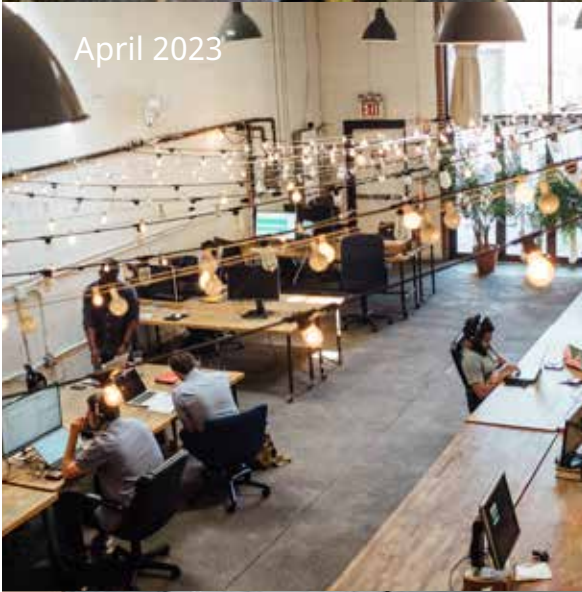


EUROPEAN EXPORT OPPORTUNITY REPORT

Global horizons:
helping European
businesses
grow through
international trade

April 2023





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**J. Michael
Evans**

Director and President,
Alibaba Group



Welcome to Alibaba Group's landmark study of the challenges and opportunities facing European businesses in international markets. This study marks our determination to enable large and small companies to pursue growth opportunities through exporting.

We believe businesses across Europe are well placed to succeed through international trade and we stand ready to support them. In order to help more businesses understand and capture the export opportunity, we commissioned a comprehensive research study into the views of more than 9,000 large and small businesses across key industry verticals in Belgium, Denmark, France, Germany, Italy, the Netherlands, Sweden, Spain and the UK.

The research shows where businesses see the greatest opportunities for international growth, together with the potential challenges that stand in their way. The research also confirms that many European businesses are already exporting and that the majority expect their export sales to increase in the next year. Furthermore, we discovered that the benefits of exporting extend well beyond just an economic impact. Businesses acknowledge that as a result of their export activities, they have introduced more innovation, developed new products, digitised their offering processes and hired more people. Nearly 80% of European businesses surveyed say exporting is 'critical' to their business's future.

The prize for increasing European exports is clearly significant – particularly amongst small and medium-sized enterprises (SMEs). This report makes the case for why Alibaba remains committed to empowering businesses with the digital tools, skills and capabilities to help maximise their export opportunities.

Alibaba Group's mission is to make it easy to do business everywhere, creating a level playing field for businesses of all sizes. We will continue to innovate on behalf of businesses of all sizes and partner together to open up a world of opportunity, enabling SMEs and major brands alike to shine on the international stage.

EXECUTIVE SUMMARY

The export landscape in Europe is promising. Four in five (80%) businesses currently export and just over half (52%) of their annual revenue is generated from exporting overseas. Seven in ten (70%) anticipate that their export sales will increase next year.



This research clearly shows exporting is important for European businesses, with **79%** describing exporting as “critical for the future of their business.” Meanwhile, over three quarters of businesses say exporting has made their businesses stronger and **79%** say exporting has boosted their revenue. But the positive impact goes well beyond that.

A large majority (**80%**) agree that exporting has driven innovation in their business, increased the size of the workforce and helped drive digital transformation. European businesses are looking to export to help them navigate their way through major headwinds, including economic uncertainty and rising costs. By embracing greater international diversification, firms can access new opportunities and protect themselves against potential problems in the home market. Almost four in five (**79%**) said exporting had relieved pressures at home.

Despite these advantages, the research shows that small to medium enterprises (SMEs) are lagging behind larger businesses when it comes to seizing the benefits of exporting. Currently

23% of SMEs do not export at all, showing untapped potential for growth among Europe’s smaller companies. Furthermore, there are some significant variations when it comes to the level of export in specific European markets.

There remain hurdles to businesses, particularly SMEs, trading internationally. Obstacles to exporting include logistical and supply chain issues, lack of cultural awareness, political uncertainty and red tape. Difficulties in finding a trusted export partner also ranked high on the list of barriers to international trade.

This report, which captures the views of more than 9,000 businesses from key industry verticals across Europe, provides a snapshot of the hopes and concerns of companies as they consider exporting. It also highlights the role of online marketplaces in supporting exports, particularly SMEs, enabling them to seize the transformative opportunities that international growth offers.

THE EXPORT LANDSCAPE IN EUROPE IS PROMISING...



80%

of European businesses surveyed currently export



over half of their annual revenue is generated from exporting

52%



79%

describe exporting as critical for the future of their business



80%

of businesses say exporting has fuelled innovation

24%



of businesses say that a market’s potential for growth is the main priority when it comes to deciding where in the world to export to

