

Monthly report

DIGITAL

ECOSYSTEM DIGEST

January 2023

**DOMESTIC E-COMMERCE USERS IN 2022,
WITH MARKET VOLUME FORECASTS BY 2023**



WHAT IS DIGITAL ECOSYSTEM DIGEST?

Digital Ecosystem Digest is a monthly electronic research report issued by the BTU Centers for entrepreneurship and research initiative.

The report reviews current technological and innovative trends in various sectors of the digital economy of Georgia and covers topics such as: startups in digital business, e-commerce markets, digital platforms (B2B, B2C or C2C), Fintech technologies, etc.

The purpose of the report is both to consolidate existing information and to generate new practical knowledge about the digital economy. Research report of each month will be co-authored by different researchers.

The authors of the February 2023 edition are BTU affiliated academic staff - Tsothe Zhgenti and Vakhtang Chkareuli. The January edition is a continuation and expansion of the September 2022 edition, but this time it includes an analysis of e-commerce users for the last year (2022) as well. In addition, the January edition discusses the forecast indicators of the e-commerce market volume for 2023.



E-COMMERCE USERS

Number of e-commerce customers in Georgia (thousand)

570K	2022	+15%
494K	2021	+5%
472K	2020	+8%
436K	2019	

* People aged 15 years and older who have purchased/ordered goods or services for personal purposes via the internet (within the last 1 year). Data are rounded.

+31% +134K users 2019 - 2022

E-commerce has not been limited by the short-term effects of the pandemic and continues to expand

In 2022, the number of e-commerce users increased faster than in the previous 2 pandemic years. Therefore, for the first time it exceeded the half-million mark and reached 23.8% of internet users.

One in every four internet users use e-commerce



GENDER DISTRIBUTION OF E-COMMERCE CONSUMERS

Increase the number of users in 2019-2022



+45.7%



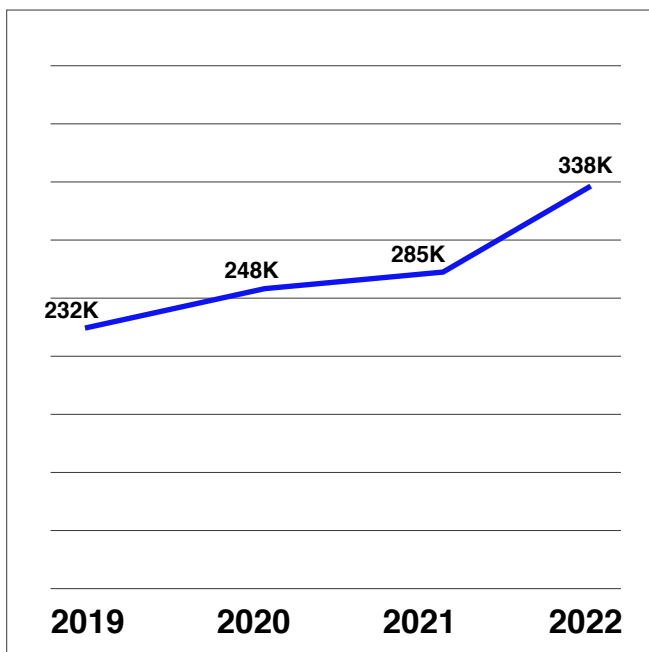
+13.5%

The number of female users is steadily increasing

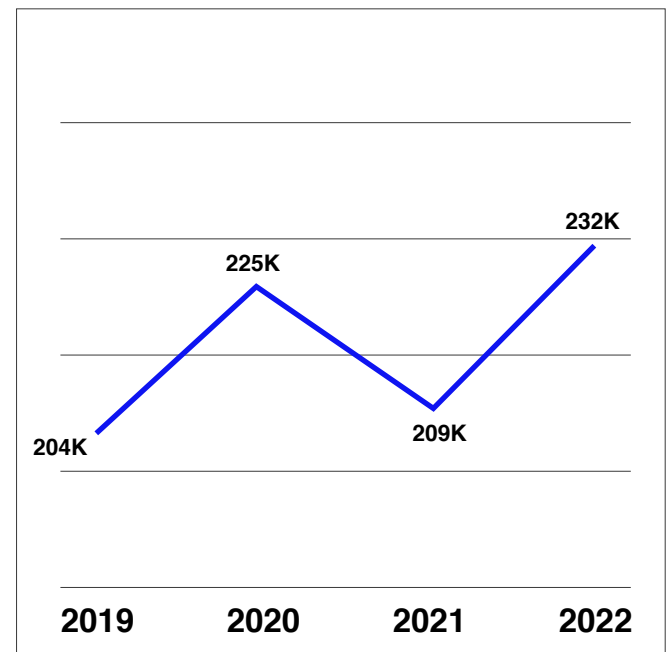
Between 2019 and 2022, the number of female users climbed by 45.7%. Male users increased by only 13.7% within the same period. During the pandemic (2020-2021), there was a short-term increase in male users.

