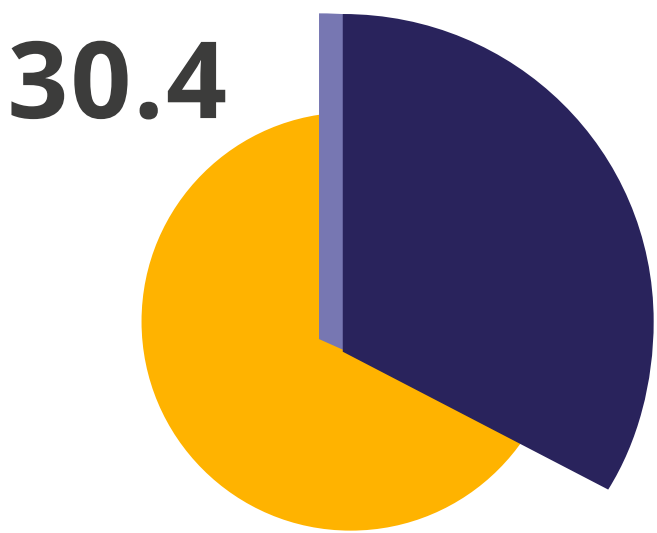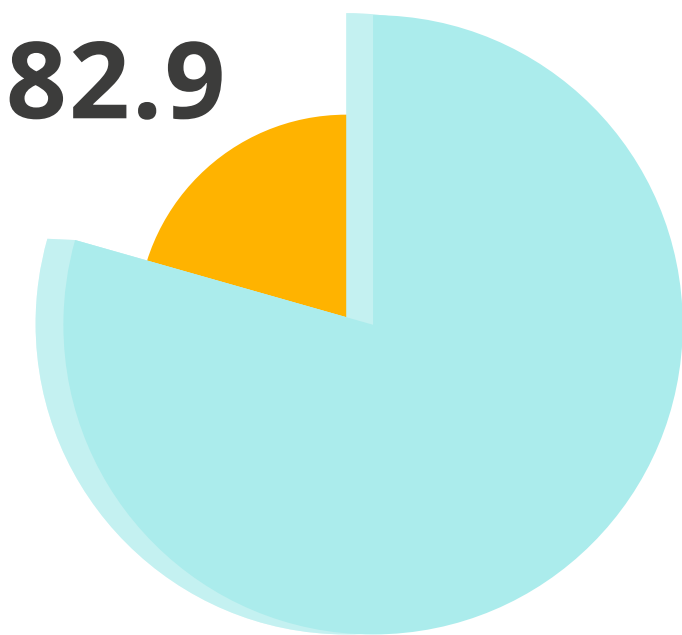
transactions

1.17

returning

0.75

new

# The effectiveness of digital marketing channels

**\* The last-click attribution model was used**

# What channels generate the most traffic

In 2019, the organic search was the most effective channel in terms of attracting traffic, exceeding paid search by 10%. The share of organic search significantly increased compared to 2018 as well.

**Takeaway:** quality content can help you drive more traffic from contingently free search results. Not only thematic articles but also videos, useful posts on social networks, as well as interactive guest content, can help you increase your performance indicators.

An effective content distribution strategy is equally important. To catch and keep customer attention, analyse consumer needs, and adapt your content
for each channel.

28.5% **paid search**

39% **organic search**

11% **direct**

4.8% **referral**

5.7% **email**

4.7% **display**

1.4% **social**

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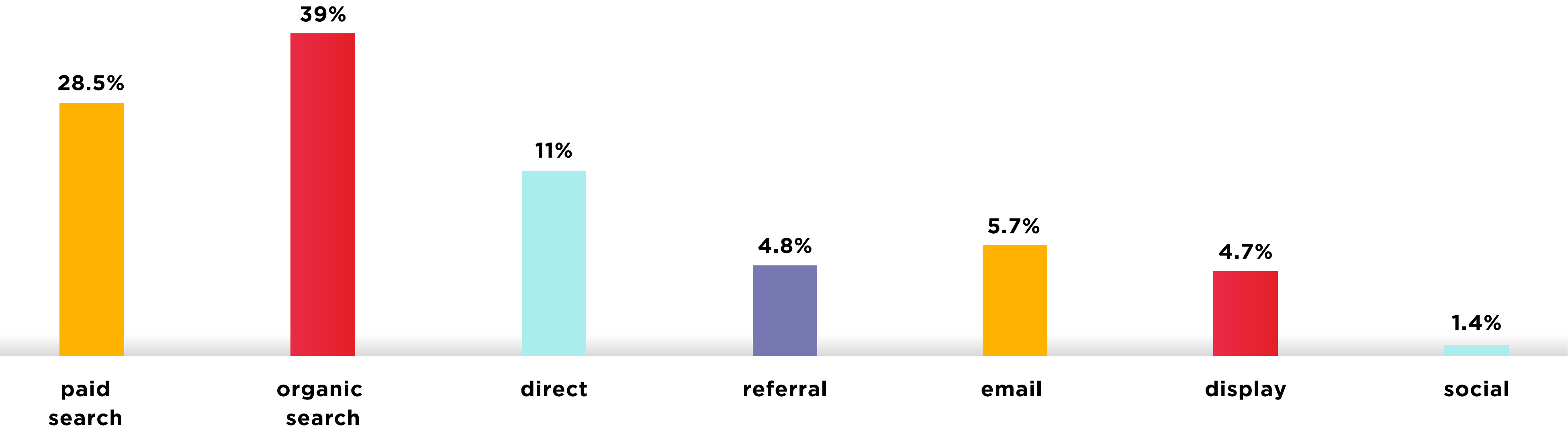
# What channels generate the most revenue

The paid search channel generated the most revenue in 2019.

The referral channel was the most effective in the context of traffic/money (directories, review and price comparison websites, CPA networks.)

**Takeaways:** the competition within paid search results for the most frequent queries can lead to such invalid ROI (Return on Investment) and CRR (Cost Revenue Ratio), which only market leaders can afford.

More detailed targeting and creating custom audiences can help small and medium businesses increase sales.

| Channel | Value |
|---|---|
| paid search | 32.6% |
| organic search | 25% |
| direct | 12.7% |
| referral | 13.8% |
| email | 5.3% |
| display | 1% |
| social | 1.4% |
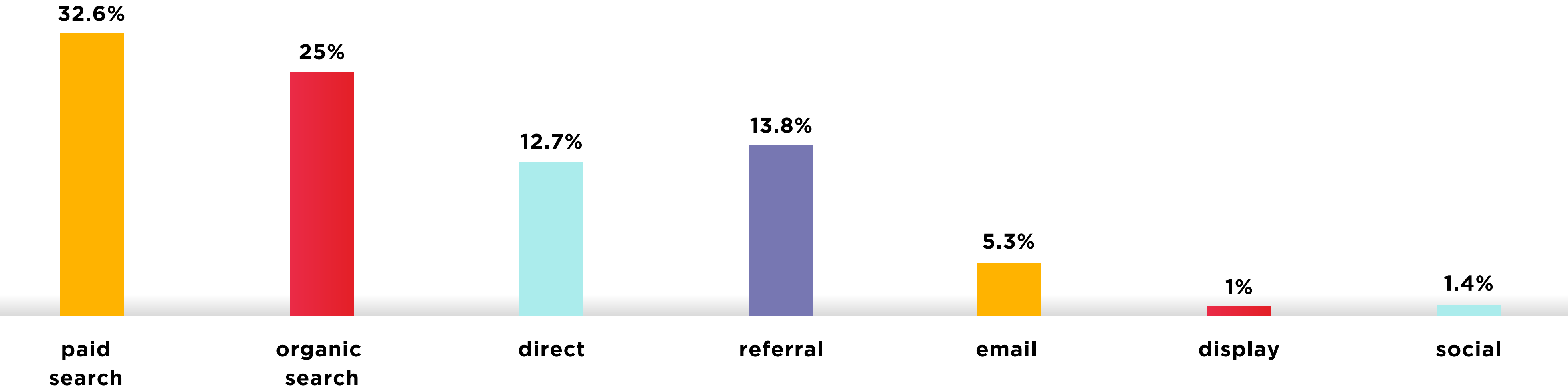
# Which channels bring more conversions, and which have the highest average order value

The email channel remains the most conversion generated, however, it has the lowest average order value indicator.

The Direct channel demonstrated the highest average order value. These are users who visit your website bypassing search.

**Takeaway:** focus on retention marketing. Acquisition of one subscriber from your customer base can cost 2 or even 5 regular visitors, and the cost for an extra customer touchpoint tends to zero.

Boost your brand, both online and offline. This is a long play, but it works toward increasing the loyal customer base with the highest average order values.

**Conversion Rate**

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 0.6% | 0.7% | 1% | 1.4% | 1.9% | 0.2% | 0.6% |

**Average Order Value**

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| $75.2 | $78.9 | $87.1 | $80.2 | $55.3 | $65.9 | $68.2 |

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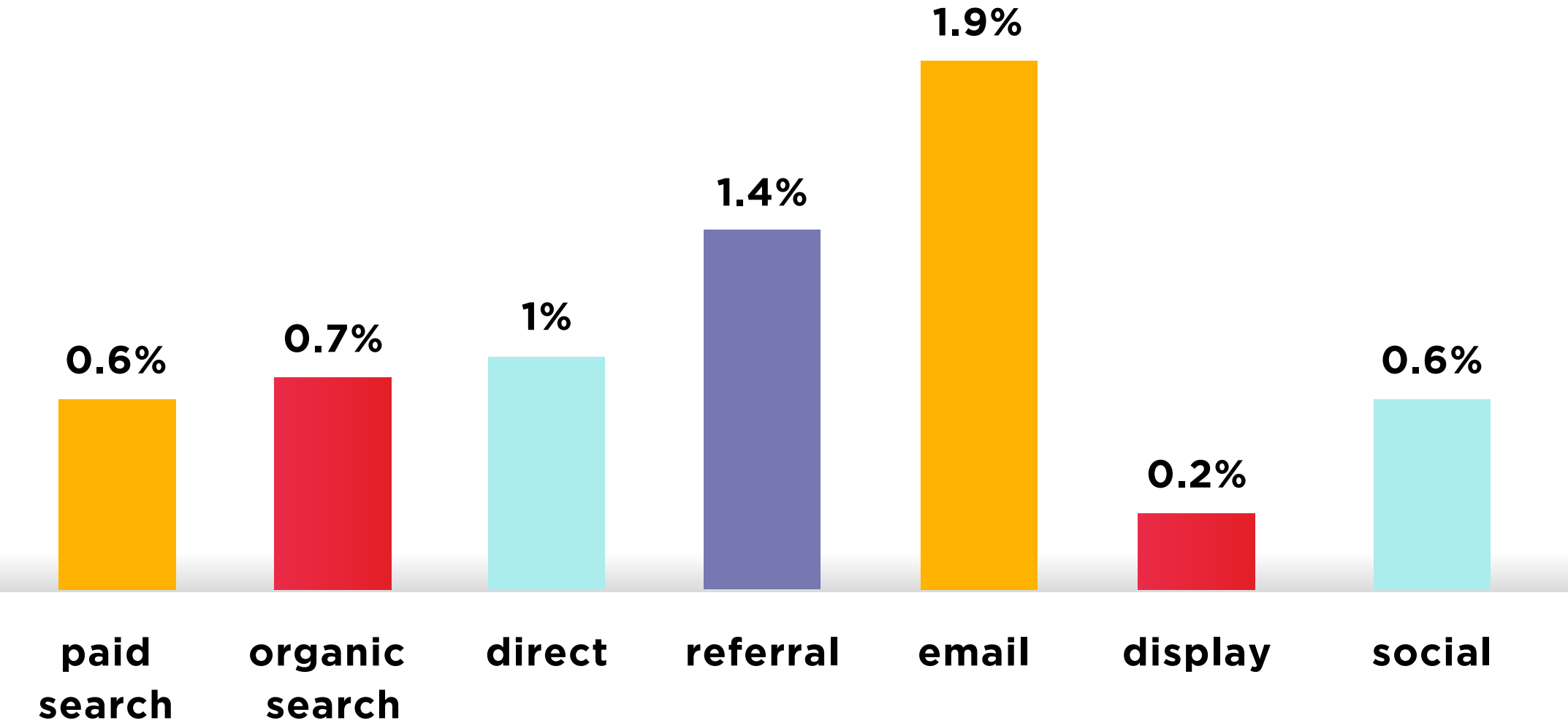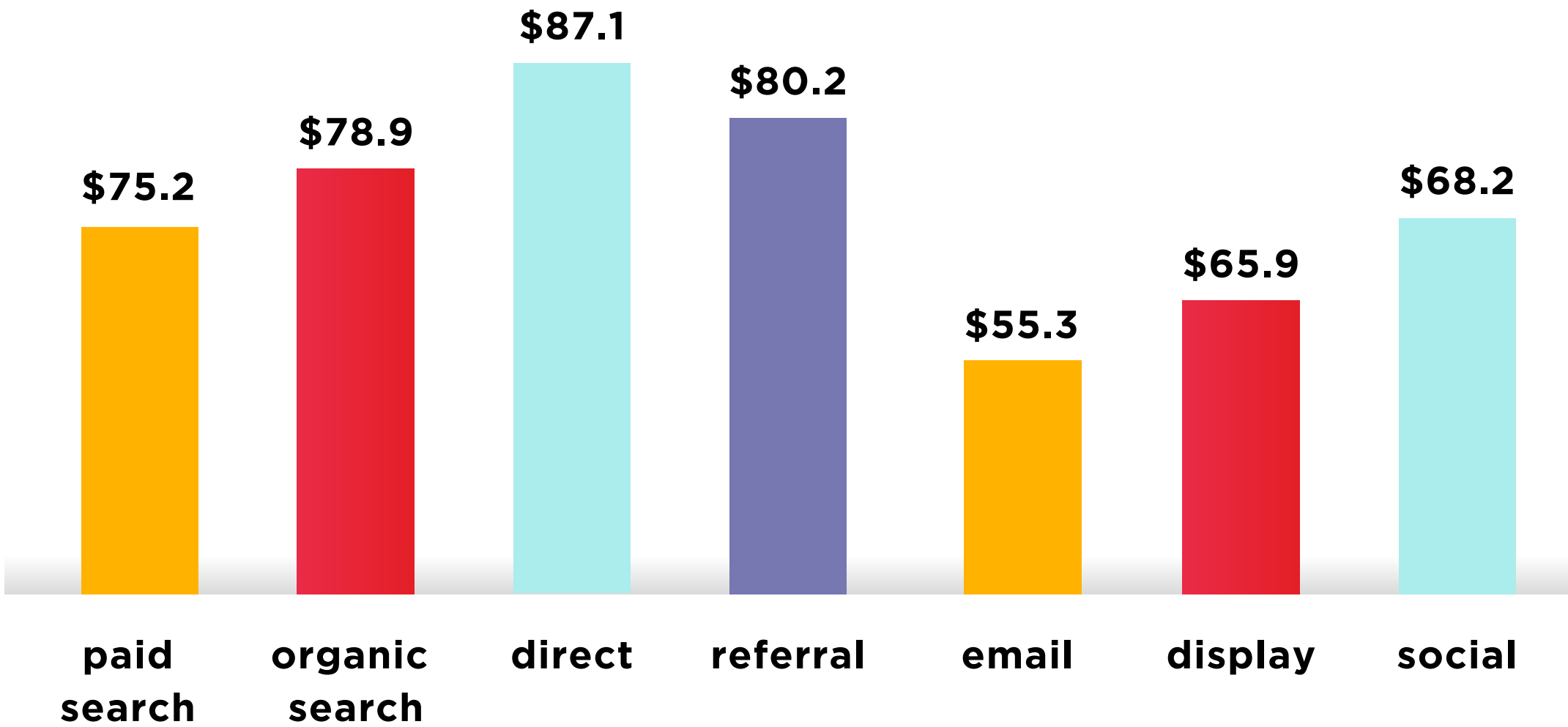
# The Ukrainian ecommerce market overview

The average order value in Ukraine is 22% less than in other countries of Central and Eastern Europe.

