

E-Commerce In Austria

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DIGITAL AUSTRIA

With widespread Internet access and vast smart networks, Austria is one of the leading countries in the field of digitalization at the heart of Europe. At First, let us go over some general key facts on Austria (1):

- The population of Austria was **9.02 million** in January 2021.
- The population growth in this country was **0.5%** from January 2020 to January 2021, which is ca. **44 thousand** people.
- **50.7%** of the population are female and **49.3%** are male.
- **58.9%** of the population lives in urban and **41.1%** in rural areas.
- The median age of the population is **43.6** years, and more than **95%** of the population uses smartphones.
- According to the World Bank, the Gross Domestic Product (GDP) in Austria was more than **USD 445 billion** in 2019.

INTERNET INFRASTRUCTURE AND USAGE

- As of January 2021, **8.03 million** people of Austria's **9.02 million** population were using the Internet. This amount increased by **1.6%** between 2020 and 2021.
- In January 2021, the Internet penetration rate was **89%**.
- In this period, there were **13.08 million** mobile connections in Austria, around **1.2%** less than the previous year. However, this average is **145%** of the country's population (1).

Average Internet usage in Austria across all devices is **5 hours** and **46 minutes**. This amount is **2 hours** and **24 minutes** via cell phone and **3 hours** and **22 minutes** via computer. The average internet usage in the world is **6 hours** and **55 minutes**.

INTERNET BEHAVIOUR IN AUSTRIA

The average search rate for brands is **44.8 %** worldwide and **27.8 %** in Austria. This means that in Austria, users are on average **17%** less likely to search for brands. In the German-speaking countries of Switzerland and Germany, this rate is **28.4 %** and **26.2 %** respectively (2).

Other information related to the behavior of users using the Internet may include:

- **99.3%** of users have used search engines to find what they are looking for during the last month.
- **20.5%** have used voice assistants during the last month.
- **27.8%** use social media as a source for brand search.
- **9.2%** of users have used image processing tools during the last month (using only mobile devices)

SOCIAL MEDIA USAGE IN AUSTRIA

Since social networks are very popular worldwide and their use makes sense in most areas, in this section you will find brief information about social media in Austria:

- According to the statistics released in January 2021, **7.21 million** Austrians use social networks, which is **79.9%** of the population.
- **27%** of social networks' users are in the **25** to **34** age group, of which **14%** are male and **13%** are female.
- The four most popular social networks in Austria are WhatsApp, Youtube, Facebook and Instagram, with **84.7%**, **83.6%**, **70.6%** and **53.6%** of users respectively.

E-COMMERCE IN AUSTRIA

E-commerce in Austria has grown significantly, especially in the last year. In 2021, the amount of e-commerce in Austria reached an unprecedented record of **EUR 10.4 billion**. Of the **EUR 9.6 billion** in e-commerce, mobile commerce accounted for **EUR 2 billion**, an increase of **67%**. To better understand the rapid growth of this sector, it should be noted that the volume of e-commerce in Austria amounted to **EUR 700 million** in 2006. In general, **12%** of a household's expenditure in Austria is done through online shopping. Compared to other German-speaking countries, this figure is **11%** in Switzerland and **14%** in Germany (3). This year, three-quarters of Austrians shopped online, and during the Corona pandemic, online shopping flourished, especially among consumers over **40** and women (4).

Although e-commerce in Austria has grown over the years, the share of online stores in this trade is limited, with only **36%** of Austrian consumer purchases benefiting Austrian businesses, **64%** of the consumers have made their purchases through foreign websites. Amazon tops the revenue list with **EUR 834.3 million** in Austria and Zalando online store with **EUR 356.8 million** (5).

The situation of e-commerce in Austria last year can be summarized as follows (4):

- Unprecedented increase in online shopping
- Increased sales abroad
- Exponential growth in the use of mobile phones and similar devices for business purposes

E-COMMERCE OVERVIEW IN AUSTRIA

The following information refers to the active Internet users between the ages of **16** and **64** in Austria during the last month (1):

- **87.3%** use online search to buy a product or service in Austria.
- **90.4%** have visited the website of an online retailer or store.
- **67.1%** used an online shopping app on their cell phone or tablet.
- **81.3%** purchased a product online.
- **37.5%** purchased a product using a mobile phone.

PREDICTING E-COMMERCE TRENDS IN AUSTRIA

Statista assessed the e-commerce market in Austria in its latest report. The highlights of this report are follows (8):

- The e-commerce market turnover is expected to reach more than **EUR 9.3 billion** by 2025, equivalent to **5.21%** annual growth.
- The highest growth in 2021 is in the fashion industry and its market volume is expected to reach more than **EUR 2 billion EUR**.
- By 2025, the number of users joining e-commerce will reach **7.3 million**.
- The penetration rate of e-commerce in 2021 is **70.9%**, which is expected to reach **80.5%** in 2025.
- The average income per user is expected to be **EUR 1.192**.
- In 2021, **34%** of all electronic purchases will be made by card payment.

