

Monthly report

**DIGITAL**

# ECOSYSTEM DIGEST

November 2022

**INCREASE TRENDS OF DIGITAL  
MARKETS IN GEORGIA**



# WHAT THE DIGITAL ECOSYSTEM DIGEST IS?

Digital Ecosystem Digest is monthly electronic research report, which is issued at the initiative of BTU Entrepreneurial and Research Centers.

Report reviews current technological and innovative trends in different areas of Georgian digital economic and covers the issues such as startups in digital business, electronic commerce markets, digital platforms (B2B, B2C or C2C), fintech technologies, etc.

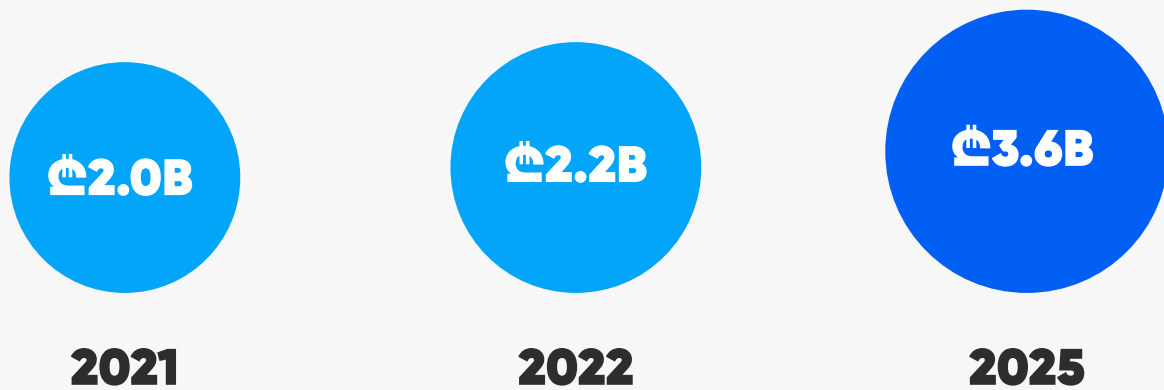
The goal of the report is consolidation of the existing information as well as generating new practical knowledge regarding the digital economy.

Co-authors of each month's research report will be different researchers. The authors of the issue of September 2022 are BTU-affiliated academic staff - Tsoetne Zhgenti and Vakhtang Chkareuli.