23%

of SMEs across Europe do not export

01 SETTING THE SCENE: THE EUROPEAN EXPORTING LANDSCAPE

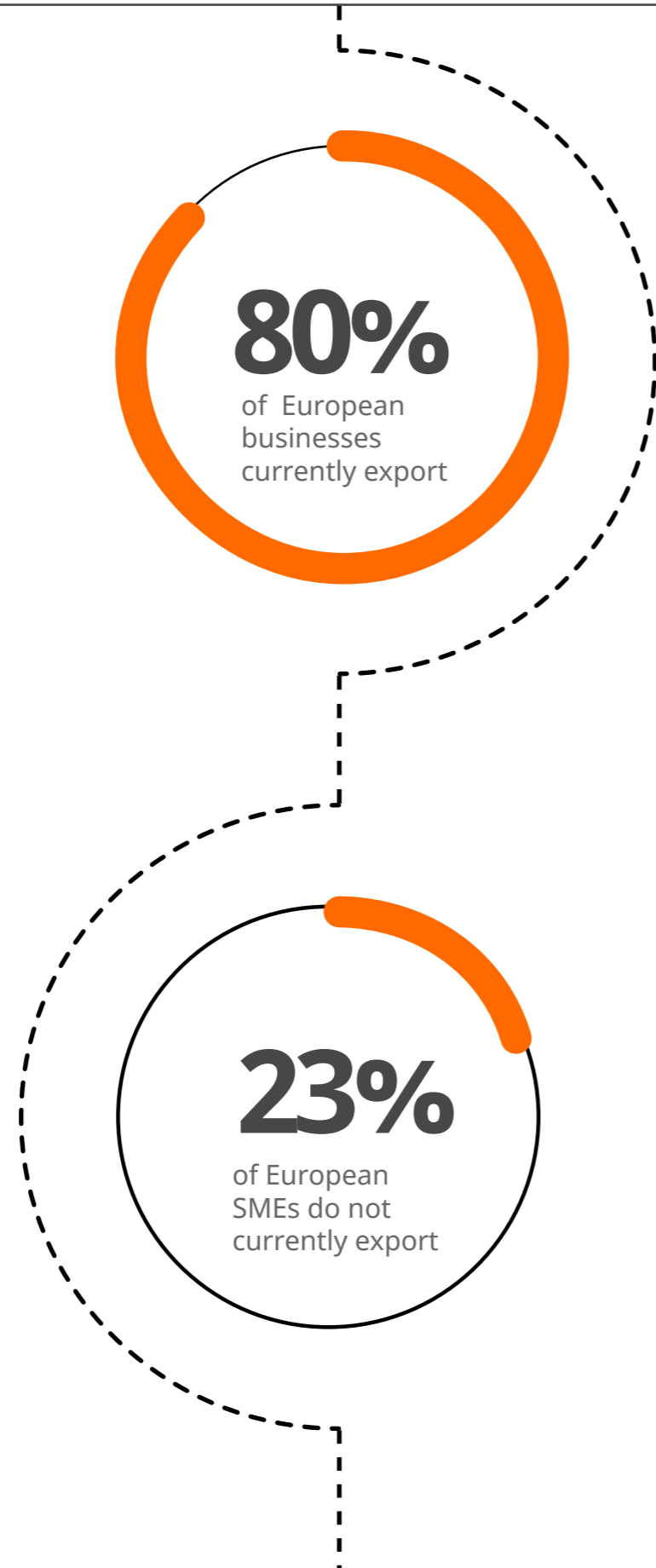


SMEs - UNTAPPED EXPORT POTENTIAL

Overall, 80% of European businesses of all sizes currently export.

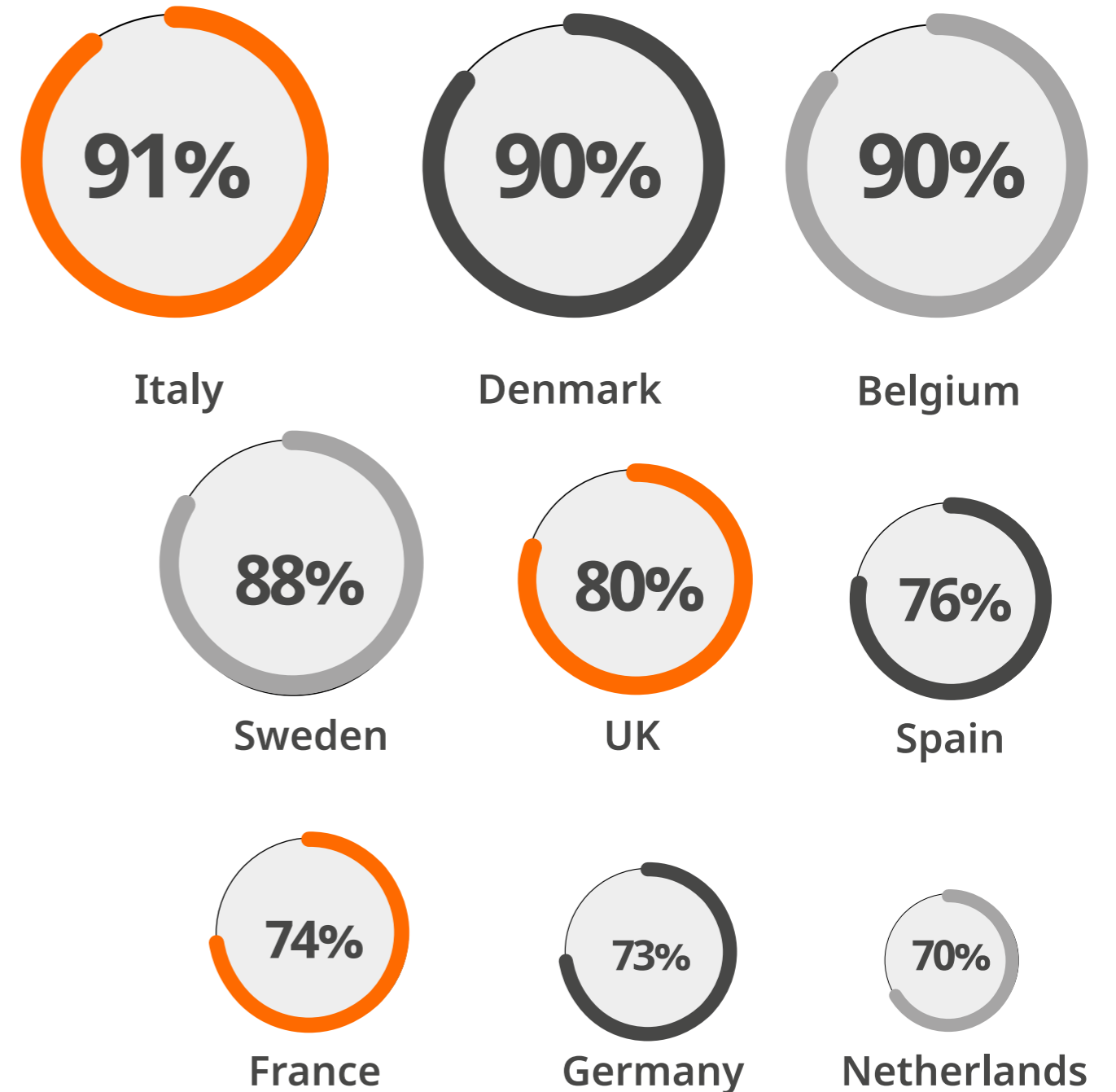
However, nearly a quarter (23%) of SMEs do not export.

Between the largest and smallest businesses, there is an export gap. 76% of companies with 100-249 employees export, and this falls to 74% of companies with 10-49 employees.



European market export snapshot

Across the markets, businesses in Italy were most likely to export (91%), whereas those in the Netherlands were least likely to export.