The revenue share from mobile devices, by contrast, is 5% higher than the region as a whole. This is a result of the high market penetration of mobile payment systems such as Apple Pay, Google Pay, and respective payment systems such as Portmone, EasyPay, LiqPay, and others.
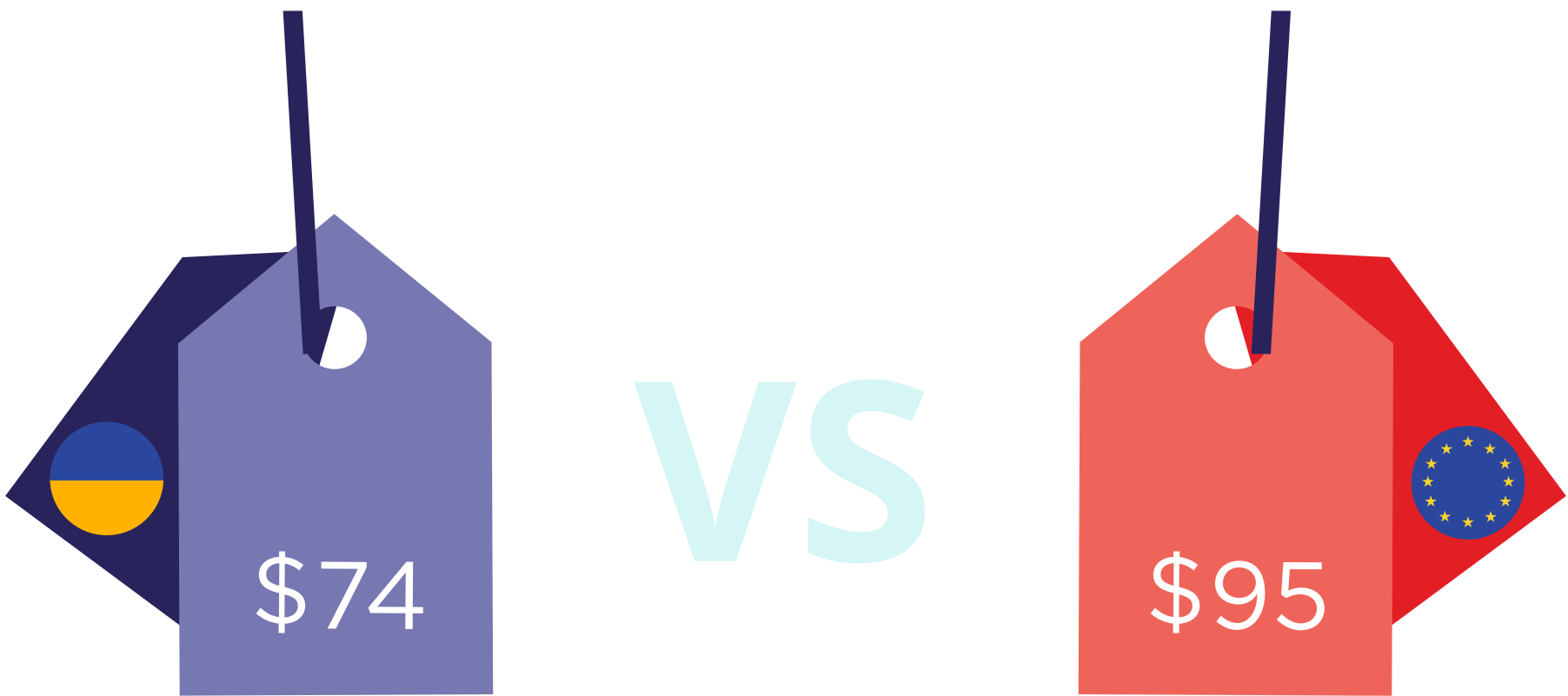
$74    VS    $95

**Transactions, %**

| 60 | 40 |

**Revenue, %**

| 51 | 49 |

**Sessions, %**

| 38 | 62 |

■ desktop        ■ mobile

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# The Ukrainian ecommerce market overview: traffic and revenue

Paid search ads drive the most visitors and sales. Along with organic search, they generate 62% of traffic and 58% of revenue.

The Email channel generates enough traffic, however, its revenue share is less than in other countries of Eastern and Central Europe.

**Takeaway:** only the synergy of different channels can realise the full digital marketing potential. However, each channel requires a unique approach and relevant KPIs.

To become a top-of-mind brand, you need to perform on all the channels your customers use.

**Traffic (Sessions)**

| | | | | | | |
|---|---|---|---|---|---|---|
| 33.8% | 28.3% | 10.2% | 6.2% | 7.7% | 6% | 1.6% |
| paid search | organic search | direct | referral | email | display | social |

**Revenue**

| | | | | | | |
|---|---|---|---|---|---|---|
| 35% | 23.4% | 12.2% | 16% | 4.5% | 0.8% | 1% |
| paid search | organic search | direct | referral | email | display | social |

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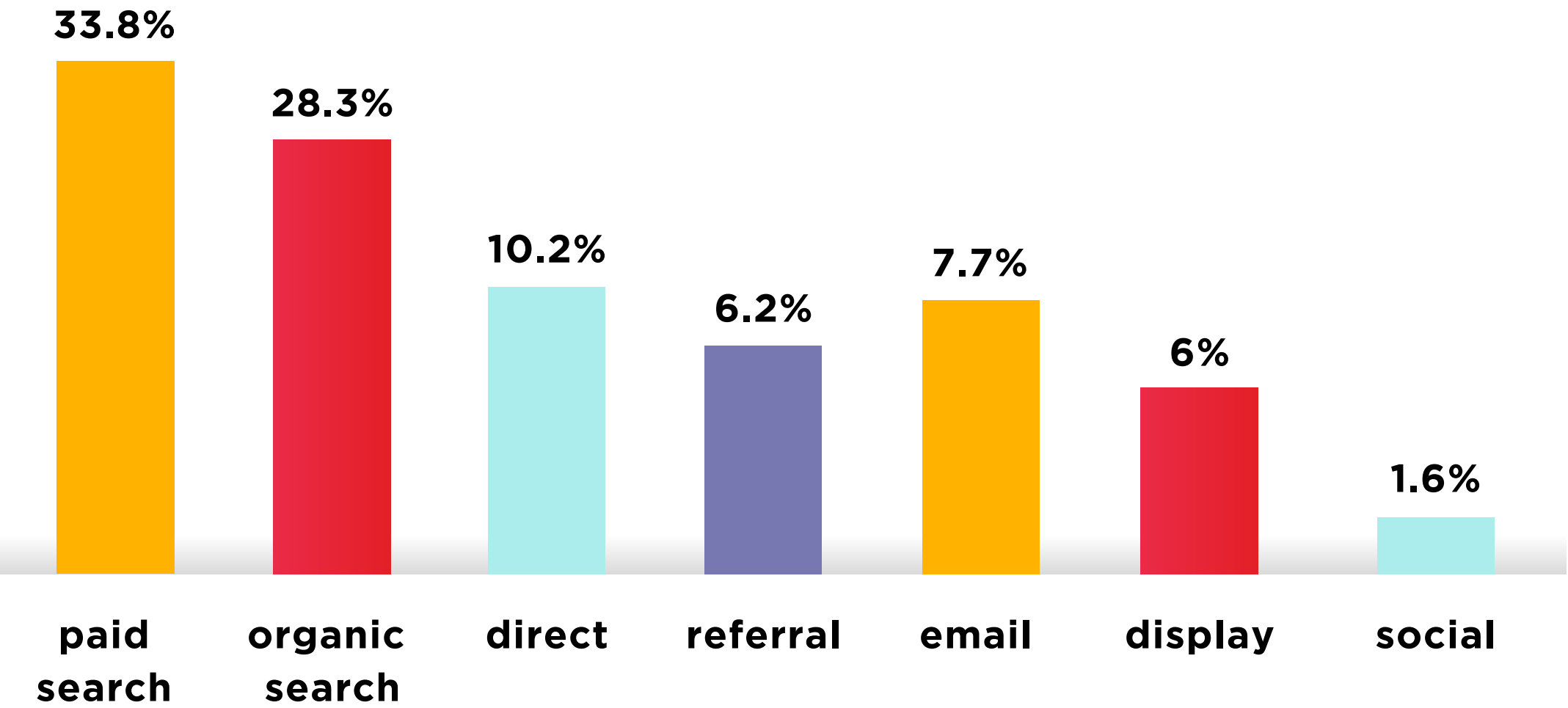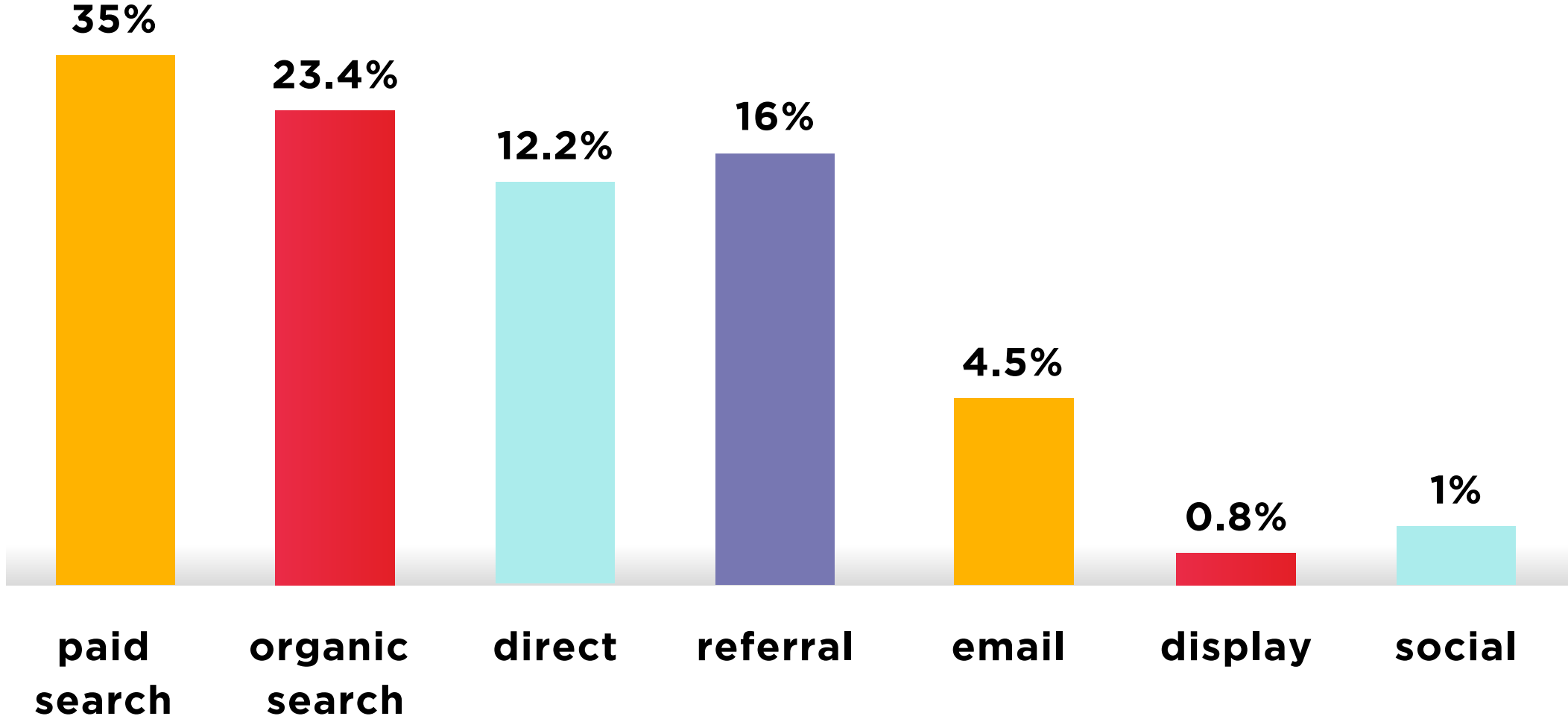
# A brief analysis of the main ecommerce niches

