

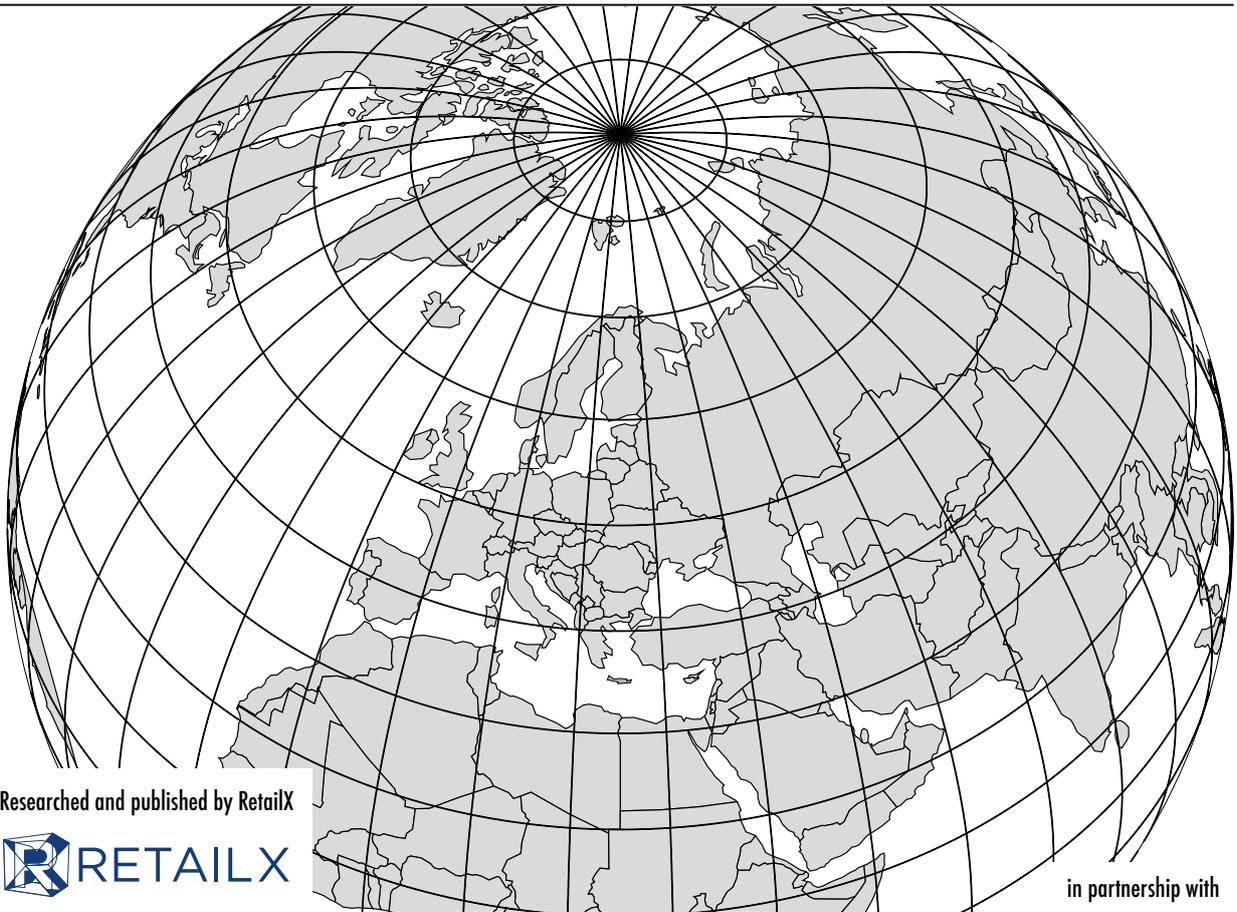


EUROPE 2020

Ecommerce Region Report

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INTRODUCTION

Welcome to the Europe 2020 Ecommerce Region Report, one of RetailX's largest and most keenly anticipated reports of the year. It is a project that represents months of work. Now that it is complete, it is a privilege to be able to take some time and look over a definitive overview of Europe's ecommerce activity.

The report arrives at an extraordinary moment in history that few if any of us could have predicted a year ago. The ongoing Covid-19 pandemic has affected the retail sector profoundly and put many companies under severe financial strain. However, it has also accelerated the development of ecommerce as previously reluctant shoppers, such as those in older demographics, have turned to online retail, sometimes for the first time.

Not that we should be complacent. Yes, as ecommerce professionals, we are used to change, but we are usually those calling for change to advance our businesses. In contrast, 2020 has shown there are 'black swan' events that are far outside the scope of our own entrepreneurship, our market context, our governments and even the single market – hundreds of millions of people in lockdown, thousands ill or affected directly, billions in lost sales.

However, the growth trajectory of Europe's ecommerce leaders was strong and positive, and this offers a launchpad for a post-coronavirus recovery. At the time of writing, there are cautious grounds for optimism in better-than-expected economic data and, less quantifiable but perhaps more important, the way that so many people have shown resilience and a willingness to go about their daily lives – including those bringing essential supplies to consumers. However, we need to acknowledge the possibility that we may yet face months of localised Covid lockdowns. More generally, the spectre of unemployment still looms.

Finally, our efforts would have been as nothing without the support and encouragement of Ecommerce Europe, which commissioned our work, in partnership with EuroCommerce. Our thanks to both organisations. In addition, I would like to salute the hundreds of fact-checkers, question-askers, interviewees, advice-givers across European ecommerce associations, whose work has immeasurably improved this report. The responsibility for any errors or gaps lies with us, and we would welcome your questions, corrections and ideas for 2021.

Ian Jindal, CEO, RetailX



IAN JINDAL
CEO, RetailX

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A WORD FROM ECOMMERCE EUROPE



LUCA CASSETTI, DIRECTOR OF EU PUBLIC AFFAIRS AT ECOMMERCE EUROPE, OUTLINES HOW THE COVID PANDEMIC IS ALREADY LEADING TO RADICAL CHANGES IN THE EUROPEAN ECOMMERCE SECTOR

As the sole European association representing the digital commerce sector in Europe, Ecommerce Europe would like to thank our new partner RetailX for having prepared this report and all the sponsors for their support. This report comes at a difficult time, full of uncertainties for citizens and businesses all over the world due to the Covid-19 pandemic that started earlier this year. The European B2C ecommerce turnover is still forecasted to grow at around XX% and to hit XXX billion euros in 2020, although the full impact of the Coronavirus outbreak on the sector is still largely unknown and will be assessed in next year's report. It can already be predicted that specific segments of the industry will see an even further growth in 2020. However, the estimation should also take into account the severe drop in online service sales such as for events and tourism industries.

The Covid-19 outbreak has had a significant impact on the retail sector. In these past difficult months, ecommerce has proven to be crucial for the continuation of economic activities in Europe. Consumers have turned to ecommerce to continue safely accessing products while their countries implemented very strict, vital lockdown measures. With a greater need for ecommerce services came a greater demand, leading to increased sales in some sectors, but also to strains on the supply chain and delivery channels. The sector has proven resilient, this crisis has accelerated the digital transformation of many businesses and the development of new omnichannel commerce solutions.

The current health crisis has exposed that further policy work on the EU Single Market is required. Various digital-related topics are being placed on the political agenda at an accelerated pace, including the need to restore the European economies more sustainably. While the Covid-19 crisis has revealed the strengths of the Single Market, it has also highlighted its weaknesses. Given the increasing cross-border nature of ecommerce, European businesses have struggled to implement new solutions across the Union due to regulatory fragmentation and diverging approaches towards the crisis. These times have been difficult for companies but

have also sparked creativity amongst merchants. To allow innovation and stimulate digital and sustainable development, the EU should continue to remove the remaining barriers for European businesses to expand cross-border. Now more than ever, companies in Europe need the support of the European Union to be able to compete on an increasingly competitive global market.

To build on the growth of the sector identified in the report and to anticipate the potential further impact of the Covid-19 crisis, Ecommerce Europe identifies several key policy objectives for the next years. EU policymakers should seize the opportunity to create a truly harmonised Single Market and a favorable environment for European omnichannel sellers to flourish, where rules are also enforceable towards non-EU competitors operating in the Union. In addition, as currently European economies need to be rebuilt, measures to support digital innovation and sustainable solutions should be part of the recovery.

Ecommerce Europe: The European Digital Commerce Association

Ecommerce Europe is the sole voice of the European digital commerce sector. Through its 24 national associations, Ecommerce Europe represents more than 100,000 companies selling goods and services online to consumers in Europe. European merchants still face difficulties when selling online, specifically cross-border. Ecommerce Europe acts at European level to help legislators create a better framework for online merchants, so that their sales can grow further. We are the European platform for digital commerce, where national associations, company members and suppliers can:

- Create a better regulatory framework that can foster online sales at all levels, both domestically and cross-border;
- Network and share best practices, exchange information and knowledge on issues concerning their business;

- Work towards promotion, professionalisation and self-regulation the digital commerce industry, thanks to projects like the Ecommerce Europe's Trustmark.

Ecommerce Europe's Public Affairs Activities

Ecommerce Europe represents the interests of online merchants vis-à-vis European legislators. Our advocacy activities focus on the following main pillars:

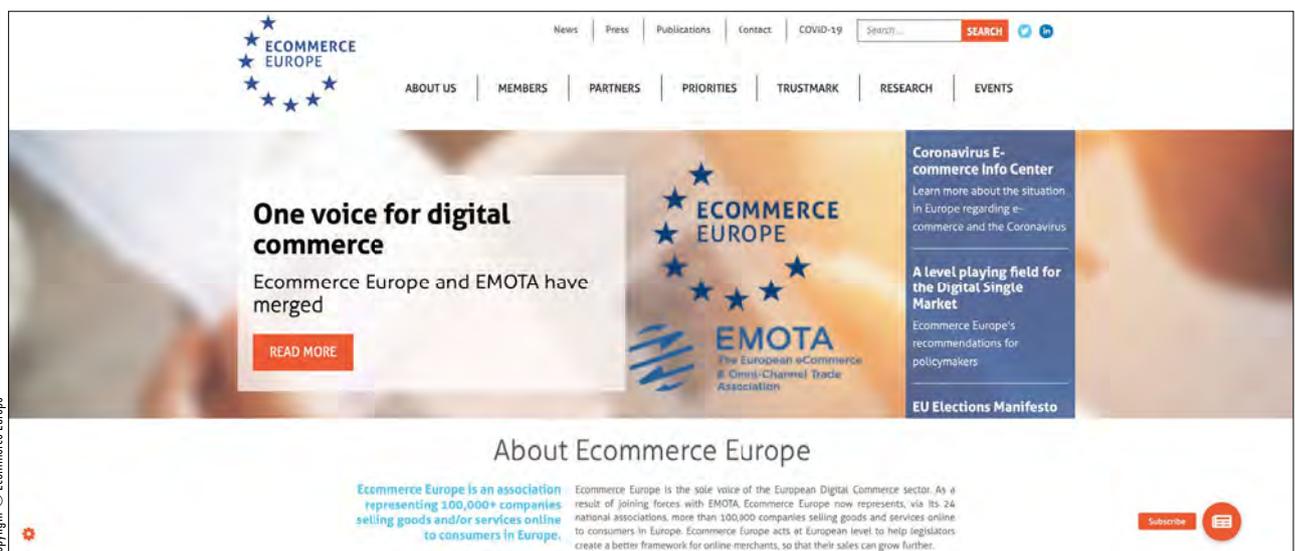
- Digital Regulations
- Digital Transactions and Innovation
- Logistics & parcel delivery
- Sustainability
- Platforms
- Trust (Ecommerce Trustmark)

These pillars are translated into Working Committees that are managed by the Brussels Secretariat. Members of Ecommerce Europe can participate in the committees to discuss and further develop the positions of association on a wide range of topics. These meetings are also the occasion to get informed, share best practices and discuss obstacles merchants face in their daily ecommerce operations in several countries. Ecommerce Europe translates the outcome of the Working Committees into policy recommendations for legislators on how to make it easier for merchants to sell online, especially cross-border. At the same time, we translate what comes from the European Union into practical information that is vital for online merchants' daily activities.

How to get involved

Ecommerce Europe welcomes national ecommerce associations and companies selling goods and/or services online to consumers as members. Furthermore, we welcome preferred suppliers to the European ecommerce industry and other related organisations (i.e. NGOs, other associations, with a strong affiliation to ecommerce). Members and partners of Ecommerce Europe can benefit from a wide range of services. For instance, they get access to important information about changes impacting their businesses, they can benefit of practical tools (i.e. factsheets, Q&As) to help them comply with new rules, they can influence EU legislation, they can share and exchange knowledge with other stakeholders, network with peers and boost their visibility at events and workshops organised by Ecommerce Europe.

If you would like to get involved with Ecommerce Europe or one of our national associations, please visit our website www.ecommerce-europe.eu or send us an email at info@ecommerce-europe.eu.



Caption here

A WORD FROM EUROCOMMERCE



CHRISTIAN VERSCHUEREN, DIRECTOR-GENERAL OF EUROCOMMERCE, OFFERS HIS THOUGHTS ON THE SHAPE OF A EUROPEAN RECOVERY IN THE WAKE OF THE COVID PANDEMIC

EuroCommerce, the European voice of the retail and wholesale sector, is proud to support the *European Ecommerce Regional Report* again this year. 2020 will go down in history as a year of a virus that knew no boundaries. In just a few weeks, the Covid-19 pandemic has had a massive impact on the whole of the European economy, and the retail and wholesale sector. On the one hand, businesses delivering essential items such as food or pharmaceutical products have been under pressure to maintain continuity of supply against extraordinary levels of demand, but also faced increased costs. On the other hand, non-food retailers and many wholesalers, who closed down by government order or by plummeting demand and restrictions to the movement of people, have suffered dramatically.

The crisis has also created lasting changes in consumer behaviour – or at least accelerated trends which were already present, as people have got a lot more used to Ecommerce. Online sales of food and groceries have risen very fast and online sellers have had to turn away new customers. For example, in the United Kingdom, a study has predicted that the online grocery market will grow by 33% in 2020 compared to the previous year.

Regarding non-food online sales, certain product categories relating directly to confinement, such as entertainment electronics, computers and printers, have seen an important increase; others not, as the low consumer confidence and fear of unemployment have held people back from buying other goods. It is, however, now clear that online adoption will continue to accelerate beyond the crisis.

Overall, our sector will face a severe recession this year, and possibly next. Our German member has undertaken a study predicting 50,000 store insolvencies this year in Germany alone. According to our own research at the European scale, we forecast very preliminary estimated annual sales losses in non-food retail across the EU to be around €250-320bn, which would lower annual turnover by 16-20 % compared to 2019. But retailers and wholesalers will adapt and in the long term meet those challenges head-

on. Retail has always been anticipating or reacting quickly to change and will go on doing so. As a consumer-facing industry, change is not a choice, it is a matter of survival.

EuroCommerce has set out to the European Commission several priorities central to Europe's economic recovery. These include:

- Stimulating consumption to allow consumers to help refloat the economy
- Seizing the opportunity to create a properly working single market and pursuing the industrial strategy aim of tackling the many barriers to providing goods and services seamlessly across Europe
- Dealing with discriminatory legislation in some countries and linking aid to countries to respect of European legislation, values and the rule of law
- Supporting companies in accelerating their digital and sustainability transition as a spur to new economic activity
- Pushing to keep international markets open and to avoid pressure to close down our market. World trade may decline by 30% this year, and continued undermining of the global trading system will harm Europe as a major exporter, as well as deprive industry and consumers of the products they need

EuroCommerce: The European Voice of the Retail and Wholesale sector

EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 31 countries and 5.4m companies, both leading global players such as Carrefour, Ikea, Metro and Tesco, and many small businesses. Retail and wholesale provide a link between producers and 500m European consumers over a billion times a day. The sector generates one in seven jobs, providing a varied career for 29m Europeans, many of them young people. It also supports

millions of further jobs throughout the supply chain, from small and local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector. ■

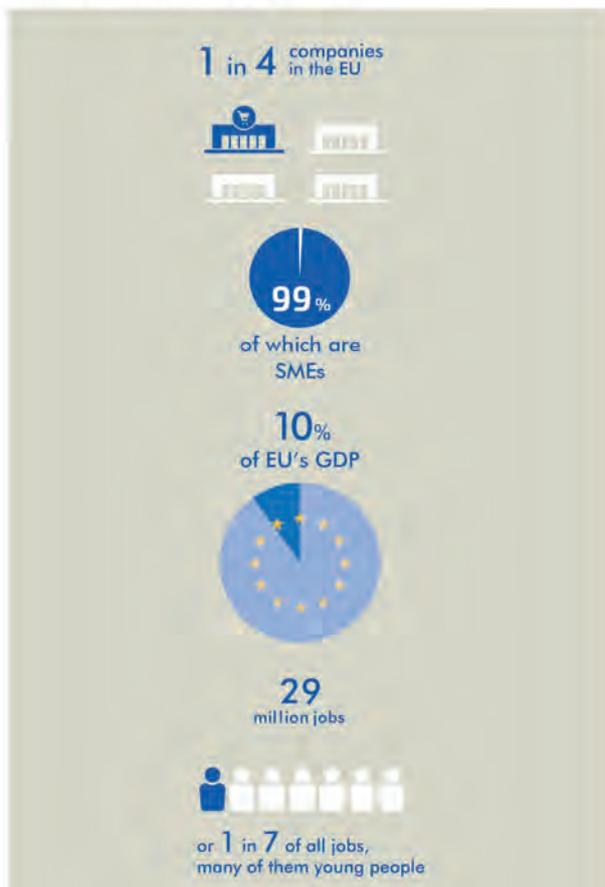
EuroCommerce stands for...

fair, competitive & sustainable retail and wholesale in Europe

Our mission is ...

- ▶ **Bringing together** a board diversity of associations and companies under one roof
- ▶ **Informing** about EU policy and legislation
- ▶ **Advocating** with a unified voice for policy and legislative outcomes in line with what we stand for
- ▶ **Communicating** about contribution of commerce to society and the European economy

Retail & Wholesale at a glance...



Our goals for the next 3 years...

- Building a successful **data economy** in Europe
- Securing **fair competition** and freedom to do business
- Safeguarding **open markets** in and outside the EU
- Supporting a sector committed to people and **sustainable living**

Our Roles...

- 1 EU advocacy and intelligence
- 2 Research, learnings and thought leadership
- 3 Exchange and networking
- 4 Positive communication and sector reputation

We are EU policy specialists in ...

Supply Chain & Economics	Data & Privacy	E-commerce & Payments	Environment & Sustainability	Single Market
International Trade	Food & Non-Food Products	Jobs & Skills	Consumer Rights	Taxation

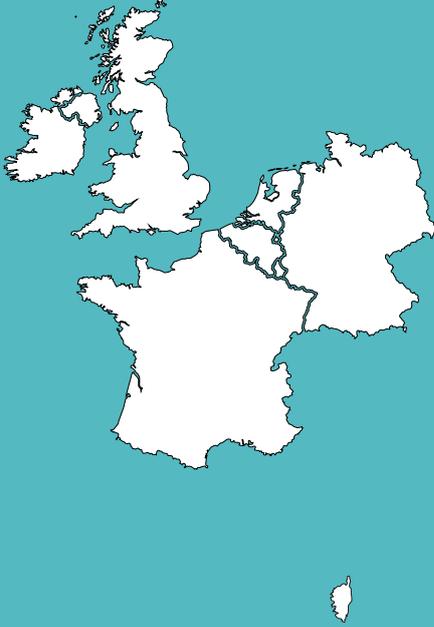


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ECOMMERCE EUROPE MEMBER ASSOCIATIONS

Many thanks to the Ecommerce Europe associations that contributed their data and expertise to this report

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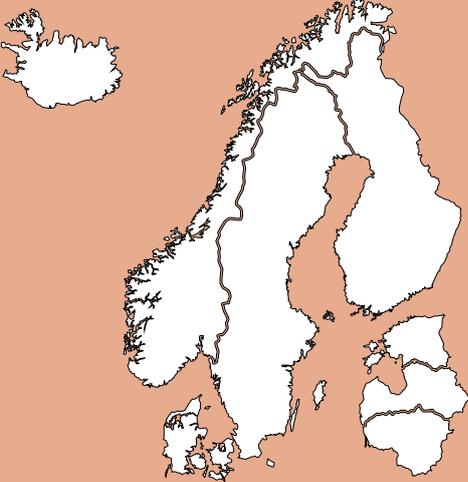


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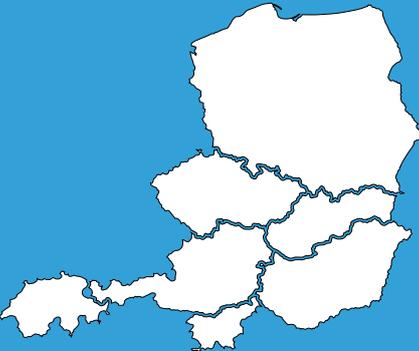


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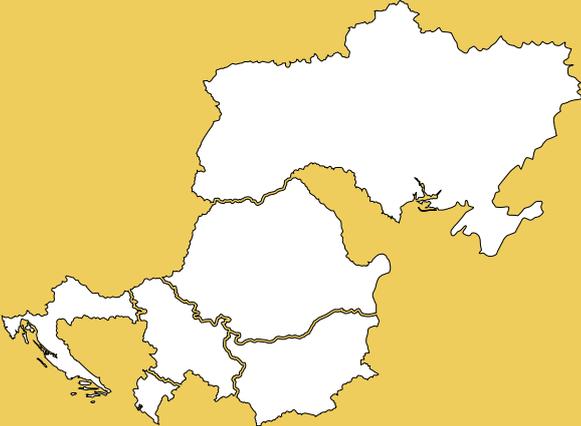


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EUROPEAN MARKET OVERVIEW

FOR ANY ECOMMERCE BUSINESS LOOKING TO EXPAND, EUROPE, WITH HIGH POPULATION DENSITIES AND FAST INTERNET AS WELL AS TRANSPORT LINKS, HAS ALWAYS BEEN AN OBVIOUS CHOICE. YET REGIONAL DIFFERENCES MEAN IT OFTEN NEEDS TO BE VIEWED NOT AS A SINGLE MARKET, BUT AS MANY INTERLINKED ONES

Europe's vibrant, fast-moving market, with an ecommerce-savvy customer base and both established and emerging ecommerce regions make it a market of huge contrasts. Knowing and understanding the complexities of these very different markets and consumers is key to success at a time when retailers are working on post-Covid-19 recovery and expansion.

Containing some of the world's leading ecommerce nations, Europe not only offers expansion opportunities but also, in regions and countries where ecommerce is at its most sophisticated, the chance to witness best practice in action. Meanwhile, those countries whose ecommerce landscape is still maturing offer potential for businesses willing to take greater risks to get ahead in less established but faster-growing markets.

Ecommerce in Europe, across 34 countries and five geographical regions within our analysis, has thrived as the continent's population has looked to shop more and more online. Nearly nine in 10 (87%) of Europe's 578m inhabitants access the internet. Of these, more than two-thirds (67%) shopped online in 2019, a figure that continues to grow.

Europe's population has plenty of money to spend, with Europe's overall GDP totalling more than €13tn in 2019. Of this, B2C ecommerce accounted for 4.78% in 2019. Business-to-consumer (B2C) ecommerce spend is growing, with consistent double-digit figure rises year on year. It's predicted to rise 12.72% to hit €717bn in 2020 but the reality is that Covid-19, which has pushed offline spend online as well as encouraging new consumers, will mean those are figures likely to rise significantly over the coming months.

A market of many differences

Although the overall picture of Europe is one of a mature ecommerce market, it's wrong to assume that such trends apply uniformly across different regions and countries. Maturity of markets and the habits of consumers vary hugely, so understanding the complexities and peculiarities of each market is essential for success. This is not the time to expand without thorough research.

The contrast between Western Europe and Central Europe is revealing. Western Europe is the most mature ecommerce market in Europe, with the United Kingdom leading the way. In 2019, 83% of Western Europe's internet users were e-shoppers, a figure

only 10% less than the total percentage of internet users across Europe. Western Europe also dominates in terms of the share of ecommerce spend, with 70% of Europe's B2C ecommerce turnover taking place in this region.

Compare this to Eastern Europe, where of the region's 76% internet users, only 36% shopped online in 2019. It's clear that behaviour here is very different, yet the opportunities are huge. Eastern Europe accounts for only 1% of Europe's B2C ecommerce spend but its turnover growth rate is highest of the five regions, at 26.55%.

Within these two areas of Europe, the contrast is even more obvious when looking on a country-by-country basis. In the United Kingdom, 91% of internet users shop online. At the other end of the scale, only 29% of internet users in Romania do so. The graphs on page 22 of this *Europe 2020 Ecommerce Region Report* show how a wide range of ecommerce turnovers, growth rates and levels of E-GDP vary from country to country.

Shoppers also behave very differently on an individual country level. We explore this behaviour in terms of frequency of purchases and their tendency to purchase either in-country or cross-border on pages 23-25.

Delve into the individual country pages in this report and you can see just how stark some of the differences are, in everything from what consumers buy to whether they buy from retailers, brands or marketplaces.

A renewed focus on the basics

The speed at which consumer demand shifted online during Covid-19 saw retailers forced to respond quickly. Agility has been essential and we have seen unprecedented change as many retailers have adjusted business and operational models to cope with changes that would have traditionally required years of planning.

Covid-19 has also put a renewed focus on the efficiency of supply and delivery routes, something we explore in our infrastructure and logistics section. We show the markets that are pushing ahead on the physical, digital and business infrastructures that our increasingly digital world demands.

One of the big social changes to emerge from the coronavirus pandemic has been a focus on the natural world. As humanity locked down and paused during lockdown, many global



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Over the pages of this report, we compare and contrast Europe five regional markets, outlined in different colours above

consumers took stock of their surroundings, reduced their reliance on powered transport and vowed to opt for a simpler, more basic life.

Although the environment has been an influencing factor in retail for some time, consumers are likely to become even more demanding that retailers deliver on sustainability and renewable energy, which translates into more sustainable methods of transportation. Given that the five countries in the world with the highest proportion of renewable energy are in Europe, this bodes well for the region and we explore this trend throughout the report, not least in our conversations with ecommerce leaders in different European countries (see the Voices of Europe interviews that begin on page 112).

Looking ahead

As well as understanding varying levels of spend, consumer behaviour also varies in everything from frequency of purchases and whether they purchase nationally or cross border as well as their comfort in doing so, explored in pages 23-25.

Retailers have many challenges to face as they look to the future. Until earlier this year, the complexities of Brexit and the new rules of cross-border trade after the UK's departure from the EU appeared to be the most daunting. These are factors that remain unresolved.

For the second half of 2020, the most essential task is getting back to life after Covid-19. There has never been a more important time to understand in detail the varying preferences and trends that are evident across Europe. Yet despite the pandemic, Europe will remain a vibrant and strong market with growth opportunities still available for exploration.

It's important to remember that we are at a point of huge change. The data within this report gives us a privileged insight into behaviour and trends of consumers across Europe. With increasingly omnichannel, omni-border consumers ready to engage with ecommerce, it's up to retailers to quickly adapt to all these changes and to embrace the opportunities Europe still offers, allowing forward-looking retailers to emerge fitter and stronger than ever before. ■

2021 IN FOCUS

WE LOOK AHEAD TO CONSIDER WHAT ISSUES ARE LIKELY TO AFFECT THE ECOMMERCE SECTOR IN THE NEXT 12 MONTHS TO THE SUMMER OF 2021

Every year, the European ecommerce market continues to grow as more consumers decide to purchase online. Here, we consider how these growth trends will play out in the future, as well as looking at ecommerce issues surrounding technology, innovation and the customer journey. We should begin by noting that our research for the 2020 report began as normal but shortly into the year, we realised that the Covid-19 pandemic was challenging all of our assumptions about how ecommerce might develop over the next year and beyond.

Covid-19

Covid-19 is changing the way that European retailers and consumers engage in ecommerce to such an extent that the results of the pandemic will prove to be long-lasting. Since the country-by-country lockdowns began, European ecommerce markets have collectively seen an increase in shopping online for groceries – a product category not typically purchased online, even in the most mature ecommerce markets. Yet fashion sales have decreased in most markets and (as of July, when this was being written) have still not caught up to where they once were in terms of online turnover.

With online sales shifting so drastically, the ripple effects on the ecommerce market have been substantial. Traditional brick and mortar retailers quickly realised that if they wanted to stay afloat during the lockdown, they needed to go online, yet even so, many shops (both physical and online) were forced to close due to decreased sales.

As countries began closing their borders to both people and goods, logistics were seriously disrupted, both in delivery of goods to consumers and also throughout the entire supply chain for retailers (specifically those with international supply chains – covered more in the interview with Stan de Caluwe from the Holland International Distribution Council on page 176). With these new-found logistics issues, consumers restricted to their homes started to look more towards buying locally, not only to overcome these disruptions but also to support local businesses that are struggling.

Clearly the ecommerce landscape has changed for retailers but consumers are also changing both in mind and purchasing. The population least likely to shop online – those aged 65-plus – realised that buying groceries online was the only option during a time where they were most vulnerable and had been urged to stay home. Typically, the reasons that consumers tend to cite for opting not to shop online are lack of digital skills,

distrust in online shopping payment and/or delivery and concerns about security and data protection. First-time buyers are realising (particularly in mature ecommerce markets) just how convenient online shopping is and will continue to be, regardless of whether a global pandemic compels them.

Covid-19 is not only impacting how retailers sell online, it's also affecting what they sell online. Some of the top brands in Europe decided to shift manufacturing to masks and medical equipment in response to the pandemic, which has had a positive impact on their image in addition to the availability of PPE. However, the pandemic has also given rise to counterfeit medical equipment being sold online, which remains a weak point in ecommerce (covered more in the interview with Daniel Bennet of Corsearch, page 174).

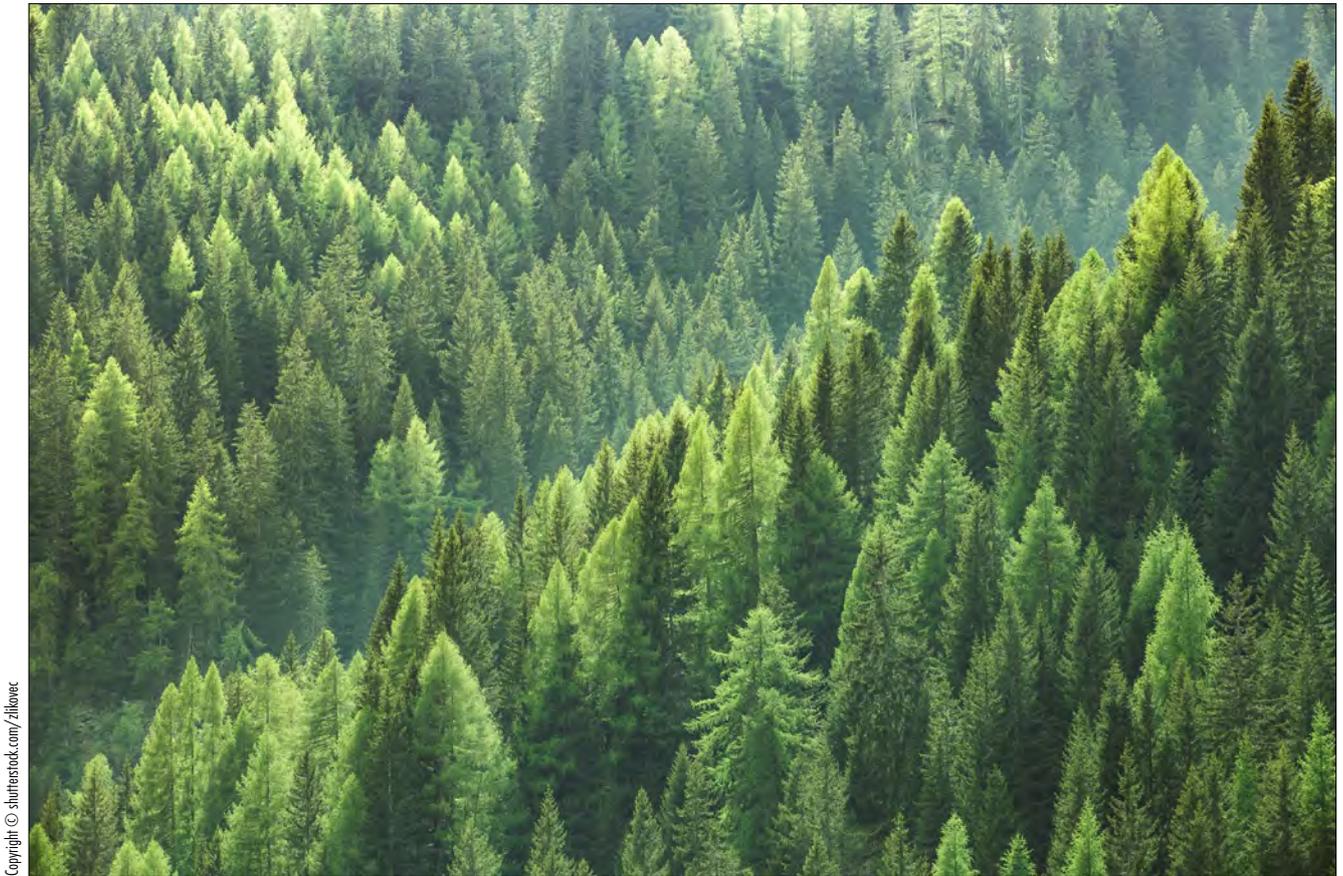
This crisis is currently the main thing on everyone's mind, yet the key retail takeaway from it is that ecommerce is now being seen not just as a viable option for both retailers and consumers, but also as something that's truly convenient and safe. This mentality is something many ecommerce associations have been working tirelessly to get retailers and consumers to adopt, yet it appears to have happened overnight due to this crisis.

It must be stated that despite any ecommerce 'positives' that have come out of the Covid-19 pandemic, the social and human 'negatives' of course outweigh them. Nevertheless, we set out to understand the impacts of coronavirus on ecommerce and the positives have included consumer/retailer mentality shifts, more webshops going online and a better understanding of where ecommerce logistics need improvement. On the retail downside, there have been decreased online sales for certain sectors as well as webshops and physical stores closing.

Sustainability

Sustainability refuses to be overshadowed by the coronavirus and it remains a hugely important topic for many European markets. Looking into the future of ecommerce,, it cannot be overstated how many consumers are thinking about sustainability with the purchases they make online, surrounding not only the ethical/sustainable quality of products (and often the webshop's mission), but also the packaging and delivery of the products they order (read more on this in the interview with Erik Ankoné from Revolte Studio, page 178).

The most progressive policies, and indeed consumer/retailer ideologies, surrounding sustainability can be found in the Nordic countries, where legislative attempts have been made



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With concerns over the environmental impact of ecommerce affecting consumer choices, retailers need to show they are listening

to maintain the compromise between a globalised fair market and the potential negative impacts of unfettered trade. These ideas are spreading throughout Europe and we can already witness the shift occurring.

Beginning in the Nordics, Western Europe is not far behind in legislation around sustainability, as well as the changing consumer mentality. Ask ecommerce associations in the Nordics and Western European countries how consumers feel about the topic and most would say that it is very important for consumers, so must be something that retailers need to consider more.

On the other hand, with many markets still developing, Eastern European consumers have not yet shifted their focus so much to sustainability. Perhaps they are more interested in first getting their feet wet in ecommerce before thinking about its perceived unintended consequences.

Looking forward, ecommerce is continuing to grow in European countries and the two topics to look out for over the next 12 months will be the impacts and ripple effects of Covid-19 alongside sustainability and consumer/legislative demands. In the past few years, the conversation has surrounded issues such as Brexit and GDPR (amongst other topics), but this year, the conversations between consumers, retailers, logistics providers, governments and every stakeholder in between will be Covid-19 and sustainability. ■

MARKET OVERVIEW: EUROPE

The charts and figures in this section give a brief introduction to the European countries covered in this report, including such metrics population, GDP, internet use, and an outline of which countries are in the EU/EEA/Eurozone. Europe is a highly digitalised society with 87% of its 578 million inhabitants accessing the internet. Post-Brexit, the European Union consists of 27 countries, and there are particular similarities in consumer expectations and merchant requirements in these nations. With a total GDP of more than €13tn, Europe is a lucrative market to consider when expanding cross-border online.

GDP

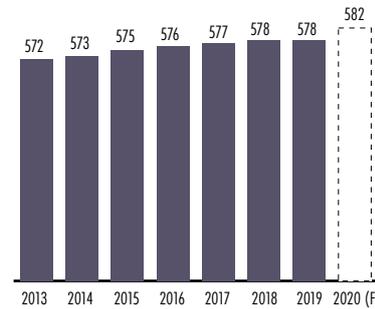
Gross Domestic Product (GDP) in €BN, with GDP per capita in €

	GDP (€BN)	GDP PER CAPITA
2015	€12,105	€27,780
2016	€12,096	€28,187
2017	€12,435	€29,482
2018	€12,749	€30,369
2019	€13,316	€31,397
2020 (F)	€13,887	€32,128

SOURCE: QUANDL, IMF

POPULATION OF EUROPE, MILLIONS

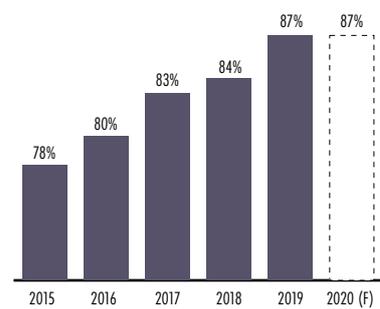
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

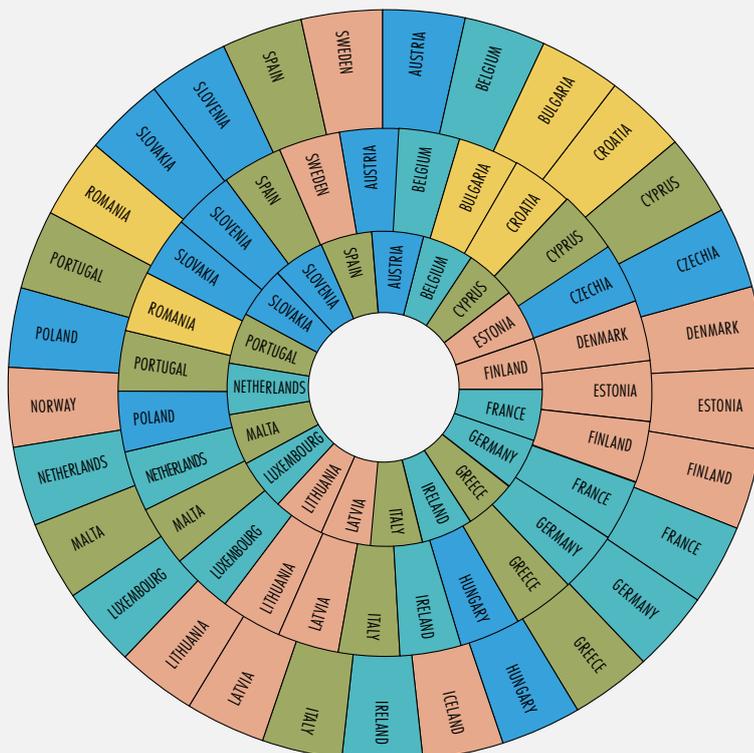
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

EUROPE'S COUNTRIES:

There are 19 countries in the Eurozone using the euro. There are 27 countries in the European Union (EU), which is both a single market and a political and economic union. There are 30 countries in the European Economic Area (EEA), which includes Norway in the single market but independent from the European Union.



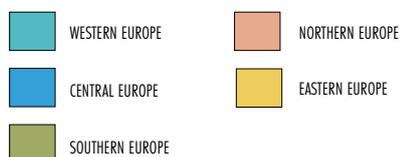
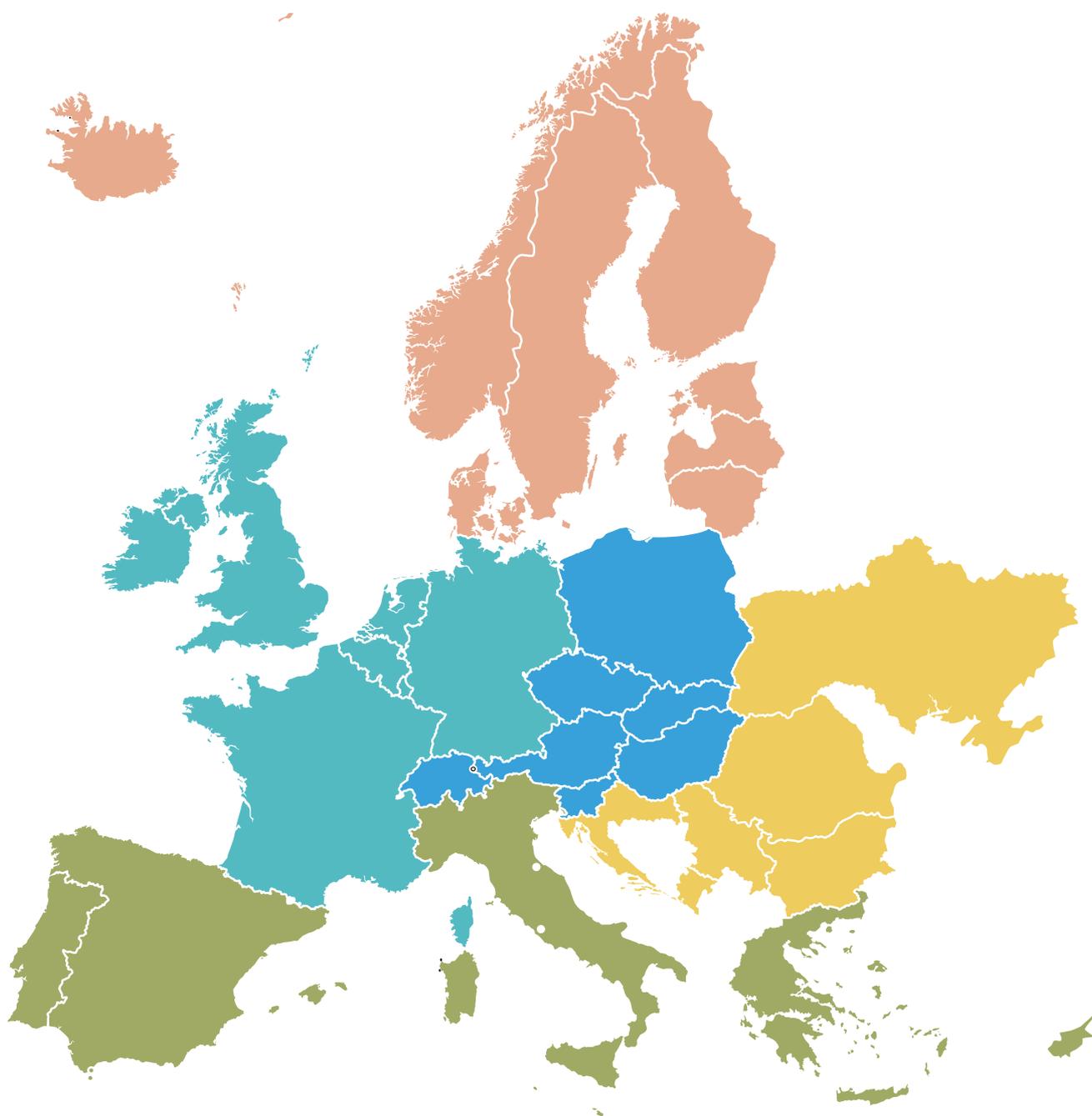
KEY

- INNER RING: EUROZONE
- MIDDLE RING: EUROPEAN UNION
- OUTER RING: EUROPEAN ECONOMIC AREA (EXCLUDING LIECHTENSTEIN)

SOURCE: RETAILX ANALYSIS

EUROPE'S ECOMMERCE REGIONS

The 2020 Europe Ecommerce Report includes 34 European countries separated into different regions based on several factors including market size, population, location, etc. The regions below encompass the countries shown on this map throughout the entirety of the report.



MARKET OVERVIEW: INFRASTRUCTURE & LOGISTICS

Europe is consistently home to some of the highest-ranking countries in infrastructure and logistics performance indices around the world. In 2017, the EU's physical infrastructure counted for more than 217,000km of railways, 77,000km of motorways, 42,000km of inland waterways, 329 key seaports and 325 airports.¹ The Trans-European Transport Network (TEN-T) is one of the more recent policy initiatives to develop and implement a Europe-wide network of railway lines, roads, inland waterways, maritime shipping routes, ports, airports and railroad terminals.

In the Logistics Performance Index, Germany is ranked first in the world, followed by Sweden in second place, Belgium in third, Austria in fourth, and the Netherlands in sixth. Another revealing infrastructural ranking is the Universal Postal Union Reliability Ranking, in which Switzerland is first in the world, followed by the Netherlands in second place, Germany in third, France in fifth and Austria in sixth.

