CTT e-Commerce Report 2020

Some market insights and new CTT’s innovative initiatives

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CTT – Head of e-Commerce

11 November 2020
GMV


51% goods

49% services

Cross-border in Portugal

➢ Portuguese ebuyers buy more and more in domestic stores
➢ But even so, > 80% Portuguese ebuyers buy in foreign online stores

Top ecommerce stores where the Portuguese do their shopping

Percentage of ebuyers in 2019

Média EU 28 64%

Forecast 2025

46% 48% 48% 68% 68% 72% 76% 81% 83% 84% 84% 85% 86% 87%

IT PT GR ES BE FI FR NO DE LU SE NL DN UK

China: 63%
Spain: 37%
UK: 28%
USA: 18%
Germany: 13%
France: 11%
HK: 8%

Relative low digital development of the the PT companies

• 3-4% total retail (CN e KR >20-25%; RU, DK, NL, US 15%-20%)
• Only 39% of PT companies have presence online; and only 27% make business online

Fontes: Market Study “eCommerce Ibérico”, CTT, 2020; Eurostat; IPC Cross border eCommerce Shopper Survey 2019; E-Commerce Europe 2019
• **Middle and high classes** (C1, C2 e AB) show greater adhesion to online shopping

• **60% urban residents** (Lisbon and Porto) are more represented at online shopping

• **90.2%** of online shoppers are between the ages of **18-54** (**77.3%** between the ages **25-54**)
Buying profile of the Portuguese ebuyer

+ [10%; 15%] new ebayers in 2020

Average number of purchases of products (per year)
15.8 -> 19.5

Average number of products per purchase
3.8 -> 4.3

e-Commerce expense in products (per year)
807.2€ -> 1103.7€

Average purchase value
51.1€ -> 56.6€

Product weight
<500gr
50% -> 44%

Purchase frequency
< 3 months
90% -> 95%

Portuguese ebuyer profile
2019 -> 2020

Fontes: Market Study “eCommercebénico”, CTT, 2020
The products profile of the ebuyers

Clothing & shoes: +17%
Electronics and computing: +19%
Books and movies: +19%
Cosmetics and body care: +19%
Household appliances: +19%
Meals ready to eat: +15%
Grocery and food: +15%
Cell phones: +23%
Pharmaceutical products: +25%
Fresh products: +23%
Sports: +15%
Furniture and household goods: +15%
Beverage (ex: coffee capsules): +14%
Food and diet supplements: +16%
Pet products and accessories: +13%
Fashion Accessories: +17%
Automotive parts: +17%
Baby products: +5%

Sources: "eCommerce Iberico: CTT, 2020"
Main factors for choosing an online store

- **Product**: 18.7% Good product information, 43.6% Product diversity, 23.0% Reviews from other buyers
- **Satisfaction**: 59.4% Buy anytime, 63.6% User friendly shopping
- **Convenience features**: 38.9% Omnichannel shopping
- **Price**: 57.5% Promotions, 58.4% Low prices

Fontes: Market Study "eCommerce Ibérico", CTT, 2020
When and where the Portuguese ebayers purchase online

During the week
- 27% [2020] 27% [2019]

Saturday
- 17% [2020] 15% [2019]

Sunday
- 10% [2020] 10% [2019]

No specific period
- 69% [2020] 63% [2019]

Fontes: Market Study "eCommerce Ibérico", CTT, 2020
62% of ebuyers consider prices high
42% product information unclear

Main reasons for abandoning the purchase at checkout:

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Final price more expensive than expected (includes delivery)</td>
<td>55%</td>
</tr>
<tr>
<td>Dissatisfaction with the delivery deadline</td>
<td>26%</td>
</tr>
<tr>
<td>Poor information about delivery process</td>
<td>24%</td>
</tr>
<tr>
<td>Uncertainty about payment process</td>
<td>21%</td>
</tr>
<tr>
<td>Technical problems with the site</td>
<td>20%</td>
</tr>
<tr>
<td>Dissatisfaction with the delivery methods</td>
<td>18%</td>
</tr>
<tr>
<td>Unclear returns process</td>
<td>13%</td>
</tr>
<tr>
<td>Returns costs</td>
<td>13%</td>
</tr>
<tr>
<td>Difficulties with sign-up process</td>
<td>13%</td>
</tr>
<tr>
<td>Unable to know product's location</td>
<td>12%</td>
</tr>
<tr>
<td>No exchange service</td>
<td>3%</td>
</tr>
</tbody>
</table>

And abandoning the **online** purchase while searching?
- 62% of ebuyers consider prices high
- 42% product information unclear
Most valued online consumers’ delivery features

Which are the main constraints with the delivery experience?