electronics

travelling

car parts

marketplaces

beauty and health

fashion

children's goods

books
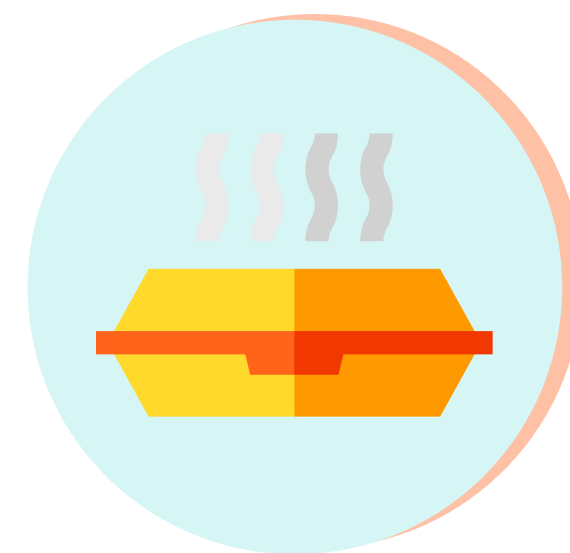
food delivery
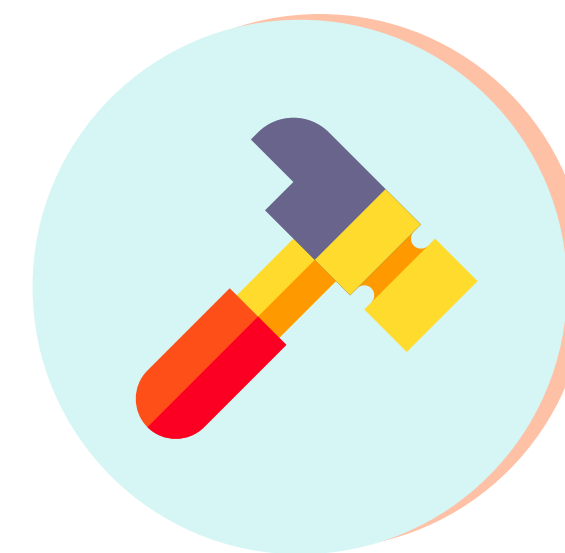
home and garden

entertainment

# Electronics

The Electronics niche in Ukraine has the highest level of eCommerce penetration. Compared to last year, the average order value in this category grew by $52. Consumers began to buy more expensive electronics online.
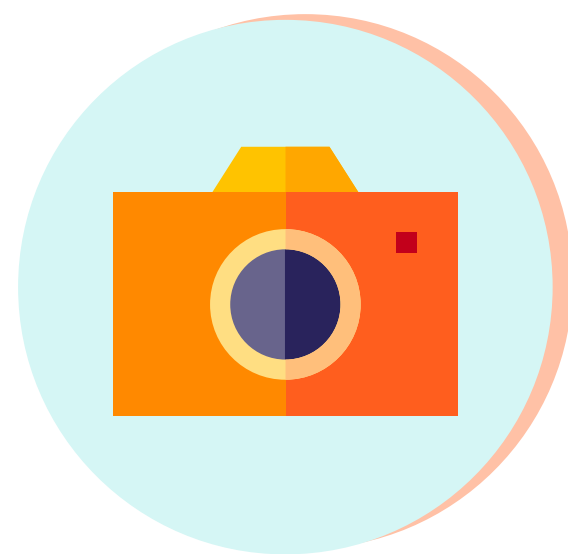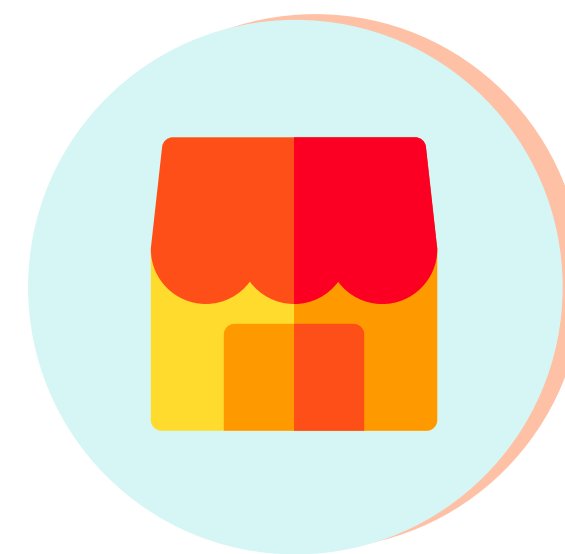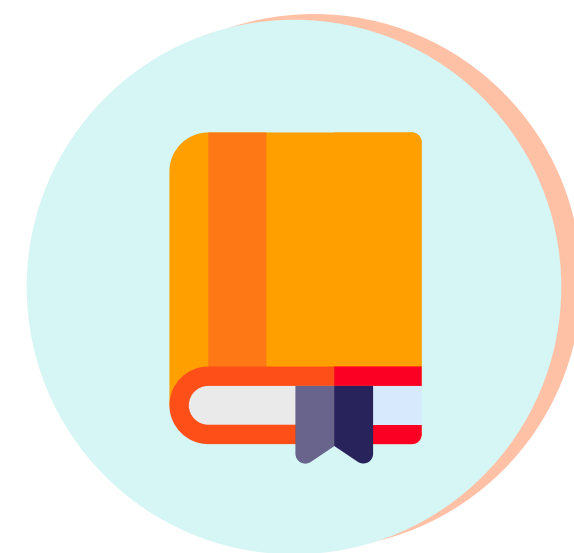
72% of revenue comes from paid and organic search. Competition for user attention keeps growing, which, in turn, leads to an increase in customer acquisition costs.

**Takeaway:** if your performance and retention marketing are smooth-running, you can succeed due to useful and creative content. Experts predict that video will capture 82% of all web traffic by 2022.

**Traffic (Sessions), %**

| | | | | | | |
|---|---|---|---|---|---|---|
| 43.7 | 24.4 | 7.8 | 2.6 | 2.2 | 7.3 | 1.4 |
| paid search | organic search | direct | referral | email | display | social |

**Revenue, %**

| | | | | | | |
|---|---|---|---|---|---|---|
| 45.5 | 26 | 10.4 | 4.6 | 2 | 0.9 | 0.7 |
| paid search | organic search | direct | referral | email | display | social |

**$231**
average order value

**6.7 sec**
average load speed

**0.5%**
conversion
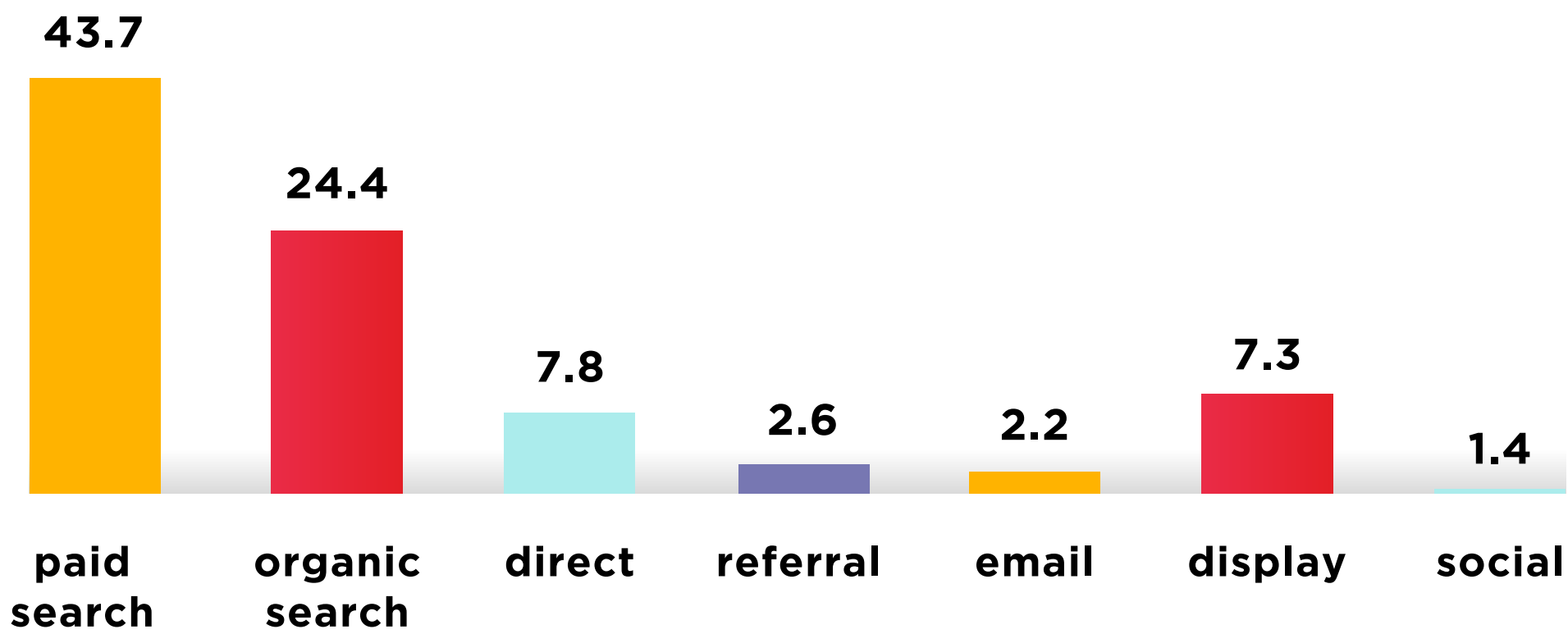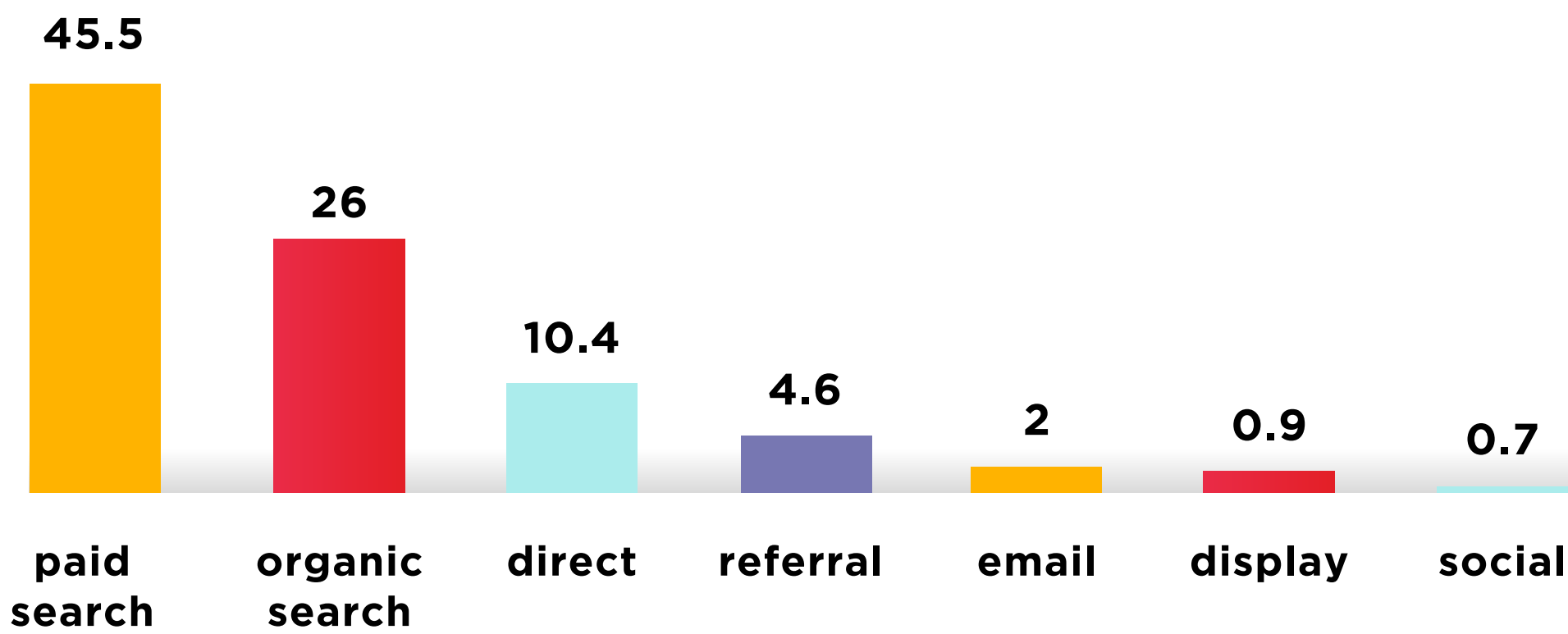
# Fashion

Referral and Email marketing channels show the highest profitability in the fashion niche, but paid and organic search boost sales.
Display advertising has the largest share of traffic and revenue among all niches.

**Takeaway:** the more you know about your customers, the more relevant offer you can make. Segmentation and personalisation play an essential role here, like nowhere else.