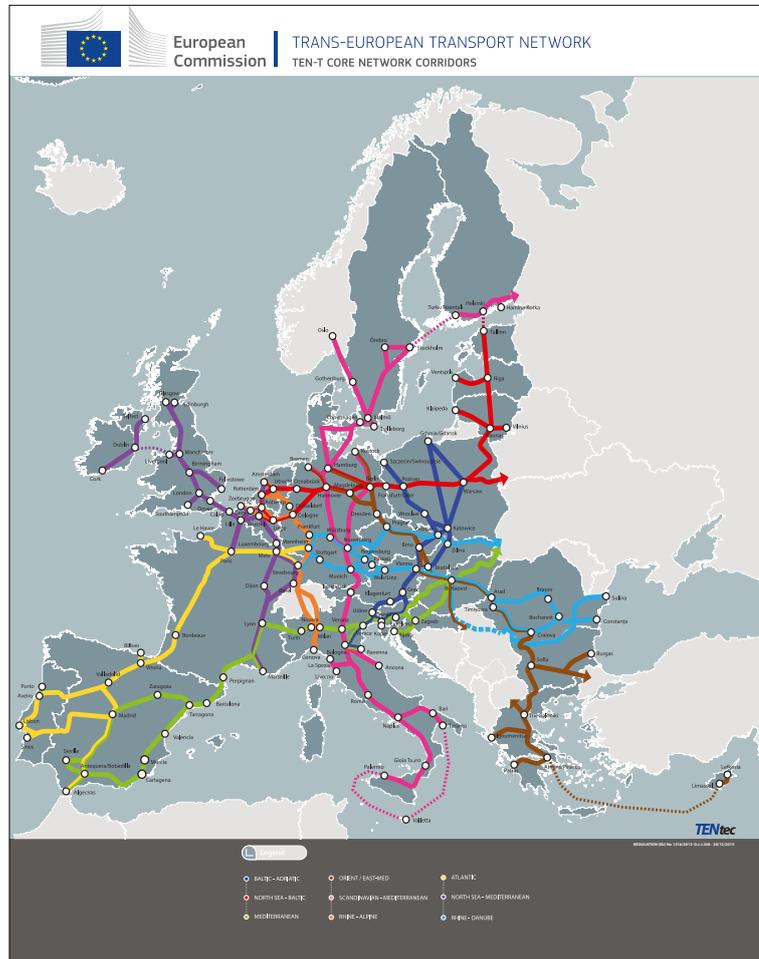
DIGITAL AND BUSINESS INFRASTRUCTURE

The European Union, alongside the United Nations, has consistently had the goal of increasing digitalisation throughout Europe, including increased Internet access and creating a fair, competitive digital economy. There are three indices we use to benchmark European countries in this arena, the Ease of Doing Business Index, the E-Government Development Index and the Inclusive Internet Index.

In the Ease of Doing Business, first through third place are held by countries outside of Europe, however fourth place is held by Denmark, followed by the United Kingdom in eighth place, Norway in ninth, Sweden in 10th and Lithuania in 11th. The E-Government Development Index lists Denmark in first place followed by the United Kingdom in fourth, Sweden in fifth, Finland in sixth and France in ninth. The Inclusive Internet Index ranks Sweden at number one, Denmark in fourth place, the United Kingdom in eighth, France in ninth and Spain in 10th.

SUSTAINABILITY AND RENEWABLE ENERGY

European countries also continue to rank highest in terms of renewable energy, which translates into more sustainable methods of transportation. In fact, the top five countries with the highest proportion of renewable energy are in Europe.² The European Union has also made EU-wide policy initiatives tackling climate change a priority, including the European Green Deal. The goal of the European Green Deal is to make the EU climate neutral by 2050, requiring substantial efforts from all EU countries towards more sustainable solutions and innovation.³



SOURCE: EUROPEAN COMMISSION

1. European Commission, 2020. Retrieved from https://ec.europa.eu/transport/themes/infrastructure_en

2. Compare the Market, 2020. Retrieved from <https://www.comparethemarket.com/energy/content/24-hours-of-energy/>

3. European Commission, 2020. Retrieved from https://ec.europa.eu/commission/presscorner/detail/en/ip_20_335

DEFINITIONS

Logistics performance index: LPI measures performance along the logistics supply chain within a country

Ease of doing business index: A high Ease of Doing Business ranking means the regulatory environment is more conducive to the starting and operation of a local firm

E-government development index: The E-government Development Index measures the willingness and capacity of national administrations to use information and communication technologies to deliver public services

Inclusive internet index ranking: Benchmark based on internet availability, affordability, relevance and the readiness of people to use it

Universal postal union reliability score ranking: Comparative indicator of postal development around the world, based on reliability, reach, relevance, and resilience.

SOURCE: WORLDBANK, UNITED NATIONS, THE ECONOMIST INTELLIGENCE UNIT, UNIVERSAL POSTAL UNION

INFRASTRUCTURE AND LOGISTICS RANKINGS OF EUROPEAN COUNTRIES

Rankings **highlighted** are leaders among the 34 countries covered in the report

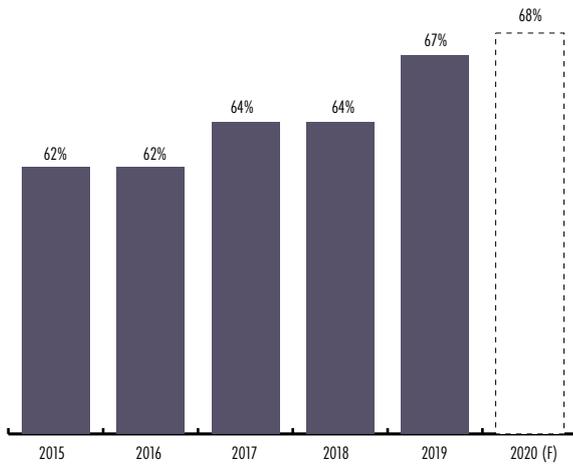
COUNTRY	LOGISTICS PERFORMANCE INDEX RANKING	EASE OF DOING BUSINESS INDEX RANKING	E-GOVERNMENT DEVELOPMENT INDEX RANKING	INCLUSIVE INTERNET INDEX RANKING	UNIVERSAL POSTAL UNION RELIABILITY SCORE RANKING
Austria	4	27	20	16	6
Belgium	3	46	27	21	12
Bulgaria	52	61	47	31	34
Croatia	49	51	55	36	36
Cyprus	45	54	36	N/A	35
Czechia	22	41	54	N/A	17
Denmark	8	4	1	4	56
Estonia	36	18	16	12	28
Finland	10	20	6	N/A	24
France	16	32	9	9	5
Germany	1	22	12	18	3
Greece	42	79	35	40	42
Hungary	31	52	45	32	41
Iceland	40	26	19	N/A	85
Ireland	29	24	22	18	14
Italy	19	58	24	21	13
Latvia	70	19	57	48	55
Lithuania	54	11	40	30	30
Luxembourg	24	72	18	N/A	63
Malta	69	88	30	N/A	58
Netherlands	6	42	13	23	2
North Macedonia	81	17	79	N/A	48
Norway	21	9	14	N/A	23
Poland	28	40	33	11	11
Portugal	23	39	29	24	43
Romania	48	55	67	20	50
Serbia	65	44	49	N/A	40
Slovakia	53	45	49	28	20
Slovenia	35	37	37	N/A	32
Spain	17	30	17	10	38
Sweden	2	10	5	1	19
Switzerland	13	36	15	N/A	1
Ukraine	66	64	82	N/A	37
United Kingdom	9	8	4	8	7

ECOMMERCE OVERVIEW

The graphs and figures below give insights into the European ecommerce market, including the share of the population shopping online and the total B2C ecommerce market size.

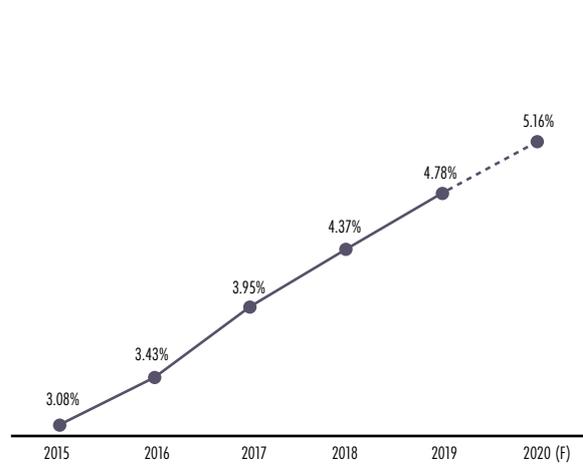
The majority of Europeans have shopped online (67%) and that figure has continued to rise since 2015. Additionally, B2C ecommerce turnover is estimated to hit €717bn in 2020 and accounts for 5.16% of total GDP. Ecommerce turnover continues to grow at a steady rate of more than 12% and is likely to be even higher than projected in 2020 due to the unprecedented impacts of the Covid-19 pandemic, which has led to many people shopping online for the first time.

E-SHOPPERS, EUROPE



SOURCE: EUROSTAT

E-GDP, EUROPE



SOURCE: RETAILX ANALYSIS

B2C ECOMMERCE TURNOVER AND GROWTH RATE IN €BN, EUROPE

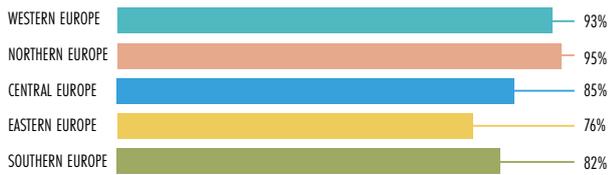


SOURCE: NATIONAL ECOMMERCE ASSOCIATIONS, STATISTA, RETAILX ANALYSIS

ECOMMERCE OVERVIEW: BY REGION

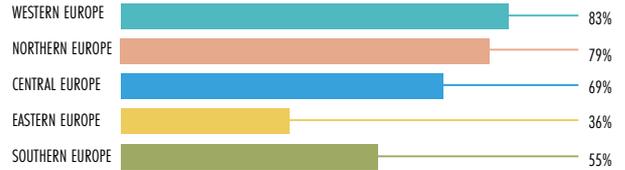
Ecommerce adoption and turnover differs by region and country. The following graphs show the differences between Europe's regions in terms of internet use, adoption of online shopping and B2C ecommerce turnover. Western Europe is the most mature ecommerce market in Europe with 70% market share of total B2C online turnover and the highest amount of e-shoppers (83%). Southern Europe has 15% market share of total B2C online turnover and the highest e-GDP (7.69%).

INTERNET USERS BY REGION, 2019



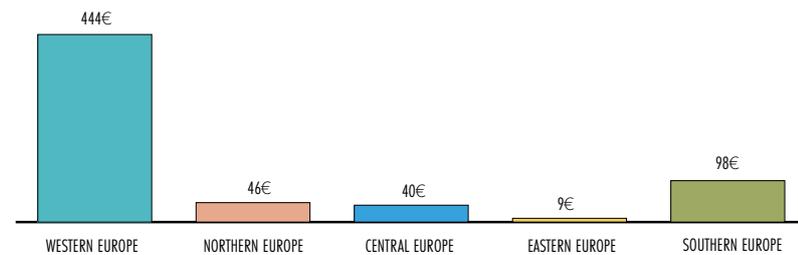
SOURCE: EUROSTAT

E-SHOPPERS BY REGION, 2019



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER BY REGION, 2019

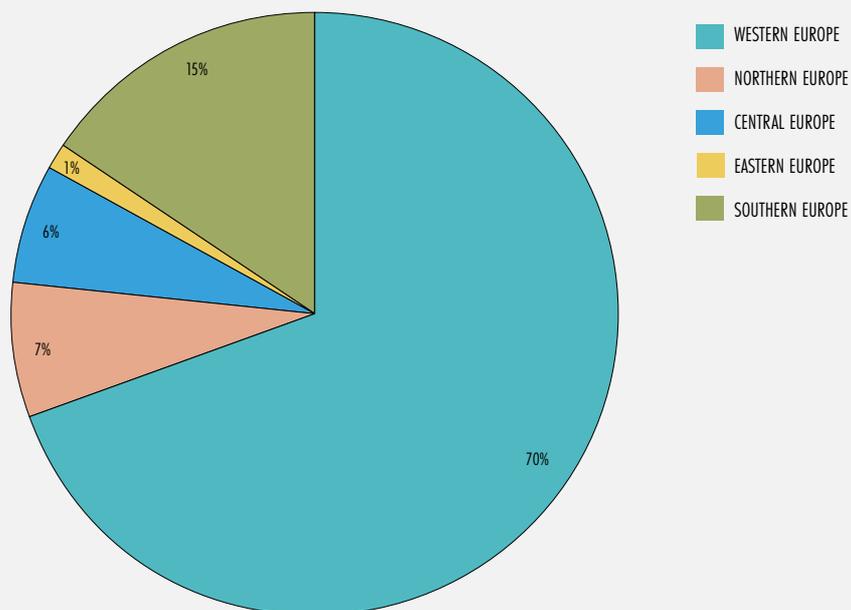


SOURCE: RETAILX ANALYSIS

REGION	B2C ECOMMERCE TURNOVER GROWTH RATE, 2019	E-GDP
Western Europe	12.59%	4.41%
Northern Europe	12.29%	6.00%
Central Europe	12.77%	3.91%
Eastern Europe	26.55%	4.58%
Southern Europe	22.49%	7.69%

SOURCE: RETAILX ANALYSIS

SHARE OF TOTAL EUROPEAN ECOMMERCE TURNOVER BY REGION, 2019

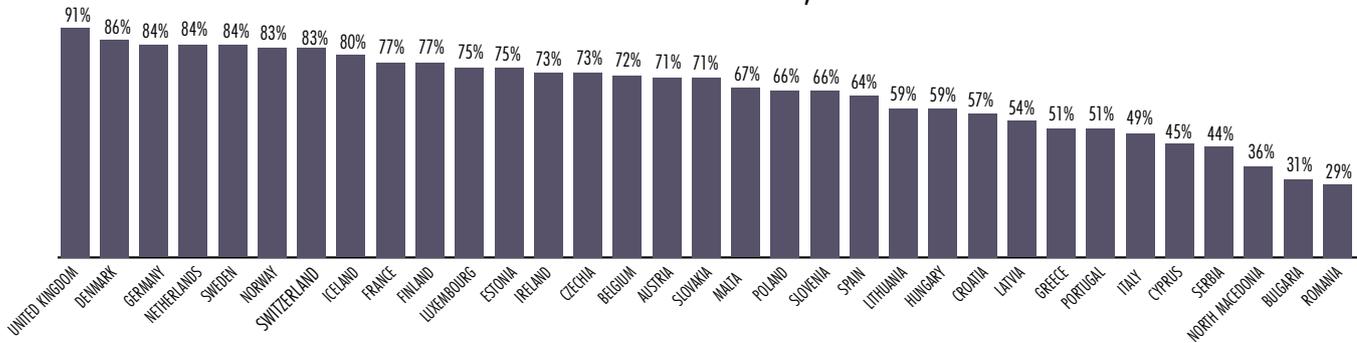


SOURCE: RETAILX ANALYSIS

ECOMMERCE OVERVIEW: BY COUNTRY

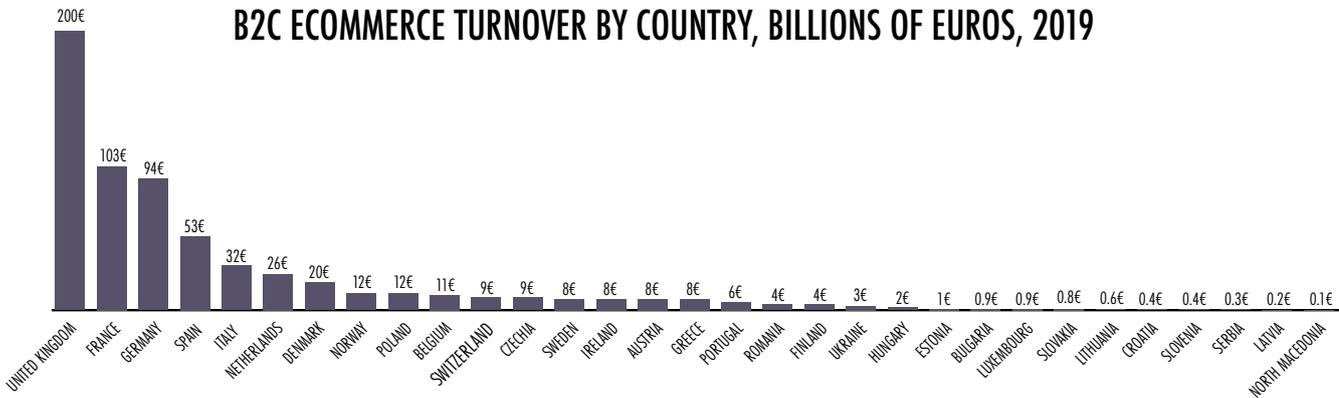
Over the following pages we explore key ecommerce figures in each European country along with specific consumer behaviours

E-SHOPPERS PER COUNTRY, 2019



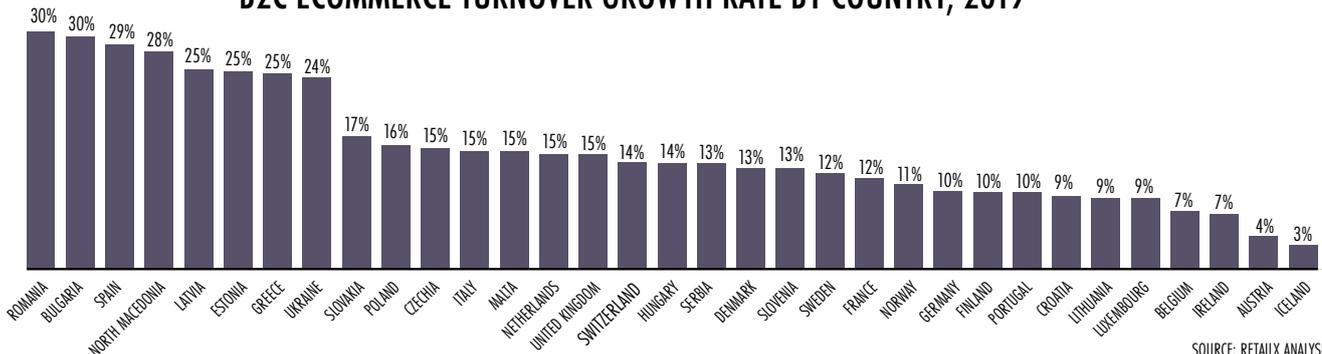
SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER BY COUNTRY, BILLIONS OF EUROS, 2019



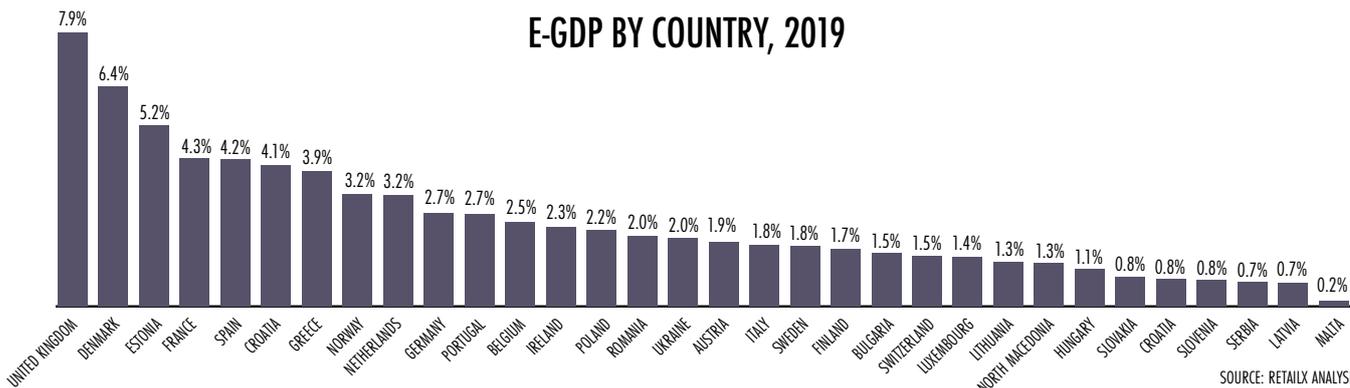
SOURCE: NATIONAL ECOMMERCE ASSOCIATIONS, STATISTA, RETAILX ANALYSIS

B2C ECOMMERCE TURNOVER GROWTH RATE BY COUNTRY, 2019



SOURCE: RETAILX ANALYSIS

E-GDP BY COUNTRY, 2019

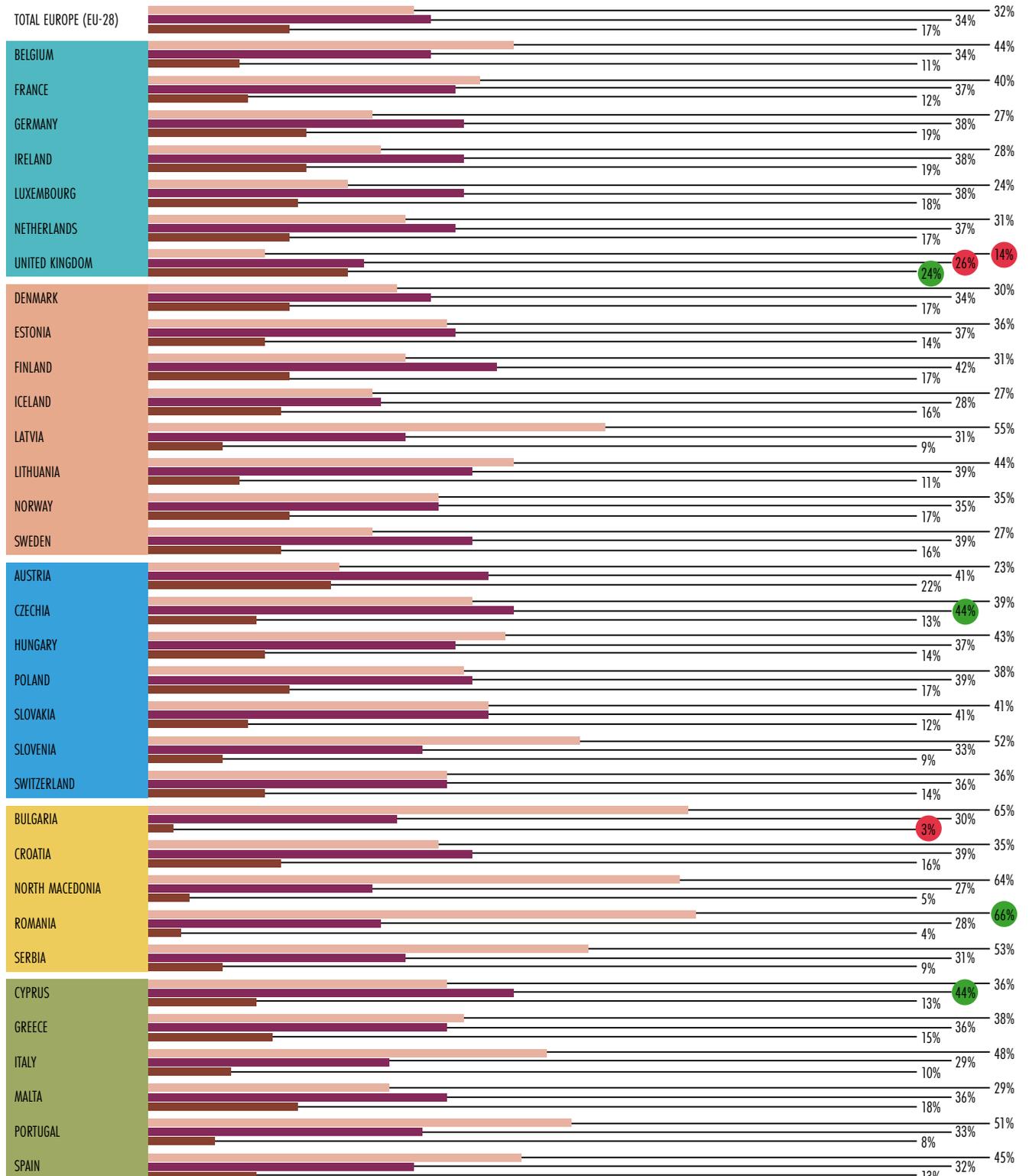


SOURCE: RETAILX ANALYSIS

FREQUENCY OF ONLINE PURCHASES, 2019

This graph shows how often European consumers in different countries purchased online in a three-month period, revealing differences in patterns of behaviour

- Frequency of online purchases in the last 3 months: 1 or 2 times // all individuals // percentage of individuals who purchased online in the last 3 months **2019
- Frequency of online purchases in the last 3 months: 3 to 5 times // all individuals // percentage of individuals who purchased online in the last 3 months **2019
- Frequency of online purchases in the last 3 months: 6 to 10 times // all individuals // percentage of individuals who purchased online in the last 3 months **2019
- Countries outperforming the rest of Europe
- Countries underperforming compared to the rest of Europe

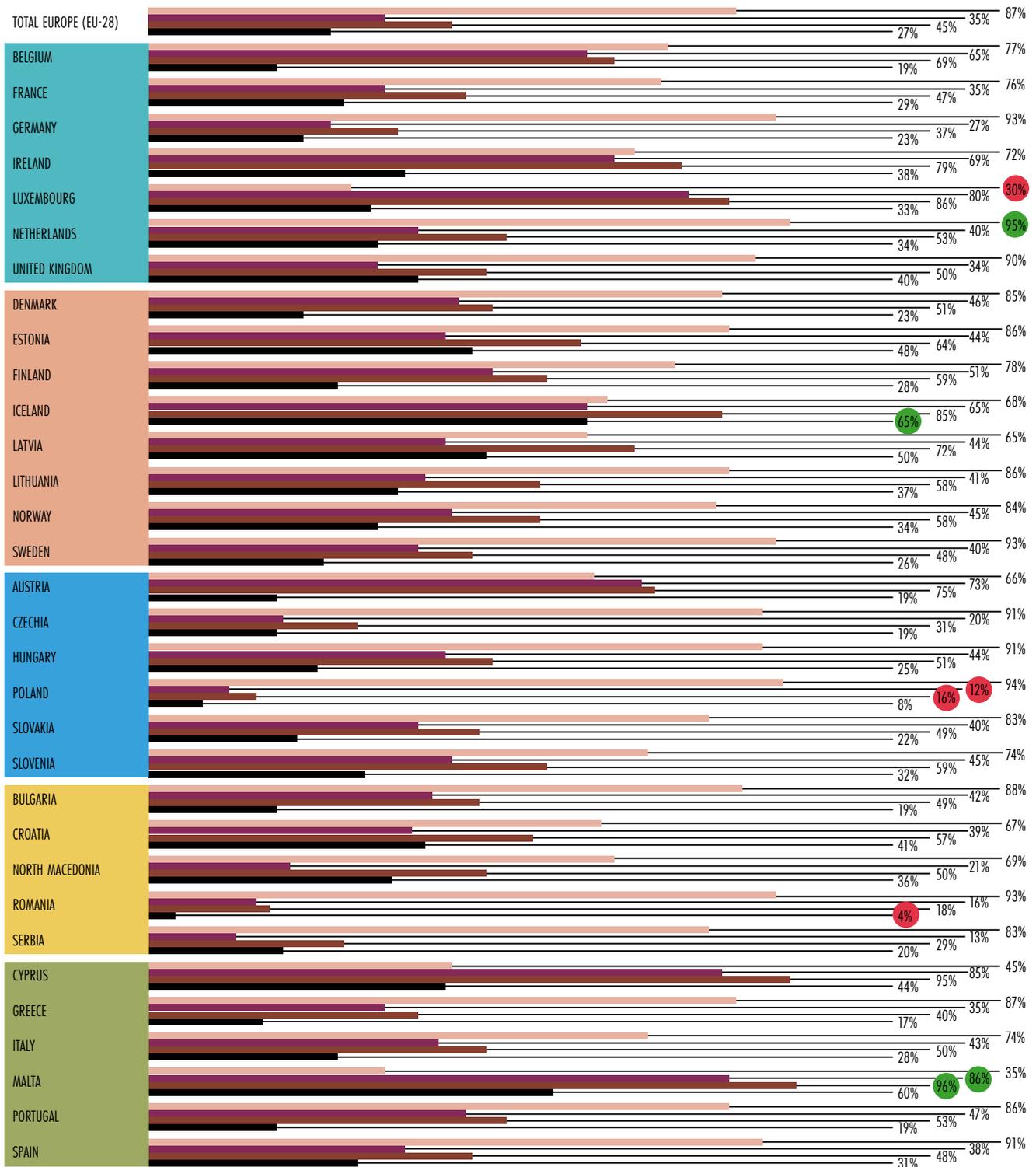


SOURCE: EUROSTAT

ONLINE PURCHASING NATIONALLY AND CROSS-BORDER, 2019

This graph shows consumer purchasing behaviors in cross-border and national online shopping, revealing the willingness to shop cross-border in each country

- Online purchases: from national sellers // all individuals // Percentage of individuals who ordered goods or services, over the internet, for private use, in the last year **2019
- Online purchases: from sellers from other EU countries // all individuals // percentage of individuals who ordered goods or services, over the internet, for private use, in the last year **2019
- Online purchases: from sellers abroad (other EU or non-EU countries) // all individuals // percentage of individuals who ordered goods or services, over the internet, for private use, in the last year **2019
- Online purchases: from sellers from the rest of the world (non-EU) // all individuals // percentage of individuals who ordered goods or services, over the internet, for private use, in the last year **2019
- Countries outperforming the rest of Europe
- Countries underperforming compared to the rest of Europe

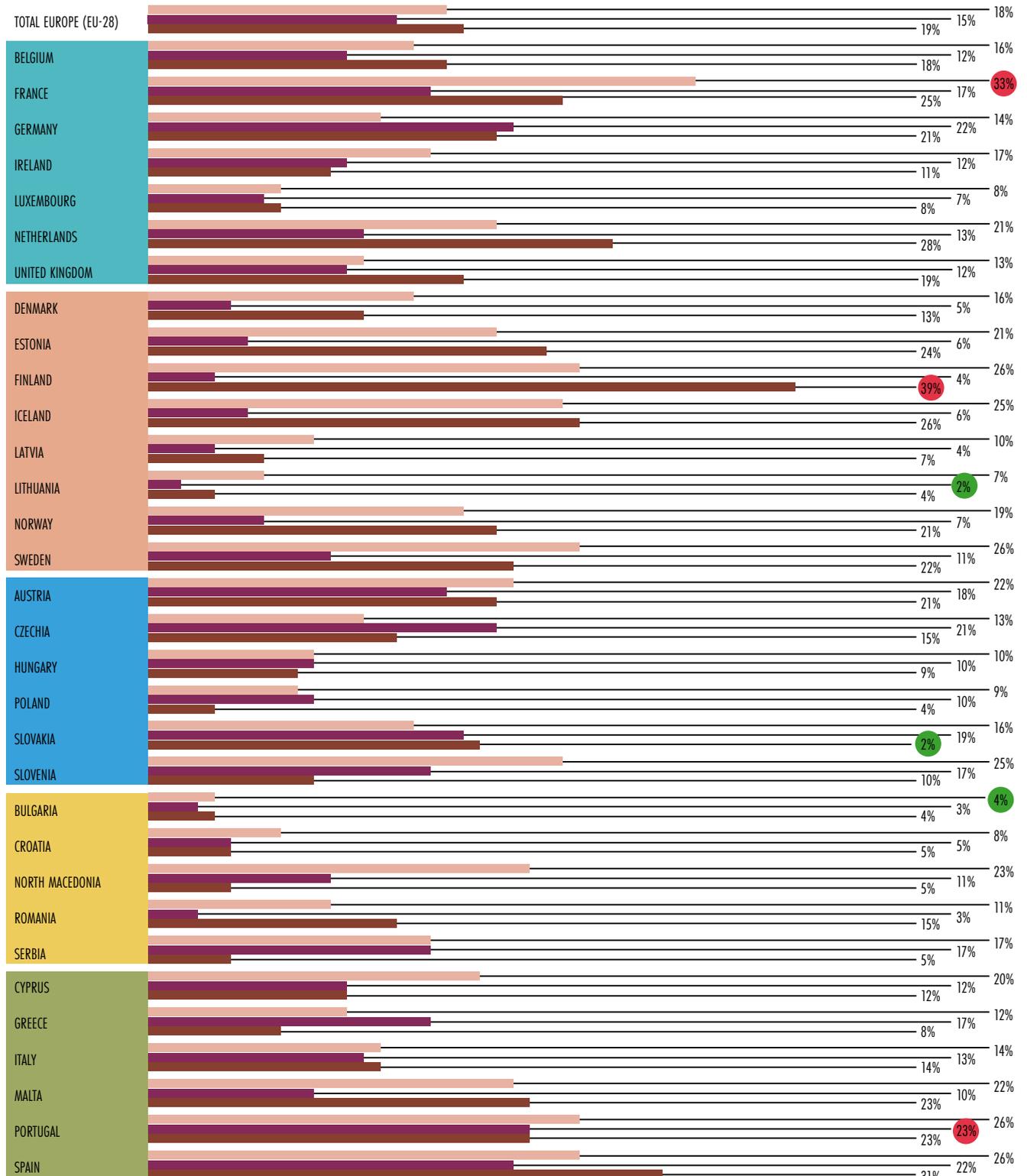


SOURCE: EUROSTAT

SECURITY CONCERNS LIMITING OR PREVENTING INDIVIDUALS FROM USING THE INTERNET FOR SHOPPING AND BANKING, 2019

This graph shows the security concerns that have ultimately limited or prevented consumers from shopping and banking online in each country

- Security concerns limited or prevented individuals from ordering or buying goods or services // all individuals // percentage of individuals who used the internet within the last year **2019
- Security concerns limited or prevented individuals from carrying out internet banking // all individuals // percentage of individuals who used the internet within the last year **2019
- Security concerns limited or prevented individuals from downloading software or apps, music, video files, games or other data files // all individuals // percentage of individuals who used internet within the last year **2019
- Countries outperforming the rest of Europe
- Countries underperforming compared to the rest of Europe



SOURCE: EUROSTAT



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BY LA POSTE & SWISS POST

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**Q&A: RENAUD
MARLIÈRE,
CHIEF BUSINESS
DEVELOPMENT OFFICER**

Renaud is a member of the global management board of Asendia. He is responsible for business development in ecommerce and mail across 17 countries in Europe, Asia, the USA and Oceania. In the past 20 years, Renaud has held several management positions in leading global logistics and postal companies, such as La Poste, Spring and Royal Mail

Which categories of products or services (involving ecommerce) do you see pushing forward in Europe?

Next to fashion, traditionally a strong vertical in ecommerce, new verticals have emerged during the Covid-19 crisis such as personal care, beauty and gardening. Alongside this, we've seen more customers willing to order groceries online. These are both likely to increase in the future, along with the variety of delivery options and goods sold.

When it comes to delivery and returns, what regional variations have you noticed in customer expectations?

Consumers expect ever-increasing convenience and low-cost delivery options. However, they are also mindful about their environmental impact. Expectations will vary according to what they purchase.

On top of this, consumers also expect detailed information about their delivery plus the costs and process for returns. We should view returns as part of the full service and make them as easy as possible, although whether there is a charge for making a refund is down to the individual retailers.

What are the main characteristics you see in Europe concerning ecommerce market size?

Europe is the second-largest ecommerce market after Asia and, given its excellent digital and logistics infrastructure, there's no reason for this to change. Recent developments such as the end of VAT thresholds are only likely to strengthen European ecommerce in the coming years.

What has been the most exciting recent development in ecommerce for you?

Ecommerce's resilience during Covid-19 has been impressive. Ecommerce has become essential to everyone's lives and there's now little difference between e-tailers and traditional players. In fact, it's time for retailers to adopt an omnichannel approach and combine all the options open to them, both online and off.

What are the main delivery trends you see European consumers prefer?

Customs clearance is a huge concern when buying overseas. Until VAT thresholds are removed in 2021, it's essential for customer experience that retailers don't pass these costs on. For transactions within Europe, customers expect a range of delivery options and to be informed in advance about the cost of returns. Asendia is monitoring the impact of new VAT regulations closely but in the meantime, everything you need to know about customs can be found in our yearly *Customs Report*, downloadable for free on our website.

Click and collect is growing in importance throughout Europe. Do you see this trend as more relevant in some regions compared to others? How do you see this trend developing in the future?

Click and collect goes hand-in-hand with omnichannel commerce. It offers retailers a solution that answers consumers' desires for free delivery and speed, while bringing customers into the physical store.

In groceries, ship from store is likely to develop further to cater for customers wanting fast home delivery. I'm convinced that home delivery will remain a must-have solution for all retailers. But, of course, a combination of additional delivery solutions, such as click and collect, ship from store, parcel lockers and PUDOs, adds additional value to consumers. ■

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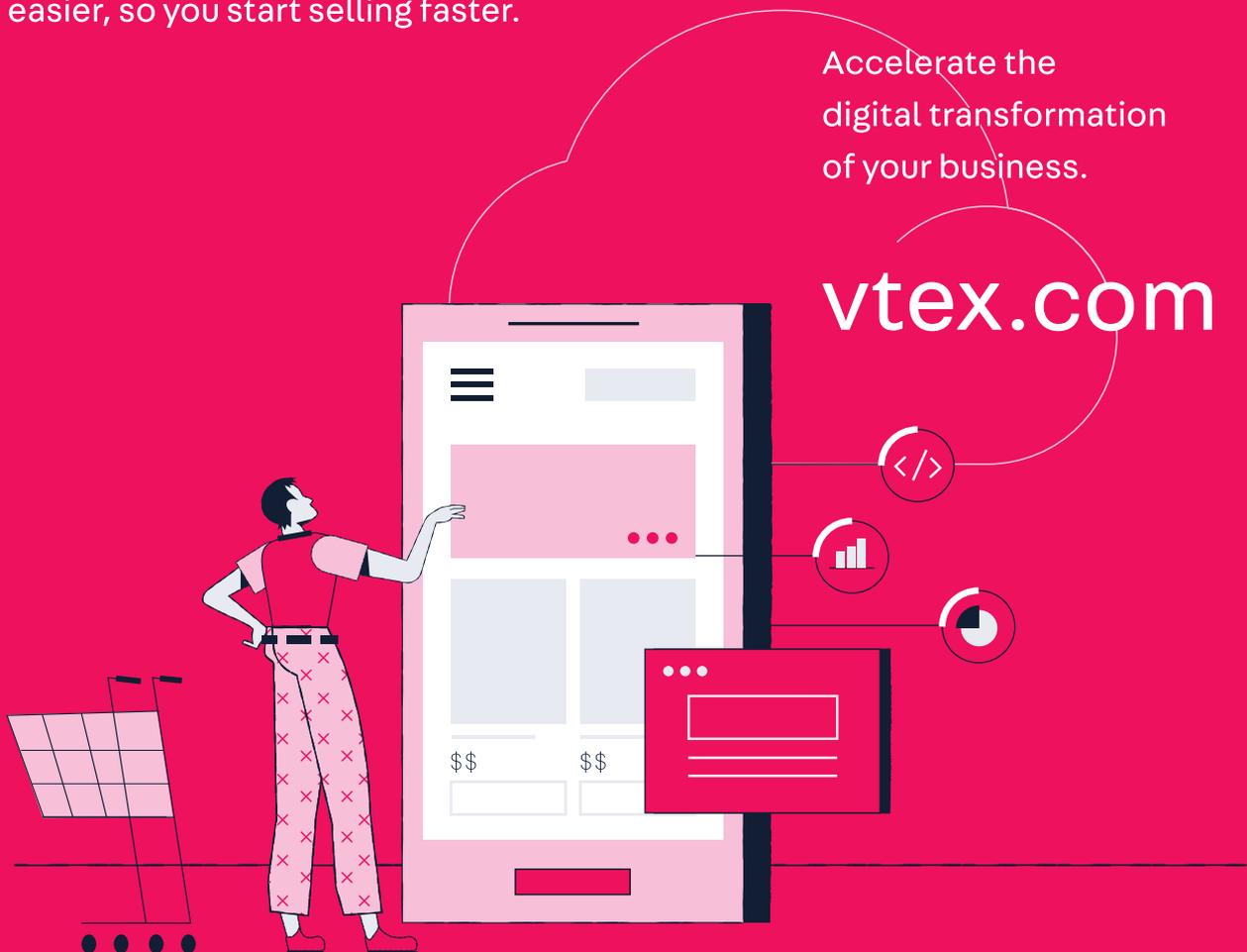


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Q&A: DANIELA JURADO JABBA, PARTNER

Daniela heads sales for Western Europe for VTEX. She has worked in digital

commerce for more than five years, with management experience in Latin America, the United States and Europe

Which category of products or services (involving ecommerce) do you see pushing forward in Europe?

At the moment, the most obvious categories leading the market, not just in Europe but globally too, are food and grocery and pharma. It's important to highlight that even before the pandemic, food and grocery had some of the highest growth rates in countries such as Spain and Italy.

Case Study: Ametller Origen



A powerful player in the Spanish groceries market, Ametller Origen is a business that was started back in 1830 and operates more than 100 stores across Catalonia, with more than €200m in annual revenue. In 2018, Ametller Origen started using VTEX Commerce Cloud to manage and scale its ecommerce operations.

At the start of the Covid-19 quarantine, overall sales for groceries spiked 30-40%. Those with ecommerce operations saw their traffic grow over tenfold. For many chains, this sudden demand led to the collapse of their ecommerce infrastructure.

Ametller Origen restructured their online fulfilment operations, shifting from busy stores to their underutilised B2B warehouse.

Using VTEX Commerce Cloud's SaaS architecture and natively integrated WMS, picking and logistics solutions, they started operations from the new fulfilment centre in less than five days, and created partnerships with companies in the hospitality to use their workforce. This gave them the ability to complete ten times more orders and cope with the sudden increase in demand.

Ametller Origen's revenues from online operations increased from 1.8% to 10%. This figure is all the more impressive when allied to the significant growth of their physical stores.

If we take coronavirus out of the equation, anything related to fashion, accessories and beauty have always had a big share of the European ecommerce market, not only from local demand but driven by other regions' desire to own these products.

What variations have you noticed in the customer experience within different European regions?

Connecting with your customers has truly become essential when creating an online store – through genuine storytelling, by offering content in the form of blogs and social media, and being available to respond to any questions or complaints. Give customers the flexibility not just in deliveries but for returns as well. Enabling deliveries to be scheduled to fit a customer's agenda and offering the most appropriate payment methods are both crucial in winning brand loyalty.

What has been the most exciting recent development in ecommerce for you?

Social selling is very interesting and it's currently challenging the traditional behaviour between offline and online channels, which is still a battlefield in some countries. Pushed by coronavirus, we're seeing brands incentivising shop assistants with a personalised code that their customers can use at checkout, which they can also share on online channels such as Whatsapp and Instagram.

Another recent development is what we are calling 'collaborative commerce'. Brands and retailers have started working together by becoming marketplaces themselves: integrating each other's products into their own stores, opening new product lines and increasing inventory without the overhead. ■



VTEX is a global, fully integrated, end-to-end commerce solution with native marketplace and OMS capabilities. It helps companies in retail, manufacturing, wholesale, groceries, consumer packaged goods and other verticals to sell more, operate more efficiently, scale seamlessly and deliver remarkable customer experience. VTEX's microservices-based architecture and developer tools allow it to free up customers from software updates.

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CHANNELADVISOR



Q&A: JON MAURY,
MANAGING DIRECTOR,
EMEA

Since joining
ChannelAdvisor in 2017,
Jon has been responsible for

developing its local strategy and direction for growth. Jon has over 15 years of experience in management and sales leadership, including roles at Automic Software, BMC Software and Identify Software

Which category of products or services (involving ecommerce) do you see pushing forward in Europe?

Covid-19 has accelerated the growth of online shopping and many of these new online shoppers have grown comfortable with the experience, so will likely continue with increased ecommerce activity in the future. At the same time, brands and retailers are digitising as quickly as possible in order to get their products where more consumers are. The meeting ground for these shoppers and sellers? Online marketplaces.

Marketplaces are gaining share across the world. Perhaps this is because they represent everything the modern consumer desires – endless choice, competitive prices, easy checkout and fast, free delivery. Earlier this year, we saw Amazon continue its European rollout by entering the Netherlands. Vertical-focused players such as Zalando, La Redoute, Farfetch and Afound, as well as emerging and established generalists such as OnBuy, Allegro and Otto are publishing record sales as consumers flock to them.

If you aren't taking steps now to understand which marketplaces your potential customers are shopping on and how you can get their attention, you're risking falling behind.

What are the main advertising trends you see European consumers prefer?

We're seeing brands and retailers invest in Amazon Advertising, Facebook and Instagram strategies to capture the increased online consumer demand.

On Amazon, success often comes down to doing one thing really well – Amazon Advertising. Allocating more funds for advertising, and leveraging the full suite of ad types that Amazon provides, will ensure you reach new customers while also protecting your brand space from competitors bidding on your brand terms.

Most Facebook and Instagram users are actively seeking ideas, inspiration and product information. 90% of accounts follow at least one business on Instagram, while the average Facebook user has clicked 12 ads in the last 30 days. In fact, over one-third of consumers say that social networks have become as important as other shopping resources.

If you want your brand to stand out, experiment and optimise your ad spend across these key platforms.

What has been the most exciting recent development in ecommerce for you?

Brands investing in direct to consumer (D2C) strategies is an exciting trend. As a brand, your website and marketing content is a consumer's most trusted source of accurate product information. However, many brands are neglecting the customer experience by offering a limited selection, providing outdated retailer links or a complicated checkout.

