

Global Digital Disruption: Where Is Growth Coming From – and Is That Where You Want to Be?

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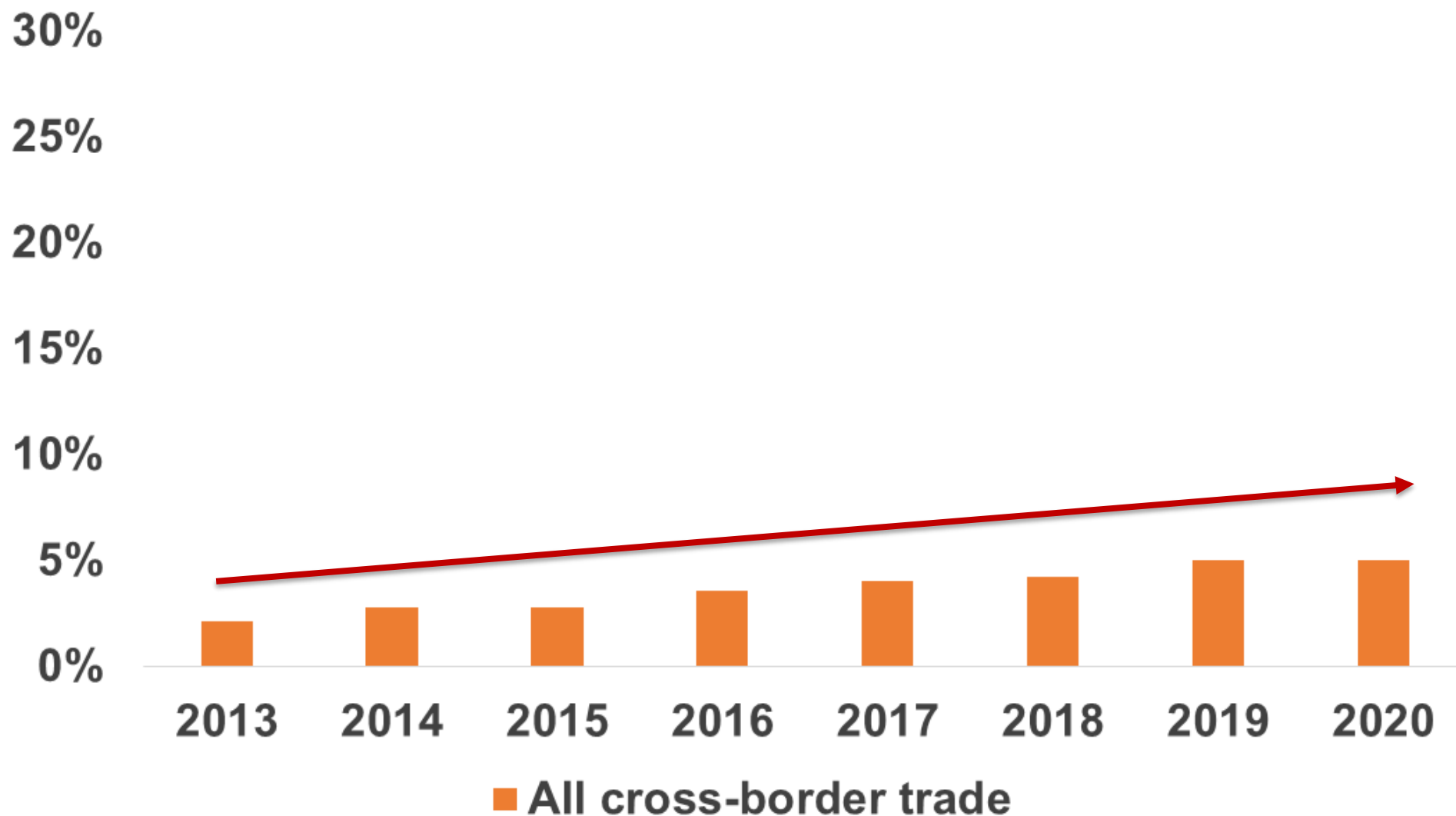
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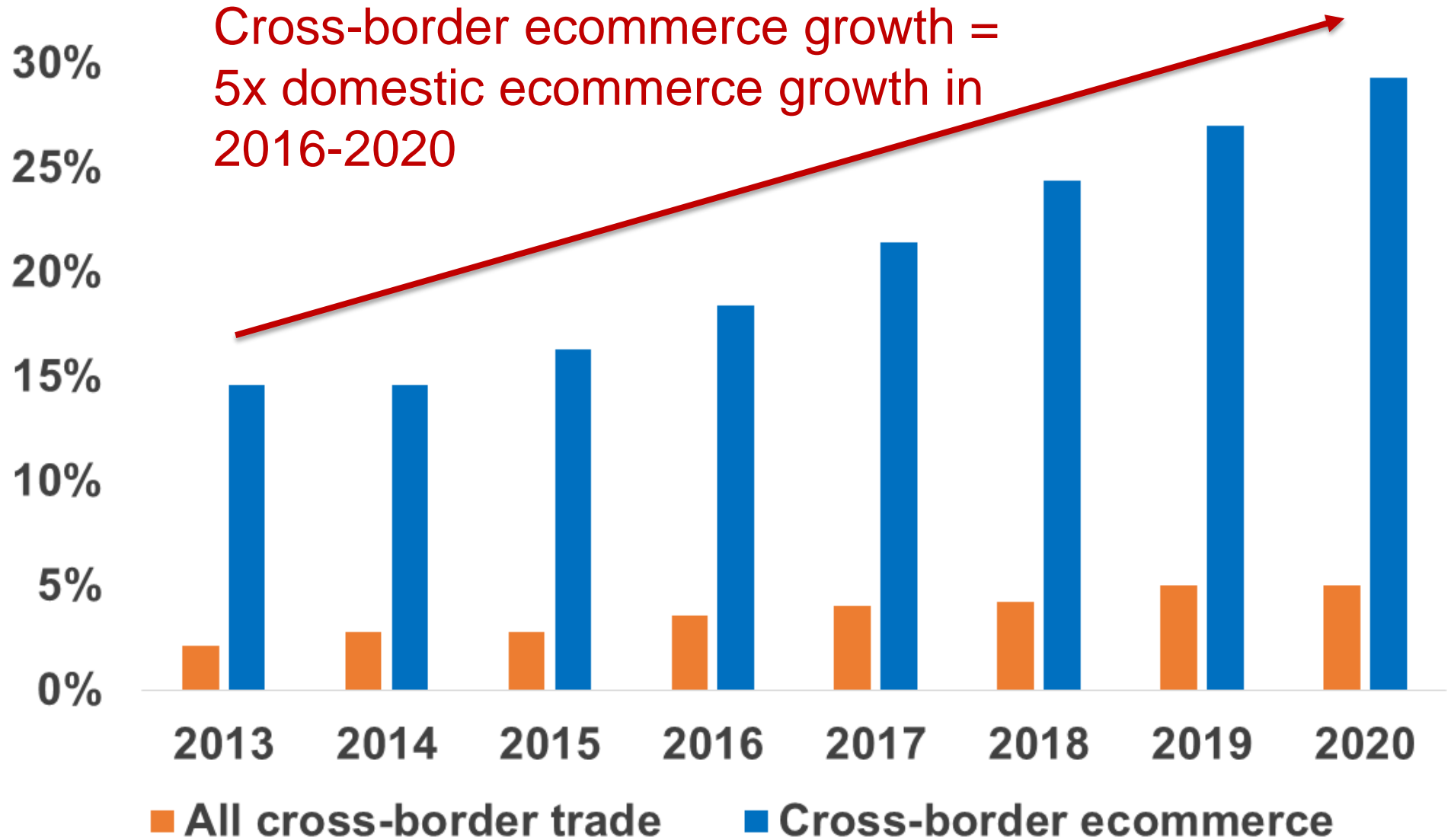
vTex Day, Sao Paulo

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Cross-Border Trade Is Growing

