



Spain small business export report

Promoting growth and resilience

November 2024

ebay

INTRODUCTION

Digital technology combined with ecommerce marketplace models are expanding economic opportunities available to independent small businesses and entrepreneurs in markets globally. This is especially true in Spain, which has Europe's fifth largest and increasingly digitally connected population, a growing tech base of skilled firms and workers, vibrant small and medium-sized enterprises (SMEs) that are proving increasingly receptive to online opportunities, and products that are valuable to consumers the world over.

eBay, a global commerce leader, is leveling the playing field and empowering small businesses across Spain to collectively reach consumers in over two hundred international export markets.¹ It is proving its worth for entrepreneurial SMEs in Spain, helping them export more, including to valuable consumer markets that are not at the top for traditional Spanish businesses.



The cross-border trade analysis in this report is based on data covering transactions on the eBay marketplace in 2022 unless otherwise indicated. When analyzing the activities of small businesses on eBay, the data was limited to transactions by registered businesses in Spain with sales of EUR 9.510 (equivalent to \$10,000 USD) or more annually on the eBay marketplace.² In this report, these sellers are called “eBay small businesses”.

Digitalisation and trade: core components of Spain's SME strategy

Micro, small and medium-sized enterprises play an enormous role in the Spanish economy, accounting for 99 percent of its businesses, 72 percent of employment, and 61 percent of the value-added.³ Firms with 10 or fewer workers, including the owner, make up nearly 94 percent of enterprises⁴, and the retail sector, which accounts for a larger share of the Spanish economy than in most EU Member States, is even more micro business-intensive, with half of the firms not employing any salaried staff and 48 percent employing fewer than 10.⁵ However, as is the case across Europe, small firm productivity in Spain is lower than that of larger firms.⁶ Two of the top Spanish Government strategies to foster sustainable small business productivity gains and growth are digitalisation and internationalisation.⁷

Digitalisation is already an important component of the Spanish economy and development strategy, with Spain ahead of the overall EU average on many indicators of the EU's Digital Economy and Society Index, including often being ranked above the EU's other big economies.⁸ However, digital progress has lagged among Spain's small enterprises which account for such a large share of the country's firms.⁹ They are often constrained by a lack of resources to invest in digitalisation, limiting their

ability to expand into international markets and professionalise their operations.¹⁰ In response, Spain is directing 50 percent of the funds provided through the EU Recovery, Transformation and Resilience Plan to the modernization and digitalisation of SMEs, including setting a goal of 25 percent of SME business volume coming from ecommerce, with the hope of fostering inclusive and sustainable growth that closes social, territorial and gender gaps.¹¹

Internationalisation is a parallel Spanish strategic priority. Businesses that trade tend to achieve higher sales and productivity by expanding the number and size of markets to which they can sell.¹² Spanish enterprises that trade can avail themselves of more than 500 million consumers in the European Single Market and far more in growing global markets.¹³ Traditionally, trading over large distances was very complex and dominated by large corporations.¹⁴ While most traditional SMEs looked to local markets, exporting through ecommerce, especially over platforms, is simpler and more doable for small firms.¹⁵ This is as true in Spain as in other markets, with research using data on the level of digitalisation and trade activity of Spanish SMEs confirming that it helps them trade more by both increasing access to far more customers and suppliers and also improving their operational productivity.¹⁶

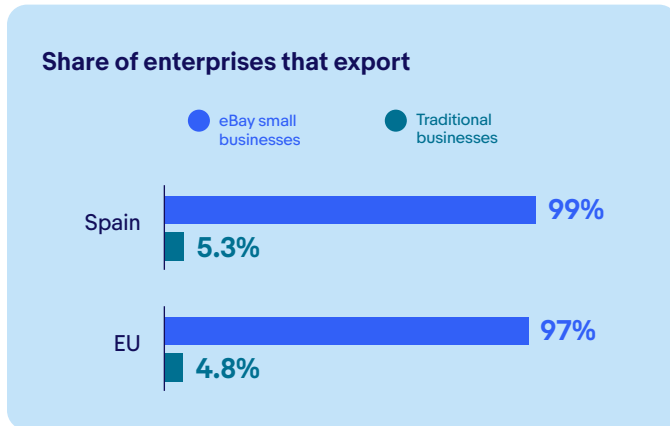
This research also recommends that policymakers interested in helping SMEs access global markets and export more should support their digital transformation, and this nexus between SME digitalisation and trade is accounted for in Spanish policy to promote SME growth.¹⁷ For example, MINECO's internationalisation strategy for the Spanish economy promotes digital transformation to provide greater access for SMEs to foreign markets and expand the base of companies that export regularly.¹⁸

