



# IMRG Global-e Cross-border Index

August 2020

## Intro:

Welcome to the IMRG Global-e UK Cross-border Index. The index analyses data from around 200 UK retailers and brands who trade internationally using Global-e's cross-border ecommerce solutions.

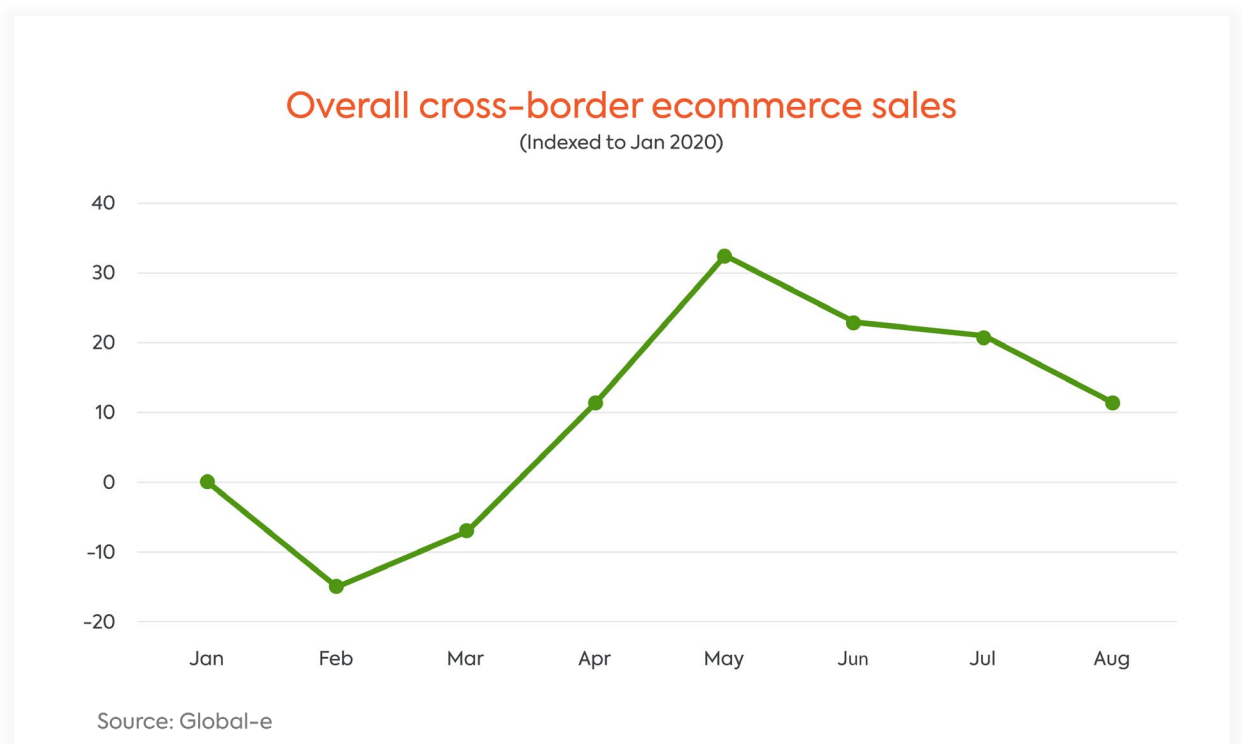
By comparing a consistent data sample Year over Year, the Cross-Border Index enables the retail industry to track trends in international ecommerce trading.

This first edition of the IMRG Global-e quarterly index, based on the analysis of international online orders from January to August 2020 versus the same period in 2019, provides a strong indication of the impacts of COVID-19 for international ecommerce retailers in the UK.

We hope you will find this a useful resource to aid in operational and strategic decision making.

## Overall:

After a slight YoY downturn in discretionary ecommerce spend in response to the outbreak of the pandemic, lockdown measures and the associated uncertainty, markets have rebounded with year-on-year (YoY) increases in sales in the second half of April and through May-August. The index data shows similar trends across all markets, with sales rebounding and even exceeding pre-pandemic figures within six to eight weeks from initial lockdowns.



