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<td>40-42</td>
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The Ecommerce Foundation is a non-profit organization founded by Ecommerce Europe. It conducts research and studies in the field of e-commerce and provides for benchmarking and reports on e-commerce facts and figures. It also serves as Ecommerce Europe’s research institute. In this role, the Ecommerce Foundation was commissioned by Ecommerce Europe to develop the European B2C E-commerce Report and more than forty national e-commerce reports.

Ingenico is the most knowledgeable global Payment Service Provider in the world, processing international e-commerce payments for more than 600 of the world’s most recognized e-commerce brands in the digital goods and services, travel, retail and video gaming industries, among many others. Ingenico’s business intelligence tools, Managed Fraud Services and more than 400 payments experts help our clients elevate their payment strategies to become a strategic asset to their companies.

Webhelp is a global business process outsourcer (BPO), specializing in customer experience and payment management in addition to sales and marketing services across voice, social and digital channels. From 21 countries with a 30,000-strong team, our focus is on engineering performance improvements and delivering a real and lasting transformation in our clients’ operating models to generate financial advantage. We partner with some of the world’s most progressive brands.
Asendia is one of the world’s top three international mail, shipping and distribution organizations, delivering your packages, parcels and documents to more than 200 destinations across the globe. Formed as a partnership between La Poste and Swiss Post in 2012, the Asendia business employs more than 1,000 people worldwide, has offices in 15 countries and a global network of delivery partners to get your package where it needs to be, when it needs to get there.

MarketShare, a Neustar Solution, helps marketers grow revenue. Combining advanced analytics technology, scientific leadership and deep domain expertise, MarketShare enables large companies to measure, predict and dramatically improve Marketing’s impact on revenue—typically generating a 20%-30% improvement in marketing effectiveness and 3%-4% revenue increase, yielding a 3x-50x first-year ROI. Widely considered the market leader, MarketShare helps direct tens of billions of marketing investment dollars globally.
Ecommerce Foundation

At the Ecommerce Foundation, we believe that sharing knowledge is essential for the continuous growth of the e-commerce industry. For this reason we have recently developed two initiatives with the aim of helping e-commerce companies improve. The EcommerceWiki is an international platform on which we strive to gather as much relevant e-commerce content as possible, with the help of many experts worldwide. In addition, we have set up the Ecommerce Benchmark, a useful tool for companies to compare their e-commerce performance with their direct competitors in a safe and anonymous way.

Through this report we want to share our knowledge on B2C e-commerce in Brazil. We have gathered these facts, figures and insights through thorough desk research and with the help of various partners. This results in an elaborate report which will definitely offer valuable information to parties that trade cross-border in Brazil or have intentions to do so.

Naturally, we could not have realized these reports without the help of others. Therefore we want to use this opportunity to express our gratitude to Asendia, Ingenico, MarketShare and Webhelp, who have enabled us to make our reports widely available and to GfK for their close cooperation and involvement.

For any additional information about the Ecommerce Foundation and its products, please contact us through our website www.ecommercefoundation.org or send us an email at info@ecommercefoundation.org.

Director of Ecommerce Foundation
Jorij Abraham

Chief Editor at Ecommerce Foundation
Richard van Welie
Brazil 2015 Key E-commerce Facts at a Glance

159.4mn people are over the age of 15

101.5mn people use the Internet (63.7%)

38.1mn people shop online (38%)

Total GDP of $1,774.7bn

E-commerce GDP of 0.89%

62% of the population uses a smartphone

19% Share of mobile in online sales

B2C e-commerce revenue and average spending per e-shopper

- 2013: $297
- 2014: $357
- 2015: $416

Country report sponsored by:
**Demographic indicators**

**Country Report Brazil**

**Area:** 8,515,767 km²
**Capital:** Brasilia
**Currency:** Brazilian Real (BRL)

**Institution:** Federal republic
**Internet access:** 63.7%
**URL country code:** .br
**Official languages:** Portuguese
**Dialing Code:** +55

**Population by age category, 2016**

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>23.3%</td>
</tr>
<tr>
<td>15-24</td>
<td>16.5%</td>
</tr>
<tr>
<td>25-54</td>
<td>43.8%</td>
</tr>
<tr>
<td>55-64</td>
<td>8.6%</td>
</tr>
<tr>
<td>65+</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

**Sources:** Worldfactbook, 2016

**Total population:** 207,847,528

**Median age:**
- Male: 30.3 years
- Female: 31.9 years

**Population growth:**
- 0.86%

**Sources:** Worldfactbook, 2016
Brazil’s total GDP continued to decline in 2015

Country Report Brazil

TOTAL GROSS DOMESTIC PRODUCT
GDP at market prices, 2011-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (in millions of US dollars)</th>
<th>GDP (in millions of Brazilian Real)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,774,725</td>
<td>R$4,170,603</td>
</tr>
<tr>
<td>2014</td>
<td>$2,417,046</td>
<td>R$5,680,058</td>
</tr>
<tr>
<td>2013</td>
<td>$2,465,774</td>
<td>R$5,794,569</td>
</tr>
<tr>
<td>2012</td>
<td>$2,460,658</td>
<td>R$5,782,547</td>
</tr>
<tr>
<td>2011</td>
<td>$2,614,573</td>
<td>R$6,144,247</td>
</tr>
</tbody>
</table>