eBay is committed to helping small businesses and entrepreneurs in Spain export with peace of mind. We support sellers in Spain in several important ways, including valuable one-on-one assistance, tools to facilitate cross-border shipping and payments, help with “troubleshooting” on issues like returns and cancellation of orders, support in Spanish as well as other translation services, and identifying and working to resolve potential regulatory challenges. The next sections will present findings from the latest available eBay marketplace trade data to illustrate the level of export activity by eBay small businesses in Spain and confirming this important digitalisation and trade link.



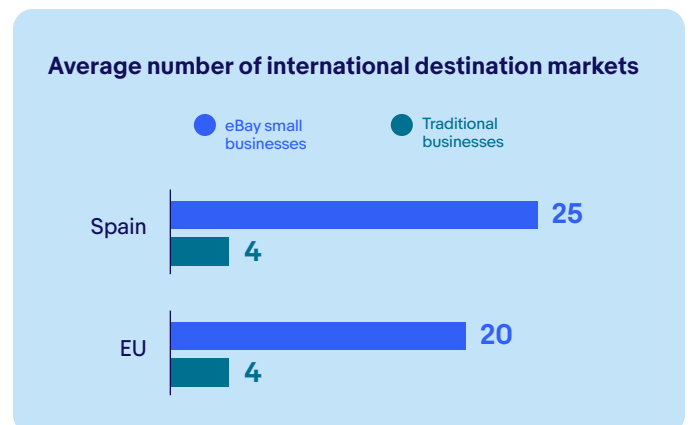
Share of eBay small businesses exporting

In Spain, 99 percent of eBay small businesses were exporters in 2022.¹⁹ This export rate exceeded that of eBay small businesses situated across the European Union as a whole. Also noteworthy is how this extreme export success compares with firms in the traditional economy, where just 5.3 percent of Spanish businesses and 4.8 percent of traditional EU businesses are exporters.²⁰



Average number of international destination markets

The average number of international markets reached by a single small business on an annual basis provides a key measurement of export activity and reach. Exporting to a new international market traditionally imposed new “costs of entry”, leading to smaller firms with smaller budgets exporting to fewer markets than larger firms with more financial resources.²¹ eBay largely breaks this long-held link between enterprise size and export reach. eBay small businesses in Spain averaged 25 different export markets in 2022²², drastically exceeding the average of 4 export markets for traditional Spanish businesses as well as for traditional businesses across the EU as a whole.²³ This export performance for Spain's eBay small businesses again exceeded the overall EU average for eBay small businesses, which was 20 export markets.





Share of eBay small businesses that reach ten or more different international markets

To provide another measurement of the scale of eBay small business exporting activity, we calculated the share that exported to ten or more international markets. As with the previous data point, our findings show that small businesses on eBay defy the traditional export model, with 76 percent of eBay small businesses in Spain reaching the 10-export market threshold.²⁴ Once again, the mark for Spanish small businesses on eBay exceeded that for eBay small businesses based in the EU, which stands at 61 percent.

Spain's small business "Global Sellers" on eBay

Although a non-traditional measurement of scale and scope of exporting activity, we have calculated the continental reach of eBay small businesses.²⁵ We classify a business with sales to four or more continents in a year to be a "Global Seller". A striking 52 percent of eBay small businesses in Spain reached the Global Seller threshold in 2022.²⁶ By comparison, 34 percent of eBay small businesses based in the EU reached the Global Seller threshold.

eBay's small business community in Spain is a virtual export giant

If one looks at the collective exporting of eBay small businesses in Spain, the total number of international markets reached is a staggering 203 markets.²⁷ These numbers stand up favorably to the export reach of the world's largest consumer brands.²⁸ Together, the community of eBay small businesses in Spain exhibit the reach of a truly global export giant.

