



**full service  
content  
agency**





Zadanie:

# e-commerce in **Hungary**

Klient:

**SKIVAK** Group



## Macro scale

- Hungarians are proud of their **unique language**
- All prices must be presented in **Hungarian Forints**
- First and last names are presented in **reversed format** – also dates – yy/mm/dd - **Localization**
- Hungarian pay attention to **e-reputation** (origin of products/e-store, opinions: Google My Business, FB, other) and **quality** (like to read reviews about alternative products, compare them).
- Still **lower rate of e-stores per capita** than i.e in the other V4 countries (it's around 1 per 1 k inhabitants, in Czechia it's more than 4, in Slovakia 2 e-stores per 1k ppl)

## Key figures

- **+45% YoY** - domestic ecommerce retail **revenue** 3b USD incl. VAT
- **+37% YoY** - number of domestic ecommerce **orders** 52.5m
- **+20% YoY** - average **cart value** 56 USD/order

Source: own data, <https://kosarertek.hu/piac/future-trade-2021-merre-tart-a-magyar-kiskereskedelem>



## Micro scale

### Consumer

- 83% of society are **Internet** and 73% are **SoMe** users
- 38% of Hungarians make online transactions: 43% of **men** and 34% of **women**
- 64% **are mobile purchases**, increasing consumption of internet on mobile devices
- **Urbanization** rate: 72%

### Categories

- E-commerce spend by category: **travelling**, mobility, accommodation ca. 880m USD, **fashion** ca. 584m USD, **electronics & media** 365m USD, **food & personal care** 217m USD, **furniture** 125m USD, toys, diy, hobbies 173m USD, video games 87m USD
- Annual **avg spend** per user 301 USD

### Payments

- E-commerce purchases have been completed using: **card payments** in 34%, **e-wallets** in 30%, **bank transfers** in 15%, **direct debit** in 11%, cash on delivery in 6%
- The **fastest growing** payment method is e-wallet – expected to take the lead as the most popular payment method in 2022
- Card payments **decrease** the most, the others more less unch





## Leaders

- Emag.hu/Extreme Digital – \$ 128m revenue
- Media Markt– \$ 100m revenue
- Alza.hu – \$ 95m revenue
- Tesco.hu – \$ 88m revenue

## Worth to know:

- Other popular **e-stores**: Vatera.hu, Ujjé.hu, edigital.hu, ipon.hu, myprotein.hu, vivantis.hu, dm.hu
- The largest **auction sites & marketplaces** are Aliexpress, eMag, Arukereso.hu, Meska.hu, Vatera.hu, Jofogas.hu
- **Group purchasing** sites and its **aggregators** DiamondDeal i Gruppi.hu.
- **Price comparison** sites: Árukereső.hu

Source: own data, <https://ecommercedb.com/en/markets/hu/all>  
<https://gkidigital.hu/2021/05/20/e-toplista-2020>,

# gki digital eTOPLISTA2020

A LEGNAGYOBB FORGALMÚ ONLINE KERESKEDŐK

1. **EMAG** 

2. **Media Markt**

3. **alza.hu**

4. **TESCO**

10. **Libri Bookline**

5. **T...**

11. **DECATHLON**

6. **euronics**

12. **kifli.hu**

7. **220VOLT**

13. **uchan**

8. **AQUA WEBÁRUHÁZ**

14. **Praktiker**

9. **iPon**

15. **MALL.HU**

A FORGALOM SZERINTI TOPLISTA ÖSSZEÁLLÍTÁSOKOR CSAK A MAGYAR NYELVŰ, FORINTBAN ÁRÁZÓ, MAGYARORSZÁGI OPERÁCIÓVAL MŰKÖDŐ ÉS KERESKEDŐK SOKASÁGÁT VETTÜK FIGYELEMBE. A LISTA ALAPJÁUL SZÜLŐGÁLÓ ELŐZETES SZORRENDET A 2020-AS NAPTÁRI ÉVBEN, AZ ONLINE VÁSÁRLÓI BIZTONSÁG VÉGZETT KUTATÁSOKON, VALAMINT A KÍNÁLATI OLDALI FELMÉRÉSEK ADATSZÖG GÁLTATÁSÁN ALAPULÓ FORGALMI MODELLEZÉSEK SEGÍTSÉGÉVEL HATÁROZTUK MEG. A PUBLIKUS LISTÁRA CSAK AZON E-KERESKEDŐK KERÜLHETEK FEL, AKIK A GKI DIGITAL ÁLTAL ELŐZETESEN BECSÜLT FORGALMI ADATOKAT HITELESÍTETTÉK.