Source: IMF and Worldbank, 2016

E-commerce share of GDP 0.89%

GROSS DOMESTIC PRODUCT REAL GROWTH RATE
Percentage change of GDP, 2011 - 2015

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP per capita (in US dollars)</th>
<th>GDP per capita (in Brazilian Real)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$8,539</td>
<td>R$20,066</td>
</tr>
<tr>
<td>2014</td>
<td>$11,729</td>
<td>R$27,563</td>
</tr>
<tr>
<td>2013</td>
<td>$12,072</td>
<td>R$28,369</td>
</tr>
<tr>
<td>2012</td>
<td>$12,157</td>
<td>R$28,570</td>
</tr>
<tr>
<td>2011</td>
<td>$13,039</td>
<td>R$30,642</td>
</tr>
</tbody>
</table>


Explanation
The Brazilian GDP decreased by 3.8% in 2015. This GDP real growth rate takes the inflation rate into account.
Brazil’s unemployment rate declined to less than 4% in 2015

Source: Statista, 2016

**UNEMPLOYMENT RATE**
Percentage of the total labor force, 2011-2015

2011: 6.7%
2012: 6.1%
2013: 6.5%
2014: 6.8%
2015: 7.2%


**INFLATION RATE**
Annual change on Consumer Price Index (CPI), 2011-2015

2011: 6.6%
2012: 5.4%
2013: 6.2%
2014: 6.3%
2015: 9.0%

Source: Tradingeconomics, 2016

**CONSUMER CONFIDENCE INDEX**
CCI on a three-month basis, 2014-2015

Jan-14: 13.9
Apr-14: 8.7
Jul-14: 9.5
Oct-14: 12.0
Jan-15: 4.2
Apr-15: -1.0
Jul-15: -2.1
Oct-15: -2.7

Source: Tradingeconomics, 2016
Brazil ranks 57th on the global E-Government Index

**Logistical Performance Index**
The LPI overall score reflects perceptions of a country's logistics based on, among other things, efficiency of customs clearance process, quality of trade- and transport-related infrastructure and ease quality of logistics services.

**Ease of Doing Business Index**
A high ease of doing business ranking means the regulatory environment is more favorable for the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores on 10 equal topics.

**E-government Index**
The UN’s E-Government Index provides a comparative assessment of the e-government development of UN Member States. Important factors contributing to a high level of e-government development are concurrent past and present investments in telecommunication, human capital and provision of online services.
The number of Internet users is growing rapidly

Country Report Brazil

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population</td>
<td>202,401,584</td>
<td>204,259,377</td>
<td>206,077,898</td>
<td>207,847,528</td>
</tr>
<tr>
<td>Population online (15+)</td>
<td>75,447,619</td>
<td>79,900,141</td>
<td>91,549,937</td>
<td>101,549,937</td>
</tr>
<tr>
<td>Number of e-shoppers (15+)</td>
<td>24,300,000</td>
<td>34,500,000</td>
<td>36,400,000</td>
<td>38,100,000</td>
</tr>
</tbody>
</table>

People aged 25-34 are the biggest group of internet users.

AGE DISTRIBUTION OF INTERNET USERS
Share of internet users by age in Brazil, March 2015

Source: ComScore, 2016

- <15: 17.0%
- 15-24: 22.4%
- 25-34: 23.2%
- 35-44: 20.9%
- 45-54: 11.6%
- 55+: 4.9%
What are the greatest challenges for foreign companies when they want to enter Brazil’s market?
In January 2016, the Brazilian Postal Service (Correios) announced that it will inspect 100% of dutiable shipments for duty and tax collection. This, plus the fact that duties and taxes equal 91-96% of the merchandise value, makes Brazil a tricky destination for cross-border e-tailers. For packages arriving via foreign post, there is also an additional Correios-imposed clearance fee of R$12. Another challenge is e-tailers not capturing a buyer’s CPF number (National Persons Register) which is required for customs clearance. An estimated 30% of shipments encounter delivery problems due to issues with customs clearance, unpaid duties and taxes, or being lost. Items that are not abandoned still have an average transit time of over 30 days.

What are the latest e-commerce developments in Brazil?
Brazil’s payment options have progressed to allow for cross-border merchants to bill in local currency, with local payment methods such as debit cards and the most popular payment mechanism, Boleto (bank drafts). The “Boleto bancario” is an alternative payment method allowing e-commerce merchants to reach Brazilian buyers without the usage of debit or credit cards. While in other Latin destinations, online retailers offer cash on delivery as an option, Brazil’s e-retailers can also offer this “boleto”, a service they can apply for at EBANX, an e-commerce payment provider. The “boleto” is a printable bank slip with a barcode that is regulated by the Central Bank of Brazil. It can be issued by any e-retailer to a customer to pay online and offline.

Do you have any tips for (online) merchants in terms of delivery and returns?
• Due to high import duties, e-tailers must provide transparency to shoppers, showing fully-landed costs and billing customers before incurring the cost of shipping, thus risking abandonment.
• E-tailers should capture the CPF at checkout. This # is used for all transactions in Brazil and customs cannot clear items without it.
• Cross-border shipping is complex in Brazil since buyers are skeptical about product quality and actual delivery. This is why they prefer to pay cash on delivery and to have a convenient return policy.
• Whether you sell to Brazil direct or through a marketplace (Amazon, Ebay, or the more regional ones - Traetelo and mercadolivre), an experienced delivery partner will help you optimize your shipping costs and minimize issues in this very appealing market.