## EU/Non EU breakdown:

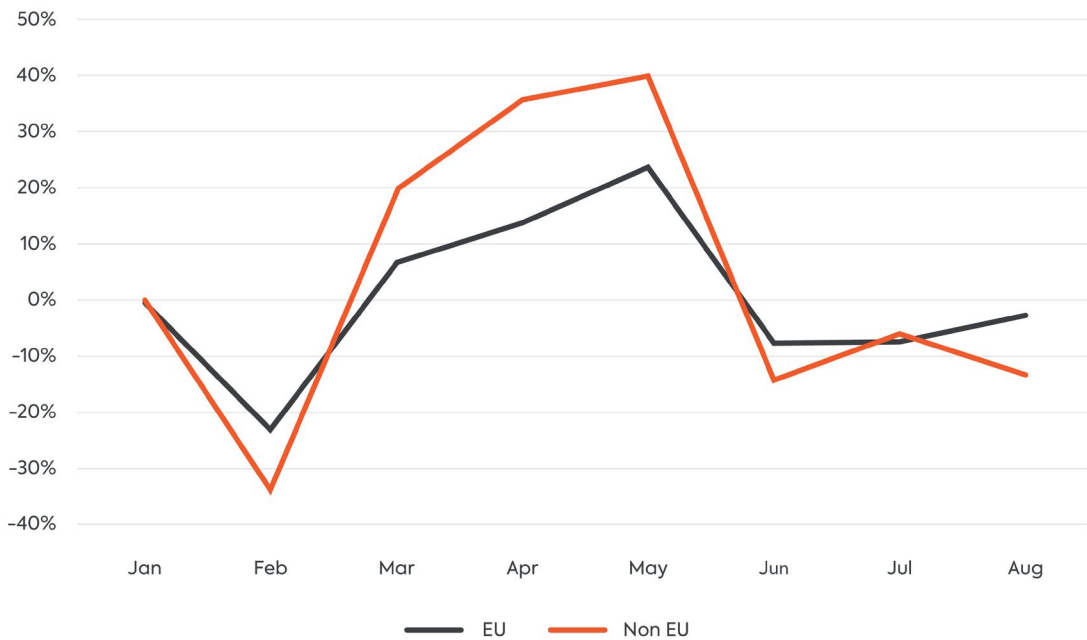
Splitting the data into EU and non-EU volumes, the trend lines follow a similar path but with non-EU starting off from a higher point straight away in February and increasing the gap over the subsequent months.



Over the first two months of the year, even before COVID exerted such a strong impact in the UK, cross-border volumes were down for both EU and non-EU, before both rebounded strongly in April and May.

The slower rebound into EU destinations may be related to the economic situation there, or perhaps reflect the fact that many major European countries were also hard hit by COVID outbreaks.