## Getting started

- How much should I **spend** on my e- store? (based on expected **role** of my e-store in a business)
- Will I need **IT support** etc ? (i.e custom or free hosting )
- How should I **create** my e - store? (using platform, CMS or custom made?)
- What **functionalities** do you like to have in your e-store? (i.e loyalty programs, automated newsletters, recommending algorithms, various logistic options, etc)
- How do I plan **logistics** in my e - store?
- What is my **target audience** in Hungary?
- How do I want to **communicate** with my **target audience**?
  - 1 My **marketing team** (project managers, strategists, designers, performance experts, etc)
  - 2 **Marketing strategy** (what, how and when would I like to communicate to my target audience)
  - 3 **Execution** (channels of communication, media plan, timeline, budget)
  - 4 **Results** (KPI, conversion from marketing expenditures to business results)

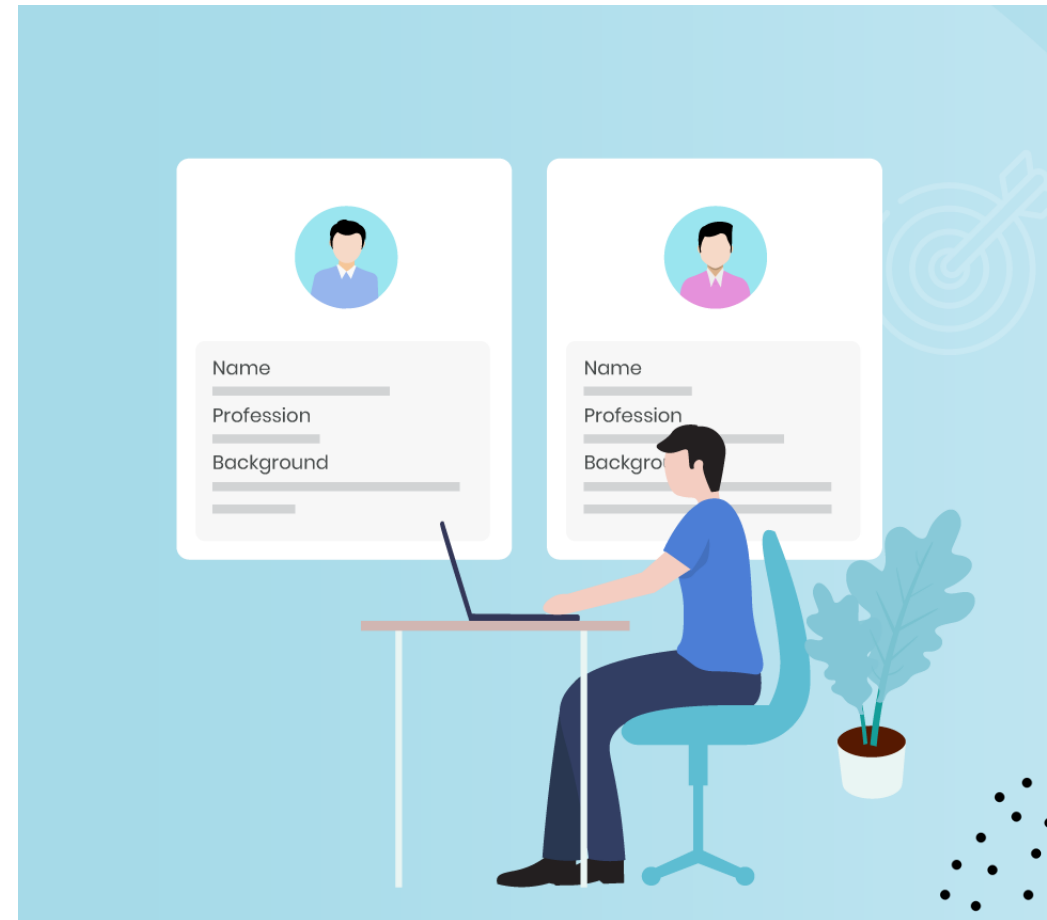


## Target audience

Identifying target audience is one of the first steps while expanding to new markets, especially such demanding like Hungary, it helps in designing **efficient** communication of your business

Create your **buyer persona**

- Gender
- Age
- Incomes/social status
- Residence: city or countryside
- Sentiment to your brand/product
- Preferred forms of communication
- Aspirations
- ....