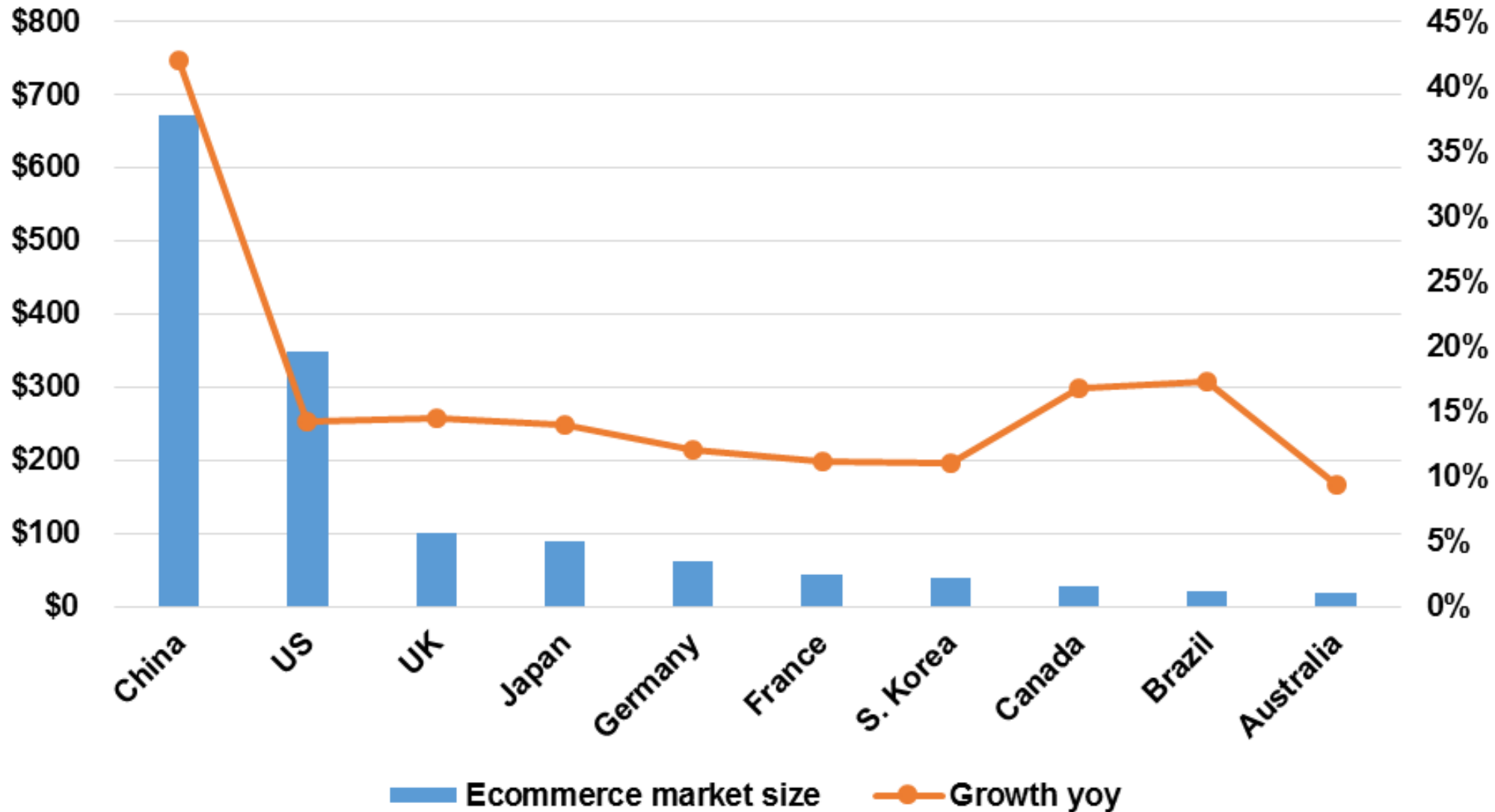


Cross-Border Ecommerce Grows Much Faster

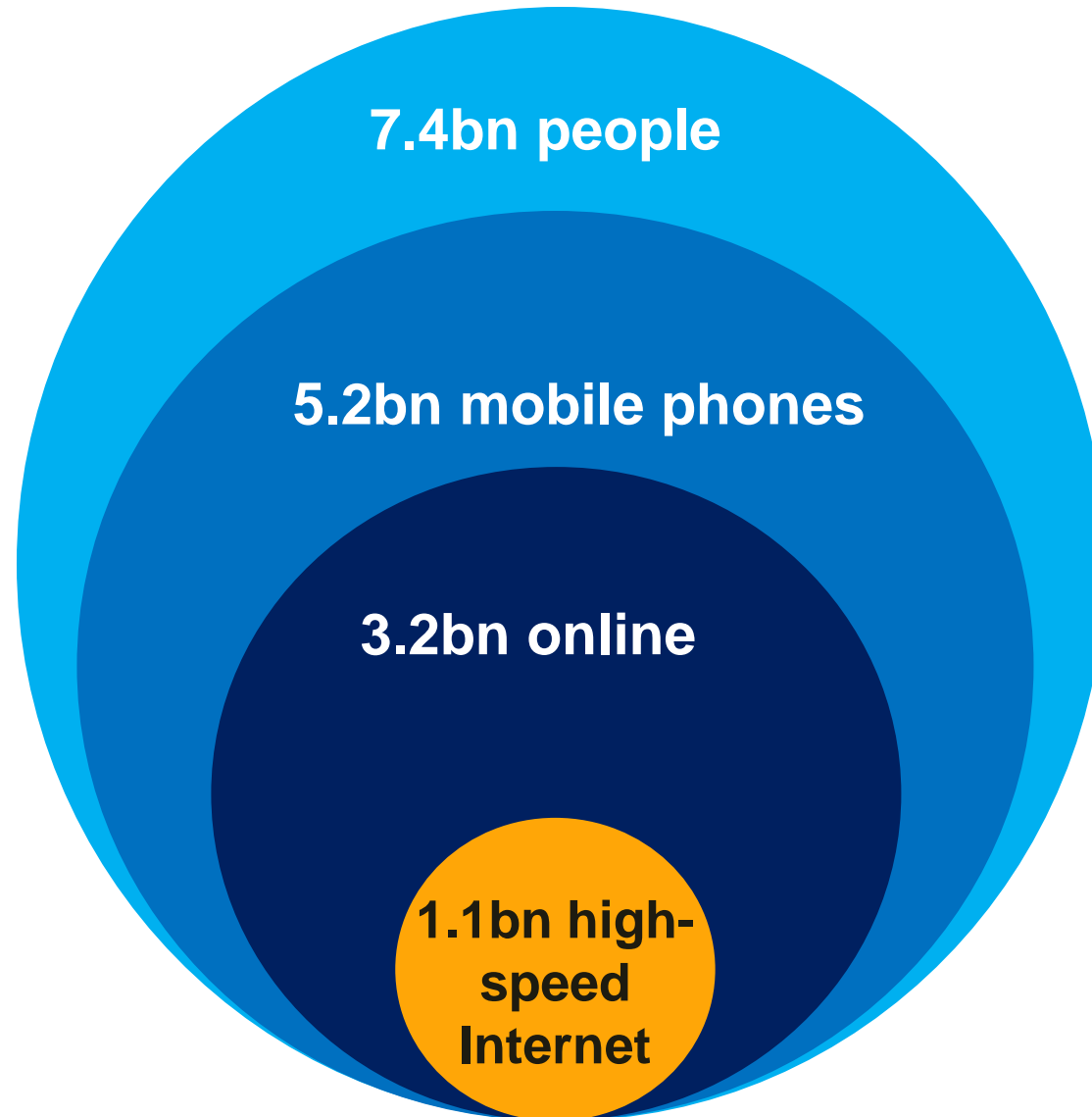


Who's Driving This?

B2C Ecommerce Markets in 2015

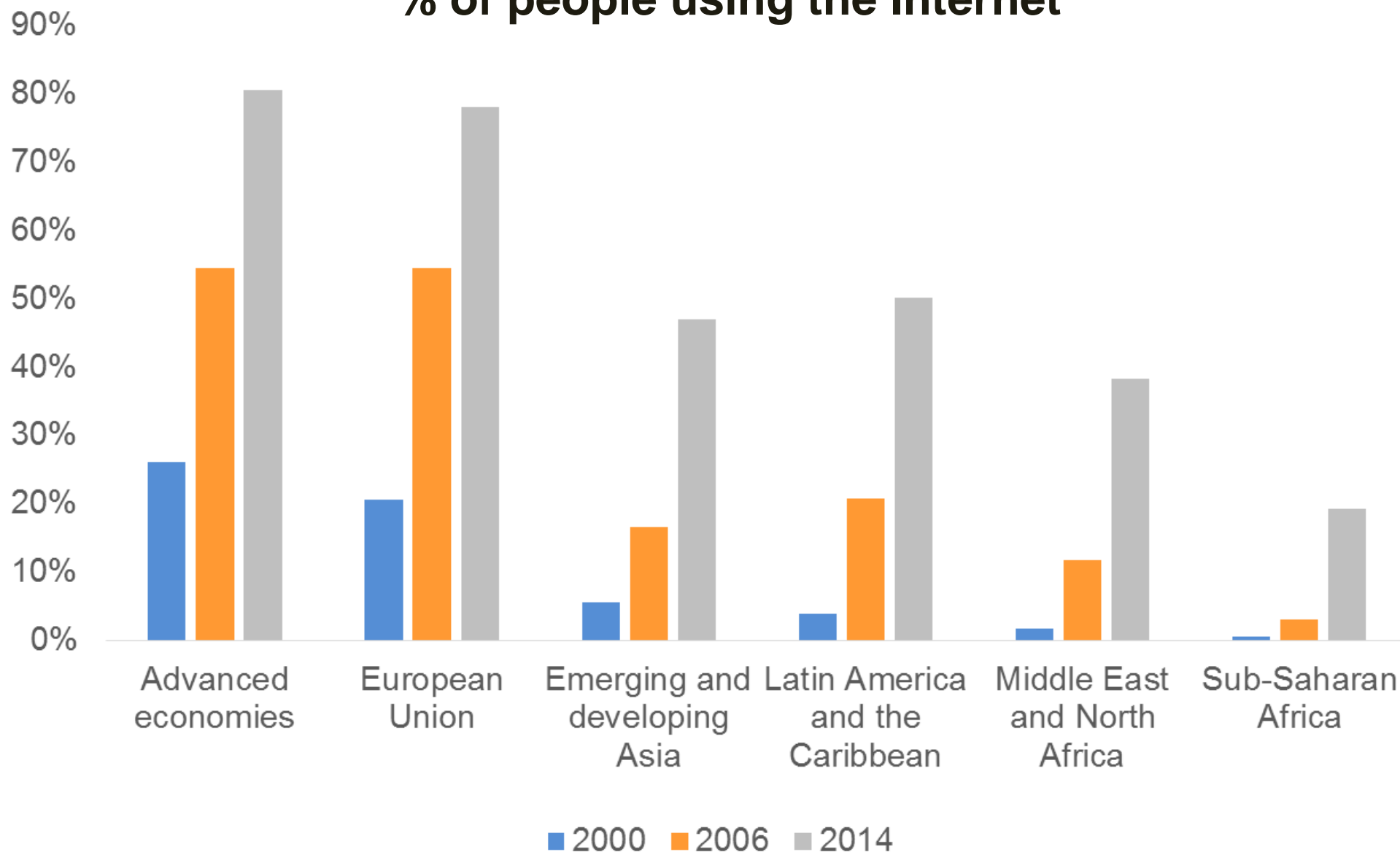


Ecommerce is still driven by only a handful of humanity...