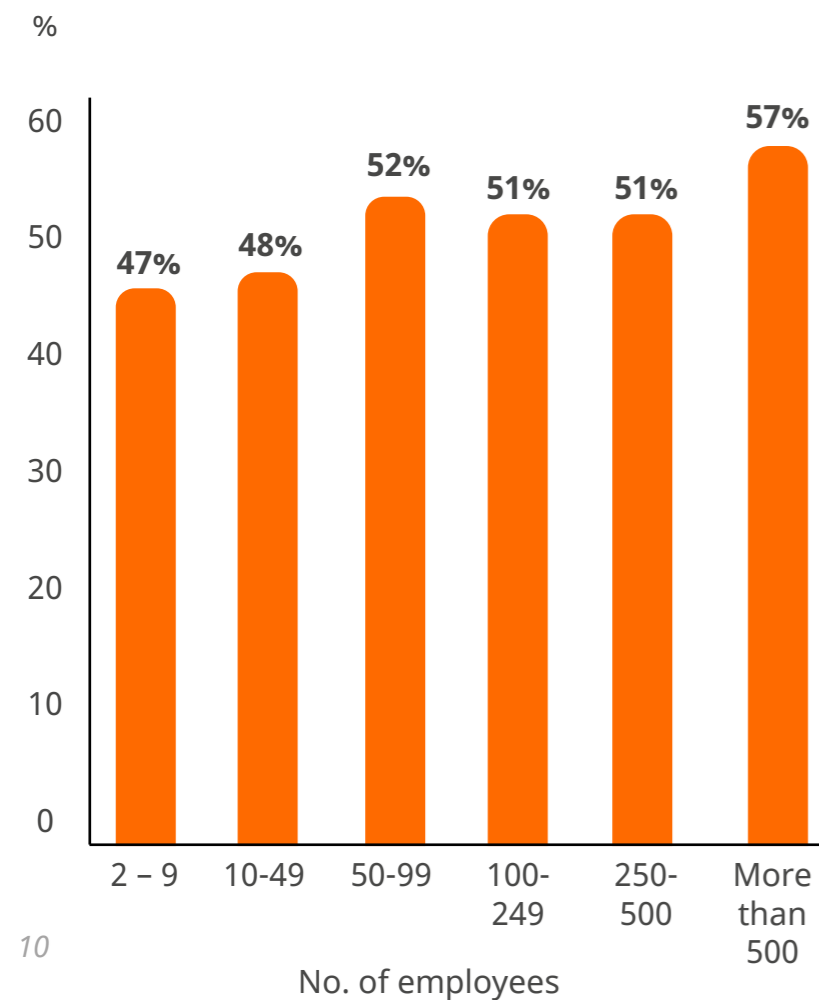
Looking at the SME sector specifically, SMEs in Denmark were most likely to export (94%), whereas SMEs in Germany were least likely to export (60%).



THE ECONOMIC IMPACT OF EXPORT

Businesses said just over half (52%) of their annual revenue was from exporting overseas. Asked if exporting has boosted their company's revenue, 79% of businesses agreed, a view shared by 77% of the largest firms (500 employees plus) and 58% of the smallest SMEs (two to nine employees).

Percentage of European businesses' annual revenue from exporting in the past 12 months

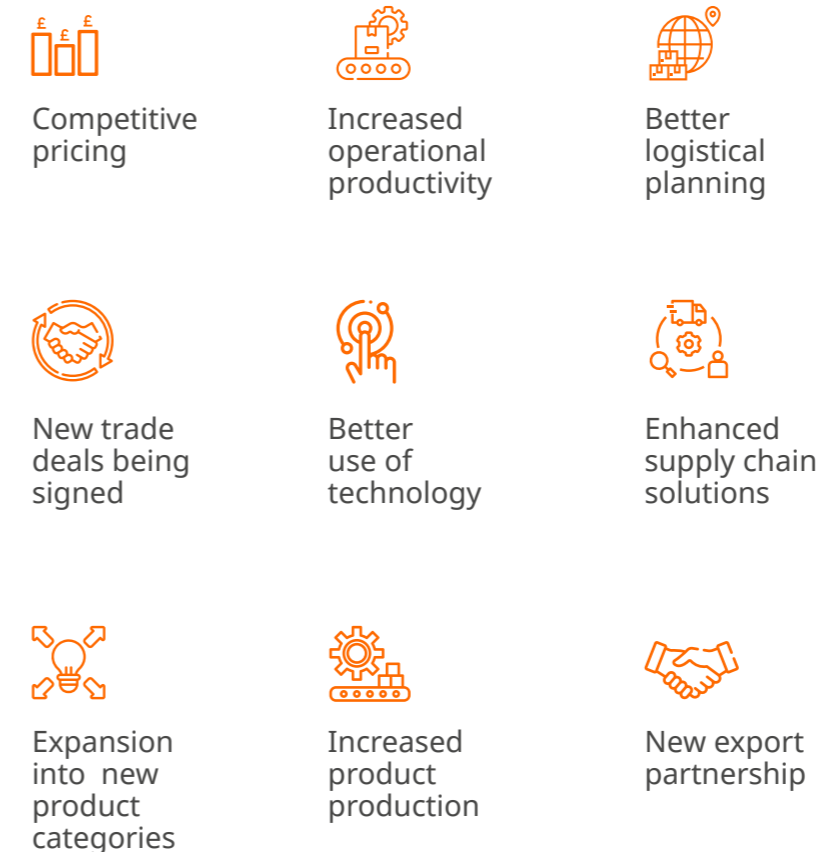


Looking to the future, seven in 10 businesses (70%) expect their export sales to increase in the next 12 months, with over a quarter (27%) saying they anticipated a "significant increase" in sales.

Across the markets, businesses in Sweden (76%) are most likely to expect their export sales to increase, compared to 59% in Spain.

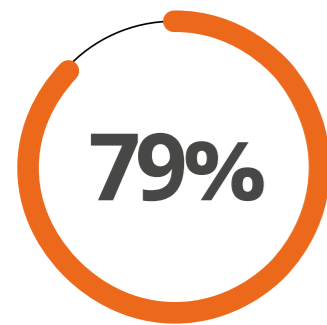
The key drivers are captured below.

Top reasons for European businesses' anticipated export sales increase



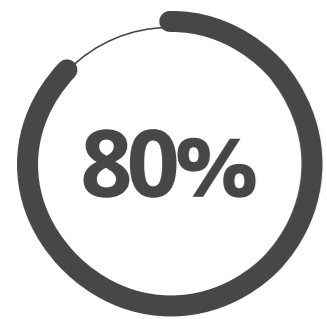


Beyond the positive economic impact, the research indicates that these exporting businesses enjoy a host of additional benefits.



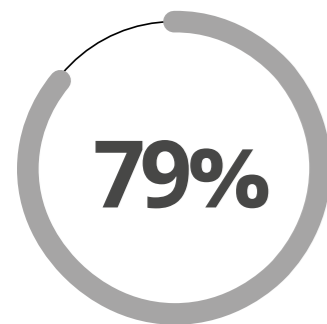
79% of businesses say exporting has made their business stronger

Opportunities for diversifying customer bases and building resiliency into their operating models is one of the key reasons European businesses are looking to become first time exporters. Almost four fifths (79%) of businesses agreed that cross-border trade had eased the pressure of doing business in the home market, a view shared by 67% of the smallest SMEs (with two to nine employees) and 81% of the largest firms.