# E-COMMERCE MARKETS IN GEORGIA

## Volume of e-commerce market (GEL billion)

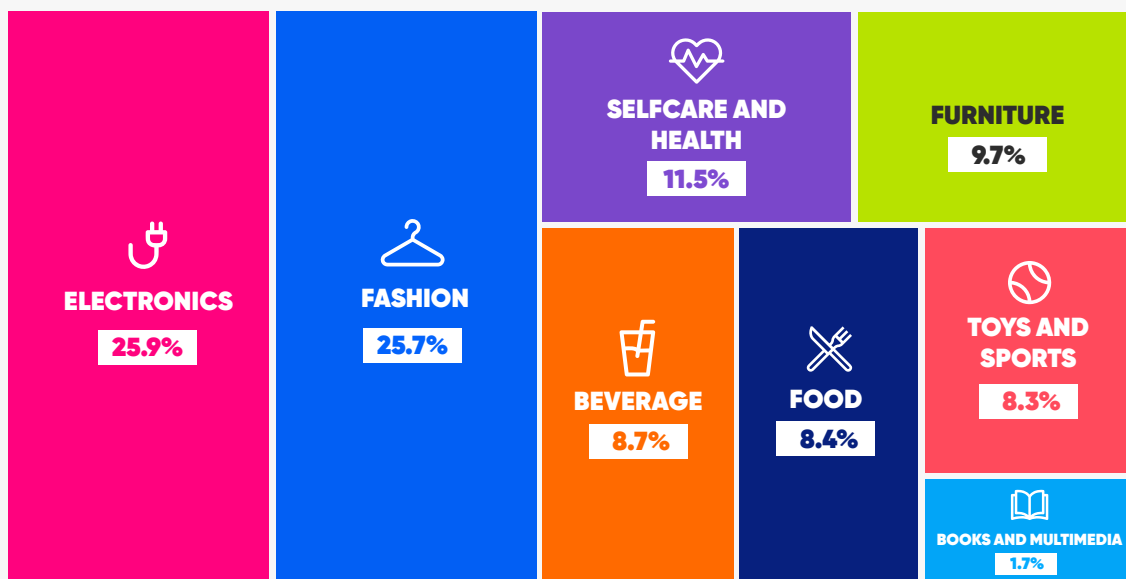


\*Revenue generated by selling a physical product to an end user through digital channels in the B2C sector

According to preliminary data, the volume of the e-commerce market in Georgia will exceed GEL 2.2 billion by 2022. Compared to 2021, this is a 7.8% increase in GEL, and a 17.5% increase if we calculate the product price in USA dollars.

It is expected that by 2025, the market will reach GEL 3.6 billion (with an average annual growth of 18.9%).

## E-commerce market structure in 2022

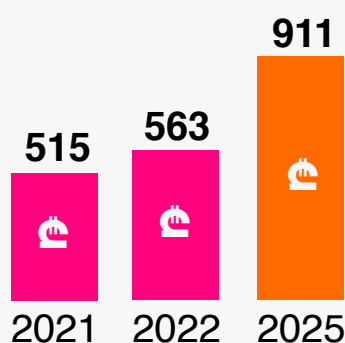


More than half of the e-commerce market revenues come from the electronics and fashion industries.

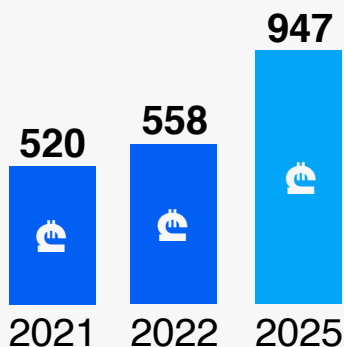
By 2025, significant growth is expected for each product group, although the overall structure will remain mostly unchanged.

# E-COMMERCE MARKETS IN GEORGIA

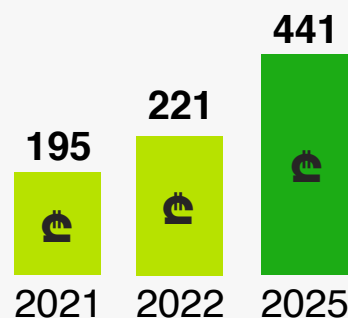
## E-commerce market dynamics (GEL million)