## Traffic (Sessions), %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 38.8 | 24 | 8.9 | 2.3 | 4.4 | 11.9 | 2.5 |

## $74.6
average order value

## 5.7 sec
average load speed

## 1.3%
conversion

## Revenue, %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 30.5 | 28.2 | 13.5 | 6.9 | 8.6 | 3.9 | 1.8 |

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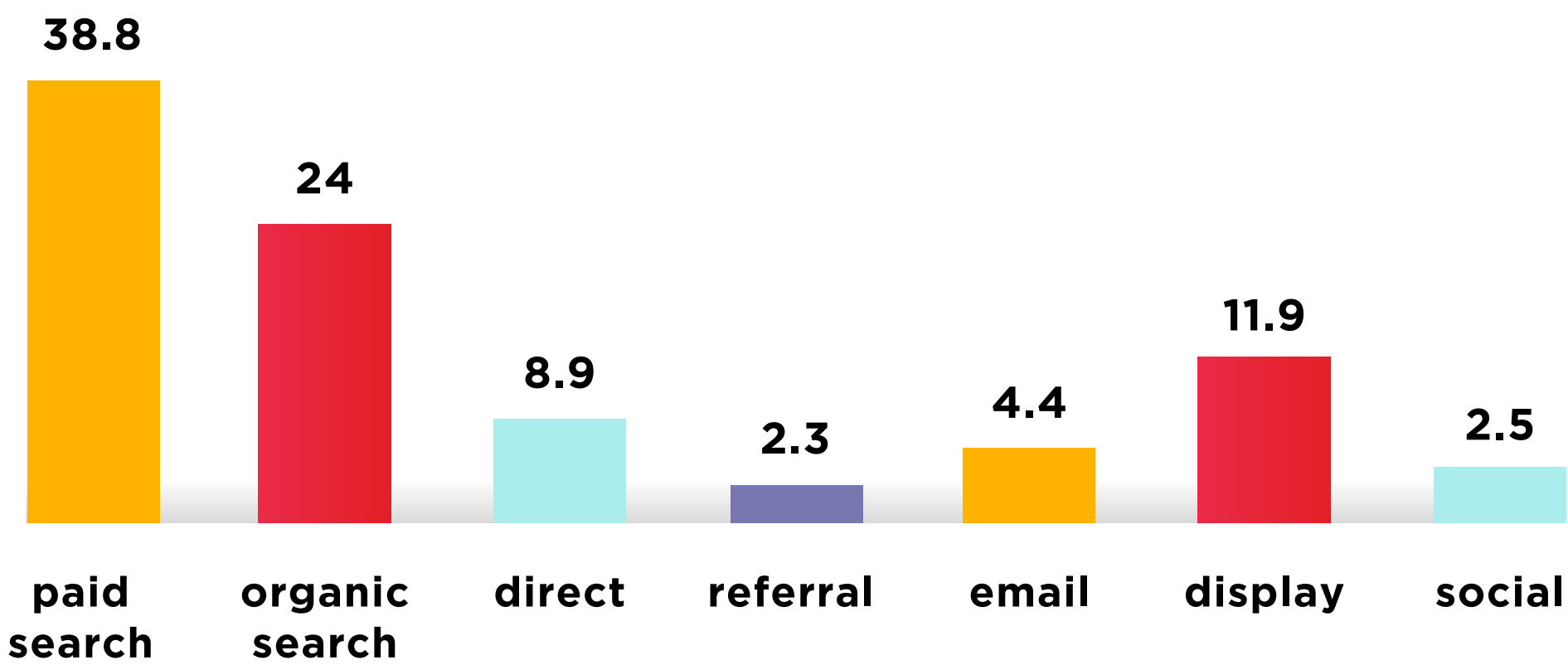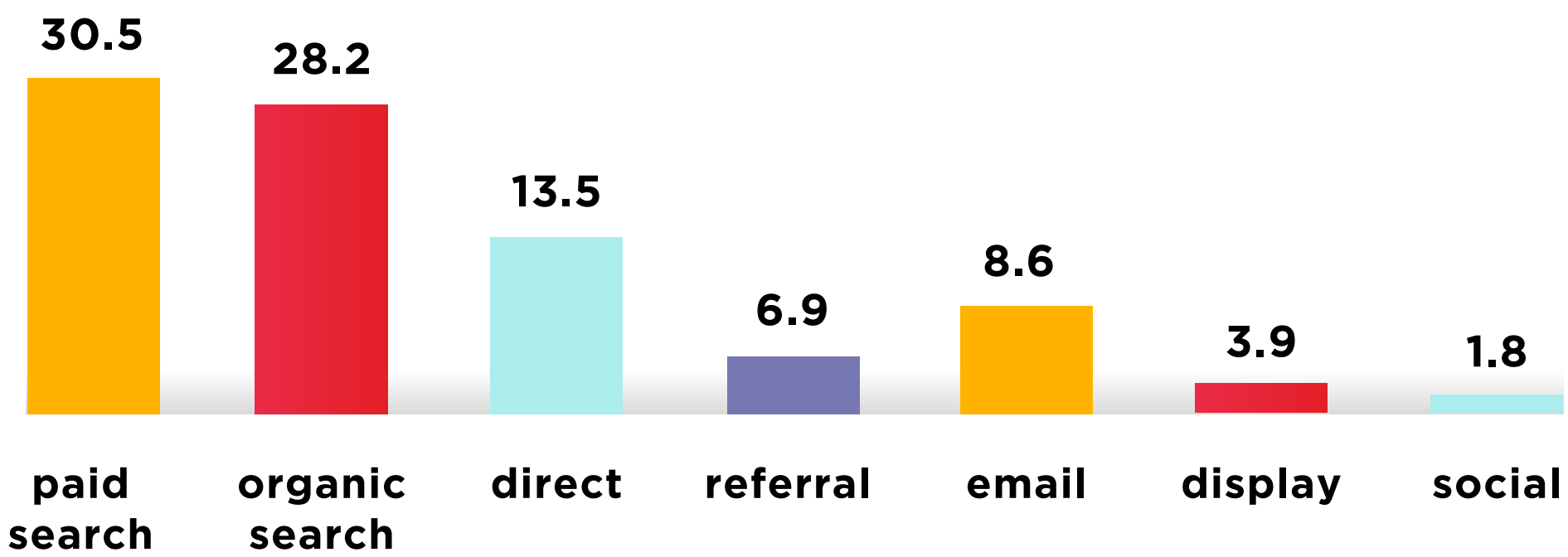
# Travelling

Organic search is the leading traffic and sales channel for the travelling niche. The referral and email marketing channels show the highest potential in terms of revenue.

**Takeaway:** to make all consumer queries lead to your website, you should generate more useful content. We would also recommend creating video content. Share your experience: real photos and stories cause a greater emotional response in the audience. And emotions are the main incentive for spontaneous purchases.

**$163.2**
average order value

**5.7 sec**
average load speed

**0.5%**
conversion

**Traffic (Sessions), %**

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 14.8 | 64.3 | 12.9 | 2.5 | 2.4 | 0.4 | 0.3 |

**Revenue, %**

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 27 | 31 | 11.9 | 8.6 | 4.2 | 0.2 | 0.5 |

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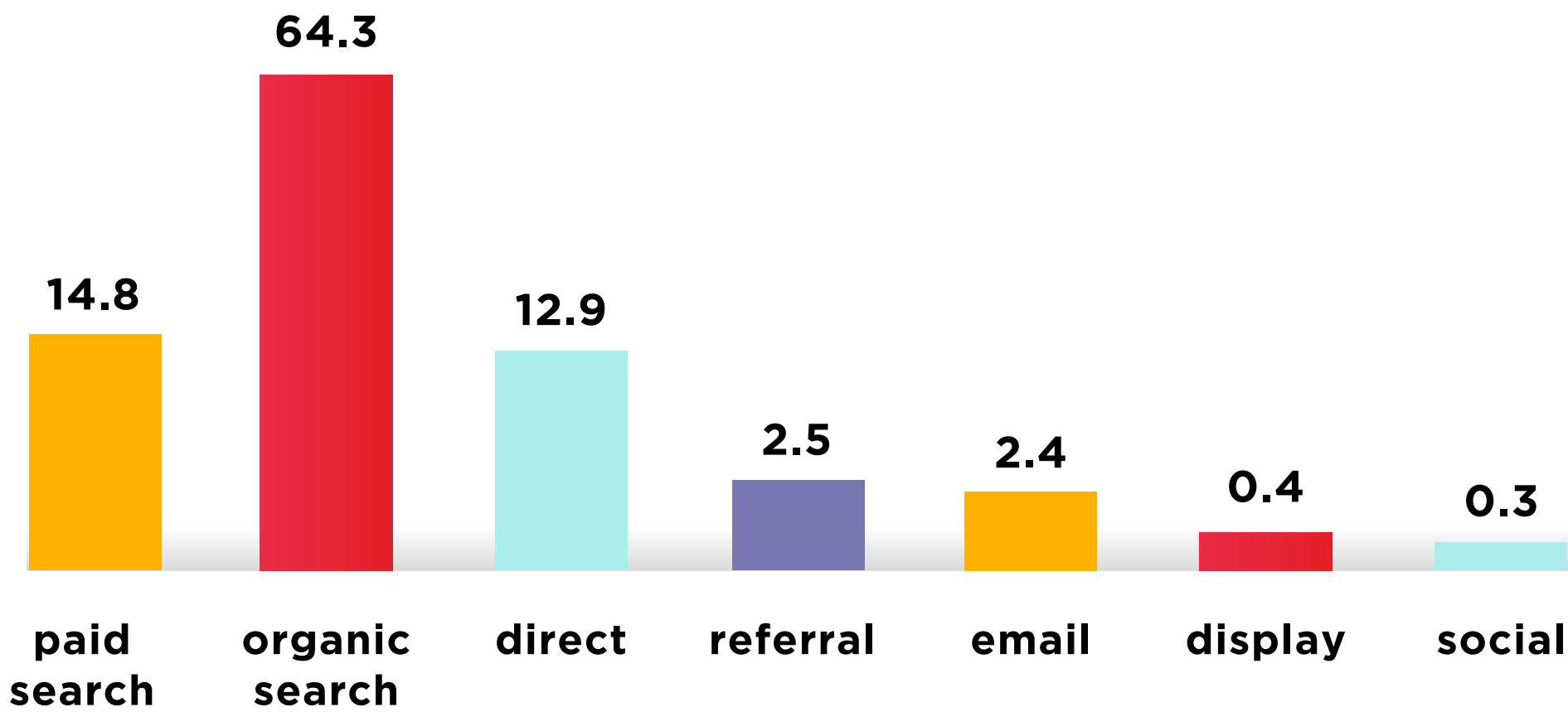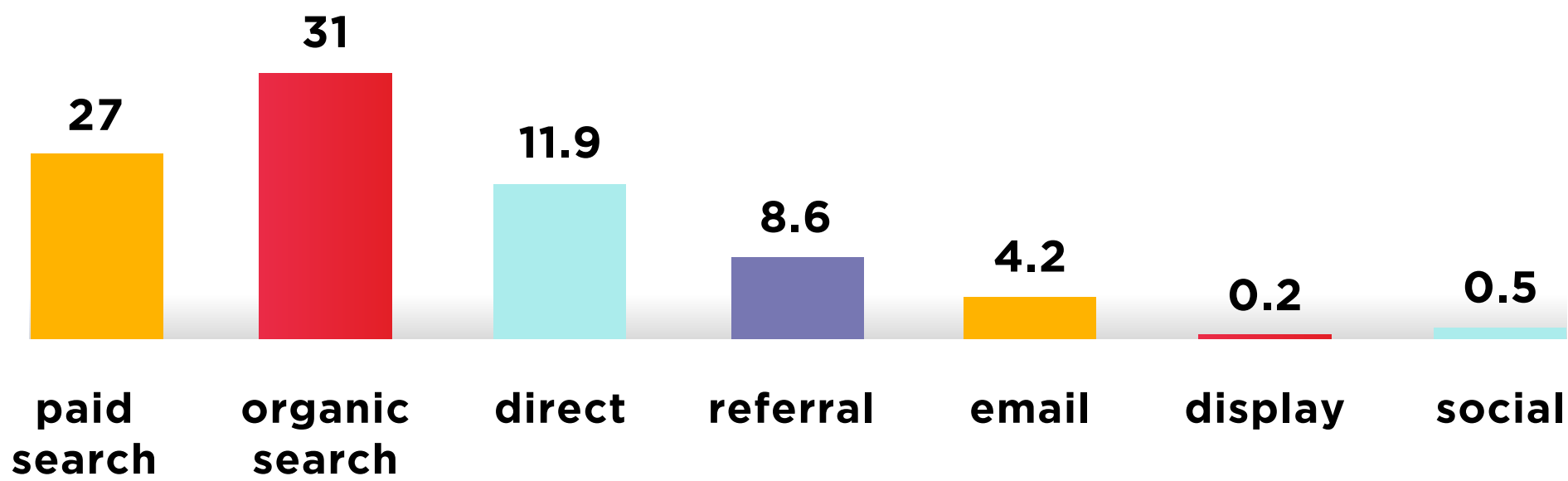
# Car parts

Paid advertising keeps driving the most traffic and revenue within this niche.
Direct and email marketing channels have the highest potential in terms of revenue.

**Takeaway:** to generate more revenue and receive the most relevant traffic with the PPC channel, we would recommend automating ad serving.

Invest in retention marketing. Use the customer information you already have to create the most relevant offer. Get ready for the season in advance and keep track of info events. For example, introducing special offers before the winter season can help you increase loyalty and sales.