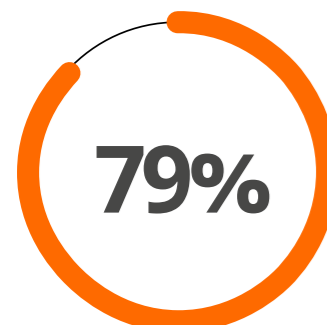


80% of businesses say exporting has fuelled innovation

Exporting also enhances production capabilities. Asked whether exporting had inspired their business to widen its product range, 80% of all respondents agreed that it had. Another consequence of operating in new markets is technological advancement. 80% of companies said exporting had driven the digital transformation of their business.



79% of businesses say exporting has led to increased headcount



79% of businesses say exporting is critical to their business's future

PERCEIVED BARRIERS TO EXPORT

Despite the positive outlook, many businesses perceive challenges that could stand in the way of their export ambitions. These range from internal issues within their business, to external barriers, typically outside their area of direct influence, and which may feel daunting.

Top 10 perceived barriers to exporting

Supply chain	-----		-----	20%
Lack of cultural awareness	-----		-----	19%
Increased paperwork and red tape	-----		-----	18%
Price competition	-----		-----	18%
Political uncertainty	-----		-----	18%
Production capacity	-----		-----	18%
Regulatory barriers	-----		-----	18%
Lack of availability of products or raw materials	-----		-----	18%
Lack of exporting expertise	-----		-----	18%
Struggle to find export partner	-----		-----	18%
Lack of demand for overseas products	-----		-----	18%

At a market level, 22% of businesses in France and in the UK respectively cited supply chain and logistical issues as the biggest barrier to exporting to other countries, while Germany and Sweden ranked lack of cultural awareness/ familiarity with the overseas market as the biggest barrier (22%).



02 GOING GLOBAL FOR GROWTH



CURRENT MARKETS

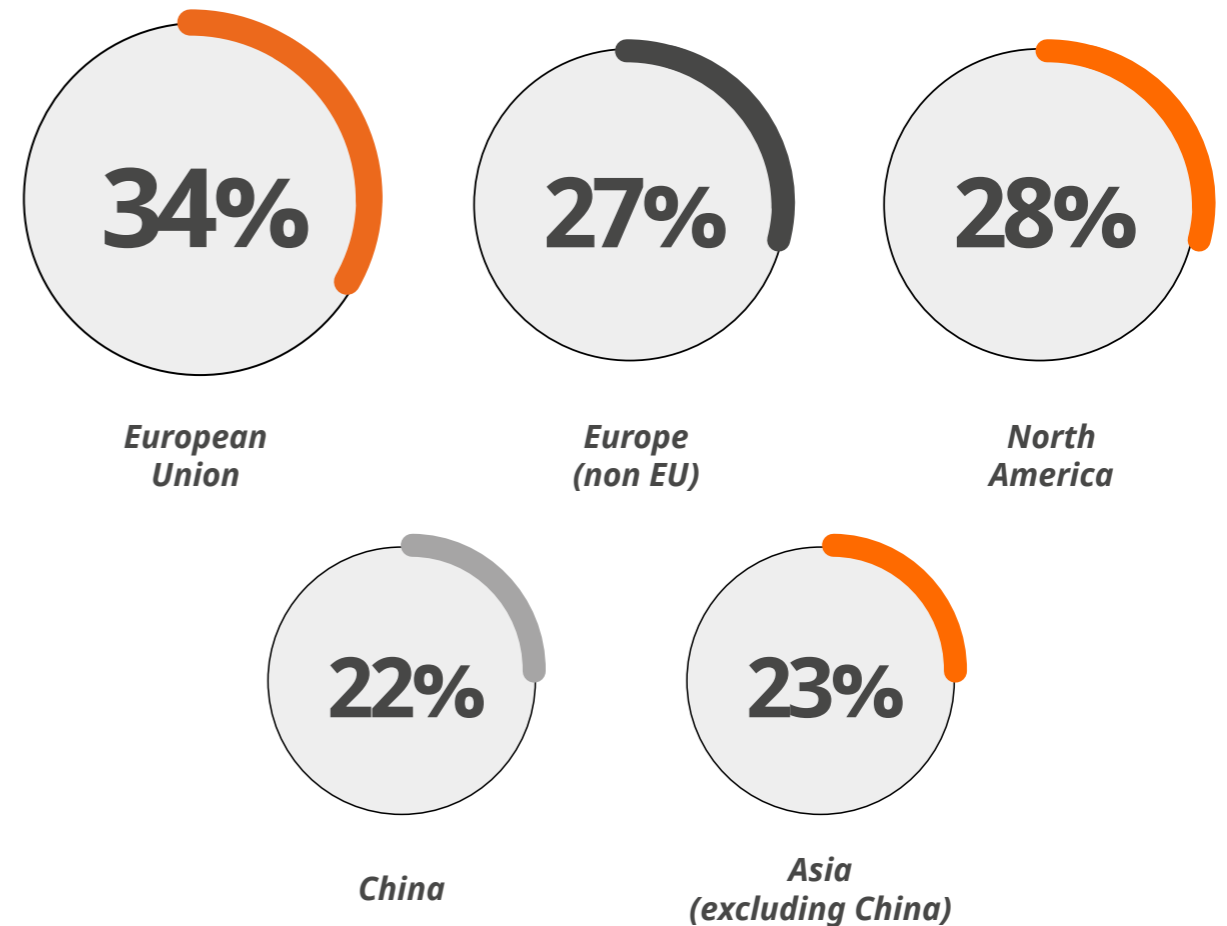
The European Union (EU) remains key, being the number one export market (28%), followed by Europe (non-EU countries) at 22% and by North America (21%).

FUTURE MARKETS

Turning to the future, the research suggests the EU remains highly attractive to European companies. Over a third (34%) of all businesses cited the EU as representing the best export opportunity.

Unsurprisingly, perhaps, smaller firms are more likely to look closer to home, focusing on the EU. This figure rises to 42% amongst SMEs with two to nine employees, and falls to 32% amongst the largest firms, with 500+ employees.

Top 5 markets that represent the biggest export opportunity



In assessing possible target markets, nearly a quarter (23%) of businesses with 500+ employees said understanding of the regulatory environment was a priority. Less than one in five (18%) of those companies with two to nine employees said the same.