We're seeing a huge number of brands investing in making content and campaigns shoppable through website plugins and social commerce.

Even if your site isn't transactional, offering customers the chance to checkout on trusted retailer sites is a must so that you can ensure loyalty and a positive experience. ■

channeladvisor 

ChannelAdvisor has been on the front lines of ecommerce since 2001, helping retailers and brands connect with customers, optimising operations and growing sales channels. It's grown from a small company in a young industry to an industry leader at the forefront of a global revolution – with thousands of clients and billions of dollars in transactional revenue flowing through its platform every year.

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15 Days

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↑2X Volume

2X volume processed in Q2 2020 compared to Q2 2019

PFS



Q&A: CHRISTOPHE PECORARO, MANAGING DIRECTOR, PFS EUROPE

Christophe Pecoraro offers more than 15 years of

experience in ecommerce. Christophe began his journey with PFS in Implementation, moving through Client Solutions and Client Services before becoming Managing Director in 2016. Christophe oversees all European operations for PFS. His well-rounded experience has afforded him a wealth of industry knowledge and expertise that he shares both internally and externally. Christophe is also the Founder and Owner of the LinkedIn Supply Chain Management Group, brimming with more than 200,000 industry professionals

Which category of products/services (involving ecommerce) do you see pushing forward in Europe?

Post-Covid-19, we expect most retail categories will grow organically from an ecommerce point as we expect consumers to continue shopping more online post-pandemic. Currently we are seeing more steady growth in certain sectors, such as cosmetics, over others such as apparel. However, at this time it's uncertain how that may change once we are past the threat of the pandemic.

What variations have you noticed in the customer expectation in the different regions when it comes to delivery and returns?

Over the last couple years, larger retailers such as Amazon, Zalando and bol.com have been providing faster and faster delivery to consumers, leading to same day delivery that is challenging for smaller retailers to compete with. Covid-19 has put this into perspective for consumers who are becoming more environmentally conscious as a result of the pandemic, and the expectation is shifting.

In a recent study on consumerism vs conscious commerce, PFS found that the 'convenience' consumer is evolving to one with a conscience. More than half (55%) of the consumers surveyed mostly buy products that are delivered from their country of residence to reduce the environmental impact, with a similar proportion preferring to buy ethically

sourced products rather than products that can be delivered quickly. As consumers seek to be more cautious about their environmental impact, we expect them to be less concerned with fast deliveries, instead choosing more efficient means of delivery.

Regarding returns, we see a notably higher percentage of returns in Germany over other countries. Most likely, this is attributed to the fact that the country was already accustomed to 'return culture' prior to ecommerce through mail order catalogues.

What has been the most exciting recent development in ecommerce for you?

Alternative fulfilment methods such as pop-up fulfilment are growing concepts that can really make a difference in a retailer's ability to meet consumer expectations across Europe. At PFS, we provide a network of micro-fulfilment centres, pop-up DCs and centralised hubs, as well as integrations to retail locations for store fulfilment. Depending on where the consumer is, our distributed order management (DOM) system directs the order to the closest location for fulfilment. Getting products closer to consumers is a game changer for competing with the likes of Amazon.

What are the main delivery trends you see?

The primary trend pre-Covid-19 was fast delivery. As consumers become more environmentally conscious as a result of the pandemic, we may see the focus shift to sustainability. Consumers are also moving away from carriers such as UPS to more local carriers who specialise in providing a premium experience. These local carriers enable consumers to see where the driver is, alert them when they are close and provide more specific delivery times. Retailers are picking up on this trend and, to accommodate consumers and encourage conversions, are enabling consumers to select their preferred carrier method at checkout. ■



PFS is a proven Global Commerce Operations Partner with scalable solutions spanning branded fulfilment, high-touch customer care, payment processing, and omnichannel technologies. PFS supports B2B and D2C clients with technology, personalisation and fulfilment expertise, offering innovative solutions that deliver intelligent commerce operations and shape brand experiences for the digital age. uk.pfsccommerce.com

WESTERN EUROPE INTRODUCTION

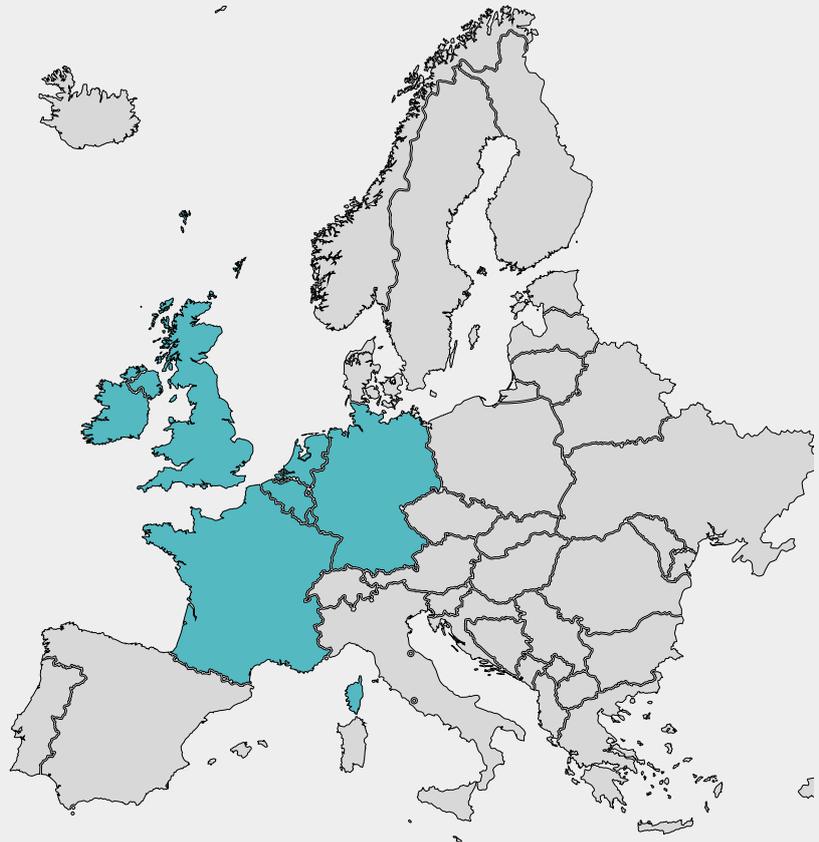
Western Europe dominates the European ecommerce sector. This has been true since consumers first began to shop online, and Western Europe's primacy is in great part because it includes some of the most advanced industrialised countries in the world for ecommerce. In our analysis, we have defined Western Europe as comprising the countries of Belgium, France, Germany, Ireland, Luxembourg, the Netherlands and the United Kingdom.

The Western Europe region accounted for more than half of Europe's total B2C ecommerce turnover in 2019. Western Europe had a €444bn share compared to €636bn for the European market as a whole. The market in Western Europe grew by 12.59% in 2019. Ecommerce accounted for 4.41% of Western Europe's GDP in 2019, compared to 4.78% for Europe overall.

Western Europe also includes the highest percentage of e-shoppers in Europe, at 83% compared to 67% for Europe as a whole. Internet usage is high, with 93% of the population accessing the internet in Western Europe. The number of e-shoppers is still growing, up by 5% for Western Europe but growing at a slower rate than Europe's 6.5%, since the market is so much more established.

When looking on a country-by-country basis, the UK leads Western Europe with a 91% share of internet users shopping online in 2019. This is followed by the Netherlands and Germany, both of which have an 84% share of e-shoppers, just above the European average. It is Ireland that leads Western Europe in terms of the growth rate of e-shoppers, with a 14% rise in 2019.

The UK also dominates in terms of spending, comprising nearly half of the total share of ecommerce turnover in 2019 with €200bn spent online. This is followed by France at €103.4bn and Germany at €94bn. In terms of the rate of ecommerce turnover growth, the Netherlands and the UK were equal at a little less than 15%.



PAGE 36-37: BELGIUM



PAGE 36-37: BELGIUM



PAGE 38-39: FRANCE



PAGE 40-41: GERMANY



PAGE 40-41: GERMANY



PAGE 42-43: IRELAND



PAGE 42-43: IRELAND



PAGE 46-47: THE NETHERLANDS

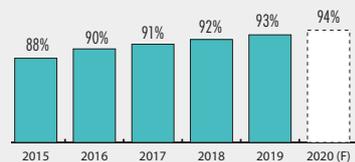


PAGE 48-49: UNITED KINGDOM



INTERNET USERS

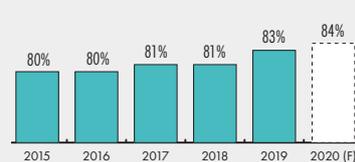
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

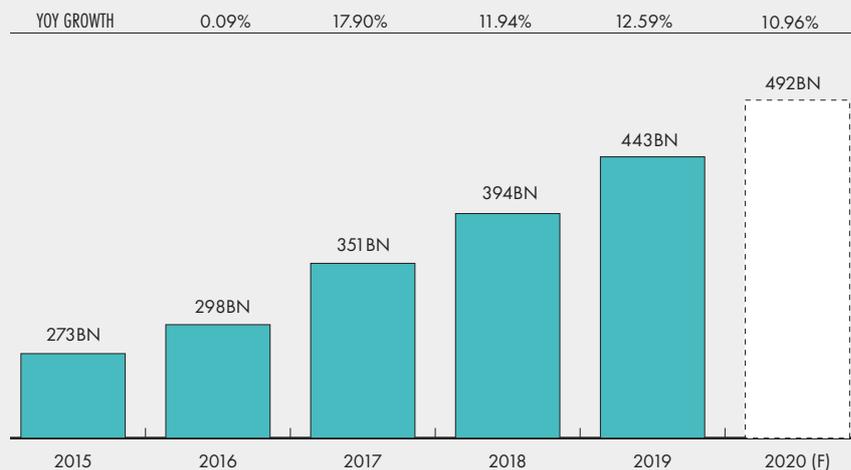
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€9,188	€48,745	2.98%
2016	€9,118	€49,091	3.27%
2017	€9,347	€50,370	3.77%
2018	€9,650	€52,275	4.08%
2019	€10,070	€54,237	4.41%
2020 (F)	€10,470	€56,126	4.70%

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



SOURCE: NATIONAL ECOMMERCE ASSOCIATIONS, STATISTA, RETAILX ANALYSIS

- In 2019, across the whole of Europe, Western Europe accounted for 70% of total European ecommerce turnover.
- In 2019, the United Kingdom had the highest share of total ecommerce turnover amongst Western European countries with 45.19% market share, followed by France with 23.31% and Germany with 21.19%. The top three countries in Western Europe accounted for approximately 90% of total Western Europe's ecommerce turnover. These three countries were also the ecommerce leaders throughout Europe, with almost 63% of the total European ecommerce market.
- Enterprises within Western Europe are not only selling online in their own countries, they are also likely to sell across borders into other European countries and the rest of the world. In 2019, the leaders for selling into their own countries were retailers in France and the United Kingdom, with 99% of enterprises (not including the financial sector) having web sales to their own countries. When it comes to selling across the border into other European markets, Luxembourgish enterprises were leading the way, with 61% making web sales to other EU countries, followed by Germany with 52%. Selling to the rest of the world, the Western European leaders are Ireland (33% with web sales to the rest of the world) and Germany (30%). *Source: Eurostat (2019)*

BELGIUM



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGES: DUTCH, FRENCH, GERMAN
- OFFICIAL MINORITY LANGUAGES: WEST FLEMISH, LIMBURGISH, LUXEMBOURGISH, WALLON, FLEMISH
- FOREIGN LANGUAGES SPOKEN: ENGLISH, SPANISH, ITALIAN
- STANDARD VAT: 21%

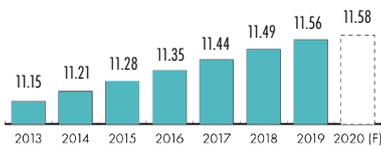
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€411	€36,857	2.00%
2016	€424	€37,851	2.14%
2017	€439	€38,895	2.29%
2018	€451	€39,730	2.35%
2019	€465	€40,689	2.45%
2020 (F)	€479	€41,665	2.58%

POPULATION

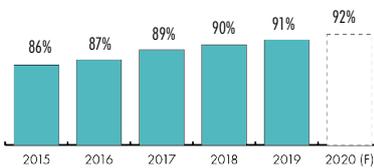
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

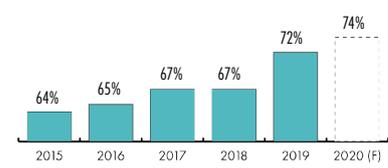
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

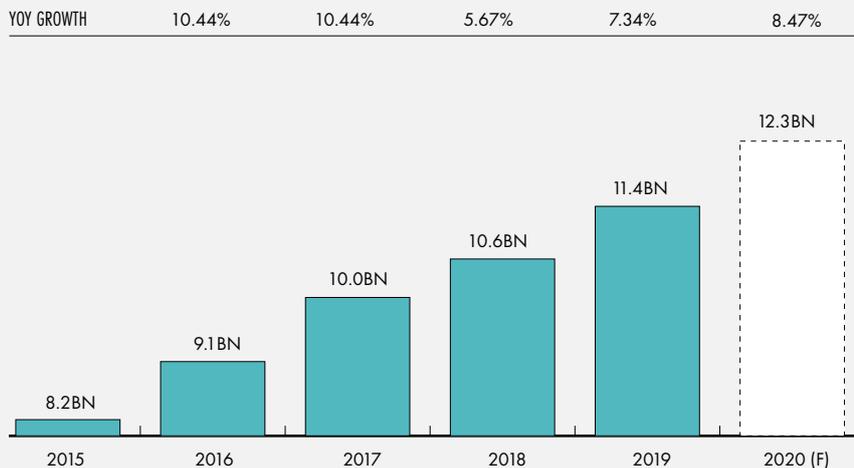
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast

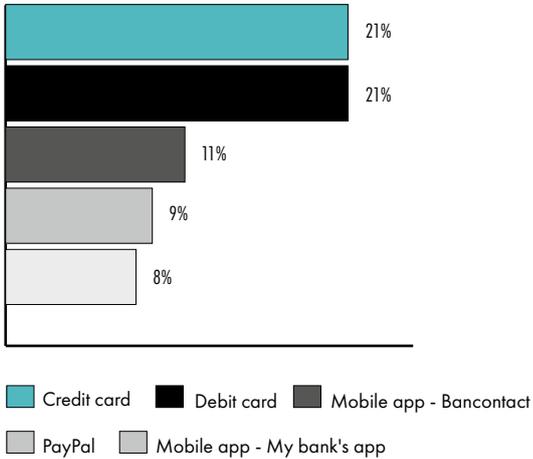


■ Association analysis indicates that for the 2019 total, 11% represents Goods and 66% Services

SOURCE: GFK MARKET MONITOR

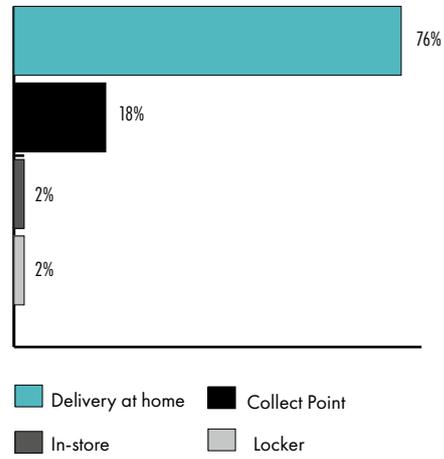
CONSUMER ANALYSIS

PAYMENT METHODS



SOURCE: STATISTA, COMEOS (2019)

DELIVERY METHODS



SOURCE: SAFESHOPS ECOMMERCE ASSOCIATION

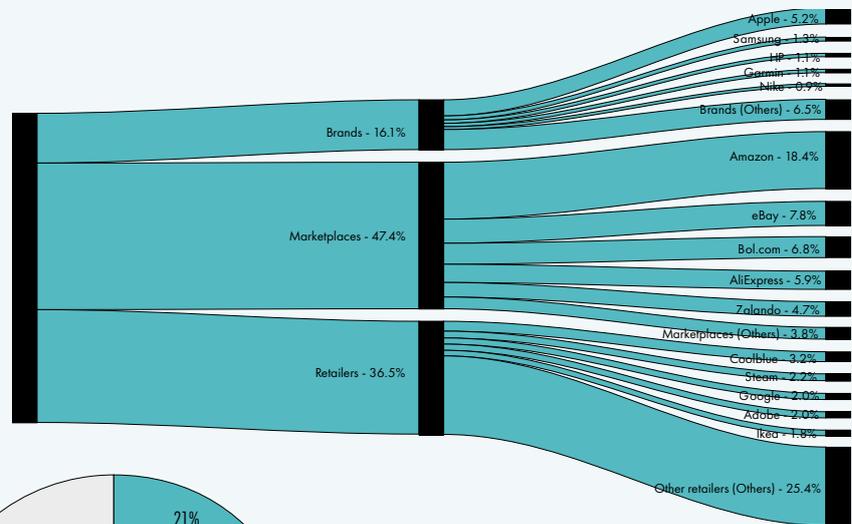
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM BELGIUM

WEB TRAFFIC SPLIT

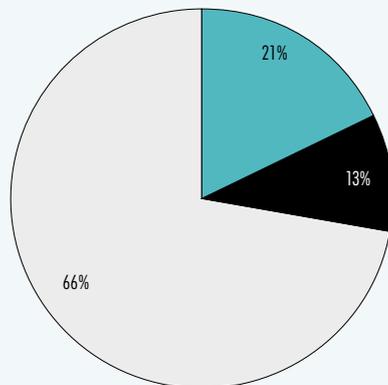
The distribution of online visits by Belgian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



86%

The fraction of the Top 100 that trade in the official language(s)

13%

The fraction of the Top 100 that are headquartered in Belgium

*Defined as brands that sell mostly own-label products

FRANCE



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: FRENCH
- OFFICIAL MINORITY LANGUAGES: PROVENÇAL, BRETON, ALSATIAN, CORSICAN, CATALAN, BASQUE, FLEMISH, OCCITAN, PICARD
- FOREIGN LANGUAGES SPOKEN: ENGLISH, SPANISH
- STANDARD VAT: 20%

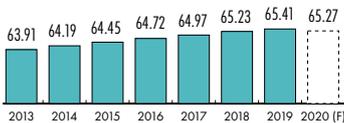
GDP AND E-GDP

Gross Domestic Product (GDP) in €TN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€TN)	GDP PER CAPITA	E-GDP
2015	€2.181	€34,122	2.88%
2016	€2.225	€34,677	3.21%
2017	€2.278	€35,352	3.59%
2018	€2.344	€36,232	3.95%
2019	€2.419	€37,231	4.27%
2020 (F)	€2.488	€38,142	4.63%

POPULATION

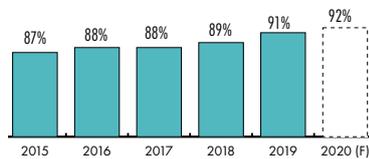
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

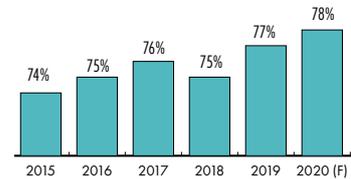
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

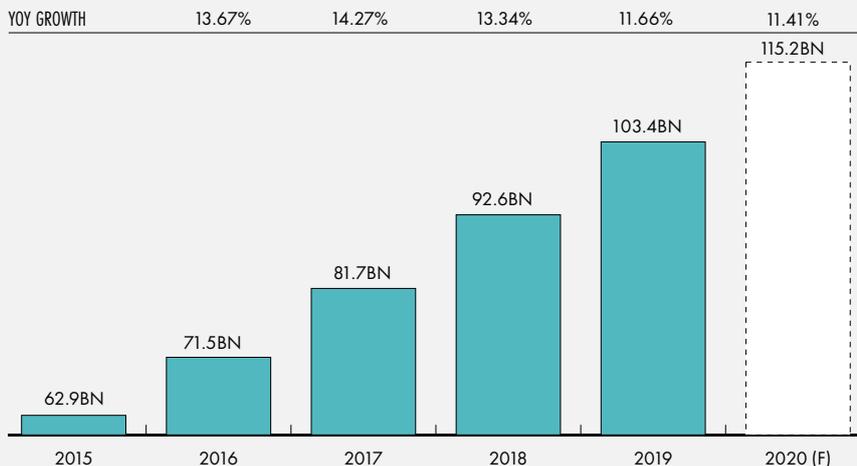
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



■ Association analysis indicates that, for the 2019 total, 44% represents Goods and 56% represents Services

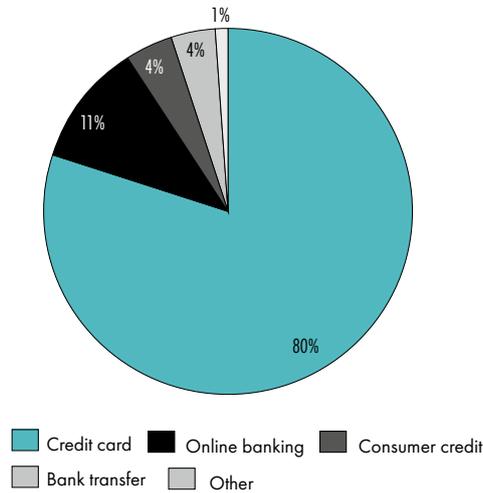
SOURCE: FEVAD

CONSUMER ANALYSIS

READ MORE about the French ecommerce market in our France 2020 Ecommerce Country Report: <https://retailx.net/france-2020>

PAYMENT METHODS

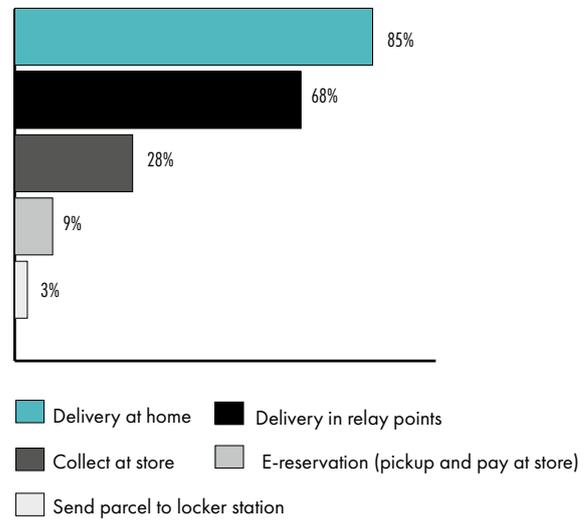
Percentage of ecommerce products turnover



SOURCE: FEVAD ECOMMERCE ASSOCIATION

DELIVERY METHODS

Percentage of e-buyers



SOURCE: FEVAD ECOMMERCE ASSOCIATION & MÉDIAMÉTRIE

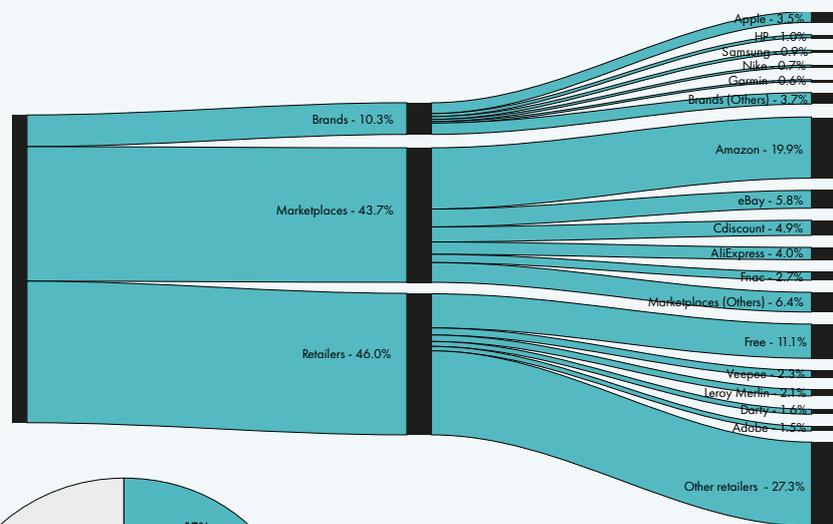
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM FRANCE

WEB TRAFFIC SPLIT

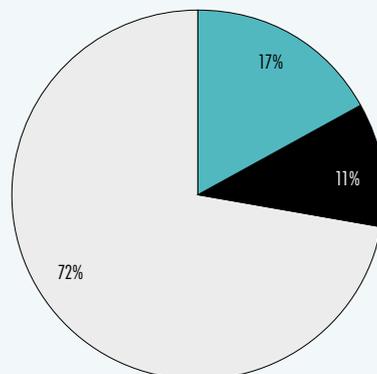
The distribution of online visits by French consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

Brands* Marketplaces Retailers

91%

The fraction of the Top 100 that trade in the official language(s)

51%

The fraction of the Top 100 that are headquartered in France

*Defined as brands that sell mostly own-label products

GERMANY



HÄNDLERBUND

bevh
Der E-Commerce Verband

MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: GERMAN
- OFFICIAL MINORITY LANGUAGES: DANISH, NORTH FRISIAN, SORBIAN AND ROMANI
- FOREIGN LANGUAGES SPOKEN: ENGLISH, SPANISH, ITALIAN, FRENCH, DUTCH, RUSSIAN, DANISH
- STANDARD VAT: 19%

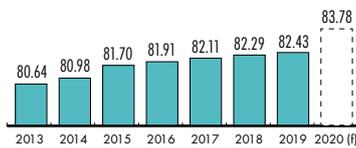
GDP AND E-GDP

Gross Domestic Product (GDP) in €TN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€TN)	GDP PER CAPITA	E-GDP
2015	€3,048	€37,806	1.54%
2016	€3,159	€39,018	1.67%
2017	€3,277	€40,110	2.38%
2018	€3,386	€41,336	2.53%
2019	€3,466	€42,213	2.71%
2020 (F)	€3,596	€43,702	2.89%

POPULATION

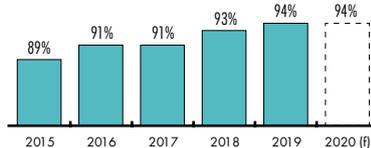
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

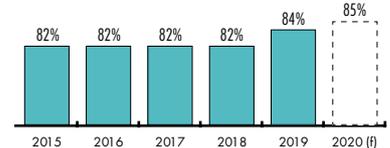
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

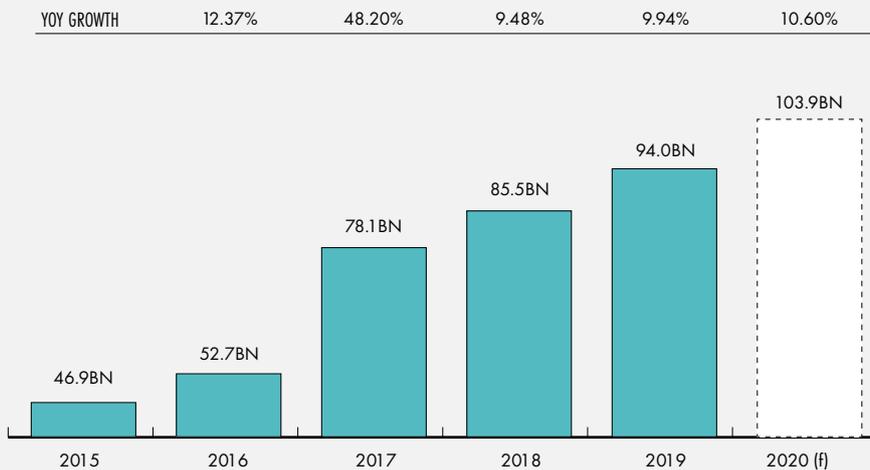
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



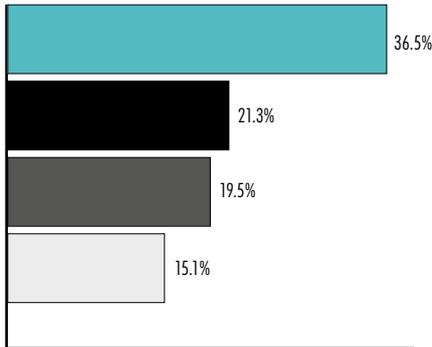
■ Association analysis indicates that for the 2019 total, 77% represents Goods and 21% Services

SOURCES: BEVH, HÄNDLERBUND

CONSUMER ANALYSIS

READ MORE about the German ecommerce market in our Germany 2020 Ecommerce Country Report: <https://retailx.net/germany-2020>

PAYMENT METHODS

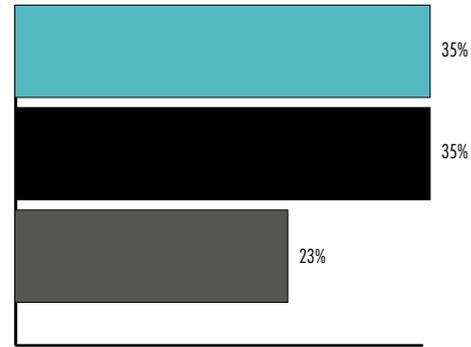


- Digital payments
- Direct debit
- Purchase on account
- Credit card

SOURCE: BEVH ECOMMERCE ASSOCIATION

DELIVERY METHODS

To consumers who have shopped online: how important are the following factors in delivery in your decision to buy goods from an online shop?



- Being able to choose the place for delivery
- Being able to choose when delivery will occur
- Fast delivery

SOURCE: STATISTA, POSTNORD (2019)

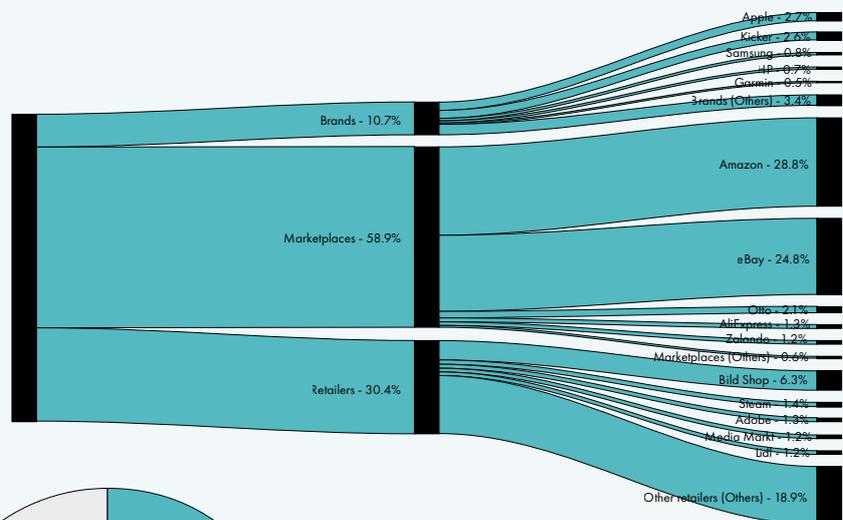
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM GERMANY

WEB TRAFFIC SPLIT

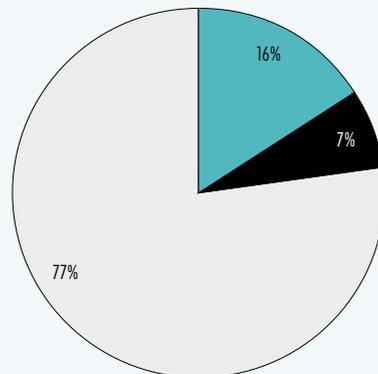
The distribution of online visits by German consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

- Brands*
- Marketplaces
- Retailers

90%

■ The fraction of the Top 100 that trade in the official language(s)

61%

■ The fraction of the Top 100 that are headquartered in Germany

*Defined as brands that sell mostly own-label products

IRELAND



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: ENGLISH, IRISH
- FOREIGN LANGUAGES SPOKEN: FRENCH, GERMAN, SPANISH
- STANDARD VAT: 23%

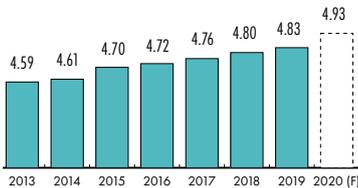
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€262	€57,004	2.25%
2016	€272	€59,100	2.20%
2017	€293	€62,482	2.26%
2018	€315	€66,749	2.27%
2019	€333	€70,074	2.30%
2020 (F)	€350	€72,970	2.34%

POPULATION

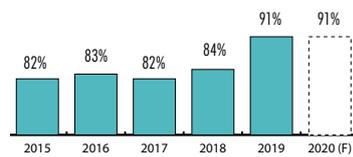
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

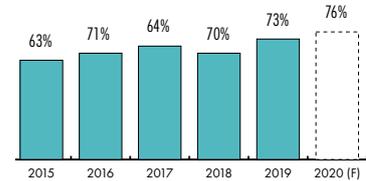
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

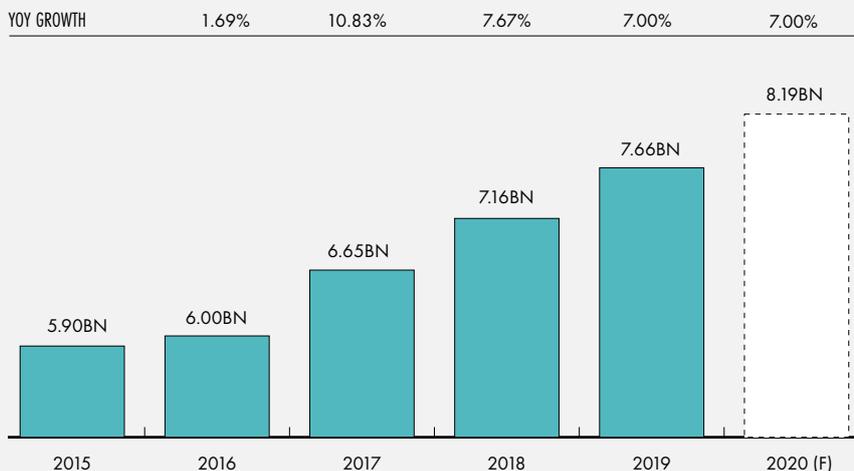
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast

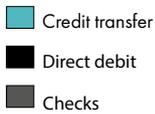
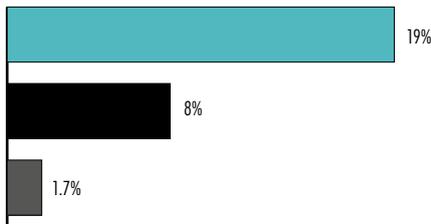


SOURCE: RETAIL EXCELLENCE, RETAILX ANALYSIS

CONSUMER ANALYSIS

PAYMENT SERVICES

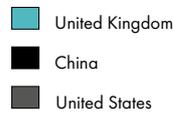
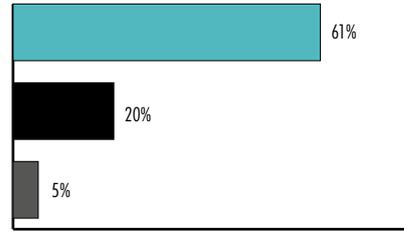
Relative importance of payment services or instruments as share of total transaction numbers



SOURCE: STATISTA, ECB (2018)

CROSS-BORDER SHOPPING

Question asked to frequent cross-border shoppers: please specify the country from which you bought this most recent online cross-border purchase



SOURCE: STATISTA, IPC, DYNATA (2019)

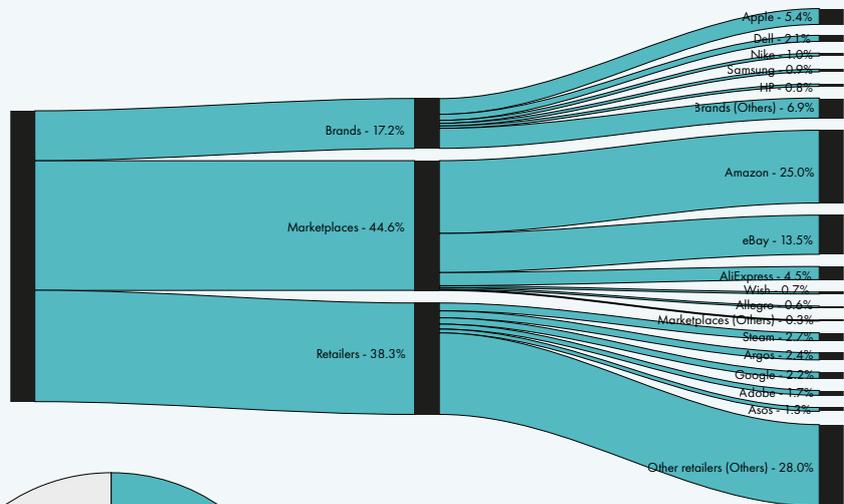
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM IRELAND

WEB TRAFFIC SPLIT

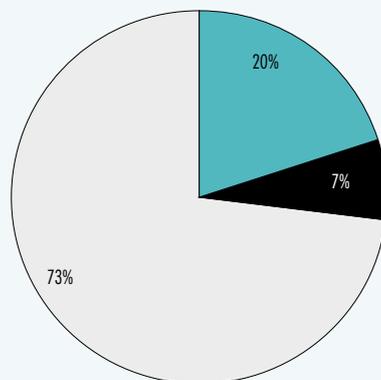
The distribution of online visits by Irish consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



98%

■ The fraction of the Top 100 that trade in the official language(s)

7%

■ The fraction of the Top 100 that are headquartered in Ireland

* Defined as brands that sell mostly own-label products

LUXEMBOURG



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: LUXEMBOURGISH, FRENCH, GERMAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH, PORTUGUESE, ITALIAN
- STANDARD VAT: 17%

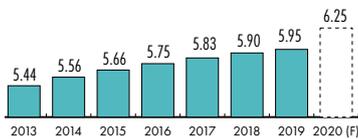
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€51	€94,691	1.16%
2016	€53	€95,809	1.24%
2017	€55	€97,575	1.32%
2018	€58	€101,103	1.37%
2019	€60	€104,361	1.43%
2020 (F)	€63	€107,992	1.49%

POPULATION

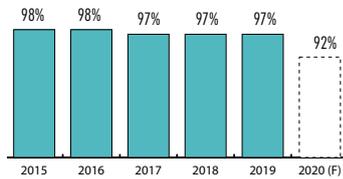
In thousands, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

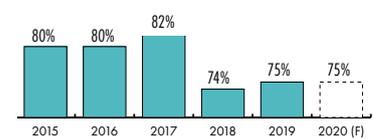
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

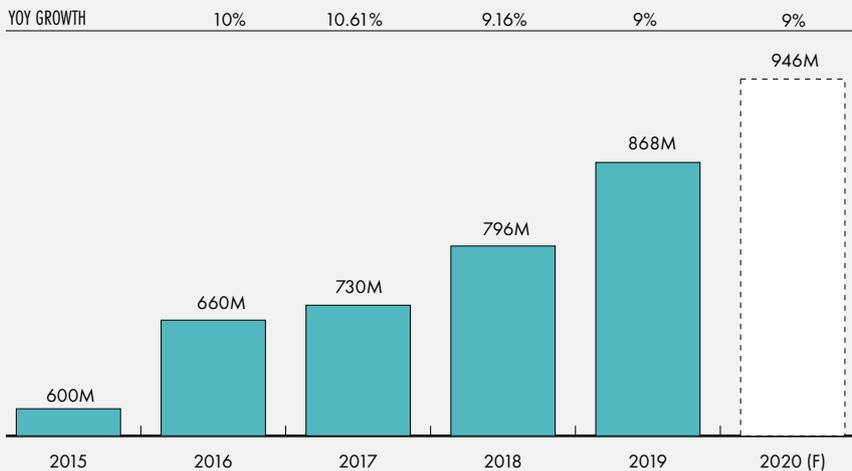
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast

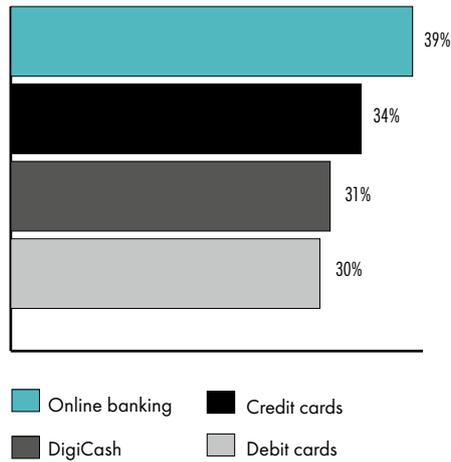


SOURCE: RETAILX ANALYSIS

CONSUMER ANALYSIS

PAYMENT METHODS

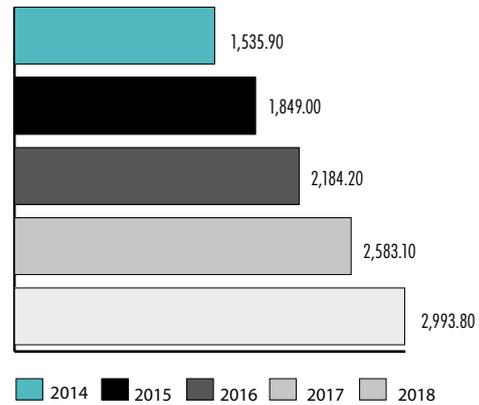
Leading payment methods in Luxembourg



SOURCE: STATISTA, TNS ILRES (2017)

E-MONEY TRANSACTIONS

Total number of e-money purchase transactions in millions from 2014-2018



SOURCE: STATISTA, ECB (2018)

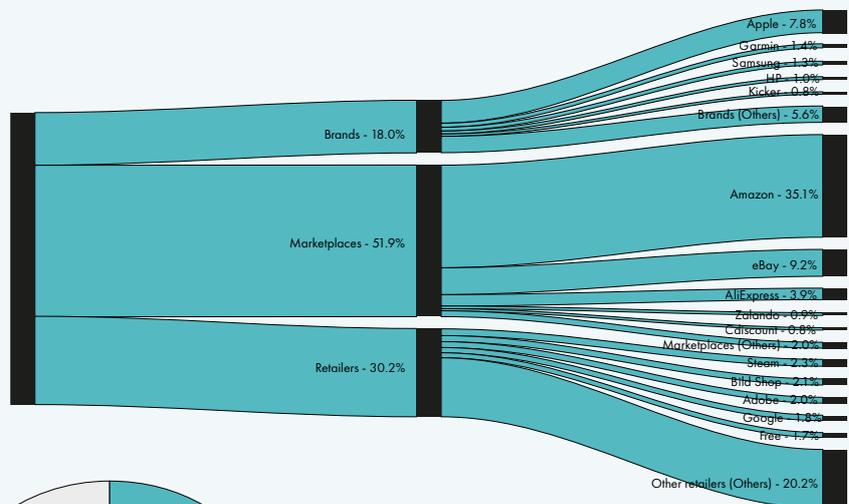
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM LUXEMBOURG

WEB TRAFFIC SPLIT

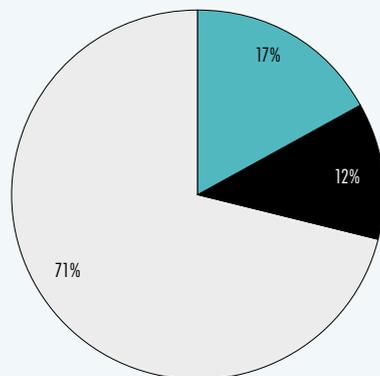
The distribution of online visits by Luxembourgish consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



77%

The fraction of the Top 100 that trade in the official language(s)

2%

The fraction of the Top 100 that are headquartered in Luxembourg

*Defined as brands that sell mostly own-label products

THE NETHERLANDS



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: DUTCH
- OFFICIAL MINORITY LANGUAGES: WEST FRISIAN, LOW SAXON, LIMBURGISH
- FOREIGN LANGUAGES SPOKEN: ENGLISH, GERMAN, FRENCH
- STANDARD VAT: 21%

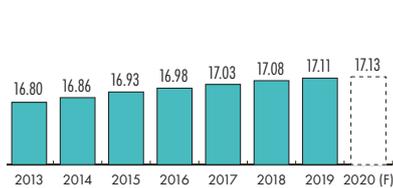
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€690	€41,061	2.33%
2016	€708	€42,001	2.76%
2017	€737	€43,513	2.74%
2018	€772	€45,486	2.91%
2019	€799	€46,917	3.23%
2020 (F)	€826	€48,356	3.52%

POPULATION

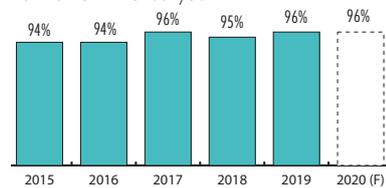
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

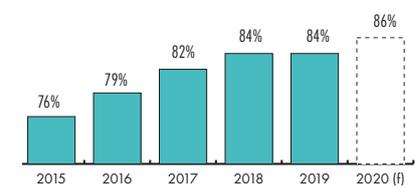
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

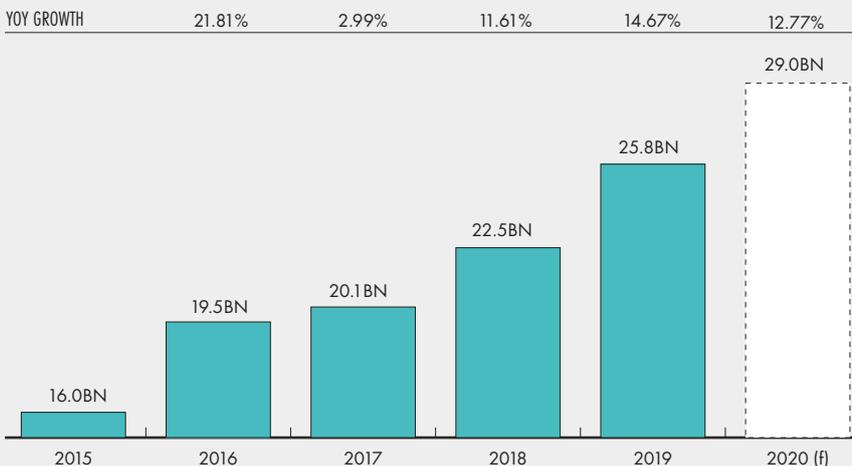
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



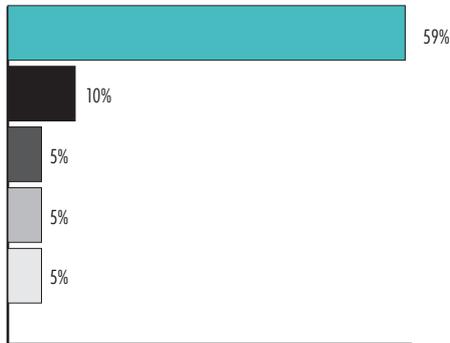
■ Association analysis indicates that, for the 2019 total, 57% represents Goods and 43% Services

SOURCE: THISWINKEL

CONSUMER ANALYSIS

PAYMENT METHODS

Market share of online payment methods

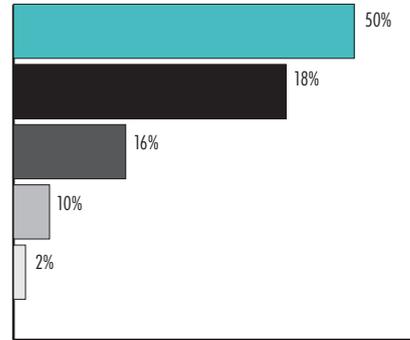


- iDEAL
- Credit card
- Bank transfer
- AfterPay
- PayPal

SOURCE: STATISTA, GFK, IDEAL (2019)

DELIVERY METHODS

Question put to online shoppers: when you order a product online, how do you prefer to have it delivered?



