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### Key findings

| A majority of the population will be connected in 2019 | For the first time in history, a majority of the global population will be connected in 2019, which equates to four billion internet users. The highest levels of connectivity are in the developed world, including regions such as North America and Western Europe. More than 80% of developed market consumers are connected. |
| Internet connectivity is increasingly being used across a variety of activities | While today’s most popular online activities are communication-driven, connected consumers are increasingly using online access for entertainment, health and commerce purposes. |
| Denmark sits atop current digital connectivity rankings | Denmark is a digital leader, with some of the fastest and most extensive networks globally. This Scandinavian country ranks at the top of the Digital Connectivity Index based on current scores, and is projected to maintain its top spot based on forecast scores as well. Denmark’s competitive telecom landscape and network investments have made it a leader. |
| Australia tops the Digital Consumer Index due to mobile-first mind set | High levels of tech investment and consumer adoption of tools to execute digital commerce propelled Australia to the top spot in the Digital Consumer Index based on current scores. Digital commerce in Australia has experienced double-digit growth in recent years as these consumers opt to browse and buy an extensive range of goods and services online. |
| China expected to outpace other markets the most over forecast period | China is expected to post the greatest increase in its score on the Digital Consumer Index over the forecast period to help it move up in the forecast rankings by nine places. This is in large part due to its expanding mobile landscape. |
Introducing the Digital Consumer Index

Consumers are more connected than ever before, with this rapid increase in connectivity ushering in speed and convenience across life. As more consumers shift to digital platforms, companies must rethink where to deploy resources. In order to assist clients with this market prioritisation exercise for all digital initiatives, Euromonitor International publishes the Digital Consumer Index on an annual basis. This report explores the third edition of this proprietary index.
The internet has been one of the most transformative innovations

- Technology continues to play a critical role in the evolution of society, including the upheaval of consumer-facing industries. While several technologies are spurring disruption, the internet has been one of the modern era’s most transformative innovations. Connectivity is now the new normal for many.
- To put the shifts of the last decade into perspective, only 24% of the global population had access to the internet in 2009. Since then, the percentage of the global population that is connected has doubled, boosted in large part by mobile internet.
- While computers first brought internet into the home, mobile connectivity ushered in borderless internet, giving consumers instant access to anything, almost anywhere. More importantly, however, it helped bring emerging market consumers online, giving way to a truly mass participation technology.

51% Population using internet as of 2019
4 billion Number of internet users globally as of 2019
2019 will mark the first time that half of population will be connected

- For the first time a majority of the global population will be connected in 2019, which equates to four billion users. The highest levels of connectivity are found in the developed world, including regions such as North America and Western Europe. More than 80% of developed market consumers are connected.

- Many consumers coming online for the first time are in emerging markets, a trend enabled over the last decade by cheap mobile handsets and more affordable mobile network infrastructure. These dynamics made the internet accessible to a greater swath of the population. Of the top 10 markets expected to post the highest percentage growth in internet users in 2019, seven are in the last frontier of Africa, for example.

- The billion-people markets of China and India are expected to add the highest number of internet users in coming years. More than 100 million will come online from those two countries in 2019. To put this expansion into perspective, China and India will add more internet users over the next three years than currently exist in the US – the third-largest internet base.

Source: Euromonitor International's Passport: Digital Consumer database
Connectivity underpins very existence of Connected Consumers

- The constant innovation driven by technology has generated and inspired a number of megatrends, or macroeconomic or geostrategic shifts, that are reshaping the world. Of the eight megatrends identified by Euromonitor International, internet connectivity is most fundamental to the Connected Consumers megatrend. Connected Consumers use a variety of devices and interfaces to connect to the internet, in order to interact with digital content, services and experiences. While computers first brought the internet into the home, mobile, in particular, ushered in a borderless internet, giving more consumers instant access to anything, from almost anywhere.

- This digital connectivity has altered all of life. Consumers leverage it for purposes such as entertainment, education, knowledge, social sharing and shopping. This connectivity has disrupted – and arguably improved upon – many structures for engaging in such activities. It has led to new value creations, giving consumers greater convenience, simplicity and knowledge. It has altered the competitive landscape, disrupted long-standing industries, and ushered in new business models. This connectivity has redistributed power, giving consumers a megaphone in the business transaction. It has also boosted companies born in the modern era, as data has emerged as the most important commodity. As such, the world’s most valuable companies are no longer the likes of Exxon Mobil, but instead Amazon, Apple and Facebook – the biggest purveyors of data.
While today’s most popular online activities are communication-driven, connected consumers are increasingly using online access for entertainment, health and commerce purposes. More than 80% of global connected consumers use mobile connectivity to browse the internet on a weekly basis – the most popular activity according to the 2017 Lifestyles Survey fielded annually by Euromonitor International. By contrast, only 28% use phones to track health and fitness, and only 24% use them to make purchases, based on the same survey.