Expert opinion
"An experienced delivery partner will help you optimize your shipping costs and minimize issues”

Maria Gómez-Juarez  
Head of Sales & Marketing  
Asendia Spain

Gary Shunk  
Sr. VP Sales & Marketing  
Asendia USA
The B2C e-commerce growth rate is decreasing in Brazil

Country Report Brazil

B2C E-COMMERCE REVENU AND GROWTH RATE
Total online sales of goods and services, in millions of US dollars, 2012-2016 (f)

<table>
<thead>
<tr>
<th>Year</th>
<th>B2C e-commerce turnover (in millions of US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 (f)</td>
<td>$17,105</td>
</tr>
<tr>
<td>2015</td>
<td>$15,855</td>
</tr>
<tr>
<td>2014</td>
<td>$12,993</td>
</tr>
<tr>
<td>2013</td>
<td>$10,230</td>
</tr>
<tr>
<td>2012</td>
<td>$7,927</td>
</tr>
</tbody>
</table>

Source: E-bit Empresa and Ecommerce Foundation, 2016

B2C E-COMMERCE SALES
Total online sales of goods and services, 2012-2016 (f)

<table>
<thead>
<tr>
<th>Year</th>
<th>B2C e-commerce turnover (in millions of Brazilian Real)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 (f)</td>
<td>R$52,000</td>
</tr>
<tr>
<td>2015</td>
<td>R$48,200</td>
</tr>
<tr>
<td>2014</td>
<td>R$39,500</td>
</tr>
<tr>
<td>2013</td>
<td>R$31,100</td>
</tr>
<tr>
<td>2012</td>
<td>R$24,100</td>
</tr>
</tbody>
</table>

Source: E-bit Empresa, 2016

The B2C e-commerce growth rate is decreasing in Brazil

Year
B2C e-commerce turnover
(in millions of Brazilian Real)

<table>
<thead>
<tr>
<th>Year</th>
<th>Turnover</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 (f)</td>
<td>R$52,000</td>
</tr>
<tr>
<td>2015</td>
<td>R$48,200</td>
</tr>
<tr>
<td>2014</td>
<td>R$39,500</td>
</tr>
<tr>
<td>2013</td>
<td>R$31,100</td>
</tr>
<tr>
<td>2012</td>
<td>R$24,100</td>
</tr>
</tbody>
</table>

Source: E-bit Empresa, 2016
Clothing maintains its position as leading product group

OVERVIEW OF POPULAR PRODUCT GROUPS
Estimated online sales of popular product groups in millions of US dollars, 2015

- Household Electronics
- Consumer Electronics
- Information Technology
- Telecom
- Media & Entertainment
- Sports & Recreation
- Clothing
- Health & Beauty
- Home & Garden
- Toys
- Food/Nearfood
- Shoes & Personal Lifestyle
- Others

MARKET SHARE
Market share of the most popular product categories in 2015

Source: ABComm and Ecommerce Foundation, 2016

For the complete overview of the product groups, please order your full report here (€95)
OVERVIEW OF POPULAR SERVICE GROUPS
Estimated online sales of popular service groups in millions of US dollars, 2015

NUMBER OF E-SHOPPERS AND AVERAGE SPENDING PER E-SHOPPER
2013-2015

MARKET SHARE
Market share of the most popular service categories in 2015

Source: ABComm and Ecommerce Foundation, 2016

For the complete overview of the service groups, please order your full report here (€95)
Brazilian consumer mostly buy their travel services online

ONLINE B2C SALES PER SERVICE/PRODUCT GROUP
The percentage of online B2C sales in each service/product group, 2014-2015

<table>
<thead>
<tr>
<th>Service/Product Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel: Leisure Flights</td>
<td>70%</td>
</tr>
<tr>
<td>Music</td>
<td>55%</td>
</tr>
<tr>
<td>Travel: Hotel Stays</td>
<td>47%</td>
</tr>
<tr>
<td>Laptop/Tablet</td>
<td>39%</td>
</tr>
<tr>
<td>Home Furnishings</td>
<td>34%</td>
</tr>
<tr>
<td>Do It Yourself (DIY)</td>
<td>32%</td>
</tr>
<tr>
<td>Clothing &amp; Footwear</td>
<td>28%</td>
</tr>
<tr>
<td>TV Sets</td>
<td>20%</td>
</tr>
<tr>
<td>Home Appliances</td>
<td>20%</td>
</tr>
<tr>
<td>Cinema Tickets</td>
<td>15%</td>
</tr>
<tr>
<td>Make-up</td>
<td>11%</td>
</tr>
<tr>
<td>Hair Care</td>
<td>6%</td>
</tr>
<tr>
<td>Car Insurance</td>
<td>6%</td>
</tr>
</tbody>
</table>

Explanation
Of all purchases in the Clothing & Footwear category, 28% were made online in Brazil.

Sources: Google Barometer, 2016
Whether their business is online, in physical stores or both, all retailers face similar challenges. They have to deliver a seamless customer experience at every touchpoint, maximize sales across every channel and device, and live up to their promises regarding product availability and delivery. In order to create a strong retail brand to which consumers will return, they must turn shopping into retail therapy – effortless, relaxing and ultimately enjoyable.

Customer experiences should not happen by accident, but must be engineered. This means that one should really understand his customer’s journey and its moments of truth, and base his next best actions on smart and predictive data analytics. An omni-channel approach to service and sales is powering the retailers’ ability to win hearts, minds and revenue share.