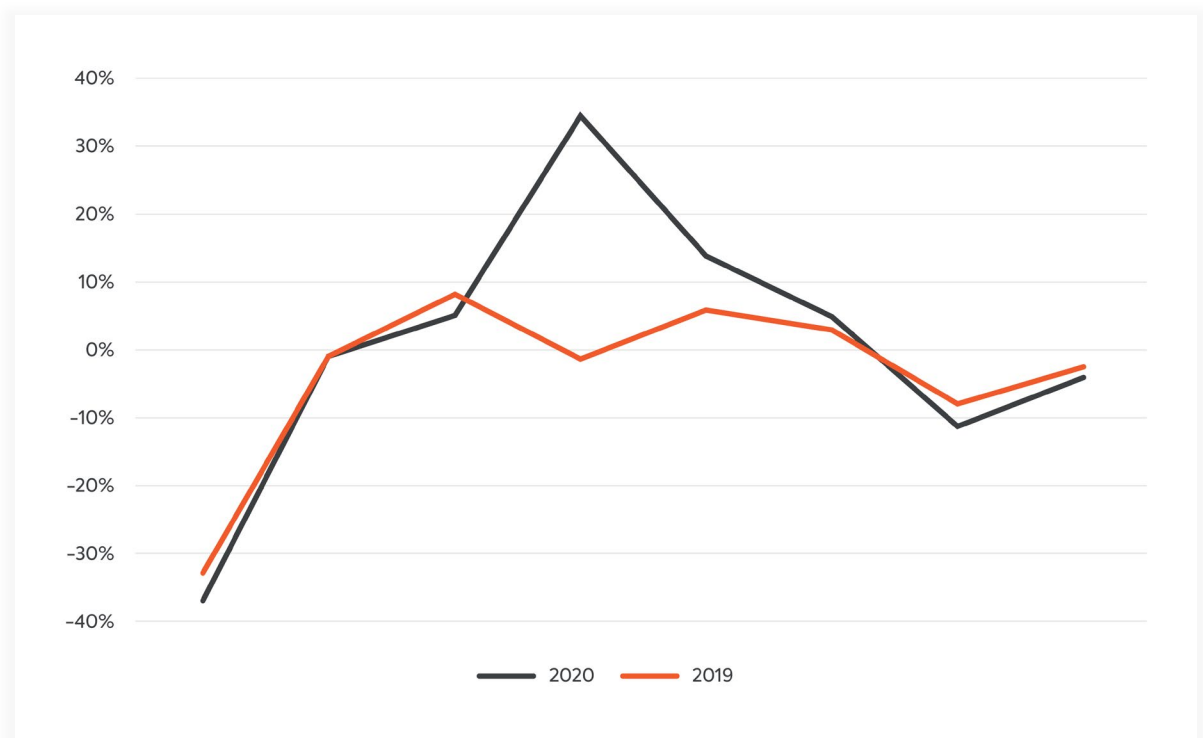
## Export volumes from the UK - Month-on-Month Change