Top 5 priorities when choosing an export market

- | | | |
|---|----------------------------------|-----|
| 1 | Potential future growth | 24% |
| 2 | Anticipated high customer demand | 23% |
| 3 | Anticipated high margin | 22% |
| 4 | Cultural familiarity | 22% |
| 5 | Reliable local partner | 22% |

GLOBAL EXPORT SUCCESS STORIES

Alibaba Group continues to lead on the digitalisation of global trade, making cross-border trade more accessible than ever and creating opportunities for European businesses of all sizes. We enable brands to access new markets through Alibaba.com, our leading B2B platform, connecting buyers and sellers around the world.

GERMANY



ORBITEC

Since 1984, Orbitec is one of the main suppliers in the field of orbital welding technology. The company aims to develop innovative and high-quality prefabrication products, the installation and repair of piping systems. In 2018 Orbitec expanded its action range to new markets worldwide through the online platform Alibaba.com.



As global exportations represent 75% of our activity, it is important for new and potential customers to be able to find us globally when searching online for our products. That's why we started collaborating with Alibaba.com.



Stefan Oßwald,
Chief Executive Officer,
Orbitec

ITALY



URSINI SRL

Ursini srl is an Italian company that produces extra virgin olive oil and other food products such as sauces and spreadable creams. The key objective of Ursini is to increase its digital presence to sell its products to countries and to high-end buyers worldwide.



There are many reasons why the company chose Alibaba.com, but the most important one is the digital reach and the greater commercial opportunities it offers.



Gianluca Vincolato,
Export Manager,
Ursini srl



03 THE CHINA EXPORT OPPORTUNITY

China is one of the most dynamic consumer markets in the world, shaping the future of retail and e-commerce.

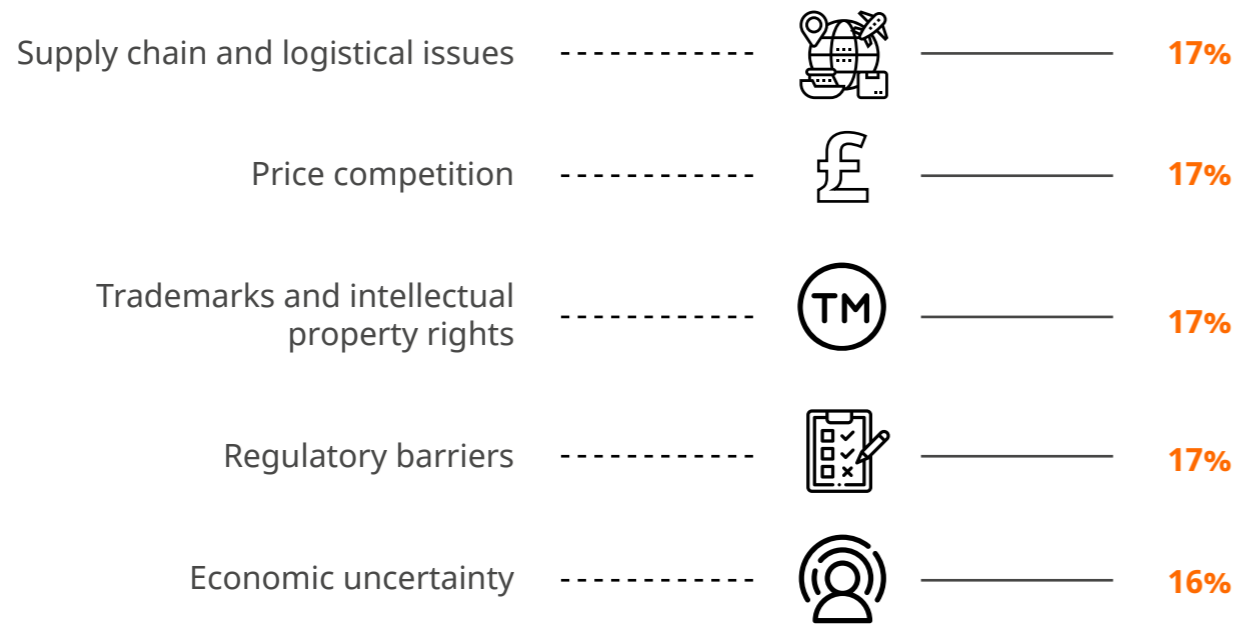
Nearly a quarter (22%) of businesses cited China as the market representing the biggest export opportunity.

At a market level, more businesses in Belgium (25%) and Italy (25%) ranked China as the biggest export opportunity, compared to those in France, Sweden and the Netherlands (all 18% respectively).

This research would suggest businesses are switched on and excited by the China opportunity.

However, there remains a disconnect between businesses of different sizes. While 21% of firms with 500+ employees said China represented the best export opportunity, this figure drops to 16% amongst SMEs with two to nine employees.

Top 5 perceived barriers to exporting to China





BEST COUNTRIES

WPP | BAV

WPP BAV's annual Best Countries study shows there's a direct link between how people feel about a country, and how they feel about the brands and products that come from there. The words "Made in ..." can instantly lend credibility and trust to a product or brand that a consumer hasn't previously encountered.

It's a powerful bearer of meaning to international consumers about what to expect in terms of quality, value and innovation – as well as how much they should be prepared to pay.

The Best Countries ranking shows that Western European markets are consistently highly regarded by international consumers, sharing perceptions for quality, innovation, a rich cultural heritage and strong, trustworthy exports. That can be enough to convince someone to buy, and, beyond that, convince them to pay a premium. The reverse is also true, of course. Country of origin can be an instant turn-off.

In China, 85% of people surveyed by BAV said the country where a product is made affects their decision about whether to buy it.



CHINESE CONSUMERS' SENTIMENT TOWARDS EUROPEAN MARKETS

UK



alcoholic spirits, cars, tech and pharma are all high on shoppers' wishlists.

France



cosmetics and clothing, cars and spirits are attractive purchases

Germany



car brands have strong appeal, along with technology and pharmaceuticals.

Italy



is seen as the go-to destination for food, fashion and pharma brands.

Netherlands



there is trust for packaged food, pharmaceuticals, cosmetics and clothing.

Spain



the categories which rank highest for Chinese consumers are beer and spirits.

Denmark



most loved for its packaged food, beer, clothing and healthcare.

Sweden



brands in the pharmaceutical or spirits categories perform well



The words 'Made in ...' matter much more than you might think. To Chinese consumers, these European markets represent leadership, expertise and trust in sectors as varied as technology and fashion, food and pharmaceuticals. All that really counts when consumers make complex, in-the-moment choices about brands.