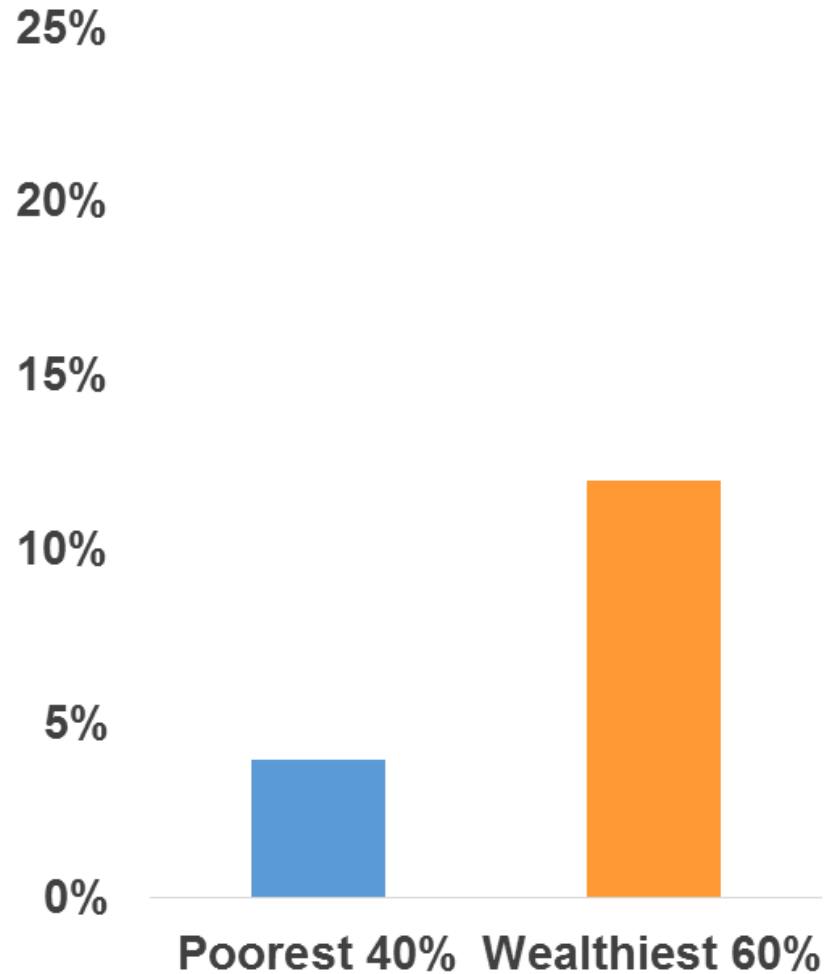


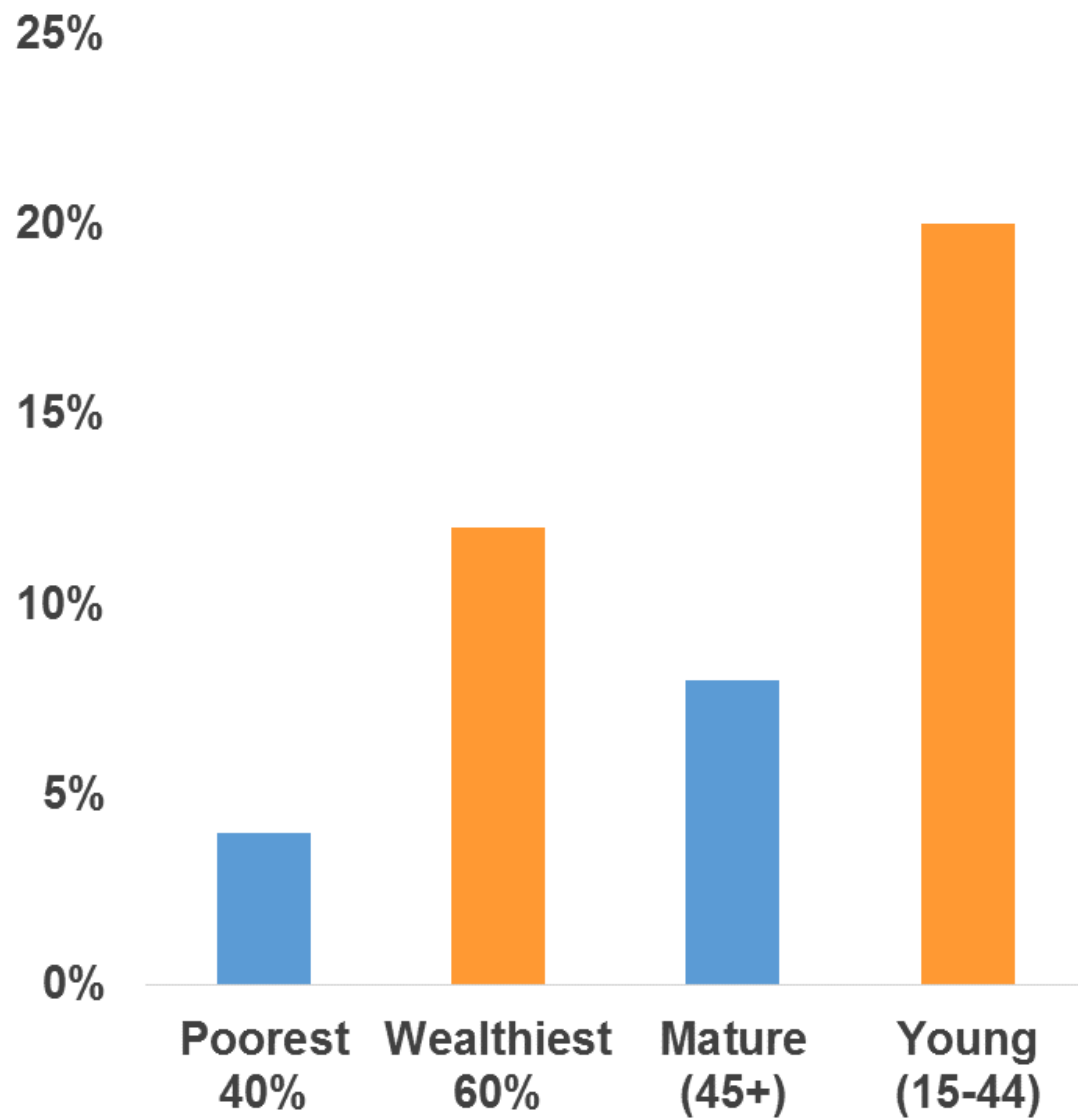
Emerging Markets Catching Up

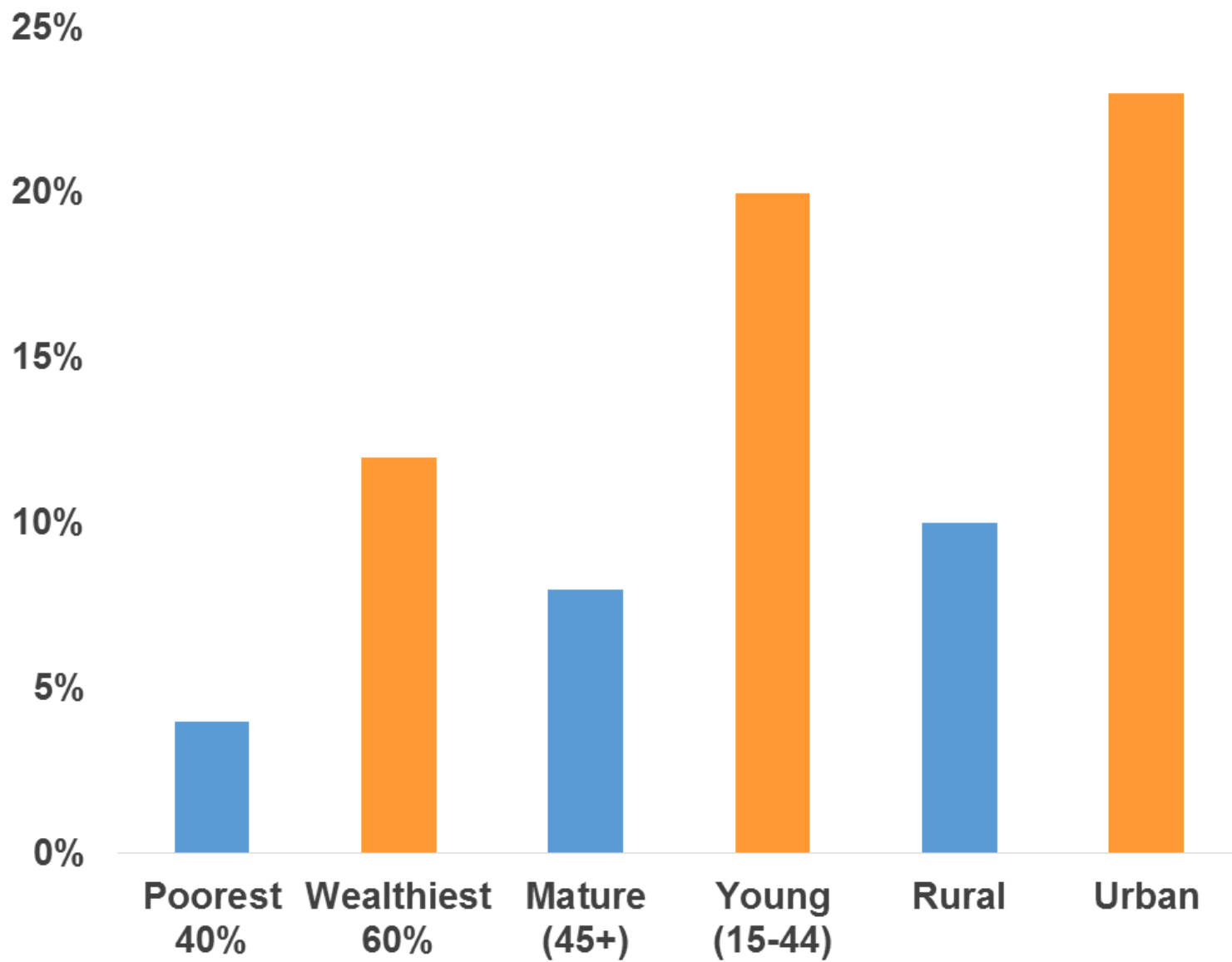
% of people using the Internet

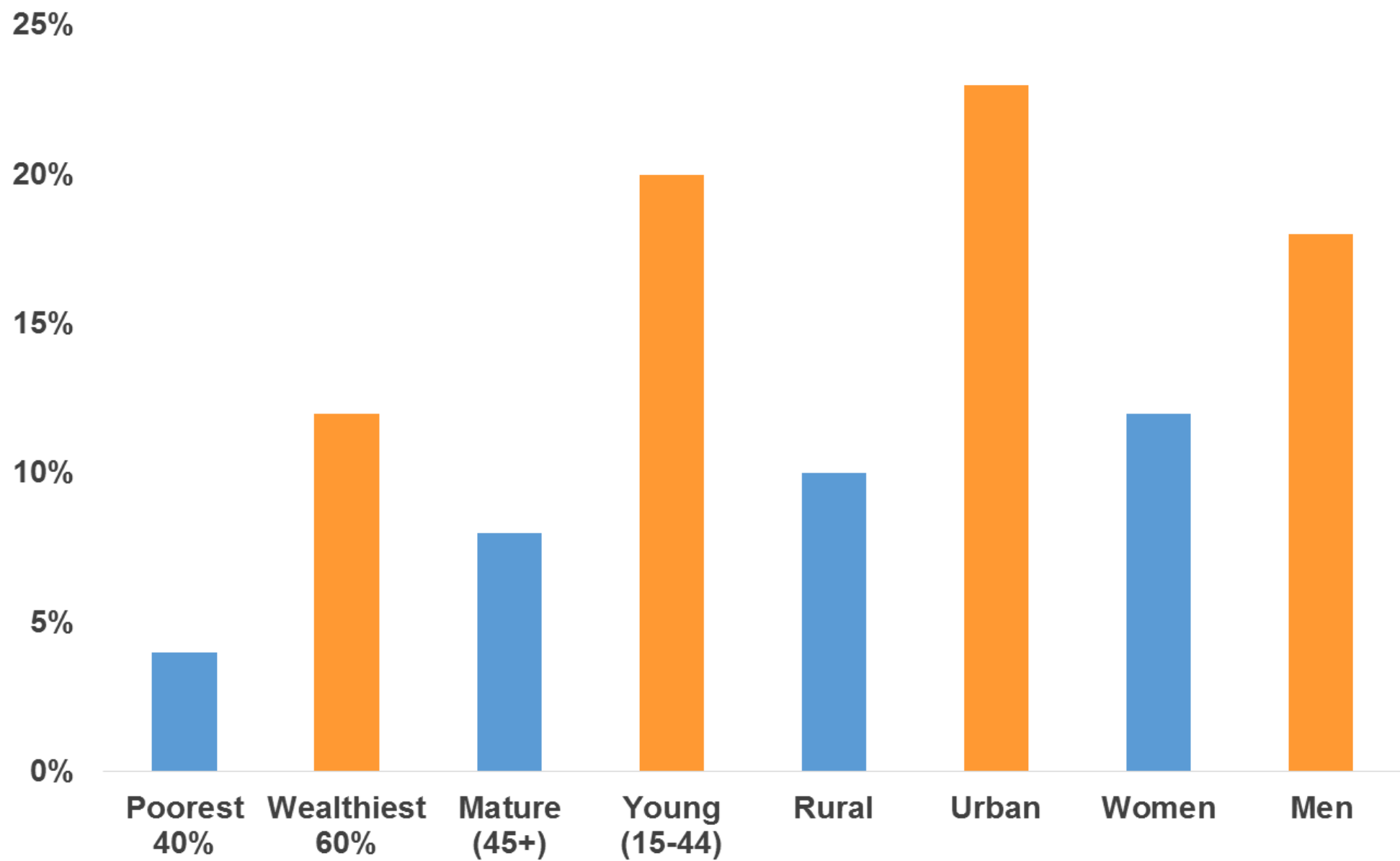


