

Expand beyond borders  
& beyond your expectations

# Grow Your Business in CEE

Country-by-country overview  
of must-know information about the  
state of ecommerce and digital  
marketing practices in the CEE region.



# Foreword

by László Szabó,  
Google Certified Trainer for Export  
& co-founder of Growww Digital

“Having dealt with several export projects, according to our experience, it takes 1-3 years after market entry to break-even. Always remember that you are playing the long game. Perceive your home country as your profit centre, financing your growth centers: the foreign operations.

Think of this guide as your roadmap that shows you where you can go and don't hesitate to contact us if you need help with getting there.”

## About László Szabó

László Szabó, our co-founder is a Google Certified Trainer for Export in the Czech Republic and Slovakia. Spending the last 15 years on the axis of Prague-Bratislava-Budapest, László's personal mission is supporting export endeavors within the CEE region.

Google  
Certified Trainer

**Growww Digital** is a **Premium Google Partner** and its team has **62 professional certifications** all together. In Hungary, we are part of the **Google Partners International Growth Program**, which ensures that your export project will get the VIP support from all sides. Growww Digital is a **founding member of CEE Digital Alliance**, a network of **leading digital marketing agencies** from the CEE region.

Google Partners

International  
Growth program



CEE digital  
alliance

Comparison Shopping  
Partner



# CONTENTS

A light gray map of Europe serves as the background. Six countries are highlighted with large blue numbers and their names in a dark blue font. The numbers are: 01 for Hungary, 02 for Czechia, 03 for Romania, 04 for Slovakia, 05 for Slovenia, and 06 for Croatia. The names are in a smaller, dark blue font below the numbers.

**01**

Hungary

**02**

Czechia

**03**

Romania

**04**

Slovakia

**05**

Slovenia

**06**

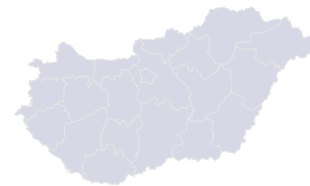
Croatia

01

# Hungary



# About Hungary



Still **growing at about 14%**, while **maturing in terms of quality**, Hungary is such an interesting market to enter right now. It's **no beginners game** (is any expansion, really?). Hungarians got used to **convenience**.

Their ideal? A **quality product delivered the same day at the lowest price available** and easy to return. Sure, they won't make it easy for you. But when you pay close attention and implement, you earn their trust. An ecosystem is set up and well functioning, from logistics to marketing: **if you're serious about playing at a senior level** (more effort but also more gain), this is the market for you.

**Hungary** is a country of patriots. Not only are they **proud of their cuisine** (paprikash, anyone?), their **heritage and language** with double the alphabet (get ready to type away!), they proudly buy from fellow Hungarians.

Lucky for you, Hungarians also **increasingly shop abroad**. There are **over 2,000 Czech online stores** (and counting!) already on the market as a testament. But make no mistake: when in Rome, do as Romans do. **Localisation is an absolute key**.

How to inspire customers to choose you? Besides speaking their lingo, know this: **Hungarians like the best deals and won't hesitate to check more options before clicking "pay."** In fact, they kind of enjoy the treasure hunt.

With the ecommerce landscape maturing rapidly they also have **high standards**, from the **same day delivery to 30-day return option**.

Volkswagen Beetle, Rubik's Cube, the very first subway in continental Europe. Those are just a few of many Hungarian inventions. A nation of builders, it should not come as a surprise **they are pretty competitive in business**, too.

So let's actually get to business.

# Growth, Leaders, & Trends



A promised land? Pretty much still! Although **significant amounts of online stores** have already expanded to **Hungary**, a number of factors speak in favour of this country for 2021 and onward.

The **highest growth rate** in the region is one of them. **Hungarian** online retail **grows by 14-18% annually**, the exact number depending on the source and measuring method.