Increase the number of users in 2019-2022

Woman



Man



GENDER DISTRIBUTION OF E-COMMERCE CONSUMERS

Gender distribution in 2022

♀ **338K - 59.4%**

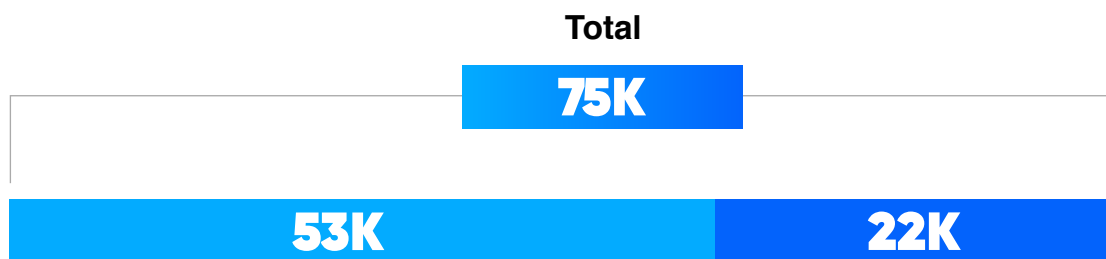
♂ **232K - 40.6%**

6 users out of 10 are female



Women are more represented in the structure of e-commerce customers, and their number/share is also growing faster. In 2022, the market grew by 75 thousand customers, of which about 70% were women. Directly 22.9% of female internet users use e-commerce.

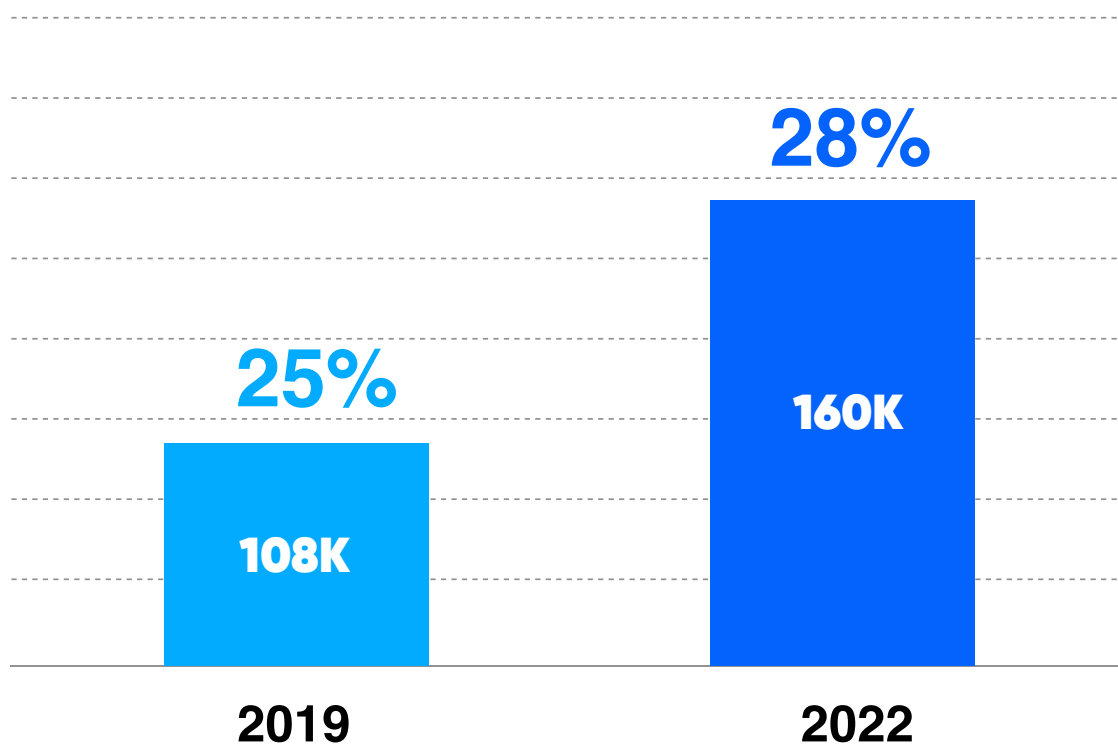
New customers in 2022



■ Woman ■ Man

E-COMMERCE ACTIVE USERS

Active e-commerce* users in 2022



* Customers who have purchased/ordered goods or services through the internet at least 3 times in 3 months. Data are rounded.

More people use e-commerce and with a higher frequency

The number of active users increased between 2019 and 2022, Also their share in overall users increased from 25% to 28%.