SOURCE: STATISTA, POSTNORD (2019)

- Home delivery during the day
- Delivered to my mailbox/multi-occupancy mailbox in the mail carrier
- Home delivery during the evening
- Collect it myself from a distribution point
- Collect it myself from the online store's physical store

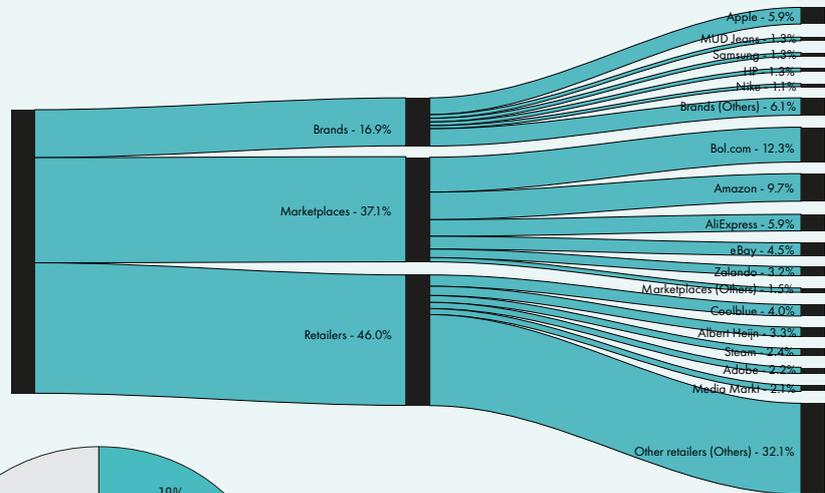
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM THE NETHERLANDS

WEB TRAFFIC SPLIT

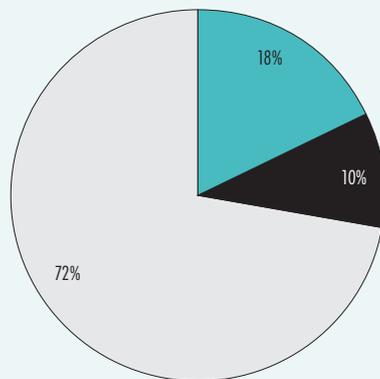
The distribution of online visits by Dutch consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

- Brands*
- Marketplaces
- Retailers

80%

■ The fraction of the Top 100 that trade in the official language(s)

36%

■ The fraction of the Top 100 that are headquartered in Netherlands

*Defined as brands that sell mostly own-label products

UNITED KINGDOM



MARKET ANALYSIS

- CURRENCY: STERLING
- OFFICIAL LANGUAGE: ENGLISH
- OFFICIAL MINORITY LANGUAGES: SCOTS, WELSH, ULSTER SCOTS, SCOTTISH GAELIC, IRISH
- FOREIGN LANGUAGES SPOKEN: FRENCH, GERMAN, SPANISH
- STANDARD VAT: 20%

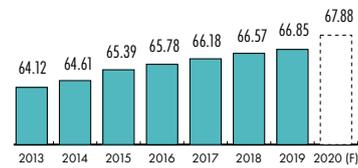
GDP AND E-GDP

Gross Domestic Product (GDP) in €TN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€TN)	GDP PER CAPITA	E-GDP
2015	€2.544	€39.675	5.23%
2016	€2.273	€35.182	6.12%
2017	€2.266	€34.663	6.82%
2018	€2.321	€35.291	7.53%
2019	€2.526	€38.175	7.94%
2020 (F)	€2.666	€40.055	8.34%

POPULATION

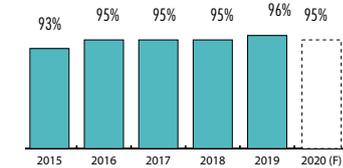
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

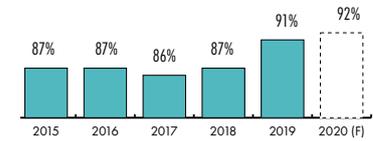
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

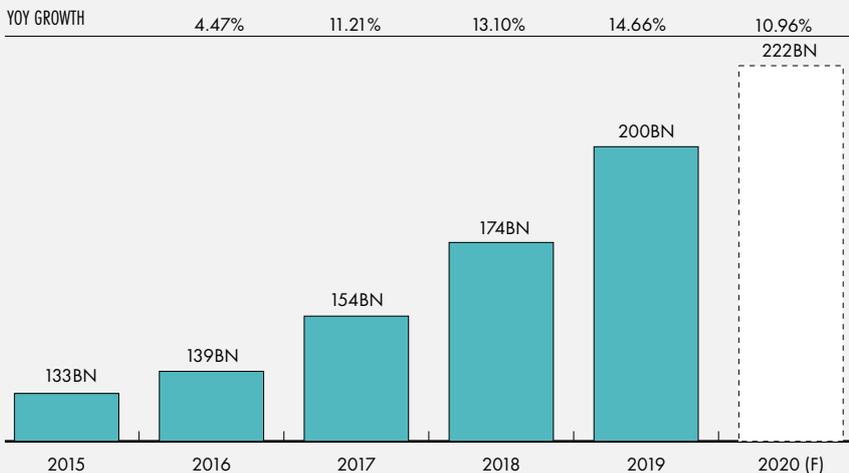
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



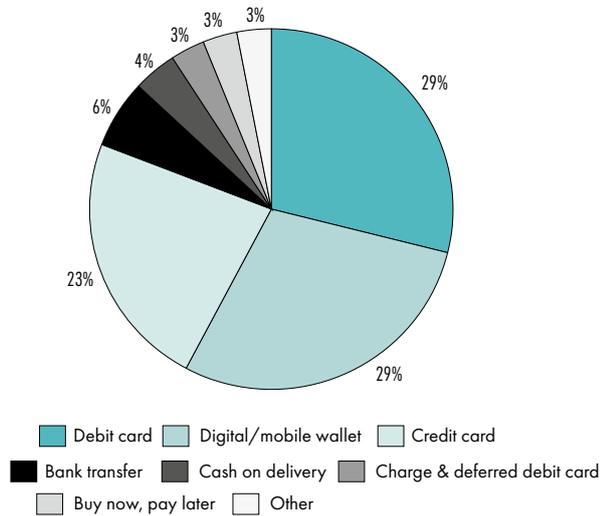
SOURCE: STATISTA

CONSUMER ANALYSIS

READ MORE about the UK ecommerce market in our United Kingdom 2020 Ecommerce Country Report: <https://retailx.net/uk-2020/>

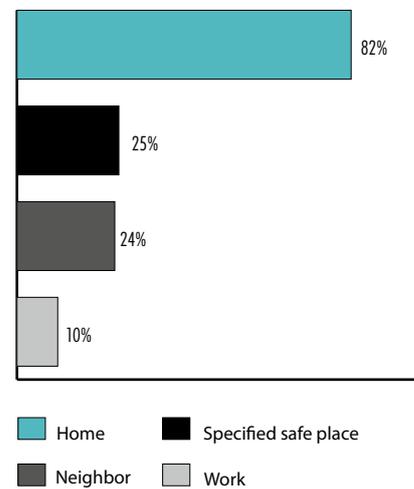
PAYMENT METHODS

Distribution of ecommerce payment methods



DELIVERY METHODS

Preferred parcel delivery location for online shoppers



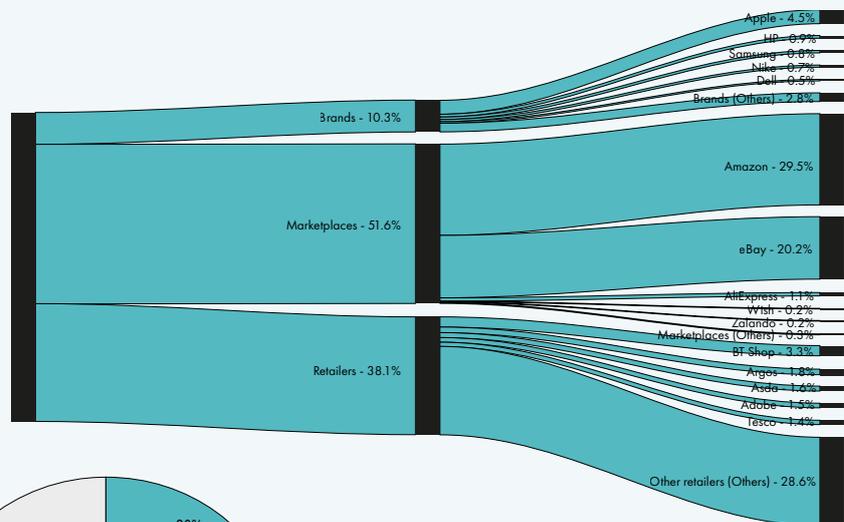
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM THE UNITED KINGDOM

WEB TRAFFIC SPLIT

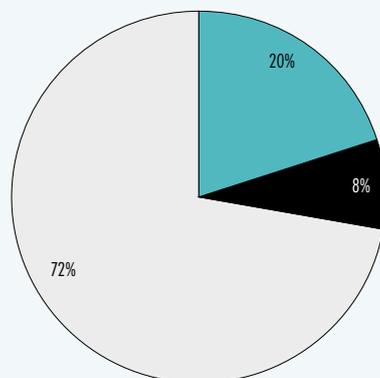
The distribution of online visits by British consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

Brands* Marketplaces Retailers

99%

The fraction of the Top 100 that trade in the official language(s)

76%

The fraction of the Top 100 that are headquartered in the United Kingdom

*Defined as brands that sell mostly own-label products

NORTHERN EUROPE INTRODUCTION

Northern Europe is the second strongest region for the number of e-shoppers in Europe with 79% of Northern European internet users shopping online in 2019. However it's the third in terms of ecommerce turnover, with around €44bn spent online, around a tenth of the €636bn spent in Europe as a whole. Our Northern Europe analysis includes Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway and Sweden.

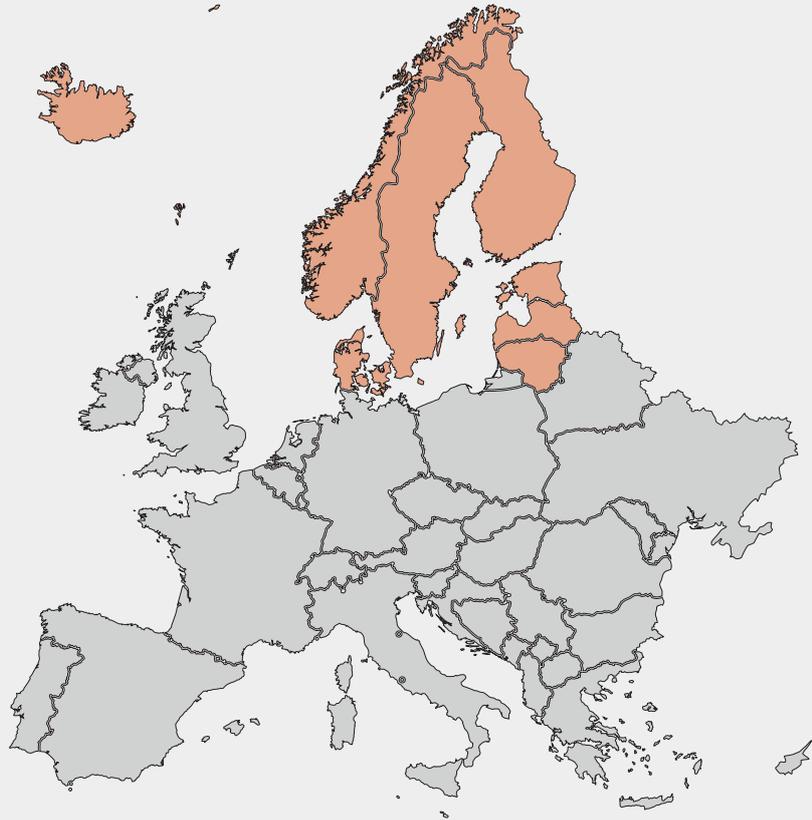
As a relatively stable market Northern Europe isn't showing the huge growth rates of the likes of Eastern and Southern Europe. Instead its 12.29% ecommerce turnover growth rate is more comparable to the European average of 14.22%. The share of GDP comprised of ecommerce sales is higher however, at 6% for 2019.

When looking on a country-by-country basis, Denmark leads the Northern Europe region in terms of ecommerce turnover with €20bn spent online in 2019. This compares to €12bn for Norway and €8bn for Sweden.

At €212m, Latvia has the lowest spending of Northern Europe as well as the lowest percentage of e-shoppers, with a little more than half (54%) of the internet population shopping online. This will be partly because the country has the second lowest level of internet usage, with 87% of the population using the internet compared to a Northern European figure of 95%.

However, Latvia has the highest ecommerce turnover growth rate at 25.44%, followed closely by Estonia with a 25.24% growth rate.

Estonia, meanwhile, leads the pack with an 11.59% rise in the growth rate of e-shoppers for 2019, nearly three times the rate of growth for Northern Europe as a whole.



PAGE 52-53: DENMARK



PAGE 54-55: ESTONIA



PAGE 56-57: FINLAND



PAGE 64-65: NORWAY



PAGE 66-67: SWEDEN

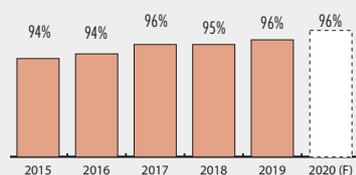


PAGE 66-67: SWEDEN



INTERNET USERS

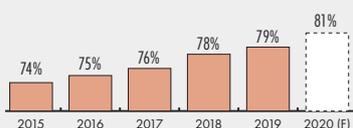
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

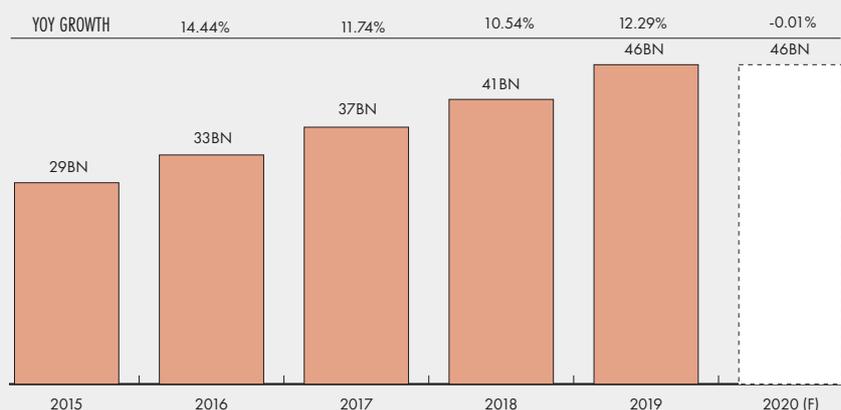
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€718	€36,570	4.65%
2016	€753	€37,346	5.03%
2017	€761	€40,263	5.46%
2018	€747	€41,062	7.92%
2019	€770	€41,535	8.71%
2020 (F)	€791	€40,546	8.80%

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



SOURCE: NATIONAL ECOMMERCE ASSOCIATIONS, STATISTA, RETAILX ANALYSIS

- In 2019, across the whole of Europe, Northern Europe accounted for 7% of total European ecommerce turnover.
- In 2019, Denmark had the highest share of total Northern European ecommerce turnover with 47% market share, followed by Norway with 27% and Sweden with 18%. These three leaders made up 86% of Northern Europe's ecommerce market. However, despite Denmark being in first place in Northern Europe, it made up only 3% of total European ecommerce turnover.
- Enterprises within Northern Europe are very likely to sell online in their home countries and some sell across borders into Europe and the rest of the world. In 2019, every Northern European country in this report had 94%+ enterprises with web sales to their own countries. Sweden and Estonia were the leaders here, both with 98%. The number of enterprises selling across the border has increased substantially for some countries. Becoming the leader, Latvia increased its figure from 41% in 2017 to 50% in 2019. However, some enterprises have performed less well (the figure in Lithuania decreased from 57% in 2017 to 49% in 2019). Of all the Northern European countries, Norway's enterprises are the least likely to have web sales to the rest of the world (only 15% in 2019), whereas Latvia is leading with 33%. Source: Eurostat (2019)

DENMARK



MARKET ANALYSIS

- CURRENCY: KRONE
- OFFICIAL LANGUAGE: DANISH
- OFFICIAL MINORITY LANGUAGES: FAROESE, GREENLANDIC, GERMAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH, GERMAN, SWEDISH, NORWEGIAN
- STANDARD VAT: 25%

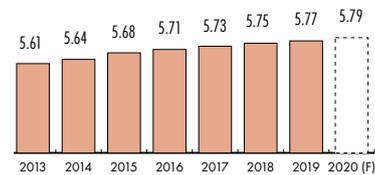
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€271	€48,324	4.29%
2016	€277	€49,120	4.88%
2017	€286	€50,389	5.35%
2018	€295	€51,735	5.86%
2019	€306	€53,484	6.38%
2020 (F)	€316	€54,921	6.79%

POPULATION

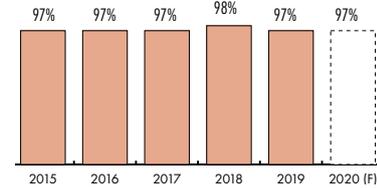
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

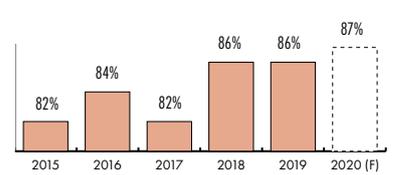
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

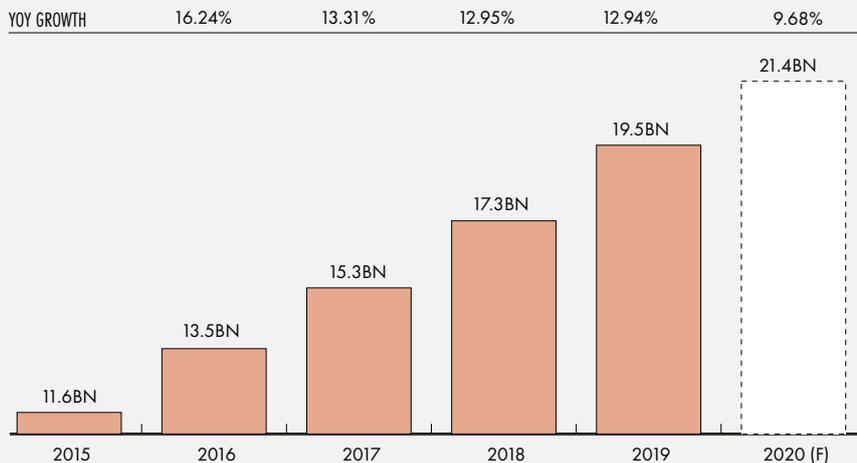
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



■ Association analysis indicates that, for the 2019 total, 80% represents Goods and 20% Services.

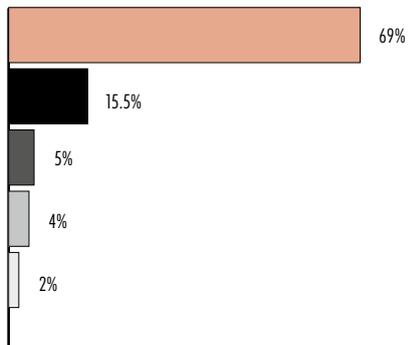
SOURCE: FDIH, STATISTA

CONSUMER ANALYSIS

READ MORE about the Danish ecommerce market in our Denmark 2020 Ecommerce Country Report: <https://retailx.net/denmark-2020>

PAYMENT METHODS

To online shoppers: how did you pay for your latest internet purchase?

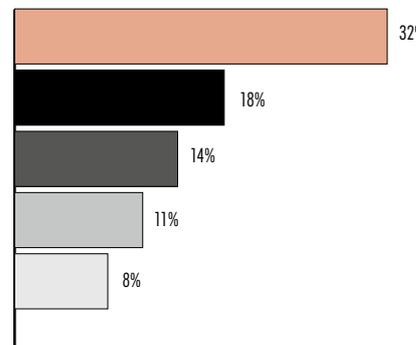


- Debit or credit card
- Mobile payment
- PayPal
- Online banking
- Invoice

SOURCE: STATISTA, FDH (2019)

DELIVERY METHODS

To consumers who had shopped online in the past 30 days: think back to your most recent online purchase. How was your product delivered?



- Delivery to distribution point
- Home delivery outside the door
- Parcel machine
- Delivery to mailbox
- Daytime home delivery

SOURCE: STATISTA, POSTNORD (2019)

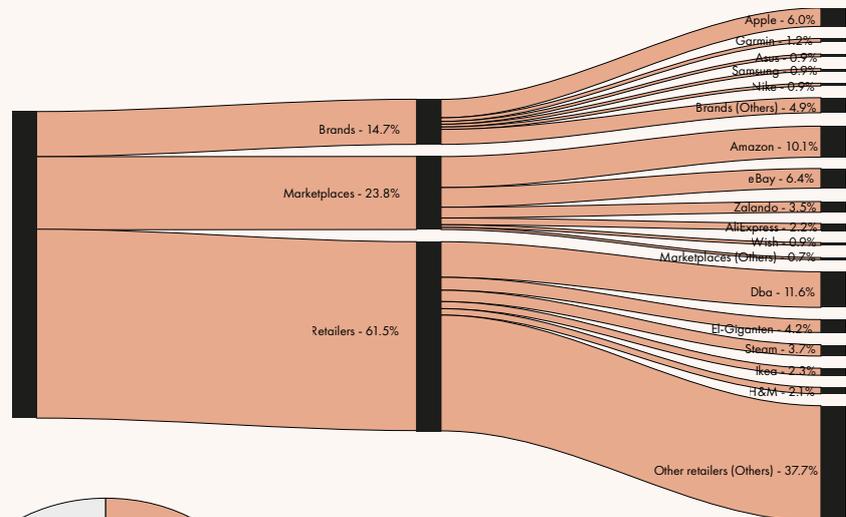
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM DENMARK

WEB TRAFFIC SPLIT

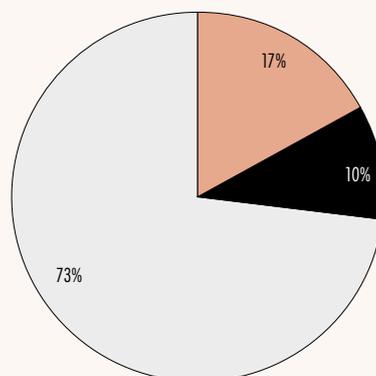
The distribution of online visits by Danish consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

- Brands*
- Marketplaces
- Retailers

71%

The fraction of the Top 100 that trade in the official language(s)

28%

The fraction of the Top 100 that are headquartered in Denmark

*Defined as brands that sell mostly own-label products

ESTONIA



Eesti e-kaubanduse liit

MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: ESTONIAN
- OFFICIAL DIALECTS: VÕRU, SETU, MULGI, TARTU
- FOREIGN LANGUAGES SPOKEN: RUSSIAN, ENGLISH, FINNISH, GERMAN
- STANDARD VAT: 20%

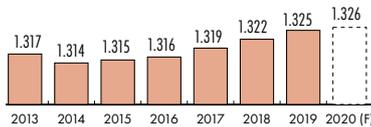
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€20	€15,668	2.57%
2016	€21	€16,492	3.18%
2017	€23	€17,958	3.79%
2018	€25	€19,491	4.42%
2019	€27	€20,563	5.24%
2020 (F)	€28	€21,732	6.26%

POPULATION

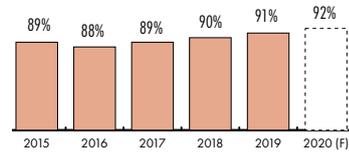
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

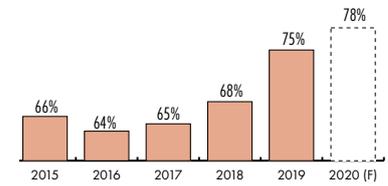
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

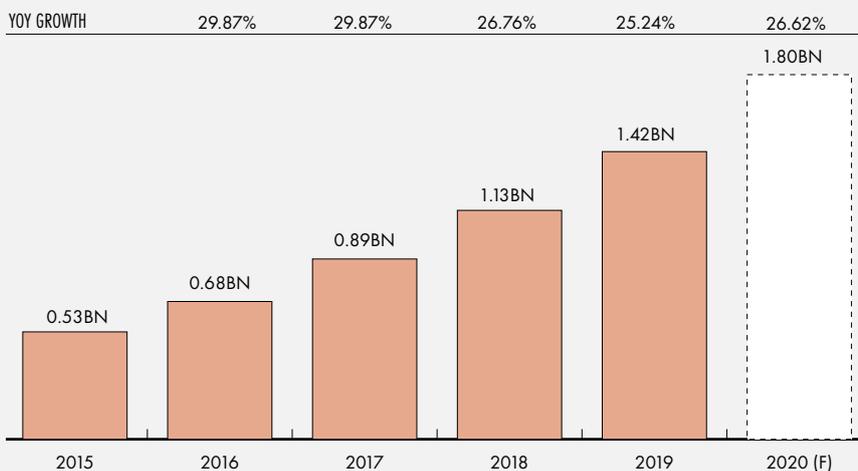
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



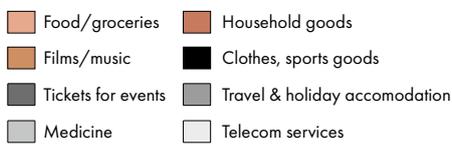
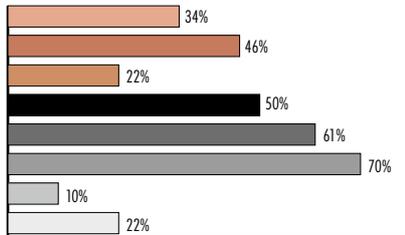
■ Association analysis indicates that, for the 2019 total, 40-50% represents Goods

SOURCE: EESTI PANK/ESTONIAN NATIONAL BANK

CONSUMER ANALYSIS

POPULAR ONLINE PRODUCT CATEGORIES

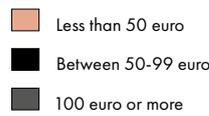
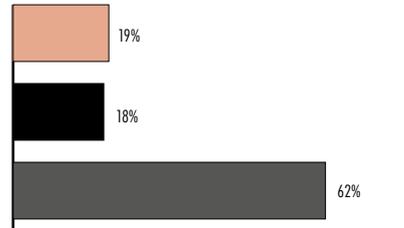
Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of

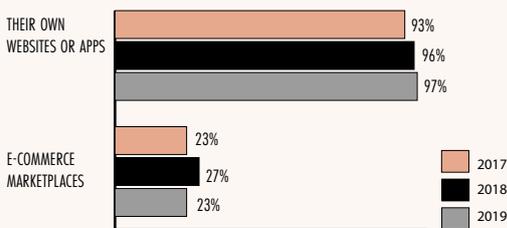


SOURCE: EUROSTAT (2019)

RETAILER ANALYSIS

ENTERPRISES SELLING ONLINE

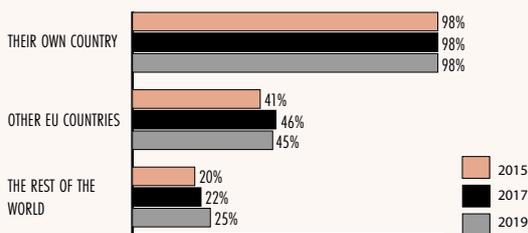
Percentage of enterprises with web sales via...



SOURCE: EUROSTAT (2019)

NATIONAL & CROSS-BORDER SELLING

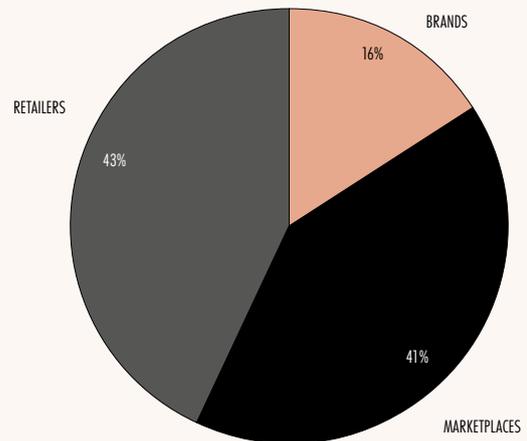
Percentage of enterprises with web sales to...



SOURCE: EUROSTAT (2019)

WEB TRAFFIC SPLITS

Distribution of online visits from Estonian consumers to retailers, brands and marketplaces



SOURCE: RETAILX ANALYSIS, SIMILARWEB (2019)

15% OF ESTONIAN ENTERPRISES HAD B2C WEB SALES IN 2019

FINLAND



MARKET ANALYSIS

- CURRENCY: KRONE
- OFFICIAL LANGUAGES: FINNISH, SWEDISH
- OFFICIAL MINORITY LANGUAGES: SAMI, ROMANI, KARELIAN
- FOREIGN LANGUAGES SPOKEN ENGLISH, GERMAN, FRENCH
- STANDARD VAT: 24%

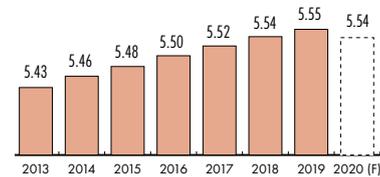
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€209	€38,537	0.92%
2016	€216	€39,570	1.10%
2017	€223	€40,841	1.32%
2018	€233	€42,347	1.56%
2019	€241	€43,661	1.66%
2020 (F)	€249	€45,005	1.80%

POPULATION

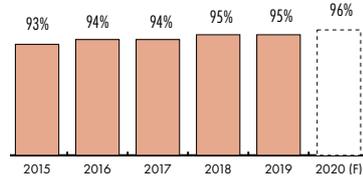
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

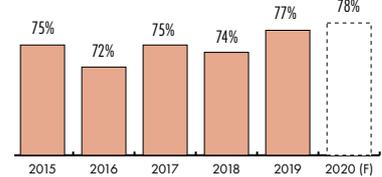
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

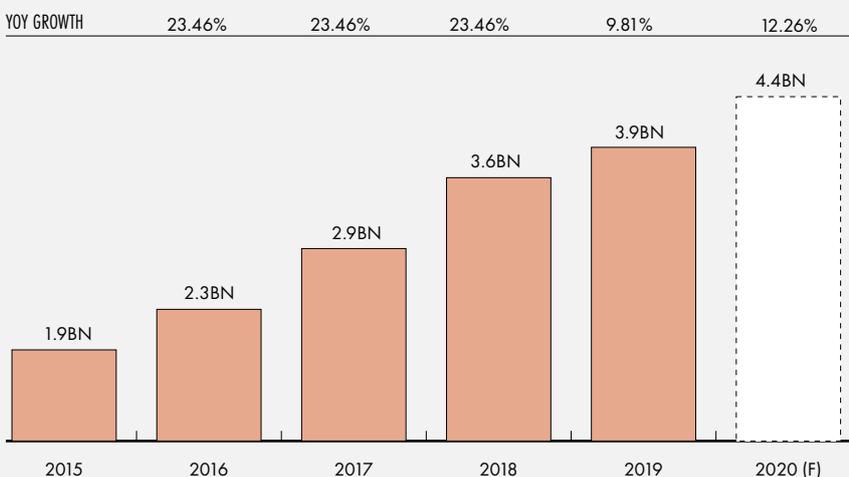
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



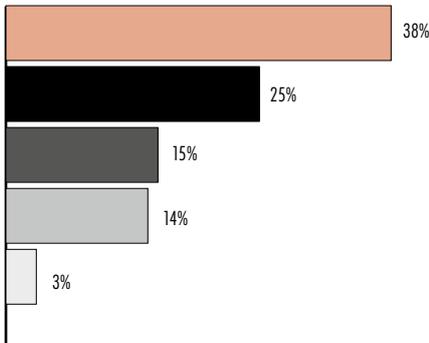
■ Association analysis indicates that the 2019 total is wholly comprised of the sale of Goods.

SOURCE: GFK MARKET MONITOR

CONSUMER ANALYSIS

PAYMENT METHODS

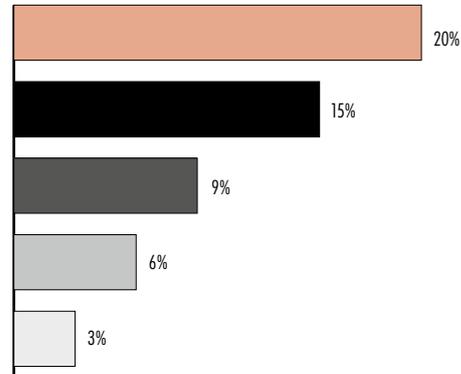
Preferred digital payment services



SOURCE: STATISTA, DIBS, YOUNGOV (2019)

MOBILE PAYMENT APP USAGE

Share of users of mobile payment apps



SOURCE: STATISTA, YOUNGOV (2018)

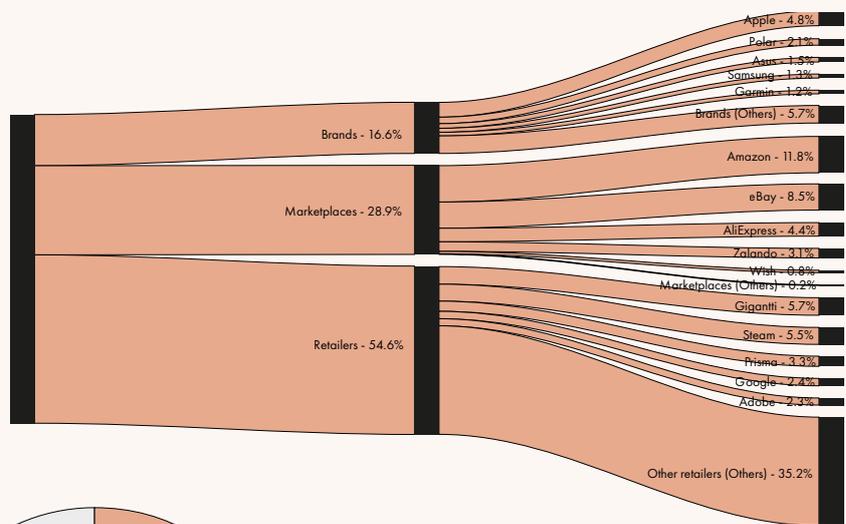
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM FINLAND

WEB TRAFFIC SPLIT

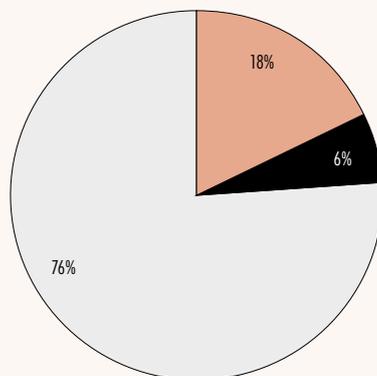
The distribution of online visits by Finnish consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



62%

The fraction of the Top 100 that trade in the official language(s)

11%

The fraction of the Top 100 that are headquartered in Finland

*Defined as brands that sell mostly own-label products

ICELAND



MARKET ANALYSIS

- CURRENCY: KRONA
- OFFICIAL LANGUAGE: ICELANDIC
- OFFICIAL MINORITY LANGUAGES: NORDIC LANGUAGES
- FOREIGN LANGUAGES SPOKEN: ENGLISH, DANISH, NORWEGIAN, SWEDISH, FRENCH, GERMAN SPANISH
- STANDARD VAT: 24%

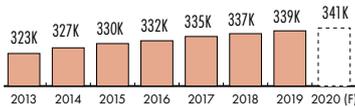
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€15	€48.480	0.03%
2016	€17	€54.239	0.03%
2017	€22	€68.482	0.03%
2018	€22	€69.038	0.03%
2019	€21	€63.997	0.03%
2020 (F)	€19	€57.805	0.03%

POPULATION

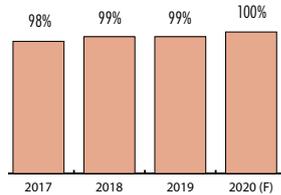
In thousand, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

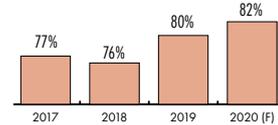
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

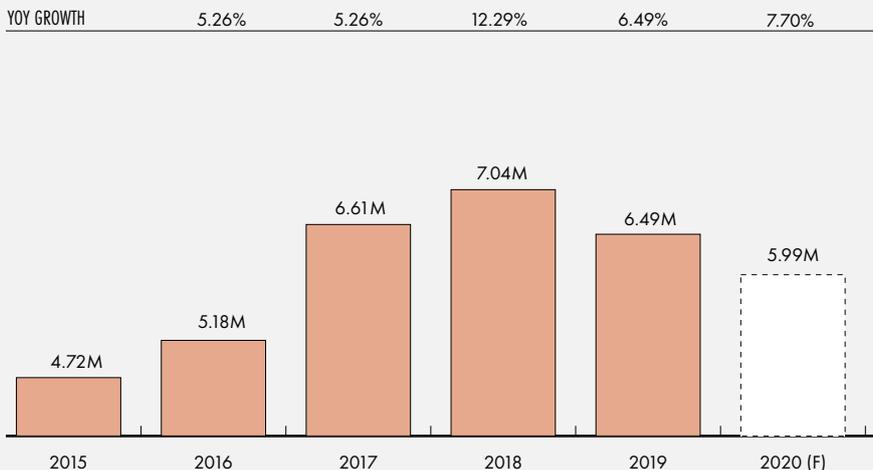
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast



SOURCE: NATIONAL ECOMMERCE ASSOCIATION, RETAILX ANALYSIS

LATVIA



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGES: LATVIAN, RUSSIAN
- OFFICIAL MINORITY LANGUAGES: BELARUSIAN, UKRAINIAN, POLISH, LITHUANIAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH, SPANISH, ITALIAN, FRENCH, DUTCH, RUSSIAN, SPANISH, DANISH
- STANDARD VAT: 21%

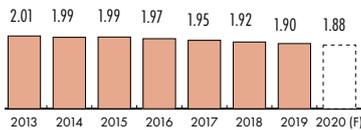
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€24	€12,084	0.31%
2016	€25	€12,559	0.39%
2017	€27	€13,531	0.47%
2018	€29	€14,952	0.57%
2019	€31	€16,012	0.68%
2020 (F)	€32	€17,091	0.72%

POPULATION

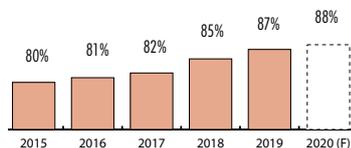
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

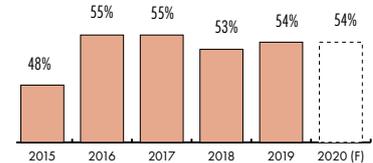
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

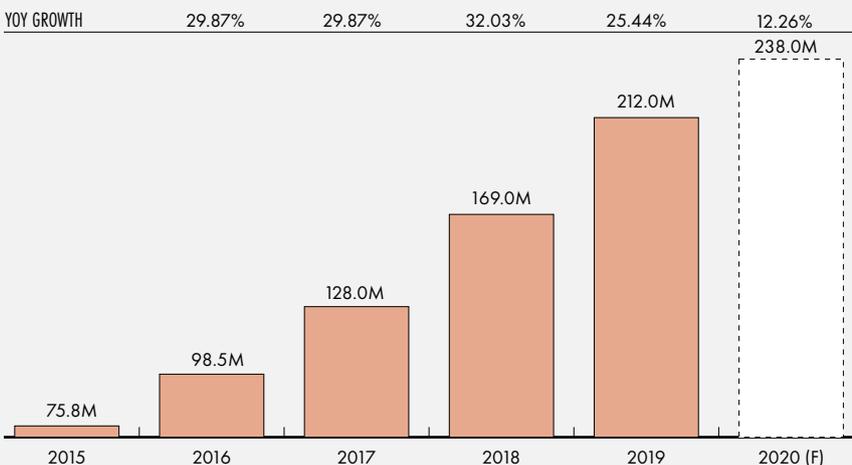
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast



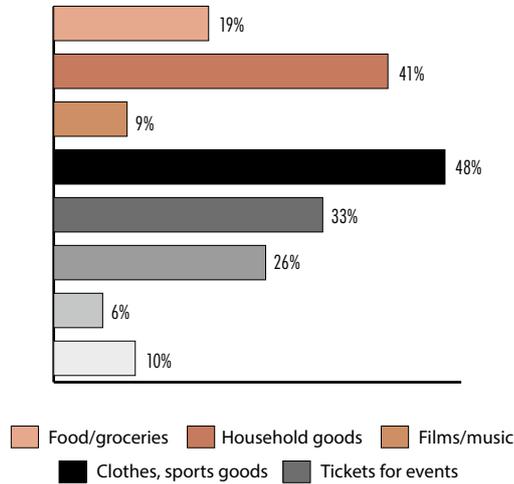
■ The 2019 total is wholly comprised of the sale of Goods

SOURCE: STATISTA, RETAIL ANALYSIS

CONSUMER ANALYSIS

POPULAR ONLINE PRODUCT CATEGORIES

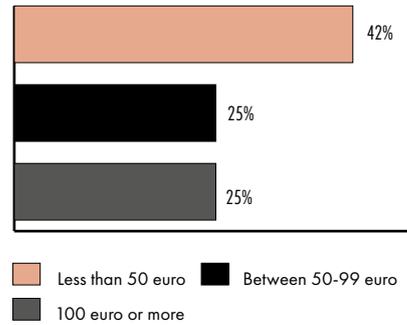
Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of different values



SOURCE: EUROSTAT (2019)

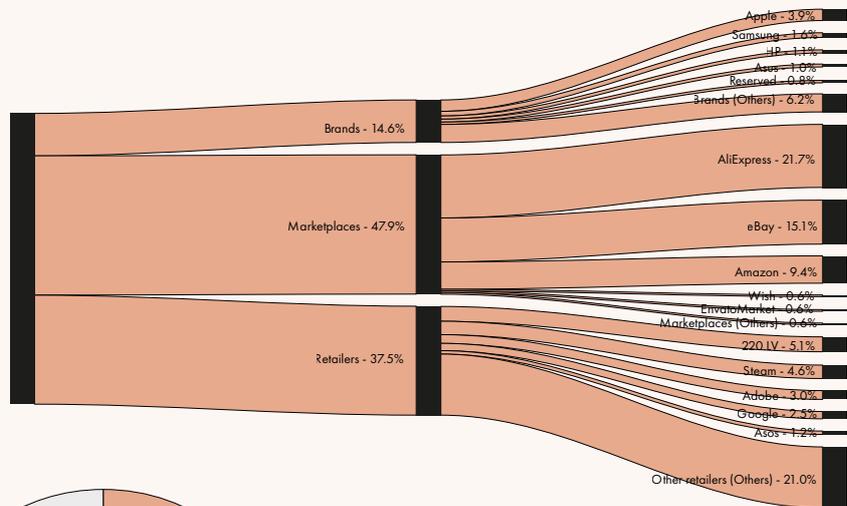
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM LATVIA