David Roth, CEO of The Store, the WPP Global Retail Practice and Chairman WPP BAV.





According to Skincare Tracker data from China Skinny, research and strategy agency, **Skincare** is a relatively strong category for foreign brands in China with 61% market share in 2022.

Body Care and Body Cleansing products are leading growth in the overall category, with skin elasticity related claims performing best overall (Collagen and Tightening). There is a trend towards minimalist, scientific brand positioning, with consumers engaging heavily with first-person tutorials, and how new ingredients can help their routines (Seaweed most of all in 2022).



Andrew Atkinson, Director of China Skinny, has the following tips for European SMEs looking to enter the skincare market in China:

CATEGORY FOCUS

There is a significant opportunity for European brands in all categories, when considering the dynamism of the Chinese consumer and ecommerce market. One category notable for its stand-out performance is **Beauty and Personal Care**.



01

DO YOUR RESEARCH

Research must be done to localize your products and brands, and identify your target audience. As an SME you won't have endless budget, so you must focus your efforts to be as efficient as possible.

02

GET ON THE GROUND

As an SME your senior leadership will likely be heavily involved with decision making for any export market. China is a market that requires some local experience and understanding. Added to this are the benefits from making relationships and developing trusted networks.

03

REGISTER YOUR TRADEMARKS

In China's first come, first served IP market, make sure your trademarks are registered well before you even consider exporting.

Andrew says:

“

The road to success in China has become more complex and requires more investment to navigate, but what awaits is a route to completely transform your business. As tens of millions enter middle income status every year SMEs should not fear looking at China as a long-term investment.

04

ENGAGE YOUR LOCAL CHINESE COMMUNITY

Platforms and distributors will be much more interested in your brand if they can see Chinese abroad are showing interest. This community also forms a source of marketing, feedback on your brand, and route to test new products through.

05

BE REALISTIC

China is now very competitive - the rewards are there, but you must be realistic. The lower your marketing budget the more intelligent your strategy needs to be.

CHINA EXPORT SUCCESS STORIES



We're extremely proud to work with thousands of businesses across Europe to help unlock the long-term Chinese growth opportunity through our China commerce, such as Tmall and Tmall Global.

Here are some first-hand views from just a few of the businesses we work with, sharing their perspective on the export journey.

SWEDEN

GASTON LUGA
STOCKHOLM

Founded in Stockholm, Gaston Luga is a producer of quality backpacks and accessories inspired by Scandinavian living.



Our motto has always been to be a global brand that adapts locally. We thought and had heard that it could be hard to understand how to drive growth on Tmall, however our experience was quite the opposite. It is very different selling online in China, but the Tmall platform makes sense - both for the end-consumer and for the brands.

Since we launched our Swedish backpack brand in China, we have become one of the top players and the sales from Tmall is for sure one of our most important revenue streams. Gaston Luga now has a team dedicated purely to working with Tmall and we get great feedback and expertise in what we call a partnership. Our employees have expressed that they feel that Tmall is very keen on every brand's success.



Jonas Wistrand,
CEO, Co-founder,
Gaston Luga

BELGIUM



loop 律谱

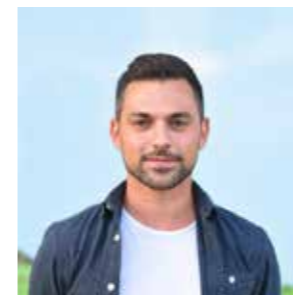
Based in Antwerp, Loop Earplugs is recognised as one of Belgium's fastest-growing and most exciting tech companies.



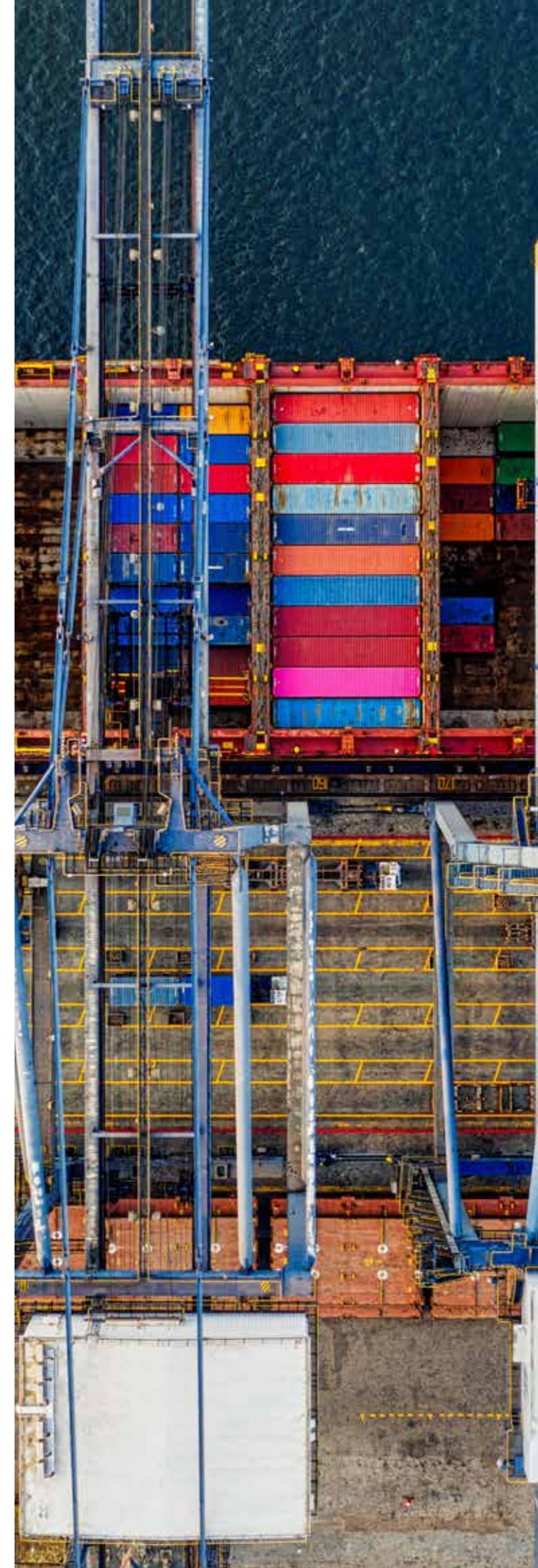
Our mission is to enable users around the world to live life at their volume. And this only became possible for China through our launch on Tmall Global in 2022.

China and Asia remain key regions for our international growth and strategic expansion initiatives, and the decision to launch our Tmall Global Loop flagship store greatly supported us to smoothly navigate in a unique operational ecosystem. The platform also provided significant uplift in our market insight extraction for a relatively new vertical in this market.

