



Global Cross-Border ecommerce Sales Grow by 11% YoY Amidst Pandemic

May 12, 2020

Global-e study highlights the impact of COVID-19 on discretionary cross-border shopping across global markets.

Analysis reveals an average market recovery of 6-8 weeks from initial lockdowns and a slump in discretionary buying, to a rebound to the pre-pandemic cross-border ecommerce discretionary sales figures.

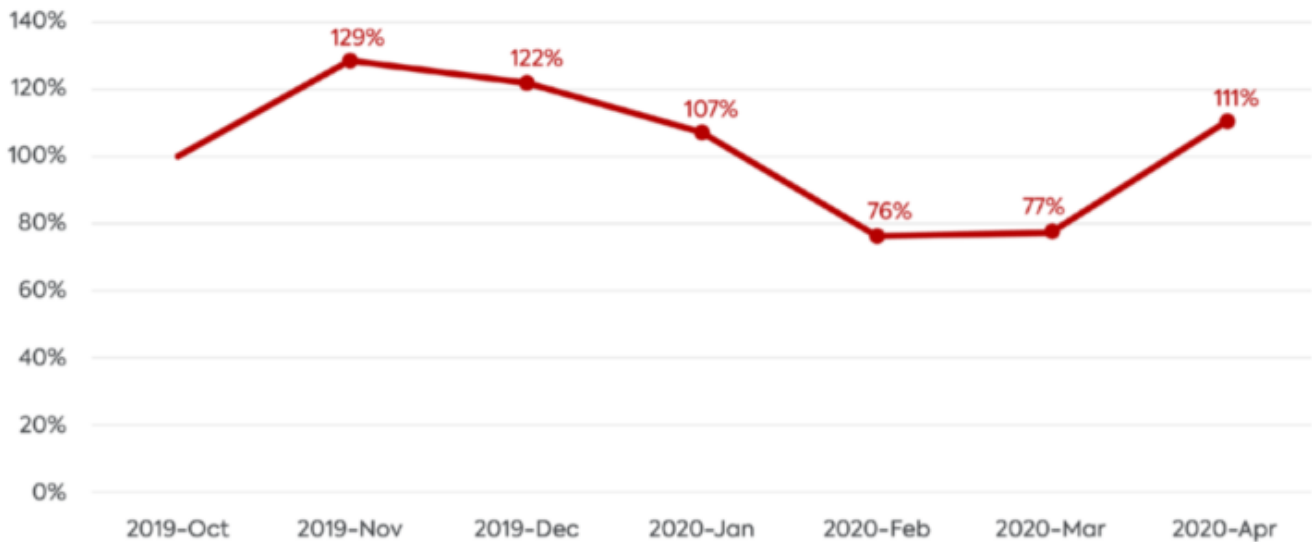
London, 12 May 2020: Cross-border ecommerce discretionary sales have increased by 11% on average across all markets worldwide in the year-to-date April 2020, reveals [new data](#) from cross-border ecommerce solutions provider, [Global-e](#).

Global-e tracked the growth of cross-border ecommerce orders based on over 350 merchants selling to international markets. The analysis covered January to April 2020, the period which covered the outbreak and the peak of the COVID-19 pandemic, to see how the pandemic has affected the demand for discretionary cross-border purchases in key markets worldwide that are in different stages of the pandemic. This includes those severely affected (such as the USA and Italy), countries that have overcome the peak and now easing slowly back to normal (such as the Asian markets and specific European markets) and other key markets for EU merchants such as Australia and the Gulf countries.

The results show significant differences between regions that have not been severely affected by the virus versus regions with high infection rates and quarantine measures, also highlighting the impact on market performance between regions depending on what phase of the pandemic they are in.

In Italy, one of the hardest hit countries in Europe, cross-border sales increased by over 40% in April, exceeding pre-crisis figures. The first signs of relief came after a decline in sales during the peak of the virus as quarantine measures were put in place throughout February and March. This suggests that online cross-border spending increases significantly as infection rates decline and consumer confidence gradually increases, while physical retail remains low across markets.

Italy: Cross-border ecommerce trend (percentage, indexed to October)