**$235.4**
average order value

**6.9 sec**
average load speed

**0.6%**
conversion

## Traffic (Sessions), %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 61.9 | 20.1 | 4.6 | 3.1 | 0.8 | 5.7 | 0.8 |

## Revenue, %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 52.5 | 17.3 | 12.3 | 6.7 | 2 | 1 | 0.6 |

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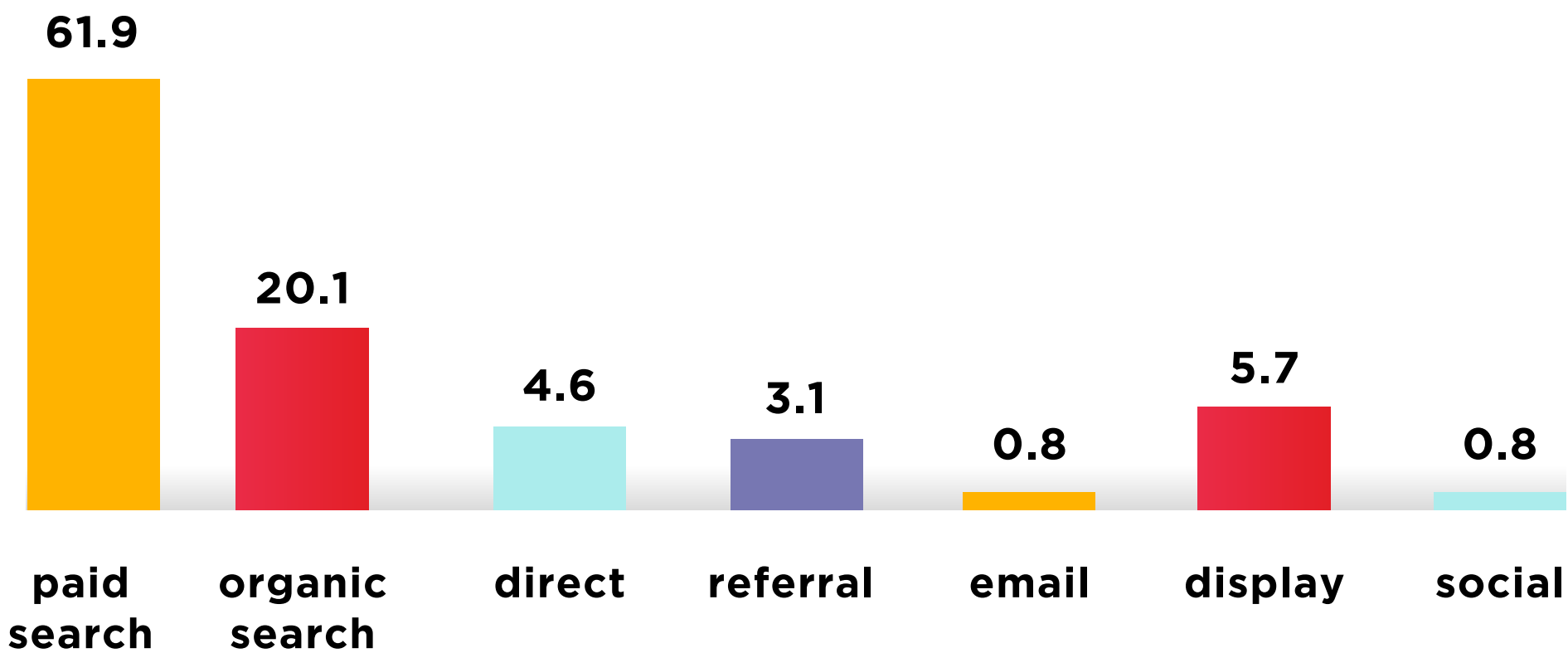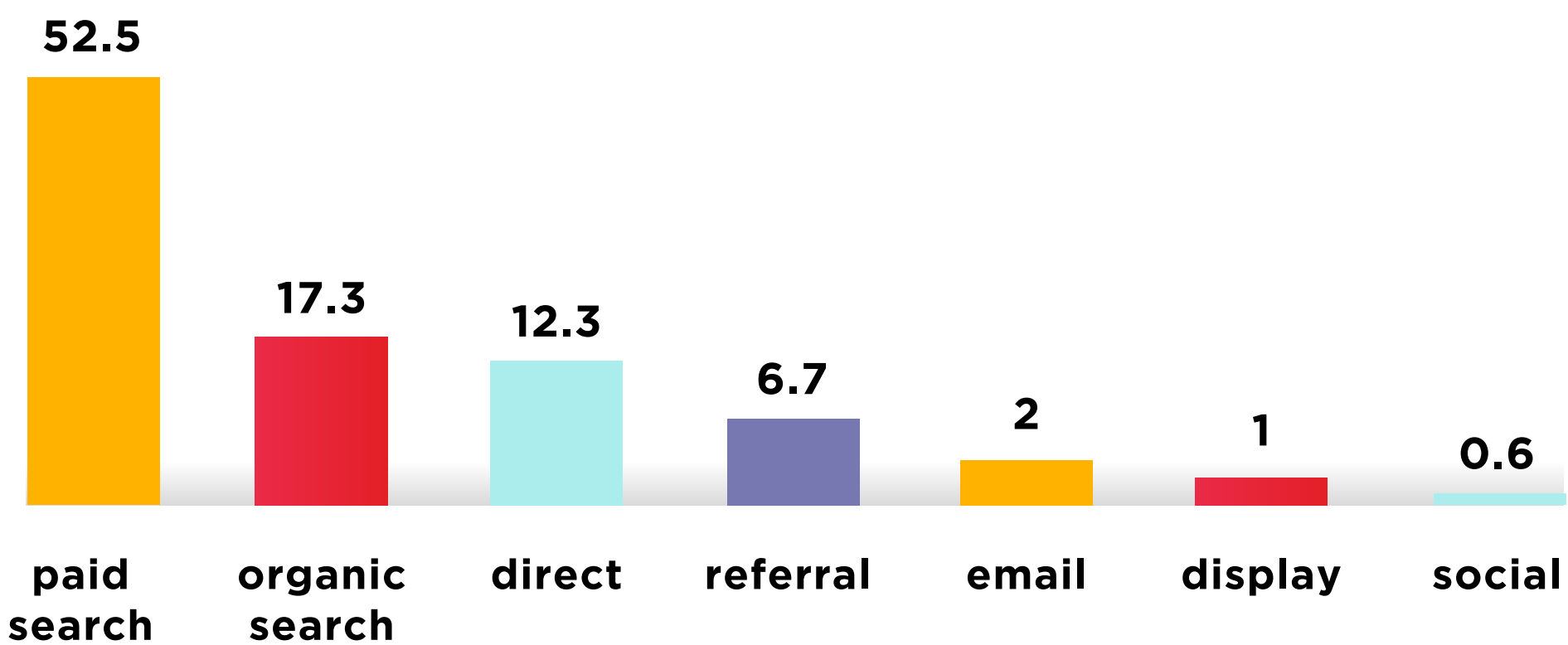
# Marketplaces

Marketplaces are drivers of eCommerce development in the world.

They receive the largest share of traffic from the paid and organic channels, due to huge marketing budgets and strong brand awareness.

**Takeaway:** to remain leaders for both customers and suppliers, you need to maintain traffic leadership within your target niches and expand your business containable. This could be a challenge in 2020. We would recommend increasing the most converting brand and direct traffic.

**Traffic (Sessions), %**

| | |
|---|---|
| paid search | 29.5 |
| organic search | 33 |
| direct | 11.8 |
| referral | 3 |
| email | 12.5 |
| display | 6 |
| social | 1 |

**$74.6**
average order value

**6.9 sec**
average load speed

**0.97%**
conversion

**Revenue, %**

| | |
|---|---|
| paid search | 34.9 |
| organic search | 27.9 |
| direct | 13.8 |
| referral | 7 |
| email | 6.9 |
| display | 2.2 |
| social | 2.8 |
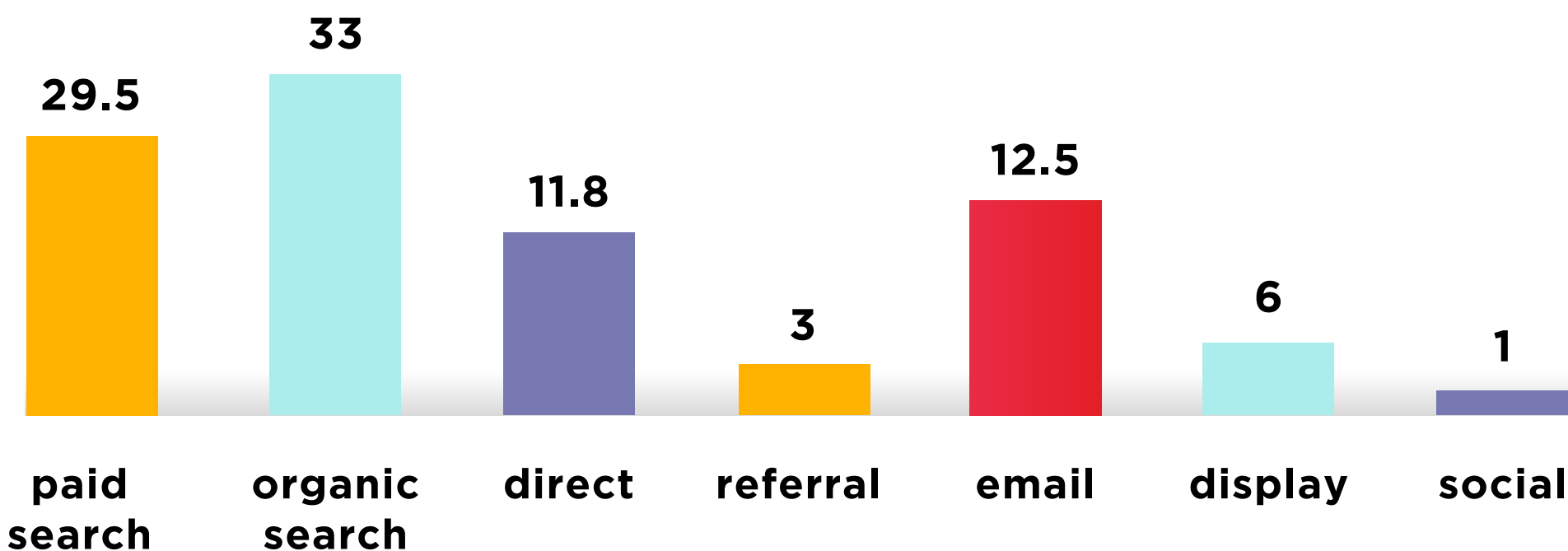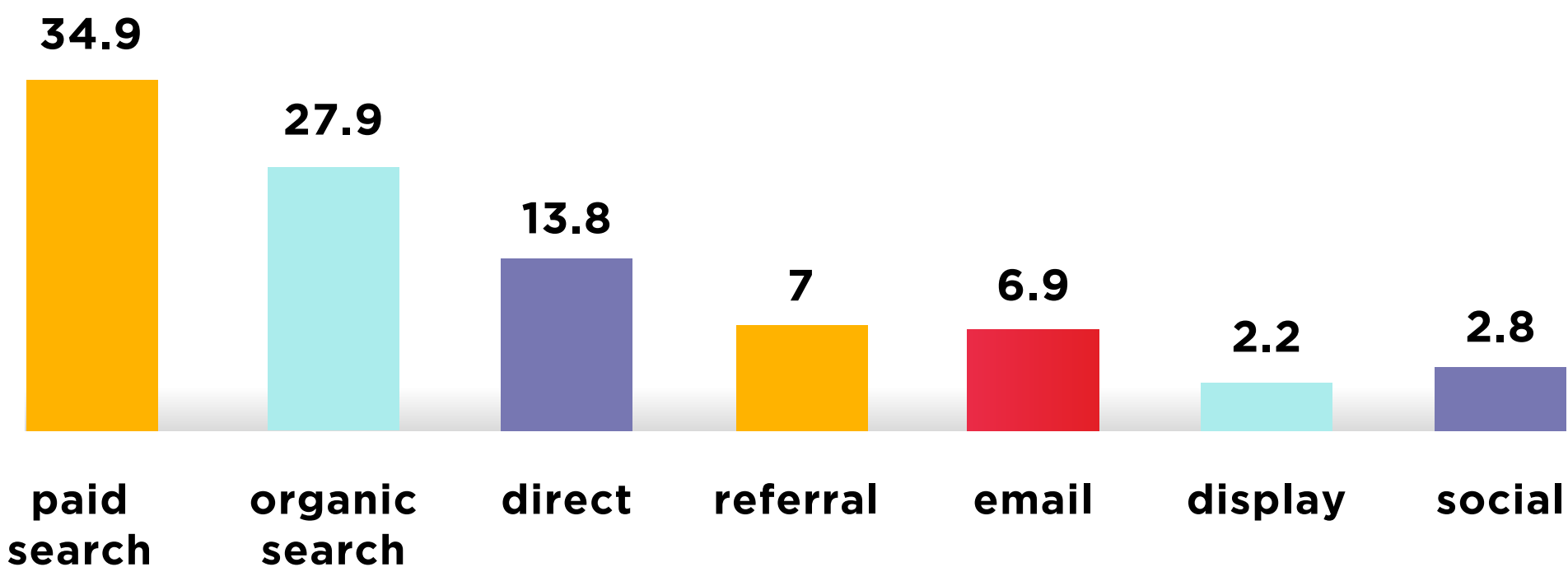
# Books

The Books niche is peculiar since it's more focused on lead generation.
The user who has left their contact information can convert into a lifelong customer.

The synergy of SEO and PPC marketing drive the largest share of traffic and revenue in this category. The email channel significantly exceeds average market revenue indicators.

**Takeaway:** a carefully developed loyalty program, activation plan, and other retention marketing tools can help you improve target audience engagement.