We've also recently launched our second Tmall Global store in early 2023, looking forward to strengthening our relationship with our end users through continuous support from the Alibaba team.



Arne Van Craeyevelt,
Head of Global Expansion,
Loop Earplugs



CHINA EXPORT SUCCESS STORIES

SPAIN

PDPAOLA

Headquartered in Barcelona, PDPAOLA was founded in 2014 by siblings Paola and Humbert in the pursuit of their dream: creating an industry-changing digital vertical native brand (DNVB) by turning Paola's childhood passion for jewelry and design into a lifetime project.



China is one of the cornerstones of our expansion plan in Asia. The main objective is to strengthen the connection between the brand and consumers and facilitate their access to our products and the PDPAOLA universe. PDPAOLA started its business in China two years ago, gaining more than 130,000 customers. PDPAOLA launched its Tmall Global flagship store in August 2022 and thanks to the presence on Tmall, we have seen a great interest and support from our Chinese followers and customers, so we have decided to bring our full range of products to China and thus establish a closer connection with them.



Xavier Durán,
CMO,
PDPAOLA



FRANCE

Repetto PARIS

Founded in 1947, Repetto is a French ballet shoe company.



China is a top priority for 2023 onwards for us at Repetto. It is fascinating to see how Chinese consumers crave for luxury brands shopping online, and how all the major luxury houses made their way so successfully into Tmall which could not be expected just five years ago.

With the return of travel, I believe this is a great opportunity to welcome Chinese consumers overseas in our stores, to connect with them to build brand awareness. But to go further and maximize the appeal and the desirability of the brand with Chinese shoppers, it's important to remember that they aren't just looking to buy products, they are expecting to engage in a unique experience with the brand. This is why brands and especially luxury brands should focus on creating a deeper connection through telling their history, story and authentic know-how, offering as well as new personalized services, and surprising shoppers with exciting innovation.



Laurence Levy,
CEO,
Repetto

DENMARK

SKANDINAVISK

Skandinavisk was founded by Englishman Shaun Russell in 2012. Skandinavisk creates subtle, refined home and body fragrance collections inspired by over 20 years of travels across the Nordic region. The scents are based on aspects of Scandinavia considered precious to the locals and exotic to the outside world. The scents are combined with color, symbols and a single local word rich with meaning to create unique impressions of Scandinavia.



We've never really thought about borders. We just wanted to find ways to reach more people with the story of Scandinavia and Skandinavisk. So we've always been an export brand, and we've always been very open to entering new markets. With Tmall Global, and the cross-border service that Alibaba provides, we get to protect our vegan and cruelty free promise while simultaneously reaching an entirely new audience.



Shaun Russell,
founder,
Skandinavisk



CHINA EXPORT SUCCESS STORIES

UK



Shakeup was founded by twin brothers, Shane Carnell-Xu and Jake Xu. Born in Beijing and raised in the UK, they set out to create their own range of vegan, cruelty-free cosmetic products, designed specifically for men's skin type and concerns.



Alibaba has been instrumental to the growth we've achieved so far, as a young British indie beauty brand. When the pandemic happened, we had to make a decision to pivot our focus and prioritise export sales. And Tmall Global allowed us to launch in China via Cross Border Ecommerce quickly and efficiently, giving overseas brands of all stages and sizes the opportunity to reach the exciting Chinese consumer audience. Since 2020, our partnership with Alibaba has propelled Shakeup Cosmetics to become one of the top selling men's premium cosmetic brands on the platform, which meant that we not only survived, but actually thrived during the difficult pandemic years. During my recent visit with our distributor partner in China, I also met with our Tmall Global Account Manager at the Alibaba HQ in Hangzhou, and had a very productive discussion about their vision for our brand and how we can collaborate even more closely to drive our growth going forward. I am very impressed with the level of care and the personable approach offered by an e-commerce giant such as Alibaba, which is incredibly rare.



Shane Carnell-Xu,
Co-founder,
Shakeup Cosmetics



UK



In 2021, eCargo was appointed as the China exclusive distributor for Ella's Kitchen, the UK's #1 baby food brand, and as the APAC exclusive distributor for Fentimans, UK's award winning botanically crafted beverage with a heritage of over 100 years.

Working together with our brands to focus on brand growth and customer experience, both Ella's Kitchen and Fentimans achieved their strongest year in sales from UK to China in our first year of partnership.

The success was a result of maintaining a close relationship with Tmall and their team, with their support on joint marketing opportunities to elevate brand image and drive brand awareness on the platform. China continues to be an exciting market, and brands which are looking for international expansion should definitely have Tmall as part their channel strategy, in order to maximise their growth opportunities.

eCargo has been servicing brands and retailers on Tmall since 2014, the platform offers a great entry point for brands wanting to quickly establish themselves in China, leveraging on the platform's comprehensive ecosystem and customer reach.



Lawrence Lun,
CEO,
eCargo



CHINA EXPORT SUCCESS STORIES



GERMANY



cosnova is one of Germany's largest cosmetics companies, offering a wide range of products.



True to our mission "Make everyone feel more beautiful", we are committed to making the world a little more beautiful every day. cosnova brands are represented in over 80 markets and have made a name for themselves all over the world. Above all, the expansion of our online business and our success in the most important global markets have made cosnova Beauty a model of success in the industry.

China is one of the most important growth markets for cosnova over the coming years, as consumer demand for high-quality beauty products at a reasonable price is increasing there. Our strategy of focusing on online retail and B2C business has been very successful: we recorded a growth rate of 22% in 2021. And the launch of our Tmall Global flagship store in April 2019 was an ideal entry point for our launch in China. From engagement tools to payment and logistics services, it is a platform that has allowed us to accurately and successfully reach our target audience in China.



Shixuan Zhang,
Business Development Manager,
cosnova



Cosnova

ITALY

DAVINES GROUP



Founded in Parma, Italy in 1983 by the Bollati Family, Davines Group started as a research laboratory, producing high-end hair care products for renowned cosmetic companies worldwide.

After a decade of honing its expertise, they began creating their own brand of Davines hair care products exclusively for salons, and in 1996 founded [comfort zone] skin care for premier spas. Their skin care lines were further expanded in 2018 when the Skin Regimen brand was born.