An omni-channel approach is insuperable

Gert-Jan Morsink
Member Executive Board at Webhelp Group
Brazilian smartphone usage is growing rapidly

Source: Google Barometer, 2016

Total mobile sales of $2,965mn

OVERVIEW OF SMARTPHONE USAGE
Percentage of population that uses a smartphone, 2012-2016

- 14% in 2012
- 26% in 2013
- 29% in 2014
- 53% in 2015
- 62% in 2016

WEEKLY SMARTPHONE ACTIVITIES
By smartphone users

- Visit social networks: 65%
- Watch online videos: 50%
- Use search engines: 44%
- Check email: 38%
- Listen to music: 23%
- Look for product information: 20%
- Look up maps and directions: 14%
Appealing offers are the main reason to shop online abroad

**Country Report Brazil**

### REASONS FOR NOT BUYING ABROAD

Reasons why Brazilian e-shoppers are hesitant to buy cross-border

- Own country meet my needs: 17%
- Not trusting foreign sites: 18%
- Never occurred: 23%
- Assuming returning is difficult/costly: 24%
- Assuming delivery takes longer: 32%

Source: Google Barometer, 2016

### MOTIVATIONS FOR BUYING ABROAD

Reasons why Brazilian e-shoppers buy cross-border

- Appealing offer: 46%
- Recommendations from others: 31%
- Better conditions: 29%
- Broader range of products: 19%
- Better quality: 19%
- Appealing offer: 17%

Source: Google Barometer, 2016

### MOST POPULAR PURCHASES FROM FOREIGN COUNTRIES

Most popular products for cross-border shopping

- Clothing and Footwear: 36%
- Cosmetics: 19%
- Books, CDs, DVDs or Video games: 19%
- Personal or domestic appliances: 15%
- Household goods: 15%
- Toys: 15%

**Explanation**

36% of Brazilian e-shoppers have bought Clothing and Footwear in a foreign online shop at least once.

Source: Google Barometer, 2016

**Reasons why Brazilian e-shoppers are hesitant to buy cross-border**

- Assuming delivery takes longer
- Assuming returning is difficult/costly
- Never occurred
- Not trusting foreign sites
- Own country meet my needs

**Reasons why Brazilian e-shoppers buy cross-border**

- Appealing offer
- Recommendations from others
- Better conditions
- Broader range of products
- Better quality
- Appealing offer

Source: Google Barometer, 2016
Credit cards clearly form the most popular online payment method

**VAT OVERVIEW**

Information on Brazilian VAT

<table>
<thead>
<tr>
<th>VAT overview</th>
<th>Brazil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold for registration</td>
<td>No threshold</td>
</tr>
<tr>
<td>Standard VAT rate</td>
<td>17 to 19%</td>
</tr>
<tr>
<td>Where to register</td>
<td>Ministry of Finance, Internal Revenue Service</td>
</tr>
<tr>
<td>Relevant websites</td>
<td><a href="http://www.fazenda.gov.br/">http://www.fazenda.gov.br/</a></td>
</tr>
</tbody>
</table>

Source: PwC, 2016

**TOP ONLINE PAYMENT METHODS**

In percentage of total online purchases

- 66% Credit Card (local & international)
- 21% Boleto Bancario (Voucher Payment)
- 7% Bank Transfers
- 5% Cash On Delivery
- 1% Others
- 1% Others

**Explanation**

66% of Brazilian online purchases were made through Credit Cards.

Source: Based upon Worldpay, Adyen, eBanx and PayU information, 2015.
Local payment processing key for success in Brazilian market

The Brazilian payments market is dominated by (local) credit cards and Boleto Bancario, a voucher based payment method. Combined they account for more than 85% of all online purchases.

For international merchants tapping into the Brazilian e-commerce market, it is important to accept local credit card brands like HiperCard, Elo, and Aura, and offer the opportunity of payment plans (instalments) on card payments. Around 60% of all Brazilians using a card at checkout prefer to split the purchase into smaller amounts and to divide payment over a 3 to 12 months’ period.

Just one third of the Brazilians possess an international credit card (mainly MasterCard, Visa), meaning the other two third can only pay online using local credit cards, Boleto or (online) bank transfers. According to the 2015 Global Findex report, around 35% of the 200+ million Brazilians do not have access to banking systems or products, let alone a credit card.

Merchants and businesses targeting Brazil are therefore highly recommended to partner with a payment service provider with local card acquiring connections. This is valuable to increase reach, approval rates, and to offer instalments and local alternatives like Boleto.

Erik van den Heuvel
Chief Marketing Officer at About-Payments
Android is the most-used operating system on mobile devices

INTERNET BROWSERS DESKTOP
Share of Internet browsers visiting Statcounter sites, 2016

INTERNET BROWSERS MOBILE
Share of Internet browsers visiting Statcounter sites, 2016

OPERATING SYSTEMS DESKTOP
Share of operating systems visiting Statcounter sites, 2016

OPERATING SYSTEMS MOBILE
Share of operating systems visiting Statcounter sites, 2016

Source: Statcounter, 2016
See the Definitions page for Statcounter’s research method
MOST POPULAR ONLINE RETAILERS
Based on number of unique visitors, May 2015

Source: Comscore, 2016
Facebook surpassed Twitter as the most-used social media platform in 2015

### Social Media Usage

<table>
<thead>
<tr>
<th>Platform</th>
<th>Share of the total population, Q4 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>31%</td>
</tr>
<tr>
<td>Google+</td>
<td>17%</td>
</tr>
<tr>
<td>Instagram</td>
<td>15%</td>
</tr>
<tr>
<td>Twitter</td>
<td>14%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>12%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>8%</td>
</tr>
</tbody>
</table>