Top product categories exported by eBay small businesses in Spain²⁹

1. Auto Parts
2. Home & Garden
3. Toys & Games
4. Jewellery
5. Collectibles

eBay Fitment for Auto Parts sellers

eBay Fitment, also known as parts compatibility, is a powerful tool that allows sellers to list parts compatible with multiple vehicles in a single listing. Instead of creating separate listings for each vehicle, sellers can provide key details like make, model, year and other specifications, ensuring all compatible vehicles are found in search results. This saves time, increases visibility, and reduces the chances of returns due to compatibility issues, helping sellers build a better customer experience.

For buyers, the process is just as seamless thanks to eBay's MyGarage tool. By entering their vehicle's make, model and year, buyers can filter search results to show only items that match their vehicle. This eliminates the guesswork and minimizes the risk of purchasing incorrect parts. MyGarage ensures a smooth and efficient shopping experience, allowing buyers to quickly find compatible parts, saving time and effort. Overall, eBay Fitment enhances the buying and selling process, connecting the right parts with the right vehicles.

eBay small businesses in Spain are utilizing these tools with great success and collectively exporting Auto Parts products to 189 countries and territories worldwide.



More top export markets promotes growth and resilience

Sending exports to more markets reduces vulnerability to downturns in top traditional sales destinations.³⁰ At the national level, increased export diversification has been positively correlated to greater growth and reduced export volatility, with greater benefits accruing to smaller states.³¹ Therefore, it should not be a surprise that expanding the diversity in top export destinations is a goal of the Spanish Internationalisation Plan.³² Export market diversification is also beneficial at the enterprise level, including for small businesses.³³ When enterprises expand their export reach by adding ecommerce platform channels that open new markets, an increasingly common small business tactic globally³⁴, there are additional diversification benefits gained by reducing dependence on any single digital service provider.³⁵

eBay export data shows how Spanish small businesses are using our marketplace to grow sales beyond the top export markets for the country's traditional businesses. Comparing Spain's Top 10 export markets for traditional businesses³⁶ and the Top 10 export markets for Spain's eBay small businesses³⁷ reveals that three of the top eBay export markets supplement the overall Top 10 markets. The ability of eBay's global level-playing field marketplace to grow exports outside of Spain's traditional European export base is highlighted by strong export growth on eBay to the United States, Mexico, Canada and Kazakhstan.³⁸

Spain's top traditional business export markets vs. top eBay export markets

Top 10 export markets for traditional businesses

- | | |
|-------------------|------------------|
| 1. France | 6. United States |
| 2. Germany | 7. Belgium |
| 3. Italy | 8. Netherlands |
| 4. Portugal | 9. Morocco |
| 5. United Kingdom | 10. China |

Top 10 export markets for eBay small businesses

- | | |
|-------------------|---------------------|
| 1. Germany | 6. Australia |
| 2. France | 7. Portugal |
| 3. United States | 8. Austria |
| 4. Italy | 9. Canada |
| 5. United Kingdom | 10. Belgium |

Note: The export markets for eBay small businesses in bold are those not in the Top 10 for traditional businesses.

Top extra-EU export growth markets for eBay small businesses in Spain

1. United States
2. Canada
3. Switzerland
4. Mexico
5. Kazakhstan

Robust newcomer growth supports economic vitality

The OECD has said that the “birth of new enterprises is a key indicator of business dynamism” and promotes the competitiveness of the overall enterprise population by stimulating efficiency and innovation.³⁹ Further, new firms have been described as “agents of change in the economy” and that, “even small innovations and small differences in growth amount to a lot when multiplied by the number of firms involved.”⁴⁰

An ecommerce marketplace that levels the playing field triggers such an effect by indiscriminately facilitating market entry and participation. We classify an eBay small business as a “newcomer” in this report when the seller achieved small business status in 2022 and had sold on eBay for four years or fewer. A robust 33 percent of Spanish eBay small businesses were newcomers.