Convenience 

Product

Time

Unable to contact the delivery man by phone: 18%
Have to go to another place if you are not at home: 26%
Damaged goods: 10%
Unable to change delivery day / time: 18%
Waiting time for delivery: 17%
Not know the delivery time: 37%
Not know the delivery date: 28%

Fontes: Market Study "eCommerce Ibérico", CTT, 2020
### Delivery options for receiving their parcels

<table>
<thead>
<tr>
<th>Options</th>
<th>Where they actually receive</th>
<th>Where they want receive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lockers &amp; Packstations</td>
<td>26.9</td>
<td>29.4</td>
</tr>
<tr>
<td>Postal stores</td>
<td>27</td>
<td>30.4</td>
</tr>
<tr>
<td>At store you bought</td>
<td>27.5</td>
<td>31.6</td>
</tr>
<tr>
<td>Workplace</td>
<td>30.4</td>
<td>37.8</td>
</tr>
<tr>
<td>Convenience stores</td>
<td>31.6</td>
<td></td>
</tr>
<tr>
<td>Home</td>
<td>95.9</td>
<td>84.9</td>
</tr>
</tbody>
</table>

*Fontes: Market Study "eCommerce Ibérico", CTT, 2020*
How do Portuguese ebuyers pay when shopping online?

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paypal</td>
<td>47.9%</td>
</tr>
<tr>
<td>Bank transfer</td>
<td>45.7%</td>
</tr>
<tr>
<td>Debit card</td>
<td>26.2%</td>
</tr>
<tr>
<td>Virtual credit card (1)</td>
<td>24.3%</td>
</tr>
<tr>
<td>Credit Card</td>
<td>23.3%</td>
</tr>
<tr>
<td>Cash on delivery</td>
<td>13.9%</td>
</tr>
<tr>
<td>Pre-paid card</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

(1) – includes Mbnet, Mbway, Revolut, etc.

Fontes: Market Study "eCommerce Ibérico", CTT, 2020
1º Insight: Crescimento explosivo do e-commerce em PT

Trafego e-Commerce Portugal

Fonte: Gab EC, CTT


The leap
How fast is the world moving around us? Consider how quickly e-commerce has replaced physical channels in three months.

US e-commerce penetration, %

10 years’ growth in 9 months


Estimativa Crescimento ano 2020

Efeito 1ª vaga COVID

2º Insight: Maior peso do mercado doméstico

- Diminui: 2,5%
- Mantém-se: 12,5%
- Aumento de menos de 10%: 27,5%
- Aumento entre 10% e 20%: 10,0%
- Aumento de mais de 20%: 47,5%

3º Insight: Reforço do papel dos marketplaces

- Aumentar: 90,0%
- Manter: 7,5%
- Diminuir: 2,5%

- No pós-COVID, cerca de 50% do painel estima que o peso do mercado doméstico no total das compras online aumente mais de 20%.

- No pós-COVID, 90% do painel aponta que a participação dos e-marketplaces no conjunto das vendas online irá aumentar.

46% PME afirmam ter vendido online mais de 25% do total das suas vendas.

*Estudo Facebook, maio 2020

4º Insight: desafios na logística e entregas

Entregas em casa. Click&Collect + lockers vão ganhar peso pós pandemia

Outsoursoucng efulfillmment e mais intralogistics será uma tendência

Sameday delivery veio para ficar

+ Ommichanel + flexibilidade no supply chain

A atual crise COVID19 teve ou terá impacto na oferta de entregas “sameday” aos seus clientes?

A crise pandémica teve ou terá impacto na contratação de um parceiro para a oferta de soluções logísticas (e-fulfillment)?

Não, não planeio vir a oferecer 35,1%

Sim, criamos oferta empêna crise 8,1%

Não, já oferecia esta solução 16,2%

Sim, planeio criar ofertas nos próximos 6 meses 40,5%

Não, não planeio recorrer a parceiros 56,8%

Sim, contratamos parceiros em sena crise 2,7%

Sim, pretendemos ter um parceiro nos próximos 12 meses 21,6%
Iniciativas e-commerce CTT de combate ao COVID19 e de apoio desenvolvimento do comércio local, marcas e negócios nacionais

Marketplace Dott

Criação Lojas online CTT

Queremos ajudar a fazer crescer o seu negócio online.

CTT Logística

Comércio local

LOGÍSTICA
Soluções integradas de armazenamento, preparação e entrega

LOJA ONLINE - >1000 lojas registadas

PARCERIA UBER

FEIRA DO CHÍCARO - ALVAIÁZERE CTT

FEIRA DA CASTANHA

REFORÇO PARCERIA DLX

Rede de >60 lockers Cacifos 24H

a nossa entrega é total
Aproveite o festival de compras 11.11 e deixe as entregas com os CTT.

Muito obrigado!

Alberto Pimenta
CTT, Head of e-Commerce
11 Novembro 2020