### Number of Social Media Users

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Users (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>99.2</td>
</tr>
<tr>
<td>2015</td>
<td>105.2</td>
</tr>
<tr>
<td>2016</td>
<td>110.9</td>
</tr>
<tr>
<td>2017 (f)</td>
<td>116.1</td>
</tr>
<tr>
<td>2018 (f)</td>
<td>120.7</td>
</tr>
<tr>
<td>2019 (f)</td>
<td>128.2</td>
</tr>
<tr>
<td>2020 (f)</td>
<td>131.1</td>
</tr>
</tbody>
</table>

Source: Statista, 2016

Country Report Brazil
Every country has its own social habits and rules. Therefore, when doing business in a foreign country, you should be aware of the DOs and DON’Ts of that particular nation.

Below, you will find some tips and tricks that might help you when doing business in Brazil.

- The use of formal titles is quite common in Brazil. Although people often use first names, they precede with the formal title. For example ‘Dr. Jose’ or ‘Dra. Glória’.
- There may be small talk before the negotiations. It is important not to rush in this process, as Brazilians want to have a personal rapport and trust with the person they do business with. After the negotiations it is likely you will be invited to dinner. Brazilians find it very important to build a strong relationship with their business partners.
- Brazilians tend to be expressive in their communications. The use of emotions, body language and eye contact are very important. Be sure to be comfortable with this way of communication, instead of being reserved.
- Understand that the Brazilian prefer not to use the word “no”. If you ask a question, they may respond with a “maybe” but clearly mean “no”. Understanding this is critical in the negotiation process.
- Try to visit your Brazilian business partner on a regular bases. Brazilians like to have personal contact, emailing might be less effective than calling.
Below, you will find some **practical tips** for online merchants who want to sell products and/or services in Brazil.

**Tips for online merchants**

- Unlike people from other Latin American countries, Brazilians like to seek out new brands and products online. Many Brazilians use their search engine to find products in their interest. Google shopping or other online advertising by search engines are strongly recommended for the Brazilian ecommerce market.
- In Brazil there are 26 different administrative states, with their own characters, traditions and economic profiles. It is important to research the states you are dealing with, before the actual trading.
- Brazilians prefer to have a local approach. It is recommended to translate your website to Brazilian Portuguese and perhaps organize sales campaigns during holidays or events, such as Carnival or Copa America.
- Excellent customer service is mandatory. Most Brazilian expect to receive excellent customer service within 24 hours. Most people call the customer service, but the number of people that e-mail or use social media are rising.
- The middle to lower income classes of the Brazilian people are the largest percentage of the population. Therefore it is important to offer products in your assortment that are affordable for their income.

Source: Ecommerce Foundation, PwC and Santander, 2016
Opportunities and Threats

Country Report Brazil

Opportunities and barriers
Naturally, Brazil offers both opportunities and threats for e-commerce companies. Below, we provide a short overview of some important opportunities and threats that you have to take into account when you are thinking about opening an online shop in Brazil.

Opportunities:

• Only half of the Brazilian population uses the internet. The internet penetration still has a lot of growing potential.

• It is common in Brazil to shop online. But the average spending per online shopper still has a lot of growing potential.

Threats:

• Brazil is a large country with varying levels of development. Foreign companies entering the Brazilian market should take this into account.

• The Brazilian GDP is decreasing and the unemployment rate is growing. It would be challenging to do business in Brazil if these trends continue.
Information about the Ecommerce Foundation and its Reports
Ecommerce Foundation

The Ecommerce Foundation is an independent non-profit organization, co-founded by Ecommerce Europe and working in partnership with national e-commerce associations worldwide. In addition, the Ecommerce Foundation cooperates with online and omnichannel selling companies from industries such as retail, travel & finance. Its mission is to facilitate the development of practical knowledge, insights and learnings for which individual institutions, associations and B2C selling companies do not have the (financial) resources and/or capabilities.

By combining collective goals and efforts, the Ecommerce Foundation is able to realize e-commerce research, reports, benchmarks and studies that could not have been possible on an individual basis.
Ecommerce Foundation’s Research Services

About Ecommerce Foundation

The Ecommerce Benchmark allows companies to compare & improve their e-commerce activities. Compare your performance with that of others in your industry at [www.ecommercebenchmark.org](http://www.ecommercebenchmark.org)

The EcommerceWiki is the online e-commerce guide for online retailers, corporate digital experts and students. Read all about e-commerce-related topic at [www.ecommercewiki.org](http://www.ecommercewiki.org)

Custom research is performed for a diverse set of companies, both co-branded and white-labeled. For more information, please go to [www.ecommercefoundation.org](http://www.ecommercefoundation.org)

Our E-commerce Reports provide facts & figures on the most important e-commerce markets in the world. Download the light version or order the full versions through [www.ecommercewiki.org](http://www.ecommercewiki.org)
About the reports

The **B2C E-commerce Reports** are published by the **Ecommerce Foundation**. They provide overviews of the mature and emerging markets and of the major European and global statistics in the field of e-commerce.

In total, the Ecommerce Foundation will publish 12 country reports, covering the most important e-commerce markets worldwide. These include the United States of America, the United Kingdom, China and Brazil. In addition, it will publish a European and global overall report. For publication dates and prices, please see the table on the right.