Frank Burguera

California Motorcycles
Oliva, Spain



Visit Frank's store

“Selling on eBay has helped expand our physical business. It’s like having a virtual shop in every country around the world.”

Frank Burguera has always been involved with the motorcycle accessory and repair industry. Prior to starting his own business, Frank worked for Harley Davidson University, where he trained technicians from all over Europe. In 2007, Frank used his extensive experience to open his own retail store, California Motorcycles, where he repairs and sells motorcycle and automotive parts and accessories. The following year, Frank noticed he had expensive inventory that didn’t work for local customers and was not selling well in his shop. He decided to try selling these products on eBay. Initially, eBay was simply a channel to get rid of extra inventory, but in less than a year, Frank realised eBay’s potential as a way to expand his physical business. eBay afforded Frank the ability to hire an additional employee and also sell to international markets. Today, California Motorcycles sells about 25 percent internationally to countries all over Europe and the world including the US, Saudi Arabia and Mexico.

CONCLUSION

The Spanish Government has been leaning into growth strategies that account for the central role that small businesses play in the economy and the increasing digitalisation of Spanish society. eBay, a global ecommerce marketplace leader leveling the playing field for export success, is fully aligned by helping digitally proficient SMEs across Spain succeed on a global stage. Platforms are central to Spain’s ecommerce ecosystem, and once online, even the smallest businesses can operate on multiple platforms to expand their growth opportunities and reduce their risks through diversification. eBay’s value as an export growth and diversification platform is clear.

Nearly every eBay small business in Spain is an exporter, many making sales to shoppers in dozens of valuable markets each year. Together, they exported to a remarkable 203 markets, a global reach that exceeds many multinational corporations. Finally, eBay adds diversity to the list of Spain’s traditional top export markets, promoting resilience for individual small businesses and the Spanish economy overall.