## Main drivers of Hungary's growth:

- Easier access to internet/device
- Net monthly earnings increase (by 10%)
- Household consumption increase
- Higher trust to online payments and online sellers



**Hungarian** ecommerce market is largely concentrated around **Budapest and its surroundings**. This focus is another reason CEE ecommerce players chose Hungary: it makes **logistics** that much easier. The biggest players run their businesses from **Budapest** or in case of some exporters – from **abroad**.

Besides **cutting costs** in logistics, many stores coming from **The Czech Republic or Slovakia** can also hire **bilingual employees from southern Slovakia**.

Ecommerce in **Hungary** was worth **EUR2.2bn in 2019** (estimated Year-On-Year increase for **2020 was 30%**).

# Biggest Players



Based on online traffic data, **Hungary's largest online store is eMAG** with **1.3m visitors** (in 2018) and products in **more than 1,500 categories**. Not that long ago, this giant merged with the **second** strongest industry leader, **edigital.hu**. Both sites maintain their brand separate, occupying the **first and second position** in the top 10. Technical department store chain **Media Markt** is on the **bronze** position as it is one of the original ecommerce players.



With electro being historically the strongest segment, **220volt** offers **20,000 products** from segments such as electronics, computers, smartphones, DIY, housing, and gardening. **iPon** and **Aqua** focus solely on electronics. **Libri-Bookline**, a popular online bookstore, keeps growing sustainably.



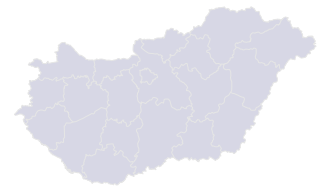
**Tesco** has been the main driver in the **FMCG** online sector for years, but with the pandemic **Auchan Online** and **SPAR** grocery delivery services took their piece of the customer pie.



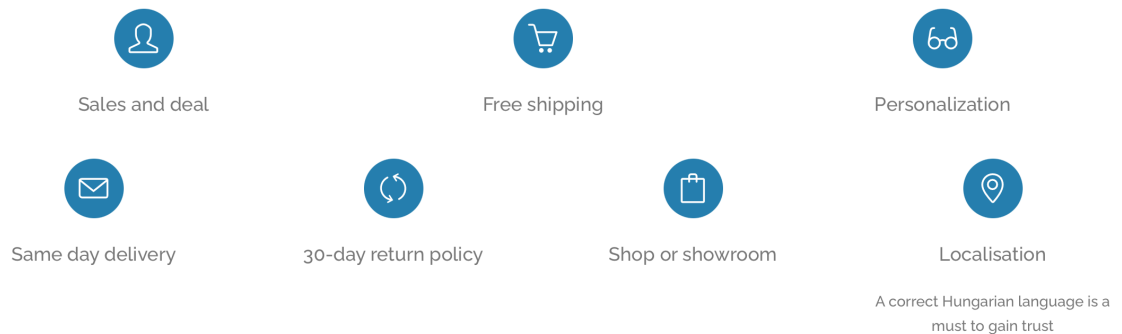
**Alza.hu** and **Mall.hu** too earned their place in the leading dozen. There are other foreign-owned businesses such as **Rohlik (Kifli.hu)**, **Favi**, and **Glami** claiming their space on the Hungarian market as well as long term national players such as **Olcsobbat.hu**, **Praktiker** (the largest DIY store), or **PCX** (electro).



# Hungarians as Customers



**Hungarians** still largely make decisions based on the **product's price**. They also want the **21st century ecommerce experience**. **Same or next day delivery, personalised offers, a 30-day return option and a 7-day customer care** go a long way. This together is challenging industry players to attempt to meet both needs, creating a **more diverse ecosystem**.



## Who are Hungarian shoppers?

80% Internet Users



20% Apple Device Users



Most Used Browser



**Eight out of ten** consumers do their research before purchasing (and generally trust the information they find). A typical **Hungarian** is generally very happy to hear words such as **promotion, discount, or free** (shipping). **Price** is a big deciding factor, but so are **reviews. Testimonials** to your products and **customer experience** can make you or break you on the Hungarian market. Especially when you don't (yet) have a **showroom**, a collection point or any other sign of physical presence.