E-COMMERCE USERS - AGE STRUCTURE

Gender distribution in 2022

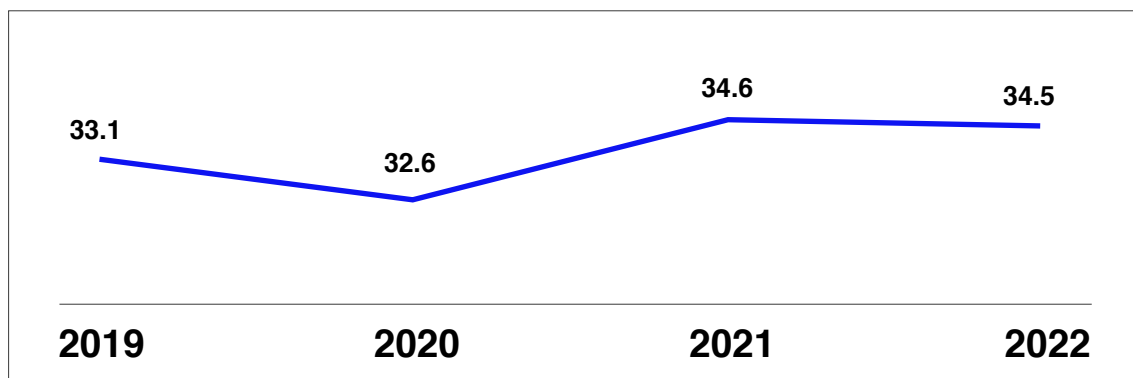
15-29	244K	42.9%
30-59	293K	51.4%
60+	33K	5.7%

The structure of users becomes more inclusive by age

In 2019, users aged 15-29 made up almost half of the market (48.8%). Despite the increase in the number of users of this age, in 2022 their share is reduced to 42.9%. This is due to the rapid increase in the frequency of use of e-commerce in other age groups.

Consequently, the average age of e-commerce consumers is also showing an upward trend.

User average age dynamics

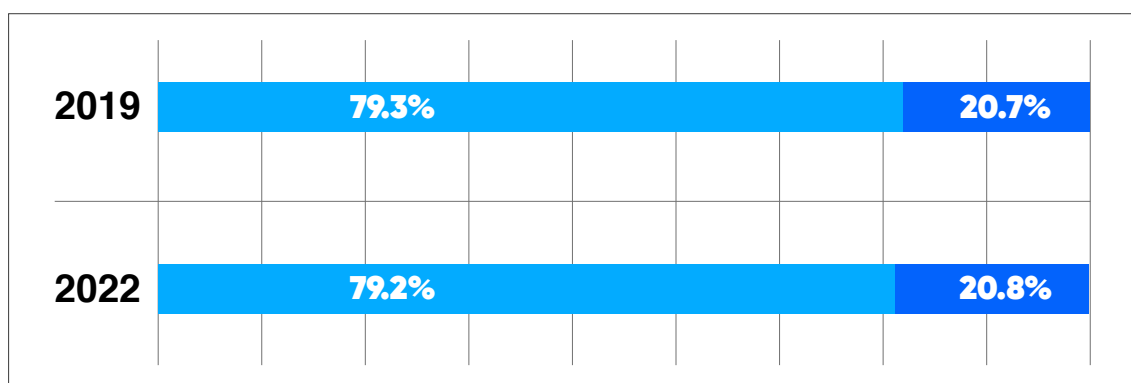


E-COMMERCE USERS-DISTRIBUTION BY CITY-VILLAGE

Distribution by city-rural in 2022

CITY	452K
VILLAGE	118K

Market share



■ City ■ Village

Market structure changes less in urban-rural context


The number of users is growing rapidly both in the city and in the village, but their proportion remained unchanged in 2019-2022.

E-COMMERCE USERS - GOALS

What products do e-commerce users buy?