WEB TRAFFIC SPLIT

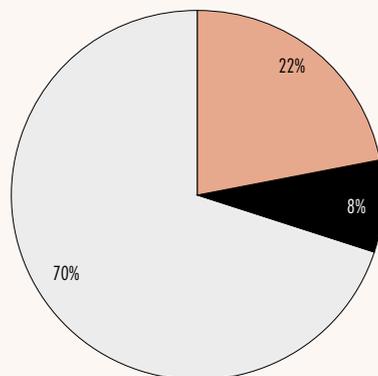
The distribution of online visits by Latvian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



25%

The fraction of the Top 100 that trade in the official language(s)

3%

The fraction of the Top 100 that are headquartered in Latvia

* Defined as brands that sell mostly own-label products

LITHUANIA



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: LITHUANIAN
- MINORITY/REGIONAL LANGUAGES: BELARUSIAN, POLISH, RUSSIAN, UKRAINIAN
- STANDARD VAT: 21%

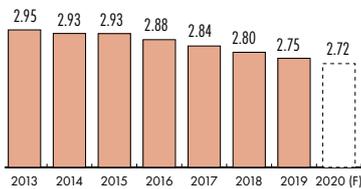
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€37	€12,655	1.19%
2016	€38	€13,249	1.25%
2017	€42	€14,390	1.25%
2018	€45	€15,618	1.25%
2019	€47	€16,669	1.30%
2020 (F)	€49	€17,788	1.35%

POPULATION

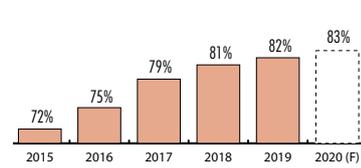
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

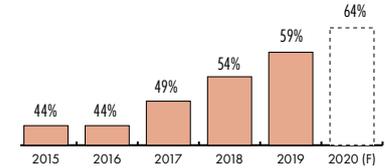
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

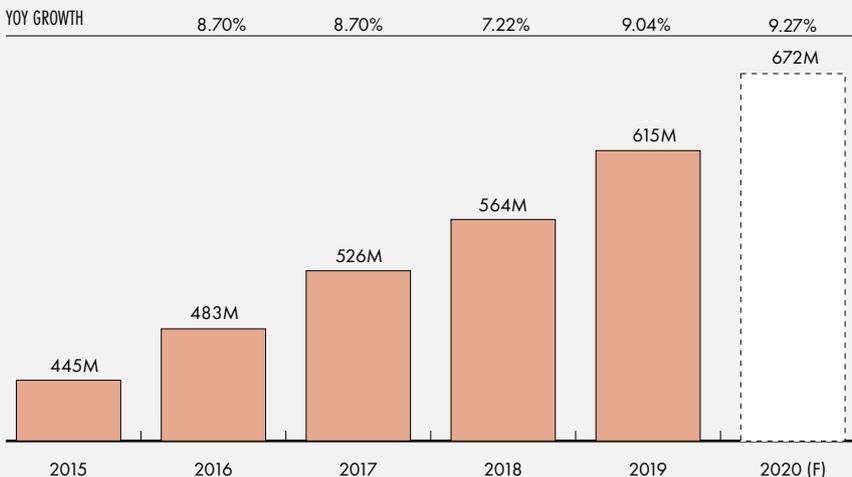
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast



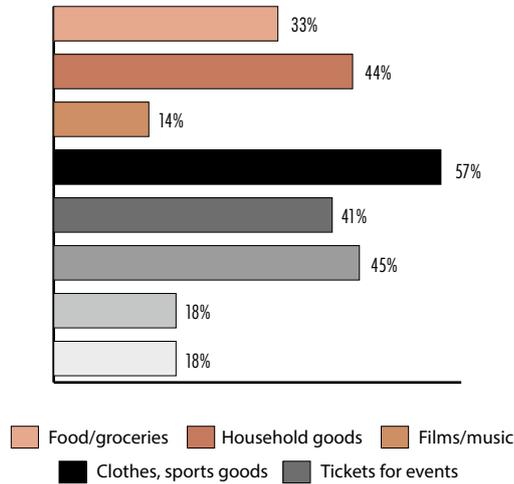
■ The 2019 total is wholly comprised of the sale of Goods

SOURCE: STATISTA, RETAILX ANALYSIS

CONSUMER ANALYSIS

POPULAR ONLINE PRODUCT CATEGORIES

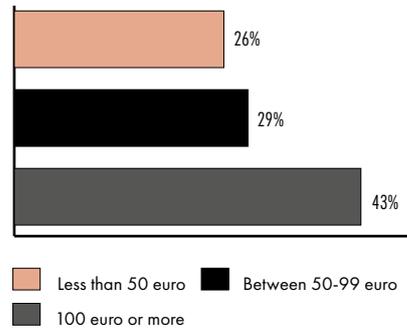
Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of the following values



SOURCE: EUROSTAT (2019)

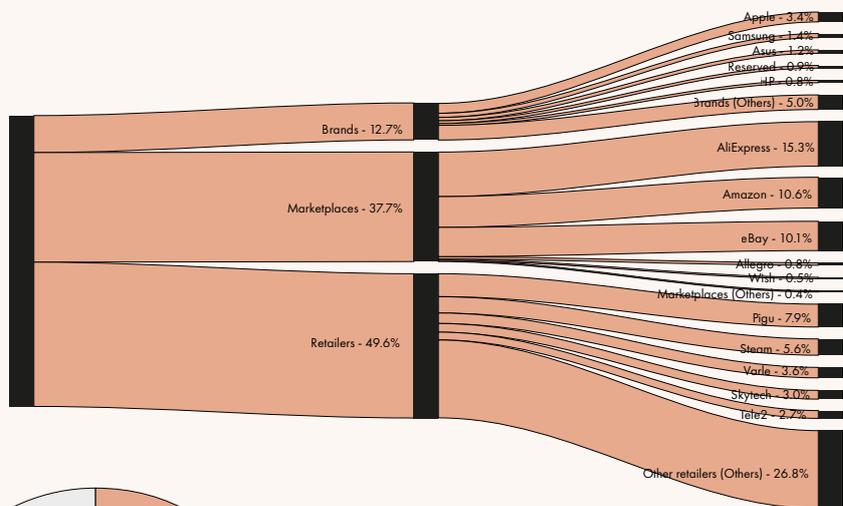
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM LITHUANIA

WEB TRAFFIC SPLIT

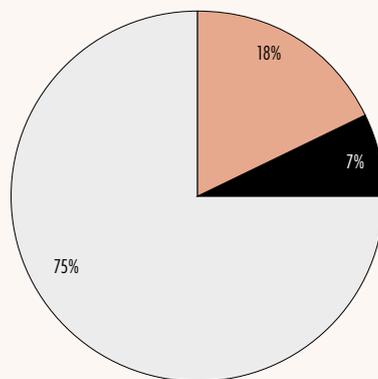
The distribution of online visits by Lithuanian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



34%

The fraction of the Top 100 that trade in the official language(s)

2%

The fraction of the Top 100 that are headquartered in Lithuania

*Defined as brands that sell mostly own-label products



MARKET ANALYSIS

- CURRENCY: KRONE
- OFFICIAL LANGUAGES: BOKMÅL NORWEGIAN, NYNORSK NORWEGIAN
- OFFICIAL MINORITY LANGUAGES: SÁMI, ROMANI, ROMANES, KVEN FINNISH, NORWEGIAN SIGN LANGUAGE
- FOREIGN LANGUAGES SPOKEN: ENGLISH
- STANDARD VAT: 25%

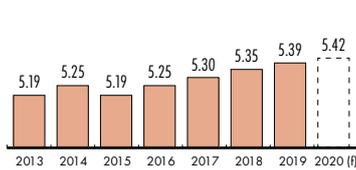
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€365	€70,251	2.50%
2016	€338	€64,381	2.90%
2017	€352	€67,840	2.96%
2018	€364	€69,404	3.03%
2019	€377	€71,089	3.25%
2020 (F)	€333	€62,387	2.58%

POPULATION

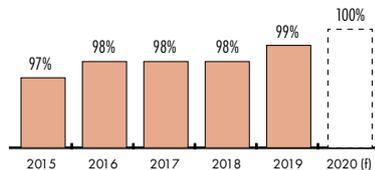
In millions, by year, including 2020 forecast



SOURCE: WORLDMETERS.INFO

INTERNET USERS

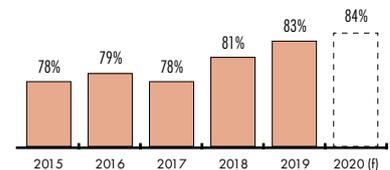
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

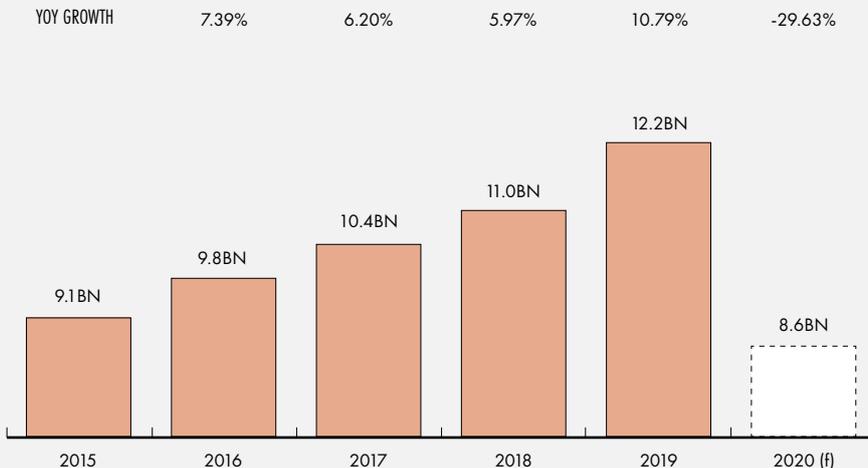
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



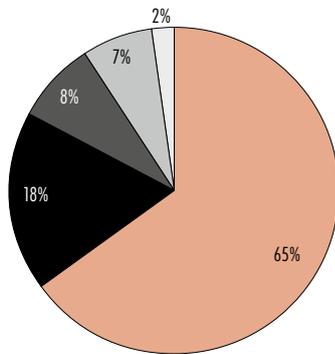
■ Association analysis indicates that for the 2019 total, 40% represents Goods and 60% Services.

The majority of Services are related to travel (airline tickets, hotel bookings, cruise, rental cars, bus tickets, taxis, etc). These Services experienced a dramatic decline due to travel restrictions in 2020

SOURCE: SSB, DIBS, POSTNORD, BANK OF NORWAY, VIRKE

CONSUMER ANALYSIS

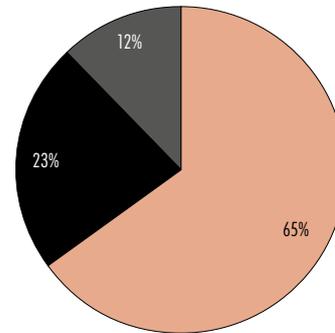
PAYMENT METHODS



- Bank/credit card
- Vipps, Norwegian smart-payment service
- PayPal
- Invoice
- Apple pay/others

SOURCE: VIRKE E-HANDEL ECOMMERCE ASSOCIATION

DELIVERY METHODS



- Pick up points/BIOPIS
- Mail box
- Home delivery

SOURCE: VIRKE E-HANDEL ECOMMERCE ASSOCIATION

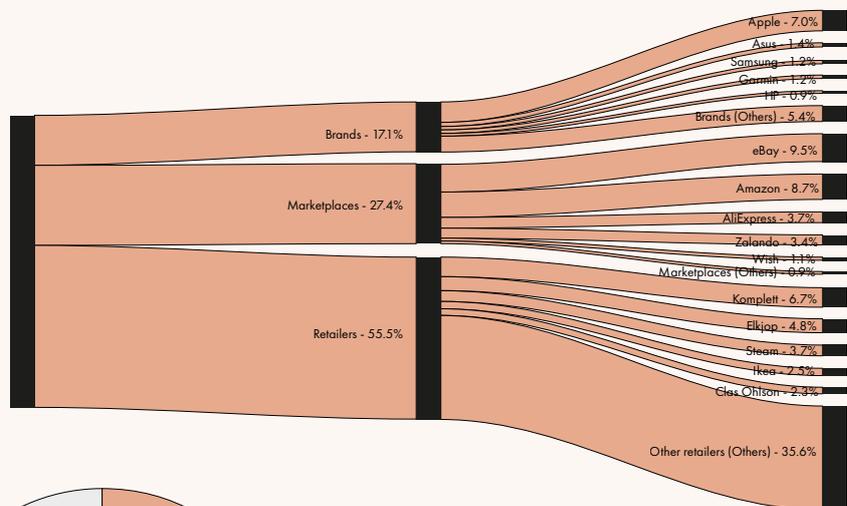
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM NORWAY

WEB TRAFFIC SPLIT

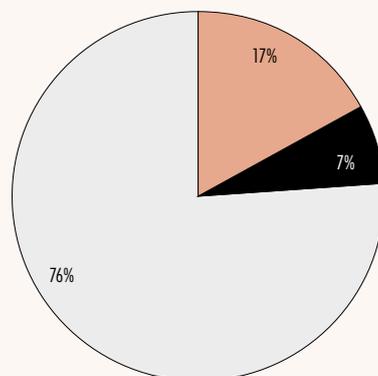
The distribution of online visits by Norwegian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

- Brands*
- Marketplaces
- Retailers

62%

The fraction of the Top 100 that trade in the official language(s)

14%

The fraction of the Top 100 that are headquartered in Norway

* Defined as brands that sell mostly own-label products

SWEDEN



wellstreet®

SVENSK
DIGITAL
HANDEL

MARKET ANALYSIS

- CURRENCY: KRONA
- OFFICIAL LANGUAGE: SWEDISH
- OFFICIAL MINORITY/INDIGENOUS LANGUAGES: SAMI, FINNISH, MEANKIELI, ROMANI, YIDDISH
- FOREIGN LANGUAGES SPOKEN: ENGLISH, GERMAN, FRENCH
- STANDARD VAT: 25%

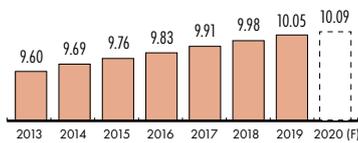
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€447	€46,564	1.19%
2016	€476	€49,157	1.32%
2017	€475	€48,678	1.46%
2018	€451	€45,910	1.61%
2019	€463	€46,803	1.76%
2020 (F)	€475	€47,637	1.88%

POPULATION

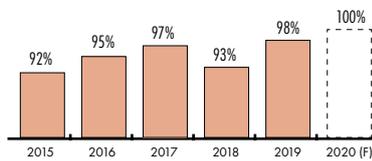
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

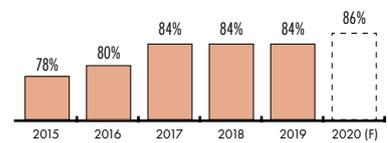
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

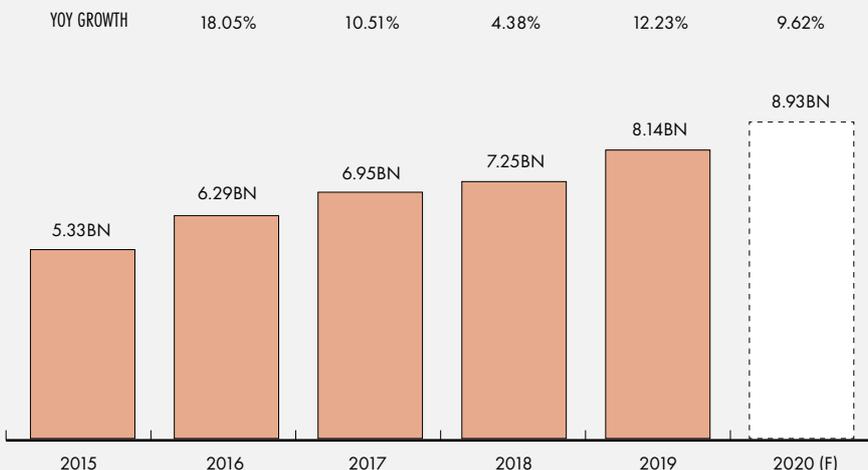
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast

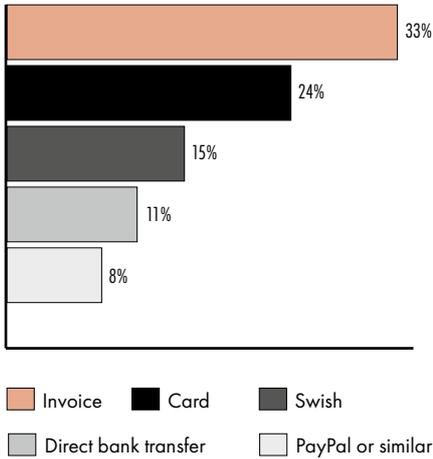


■ Association analysis indicates that for the 2019 total, 37% represents Goods, 16% Services and 47% Travel

SOURCE: POSTNORD

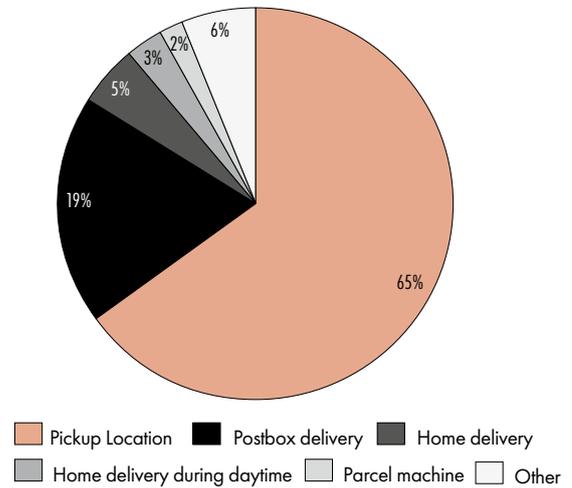
CONSUMER ANALYSIS

PAYMENT METHODS



SOURCE: POSTNORD E-BAROMETER (2019)

FULFILMENT CHOICES OF ONLINE SHOPPERS WHO PURCHASED OVER A 30-DAY PERIOD



SOURCE: STATISTA, KANTAR SIFO, HUI RESEARCH (2019)

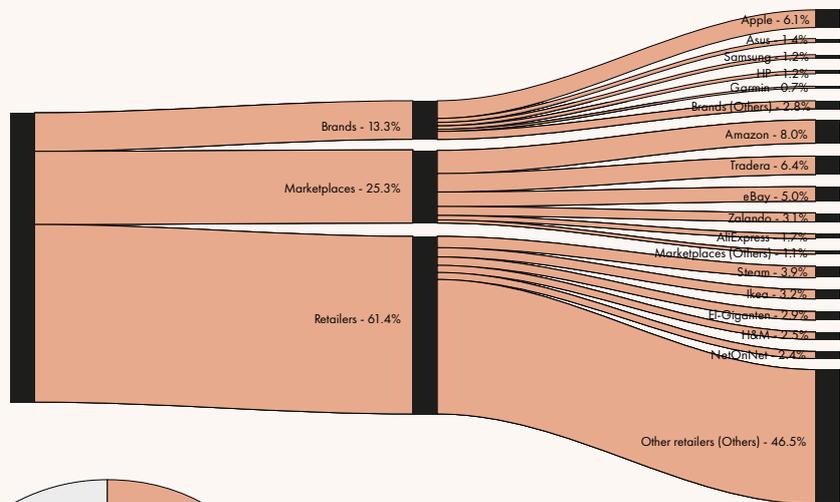
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM SWEDEN

WEB TRAFFIC SPLIT

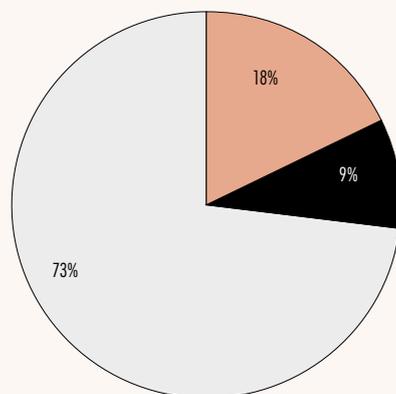
The distribution of online visits by Swedish consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



77%

The fraction of the Top 100 that trade in the official language(s)

42%

The fraction of the Top 100 that are headquartered in Sweden

*Defined as brands that sell mostly own-label products

CENTRAL EUROPE INTRODUCTION

In terms of internet usage and percentage of ecommerce shoppers, Central Europe – which in our analysis includes Austria, Czechia, Hungary, Poland, Slovakia, Slovenia and Switzerland – is on a par with Europe as a whole. The region also shows the strongest growth rate in ecommerce shoppers.

Both Eastern Europe and Central Europe have been playing ecommerce catch-up to the rest of the European regions for some time. Ecommerce accounted for a 3.91% share of Central Europe's GDP in 2019.

Internet usage stood at 85% in 2019, compared to 87% for Europe. Yet when it comes to online shoppers, the balance has swung the other way, with 69% of Central European internet users shopping online, compared to the European figure of 67%. The e-shopper growth rate for Central Europe in 2019 was 11.85%. Europe as a whole saw an 8.5% growth.

The Central Europe region has a smaller comparative spend currently. Indeed, at €40bn, it is the second smallest market in Europe in terms of B2C ecommerce turnover, ahead of Eastern Europe by €31bn. Ecommerce turnover growth rates for Central Europe are comparable to Europe as a whole, at 12.77% compared to Europe's 14.22%.

Looking at Central Europe on a country by country basis, there are some interesting conclusions to draw. Internet usage is fairly consistent across the countries – in the 80% range for all but Switzerland which had a higher internet usage rate of 97% in 2019. The percentage of internet users who are shopping online is also the highest for Switzerland, at 83%. This compares to Hungary whose 59% share is the lowest in the Central Europe region.

The 11.85% growth rate in online shoppers within Central Europe is driven mostly by Hungary, which saw an 19% rise in its e-shopper growth rate in 2019. Poland saw a 14% rise and Czechia a 10% increase.



PAGE 70-71: AUSTRIA



PAGE 72-73: CZECHIA



PAGE 74-75: HUNGARY



PAGE 76-77: POLAND



PAGE 82-83: SWITZERLAND

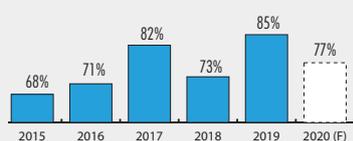


PAGE 82-83: SWITZERLAND



INTERNET USERS

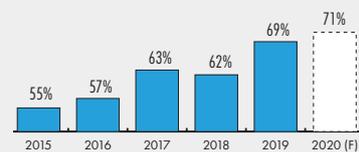
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

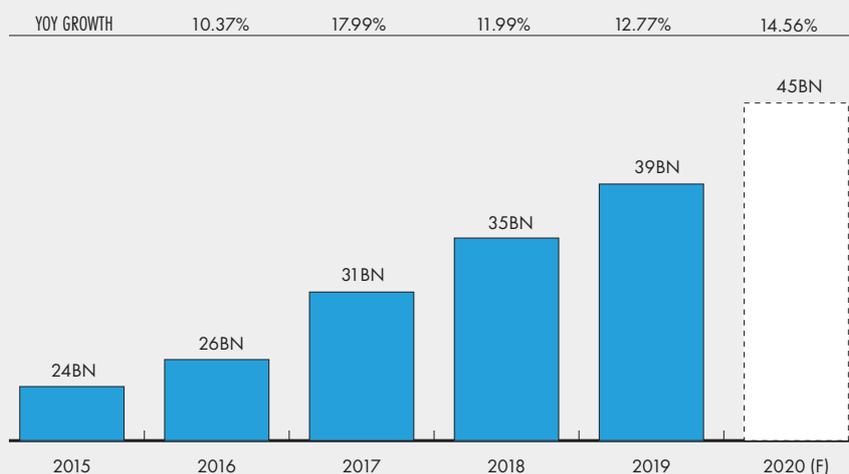
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€969	€27,132	2.49%
2016	€957	€27,084	2.79%
2017	€985	€27,975	3.19%
2018	€963	€28,263	3.66%
2019	€1,015	€29,617	3.91%
2020 (F)	€1,096	€30,977	4.15%

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



SOURCE: NATIONAL ECOMMERCE ASSOCIATIONS, STATISTA, RETAILX ANALYSIS

- In 2019, across the whole of Europe, Central Europe accounted for 6% of total European ecommerce turnover.
- In 2019, Poland had the highest share of total Central European ecommerce turnover with 29% market share, followed by Switzerland with 23% and Czechia with 22%. These three leaders made up 74% of Central Europe's ecommerce market, while the leader, Poland, only makes up 1.8% of total European ecommerce turnover.
- In 2019, 97% of enterprises in Central Europe with web sales had sales within their own countries, with the leaders being Czechia, Austria and Poland at 99%. Several enterprises in Central Europe also have web sales to other European countries, with 66% in Austria, 53% in Slovenia and 51% in Czechia. Hungary and Poland are lagging behind in web sales to other EU countries, with 35% and 37% respectively. For web sales to the rest of the world, Austria is the leader with 40% of enterprises selling online to the 'rest of the world', followed by Slovenia with 23%. Slovakia and Czechia lag behind here with 14% and 18% respectively. Central Europe has some ecommerce markets that are still developing while others are highly developed, so the increasing trend of selling online across borders will likely continue. Source: Eurostat (2019)

AUSTRIA



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: GERMAN
- OFFICIAL MINORITY LANGUAGES: BOSNIAN, SERBIAN, TURKISH
- FOREIGN LANGUAGES SPOKEN: ENGLISH, FRENCH, ITALIAN
- STANDARD VAT: 20%

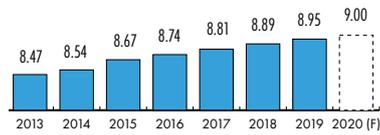
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€344	€40.600	1.76%
2016	€356	€41.707	1.80%
2017	€369	€42.622	1.84%
2018	€387	€44.282	1.86%
2019	€401	€45.567	1.87%
2020 (F)	€416	€46.867	1.90%

POPULATION

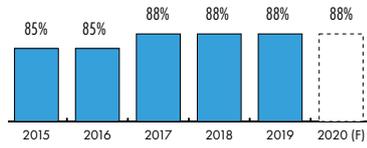
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

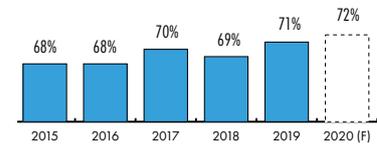
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

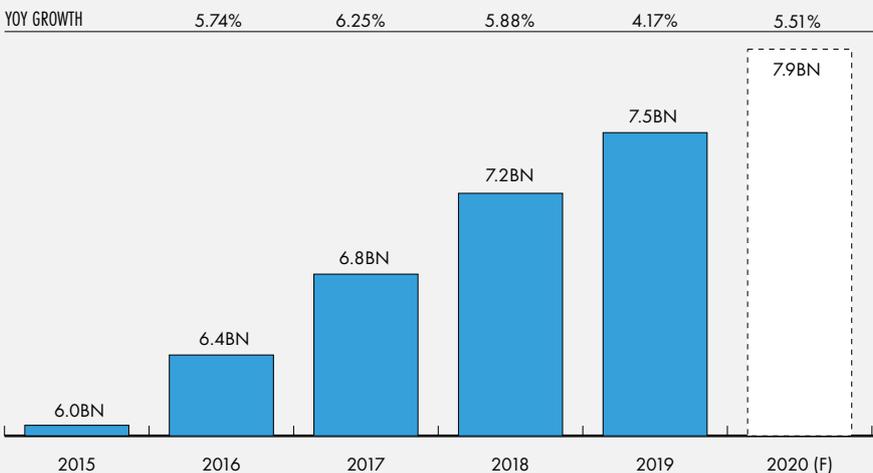
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

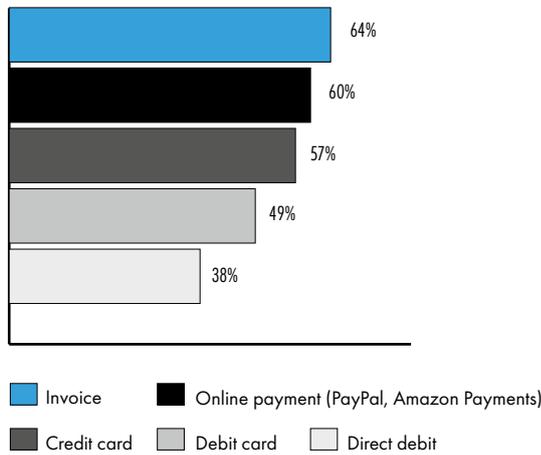
Measured in €BN. 2020 is a Forecast



SOURCE: HANDELSVERBAND ECOMMERCE ASSOCIATION

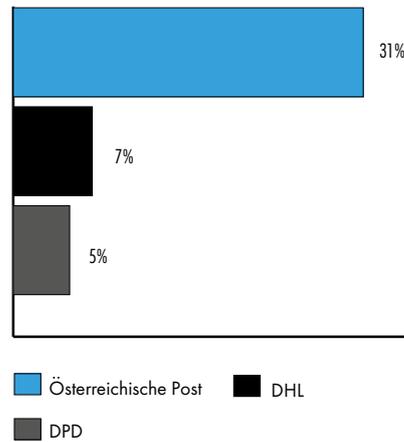
CONSUMER ANALYSIS

PAYMENT METHODS



SOURCE: HANDELSVERBAND ECOMMERCE ASSOCIATION

DELIVERY METHODS



SOURCE: HANDELSVERBAND ECOMMERCE ASSOCIATION

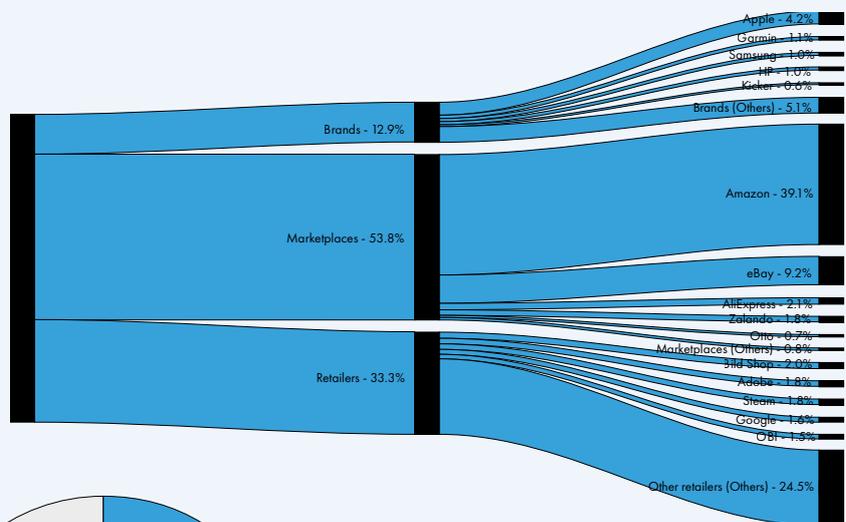
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM AUSTRIA

WEB TRAFFIC SPLIT

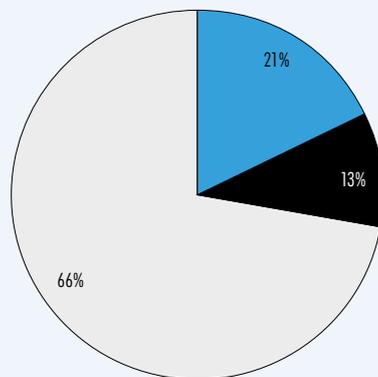
The distribution of online visits by Austrian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



86%

The fraction of the Top 100 that trade in the official language(s)

8%

The fraction of the Top 100 that are headquartered in Austria

* Defined as brands that sell mostly own-label products

CZECHIA



MARKET ANALYSIS

- CURRENCY: KORUNA
- OFFICIAL LANGUAGE: CZECH
- OFFICIAL MINORITY LANGUAGES: GERMAN, MORAVIAN, POLISH, ROMANI, SLOVAK, VIETNAMESE
- STANDARD VAT: 21%

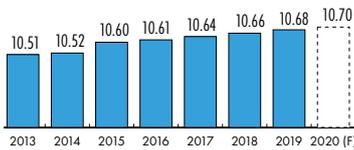
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€167	€15,949	2.98%
2016	€176	€16,744	3.17%
2017	€187	€17,727	3.32%
2018	€204	€19,291	3.74%
2019	€216	€20,299	4.09%
2020 (F)	€212	€19,920	3.91%

POPULATION

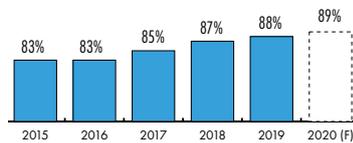
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

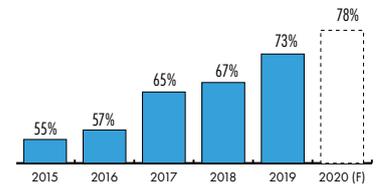
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

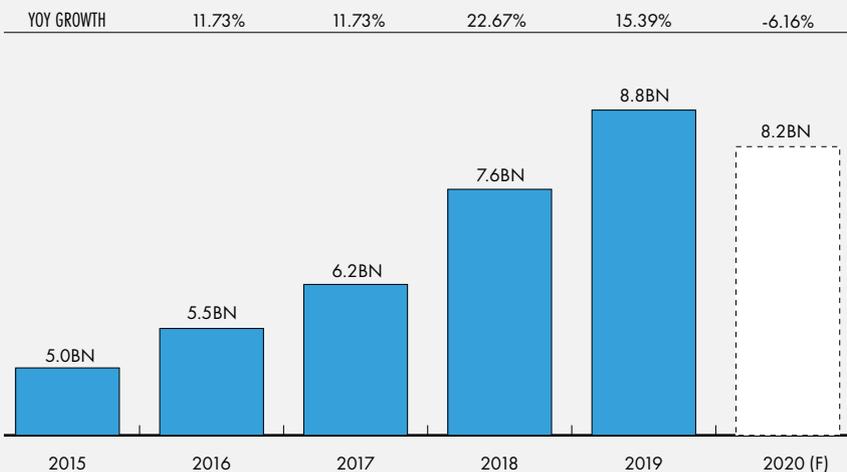
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast

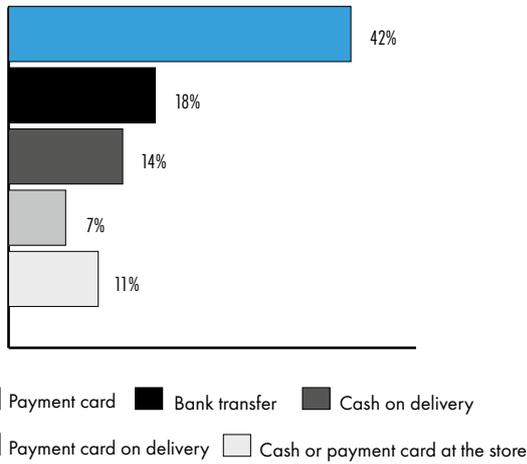


■ Association analysis indicates that, for the 2019 total, 69% represents Goods and 31% Services

SOURCE: APEK ECOMMERCE ASSOCIATION, RETAILX ANALYSIS

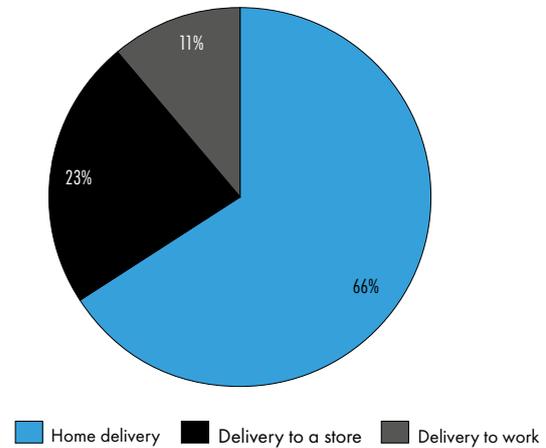
CONSUMER ANALYSIS

PAYMENT METHODS



SOURCE: APEK ECOMMERCE ASSOCIATION

DELIVERY METHODS



SOURCE: APEK ECOMMERCE ASSOCIATION

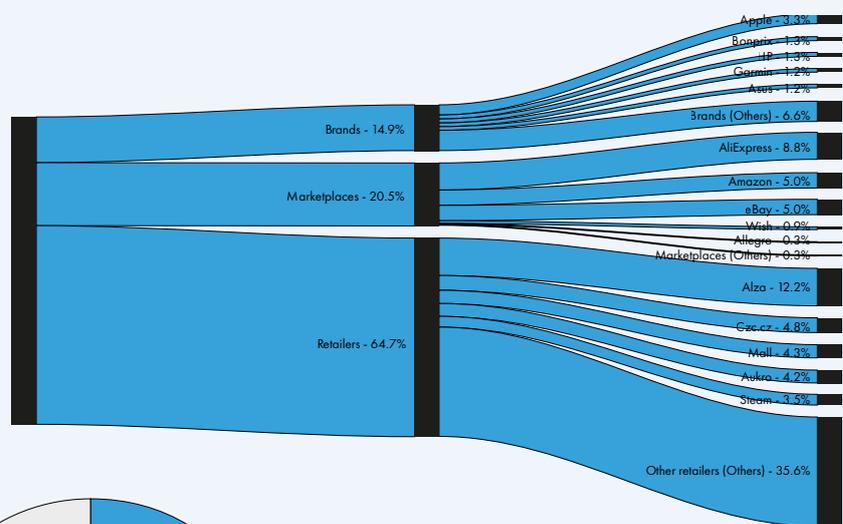
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM CZECHIA

WEB TRAFFIC SPLIT

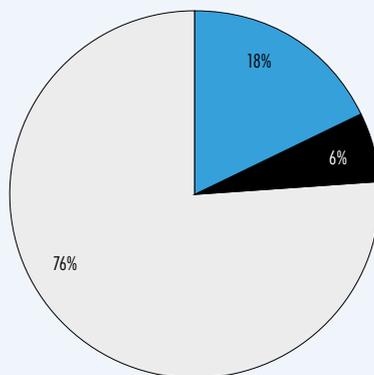
The distribution of online visits by Czech consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



74%

The fraction of the Top 100 that trade in the official language(s)

29%

The fraction of the Top 100 that are headquartered in Czechia

*Defined as brands that sell mostly own-label products

HUNGARY



MARKET ANALYSIS

- CURRENCY: FORINT
- OFFICIAL LANGUAGE: HUNGARIAN
- OFFICIAL MINORITY LANGUAGES: ARMENIAN, BOYASH, BULGARIAN, CROATIAN, GERMAN, GREEK, POLISH, ROMANI, ROMANIAN, RUSYN, SERBIAN, SLOVAK, SLOVENIAN, UKRAINIAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH, GERMAN
- STANDARD VAT: 27%

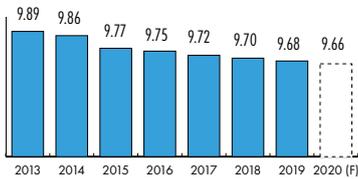
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€112	€11,417	0.74%
2016	€113	€11,521	0.87%
2017	€122	€12,570	0.95%
2018	€134	€13,750	0.99%
2019	€138	€14,220	1.09%
2020 (F)	€134	€13,824	1.33%

POPULATION

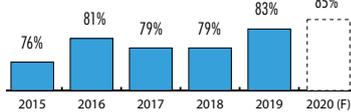
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

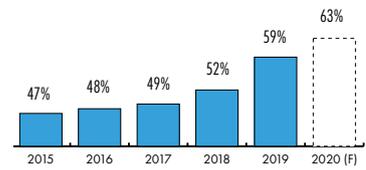
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

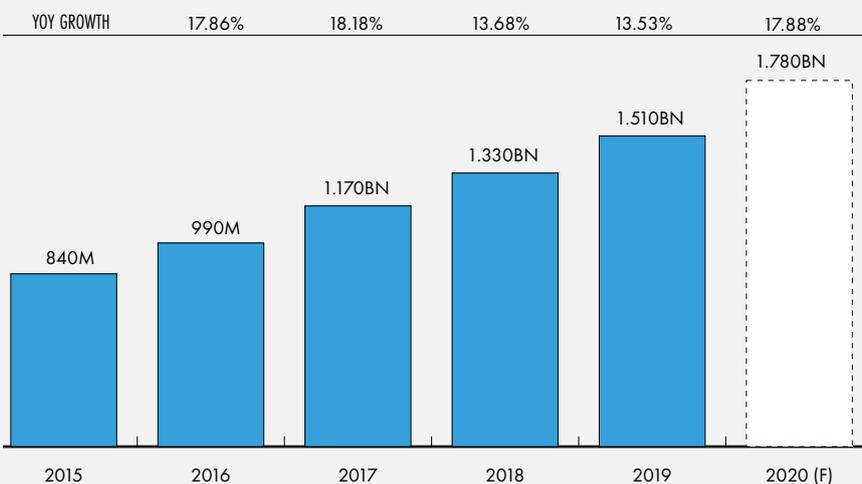
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

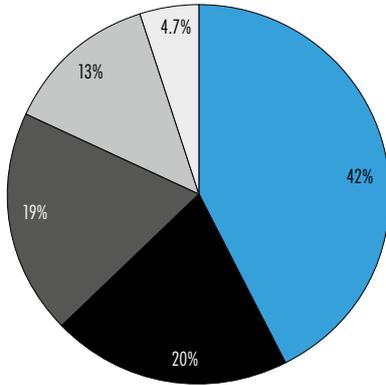
Measured in €BN. 2020 is a Forecast



SOURCE: ECOMMERCE HUNGARY ECOMMERCE ASSOCIATION

CONSUMER ANALYSIS

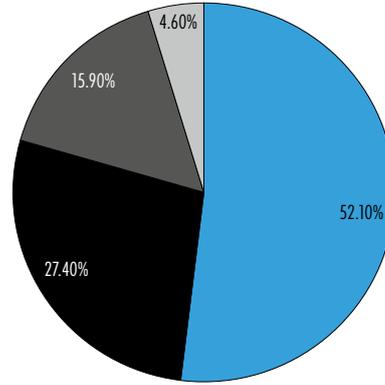
PAYMENT METHODS



■ Cash on delivery
 ■ VPOS
 ■ Credit card on delivery
■ Cash payment in store
 ■ Bank transfer

SOURCE: ECOMMERCE HUNGARY ECOMMERCE ASSOCIATION

DELIVERY METHODS



■ Home delivery by courier service
 ■ In-store pickup
■ Delivery point & APT
 ■ Home delivery by the retailer

SOURCE: ECOMMERCE HUNGARY ECOMMERCE ASSOCIATION

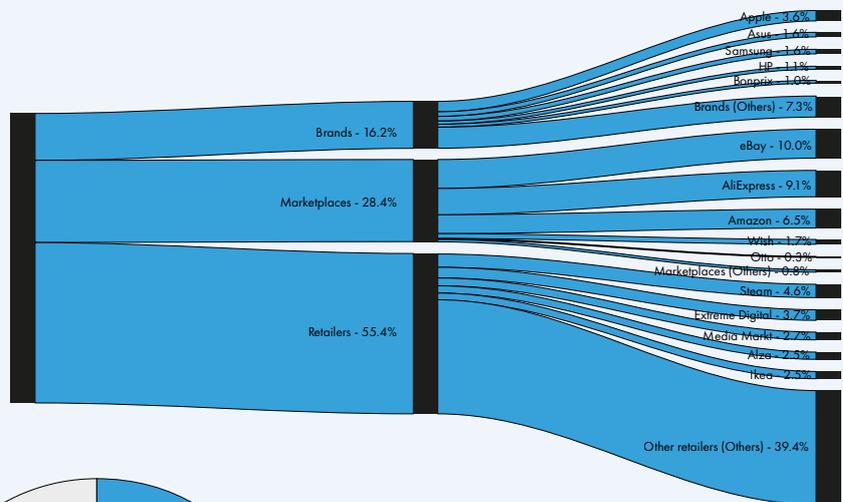
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM HUNGARY

WEB TRAFFIC SPLIT

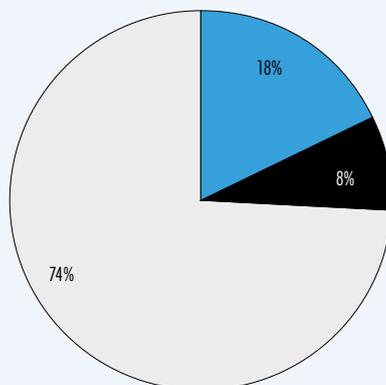
The distribution of online visits by Hungarian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

■ Brands*
 ■ Marketplaces
 ■ Retailers

64%

■ The fraction of the Top 100 that trade in the official language(s)

8%

■ The fraction of the Top 100 that are headquartered in Hungary

* Defined as brands that sell mostly own-label products

POLAND



MARKET ANALYSIS

- CURRENCY: ZLOTY
- OFFICIAL LANGUAGE: POLISH
- OFFICIAL MINORITY LANGUAGES: KASHUBIAN, BELARUSIAN, HUNGARIAN, RUTHENIAN, LITHUANIAN, SLOVAK, CZECH
- FOREIGN LANGUAGES SPOKEN: ENGLISH, RUSSIAN, GERMAN
- STANDARD VAT: 23%

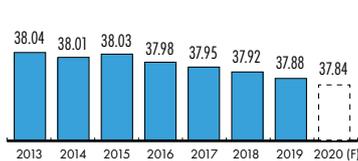
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€441	€11,613	1.21%
2016	€424	€11,172	1.42%
2017	€471	€12,392	1.79%
2018	€495	€13,054	2.03%
2019	€525	€13,837	2.22%
2020 (F)	€516	€13,619	2.97%

POPULATION

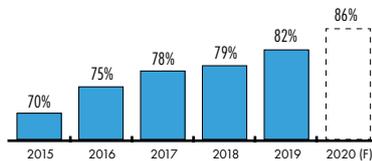
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

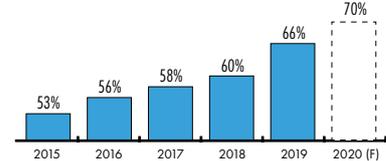
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

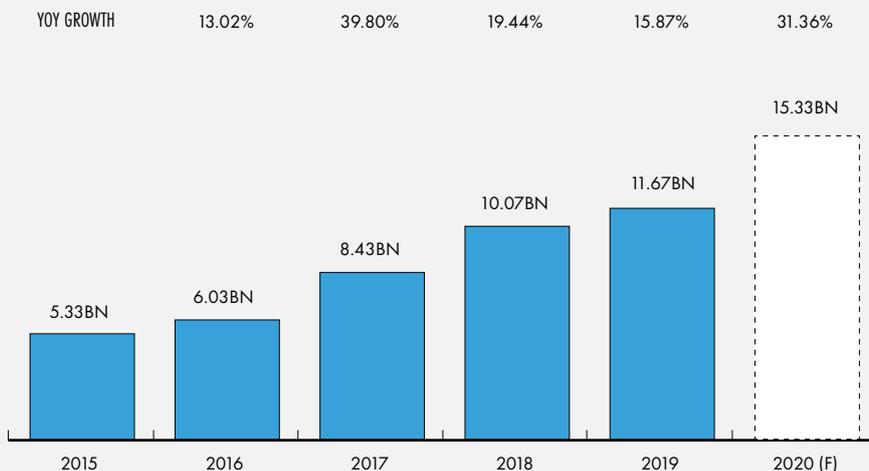
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast

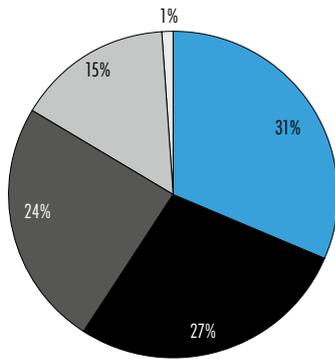


SOURCE: E-IZBA ECOMMERCE ASSOCIATION

CONSUMER ANALYSIS

PAYMENT METHODS

Most popular payment methods used among online shoppers when paying for a product bought online

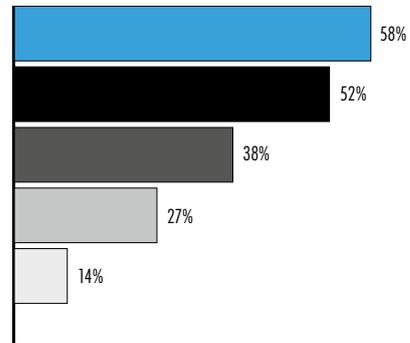


- Direct payment through bank
- PayPal or similar
- Debit/credit card
- Cash on delivery
- Invoice

SOURCE: STATISTA, POSTNORD / QUESTION ASKED: WHICH OF THE FOLLOWING METHODS DO YOU PREFER TO USE WHEN PAYING FOR A PRODUCT YOU HAVE BOUGHT ONLINE?