Internet is used more by some demographic groups



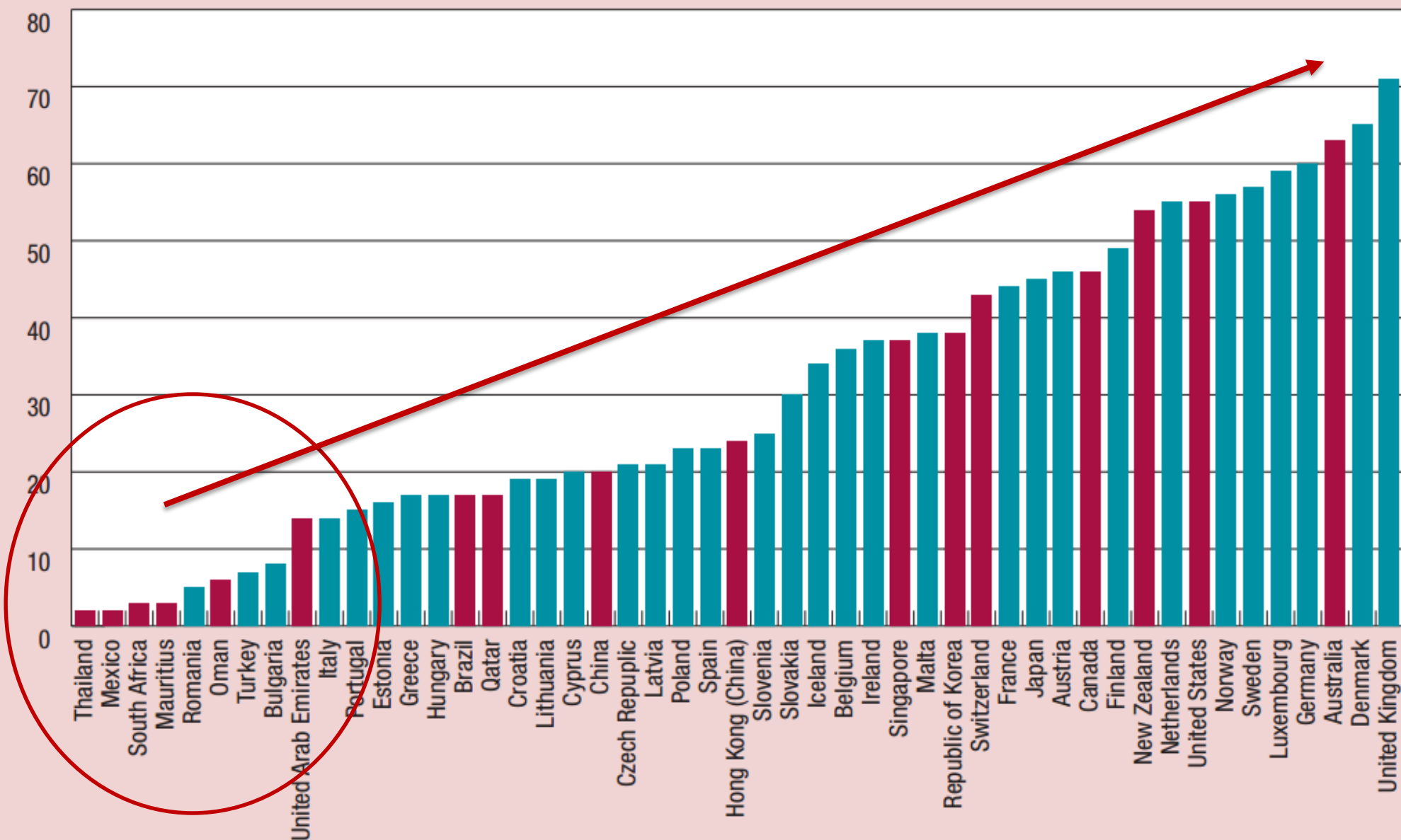






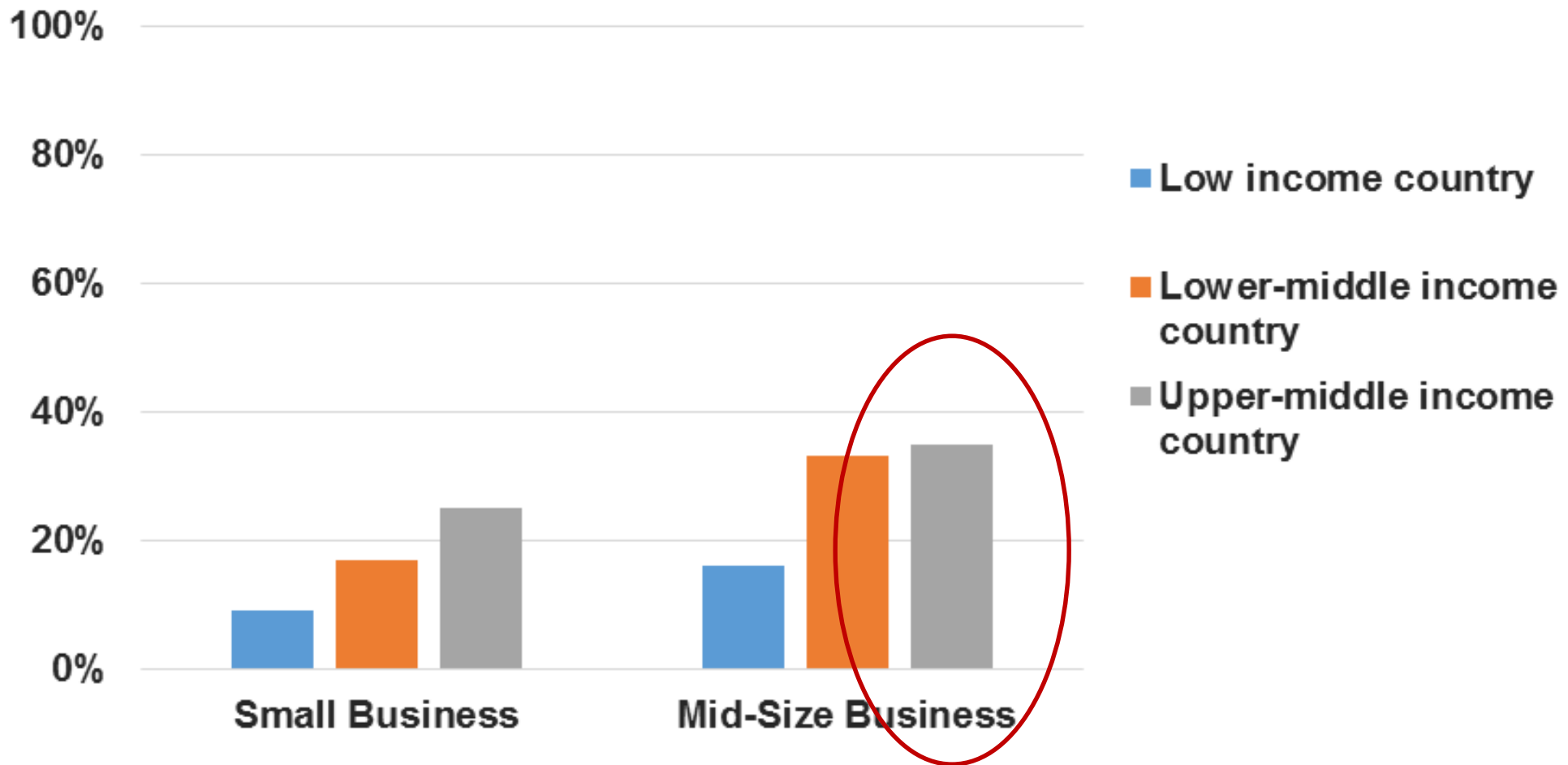
Most emerging market shoppers have not bought online

% of individuals purchasing products online, 2013