Although in the early days, connectivity is reshaping commerce. Around 35% of connected consumers globally use a computer to read reviews or compare prices on a weekly basis, with one-quarter using a computer to execute a purchase. In digitally-savvy developed countries such as Australia, South Korea, the UK and the US, around one-fifth of consumer payments are made using a digital device. Given that future commerce will be digitally influenced and executed, these figures will only rise. If, for example, only 10% of consumer payments globally were made through a digital device in 2023, that would equate to USD7 trillion in digital commerce.
Digital uptake creates pressing need for market prioritisation

- Technologies, including internet connectivity, are driving unprecedented changes across all aspects of society. With more consumers shifting to digital platforms, companies must rethink where to deploy resources in order to compete in the digital era. As such, companies need to understand how and where to place digital bets in order to guarantee the best return of investment.

- In order to assist companies with identifying which geographic markets are the most digitally attractive and offer the best prospects for future deployment of digital initiatives, Euromonitor International has been publishing the Digital Consumer Index on an annual basis since late 2016. This tool pinpoints a country’s relative digital standing in the present, as well as offering forecasts for where it is expected to be five years from now. With this proprietary index, companies can quickly make sense of the multitude of factors impacting digital uptake in order to prioritise markets in a way that is simple, intuitive and effective.

- Leveraging more than 2,500 data points from Passport, Euromonitor International’s syndicated research platform, the Digital Consumer Index will assist clients with market prioritisation exercises for all digital initiatives, including digital commerce. In total, the Digital Consumer Index utilises 18 different metrics, all weighted according to Euromonitor International’s industry expertise, to provide an overall market attractiveness score for each component of the index.
Introducing Euromonitor International’s Digital Consumer Index

The 2018 Digital Consumer Index consists of two central components: Digital Connectivity Index, and Connected Commerce Index. Each component, which is broken down into further subcomponents, is given equal weight in the overall Digital Consumer Index.

Each index contains a current and forecast score. The Digital Consumer Index score (out of 100 points) reflects the current or forecast readiness in a particular country. Coverage spans 50 countries across all regions.
Australia tops Digital Consumer Index due to mobile-first mindset

High levels of tech investment and consumer adoption of tools to execute digital commerce propelled Australia to the top spot in the Digital Consumer Index based on current scores. Digital commerce in Australia has experienced double-digit growth rates in recent years as these consumers opt to browse and buy an extensive range of goods and services online. Initially they went online to save money or find more options, but now convenience is a big motivator.

Australians are digitally-savvy shoppers and are not only preferring to browse and research online, but also making their purchases digitally. The computer remains the preferred device for purchases, but its position is increasingly threatened by the portability and ease of use of mobile. In a quest for ultimate convenience, these consumers are shifting digital purchases to the on-the-go mobile device.

Furthermore, the entry of Amazon has been a catalyst, sparking a strong desire among those across the digital commerce ecosystem to improve all facets of the experience. This was not only limited to the sale of consumer packaged goods. The growing popularity of foodservice delivery operations such as Menulog, Deliveroo and Uber Eat has also helped to spark online purchases in that industry. In this rapidly competitive consumer foodservice market, new entrants have to not only offer the most competitive prices, but also develop a mobile app that is easy for their consumers to effortlessly interact and, most importantly, make the purchases they desire on the go.
Three leaders to watch in the forecast Digital Consumer Index

<table>
<thead>
<tr>
<th>Country</th>
<th>Forecast Score</th>
<th>Rank Change</th>
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<tbody>
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<td>↑ 4</td>
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<td>2 UK</td>
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<td>3 South Korea</td>
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</tr>
<tr>
<td>10 Norway</td>
<td>76.3</td>
<td>↓ 4</td>
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</tbody>
</table>

South Korea

- South Korea has some of the fastest and most extensive networks enabled by a competitive landscape, proactive regulations and robust infrastructure investments. That strong digital backbone is leading consumers to use more devices in commerce transactions, with South Korea posting one of the highest ratios globally when it comes to consumer payments made through a digital device.

UAE

- The UAE remains one of the emerging market standouts alongside China. With the sizeable investment and growth in online retailing, featured by the acquisition of Dubai-based Souq.com by Amazon, digital commerce has received more attention. Given the high number of expats, who frequently travel to their home countries, travel categories such as direct airline bookings and online travel agencies remain some of the most promising areas of digital commerce.

UK

- The UK is among the most advanced digital commerce markets. In the UK, there are many large urban communities, such as London, where residents prefer to shop online due to time constraints and the convenience of on-the-go purchases, made possible by high smartphone penetration. The range of products and services available for purchase online is vast and continues to widen.
Thank you for downloading.

This is an extract from Euromonitor International’s report: 2018 Digital Consumer Index: Identifying Key Opportunities for Digital Investment.

For the full report, visit: https://www.euromonitor.com/2018-digital-consumer-index-identifying-key-opportunities-for-digital-investment/report
About Euromonitor International and Passport

Euromonitor International is a global market research company providing strategic intelligence on industries, companies, economies and consumers around the world. Comprehensive international coverage and insights across consumer goods, business-to-business and service industries make our research an essential resource for businesses of all sizes.

Our global market research database, Passport, provides strategic intelligence on consumer goods. It offers shared access to all of our internationally comparable statistics, analysis and datagraphics. Passport connects market research to your company goals and annual planning, analysing market content, competitor insight and future trends impacting businesses globally.
Thank you

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