AGE DEMOGRAPHICS IN E-COMMERCE IN AUSTRIA

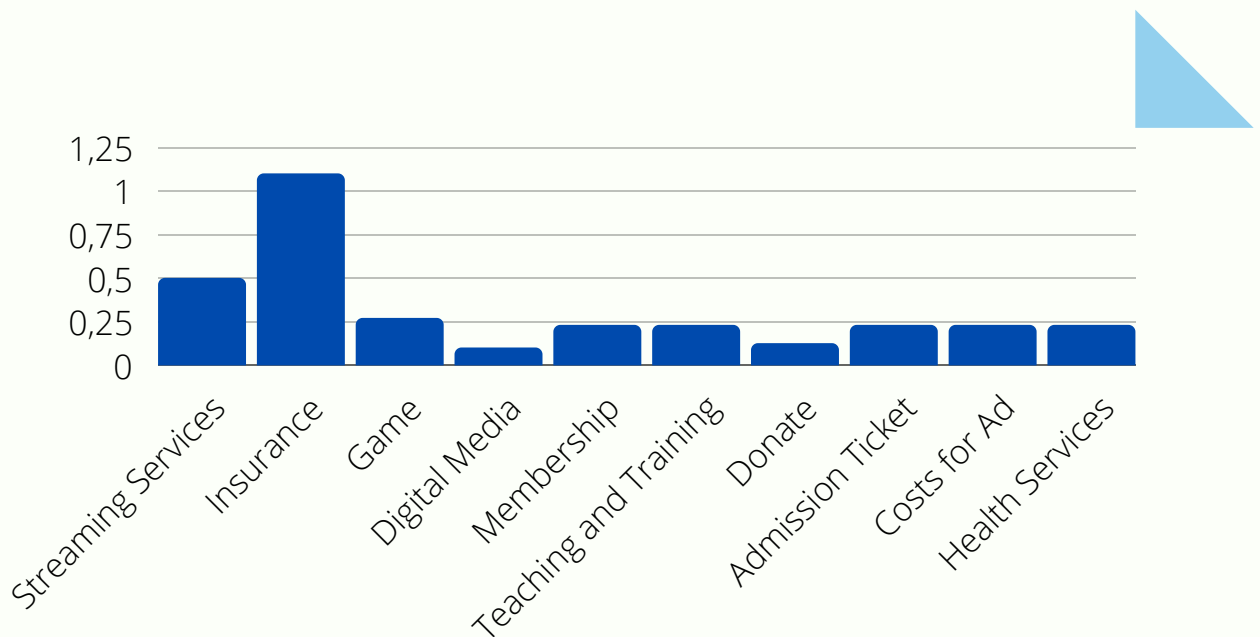
According to statistics, e-commerce is popular among almost all age groups in Austria. The highest rate of interest in e-commerce is among the **35 to 44** age group (**82.6%**) and the **25 to 34** age group (**82.4%**). In fact, these figures show the percentage of people in these age groups, who have purchased a product online during the last month (1).

E-COMMERCE TURNOVER IN AUSTRIA FOR DIFFERENT INDUSTRIES

A breakdown by industry in Austria in 2020 showed that the area of physical goods such as clothing, shoes, food, and electronics had the highest turnover of **15.7 billion euros**, of which **23%** contain electronic parts.

In terms of turnover in this sector, it can be said that the clothing sector leads with **2.05 billion**, electronics with **1.3 billion** and furniture with **EUR 0.8 billion euros** (6).

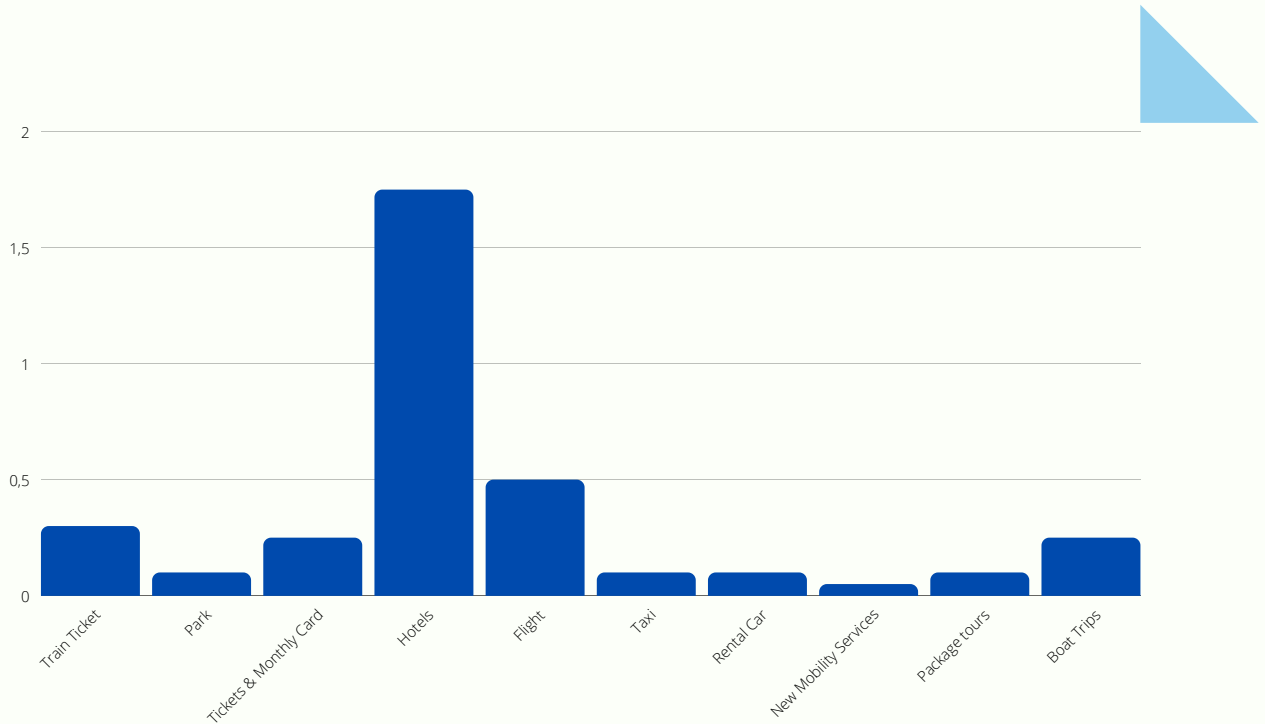
The service sector with **3.7 billion** and tourism with **3.8 billion euros** (hotel reservations in first place) were the most important and lucrative areas of e-commerce in the service sector. Below you will find the diagram for each service:



Turnover per billion euros
Source: nets E-Com Report Dach 2020

Based on the chart, the insurance sector generated the highest revenue of **€1.1 billion**. Another interesting area in this sector is media services. Interestingly, the results are very different between men and women in Austria. According to statistics, **43%** of men used these services, while this figure was **36%** for women.

As mentioned before, the share of tourism was only **3.8 billion euros** last year, which is understandable, due to the corona pandemic and travel restrictions. In the tourism industry, the following sectors achieved the largest share:



Turnover per billion euros
 Source: nets E-Com Report Dach 2020

Based on the chart, the hotel sector has the largest share (7).

E-COMMERCE GROWTH BY SECTOR

Below we see the rate of growth in each sector, compared to 2019:

- **+18%** in fashion and beauty
- **+14.1%** in electronics and physical media
- **+28.2%** in food and personal care
- **+17.9%** in furniture and appliances
- **+16.9%** in toys and hobbies
- **+24.9%** in digital music
- **+21.4%** in video games

According to the information above, the two sectors that have grown the most are digital music, food, and personal care, which can provide a good investment opportunity (1).

MOBILE COMMERCE IN AUSTRIA

As mentioned earlier, mobile commerce in Austria has experienced unprecedented growth this year. More than one-third of the Austrian population now shops online via smartphone, generating an annual turnover of **2 billion euros**. This means that the growth of mobile commerce has more than quadrupled in **4** years (4).

E-COMMERCE OPPORTUNITIES IN AUSTRIA

Before examining investment opportunities in e-commerce, let us first outline its structure as follows (8):

- Fashion
 - Clothes
 - Shoes
 - Bag and Accessories
- Electronic and Media
 - Consumer Electronics
 - Books, Film, Music and Games
- Toy, Hobby and DIY
 - Toy and Baby
 - Sport and Outdoor
 - Hobby and Stationery
 - DIY, Garden and Animal supplies
- Furniture and Appliances
 - Furniture and Home Appliances
 - Household Appliances
- Food & Drugstore
 - Food & Beverages
 - Drugstore & Health

As mentioned in the previous sections, e-commerce in Austria is growing rapidly and promises a very favorable market in this country. Based on the information provided, it is clear that fashion industry is the most sought-after and attractive area of e-commerce in Austria to date, along with digital music services and personal care. On one hand, the clothing sector recorded the highest sales in this area with **EUR 2.05 billion**, and on the other hand, digital music and personal care showed the highest growth rates.

It should not be overlooked that among companies operating in the service sector, the insurance, online media services and hotel management industries generated the most revenue last year.

As a result, there seem to be attractive business opportunities available for companies operating in the field of software or mobile application development.

ANC LEGAL OFFICE & ANC INTERNATIONAL CONSULTING SERVICES

Registering a company is the starting point of the process of creating and running a successful and professional business in Austria. In this regard, ANC Legal Office is ready to accompany its clients through all stages of company registration in Austria and support them concerning their legal issues such as obtaining residence permit, work permit, health insurance, opening a bank account, etc.

One of the challenges that companies face after registration in Austria is developing and identifying business opportunities, marketing and collaborating with suitable business partners. ANC's specialized team paves the way for the development of your business by drawing you a roadmap. Extensive experience and specialized knowledge in legal and business areas ensure providing the best solutions to individuals and legal entities by this office.

You can communicate with our team in different languages, including English, German, Spanish, French, Italian, Persian and Czech and receive expert advice from us.

For more information about ANC Legal Office and our services, please visit our website.

If you have any questions about this report or require additional information, please contact us.

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