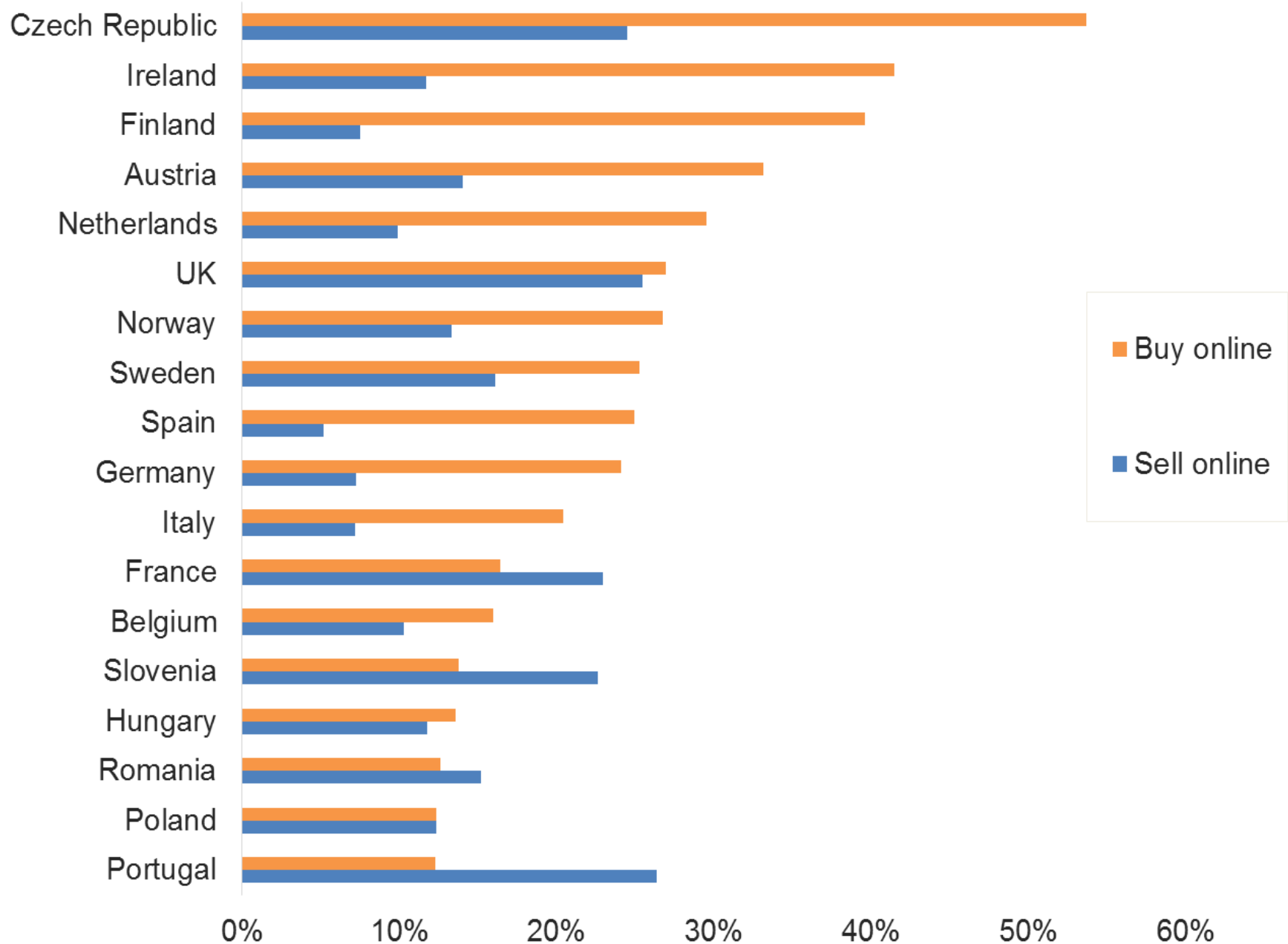
...and only some companies sell online

% of companies with online sales



→ Typically these are: Larger, fast-growing, skill-intensive, export-oriented, urban