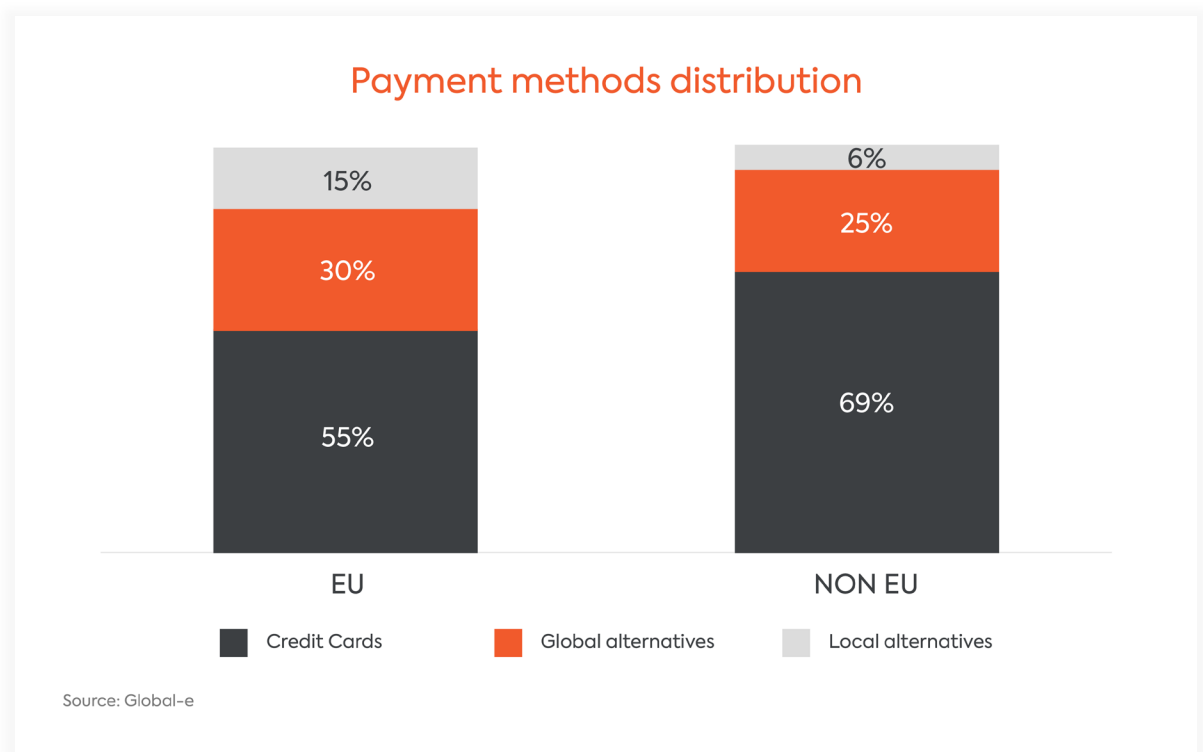
Source: Global-e

Though cross-border volumes went into negative territory over the summer months, this is similar to what we see with UK sites overall; as people go on holiday the amount of online purchasing being undertaken comes down accordingly versus the previous months.

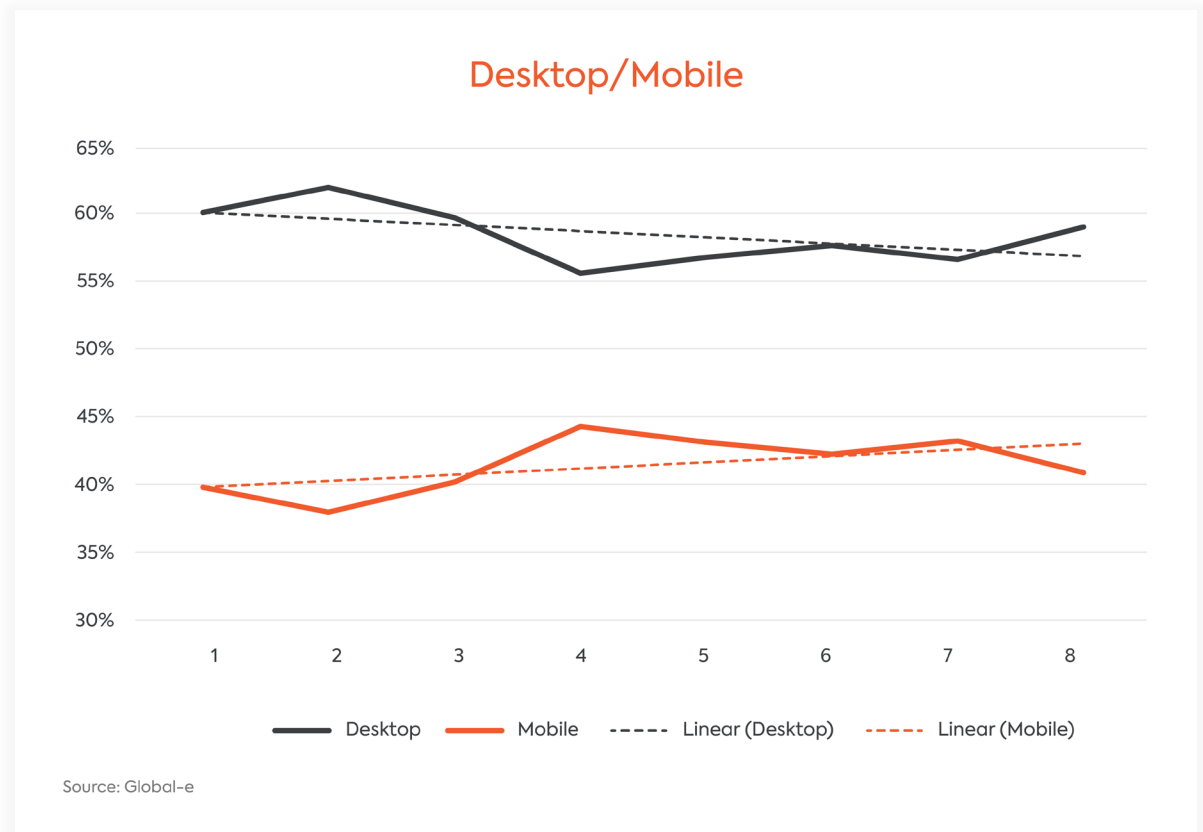
The below chart, from the IMRG Capgemini Online Sales Index, shows the MoM growth for domestic online sales growth on UK sites overall, comparing 2020 (blue line) with 2019 (orange line). It seems that volumes to EU destinations saw a MoM peak in May, which is something the UK sites overall did not experience domestically. This may be related to the varying timings of lockdowns across European countries, which did not all follow the exact same pattern.