## Traffic (Sessions), %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 35.6 | 38.3 | 7 | 2.4 | 8.6 | 1.5 | 1.3 |

**$17**
average order value

**5.9 sec**
average load speed

**1.3%**
conversion

## Revenue, %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 32.9 | 27.8 | 7.7 | 7 | 14 | 0.7 | 1 |
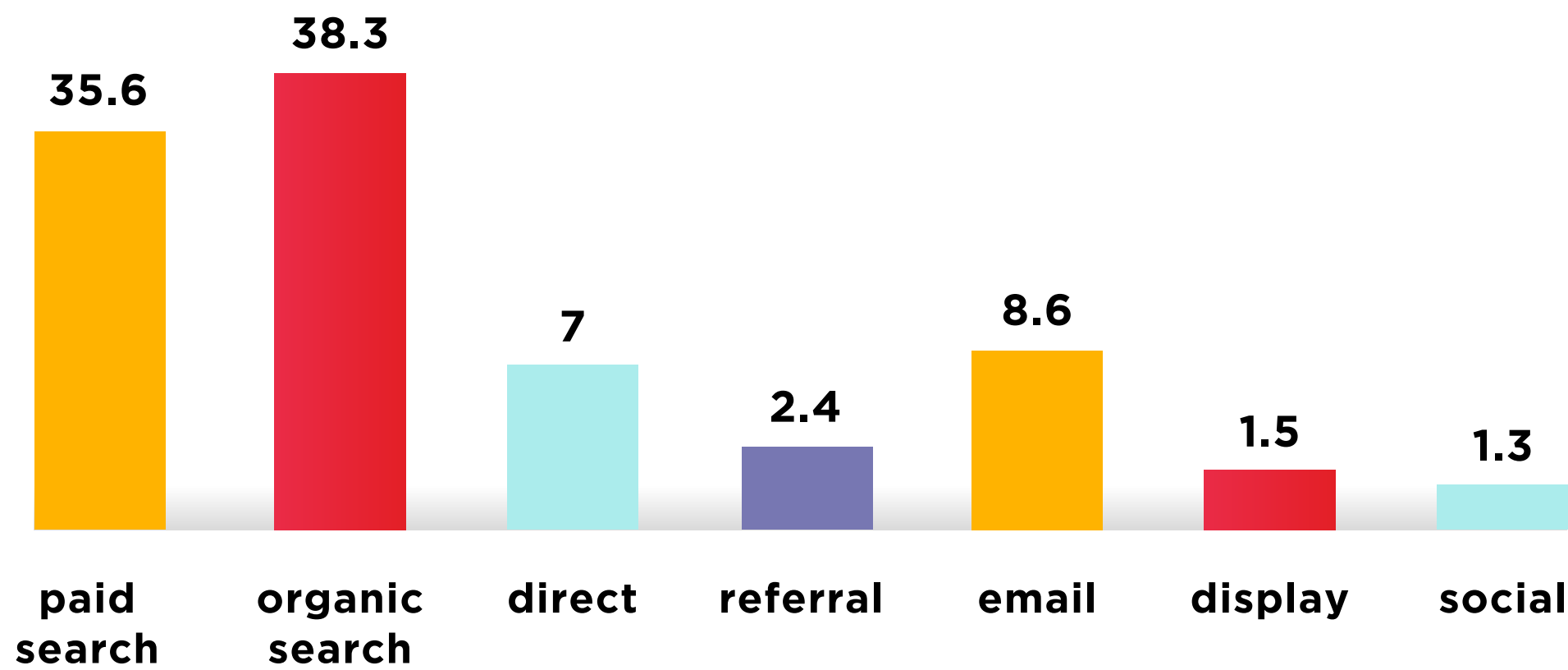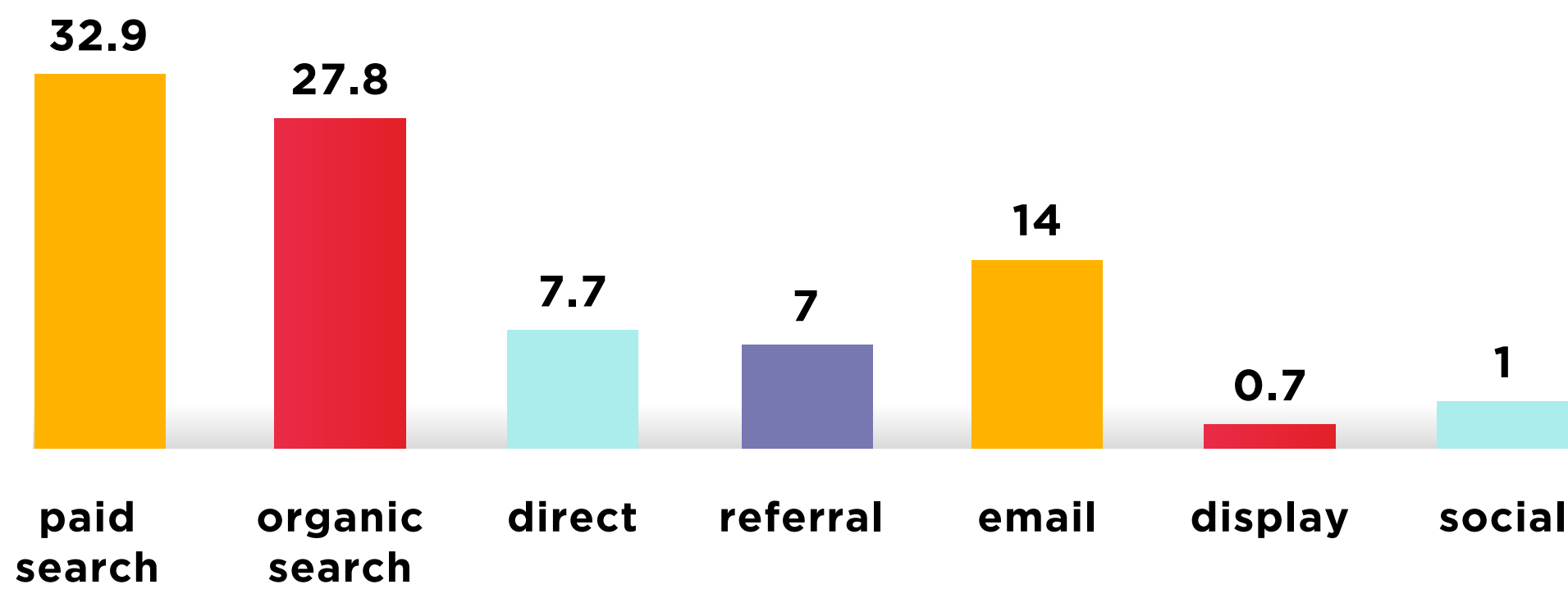
# Children's Goods

Paid and organic search drive 70% of traffic within this niche. The Referral channel has the highest potential in terms of revenue.

**Takeaway:** we would recommend attracting a new audience through collaboration with bloggers and micro influences. Use more video content and engage your customers to create it. Recommendations also work well in this category.

**$33**
average order value

**6.9 sec**
average load speed

**0.6%**
conversion

## Traffic (Sessions), %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 46.7 | 25.3 | 7.9 | 1.9 | 4 | 3.9 | 2,8 |

## Revenue, %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 42.4 | 27.7 | 9.9 | 5.3 | 5.3 | 0.8 | 1 |
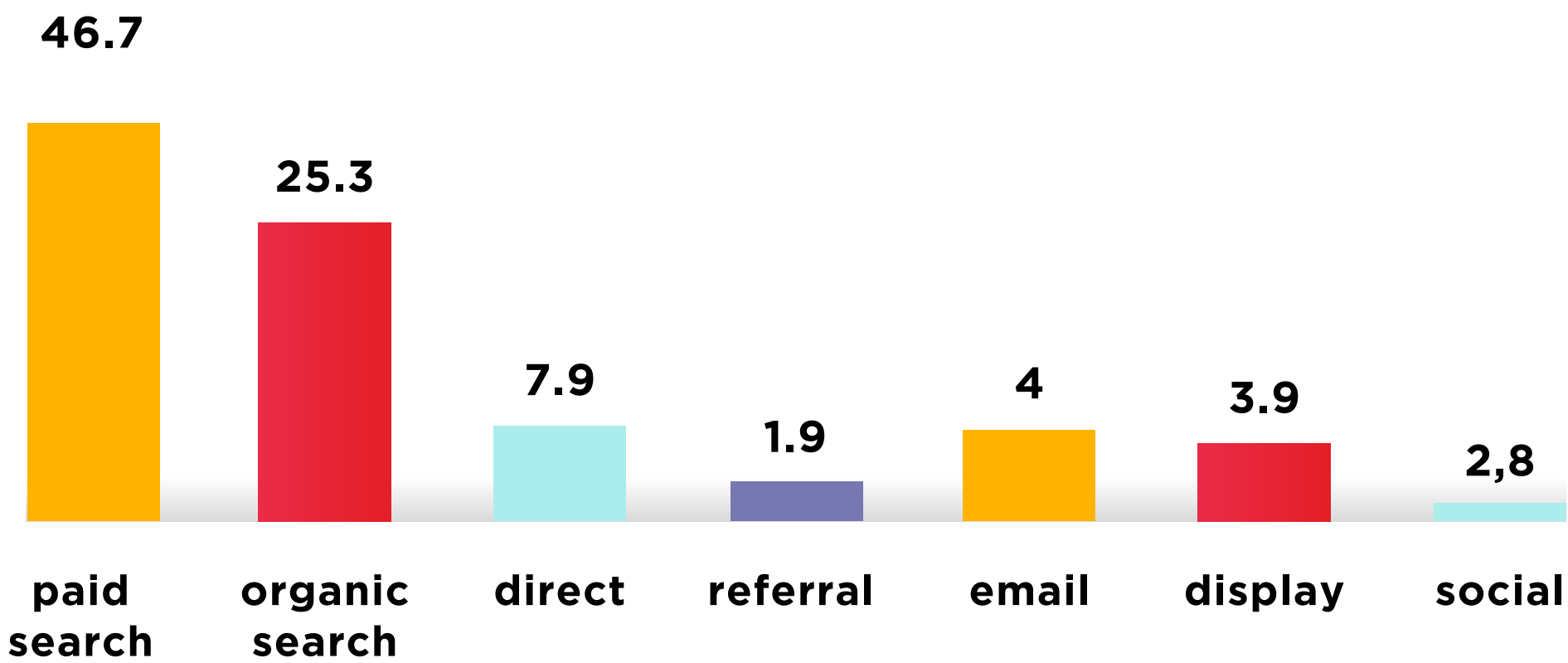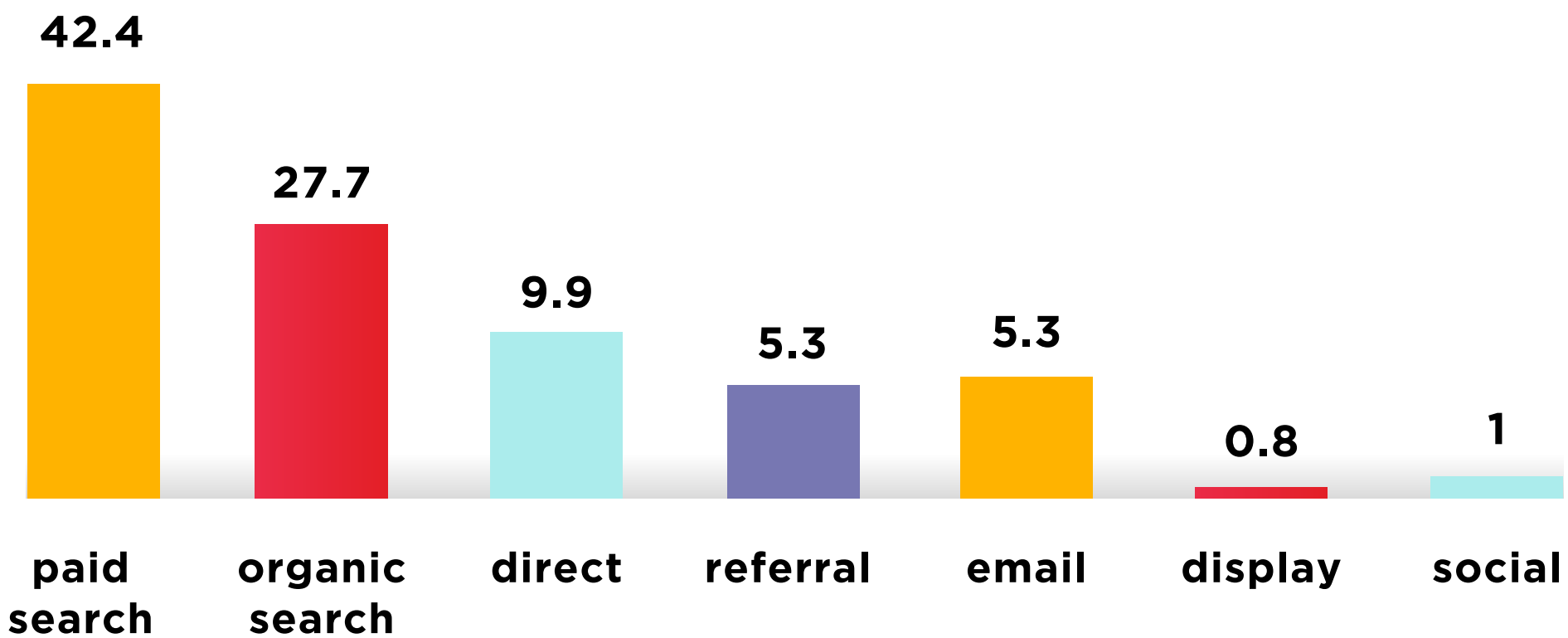
# Home and garden

This niche has the lowest website load speed and conversion rate.

Paid advertising and the referral channel generate the most revenue. Herewith, the referral channel drives 8 times less traffic.

**Takeaway:** ask your developers to improve the website load time, particularly on mobile devices. A UI/UX website audit may shorten the customer path to purchase and increase conversions.