Even most EU companies are offline



Years to catch up with advanced economies

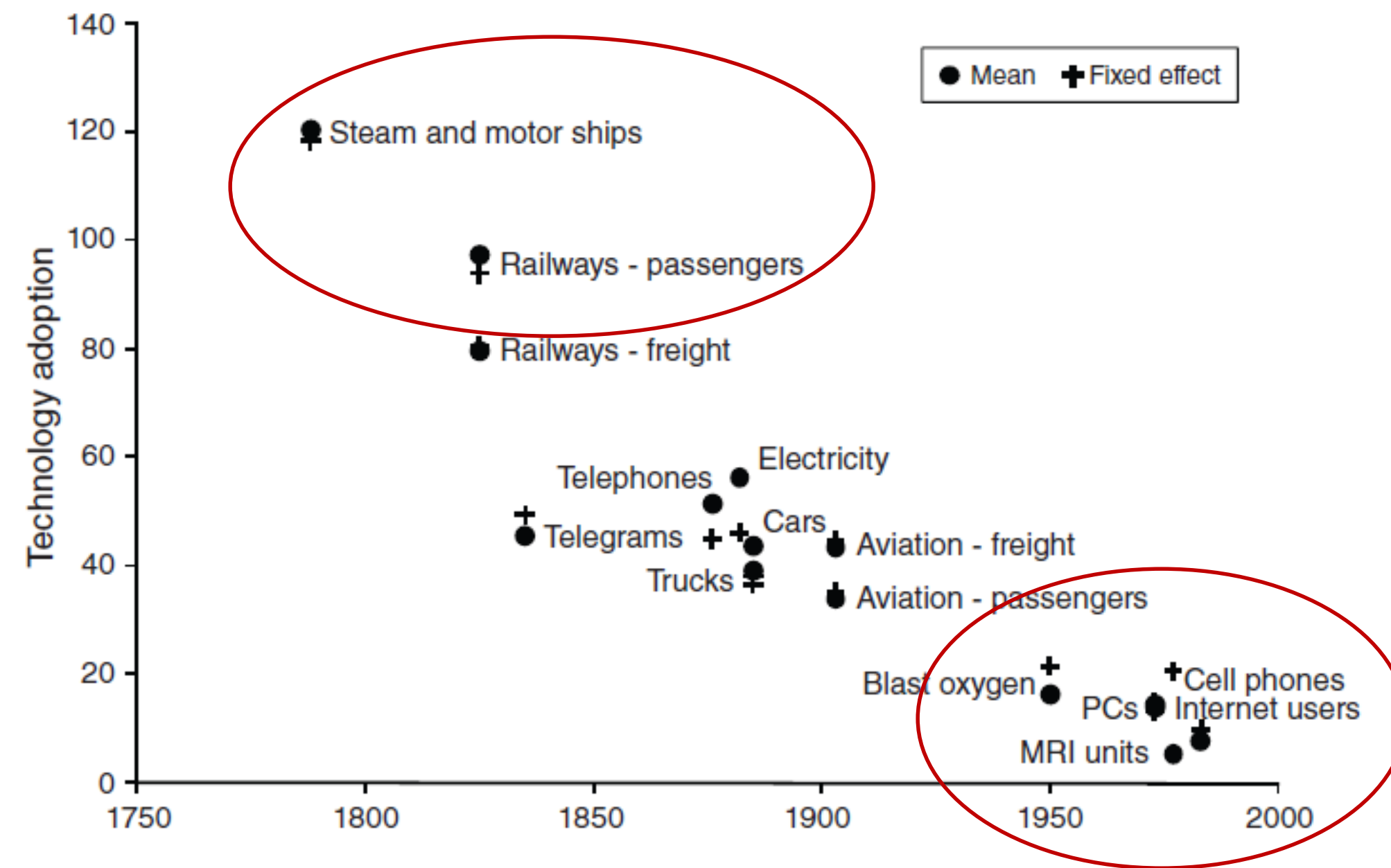


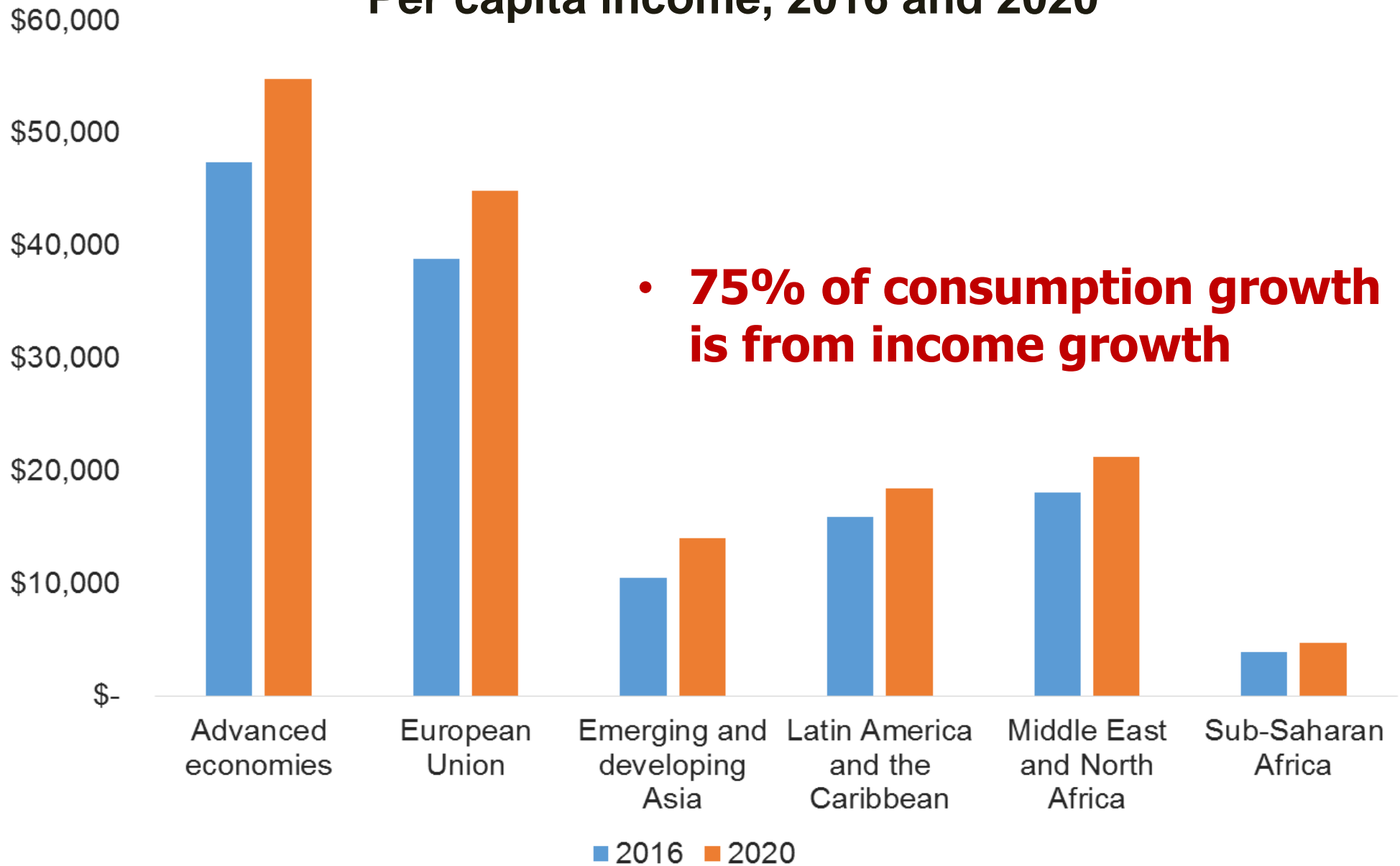
FIGURE 5. TECHNOLOGY ADOPTION LAGS DECREASE FOR LATER INVENTIONS

Source: Comin and Hobijn (2010).

The Next 5 Years

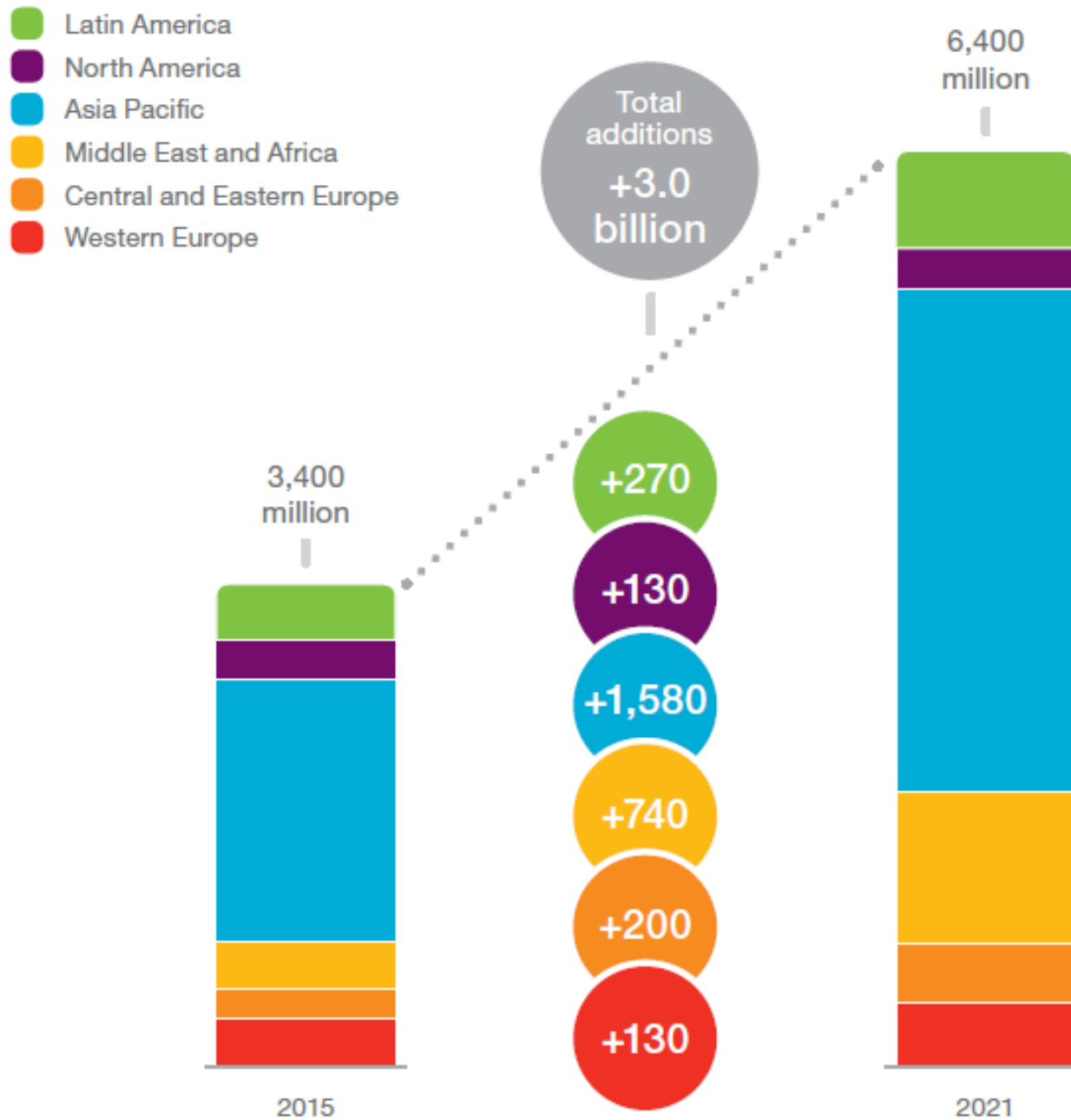
Incomes are growing everywhere

Per capita income, 2016 and 2020



Internet Usage Will Increase - Dramatically

Smartphone subscriptions per region 2015–2021



China's \$24,000 Club

- Higher incomes: more discretionary income, purchases of luxury products
- 100 million by 2020
- Highly connected
- Buying ~\$6.5T
- 53% of the millennials – who buy 40% more than older people of same incomes



Womenomics



- Women drive 65-80% of all B2C purchasing
- Women have money to spend: incomes at \$18T by 2018
- U.S. women make 61% more online purchases than men and make up 58% of online spending