The index also covers the method used to complete payments in cross-border transactions on UK sites. Credit card is by some distance the most popular, though more so for non-EU countries than EU. This data supports other datasets that find local alternatives (such as iDEAL in the Netherlands) are very dominant in some countries, while global alternatives (such as PayPal) are slightly more popular in the EU. Generally speaking, alternative payment methods are increasing in popularity across many markets.



Looking at the platform through which cross-border purchases are completed (split by desktop and mobile, which covers both smartphone and tablet), desktop is still the dominant one. While there will be some variance by individual country, overall these figures are quite different from the UK market generally, where only 31% were completed on desktop in Q2 2020 (latest data available) and the majority go through smartphones.



The shift towards m-commerce continues, though people are spending more time in-doors due to lockdowns/ higher instances of working from home etc. Looking at the trend we expect that the rate of orders made via mobile devices will reach 50% of all cross-border ecommerce purchases over the next 12-18 months. This correlates the shift towards alternative payment options, that are adjusted to mobile (apple pay, Klarna, etc.)

## About the authors

### IMRG

IMRG (Interactive Media in Retail Group) is the UK's industry association for online-retail. Formed in 1990, IMRG is setting and maintaining pragmatic and robust online-retail standards to enable fast-track industry growth, and facilitates its community of members with practical help, information, tools, guidance and networking. Consumers can be confident when dealing with IMRG Members because all interact in an environment where they are encouraged to operate using methods that are Honest, Decent, Legal, Truthful and Fair, and have undertaken to not bring the industry into disrepute.

The strength of IMRG is the collective and cooperative power of its members. For more information, please visit [www.imrg.org](http://www.imrg.org) or email [membership@imrg.org](mailto:membership@imrg.org)

### Global-e

Global-e is the leading provider of cross-border ecommerce solutions, with a proven track record of successfully enabling hundreds of leading retailers and brands across Europe, the USA and Asia, to boost their global online sales and revenues.

With Global-e's Smart Cross-Border™ solutions, merchants substantially increase international conversion rates, returning customers share and customer satisfaction scores by offering shoppers in over 200 destinations worldwide an optimal shopping experience that is localised and customised per market.

Smart Cross-Border™ solutions support 100+ currencies, 150+ local and alternative payment methods, multi-lingual checkout, guaranteed duty and tax calculation with a pre-payment option for a guaranteed landed cost, as well as multiple shipping options at unbeatable rates and pre-paid and local returns. Our advanced localisation capabilities are complemented by extensive local market insights and know-how, based on big-data analysis and vast cross-border ecommerce experience, to optimise our retail clients' ROI and support their continuous global growth.

Global-e's end-to-end solutions cover all aspects of cross-border ecommerce, including fraud and currency fluctuation hazards, duty and tax regulations as well as country restrictions and import processing, for a simplified, risk free and streamlined global expansion.

For more information, please visit: [www.global-e.com](http://www.global-e.com)