**Personalized report**

It is also possible to have a tailor-made e-commerce report made, completely based on your wishes and requirements. This can be ordered through [info@ecommercefoundation.org](mailto:info@ecommercefoundation.org).

**Light reports**

Ecommerce Europe also publishes light reports, which contain a summary of the full reports. These light reports can be downloaded for free through [www.ecommercewiki.org](http://www.ecommercewiki.org).

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**2016 prices and publication schedule**

**European overview report (€790)**
- May 30

**Global overview report (€790)**
- September 29

**Country reports (€95)**
- The Netherlands: April 7
- Belgium: April 14
- United Kingdom: April 21
- United States: April 28
- Germany: May 12
- France: May 19
- Australia: June 23
- Russia: July 7
- Japan: July 21
- China: September 15
- Brazil: October 13
- India: October 27

*The reports are free of charge for all company members and business partners, as well as for the members of our Nationals Associations.*

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Click here to order your full reports through our order form
Global Online Measurement Standard for B2C E-commerce (GOMSEC)

About Ecommerce Foundation

GOMSEC aims to provide guidelines for measuring and monitoring B2C e-commerce. As a result, all countries worldwide are able to provide data with respect to the penetration of B2C e-commerce in a standardized way. All Ecommerce Foundation figures and estimates are based on GOMSEC, unless stated otherwise. The data and research by GfK is also in accordance with GOMSEC.

The GOMSEC reports on sales figures for the total B2C e-commerce worldwide and for each country separate in the country profiles, based on total sales of goods and services.

These total sales of goods and services are based on the areas/sectors/classification of areas and sectors, as stated on the next few pages.

All data reported in the national currency of the country involved is converted into euros according to the average (annual) rate of exchange as provided by, preferably, the European Central Bank (ECB) or the national bank of the particular country. The reference period that is used for this was from 1 January 2015 to 31 December 2015. Growth rates are calculated and measured by the B2C e-commerce sales in the national currency.

Definition of B2C e-commerce sales

“Any B2C contract regarding the sale of goods and/or services, fully or partly concluded by a technique for distance communication.”

Technique for distance communication: means that can be used for communication regarding the offer made by the trader and the conclusion of a contract, without the necessity of the consumer and trader being in the same place at the same time.

Contract: a contract whereby use is made, either solely or in part, of one or more techniques for distance communication within the framework of a system organized by the trader for the distance sale of goods and/or services, up to and including the moment that the contract is concluded;

Classification of B2C e-commerce

The following classification on the next few pages provides an overview of areas and sectors included in GOMSEC.

Online purchases of the following items are excluded from GOMSEC:

• Transactions between private individuals/consumers (C2C), such as auctions and marketplaces, and between businesses (B2B)
• Online gambling and gaming
• Cars and other motor vehicles
• Houses and real estate
• Utilities (e.g. water, heating and electricity)
• Mortgages, loans, credit cards and overdrafts
• Savings accounts, funds, stocks & shares and bonds

B2C e-commerce therefore includes all online transactions between businesses and consumers using desktop computers, laptops, tablets, smartphones, point-of-sales and smart-wearables, for instance through online shops, physical stores (“online instore”), email, QR codes, catalogs, etc. B2C e-commerce includes Value Added Tax (VAT) or other sales tax, delivery costs and apps, but excludes returns.

Growth rates are calculated and measured by the B2C e-commerce sales in the national currency.
### Media & Entertainment
- Music (physical, download & streaming)/Spotify based on new subscriptions
- Video (DVD, Blu-ray, downloads)
- Games hardware & games software
- Books & e-books
- Apps
- New subscriptions newspapers and magazines (no single copy sales)

### Fashion
#### Clothing
- Underwear & Upperwear
- Children's wear
- Swimwear & Sportswear
- Nightwear & legwear

#### Shoes & Personal lifestyle
- Shoes
- Jewelry, Bijoux, Watches & others fashion accessories (e.g. sunglasses)
- Bags, wallets, suitcases

### Electronics
#### Consumer Electronics
- Photo equipment
- Audio equipment
- TV/video equipment
- Car electronics (navigation, audio, etc.)

#### Information Technology (IT)
- IT hardware (PCs, laptops, tablets, etc.)
- Computer Software
- Music instruments
- USB sticks, DVD/CD-recordable, ink cartridges, computer accessories

#### Household Electronics
- MDA: air-conditioning, dishwashers, wash machines and other white goods
- SDA: equipment for personal care, home comfort, kitchen appliances

### Sports & Recreation
- Sports hardware (e.g. soccer shoes, tennis rackets)
- Bicycles & accessories
- Articles for camping and recreation