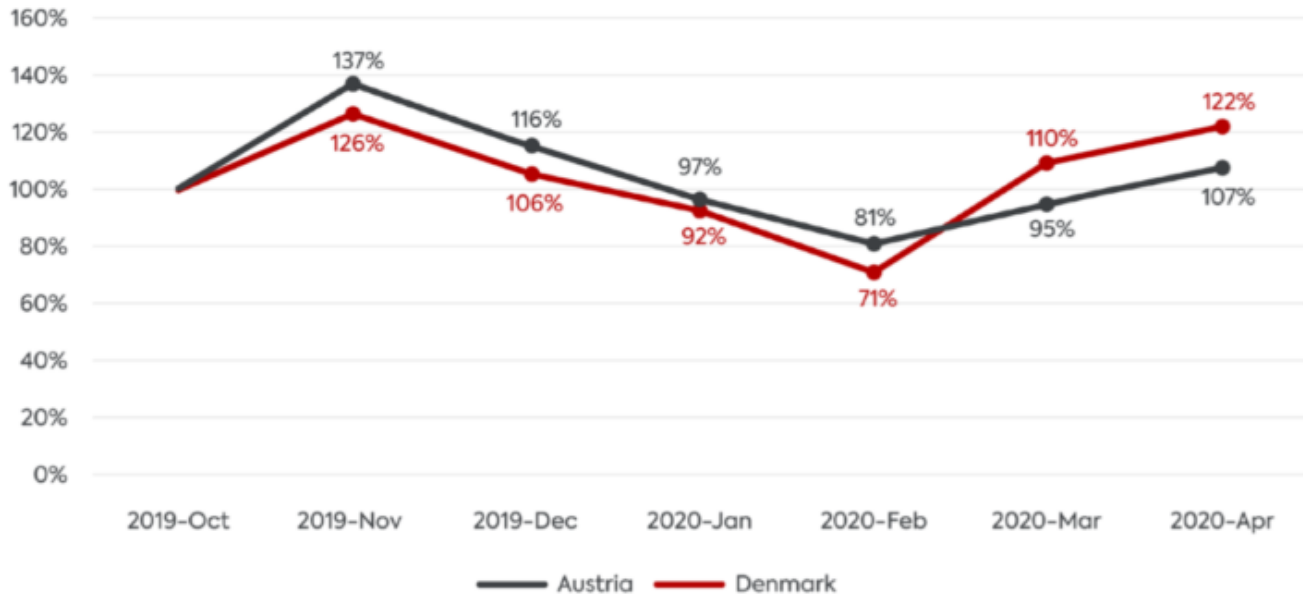


Source: Global-e

In other European markets such as Austria and Denmark, government action in response to COVID-19 has significantly controlled infection rates and with a return to normality implemented in April, discretionary online cross-border spending grew considerably as customer confidence increased.

Austria and Denmark: Cross-border ecommerce trend

(percentage, indexed to October)



Source: Global-e

In other global markets, Global-e witnessed the following changes:

- **The Gulf countries** have taken harsh measures with strict lockdowns and a large scale disinfection operation in public places in order to avoid a vast outbreak of Covid-19. However, the lockdowns haven't seemed to weaken discretionary online cross-border imports, with trading from January to March relatively at a pre-crisis level, followed by a quantum leap in April sales gearing up to Ramadan holiday gifting.
- **The East Asian markets** that were the first hit by Covid-19 saw decreases in sales in January and February as the markets experienced increasing numbers of infections and casualties, with widespread lockdowns in response. As these markets overcame the worst, so did their sales, with March seeing a rebound to the same share of sales as December 2019, just before the pandemic hit.
- **Australia and New Zealand** who were relatively late to go into lockdowns, are still trading at low volumes throughout March and April, after a strong trading period in the first half of Q1 2020.
- **The USA** entered lockdown in key states comparatively late and has experienced numbers of infections growing daily throughout April, with over one million people reported as infected with coronavirus. Accordingly, as of the end of April, there is a downturn in cross-border online sales as seen during February and March in the affected European markets.
 - The USA is still within the peak of the outbreak with many states still facing growing daily infection numbers, and there is a slowdown of discretionary cross-border imports, with April trading 25% below March figures. Based on the performance of other markets in the world where the outbreak of COVID-19 has reached a more controllable level, Global-e anticipates a rapid rebound once the situation is more stable.

Amir Schlachet, Co-founder and CEO at Global-e, said: "It is already clear that COVID-19 is having a huge impact on how consumers shop worldwide and many retailers have become completely dependent on their online stores. As the spread of COVID-19 differs between markets, reaching its peak at different periods during the first third of 2020, we have seen that brands and retailers selling across multiple markets were able to balance the sales between markets and in many cases have seen increases in their overall international ecommerce sales throughout the crisis. Cross-border ecommerce will play an important part in retailers' recovery as it enables retailers to serve demand from countries where shoppers have returned to normal after passing the peak of the pandemic. Even with lockdowns lifted and brick and mortar stores reopening, many shoppers are continuing to shop online, suggesting the recovery of high street retail is slower and may never fully recover to pre-crisis levels. This acceleration of the shift towards online retail has underscored the need for brands and retailers to have a D2C global ecommerce strategy in place."

Nir Debbi, Co-founder and CRO at Global-e, said, "The increase in ecommerce demand means that it is critical that retailers and brands simplify the shopper journey for international customers by offering them a seamless, localised shopping experience. This needs to be tailored to individual markets and adjusted to local shopping preferences. In the current climate, it is also important to ensure that communication with international customers is clear and in conjunction with a streamlined customer experience; from letting customers know that you are open for business to being informed on delays as a result of lockdowns and supply chain interruptions due to the pandemic. Investing in a multi-carrier approach could be a solution to reduce the impact on logistics, as well as providing consumers with the right tools to track shipments, in order to manage expectations and continue to provide a high-quality service."