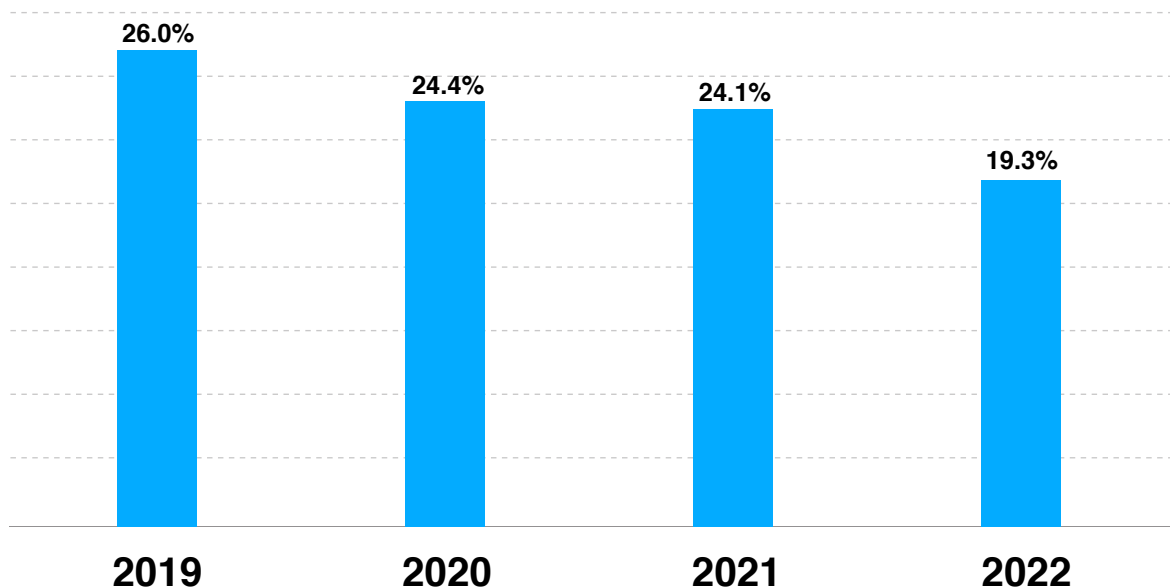
238K  Clothing and Sporting Goods

196K  Groceries, ready-made food, and products for daily consumption

168K  Household goods (furniture, toys, etc.)

Every fifth user, only uses e-commerce to buy clothes again

Share of users who only buy clothes electronically



FORECAST VOLUME OF E-COMMERCE MARKETS BY 2023

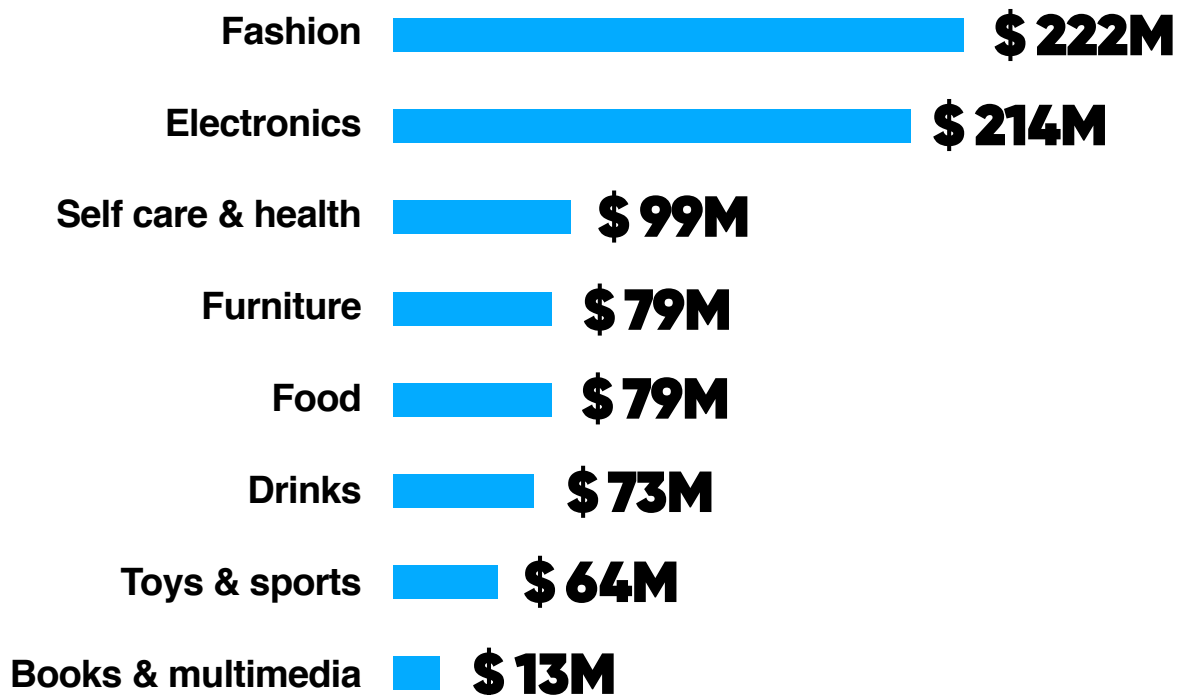
What will be the e-commerce market in Georgia in 2023? (mln. USD)

\$844 M

 **32.8% growth related to 2022**

By 2023, it is assumed that e-commerce will expand noticeably in Georgia that the largest markets to be represented will be from the fashion and electronics industry.

Separate industries in e-commerce in 2023 (mil. USD)



DIGITAL

ECOSYSTEM DIGEST