DELIVERY METHODS

Favourite delivery methods used for online shopping



- Delivery by courier to home/work
- Pick-up in Paczkomat
- Delivery by post to home/work
- Free delivery to home with free returns
- Pick-up in store / click & collect

SOURCE: STATISTA, GEMJUS, IZBA GOSPODARKI ELEKTRONICZNEJ / QUESTION ASKED: WHICH OF THE FOLLOWING FORMS OF PRODUCT DELIVERY DO YOU USE MOST OFTEN WHEN SHOPPING ONLINE?

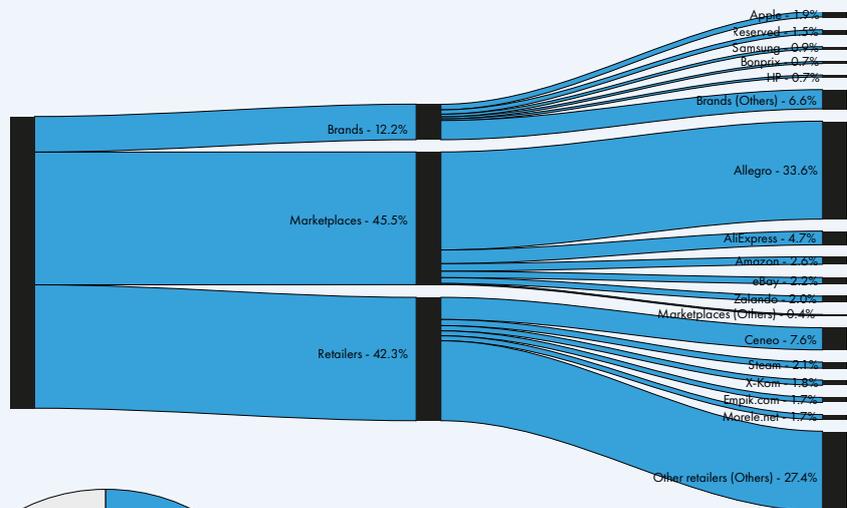
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM POLAND

WEB TRAFFIC SPLIT

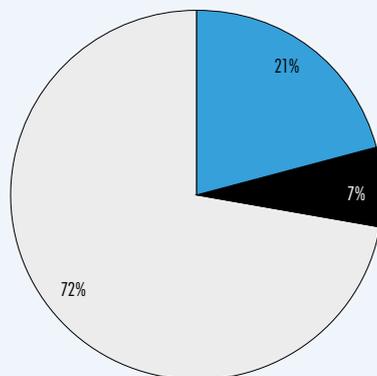
The distribution of online visits by Polish consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

- Brands*
- Marketplaces
- Retailers

78%

■ The fraction of the Top 100 that trade in the official language(s)

34%

■ The fraction of the Top 100 that are headquartered in Poland

* Defined as brands that sell mostly own-label products

SLOVAKIA



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: SLOVAK
- OFFICIAL MINORITY LANGUAGES: BULGARIAN, CROATIAN, CZECH, GERMAN, HUNGARIAN, POLISH, ROMANI, RUSYN, UKRAINIAN
- STANDARD VAT: 20%

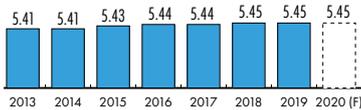
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€79	€14,619	0.57%
2016	€81	€14,991	0.64%
2017	€84	€15,610	0.71%
2018	€90	€16,578	0.77%
2019	€96	€17,634	0.85%
2020 (F)	€101	€18,625	0.89%

POPULATION

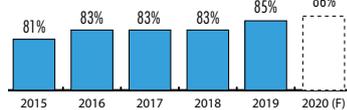
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

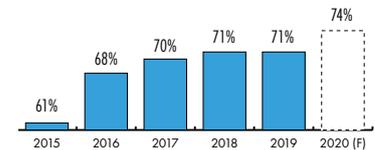
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

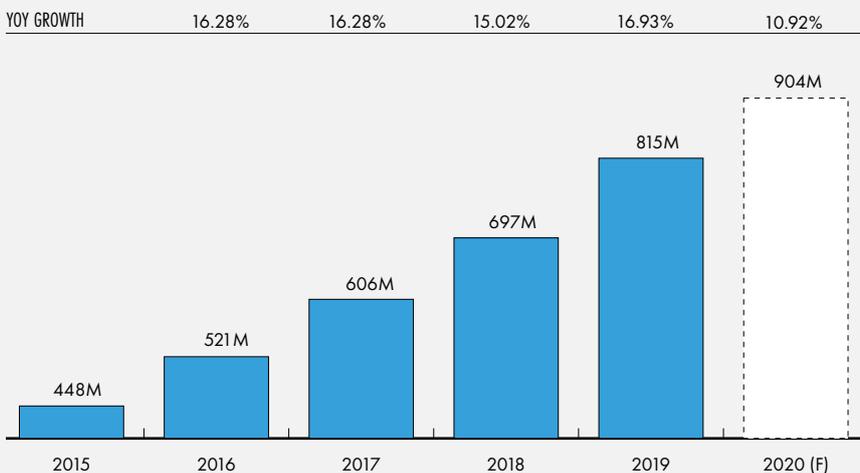
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast



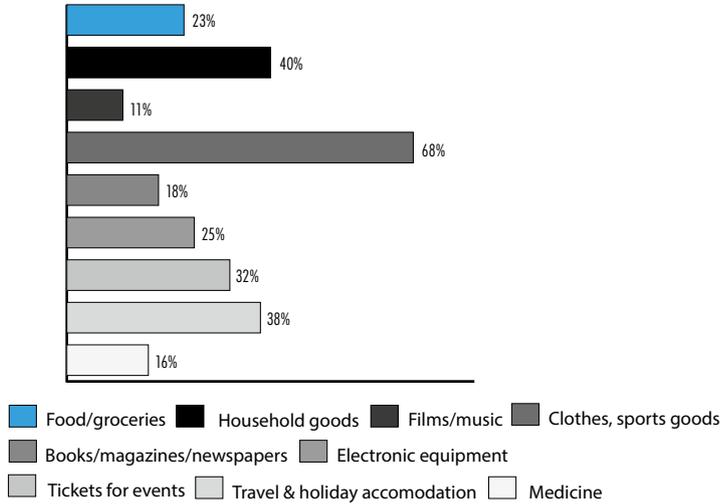
■ The 2019 total is wholly comprised of the sale of Goods

SOURCE: STATISTA, RETAILX ANALYSIS

CONSUMER ANALYSIS

POPULAR ONLINE PRODUCT CATEGORIES

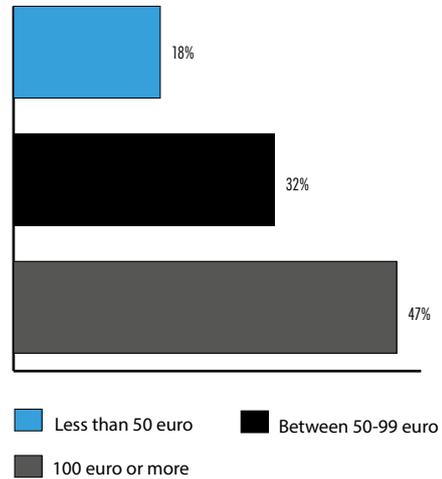
Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of



SOURCE: EUROSTAT (2019)

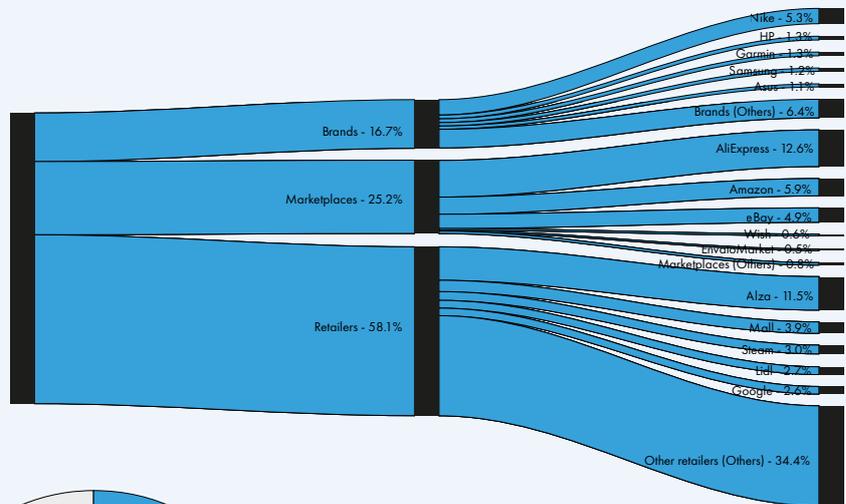
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM SLOVAKIA

WEB TRAFFIC SPLIT

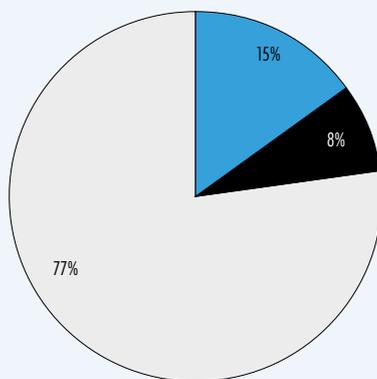
The distribution of online visits by Slovak consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



61%

The fraction of the Top 100 that trade in the official language(s)

10%

The fraction of the Top 100 that are headquartered in Slovakia

*Defined as brands that sell mostly own-label products

SLOVENIA



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: SLOVENE
- OFFICIAL MINORITY LANGUAGES: BOSNIAN, SERBIAN, TURKISH
- FOREIGN LANGUAGES SPOKEN: ENGLISH, FRENCH, ITALIAN
- STANDARD VAT: 22%

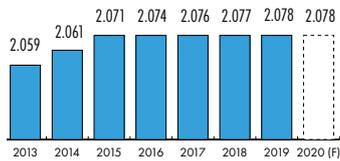
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€38	€18,865	0.60%
2016	€40	€19,573	0.65%
2017	€43	€20,761	0.69%
2018	€45	€22,134	0.71%
2019	€48	€23,199	0.76%
2020 (F)	€50	€24,237	0.81%

POPULATION

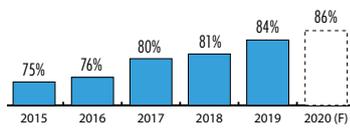
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

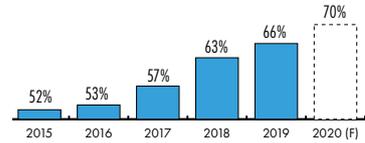
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

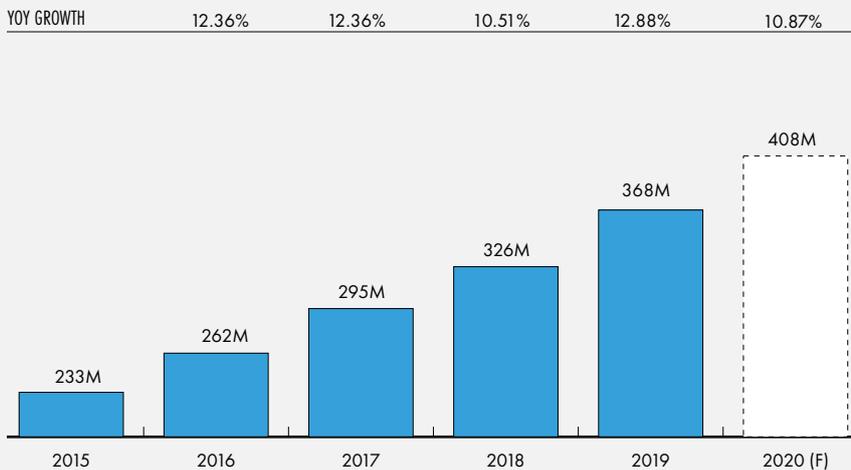
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast



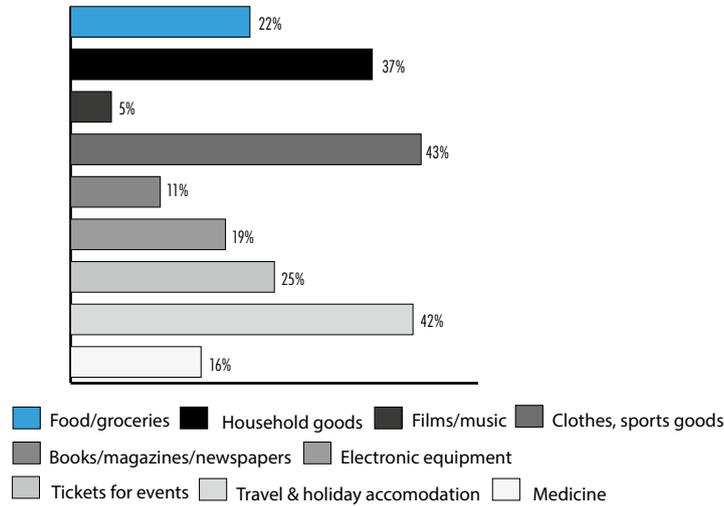
■ The 2019 total is wholly comprised of the sale of Good.

SOURCE: STATISTA, RETAILX ANALYSIS

CONSUMER ANALYSIS

POPULAR ONLINE PRODUCT CATEGORIES

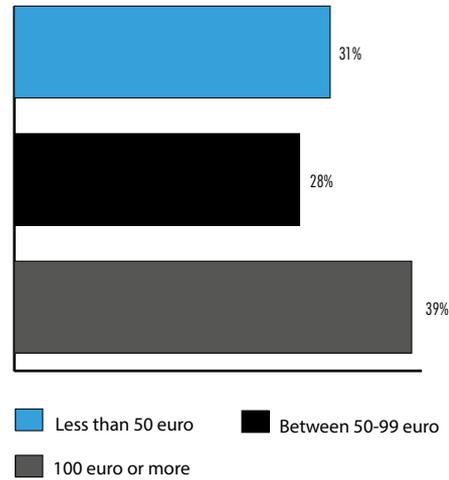
Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of



SOURCE: EUROSTAT (2019)

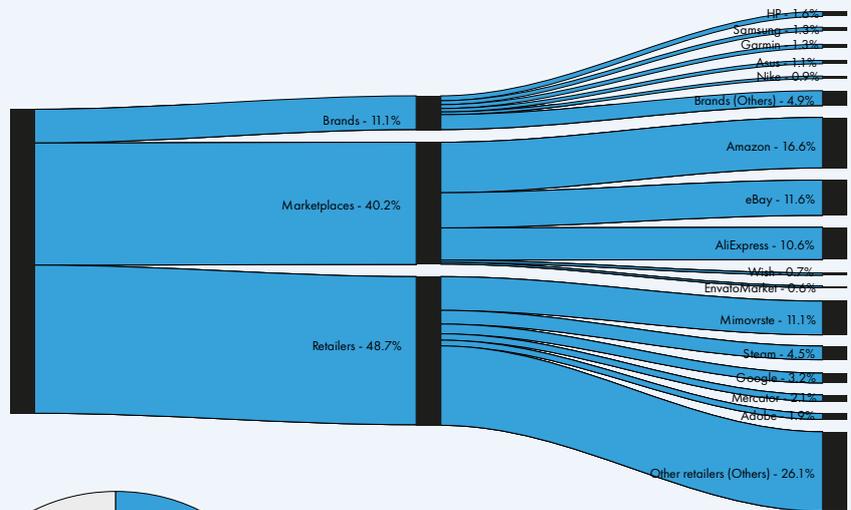
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM SLOVENIA

WEB TRAFFIC SPLIT

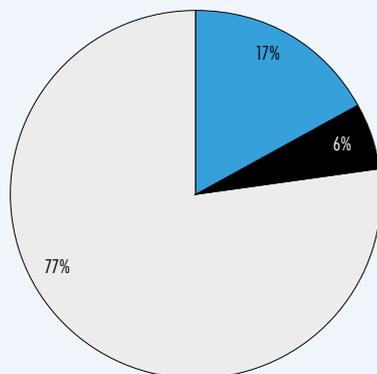
The distribution of online visits by Slovenian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



28%

The fraction of the Top 100 that trade in the official language(s)

3%

The fraction of the Top 100 that are headquartered in Slovenia

SOURCE: RETAILX ANALYSIS



* Defined as brands that sell mostly own-label products

SWITZERLAND



MARKET ANALYSIS

- CURRENCY: SWISS FRANC
- OFFICIAL LANGUAGES: GERMAN, FRENCH, ITALIAN, ROMANSH
- FOREIGN LANGUAGES SPOKEN: ENGLISH
- STANDARD VAT: 7.70%

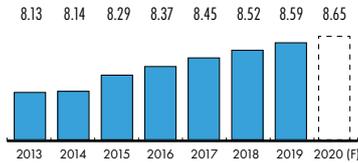
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€625	€76,865	0.00%
2016	€601	€73,877	0.00%
2017	€615	€74,148	1.29%
2018	€576	€68,750	1.38%
2019	€613	€72,562	1.47%
2020 (F)	€679	€79,747	1.60%

POPULATION

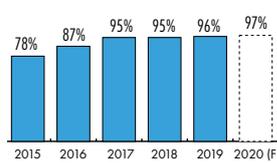
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

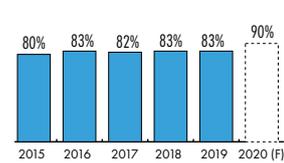
Percentage of the POPULATION accessing the internet in the last year



SOURCE: STATISTA (DIGITAL MARKET OUTLOOK); STATISTA DIGITAL MARKET OUTLOOK, TNS INFRATEST; GOOGLE, SLIDESHARE, RETAILX ANALYSIS

E-SHOPPERS

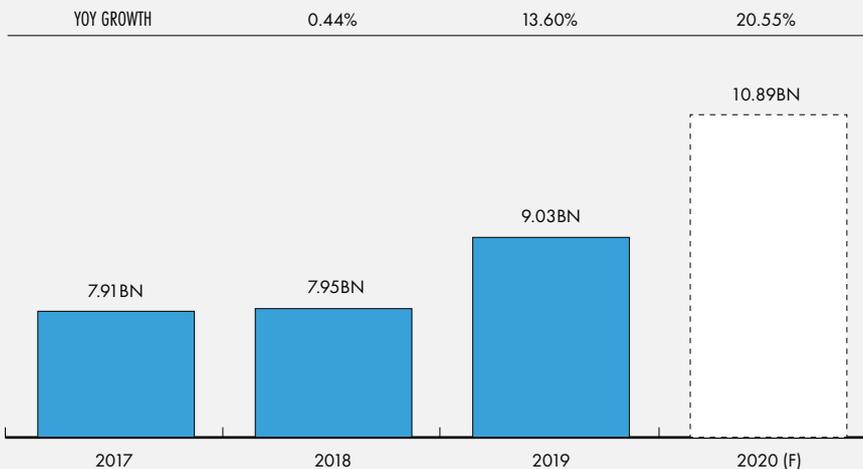
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: DELOITTE, ECOMMERCE NEWS, RETAILX ANALYSIS

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



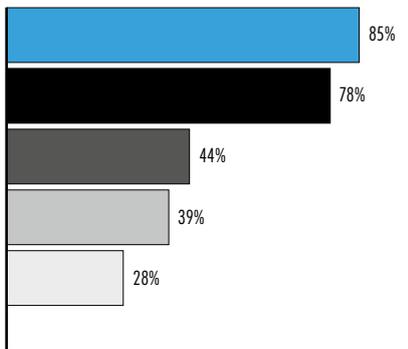
■ Association analysis indicates that for the 2019 total, 100% represents Goods

SOURCE: GFK MARKET MONITOR, RETAILX ANALYSIS

CONSUMER ANALYSIS

PAYMENT METHODS

To a sample representative of the Swiss population: which payment methods do you prefer when shopping online?

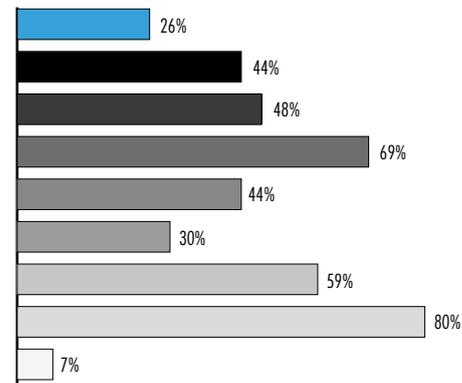


- E-finance
- Credit card via internet
- Contactless payment
- Online pay services
- Payment via mobile phone app

SOURCE: STATIST, Y&R, FUTURECOM (2019)

POPULAR ONLINE PRODUCT CATEGORIES

Online purchases of individuals who ordered goods/services online in the past year



- Food/groceries
- Household goods
- Films/music
- Clothes, sports goods
- Books/magazines/newspapers
- Electronic equipment
- Tickets for events
- Travel & holiday accomodation
- Medicine

SOURCE: EUROSTAT (2019)

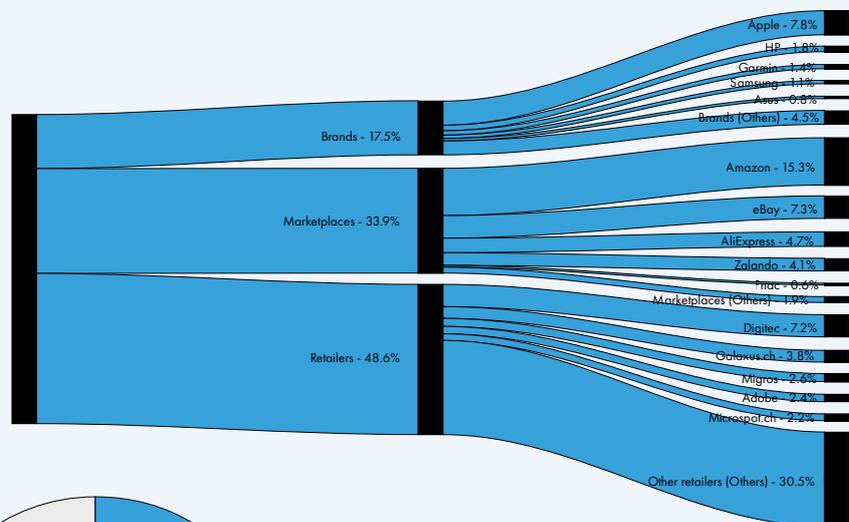
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM SWITZERLAND

WEB TRAFFIC SPLIT

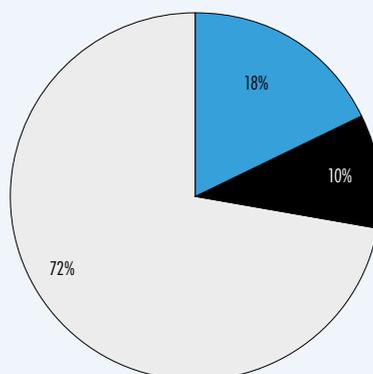
The distribution of online visits by Swiss consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

- Brands*
- Marketplaces
- Retailers

88%

■ The fraction of the Top 100 that trade in the official language(s)

29%

■ The fraction of the Top 100 that are headquartered in Switzerland

* Defined as brands that sell mostly own-label products

EASTERN EUROPE INTRODUCTION

Still developing, Eastern Europe has the smallest ecommerce market in Europe. Comprising Bulgaria, Croatia, North Macedonia, Romania, Serbia and Ukraine, Eastern European shoppers spent €9bn online in 2019.

When you compare that to the €636bn for Europe, the €444bn share for Western Europe and the €7.6bn spent in Ireland alone, you can see things in relative terms. Ecommerce makes up 4.58% of Eastern Europe's GDP. However, some of the ecommerce sales differences between Eastern European countries can be attributed to currency valuation.

The region has the lowest internet usage in Europe, at 76%. Growth in internet usage was 3.39% for 2019 and a forecast 4.39% for 2020. The proportion of online shoppers is small, though – 36% of internet users bought goods online in 2019. However, the region has seen strong growth in e-shopper numbers, with between 11% and 20% growth rates year on year.

Ecommerce turnover growth rates are also rising strongly as the market catches up with more established markets, up 27% for the Eastern Europe region as whole. This is the highest growth rate for the whole of Europe and nearly twice the European figure of 14.22%.

Ecommerce growth rates are high across a number of countries within the region. Romania saw the highest ecommerce turnover growth in 2019, up by 30.3%. Bulgaria was up 29.71% and North Macedonia up 27.83%.

The rate of e-shopper growth is highest in Croatia, which saw a 26.88% rise in e-shopper numbers in 2019 – more than twice the 11.25% growth rate for Eastern Europe as a whole.

B2C ecommerce turnover also varies across Eastern Europe. Of the €9bn spent online in 2019 in Eastern Europe, Romania accounted for half of it, at €4.3bn. This was followed by €2.5bn for Ukraine. North Macedonia had the lowest spending on ecommerce in 2019, at €142m.



PAGE 86-87: BULGARIA



PAGE 88-89: CROATIA



PAGE 90-91: NORTH MACEDONIA



92-93: ROMANIA

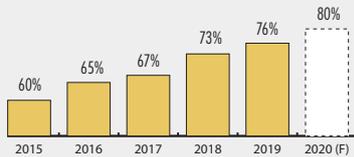


PAGE 94-95: SERBIA



INTERNET USERS

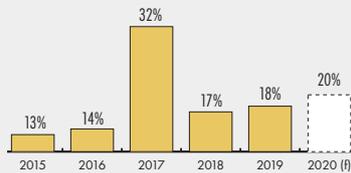
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

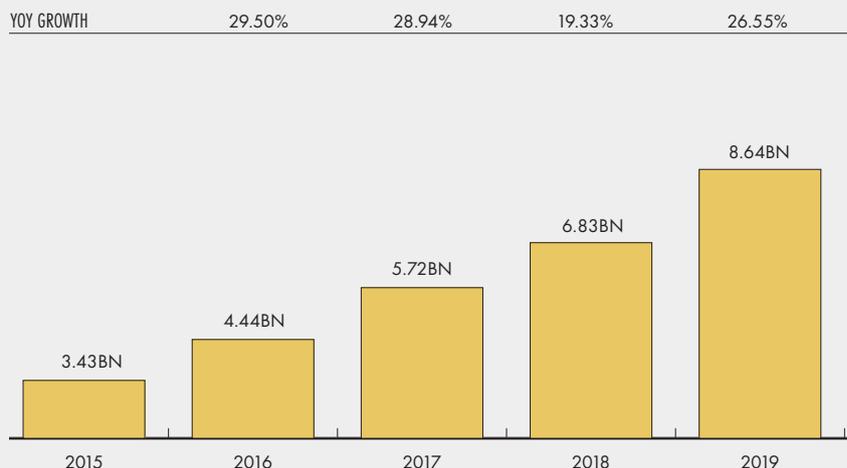
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€129	€6,029	2.64%
2016	€130	€6,300	3.40%
2017	€154	€6,613	3.71%
2018	€162	€7,103	4.21%
2019	€188	€7,557	4.58%
2020 (F)	€210	€7,987	5.08%

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



SOURCE: NATIONAL ECOMMERCE ASSOCIATIONS, STATISTA, RETAILX ANALYSIS

- In 2019, across the whole of Europe, Eastern Europe accounted for approximately 1% of total European ecommerce turnover
- In 2019, Romania had the highest share of total Eastern European ecommerce turnover with 50% market share, followed by Ukraine with 30% and Bulgaria with 10%. These three leaders made up 90% of Eastern Europe's ecommerce market, while the leader, Romania, makes up less than 1% of total European ecommerce turnover.
- In 2019, more than 90% of enterprises in Eastern Europe had web sales within their own home countries, including Croatia which showed the lowest at 90%. Romania had the most enterprises selling within the country with 98%. For web sales to the rest of Europe, Romania is also leading, with 51% of enterprises making web sales to other European countries, followed by Croatia with 50%. Serbia continues to lag behind with only 28% of enterprises having sold online to other European countries in 2019. Interestingly, Croatia is top in terms of selling online to the rest of the world with 38% of enterprises. In second place, though falling far behind Croatia, is Bulgaria with 19% of enterprises selling online to the rest of the world. As these ecommerce markets further develop, we will begin to see more cross-border selling into other European countries. Source: Eurostat (2019)

BULGARIA



MARKET ANALYSIS

- CURRENCY: LEV
- OFFICIAL LANGUAGE: BULGARIAN
- OFFICIAL MINORITY LANGUAGES: TURKISH, ROMANI
- FOREIGN LANGUAGES SPOKEN: RUSSIAN, ENGLISH, GERMAN
- STANDARD VAT: 20%

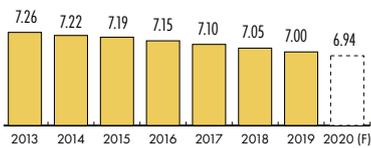
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€45	€6,234	0.73%
2016	€48	€6,657	0.87%
2017	€51	€7,168	0.99%
2018	€54	€7,688	1.25%
2019	€58	€8,230	1.53%
2020 (F)	€61	€8,774	1.57%

POPULATION

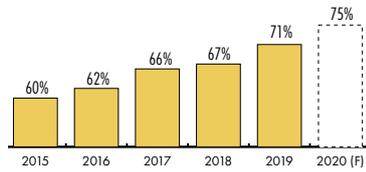
In millions, by year, including 2020 forecast



SOURCE: WORLDMETERS.INFO

INTERNET USERS

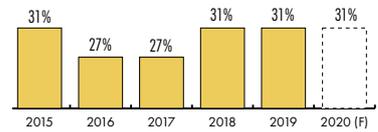
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

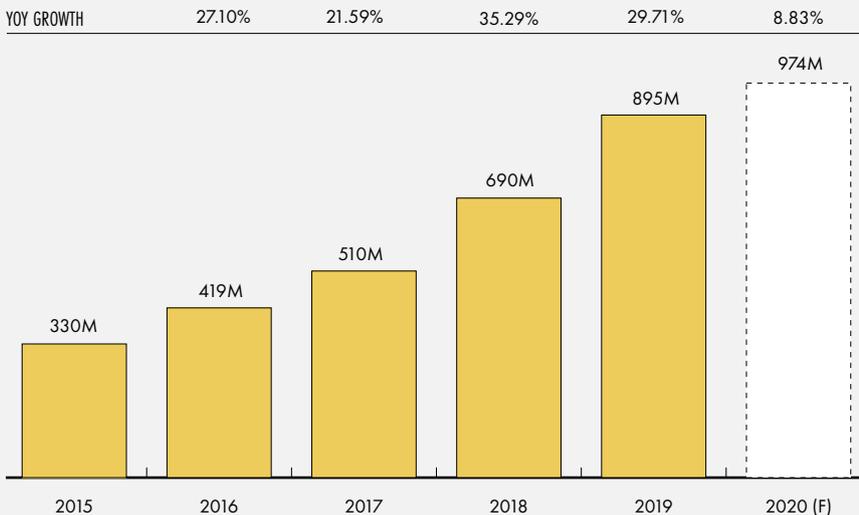
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast

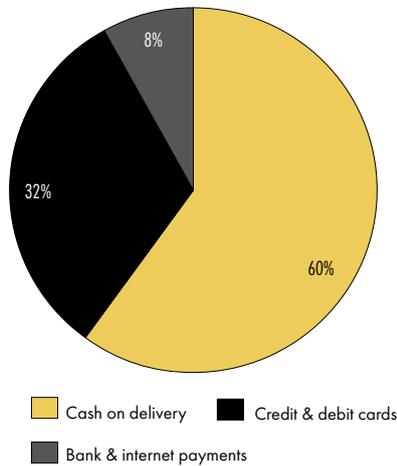


■ Association analysis indicates that, for the 2019 total, 51% represents Goods and 49% Services

SOURCE: BULGARIAN E-COMMERCE ASSOCIATION

CONSUMER ANALYSIS

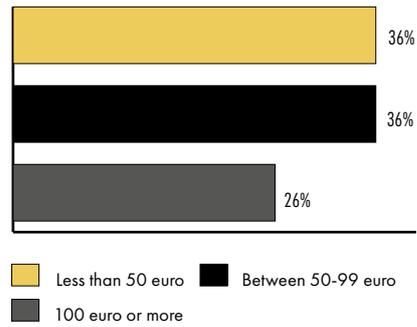
PAYMENT METHODS



SOURCE: BULGARIAN E-COMMERCE ASSOCIATION

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of

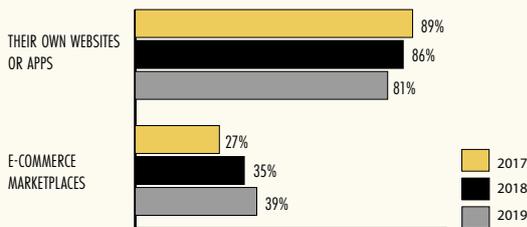


SOURCE: EUROSTAT (2019)

RETAILER ANALYSIS

ENTERPRISES SELLING ONLINE

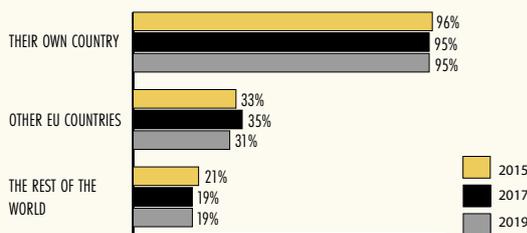
Percentage of enterprises with web sales via...



SOURCE: EUROSTAT (2019)

NATIONAL & CROSS-BORDER SELLING

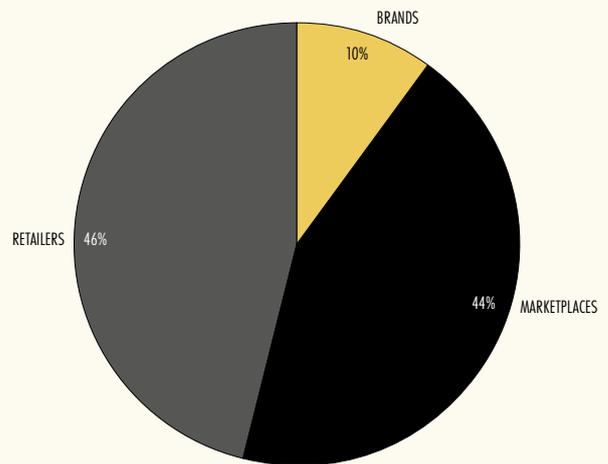
Percentage of enterprises with web sales to...



SOURCE: EUROSTAT (2019)

WEB TRAFFIC SPLITS

Distribution of online visits from Bulgarian consumers to retailers, brands and marketplaces



SOURCE: RETAILX ANALYSIS, SIMILARWEB (2019)

9% OF BULGARIAN ENTERPRISES HAD B2C WEB SALES IN 2019

CROATIA



MARKET ANALYSIS

- CURRENCY: KUNA
- OFFICIAL LANGUAGE: CROATIAN
- OFFICIAL MINORITY LANGUAGES: SERBIAN, ITALIAN, HUNGARIAN, CZECH, SLOVAK, FRENCH, RUSYN, UKRAINIAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH, GERMAN
- STANDARD VAT: 25%

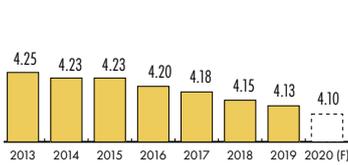
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€44	€10,569	0.62%
2016	€46	€11,036	0.67%
2017	€48	€11,565	0.71%
2018	€51	€12,220	0.75%
2019	€53	€12,754	0.79%
2020 (F)	€54	€13,045	0.86%

POPULATION

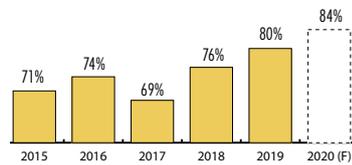
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

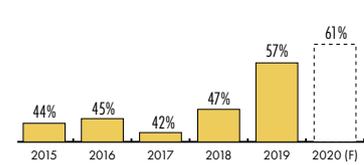
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

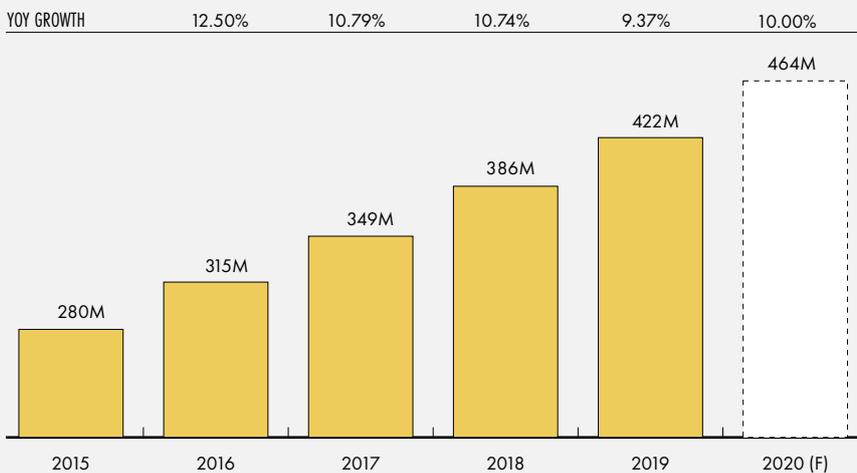
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

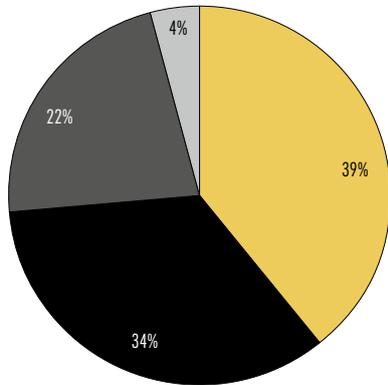
Measured in €M. 2020 is a Forecast



SOURCE: RETAILX ANALYSIS

CONSUMER ANALYSIS

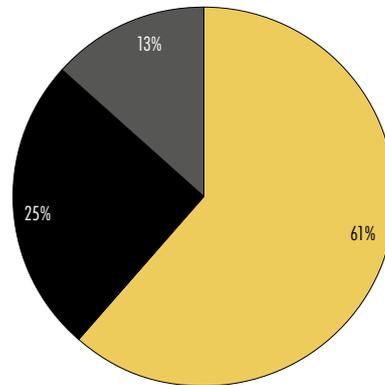
PREFERRED PAYMENT METHODS



■ Credit card
 ■ Cash on delivery
 ■ PayPal
 ■ Bank transfer or general payment slip

SOURCE: ECOMMERCE HRVATSKA ECOMMERCE ASSOCIATION (2019)

DELIVERY METHODS



■ Home delivery
 ■ Store or warehouse pick-up
 ■ Pick-up point

SOURCE: ECOMMERCE HRVATSKA ECOMMERCE ASSOCIATION (2019)

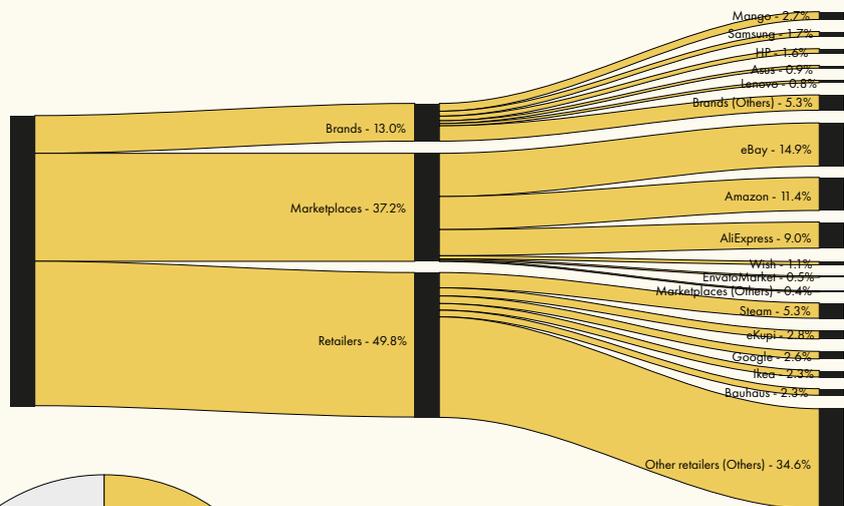
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM CROATIA

WEB TRAFFIC SPLIT

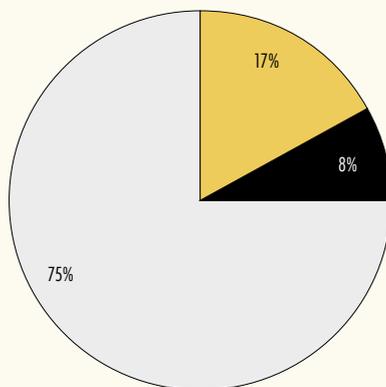
The distribution of online visits by Croatian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

■ Brands*
 ■ Marketplaces
 ■ Retailers

40%

■ The fraction of the Top 100 that trade in the official language(s)

5%

■ The fraction of the Top 100 that are headquartered in Croatia

*Defined as brands that sell mostly own-label products

NORTH MACEDONIA



MARKET ANALYSIS

- CURRENCY: DENAR
- OFFICIAL LANGUAGES: MACEDONIAN, ALBANIAN
- OFFICIAL MINORITY LANGUAGES: TURKISH, ROMANI, SERBIAN, BOSNIAN, AROMANIAN
- FOREIGN LANGUAGES SPOKEN: SERBO-CROATIAN, ENGLISH, RUSSIAN, FRENCH, GERMAN
- STANDARD VAT: 18%

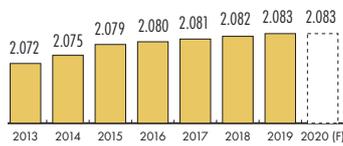
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€9	€4,408	0.63%
2016	€9	€4,562	0.76%
2017	€10	€4,812	0.90%
2018	€10	€5,169	1.04%
2019	€11	€5,393	1.27%
2020 (F)	€11	€5,623	1.53%