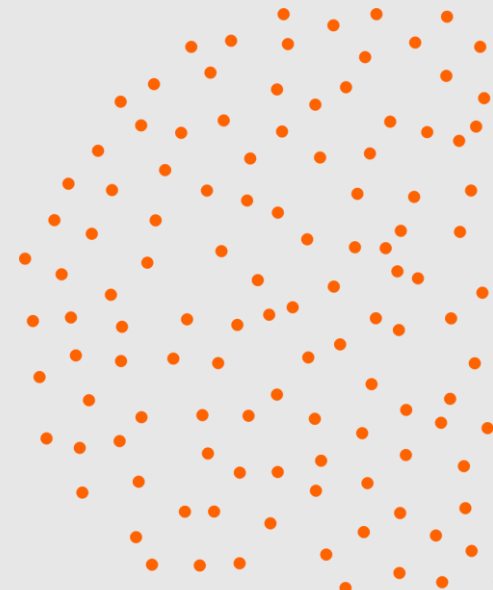
## Communication

**Target audience**

Marketing  
Team/  
Strategy

Execution:  
Traffic/  
channels

Results & Control:  
Marketing KPI  
Marketing ROI







## Marketing Team

Marketing team is a „bloodstream” of your e – commerce. Puts in motion and keeps alive

- **Account/Project manager:** manages all processes and coordinates the team, measures success, from HUF 675 k monthly B2B/ HUF 15 000 – 25 000 hourly
- **Strategist:** places an e –store in company’s strategy, designs functioning of the e-store, from HUF 900k monthly B2B/ HUF 22 500 – 38 500 hourly
- **Digital performance specialist:** responsible for paid campaigns: plan, execution, results, from HUF 675 k monthly B2B/ HUF 15 000 – 33 000 hourly; media budget on top of that usually from HUF 350 k
- **Graphic designer:** rates depend on responsibilities, lead designer responsible also for UX/UI – up to HUF 30 k, basic graphic design services usually from HUF 5k hourly
- **Content manager:** responsible for particular sphere of content production, i.e copywriter: HUF 2.5k HUF – 5k/1000 signs, SEO copywriter HUF 3k – 8k/1000 signs
- **Social media specialist:** responsible for social media management, from HUF 600k monthly B2B/ HUF 18k – 34k (moderation 8 – 16/9 – 17)





## Marketing agency

### PROS:

- every marketing aspect of your brand is in one, dedicated team
- you work with highly skilled professionals from various marketing fields
- hands-on experience from various projects
- plethora of ideas, work-shops – agencies try hard to maintain their clients
- KPI's as clear measuring solution

### CONS:

- it takes time for the client to trust
- Immediate effect expectation
- Could I handle it myself instead of paying the agency?

## In-house marketing department

### PROS:

- „own” team
- Available just for the company

### CONS:

- Usually more general than expert marketing knowledge
- Costs of employment

## Freelancer:

### PROS:

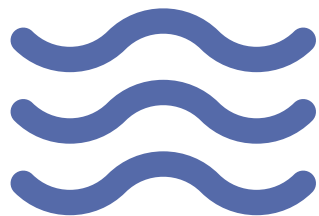
- Usually the cheapest solution, if you find skilled and reliable expert

### CONS:

- Freelancers usually have many projects - you may experience lower engagement
- Lower degree loyalty
- Potential issues in adjusting to your in-house team