### Toys
- Indoor and outdoor toys
## Global Online Measurement Standard for B2C E-commerce (GOMSEC)

### About Ecommerce Foundation

<table>
<thead>
<tr>
<th>Home &amp; Garden</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and kitchens</td>
</tr>
<tr>
<td>Floor and window coverings (e.g. curtains and blinds)</td>
</tr>
<tr>
<td>Home textiles</td>
</tr>
<tr>
<td>Cookware (sets), kettles and oven equipment</td>
</tr>
<tr>
<td>Table and kitchen articles</td>
</tr>
<tr>
<td>Articles for cleaning, wash and store</td>
</tr>
<tr>
<td>Decoration</td>
</tr>
<tr>
<td>Lamps and fixtures</td>
</tr>
<tr>
<td>DIY-articles</td>
</tr>
<tr>
<td>Garden articles</td>
</tr>
<tr>
<td>Flowers and plants (in home)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Food/Nearfood/Health</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Food/Nearfood</strong></td>
</tr>
<tr>
<td>Food &amp; Beverages</td>
</tr>
<tr>
<td>Fresh produce</td>
</tr>
<tr>
<td>Packaged consumer goods</td>
</tr>
<tr>
<td>Detergents/household cleaning</td>
</tr>
<tr>
<td>Animal feed</td>
</tr>
<tr>
<td>Tobacco</td>
</tr>
<tr>
<td><strong>Health &amp; Beauty</strong></td>
</tr>
<tr>
<td>Personal care &amp; Hygiene</td>
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<tr>
<td>Baby care</td>
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<tr>
<td>Perfume</td>
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<tr>
<td>OTC</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Telecom</th>
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<tbody>
<tr>
<td>Smartphones, mobile phones &amp; mobile devices</td>
</tr>
<tr>
<td>Telefax and answering machines</td>
</tr>
<tr>
<td>Headsets &amp; Accessories (mobile) phones</td>
</tr>
<tr>
<td>Prepaid cards and tariffs of new phone subscriptions</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Other: Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cars components</td>
</tr>
<tr>
<td>Glasses and contact lenses</td>
</tr>
<tr>
<td>Stationery</td>
</tr>
<tr>
<td>Pictures and photo albums</td>
</tr>
<tr>
<td>Pet supplies</td>
</tr>
<tr>
<td>Erotica</td>
</tr>
<tr>
<td>Insurance</td>
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<tr>
<td>--------------------</td>
</tr>
<tr>
<td><strong>New indemnity, Life and Health Insurances</strong></td>
</tr>
<tr>
<td>Liability insurance</td>
</tr>
<tr>
<td>Car insurance</td>
</tr>
<tr>
<td>Fire and theft insurance</td>
</tr>
<tr>
<td>Bike/caravan/motorbike/Scooter insurance</td>
</tr>
<tr>
<td>Accident insurance</td>
</tr>
<tr>
<td>Boat insurance</td>
</tr>
<tr>
<td>Legal assistance insurance</td>
</tr>
<tr>
<td>Home insurance</td>
</tr>
<tr>
<td>Travel insurance</td>
</tr>
<tr>
<td>(continuous/annual + short term)</td>
</tr>
<tr>
<td>Insurance package</td>
</tr>
<tr>
<td>ANW-gap insurance (insurance for receiving a payment in addition to a survivor's allowance)</td>
</tr>
<tr>
<td>Pension insurance</td>
</tr>
<tr>
<td>Life insurance</td>
</tr>
<tr>
<td>Funeral insurance</td>
</tr>
<tr>
<td>Endowment insurance based on savings</td>
</tr>
<tr>
<td>Endowment insurance based on investments</td>
</tr>
<tr>
<td>ANW-gap insurance (insurance for receiving a payment in addition to a survivor's allowance)</td>
</tr>
<tr>
<td>Pension insurance</td>
</tr>
<tr>
<td>New subscriptions to dating service</td>
</tr>
<tr>
<td>Other services</td>
</tr>
<tr>
<td><strong>Global Online Measurement Standard for B2C E-commerce (GOMSEC)</strong></td>
</tr>
<tr>
<td><strong>About Ecommerce Foundation</strong></td>
</tr>
<tr>
<td><strong>Tickets for (movie) theaters</strong></td>
</tr>
<tr>
<td><strong>Tickets for zoos and amusement parks</strong></td>
</tr>
<tr>
<td><strong>Tickets for museums</strong></td>
</tr>
<tr>
<td><strong>Tickets for sports games</strong></td>
</tr>
<tr>
<td><strong>Other: Services</strong></td>
</tr>
<tr>
<td><strong>New subscriptions to dating service</strong></td>
</tr>
<tr>
<td><strong>Other services</strong></td>
</tr>
</tbody>
</table>

www.ecommercefoundation.org
Definitions related to the Internet, E-commerce and Online Retailing

About Ecommerce Foundation

- **Broadband access**: the availability of broadband is measured by the percentage of households that are connectable to an exchange that has been converted to support DSL technology, to a cable network upgraded for Internet traffic, or to other broadband technologies. It includes fixed and mobile connections (source: Eurostat).

- **Cross-border e-commerce**: percentage of e-commerce purchased at foreign sites.

- **Ease of Doing Business Index**: The Ease of Doing Business Index is developed by the World Bank, and averages the country's percentile rankings on nine topics. It is made up of a variety of indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2010. The Index covers 185 countries.

- **E-commerce (or electronic commerce), a subset of e-business**: any B2C contract on the sale of products or services fully or partly concluded by a technique for distance communication.

- **E-commerce GDP**: total amount of goods and services online divided by the total Gross Domestic Product (GDP).

- **Economic Freedom Index**: the Index of Economic Freedom is an annual guide published by The Wall Street Journal and The Heritage Foundation, Washington's No. 1 think tank. For over a decade, the Wall Street Journal and The Heritage Foundation have tracked the march of economic freedom around the world with the influential Index of Economic Freedom. There are 5 categories, ranking from Free (with a score between 80 and 100) to Repressed (between 40 and 49.9).

- **E-households**: number of households that use the Internet for personal gain.

- **E-household expenditure**: expenditure per household that bought goods or services in the past year.