POPULATION

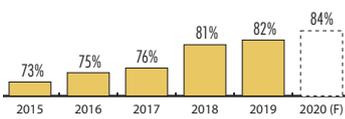
In millions, by year, including 2020 forecast



SOURCE: WORLDMETERS.INFO

INTERNET USERS

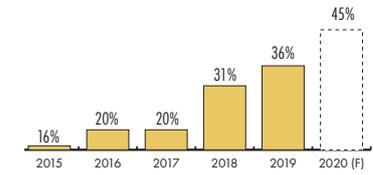
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

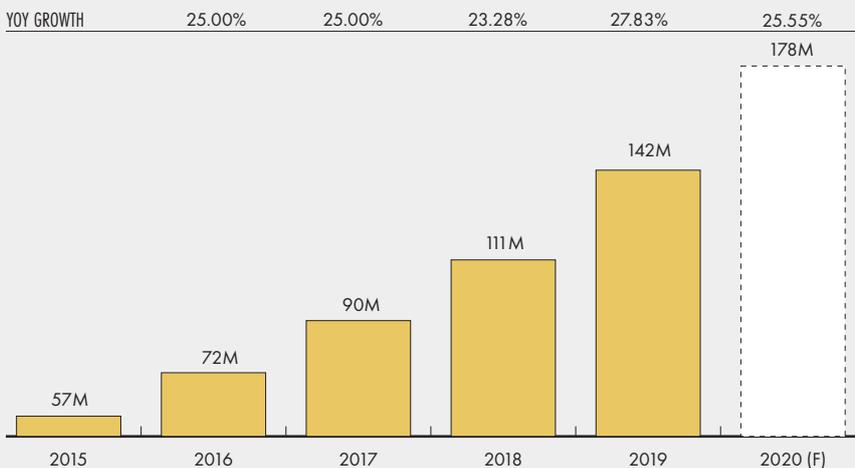
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast



SOURCE: MACEDONIAN ECOMMERCE ASSOCIATION, NATIONAL BANK

CONSUMER ANALYSIS

PAYMENT METHODS

POPULAR DELIVERY METHODS
PAYMENT CARDS
CASH ON DELIVERY
BANK TRANSFER PAYMENTS

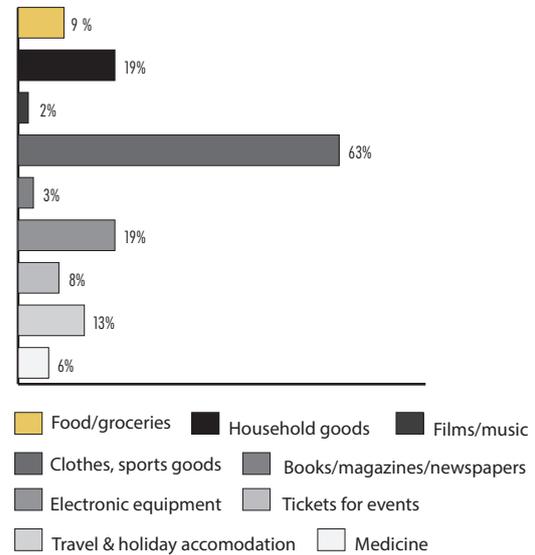
DELIVERY METHODS

POPULAR PAYMENT METHODS
DELIVERY DIRECTLY TO HOME/WORKPLACE
COLLECT IN-STORE
DELIVERY AT MEETING POINT

SOURCE: MACEDONIAN ECOMMERCE ASSOCIATION (2019)

POPULAR ONLINE PRODUCT CATEGORIES

Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

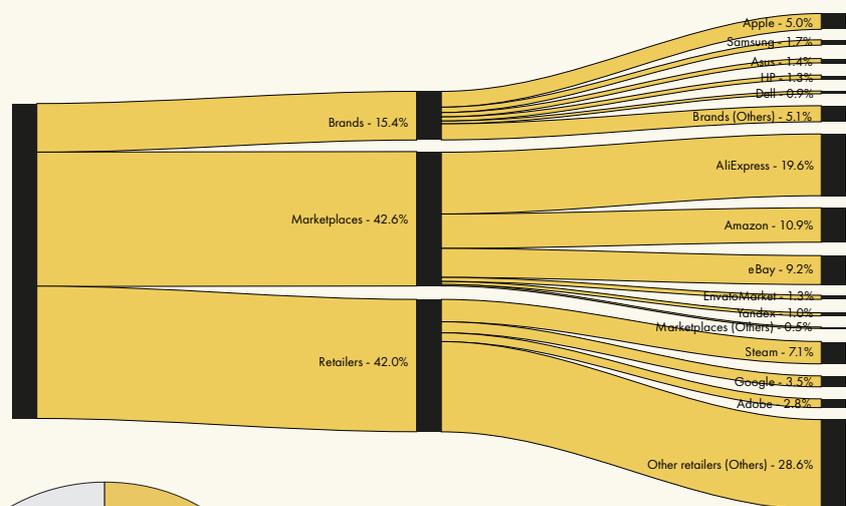
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM NORTH MACEDONIA

WEB TRAFFIC SPLIT

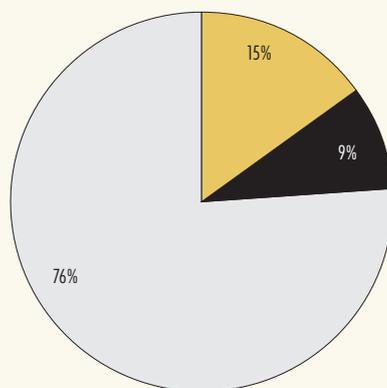
The distribution of online visits by Macedonian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



*Defined as brands that sell mostly own-label products

ROMANIA



MARKET ANALYSIS

- CURRENCY: NEW LEU
- OFFICIAL LANGUAGE: ROMANIAN
- OFFICIAL MINORITY LANGUAGES: HUNGARIAN, ROMANI, UKRAINIAN, GERMAN, GREEK, RUSSIAN, TURKISH, TATAR, SERBIAN, SLOVAK, BULGARIAN, CROATIAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH, FRENCH, ITALIAN
- STANDARD VAT: 19%

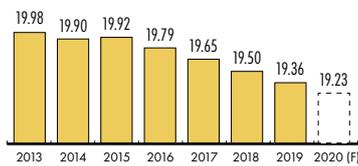
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€161	€8,086	0.92%
2016	€170	€8,582	1.2%
2017	€188	€9,467	1.48%
2018	€202	€10,244	1.63%
2019	€212	€10,799	2.03%
2020 (F)	€223	€11,463	2.50%

POPULATION

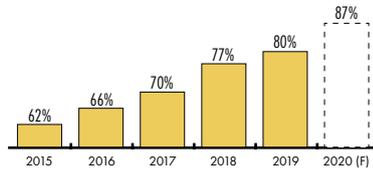
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

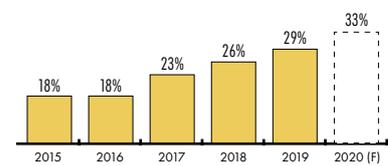
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

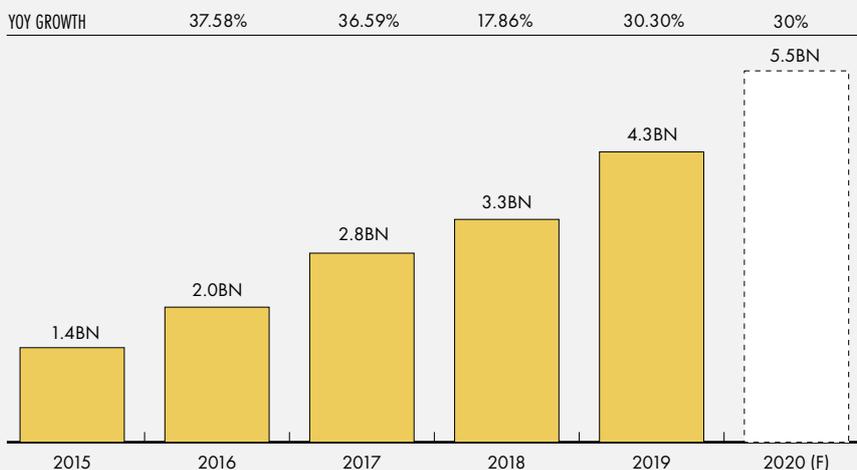
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast

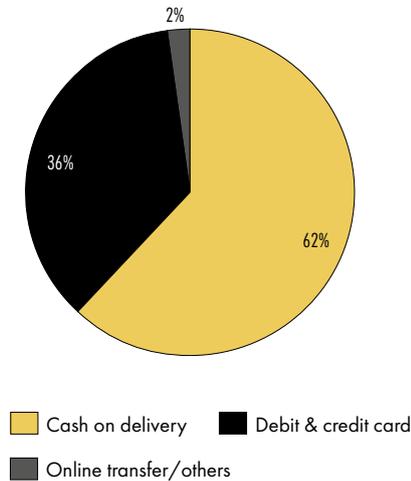


■ Association analysis indicates that, for the 2019 total, 100% can be allocated to the sale of Goods

SOURCE: ARMO ECOMMERCE ASSOCIATION

CONSUMER ANALYSIS

PAYMENT METHODS



ARMO ECOMMERCE ASSOCIATION

DELIVERY METHODS

POPULAR DELIVERY METHODS
COURIERS
LOCKERS
ROMANIAN POST
SHOWROOMS

ARMO ECOMMERCE ASSOCIATION

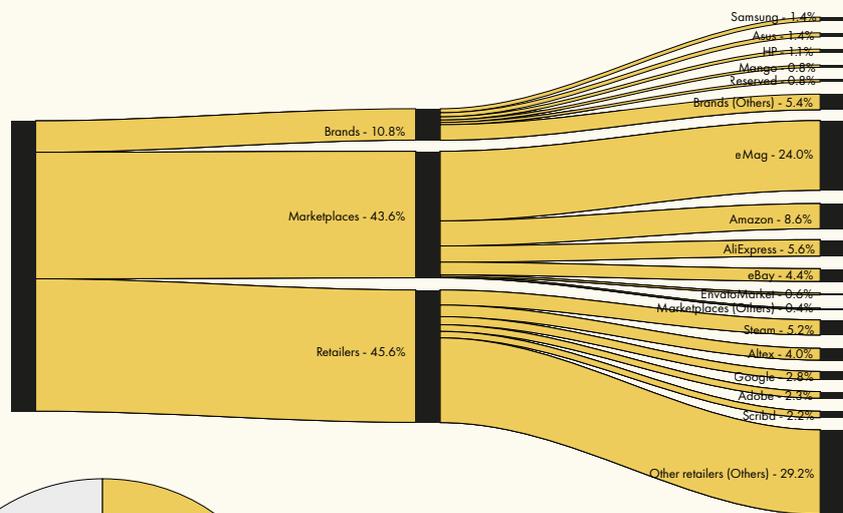
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM ROMANIA

WEB TRAFFIC SPLIT

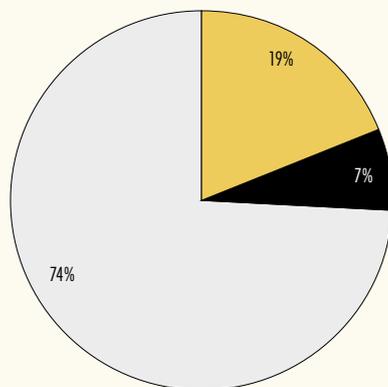
The distribution of online visits by Romanian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



63%

The fraction of the Top 100 that trade in the official language(s)

13%

The fraction of the Top 100 that are headquartered in Romania

*Defined as brands that sell mostly own-label products

SERBIA



MARKET ANALYSIS

- CURRENCY: DINAR
- OFFICIAL LANGUAGE: SERBIAN
- OFFICIAL MINORITY LANGUAGES: HUNGARIAN, SLOVAK, ROMANIAN, CROATIAN, RUSYN (PLUS 11 RECOGNISED MINORITY LANGUAGES)
- FOREIGN LANGUAGES SPOKEN: ENGLISH
- STANDARD VAT: 20%

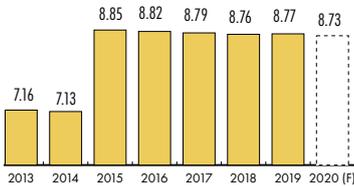
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€35	€5,019	0.54%
2016	€36	€5,135	0.61%
2017	€38	€4,361	0.65%
2018	€43	€4,885	0.67%
2019	€45	€5,216	0.72%
2020 (F)	€49	€5,638	0.74%

POPULATION

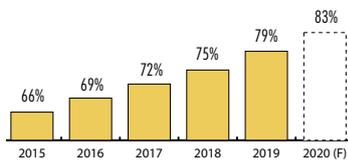
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

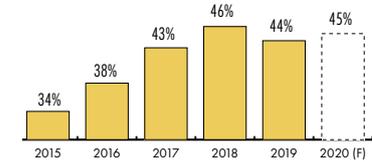
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

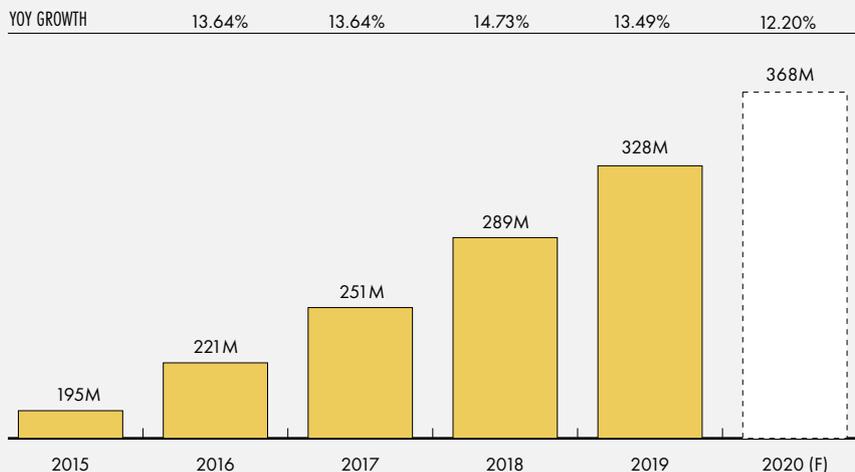
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

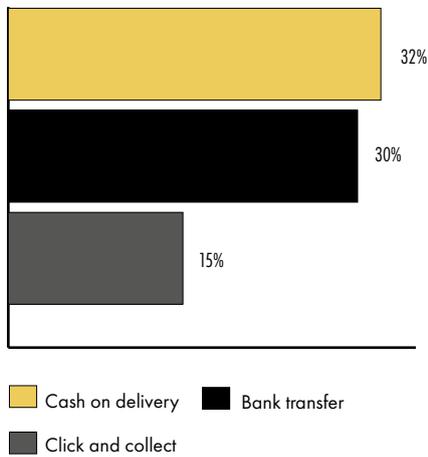
Measured in €M. 2020 is a Forecast



SOURCE: SERBIAN ECOMMERCE ASSOCIATION, USAID, STATISTA, RETAILX ANALYSIS

CONSUMER ANALYSIS

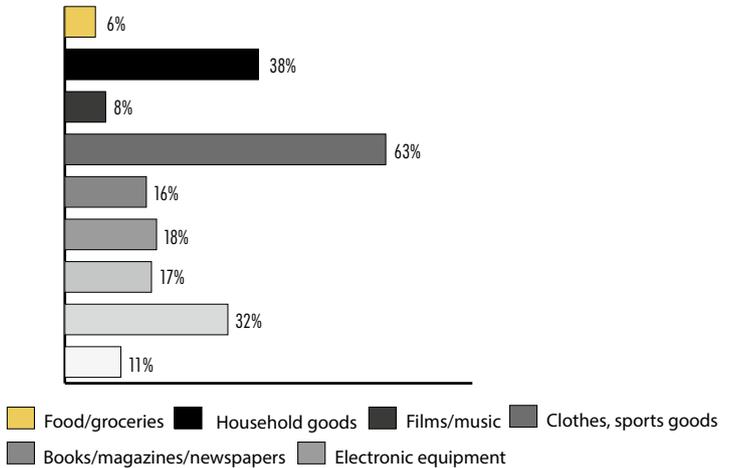
PAYMENT METHODS



SOURCE: STATISTA; SERBIAN ECOMMERCE ASSOCIATION (2018)

POPULAR ONLINE PRODUCT CATEGORIES

Online purchases of individuals who ordered goods/services online in the past year

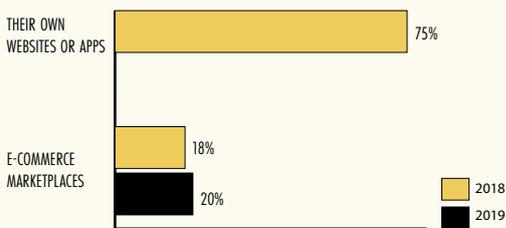


SOURCE: EUROSTAT (2019)

RETAILER ANALYSIS

ENTERPRISES SELLING ONLINE

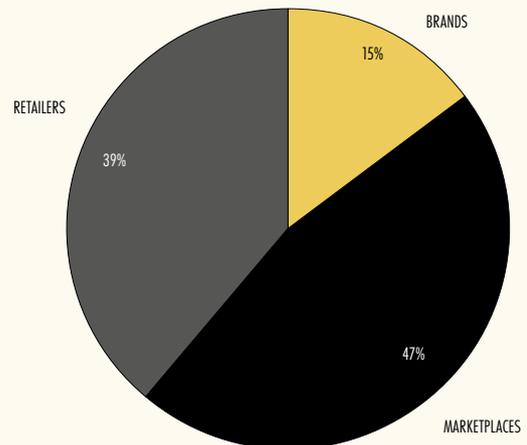
Percentage of enterprises with web sales via...



SOURCE: EUROSTAT (2019)

WEB TRAFFIC SPLITS

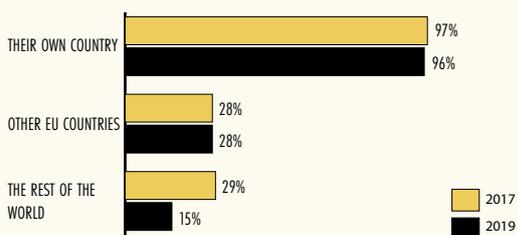
Distribution of online visits from Serbian consumers to retailers, brands and marketplaces



SOURCE: RETAILX ANALYSIS, SIMILARWEB (2019)

NATIONAL & CROSS-BORDER SELLING

Percentage of enterprises with web sales to...



SOURCE: EUROSTAT (2019)

22% OF SERBIAN ENTERPRISES HAD B2C WEB SALES IN 2019

UKRAINE



MARKET ANALYSIS

- CURRENCY: HRYVNYIA
- OFFICIAL LANGUAGE: UKRAINIAN
- RECOGNISED MINORITY LANGUAGES: BELARUSIAN, BULGARIAN, CRIMEAN, GAGAUZ, GERMAN, GREEK, HUNGARIAN, YIDDISH, POLISH, ROMANIAN, SLOVAK
- FOREIGN LANGUAGES SPOKEN: ENGLISH, GERMAN
- STANDARD VAT: 20%

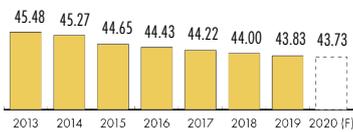
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€84	€1,859	1.27%
2016	€82	€1,826	1.65%
2017	€102	€2,306	1.68%
2018	€107	€2,413	1.92%
2019	€130	€2,947	1.96%
2020 (F)	€148	€3,381	2.10%

POPULATION

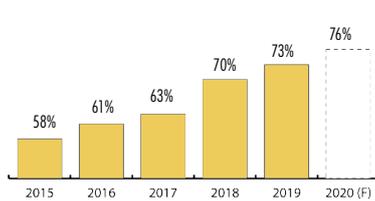
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

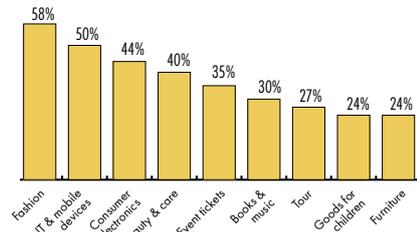
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

POPULAR ONLINE PURCHASE CATEGORIES

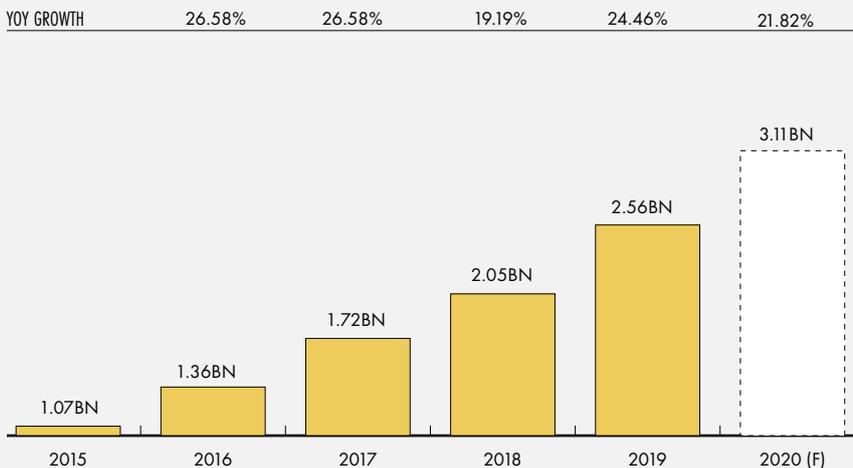
Percentage of customers that have purchased mentioned categories



SOURCE: STATISTA, NIELSEN (2018)

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast

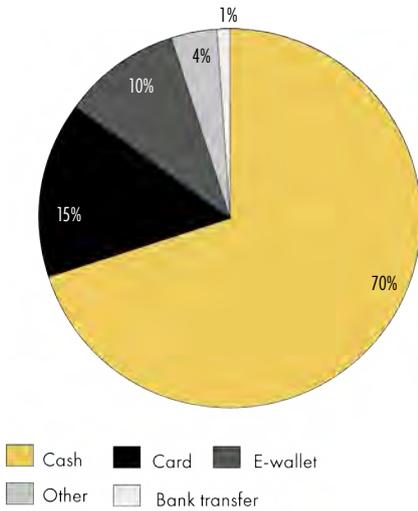


SOURCE: AVENTURES CAPITAL, GENIUS MARKETING, EVO BUSINESS

CONSUMER ANALYSIS

PAYMENT METHODS

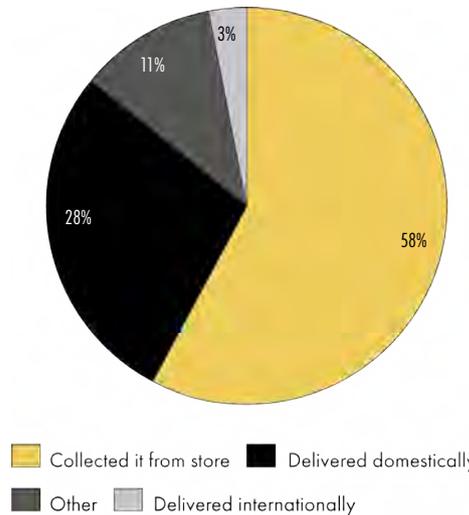
Distribution of payment methods used for online transactions



SOURCE: STAISTA, PPRO (2018)

DELIVERY METHODS

Internet users who recently made a purchase were asked how did you receive or retrieve your most recent purchase?



SOURCE: STAISTA, TNS INFRATEST, GOOGLE (2015)

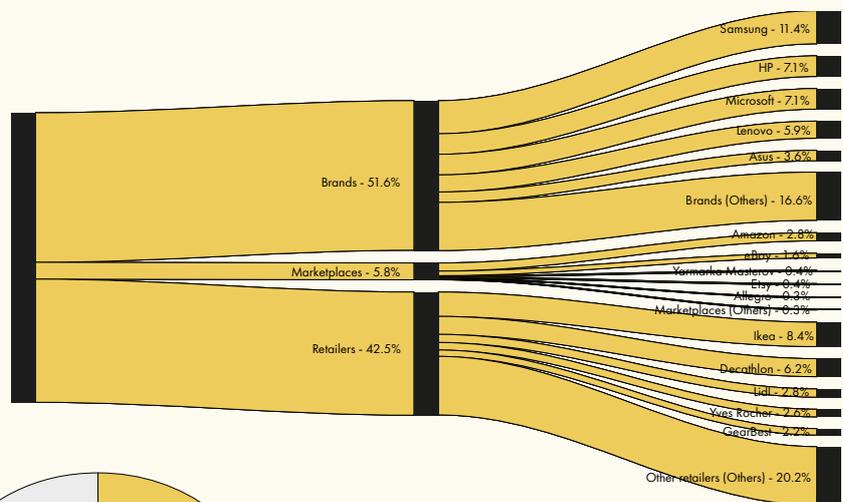
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM UKRAINE

WEB TRAFFIC SPLIT

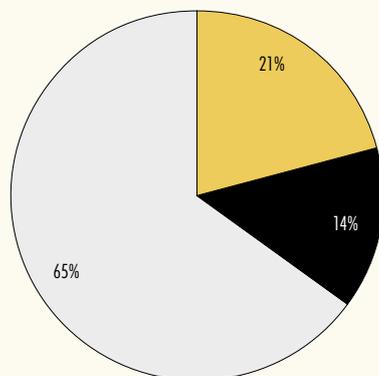
The distribution of online visits by Ukrainian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



18%

The fraction of the Top 100 that trade in the official language(s)

*Defined as brands that sell mostly own-label products

SOUTHERN EUROPE INTRODUCTION

With a B2C ecommerce turnover of €98bn in 2019, Southern Europe is the second largest ecommerce market in Europe. However, it's still less than a quarter of the size of Western Europe's €444bn turnover, which shows just how far away Southern Europe is from realising its full potential. At 7.69%, the share of GDP attributable to ecommerce ranks first in Europe.

The Southern European region, which in our study includes Cyprus, Greece, Italy, Malta, Portugal and Spain, saw the second highest ecommerce turnover growth rates for 2019 behind Eastern Europe. Ecommerce turnover rose 22.49% in 2019 for Southern Europe. Low internet usage and a related low percentage of e-shoppers are other indications of the huge potential yet to be exploited. Our study shows that 82% of the population were using the internet in 2019 and that 55% of the internet-using population were ecommerce shoppers. These figures make the region second only to Eastern Europe, which has the lowest internet usage and ecommerce levels in the whole of Europe.

Southern Europe saw an increase in the e-shopper growth rate of 6.87%. When looking on a country by country basis, Cyprus has the highest growth rate for e-shoppers, up by 20% in 2019, with Spain and Greece both following behind at almost 8% each.

With this rise in online shoppers, it's not surprising that ecommerce turnover is also on the rise. Spain sees the highest ecommerce turnover growth in 2019 at 29%, followed by Greece at 25%.

Despite their large-scale growth the values of both markets is significantly different. Spain had an ecommerce turnover of €53bn in 2019, making it the biggest market in Southern Europe and accounting for more than half of total Southern European spending. In comparison, Greek shoppers spent €7.5bn online in the same time period, while in Portugal the equivalent figure was €5.6bn.



PAGE 102-103: GREECE



PAGE 104-105: ITALY



PAGE 108-109: PORTUGAL

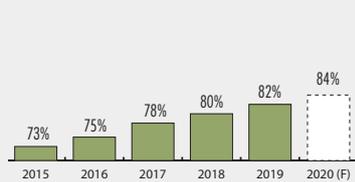


PAGE 110-111: SPAIN



INTERNET USERS

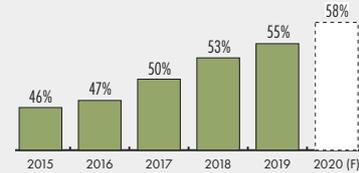
Percentage of the population accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

Percentage of internet users that bought goods or services online in the last year



SOURCE: EUROSTAT

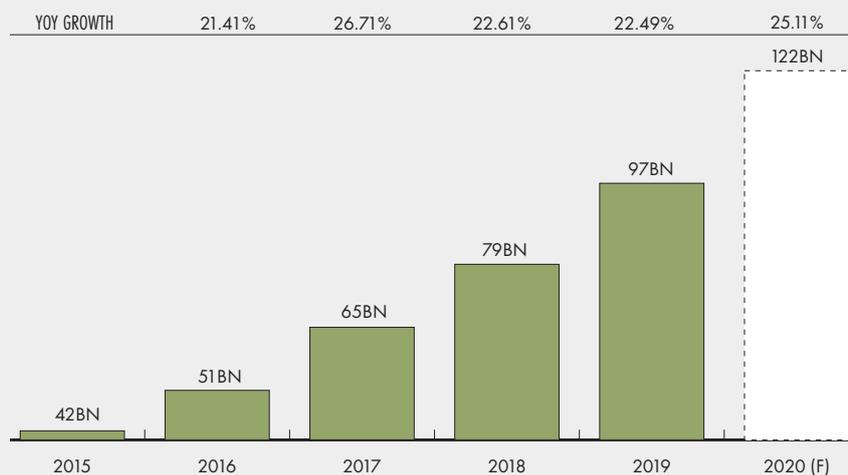
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€1,098	€20,421	3.85%
2016	€1,136	€21,116	4.52%
2017	€1,185	€22,189	5.49%
2018	€1,226	€23,141	6.51%
2019	€1,270	€24,039	7.69%
2020 (F)	€1,317	€25,004	9.28%

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



SOURCE: NATIONAL ECOMMERCE ASSOCIATIONS, STATISTA, RETAILX ANALYSIS

- In 2019, across the whole of Europe, Southern Europe accounted for 15% of total European ecommerce turnover.
- In 2019, Spain had the highest share of total Southern European ecommerce turnover with 54% market share, followed by Italy with 32% and Greece with 8%. These three leaders made up 94% of Southern Europe's ecommerce market, while Spain makes up 8% of total European ecommerce turnover and Italy makes up 5%.
- Southern Europe is home to ecommerce markets at different stages of growth, though their enterprises are keen to sell online. In 2019, at least 94% of enterprises with web sales in each Southern European country had web sales to their own countries, with Greece and Spain at the top with 99%. Southern European enterprises are adept at selling cross-border to other European countries online, specifically Cyprus with 64% of enterprises with web sales selling to other EU countries and Malta at 55%. Even the country with the lowest share of enterprises selling to other EU countries is at 37% (Greece). Taking cross-border selling further, an average of 37% of enterprises with web sales in all of Southern Europe have web sales to the rest of the world. Cyprus is leading again with web sales to the rest of the world (52%), followed by Malta again (42%), while Spain has the least amount of enterprises selling online to the rest of the world (25%) alongside Greece (26%). Source: Eurostat (2019)

CYPRUS



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGES: GREEK, TURKISH
- OFFICIAL MINORITY LANGUAGES: ARMENIAN, CYPRIOT ARABIC
- FOREIGN LANGUAGES SPOKEN: ENGLISH, FRENCH, GERMAN
- STANDARD VAT: 19%

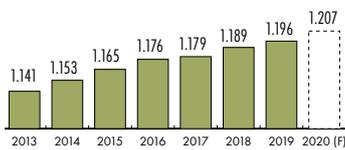
GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in €

	GDP (€BN)	GDP PER CAPITA
2015	€17	€15,548
2016	€18	€16,027
2017	€19	€16,863
2018	€20	€17,619
2019	€21	€18,270
2020 (F)	€22	€19,174

POPULATION

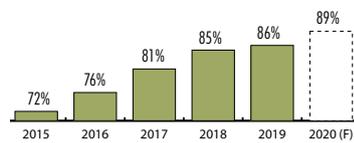
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

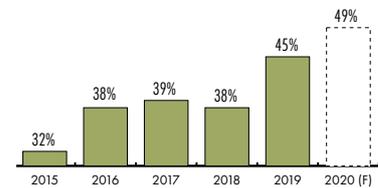
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

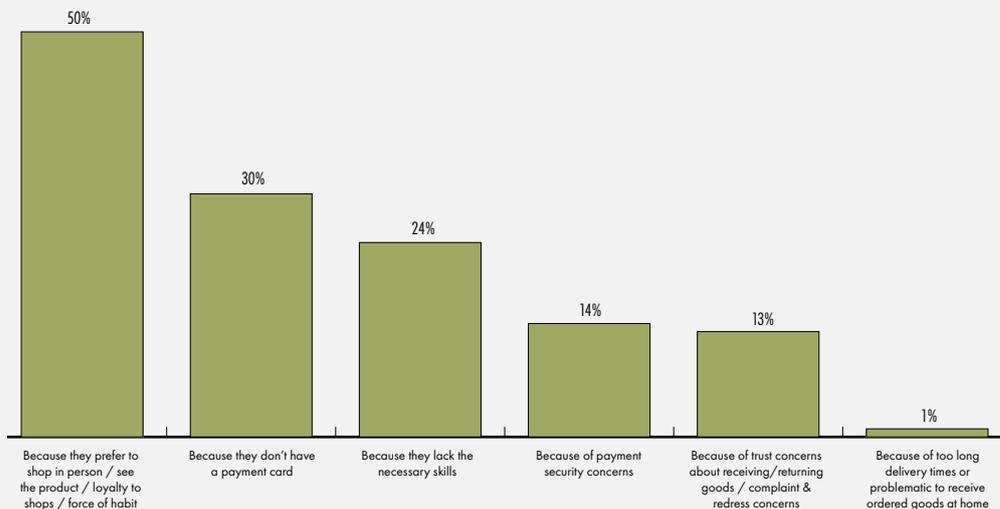
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

ONLINE SHOPPING BARRIERS

Internet users who haven't ordered goods/services over the Internet in the last year...

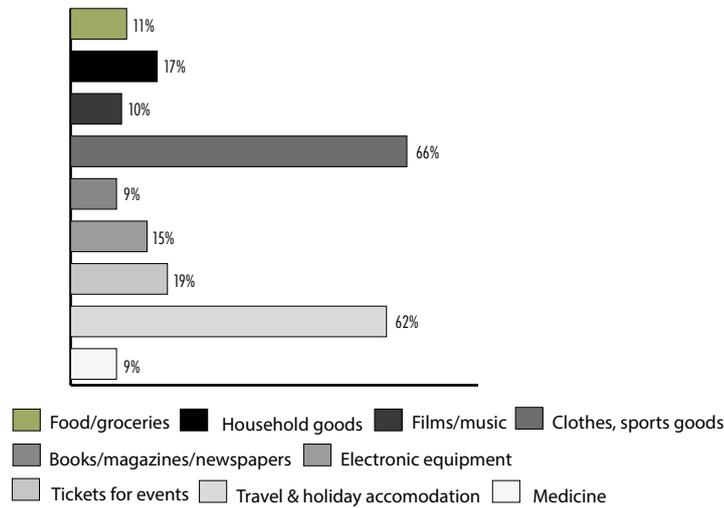


SOURCE: EUROSTAT (2019)

CONSUMER ANALYSIS

POPULAR ONLINE PRODUCT CATEGORIES

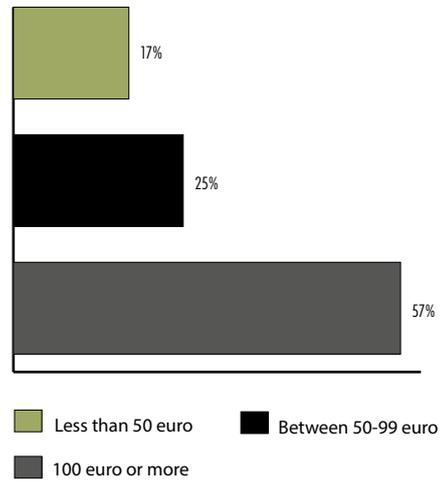
Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of



SOURCE: EUROSTAT (2019)

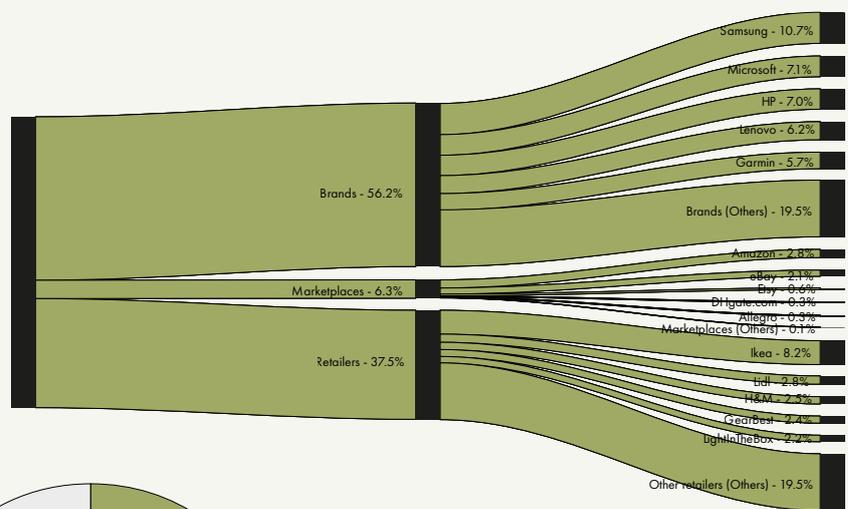
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM CYPRUS

WEB TRAFFIC SPLIT

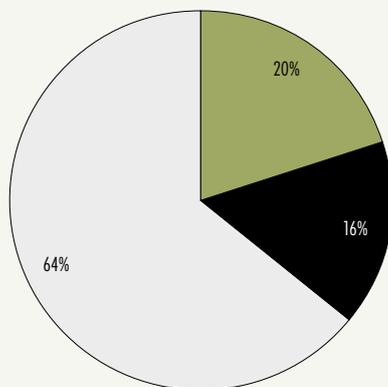
The distribution of online visits by Cypriot consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



40%

The fraction of the Top 100 that trade in the official language(s)

SOURCE: RETAILX ANALYSIS



* Defined as brands that sell mostly own-label products

GREECE



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: GREEK
- OFFICIAL MINORITY LANGUAGES: MACEDONIAN, ALBANIAN, TURKISH, RUSSIAN, ROMANI, BULGARIAN, ARMENIAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH, GERMAN, FRENCH, ITALIAN
- STANDARD VAT: 24%

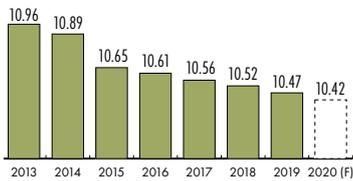
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€177	€16,166	2.14%
2016	€176	€16,203	2.32%
2017	€180	€16,907	2.77%
2018	€185	€17,471	3.24%
2019	€191	€18,156	3.91%
2020 (F)	€198	€18,883	5.39%

POPULATION

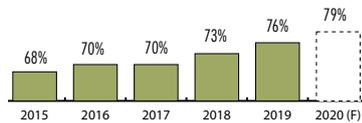
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

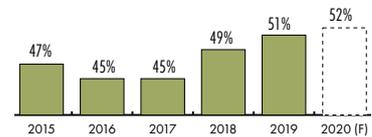
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

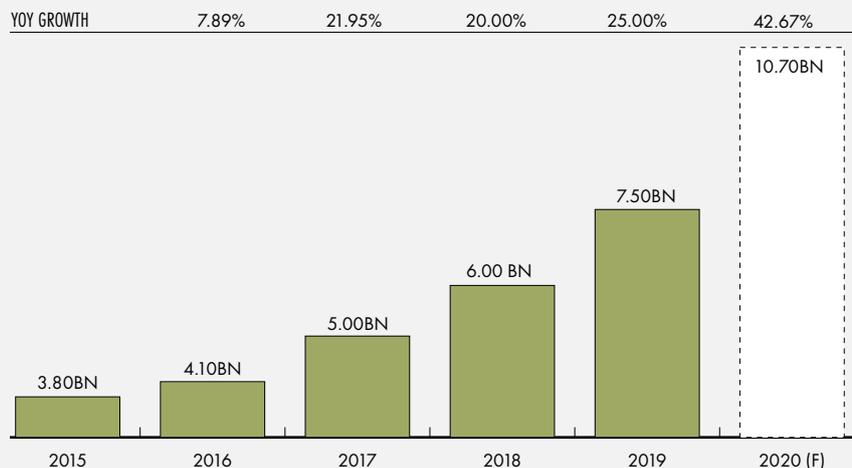
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



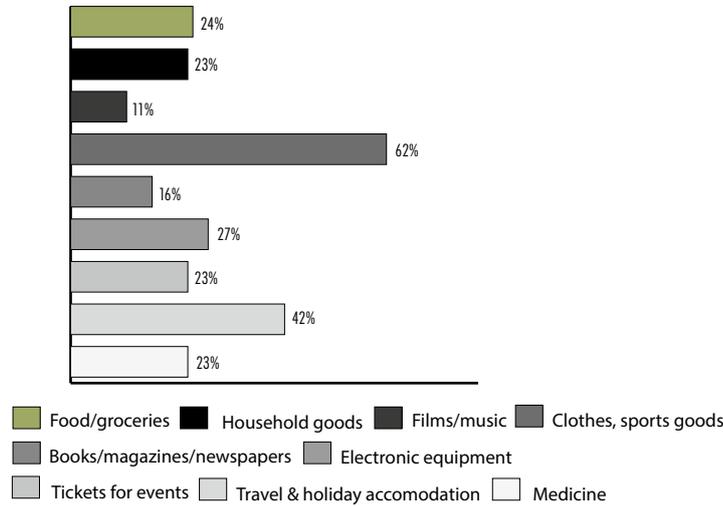
■ Association analysis indicates that, for the 2019 total, 45% represents Goods and 55% Services

SOURCE: GRECA ECOMMERCE ASSOCIATION, RETAIL ANALYSIS

CONSUMER ANALYSIS

POPULAR ONLINE PRODUCT CATEGORIES

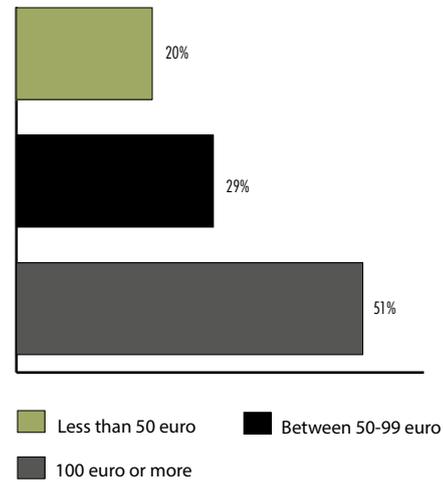
Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of the following values



SOURCE: EUROSTAT (2019)

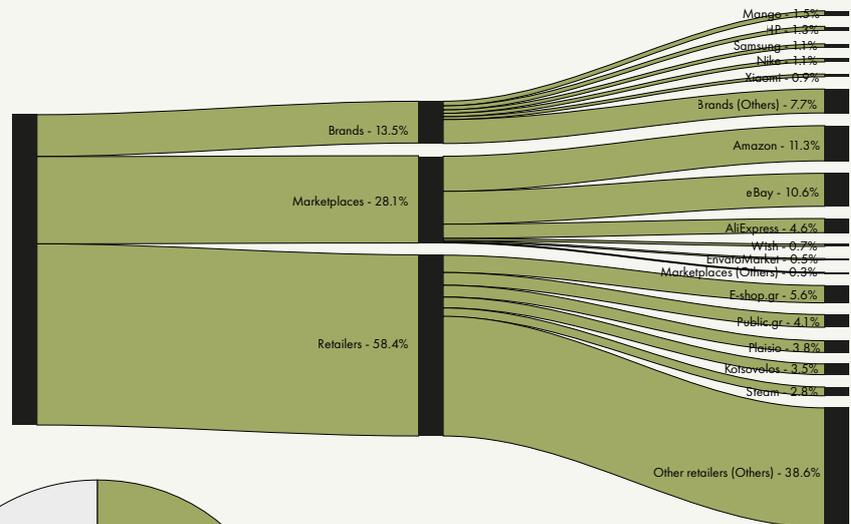
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM GREECE

WEB TRAFFIC SPLIT

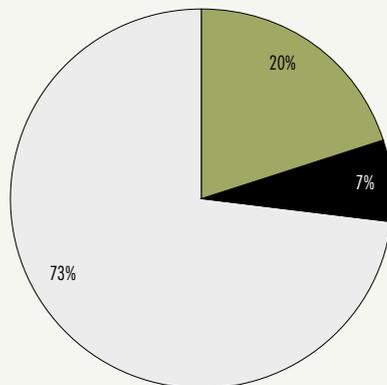
The distribution of online visits by Greek consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



61%

The fraction of the Top 100 that trade in the official language(s)

16%

The fraction of the Top 100 that are headquartered in Greece

*Defined as brands that sell mostly own-label products

ITALY



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: ITALIAN
- FORMALLY RECOGNISED MINORITY LANGUAGES: ALBANIAN, CATALAN, GERMAN, GREEK, SLOVENE, CROATIAN, FRENCH, FRANCO-PROVENÇAL, FRIULIAN, LADIN, OCCITAN, SARDINIAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH, SPANISH, GERMAN
- STANDARD VAT: 22%

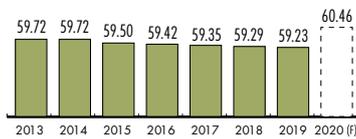
GDP AND E-GDP

Gross Domestic Product (GDP) in €TN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€TN)	GDP PER CAPITA	E-GDP
2015	€1,652	€27,659	0.00%
2016	€1,689	€28,291	0.00%
2017	€1,724	€28,976	1.37%
2018	€1,753	€29,513	1.57%
2019	€1,771	€29,844	1.78%
2020 (F)	€1,808	€30,502	2.02%

POPULATION

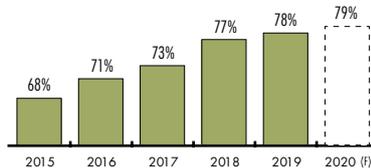
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

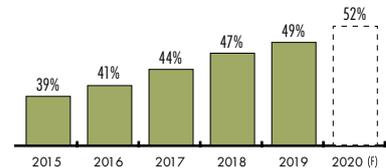
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

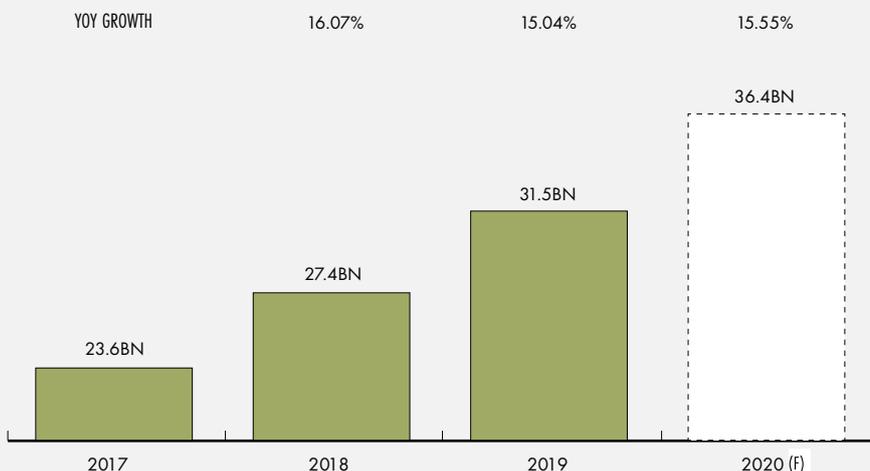
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



■ Association analysis indicates that for the 2019 total, 58% represents Goods and 42% Services

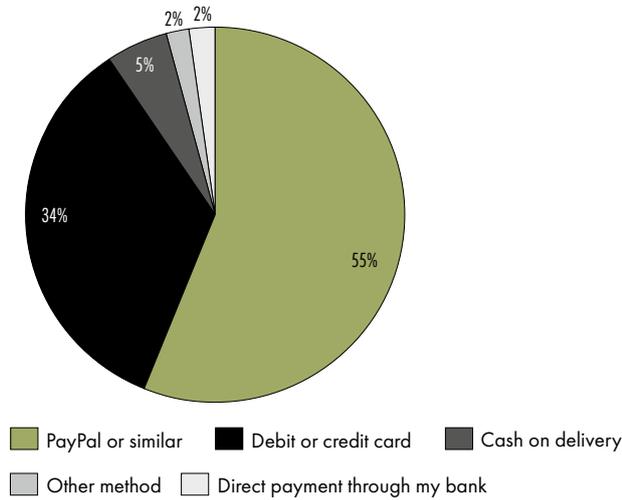
SOURCES: OSSERVATORIO ECOMMERCE B2C NETCOMM POLITECNICO DI MILANO, CONSORZIO NETCOMM, RETAILX ANALYSIS

CONSUMER ANALYSIS

READ MORE about the Italian ecommerce market in our Italy 2020 Ecommerce Country Report: <https://retailx.net/italy-2020>

PAYMENT METHODS

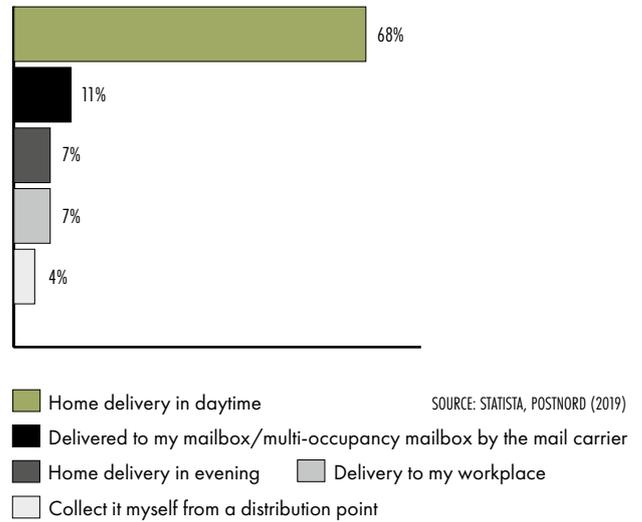
Preferred payment methods while shopping online



SOURCE: STATISTA, POSTNORD (2019)

DELIVERY METHODS

Online shoppers were asked: when you order a product online, how do you prefer to have it delivered?