Tmall Global's deep insights of the market, quick capture of the needs and usage scenarios of new consumer groups has guided us to effectively respond to the needs of the overseas market: today's Chinese consumer demands more sustainable, high-performance formulas and is looking for premium lifestyle brands willing to engage with ethical values. Our brands Davines, [comfort zone] and /skin regimen/ are in line with these values: sustainability is a must for discerning and conscious consumers. Thanks to Tmall Global's strong support for new brands, we are able to develop plans dedicated to specific market needs. Tmall Global is a great partner for us and we will continue the collaboration in the future, a useful platform for us to digitalize a part of our business and increase exports.



Davide Bollati,
Chairman of Davines Group



04 THE PATH TO DIGITAL TRANSFORMATION



Global trade takes place in an increasingly digital world.

Despite this, fewer than half (38%) of all businesses are fully digital, falling to 36% amongst SMEs. Half of businesses surveyed with more than 500 employees are fully digital, with all aspects fully digitalised, compared to 39% of businesses with more than 250 employees and just over a third (34%) of businesses with 10-49 employees who said the same.

Almost two thirds (64%) of businesses admitted they aren't confident about how to implement a digital transformation strategy - yet there is a significant appetite and willingness to find out more and build the skills and capabilities necessary.

Businesses who are using an online marketplace to boost their export sales are more likely than those who are not using a marketplace to say they fully digital, with all aspects digitalised (47% vs 25%).

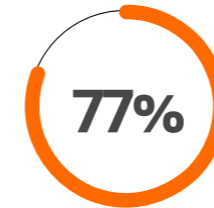
European businesses which are 'fully digital':



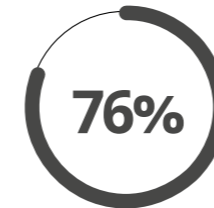
Italy	45%
Sweden	45%
UK	42%
Germany	36%
Belgium	35%
Denmark	34%
Netherlands	34%
Spain	32%



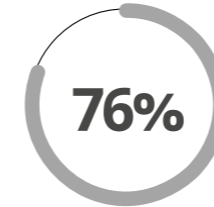
The challenges of digital transformation



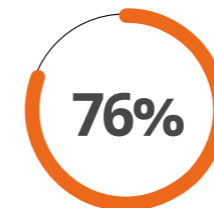
77% of businesses say digital transformation has helped their business gain insights that has led to improved quality or customer service



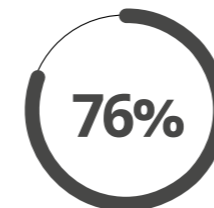
76% of businesses say digital transformation has helped their business become more efficient and cut costs



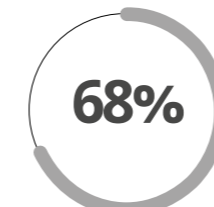
76% of businesses want to learn more about digital transformation



76% of businesses say that since the pandemic, digital transformation has accelerated their business



76% of businesses say digital transformation is key to their business's success



68% of businesses say digital transformation is too costly for their business





THE ROLE OF ONLINE MARKETPLACES

Online marketplaces are a valuable channel for exporting goods worldwide – their scale and reach bring unique benefits for businesses of all sizes.

SMEs can reach a much wider market of potential customers, and maximise an opportunity that was previously restricted to larger companies with global operations and connections.

61% of European businesses are currently working with online marketplaces to boost their export sales, while 37% are failing to take advantage of this opportunity.

78% of businesses who currently use a marketplace to boost their export sales anticipate their export sales to increase, compared to just over half (52%) of those who are not currently using a marketplace to boost their export sales.

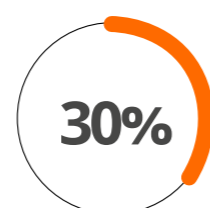
However, despite the potential of marketplaces to act as a 'force equaliser', SMEs are lagging behind their larger counterparts when it comes to taking advantage of them. Just over half (56%) of SMEs currently work with online marketplaces to boost their export sales, and amongst the smallest SMEs, those with two to nine employees, this falls to 40%. Conversely, 69% of exporting businesses with over 500 employees work with online marketplaces.

Overall, a quarter (25%) of businesses started working with online marketplaces during the pandemic, with the pandemic providing a strong catalyst for businesses to adopt digital tools.

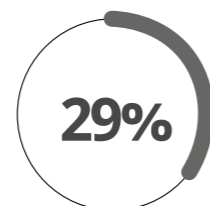
At a market level, 38% of businesses in Belgium started working with a marketplace during the pandemic, compared to 14% of those in Spain.

Businesses that use online marketplaces to export recognise the wide range of benefits.

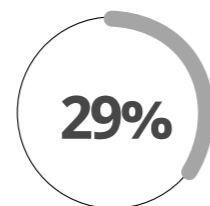
Benefits of using an online marketplace for European businesses exporters



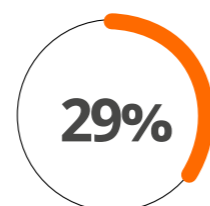
Expansion into new geographic markets



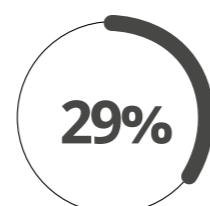
Expansion of product range driven by buyers' requests



Better inventory planning



Access to technology and communications tools



Access to richer competitor and market insights



CONCLUSION

European businesses are embracing export opportunities to drive growth, resilience and innovation. But at the same time, this research reveals that supply chain issues, red tape and cultural challenges are continuing to hold small businesses back.

There was the same mixed picture in terms of exporting to China, perhaps the most dynamic consumer market in the world.

Just over one in five (21%) of the largest European businesses export to this market, fewer than 16% of the smallest SMEs with two to nine employees do the same.

Again, there is a lengthy list of perceived obstacles, including worries over the security of intellectual property and regulatory barriers.

Technology offers businesses large and small the opportunity to access markets far from home, and 61% of all businesses are working with online marketplaces that help make this possible. A quarter of businesses started

working with online marketplaces during the pandemic. However, two in five (40%) of the smallest SMEs with two to nine employees are doing the same, despite potentially having the most to gain.

In terms of digital transformation, 76% of all firms said it was key to their business success - but 68% said it was too costly for the business in question.

At Alibaba Group, we are determined to help every business we can to achieve their export ambitions. We enable European businesses to access new markets both through Alibaba.com, our global B2B platform, and through our portfolio of B2C marketplaces. Together, we can open up a world of opportunity.



APPENDIX

RESEARCH METHODOLOGY

The research was conducted by Censuswide, among a sample of 9,108 business owners of companies offering 'goods' rather than 'services' with 2+ employees and a revenue of £1m+ / €1m+ from the UK, Germany, Italy, Netherlands, Spain, Denmark, Sweden, Belgium, France (Aged 18+). The data was collected between 21 February and 2 March 2023. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct which is based on the ESOMAR principles.





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