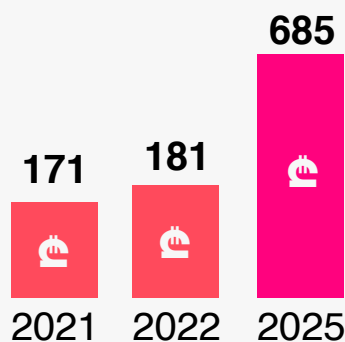
### ELECTRONICS



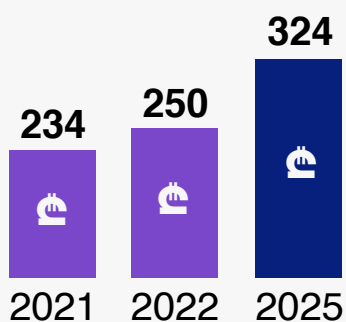
### FASHION



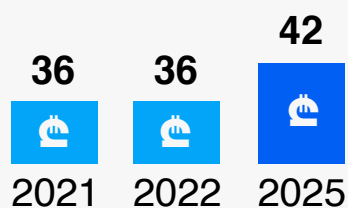
### FURNITURE



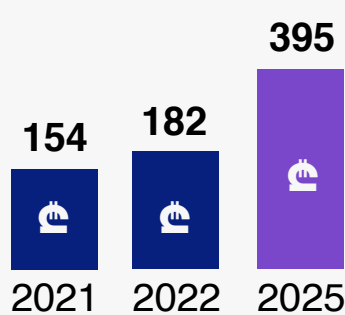
### TOYS AND SPORTS



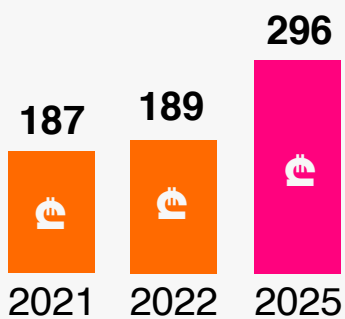
### SELFCARE AND HEALTH



### BOOKS AND MULTIMEDIA



### FOOD

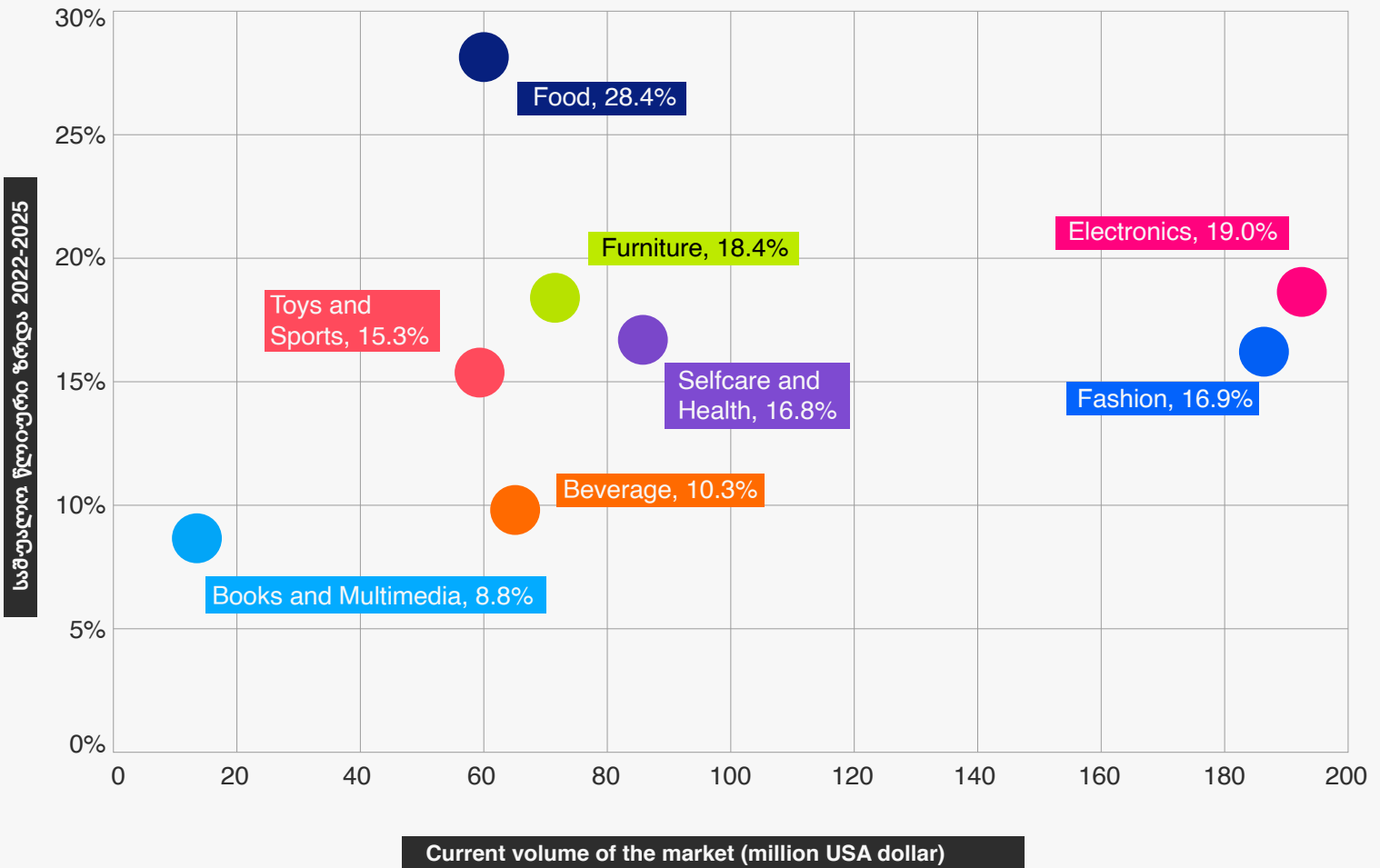


### BEVERAGE



# ELECTRONIC COMMERCE MARKETS IN GEORGIA

## E-commerce market volume (in USA dollars) and growth prospects



The electronics and fashion industries, despite their existing high market share in e-commerce, will continue to expand at a