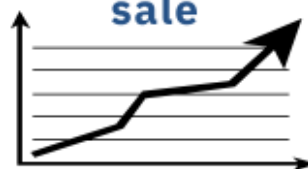# E-COMMERCE IN HONG KONG

Types of E-commerce Models

1. Business to Consumers (B2C) e.g. Amazon

2. Business to Business (B2B) e.g. Alibaba

3. Consumer to Consumer (C2C) e.g. ebay

4. Consumer to Business (C2B) e.g. Fiverr

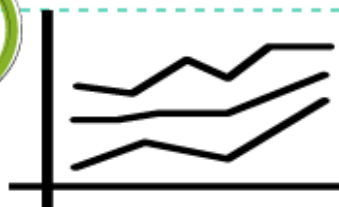## Total value of HK E-commerce sale

SALE

- $8,884 million in 2018
- Data released by Census and Statistics Department
- Both goods and services included.

Special insights about HK's E-commerce

- Female consumers dominate the market
- HK consumers are comfortable buying online
- the Average Order Value(AOV) is $321 for HK, and $183 for the rest of the world

1. E(t) = E commerce Sales in year t
2. TP(t) = Total Population of Hong Kong in year t
3. SPU(t) = The numbers of Smartphone users of Hong Kong in year t
4. UCS(t) = The numbers of users that carried security measures for smartphone of Hong Kong in year t
5. GDP(t) = Per Capita GDP in year t
6. R&D(t) = Research and development (R&D) activities in the information and communication technology (ICT) sector in year t

A regression analysis

$$\ln E(t) = \beta 0 +$$
$$\beta 1 \ln(TP(t)) +$$
$$\beta 2 \ln(SPU(t)) +$$
$$\beta 3 \ln(UCS(t)) +$$
$$\beta 4 \ln(GDP(t)) +$$
$$\beta 5 \ln(R\&D(t))$$

	Coefficient
Total Population	-95.50489
Smartphone users	.2321204
users that carried security measures for smartphone	.4841718
Per Capita GDP	10.28211
Research and development (R&D) activites in the information and communication technology (ICT) sector	4.212351
Constant	964.7664
R Square within	0.9186

Findings and Suggestions

- Total Population and E-commerce Sales are negatively related

  Possible reason: As a population growth may due to new born babies and immigrants which they may not able to enter the E-commerce market

- The numbers of smartphone users and E-commerce sales are not statistically significant

  Possible reason: Starting from 2015, everyone has a smartphone and nearly none of the people living without smartphone.

  1) Increasing IT investment Education
  2) Regulation on online shopping 3) Education