RESOURCES

- ¹ Includes countries and territories.
- ² 2022 exchange rate.
- ³ European Investment Bank (2022) “Digitalisation of Spanish SMEs.” Available at: https://www.eib.org/attachments/lucalli/20220209_digitalisation_of_spanish_smes_en.pdf.
- ⁴ Ministerio De Economía, Comercio Y Empresa (08/06/2024) “Internationalization strategy of the spanish economy 2017-2027.” Available at: https://comercio.gob.es/en-us/estrategia_internacionalizacion/paginas/estrategia-internacionalizacion.aspx.
- ⁵ Ondina, Pedro Álvarez (07/07/2021) “The role played by retail in Spain’s economy.” CaixaBank Research. Available at: <https://www.caixabankresearch.com/en/sector-analysis/retail/role-played-retail-spains-economy>.
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- ⁷ Government of Spain (January 2021) “SME Digitalization Plan 2021-2025.” Available at: <https://portal.mineco.gob.es/RecursosArticulo/mineco/ministerio/ficheros/210902-digitalisation-smes-plan.pdf>.
- ⁸ European Commission (08/06/2024) “Digital Economy and Society Index (DESI) – Compare countries progress.” Available at: https://digital-decade-desi.digital-strategy.ec.europa.eu/datasets/desi/charts/compare-countries-progress?indicator=desi_sme_esell&breakdown=ent_sm_xfin&unit=pc_ent&country=EE,EU. Note: DESI is an ongoing project of the European Commission to monitor the state of digitalisation in the Member States, including digital connectivity, digital skills, online activity and digital public services.
- ⁹ European Investment Bank (2022) “Digitalisation of Spanish SMEs.” Available at: https://www.eib.org/attachments/lucalli/20220209_digitalisation_of_spanish_smes_en.pdf.
- ¹⁰ Maceira, Jesús (03/30/2023) “The digital economy in Spain reaches 22.6% of GDP during 2022.” Oriented. Available at: <https://oriented.com/en/digital-economy-in-spain-2022/>.
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- ¹² World Economic Forum (2015) “What Companies Want From the World Trading System.” Available at: http://www3.weforum.org/docs/WEF_GAC_Trade_II_2015.pdf.
- ¹³ European Commission (08/06/2024) “SME internationalisation beyond the EU.” Available at: https://single-market-economy.ec.europa.eu/smes/sme-strategy/improving-smes-access-markets/sme-internationalisation-beyond-eu_en.
- ¹⁴ Examples from economic literature on this are: “The Puzzling Persistence of the Distance Effect on Bilateral Trade” (2008), by Anne-Celia Disdier and Keith Head, in Review of Economics and Statistics 90(1), 37-48; “The Gravity Equation in International Trade: an Explanation” (2011), by Thomas Chaney; and “Information Frictions in Trade” (2011), by Treb Allen, Job-Market paper, Yale University; and “Firms in International Trade”. (2007) Andrew B. Bernard, J. Bradford Jensen, Stephen J. Redding, and Peter K. Schott. Journal of Economic Perspectives, Volume 21, Number 3. Pages 105-130.
- ¹⁵ Olarreaga, Marcelo (11/07/2012) “eBay Reduces Trade Costs Where it is Needed Most.” The World Bank - Let’s Talk Development Blog. Available at: [http://blogs.worldbank.org/developmenttalk/eBay-reduces-trade-costs-where-it-is-most-needed](http://blogs.worldbank.org/developmenttalk/eBay-reduces-trade-costs-where-it-is-most-needed;); [1] “The drivers and impediments for cross-border e-commerce in the EU”, by Estrella Gomez, Bertin Martens and Geomina Turlea (European Commission, Joint Research Center), Digital Economy Working Paper 2013/2. <https://publications.jrc.ec.europa.eu/repository/handle/JRC78588>; and International Trade Centre (2016). Bringing SMEs onto the e-Commerce Highway. ITC, Geneva. <https://intracen.org/file/bringingsmesontothecommercehighwayfinal250516lowrespdf>.
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- ¹⁷ Ibid.
- ¹⁸ Ministerio De Economía, Comercio Y Empresa (08/06/2024) “Internationalization strategy of the spanish economy 2017-2027.” Available at: https://comercio.gob.es/en-us/estrategia_internacionalizacion/paginas/estrategia-internacionalizacion.aspx.
- ¹⁹ The eBay data reflects the share of 2022 eBay small businesses (those with EUR 9.510 / USD 10 000 or more in sales on eBay) in Spain, who exported in that year.
- ²⁰ Source for total number of enterprises that export: Eurostat Trade by number of partner countries and NACE Rev. 2 activity. Available at: https://ec.europa.eu/eurostat/databrowser/view/ext_tec04/default/table?lang=en; Source for total number of enterprises: Eurostat Business demography by legal form and NACE Rev. 2 activity (Includes zero employment enterprises) - Industry, construction and market services (except public administration and defence; compulsory social security; activities of membership organisations). Available at: https://ec.europa.eu/eurostat/databrowser/view/bd_l_form_custom_9861086/default/table. Share = (total number of enterprises that export) / (total number of enterprises).
- ²¹ For example, see Roberts, Mark J. and James R. Tybout. “Directions in Development: What Makes Exports Boom?” (Washington, D.C.: The World Bank, 1997a); Bernard, Andrew and Joachim Wagner. “Export entry and exit by German firms.” Review of World Economics (Weltwirtschaftliches Archiv), 137 (2001), 105-123.; Bernard, Andrew and J. Bradford Jensen. “Entry, Expansion, and Intensity in the U.S. Export Boom, 1987-1992.” Review of International Economics, 12 (2004b), 662-675.
- ²² The eBay data reflects the average number of international markets reached by 2022 eBay small businesses (those with EUR 9.510 / USD 10 000 or more in sales on eBay) in Spain, who exported in that year.
- ²³ Average number of international destination markets reached by exporters = ((number of enterprises that trade with 1 country)*1 + (number of enterprises that trade with 2 countries)*2 + (number of enterprises that trade with 3 to 5 countries)*4 + (number of enterprises that trade with 6 to 9 countries)*7.5 + (number of enterprises that trade with 10 to 14 countries)*12 + (number of enterprises that trade with 15 to 19 countries)*17 + (number of enterprises that trade with 20 or more countries)*25) / ((number of enterprises that trade with 1 country) + (number of enterprises that trade with 2 countries) + (number of enterprises that trade with 3 to 5 countries) + (number of enterprises that trade with 6 to 9 countries) + (number of enterprises that trade with 10 to 14 countries) + (number of enterprises that trade with 15 to 19 countries) + (number of enterprises that trade with 20 or more countries)). Source for (i) Number of enterprises that trade with 1 country; (ii) Number of enterprises that trade with 2 countries; (iii) Number of enterprises that trade with 3 to 5 countries; (iv) Number of enterprises that trade with 6 to 9 countries; (v) Number of enterprises that trade with 10 to 14 countries; (vi) Number of enterprises that trade with 15 to 19 countries; (vii) Number of enterprises that trade with 20 or more countries, using most recent available country data: OECD Trade by enterprise characteristics (TEC) data: Dataset IV – TEC by number of partner countries. Available at: https://stats.oecd.org/Index.aspx?DataSetCode=TEC4_REV4.