high rate in the next years. Among the listed categories, the fastest growth is expected in the food area.

# ELECTRONIC COMMERCE MARKETS IN GEORGIA

For what and how much (annually) spends on average e-commerce consumer?

## ELECTRONICS

 ₾ 987

## FASHION

 ₾ 979

## SELF-CARE AND HEALTH

 ₾ 439

## FURNITURE

 ₾ 371

## BEVERAGE

 ₾ 332

## FOOD

 ₾ 319

## TOYS& SPORTS

 ₾ 317

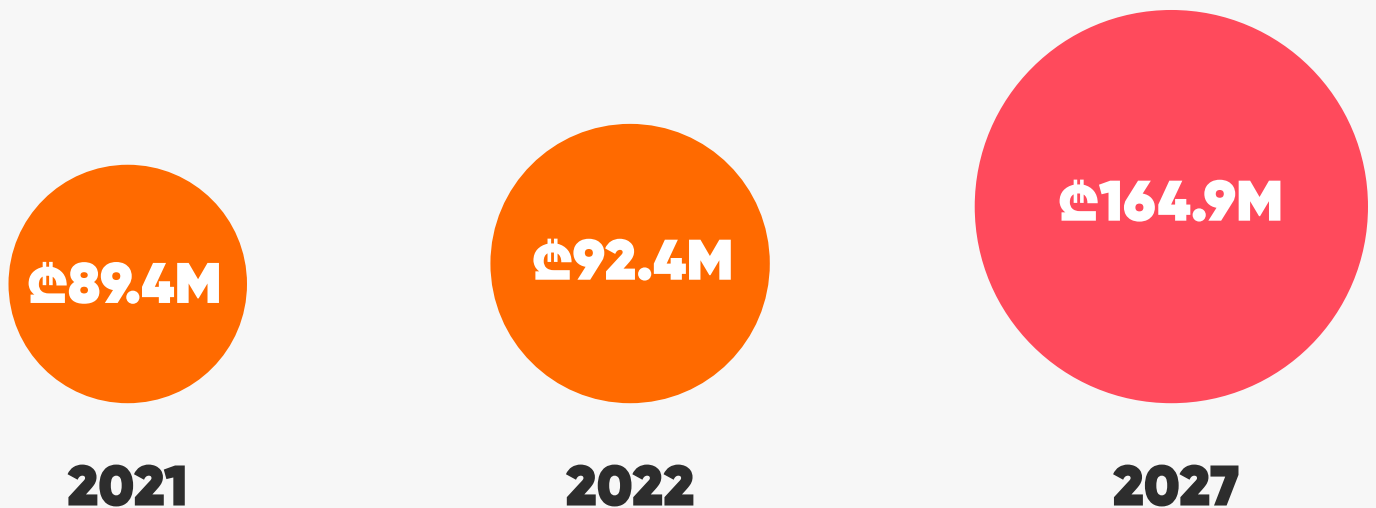
## BOOKS AND MULTIMEDIA

 ₾ 63

As of 2022, approximately 570 thousand people use e-commerce services in Georgia. The annual expenses of the average user are GEL 3808, which is distributed among different categories.