- **Global Online Measurement Standard for B2C E-commerce (GOMSEC)**: aims to provide guidelines to measure and monitor B2C e-commerce in order to enable all European countries to provide data with respect to the penetration of B2C e-commerce in a standardized way.

- **E-Government Index**: The UN’s E-Government Index provides a comparative assessment of the e-government development of UN Member States. One of the primary factors contributing to a high level of e-government development is concurrent past and present investment in telecommunication, human capital and provision of online services.

- **Gross Merchandise Volume**: the total sales facilitated by a third party, such as a market place.

- **E-services or electronic services**: “Deeds, efforts or performances whose delivery is mediated by information technology. Such e-service includes the service element of e-retailing, customer support, and service delivery.” This definition reflects three main components: service providers, service receivers and the channels of service delivery (i.e. technology). (Jennifer Rowley, Professor Information and Communications, Manchester Metropolitan University, UK)

- **Inactive online population**: users that have access to the Internet but have not (yet) purchased goods or services online in the past year.

Ecommerce Foundation

www.ecommercefoundation.org
Definitions related to the Internet, E-commerce and Online Retailing

**Market place:** online platform on which companies (and consumers) sell goods and/or services.

**Logistics Performance Index (LPI):** The Logistics Performance Index (LPI) measures the “logistics friendliness” of 155 countries. It helps countries identify the challenges and opportunities they face in their trade logistics performance and what they can do to improve this. The Index is developed by the World Bank and is based on a worldwide survey of operators, such as global freight forwarders and express carriers.

**Mobile commerce (or m-commerce):** the ability to conduct commerce using a mobile device e.g. a mobile phone, a PDA, a smartphone, a tablet or other (emerging) mobile equipment.

**Mobile subscriptions:** mobile cellular telephone subscriptions are subscriptions to a public mobile telephone service using cellular technology, which provide access to the public switched telephone network. Post-paid and prepaid subscriptions are included (source: Eurostat).

**Networked Readiness Index (NRI):** The NRI measures the tendency for countries to exploit the opportunities offered by information and communications technology (IT). The NRI comprises three components: the environment for IT offered by a given country or community, the readiness of the country’s key stakeholders to use IT, and the usage of IT among these stakeholders.

**Online buyer (or e-shopper, e-buyer):** an individual who regularly bought or ordered goods or services through the Internet.

**Online expenditure:** spending per user who purchased goods or services online.

**Online Retail (or e-retail, electronic retail or retailing or even e-tailing):** the selling of retail goods and services on the Internet. In the limited sense of the word, sectors such as online leisure travel, event tickets, downloading music or software are not included. Online-only retail shops are often referred to as pure players.

**Penetration levels:** the percentage of a population using the Internet, mobile phones, smartphones or tablet devices.

**Real economic growth rate:** a measure of economic growth from one period to another expressed as a percentage and adjusted for inflation. The real economic growth rate is a measure of the rate of change that a nation’s gross domestic product (GDP) experiences from one year to another.

**Retail sales:** the selling of mainly goods from businesses to individuals from a traditional or so-called bricks-and-mortar shop.

**Statcounter research method:** Statcounter is a web analytics service and their tracking code is installed on more than three million sites globally. These sites cover various activities and geographic locations. Every month, Statcounter records billions of page views to these sites. For each page view, they analyze the browser/operating system/screen resolution used and they establish if the page view is from a mobile device. They calculate their Global Stats on the basis of more than fifteen billion page views per month, by people from all over the world onto more than three million member sites.
The sources consulted for the creation of this report include:

- ABComm
- CIA Worldfactbook
- Comscore
- Countrymeters
- E-bit Empresa
- GfK
- Google Barometer
- IMF
- Internetlivestats
- PwC
- Santander
- Statcounter
- Statista
- Tradingeconomics
- Wearesocial
- Worldbank
- Worldpay

Sources

This report could only be realized by consulting a great number of valuable sources. These were available in various countries and regions in Europe and around the globe. The wide variety of sources include public domain publications, blogs, websites, industry and financial specialist publications, regional and local news, annual reports, and press releases.

Sometimes the information sources are contradictory and sometimes different figures and data were given by varying sources within the same country, for example due to different definitions. In our reports we have mentioned the different sources, definitions and outcomes of such reports, studies and interpretations.

This report is based on information that we consider reliable, but we cannot vouch for it being completely accurate or complete, nor should it be relied upon as such. Opinions expressed are our current opinions as of the date of this report.
About the Authors

Richard van Welie, Chief Editor

Richard van Welie (1979) has worked for Ecommerce Europe and the Ecommerce Foundation since March 2014. In his role, he is responsible for the National E-commerce Reports and the EcommerceWiki. In addition, he is involved in the Ecommerce Benchmark and other projects.


Roald Willemsen, Researcher E-commerce

Roald Willemsen (1991) has worked for Ecommerce Europe and the Ecommerce Foundation since 2015, and graduated in Business Management from the University of Applied Sciences in Ede.

He is involved in the research of the global e-commerce market and is developer of the National E-commerce Reports.

Jorij Abraham, Director Research & Advice

Jorij Abraham (1972) has been part of the international e-commerce community since 1997. He was an E-commerce Manager at Bijenkorf, TUI and Sanoma Media and Director of Consulting at Unic.

Since 2013 he has been Director of Research & Advice at Ecommerce Europe. He is also director of the Ecommerce Foundation, a research institute offering practical e-commerce research and benchmark services.

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Contact: info@ecommercefoundation.org
Twitter: @Ecomfound

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