## Traffic/channels





## Traffic/channels

- In your **social media** (SMA and SMO): in Hungary **there is 7m of social media users** which represents **73% of the total population**, penetration of FB ads is estimated at 5m, IG at 2.5m, Pinterest at 1.4m, while content in social media apart from being a source of knowledge and information about the assortment/e-store is also responsible for search results; social media play also a **need generating role** in your customer journey
- Through **SEA**: Hungarian mostly live in cities (**urbanization rate of 73%, 17% lives in Budapest**) – worth to take it into account while **planning targeting/budgeting of paid advertising**, google.hu is the only counting search engine in Hungary, while chrome represents over 70% of traffic of browsers (all devices) – both Search Ads and DisplayAds **play an executive role** in conversion of your customer's journey
- Seeing your **content** (creativity, design, SEO, influencer marketing, strategy): a **quality of your communication** from videos, articles, blog posts – everything you publish in owned and earned media to how do you manage it (strategy, influencer marketing) impacts both: organic traffic in your e-store and e-reputation; both „visible” parts and meta descriptions, quality of content has a **key role in customer retention**



# Marketing KPI

You need a **holistic overview** when it comes to measuring the performance of your online presence. You have to know your traffic sources and user flows as well: paying attention to what story your data is telling you can be a strong **driver** for future opportunity

KEY PERFORMANCE INDICATOR (KPI)	KEY PERFORMANCE INDICATOR (KPI)	KEY PERFORMANCE INDICATOR (KPI)
Pay-Per-Click (PPC)	Customer Lifetime Value (LTV)	Sales
Click-Through-Rate (CTR)		Average Order Value (AOV)
Subscriber Growth Rate	Customer Acquisition Cost (CAC)	Conversion Rate
Email Open Rate		Shopping Cart Abandonment Rate
Social Followers		Traffic (New vs. Returning)
Number and Quality of Product Reviews		Site Speed
Banner or Display Advertising CTRs	Gross Profit	Bounce Rate
Blog Traffic	Average Margin	Traffic Source
Affiliate Performance	Cost of Goods Sold (COGS)	Mobile Site Traffic
Average Position (Search)	Competitive Pricing	Day Part Monitoring
		Product Affinity

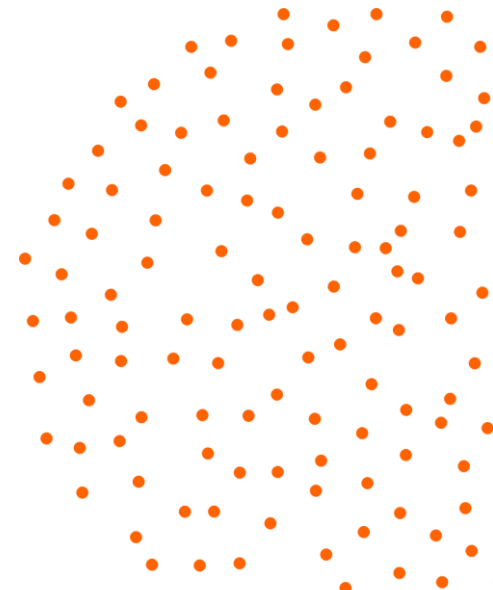


## Marketing ROI

- Appropriate planning (of scale, timing, promotion), execution, control
- Well-thought KPI's adjusted to business goals and size of potential customer group
- Introducing measures like ROI in various operational departments

### Worth to know:

**Digital marketing ROI** is the measure of the **P&L** that you generate on your digital marketing campaigns based on the amount of money you have **invested**, i.e as a **return** from invested HUF 1





## Trends

- It's estimated that ca 40% of Hungarian customers **purchase cross-boarder** but this is mostly eBay, Amazon, Booking, Alibaba
- **e - reputation** – especially younger customers don't buy anything without detailed checking
- Evolution of e – commerce **to s -commerce, m- commerce, l - commerce**
- **Brand salience** – make your e-store recognized among other similar businesses, i.e many Hungarian e – commerces are not up-to-date with latest trends in **creative desgin** – it's a chance for new-com(m)ers 😊
- Ease of **navigation/mobile first** users shouldn't struggle to find what they're looking for in your e-store
- Various **payment and delivery** options
- **Easy cash-backs & affordable order fulfilment** (50% of cart drops occurs due to hidden fees or too high shipping costs – according to Quicksprout's research
- **Live customer help & contact information** (chatbots, live tracking)
- Intense **data processing** tracking customers basket – customer journey, in which moment the basket is dropped & applying conversion increasing measures
- „**Green-factor**” – i.e zero-emission Logistics

## Partners

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