# DIGITAL HEALTH MARKET IN GEORGIA

Volume of digital health market\* (GEL million)



\* Revenue generated by selling a digital health service (mobile health apps, connected devices, telemedicine, etc.) to the end user in the B2C sector.

According to preliminary data, the volume of the digital health market in Georgia will exceed GEL 92 million by 2022. About 2/3 of this market comes from digital fitness, and the remaining 1/3 on e-Health segment.

Compared to 2021, the market has grown slightly (by 3.4%) in GEL (strengthening of the exchange rate should be considered). Accordingly, the growth of the market expressed in USA dollars is even more noticeable (12.7%).

It is expected that until 2027, the market volume will reach GEL 165 million (with an average annual growth of 12.3%).

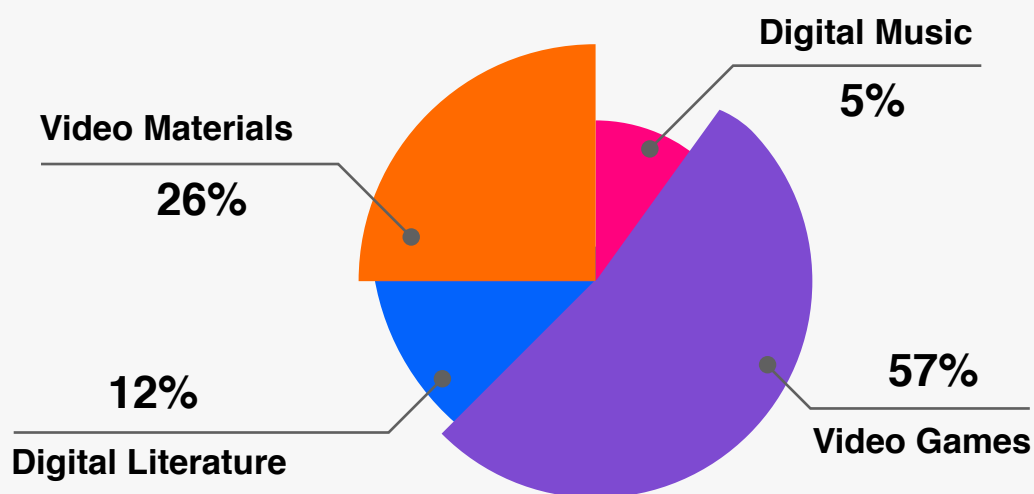
# DIGITAL MEDIA MARKET IN GEORGIA

Volume of digital media market\* (GEL million)



\*Revenue received from the sale of digital media services to end users in the B2C sector

According to preliminary data, the volume of the digital media market in Georgia will exceed the 27 million USA dollar threshold by 2022, which implies an annual growth of 3.3%. Most part of this market comes from video games (57%) and video materials - Video-on-Demand (26%), while digital literature (12%) and digital music (5%) have a relatively small share.



# DIGITAL ADVERTISEMENT MARKET\* IN GEORGIA

Volume of digital advertisement market\* (GEL million)



\* Digital advertisement costs incurred to company

According to preliminary data, the volume of the digital advertising market in Georgia will approach the 51 million USA dollar threshold by 2022, which implies an annual growth of 12.8%. The main part of this market comes from search engine ads (37%), digital banners (31%) and video ads (28%).

# DIGITAL ECOSYSTEM DIGEST