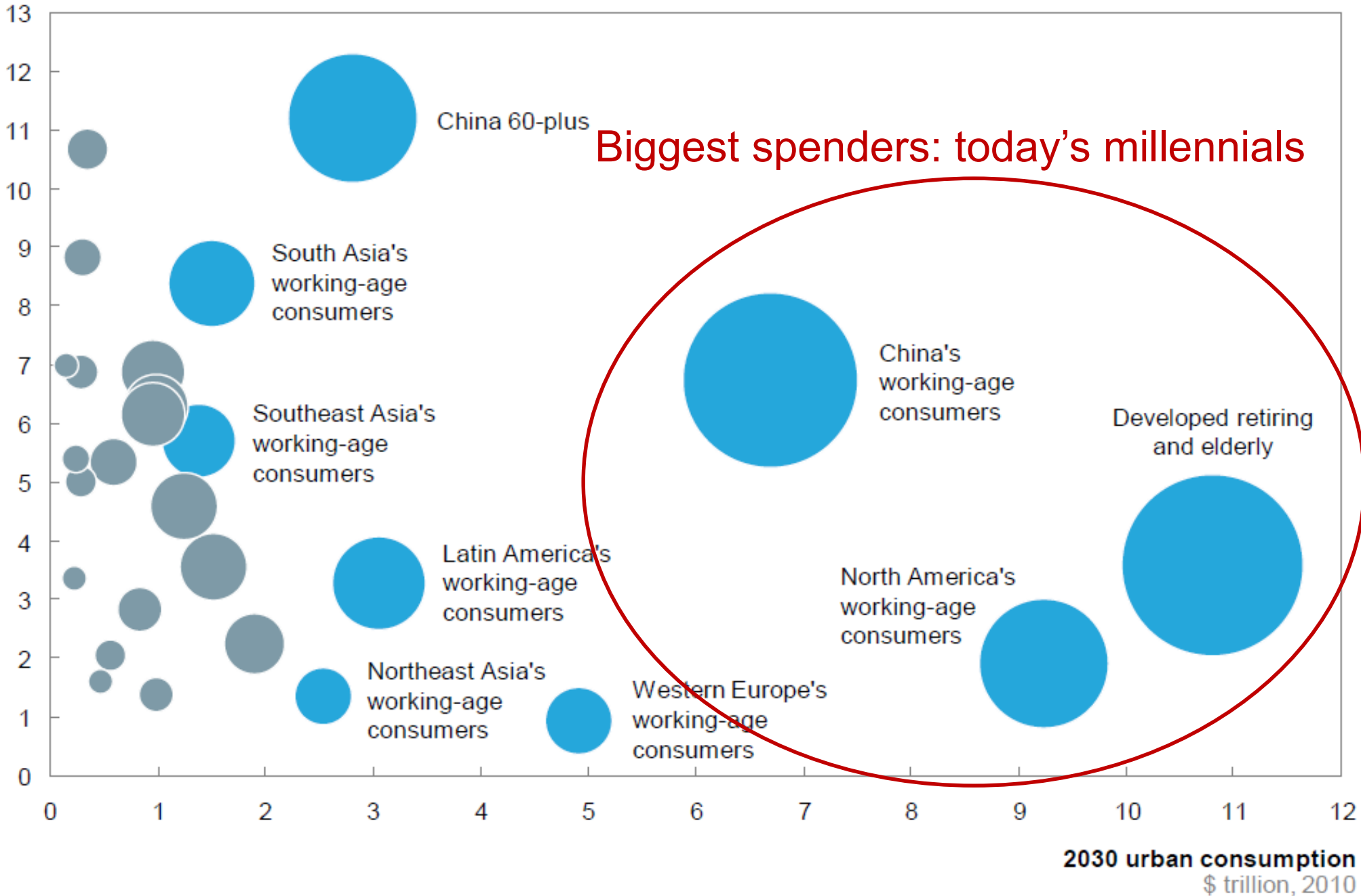
Urban Consumers



- Want to reach 80% of consumers by 2020?
→ Be in 430 world markets = cities
- 410m people & 61% of world GDP by 2030 in 750 mega-cities
- 91% of growth in consumption comes from cities
- Large young & urban populations in Nigeria, China, India, Brazil, U.S.
- Most urban consumption in China + North America: 315 cities make up 40% of consumption growth

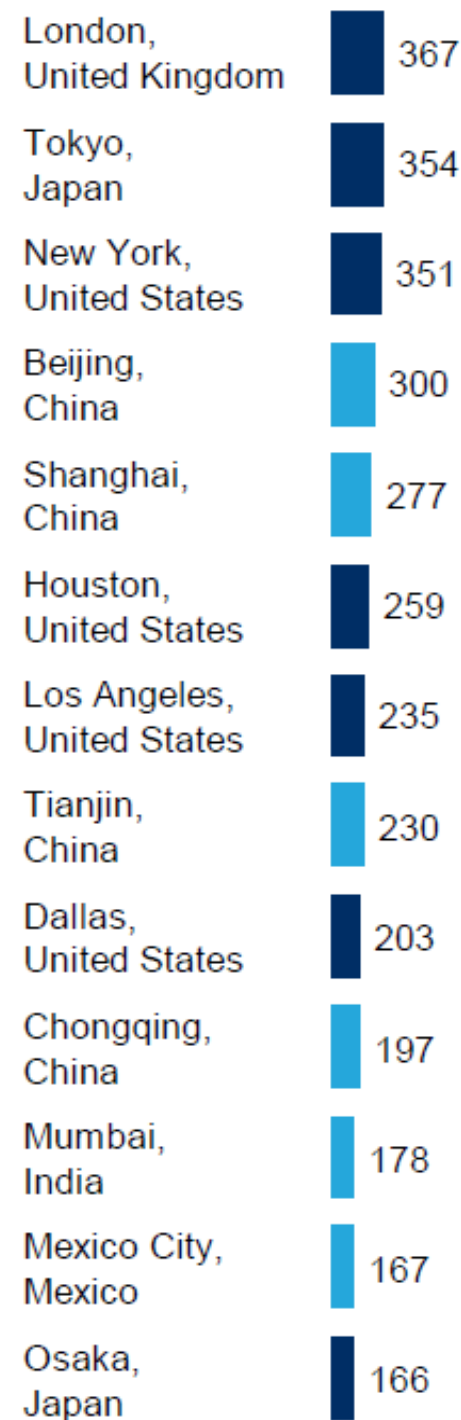
Consumption growth, compound annual growth rate, 2015–30

%

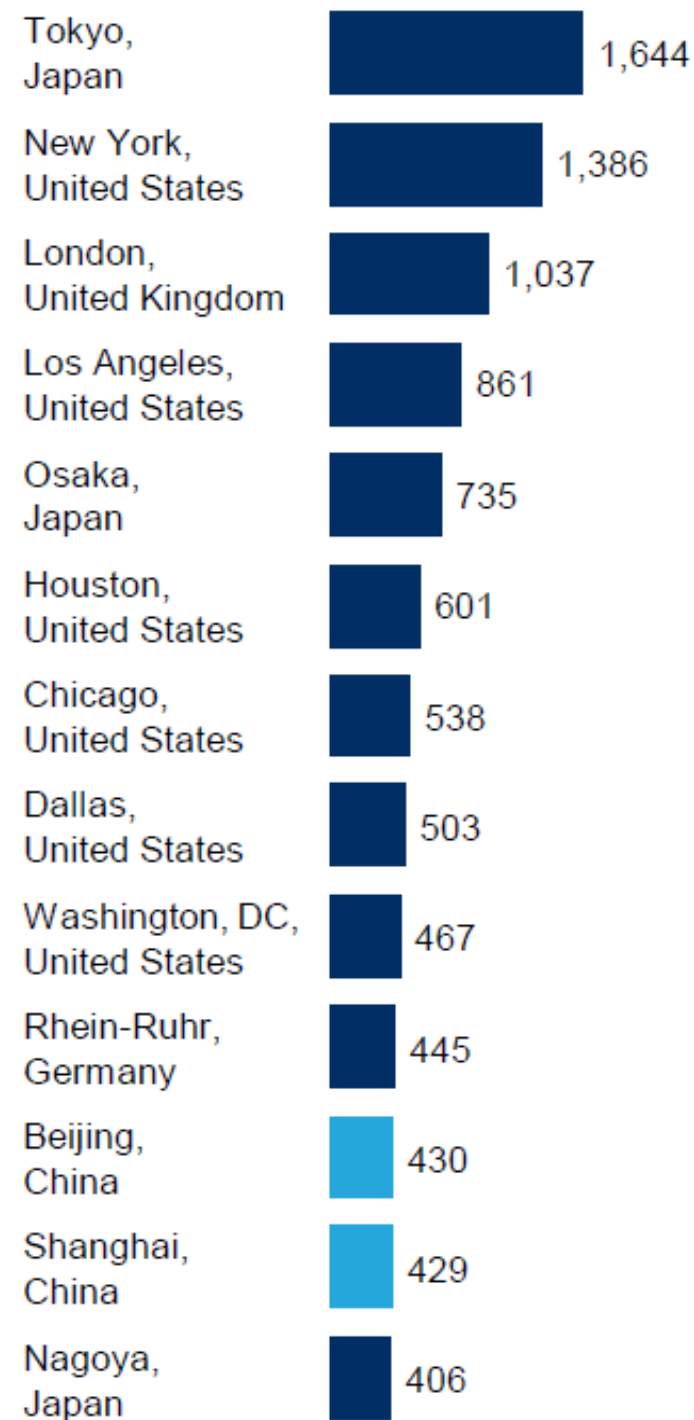


Source: McKinsey Global Institute.