**Hungarians** are very particular when it comes to **showrooms**: for many, they are a **testament of company's trustworthiness** (and existence). Sooner or later, it becomes essential for your sustainable growth to **meet customers in person**, from a **relationship-building** standpoint as well as building your **brand**. It is especially true outside the Budapest area, where trust in **online shopping and online payments is growing at a slower pace**. In fact, **setting up a local company** (both as a legal entity and a physical space) is usually recommended in Hungary. It makes life a lot easier.

# The Ecosystem



**Logistics:** A popular destination as there are often **no extra transportation costs** to this “bridging country” (there are five major toll highways linking Budapest to Hungary’s neighbouring countries), provided **you already ship to other markets in CEE.**

**Traditional delivery companies:**



**Options for small businesses:**



**Legislation/administration:** If you want to build a strong brand and presence, VAT registration as well as setting up a **local Ltd.** (called Kft) is **strongly recommended.** Operating an ecommerce business is more demanding without local Kft, especially when you register to various services, including putting your product feed on comparison websites. A middle ground is keeping your mother company abroad while **registering to VAT ID.** As per registering to VAT itself, Hungarian VAT is **one of the highest in the world: 27%.** According to VAT OSS rules, it is compulsory to register as a taxpayer in your home country after hitting EUR10K net in one year cumulatively across all markets where you sell. From January 2021, new rules apply for the Hungarian online invoicing system.

**Payment:** While cash on delivery was winning just a few years ago, it is now a tie between **cash and card payments.** One remains though: **reluctance to pay in advance.** When exporting to Hungary, expect the majority of customers to **pay on delivery.** About **44%** Hungarians prefer cards, **45%** opt for cash, **5%** bank transfer and e-wallet. The market is developing similarly as countries to the west: **the popularity of cashless payments will continue to grow.**

**Delivery:** **52%** opt for home delivery while **44%** regularly pick up their orders in the store or at a delivery point. In general, **home delivery wins outside Budapest** (and other big cities) while **pick-up points** are **rising in popularity** around the capital. **Foxpost** and **PickPackPont** are some of the pioneers. In 2020, **eMAG** and **Alza** introduced customers to using contactless points that **open on a QR code.** When it comes to time of delivery, people in urban areas are used to the **same-day or next-day delivery.** But in general, Hungarians do not hold it against you if it takes a tiny bit more. They only want you to **keep your word:** if your website promises 3 days, you can’t possibly ship the product on day 4.

# The Ecosystem



webshippy

## In the post-pandemic world, customer experience after making the purchase matters most

"Although the official figures are not available yet, we estimate the Hungarian ecommerce market growth to be around 30% in 2021," Marcell Pál from Webshippy, CEE's first robotic-native fulfillment service, says, "reaching approximately HUF1,200bn in gross domestic revenue and having **67-70 million parcels** delivered."

## The bigger the basket, the higher the expectations

**The average shopping basket** / cart value continues to increase, reaching HUF17,600 in 2021. "Based on this, we can conclude that Hungarian online shoppers are beginning to follow the western trend of **becoming less price-sensitive**," Webshippy's Chief Marketing Officer continues, "in the context of growing importance of quality, **customer experience after pressing the purchase button is becoming** more important than ever." This is partly the reason why more online stores are outsourcing their logistics to third party fulfillment partners like Webshippy. Another one is a steady growth in the number of online shops, creating a highly competitive environment. "Up to now, online stores have primarily competed on price, whereas nowadays, ecommerce players see how **increasingly** they need to **compete on quality**. For this reason, we are also seeing more and more innovations in the delivery and fulfillment services, such as one-hour and same-day delivery (both were introduced by Webshippy in 2021)," Marcell elaborates.