**$185.6**
average order value

**7.2 sec**
average load speed

**0.3%**
conversion

**Traffic (Sessions), %**

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 39.8 | 33.3 | 10.8 | 5 | 0.5 | 7.2 | 1.4 |

**Revenue, %**

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 28 | 25.8 | 15 | 28 | 0.7 | 1.5 | 0.8 |

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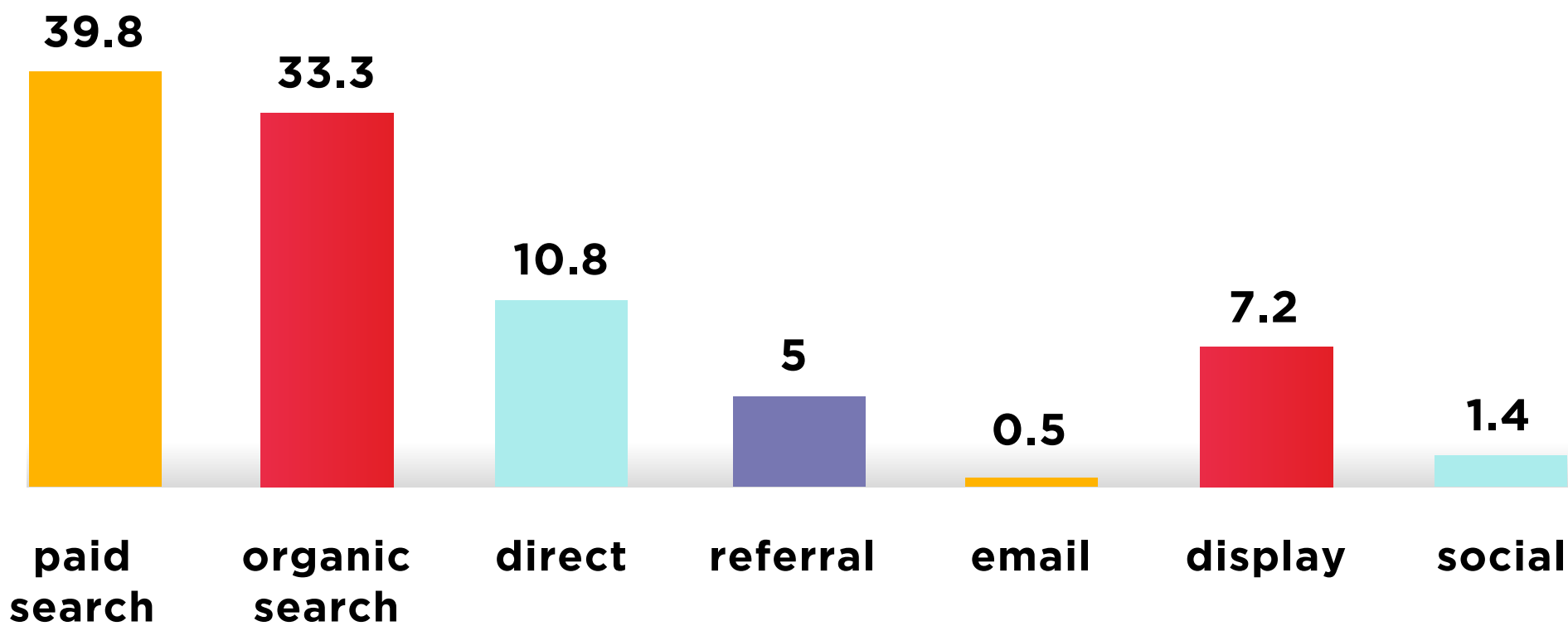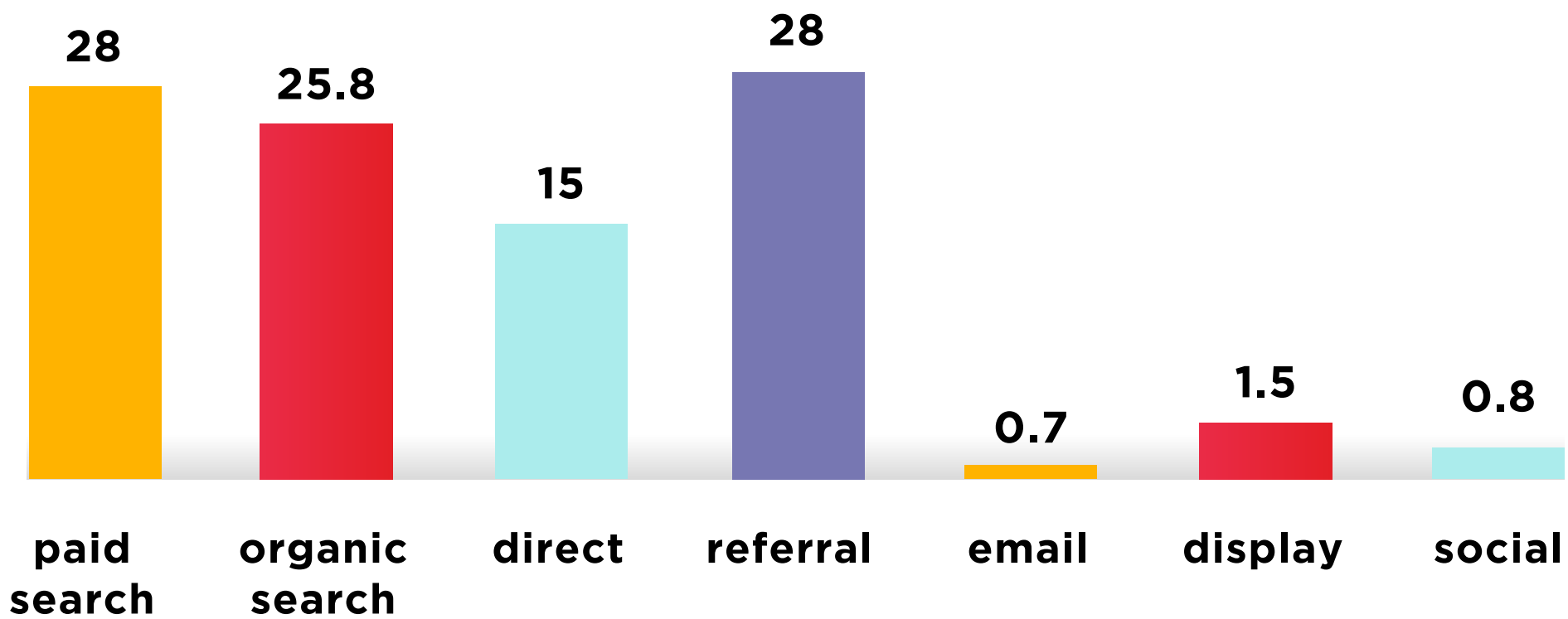
# Beauty And Health

Paid and organic search drive more than 60% of traffic. The referral channel is the most effective in terms of revenue per one session.

**Takeaway:** pay attention to display ads, as well as to advertising on social networks. Creativity and eye-catching communication strategy will help you retain and activate your target audience at the right moment.

We would recommend attracting new customers through collaboration with bloggers and micro influencers.

## $38.4
**average order value**

## 7 sec
**average load speed**

## 1%
**conversion**

### Traffic (Sessions), %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 27.6 | 38.7 | 9.4 | 6.8 | 1 | 2.9 | 1.3 |

### Revenue, %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 35.8 | 25.6 | 8.9 | 18 | 1.8 | 0.5 | 0.8 |
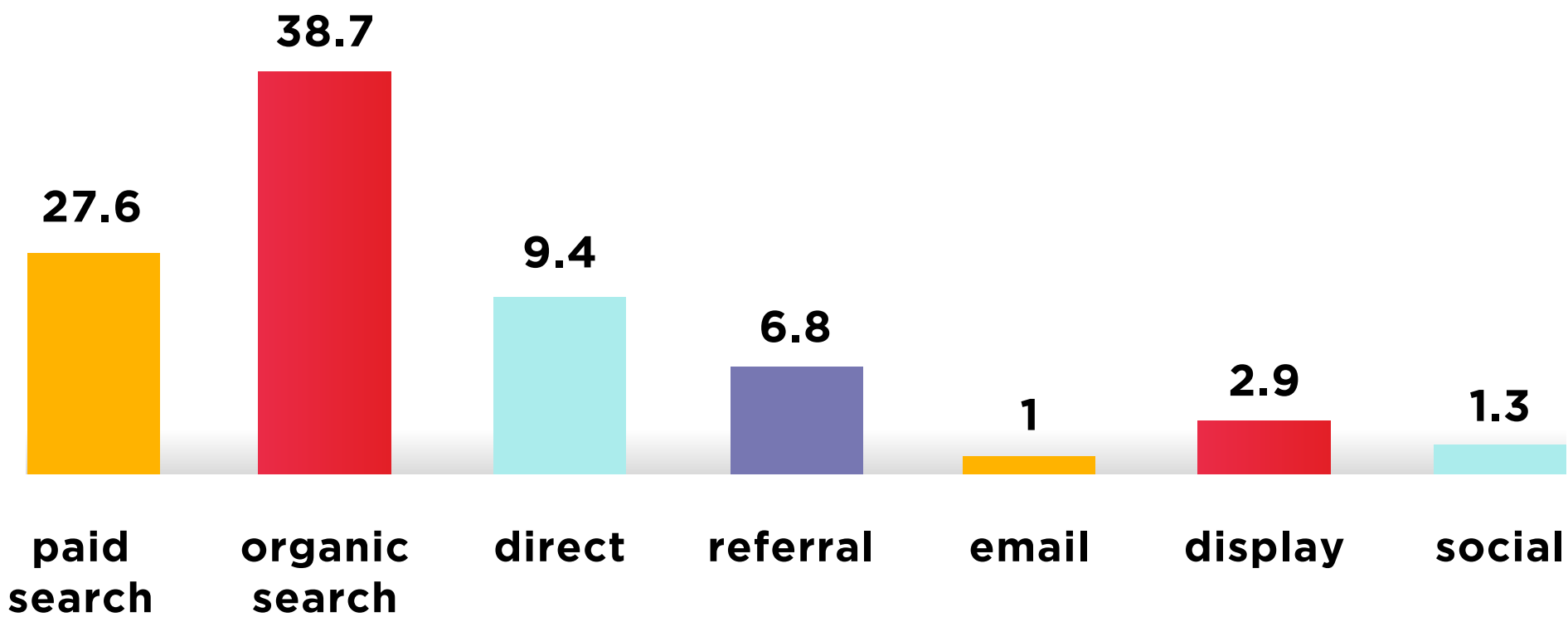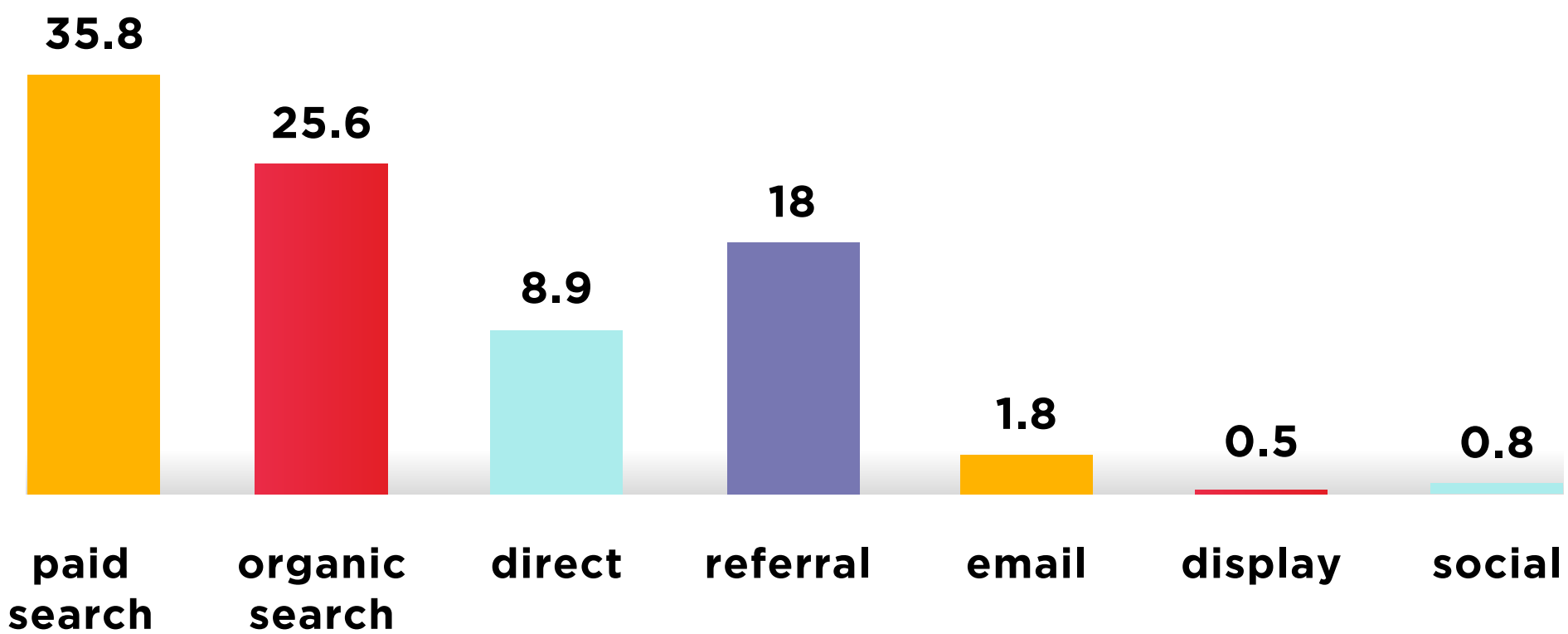
# Entertainment

Paid and organic search remain the main traffic and sales drivers in this niche. Herewith, social networks demonstrate the best performance among all categories.

**Takeaway:** to increase audience reach, run remarketing campaigns targeted at lookalike audiences.
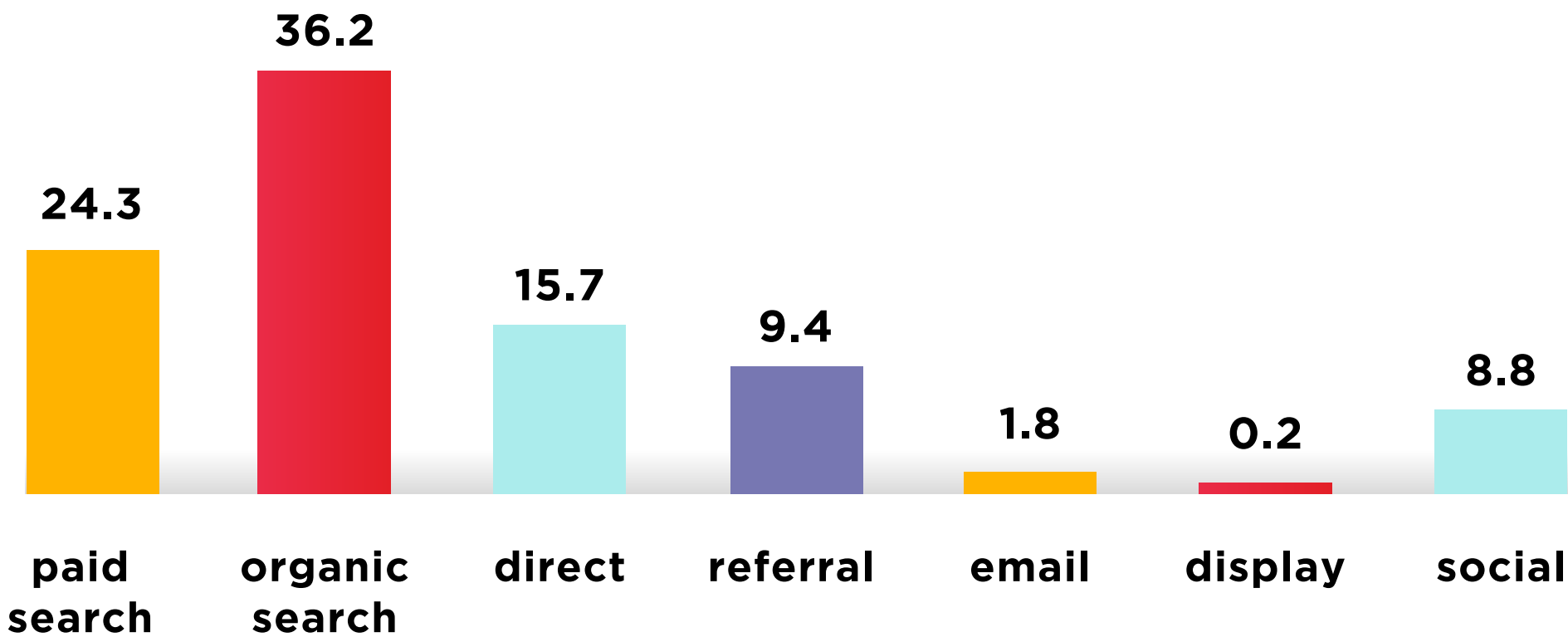
Use animated creatives and video in your ads for social networks. Such content receives better audience reach and engagement.