2015–30 consumption growth

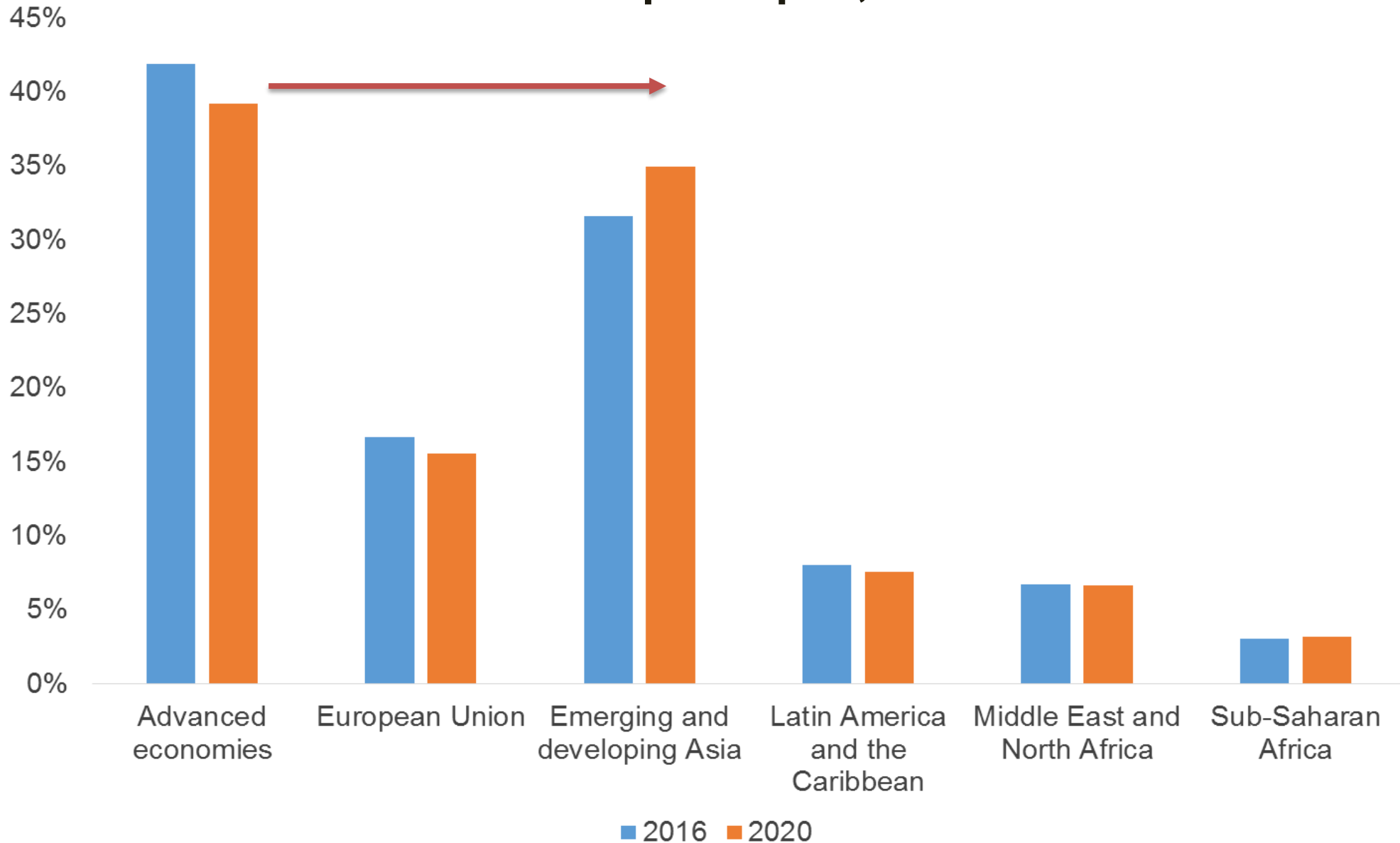


2030 consumption



Most consumption still in advanced economies

% of world GDP per capita, 2016 and 2020



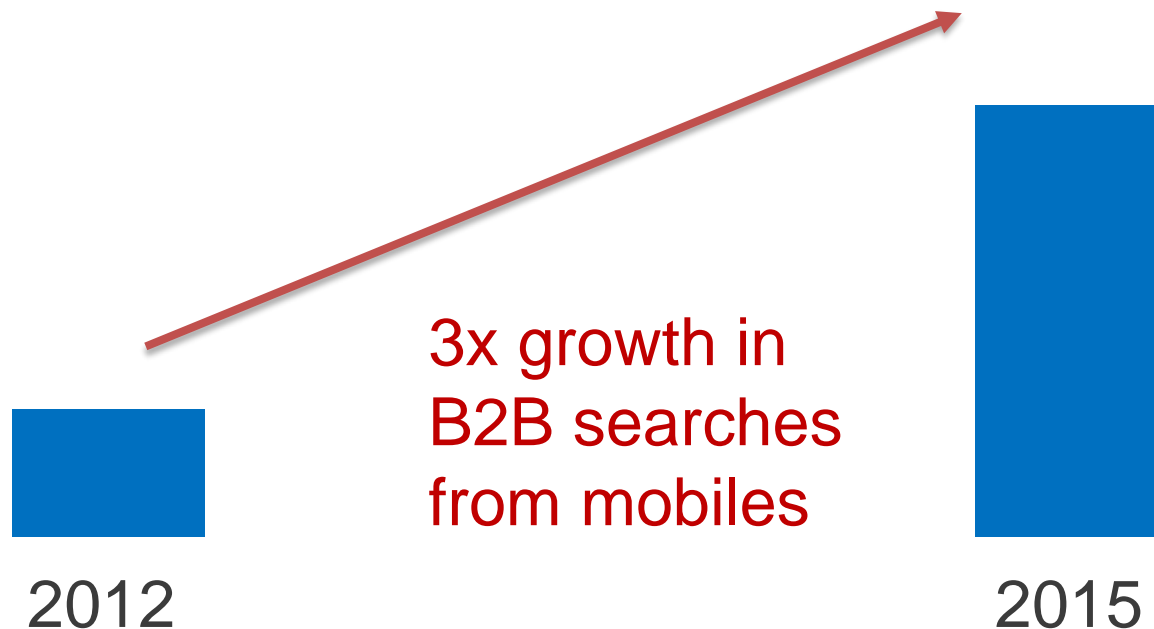
Surprise! Rural ecommerce growing fast

- Rural consumers: 80m ***new*** online buyers in 2015 alone
- Rural buying growing with rise of smartphones: physical retail not near, while phones are
- India: more and more demand from 3,313 tier II & III cities & 1,233 rural hubs



B2B Is Exploding

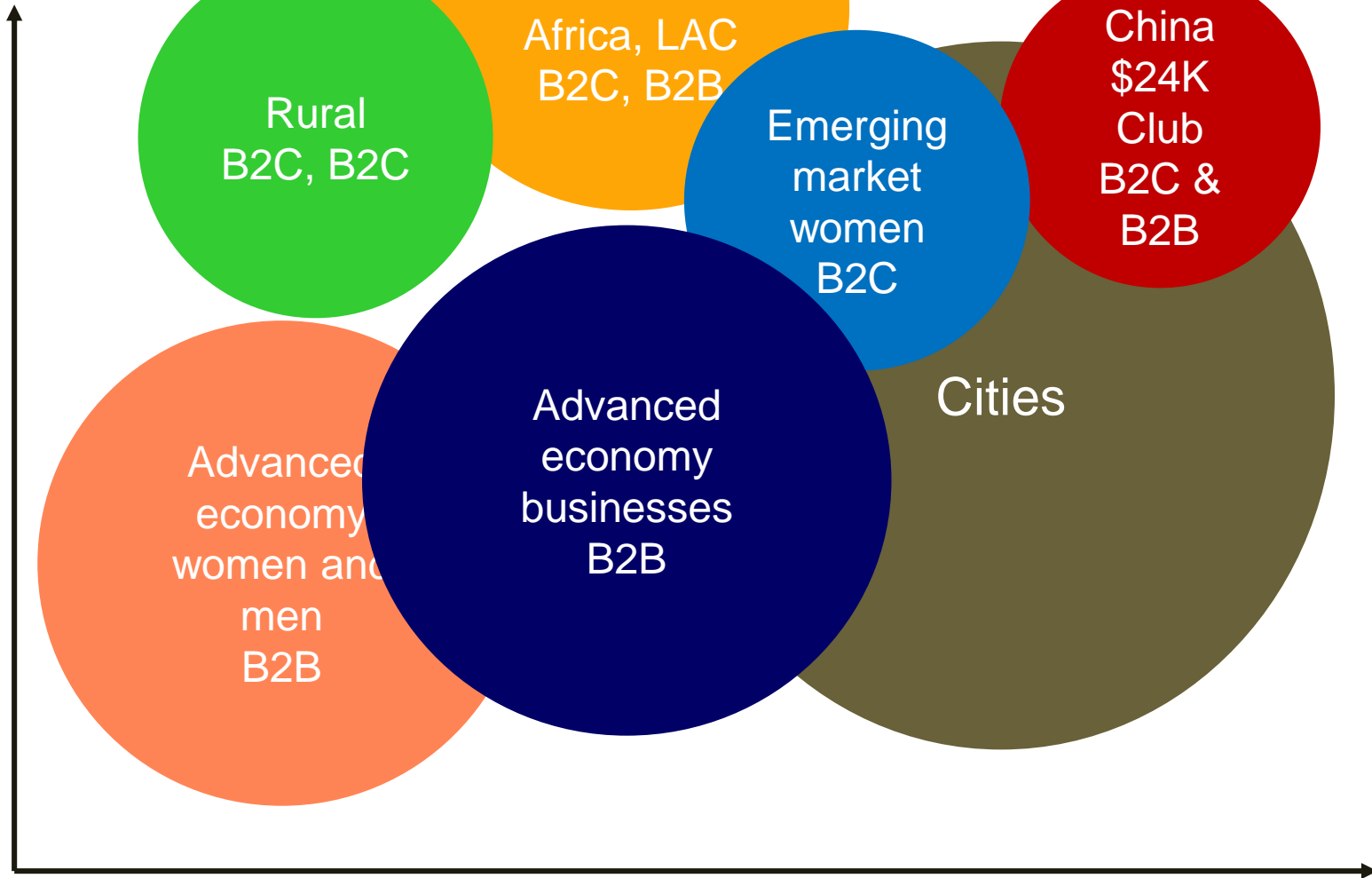
- B2B ecommerce at \$6.7T by 2020: manufacturers and wholesalers getting online
- Smartphones accelerate this: already, 42% of B2B purchase researchers use a mobile device during the purchasing process



- >50% of B2B decision-makers in 2020: Millennials

What Is *Your* Strategy?

New connectivity



New Spending Power

Much has to go right in the “enabling environment”