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- ²⁴ The eBay data reflects the share of exporting 2022 eBay small businesses (those with EUR 9.510 / USD 10 000 or more in sales on eBay) in Spain, who exported to 10 or more international markets in that year.
- ²⁵ For the purposes of this analysis, sales were designated to buyers on one of six continents: North America, South America, Europe, Asia, Africa, and Australia. When an eBay-enabled small business exported to a buyer in a country on a continent, they were credited with an export to that continent. Additionally, when an export sale is made to a country on the same continent as the seller, that sale is counted as an export to that continent. (e.g., A sale from a Spanish eBay seller to a buyer in Italy is an export to a European market).
- ²⁶ The eBay data reflects the share of exporting 2022 eBay small businesses (those with EUR 9.510 / USD 10 000 or more in annual sales on eBay) in Spain, who exported to four or more continents in that year.
- ²⁷ The eBay data reflects the total number of different international markets (countries and territories) collectively reached by 2022 eBay small businesses (those with EUR 9.510 / USD 10 000 or more in annual sales on eBay) in Spain, who exported in that year.
- ²⁸ See: Heineken (08/06/2024) "Our Global Presence." Available at: <https://www.theheinekencompany.com/our-global-presence>; Alonso, Tefi (11/25/2022) "How Diageo Became One Of The World's Largest Alcohol Producers." Strategy Factory by Cascade. Available at: <https://www.cascade.app/strategy-factory/studies/diageo-strategy-study>; Nike, Inc. (08/06/2024) "We are Global." Available at: https://media.corporate-ir.net/media_files/IROL/10/100529/nike-gs09/global.html; Volkswagen Group (October 2022) "Green Finance Framework." Available at: <https://www.volkswagen-group.com/en/publications/corporate/volkswagen-group-green-finance-framework-2022-2112>; and Interbrand (08/06/2024) "L'Oreal." Available at: <https://interbrand.com/best-global-brands/loreal/>.
- ²⁹ The eBay data reflects the top 5 product categories exported (based on sales) for 2022 eBay small businesses (those with EUR 9.510 / US 10 000 or more in sales annually on the eBay marketplace) in Spain, who exported in that year.
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- ³² Ministerio De Economía, Comercio Y Empresa (08/06/2024) "Internationalization strategy of the spanish economy 2017-2027." Available at: https://comercio.gob.es/en-us/estrategia_internacionalizacion/paginas/estrategia-internacionalizacion.aspx.
- ³³ Trade Commissioner Service, Government of Canada (11/17/2023) "Spotlight on Market Diversification." Available at: <https://www.tradecommissioner.gc.ca/guides/spotlight-pleins-feux/spotlight-diversification-pleins-feux-diversification.aspx?lang=eng>.
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- ³⁸ The eBay data reflects the top 5 extra-EU export growth market (countries and territories) destinations (based on the absolute growth in sales over the time period 2018-2022) for eBay small businesses (those with EUR 9.510 / USD 10 000 or more in sales annually on the eBay marketplace) in Spain, who exported during those years.
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