## Traffic (Sessions), %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 24.3 | 36.2 | 15.7 | 9.4 | 1.8 | 0.2 | 8.8 |

**$66.5**
average order value

**5.7 sec**
average load speed

**0.5%**
conversion

## Revenue, %

| paid search | organic search | direct | referral | email | display | social |
|---|---|---|---|---|---|---|
| 24.3 | 29.3 | 19.6 | 15.7 | 2.6 | 0.02 | 5.2 |
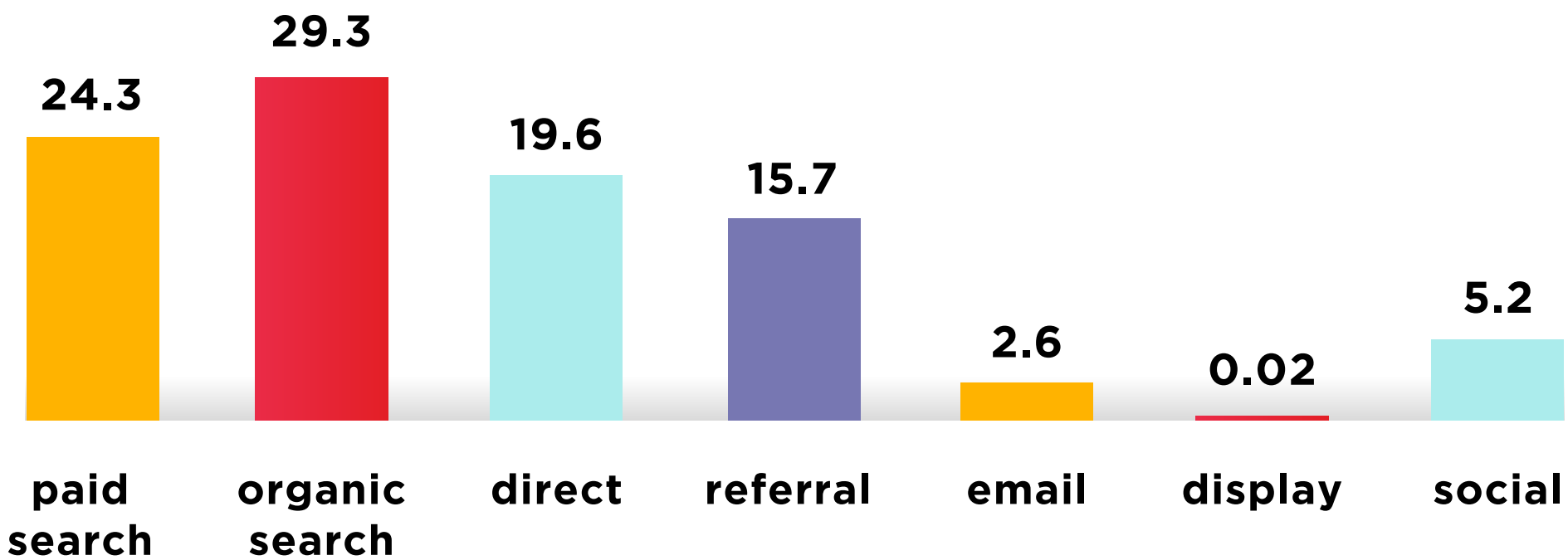
# Food Delivery

Websites within this niche load the fastest and have the highest conversion indicators. The average order value has increased significantly, compared to the previous year.

Organic search generates the largest share of revenue and traffic. The email marketing channel has the highest potential in terms of revenue for 1% traffic.
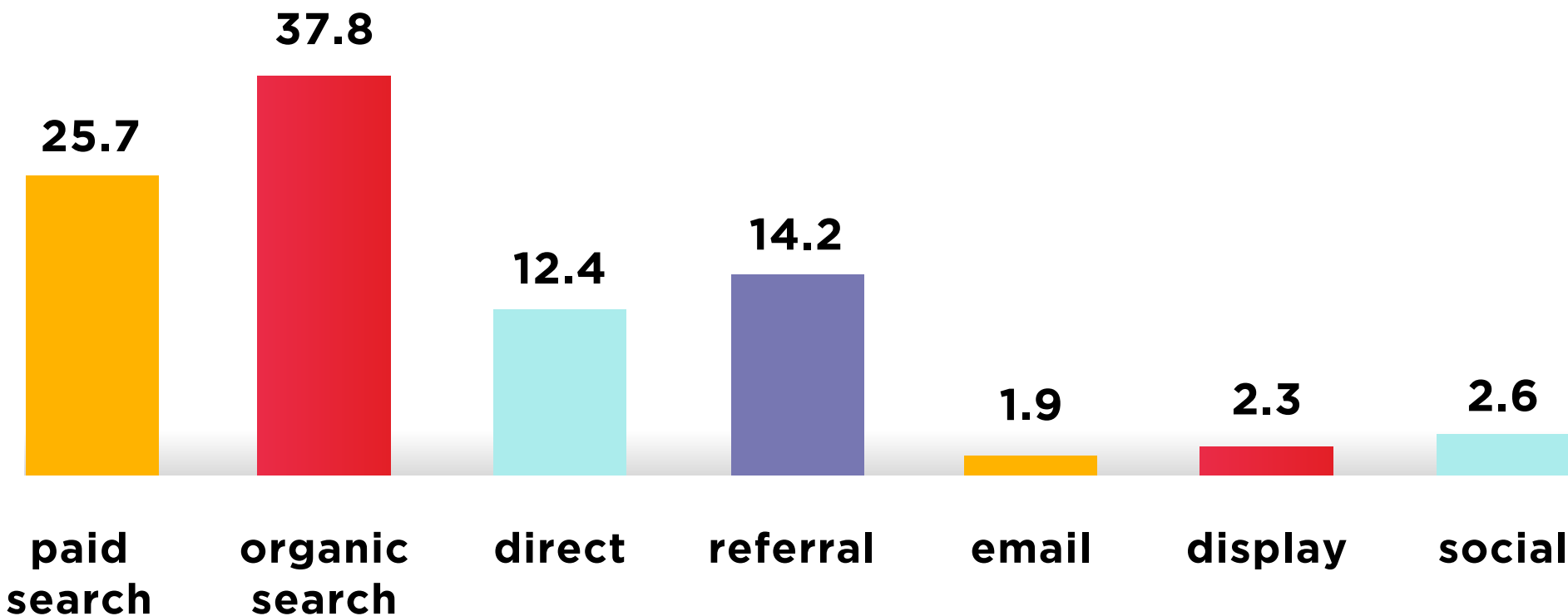
**Takeaway:** build your loyalty program which will help you retain your target audience and motivate customers to make repeat purchases. Focus on email marketing and SMM, since these channels can improve your performance

**$28.2**
average order value

**5.6 sec**
average load speed

**1.8%**
conversion

## Traffic (Sessions), %

| | | | | | | |
|---|---|---|---|---|---|---|
| 25.7 | 37.8 | 12.4 | 14.2 | 1.9 | 2.3 | 2.6 |
| paid search | organic search | direct | referral | email | display | social |

## Revenue, %

| | | | | | | |
|---|---|---|---|---|---|---|
| 19.7 | 32.4 | 24.3 | 16.8 | 4.2 | 0.1 | 1.6 |
| paid search | organic search | direct | referral | email | display | social |

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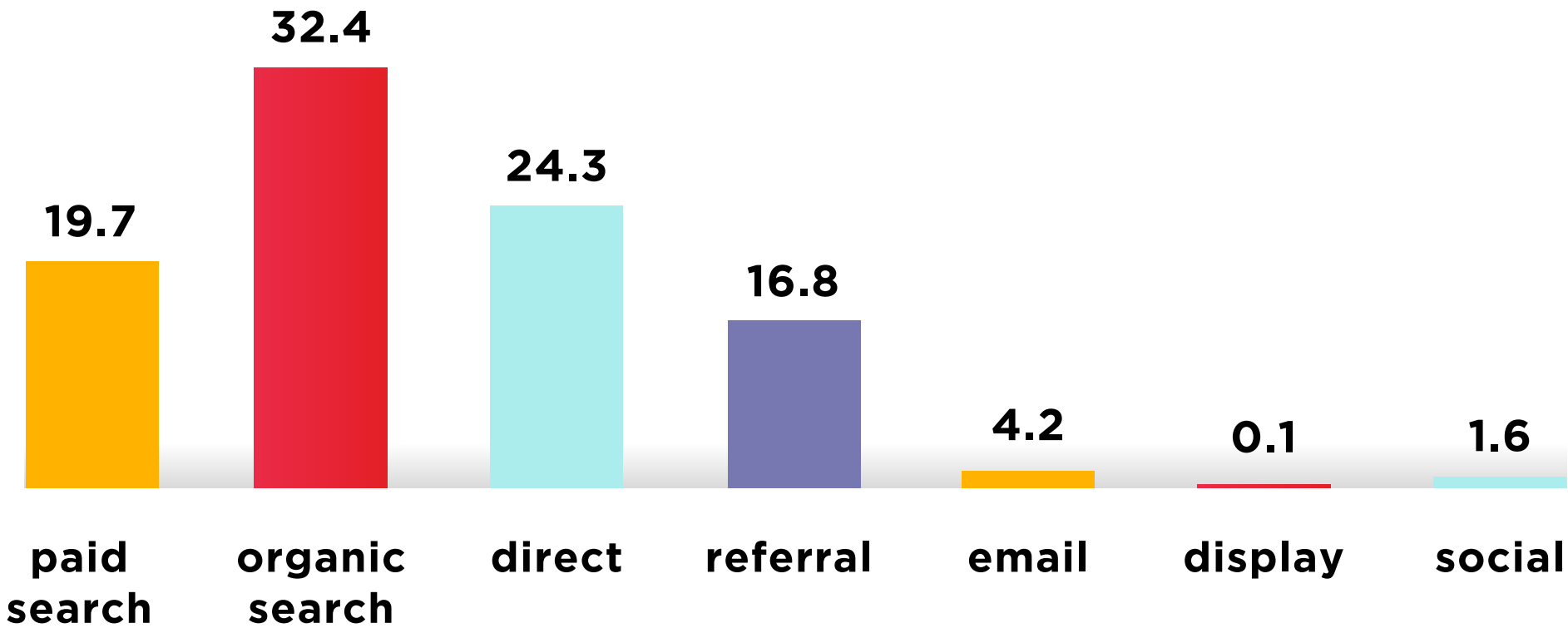
# Recommendations

## 1. Mobile First

Current dynamics indicate that 2020 will be a turning point.
The number of mobile transactions will exceed desktop for
the first time ever. Everything that allows your customers
to place orders from their mobile devices easily is a trend of 2020.

## 2. Level up your brand both online and offline

Branded and direct traffic demonstrate the highest potential
in terms of revenue. TV advertising remains the most effective
channel for building and improving brand awareness. However,
it performs better in combination with digital marketing. Launching
an ad campaign on multiple platforms at the same time is 60%
more profitable.

## 3. Invest in content marketing

If a consumer has not visited your website at the "Awareness"
stage, the likelihood of turning them into a customer is reduced.
Create useful content that solves customer problems. Examine
consumer needs and adapt the content for each
communication channel.

## 4. Retention marketing, not spam

Your customers receive a lot of emails, messages, and
push-notifications every day from a large number of sources.
According to our experience, reducing the number of marketing
emails leads to an increase in conversions. Develop your loyalty
program in a way the customers wait for your emails.
Most purchases will be made by loyal customers,
who are already aware of your brand.

## 5. Creativity above budgets

Those who are bright and different win the games they play.
Creative content helps both niche players and market leaders stand
out from the crowd. The latter are ready to invest large budgets,
for example, in viral Instagram Stories, which can become the basis
for large-scale advertising campaigns in the future.

# Recommendations

## 6. Automation

We would recommend automating not only routine and repetitive tasks but also processes with unchanging mechanics.

## 7. Attribution and web analytics

If you measure everything using the last-click model, your marketing will not go beyond PPC and SEO. And the performance of these channels will not reach the "benchmark" indicators in terms of profitability and conversion rate.

Well-tuned analytics allow you to accurately measure the contribution of each of the marketing channels in terms of revenue and competently manage your advertising budget.

## 8. Run A/B tests and don't be afraid of mistakes

Digital space provides many opportunities to test hypotheses and track results. In 2020, reserve the budget and time to try out all the wildest ideas. In our experience, such solutions can show unexpectedly great results.

# promodo

*Head Office*
Ukraine, Kharkiv
23 Sepnia str., 31b
Kharkiv, 61072
+380 57 752 54 62

*United Kingdom Office, Lincoln*
The Terrace, Grantham Street, Lincoln,
LN2 1BD +44 (0) 20 313 766 81

**contact@promodo.com**

**www.promodo.com**