SOURCE: STATISTA, POSTNORD (2019)

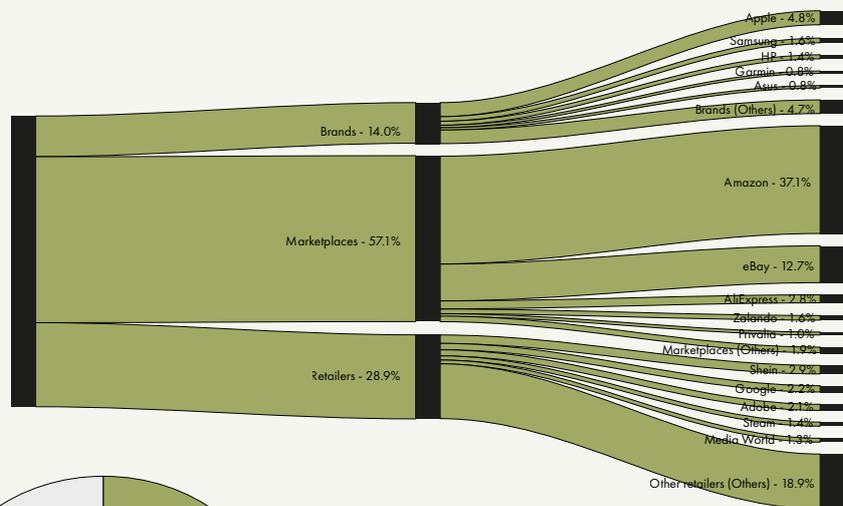
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM ITALY

WEB TRAFFIC SPLIT

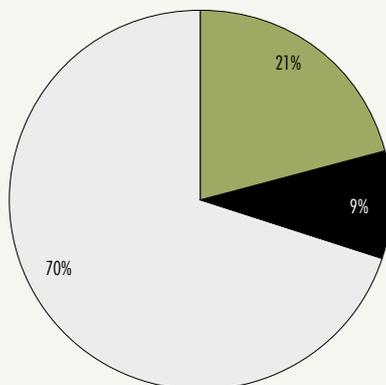
The distribution of online visits by Italian consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



85%

The fraction of the Top 100 that trade in the official language(s)

21%

The fraction of the Top 100 that are headquartered in Italy

*Defined as brands that sell mostly own-label products

MALTA



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: MALTESE, ENGLISH
- SIGNIFICANT LANGUAGE: ITALIAN
- FOREIGN LANGUAGES SPOKEN: ARMENIAN, ARABIC, SPANISH, FRENCH
- STANDARD VAT: 18%

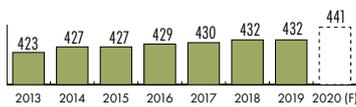
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€9	€22,769	0.11%
2016	€10	€24,195	0.13%
2017	€11	€26,426	0.14%
2018	€12	€28,601	0.15%
2019	€13	€30,638	0.16%
2020 (F)	€14	€32,609	0.18%

POPULATION

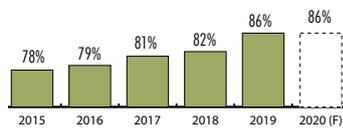
In thousands, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

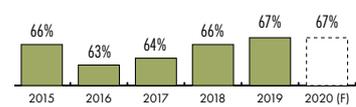
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

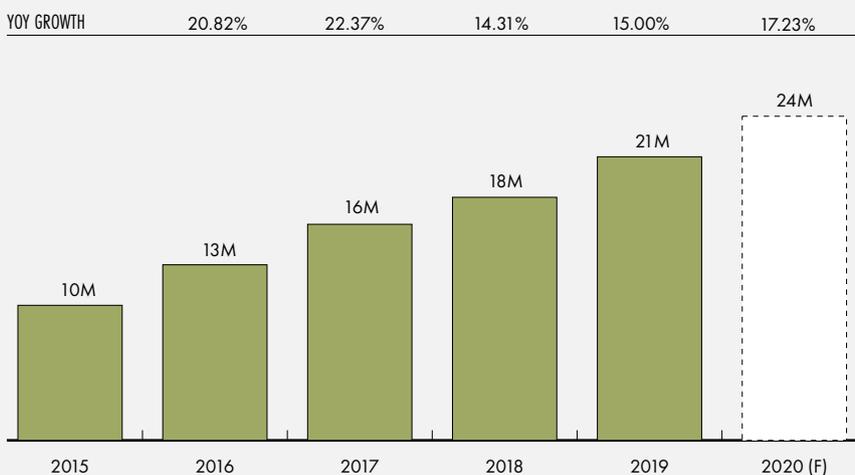
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €M. 2020 is a Forecast

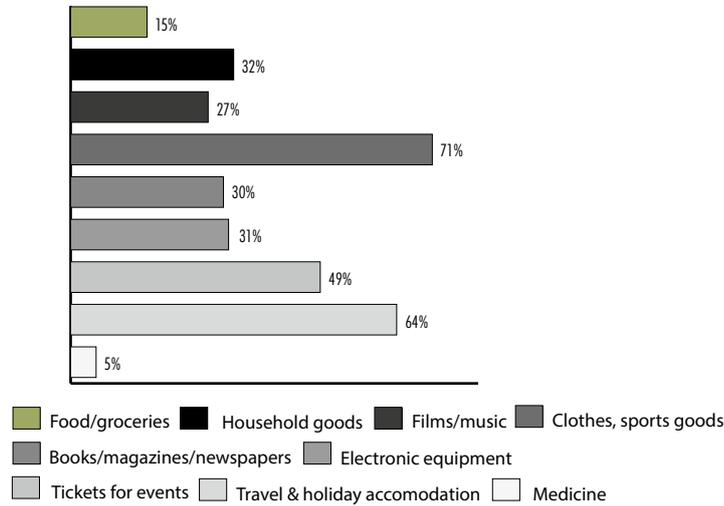


SOURCE: MALTA COMMUNICATIONS AUTHORITY, RETAILX ANALYSIS

CONSUMER ANALYSIS

POPULAR ONLINE PRODUCT CATEGORIES

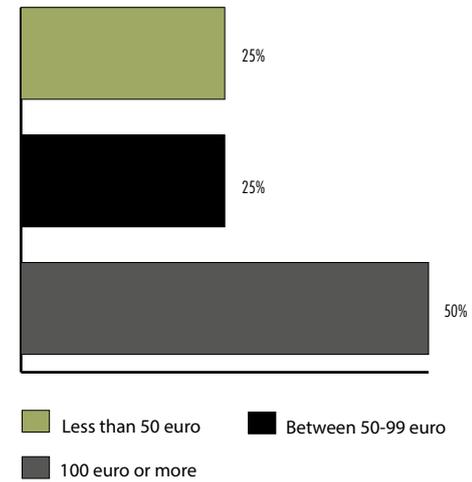
Online purchases of individuals who ordered goods/services online in the past year



SOURCE: EUROSTAT (2019)

ONLINE SPENDING

Consumers who ordered goods/services online in the last three months with purchases of



SOURCE: EUROSTAT (2019)

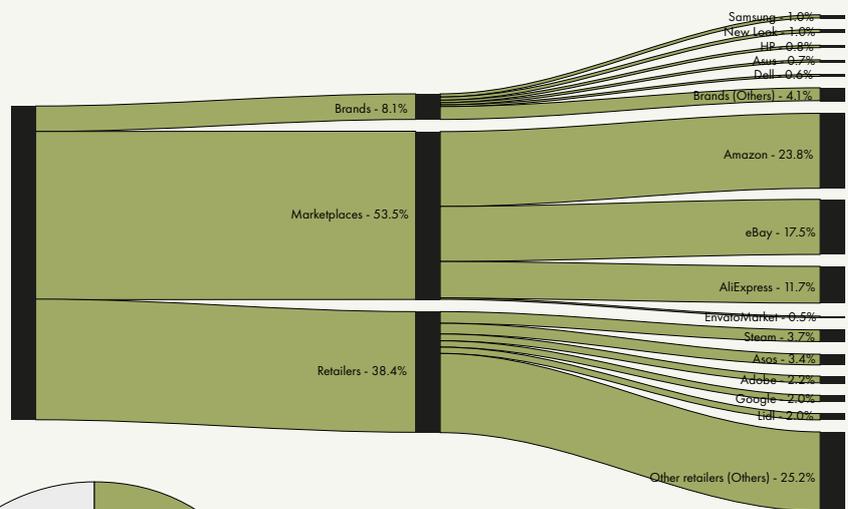
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM MALTA

WEB TRAFFIC SPLIT

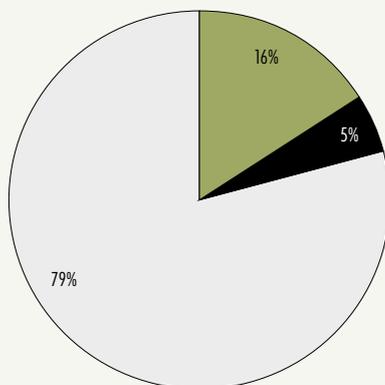
The distribution of online visits by Maltese consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



98%

The fraction of the Top 100 that trade in the official language(s)

*Defined as brands that sell mostly own-label products

PORTUGAL



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGE: PORTUGUESE
- OFFICIAL REGIONAL LANGUAGE: MIRANDESE
- FOREIGN LANGUAGES SPOKEN: ENGLISH, FRENCH, SPANISH
- STANDARD VAT: 23%

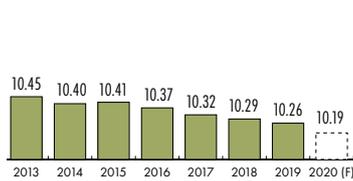
GDP AND E-GDP

Gross Domestic Product (GDP) in €BN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€BN)	GDP PER CAPITA	E-GDP
2015	€179	€17,195	1.85%
2016	€186	€17,929	2.00%
2017	€194	€18,679	2.36%
2018	€201	€19,465	2.53%
2019	€208	€20,214	2.68%
2020 (F)	€215	€20,942	3.08%

POPULATION

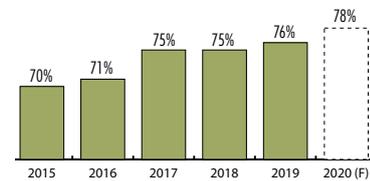
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

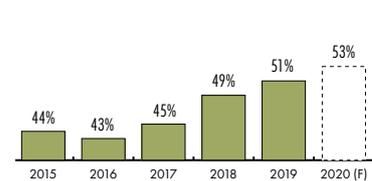
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast

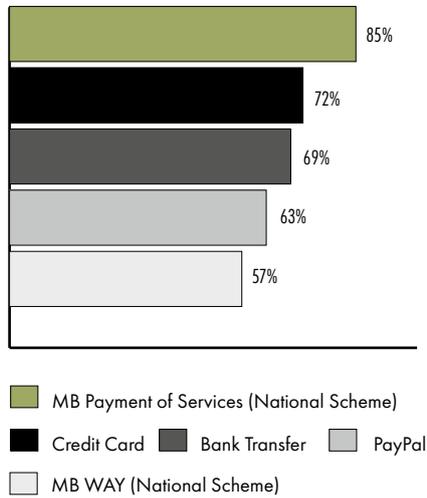


■ Forecast on 31 December 2019 does not consider the possible impacts provoked by the coronavirus pandemic

SOURCE: ACEPI ECOMMERCE ASSOCIATION, ICD

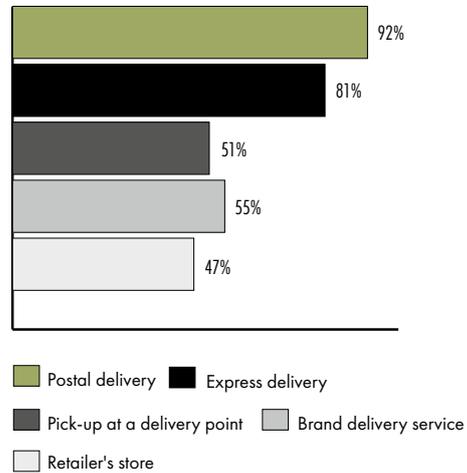
CONSUMER ANALYSIS

PAYMENT METHODS



SOURCE: ACEPI ECOMMERCE ASSOCIATION

DELIVERY METHODS



SOURCE: ACEPI ECOMMERCE ASSOCIATION

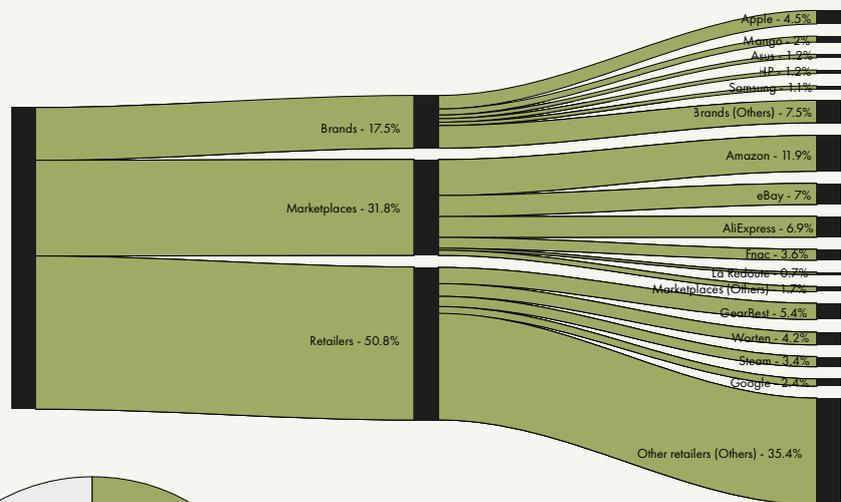
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM PORTUGAL

WEB TRAFFIC SPLIT

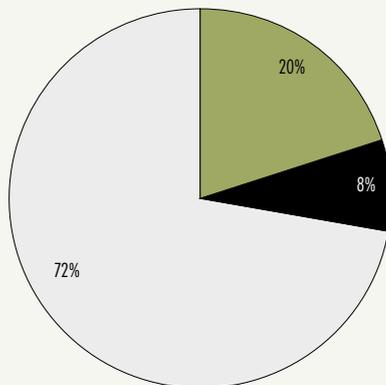
The distribution of online visits by Portuguese consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS



71%

The fraction of the Top 100 that trade in the official language(s)

18%

The fraction of the Top 100 that are headquartered in Portugal

*Defined as brands that sell mostly own-label products

SPAIN



MARKET ANALYSIS

- CURRENCY: EURO
- OFFICIAL LANGUAGES: CASTILIAN SPANISH, CATALAN, GALICIAN, BASQUE, OCCITAN
- FOREIGN LANGUAGES SPOKEN: ENGLISH
- STANDARD VAT: 21%

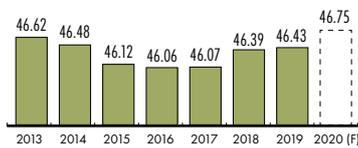
GDP AND E-GDP

Gross Domestic Product (GDP) in €TN, with GDP per capita in € and "E-GDP" is the percentage of GDP comprised of ecommerce sales

	GDP (€TN)	GDP PER CAPITA	E-GDP
2015	€1.081	€23,187	1.88%
2016	€1.118	€24,053	2.28%
2017	€1.166	€25,281	2.73%
2018	€1.206	€26,181	3.42%
2019	€1.249	€27,111	4.25%
2020 (F)	€1.295	€27,914	5.28%

POPULATION

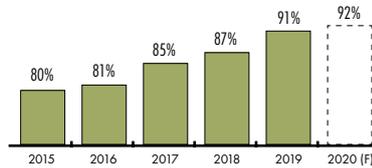
In millions, by year, including 2020 forecast



SOURCE: WORLDOMETERS.INFO

INTERNET USERS

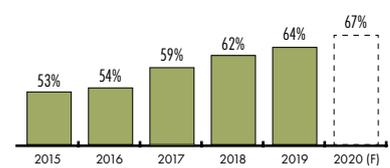
Percentage of the POPULATION accessing the internet in the last year



SOURCE: EUROSTAT

E-SHOPPERS

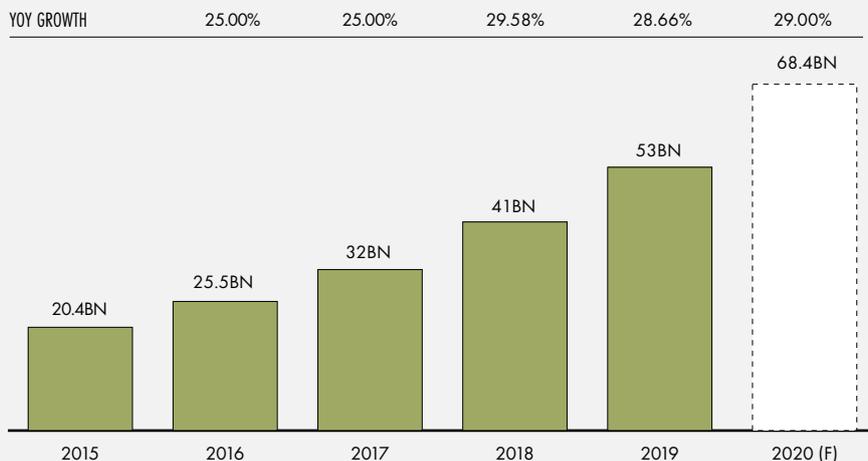
Percentage of INTERNET USERS that bought goods or services online in the last year



SOURCE: EUROSTAT

B2C ECOMMERCE TURNOVER & GROWTH RATE

Measured in €BN. 2020 is a Forecast



■ Association analysis indicates that for the 2019 total, 23% represents Goods and 77% Services

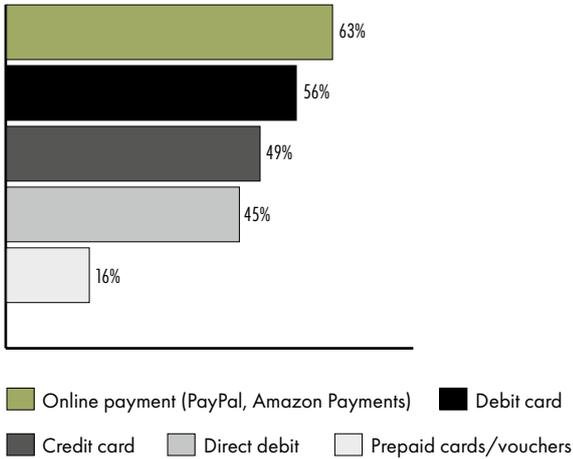
SOURCE: ADIGITAL, CNMC, INE, MEDIA PAYMENTS

CONSUMER ANALYSIS

READ MORE about the Spanish ecommerce market in our Spain 2020 Ecommerce Country Report: <https://retailx.net/spain-2020>

PAYMENT METHODS

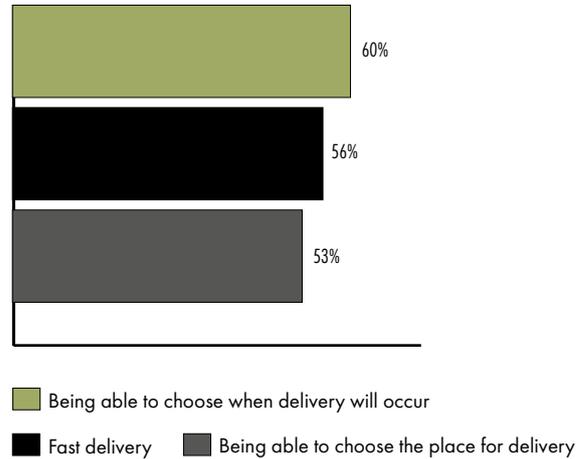
Shoppers were asked: how have you paid online in the past 12 months?



SOURCE: STATISTA (2019)

DELIVERY METHODS

Those who had shopped online were asked: how important are the following factors in delivery in your decision to buy goods from an online shop?



SOURCE: STATISTA, POSTNORD (2019)

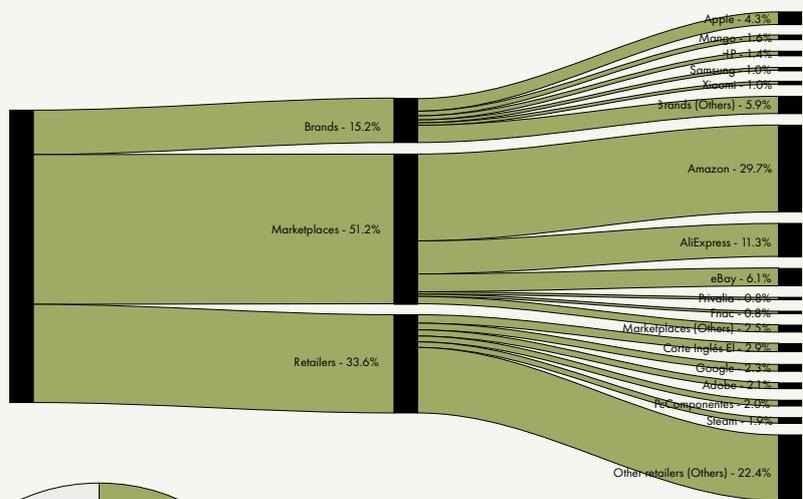
RETAILER ANALYSIS

THE TOP 100 RETAILERS WITH THE MOST WEB TRAFFIC FROM SPAIN

WEB TRAFFIC SPLIT

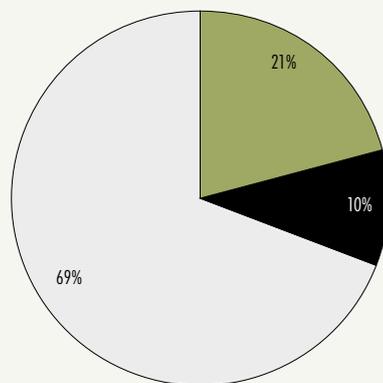
The distribution of online visits by Spanish consumers to retailers, retailing brands and marketplace websites during 2019

SOURCE: RETAILX ANALYSIS, SIMILARWEB DATA



RETAILERS IN THE TOP 100

The fraction of the Top 100 that are marketplaces, brands and retailers



SOURCE: RETAILX ANALYSIS

Brands* Marketplaces Retailers

85%

The fraction of the Top 100 that trade in the official language(s)

27%

The fraction of the Top 100 that are headquartered in Spain

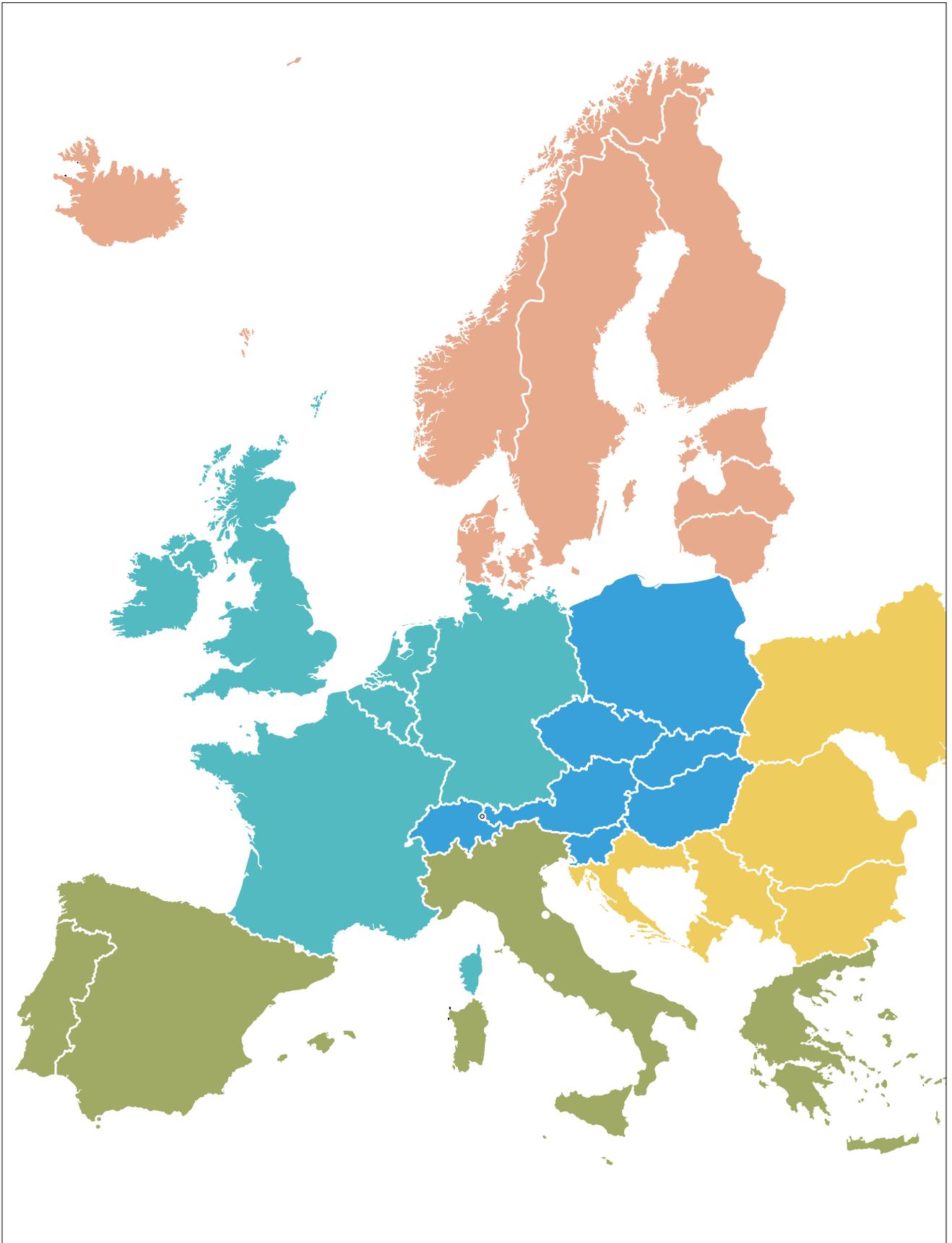
*Defined as brands that sell mostly own-label products

VOICES OF EUROPE

As outlined extensively in the previous country pages, European ecommerce markets can differ significantly from one another. To understand what is happening on the ground in each market, we've conducted interviews with industry experts and the leaders of national ecommerce associations.

The interviews cover several topics, ranging from the effects of coronavirus to sustainability to innovative technology in ecommerce. We would like to thank those who took the time to share their insights. You can find interviews with experts from the countries listed below on these pages (and there's a full list of interviewees on page 5):

BELGIUM	114	HUNGARY	138
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GERMANY	118	SWITZERLAND	142
IRELAND	120	BULGARIA	144
THE NETHERLANDS	122	NORTH MACEDONIA	146
THE UNITED KINGDOM	124	SERBIA	148
DENMARK	126	UKRAINE	150
ESTONIA	128	CROATIA	152
FINLAND	129	ITALY	154
NORWAY	130	PORTUGAL	156
SWEDEN	132	SPAIN	158
AUSTRIA	134		
CZECHIA	136		



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Over the following pages, we speak with experts from throughout Europe's different ecommerce markets

BELGIUM



Q&A: GREET DEKOCKER,
MANAGING DIRECTOR
The Ecommerce
Association, SafeShops

What's new in the market since 2019?

Greet Dekocker: Belgium is growing faster and faster. Each year we count up a billion extra euros in ecommerce sales. We are seeing more Belgian companies using platforms and marketplaces. However, in ecommerce we were not the fastest movers. We see more mobile use by consumers, especially with the current Covid-19 crisis. Also, the question has now been asked, "Why don't we buy more locally?" This has led to smaller local shops, bakeries and butchers organising themselves to sell online more. This is continuing a trend of the growing number of shops online. In fact, we saw about 5,000 new ecommerce sites pop up last year, 13 a day. Regarding technology, you see chatbots becoming more important. AI is getting attention in certain sectors.

Sofie Geeroms: Since 2019, we have seen a trend towards a platform economy. M-commerce has adapted and v-commerce is on its way. Colruyt is working with Google Voice Assistant to start selling products this way.

What were the main drivers of the ecommerce market in 2019 and what do you foresee as the main drivers in 2020?

SG: New sectors finding their way to ecommerce. I think especially of toys, and the health and beauty sector, but also more insurance and credit-related products. The main driver for ecommerce in 2020 will be corona, and the way it put consumers in the driver's seat because consumers discovered they can order so many kinds of products online.



BeCommerce promotes consumer confidence in ecommerce



Q&A: SOFIE GEEROMS,
MANAGING DIRECTOR
The Ecommerce
Association, BeCommerce

What were/are the main inhibitors of ecommerce market growth?

SG: If the Belgian market has long been immature, it's not due to the consumer, who was ready to buy online. In fact, our own entrepreneurs failed for a long time to make the necessary investments in ecommerce. This failure was due to a lack of knowledge and an insufficiently entrepreneurial mindset. From a government side, we have to admit that our labour costs are not competitive with our neighbouring countries, neither is our concept of flexiwork.

GD: There are three main points. (1) Mentality. We're not adventurous enough. (2) Legislation and the difference between EU and China. There are issues with border taxes and customs, although it is improving and we should thank the EU Parliament for improving it. There are differences in how to enter the markets and currently the playing field is not equal – it's also not completely equal in the EU as well. Taxes and VAT are inhibitors and can make exporting difficult.

(3) Too much legislation enacted too quickly. Most of the time, policy is slower than innovation, yet ecommerce policies sometimes pass too quickly. There are already policy proposals around sustainability and ecommerce, for example, but let's first try to sell packages and then let's solve the way we sell them. Regulation such as geo-blocking is making it difficult for SMEs, as it's hard to have an overview of all the regulation, which scares retailers off from being adventurous.

What, if any, are the best enablers in the market?

GD: Covid-19 is substantially changing the mentality of consumers and retailers. They are all starting to see the strategic impact of ecommerce. Another enabler would be AI, as it can help with lower returns, better consumer experiences, faster search and find tools.

SG: People make the difference, whether it is the consumer or the entrepreneur behind a webshop. I would say a deep curiosity for new technology is important. More specifically, a passion to serve and know the consumer. Customer services become more prominent in ecommerce as the technology allows you to get to know your customer so much better.

What are the impacts of marketplaces/platforms on entrepreneurs?

SG: Belgium’s economy is evolving to a platform economy. They are big. In 2019, Amazon had more than 1,600 Belgian SMEs selling on its platform. Facebook and Bol.com are also important players. It is a good way to start in the Belgian ecommerce market. Even if your own webshop is doing well, being present on platforms broadens your market domestically and abroad. On the other hand, marketplaces are disruptive because they directly connect offer and demand.

GD: There is a negative attitude towards marketplaces, especially in Belgium because we don’t have a local marketplace for entrepreneurs to use. Belgian webshops on the Dutch marketplace Bol.com are still the minority. What I’m trying to tell entrepreneurs is to see it as a channel. You lose some money on one hand, but on the other, marketing is also expensive. It’s good to be local, but stay an entrepreneur and export after corona. Don’t shoot down marketplaces because it’s one of your channels. Use it for some products and see what it does with your turnover. It can be an ideal way to export. Don’t be afraid, because you can always leave.

What is the discussion around sustainability in the ecommerce market?

GD: It’s becoming more important. There are two areas where consumers see problems. One is packaging – too much plastic, too much air/space in shipments. The second is mobility. Consumers see a lot of vans on the road and think that must be heavily polluting. Consumers have this perception that ecommerce delivery vans contribute massive amounts of pollution, but this is not the reality. This seems to be a more visible form of pollution for consumers rather than the invisible kind that occurs with shipments to/from physical stores. What we are doing is working together with postal carriers and big ecommerce members to make them move towards sustainable solutions, linking the packaging and ecommerce industries.

SG: There is a growing awareness that ecommerce must be sustainable. Consumers are sending contradictory statements: they desire a green last mile, but are not willing to pay more for it. Retailers have to shift away from free delivery and returns policies, and have to ask their customers either to wait longer for the delivery, or pick items up themselves. Also a lot of discussion is going on in the packaging industry: how to create reusable packages and how to rethink packaging for parcel/last mile purposes. We are working together with several stakeholders here – manufacturers, logistic players, policymakers and the Flemish Institute for Logistics (VIL).

How is Covid-19 impacting the ecommerce market?

SG: The crisis pushed many local Belgian players towards ecommerce. It changed perspectives. The con in this movement



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SafeShops promotes the growth of Belgian online retail sector

is that it is driven by a desire to serve local customers, whereas ecommerce is in the business of expanding your markets. Many local governments are looking at how to help local retailers towards ecommerce with training and advice. In addition, many more consumers have ‘unwillingly’ discovered the convenience of ecommerce

Logistics are still handling this substantial increase in ecommerce without having been prepared. In the end, Covid-19 pushed many ecommerce thresholds up. However, this boom has not compensated the loss of revenues in physical shops. The entertainment, travel and accommodation sectors are not doing well. Overall, the boom in selling products online has not compensated the loss of revenues in physical shops, nor the loss of online services due to lockdown.

GD: Despite logistics struggling at times, consumers are having some positive experiences in ecommerce – and they are getting the habit of ordering more frequently online. Retailers will need to continue keeping the experience positive. The winner will be food (currently) because there are a lot of modules for that.



BeCommerce is the Belgian non-profit organisation that actively brings companies together on the Belgian digital market. BeCommerce’s goal is to stimulate the growth of the entire ecommerce sector.

www.becommerce.be



SafeShop’s mission in a nutshell: we are committed every day to increase the confidence of consumers, companies and governments in ecommerce, and therefore also in your webshop.

www.safeshops.be/fr/



**Q&A: MARC LOLIVIER,
DIRECTOR GENERAL**

The head of the Fédération e-commerce et vente à distance (Fevad) offers his expert perspective on the French ecommerce sector

What's new in the French market since 2019?

Well, 2019 was the year of records for France. We hit three records. Together, they show two or three important trends. Firstly, in terms of level of consumption, we hit €103bn in ecommerce sales in France – €55bn in services and travel, €45bn in goods. Historic data! The second record we hit was in the number of French people online, 40m. And the third was use of mobile and m-commerce: all websites had an acceleration on traffic via mobile. For 100% of the top 15, their mobile traffic is higher than desktop traffic. For a long time we saw mobile going up, but desktop was almost stable. In November 2019, for the first time in our surveys, we saw desktop was going down and mobile was accelerating.

Most people are buying on their smartphones at home – it's more convenient than opening a computer. Also, retailers are now realising how important it is to have an app for m-commerce as consumers can store their payment details, address, etc. This creates more convenience for consumers.

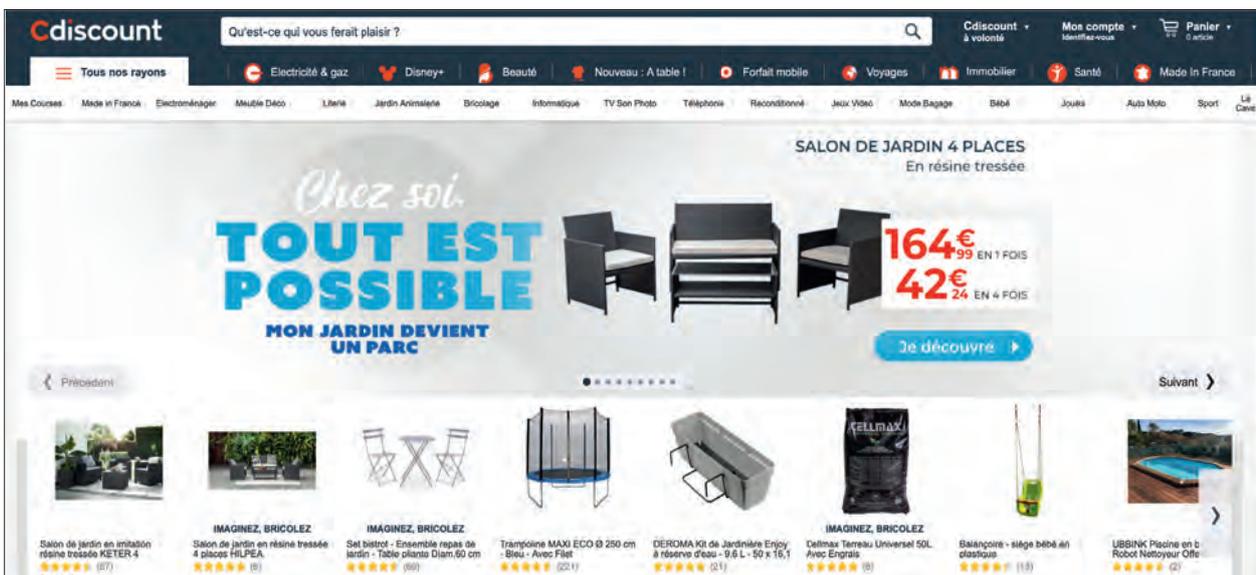
What were the main drivers of the ecommerce market in 2019 and what do you foresee as the main drivers in 2020?

What we saw in 2019 will continue in 2020. People were spending a lot of time during the *gilets jaunes* strikes on transportation and could order online on mobile. M-commerce is growing four times faster than ecommerce. So it's definitely a driver and will keep on for this year, particularly because of apps. All the main webshops now have apps.

The second thing we see – and this is a trend that started about a year ago – is brands selling direct to consumers. In Fevad, we see brands joining the federation – Adidas, Chanel, etc. We see a lot of brands that now have a digital strategy, not just in terms of marketing but in sales. Seeing how people are reacting without having to go through stores helps them to create their products. Social media is getting more and more important, particularly to brands. Brands are very strong on Instagram, so they are using these tools and bringing them to ecommerce. Smaller webshops also love social media because it's cheaper than using Google marketing tools.

What are the best enablers in the market?

The advent of 5G will really boost mobile. The one thing we need to be extremely careful about is security. Hackers are always a threat. In our last survey, sustainability and security were highlighted as really important. "Is my credit card safe? Is my data safe?" Those are big questions for French consumers. We have to be proactive about this because if you don't have security, you don't have confidence. We do research in this area and we have a security working group.



The French marketplace sector, which includes the homegrown company Cdiscount, is highly competitive

What are your priorities as an ecommerce association?

Sustainability and security. During this time of crisis, we are also focusing on integrating newcomers to Fevad. It's very important we look not only at big players, but also to smaller newcomers, shops and brands that are considering going online. Additionally, Fevad is a great believer in the EU. We want to work on ensuring companies have what they need to compete both internationally and domestically in the ecommerce market.

What impact do platforms and marketplaces have?

They help small companies and entrepreneurs to get online and with relatively low risk because, if they don't sell, they don't pay. It's positive for companies doing digital transitions. We are lucky because we have good competition. We have Amazon, eBay, Rakuten, but also some strong national players such as LeBonCoin, Cdiscount and ManoMano. I think it's very important to keep this competition. In France it is generally agreed on by experts that only about 20% of total ecommerce (online sales of goods/services) is through Amazon, which is less than most European countries including the UK and Germany. Having robust competition for the marketplaces/platforms makes France a very interesting ecommerce market both for international and domestic retailers and brands.

Is sustainability becoming a major issue?

This is a very important topic. We saw over the past two years, particularly in 2019, that this topic really came up. It's something consumers are demanding. We ran a consumer survey on this and it shows people are demanding more sustainability from webshops as well as physical shops. It's a global trend, and in this global trend ecommerce is a major shopping tool. Of course we have to meet this demand. It's something we tell our websites: we need to do more because people are waiting for more from our side on this.

There's a lot of expectation around packaging, the sourcing of products and waste policy. Waste policy is an area where you can come up with a win-win approach – good for nature and good for business. In the past, people thought sustainability would bring more costs/burdens, but I see a change in mindset of companies. Despite Covid-19, sustainability will remain a main topic for 2020.

How is Covid-19 affecting France?

As we speak, the country has been in lockdown since 17 March. In terms of ecommerce, we saw two main phenomena. Some sectors did very well. People went to buy food on the internet, although historically this has been a small market. The second sector that did very well is computer and home electronics, because people are now working from home and needed to prepare, to get equipped. A third



Fevad's website offers expert advice to retailers and brands

sector was cultural products and educative stuff to get kids occupied and busy.

On the other side, sectors such as clothing and home furniture were hit with a 40-60% decrease. It's something that did not surprise us because people were stressed. For about 10 days after 17 March, everything stopped except in the sectors I have mentioned. Basically, 20% of webshops reported growth, whereas 75% reported a decrease of sales, an average drop of about 50%.

One thing that was really new with this crisis was logistics. Even those sectors that were booming were missing people in the warehouses. Home delivery services were overwhelmed.

Slowly, the traffic on clothing websites and in home decoration/furniture is starting again. We have not recovered the same levels, but there is traffic. We see that the conversion rate is much slower than it used to be, either because people do not want to buy because they are stressed about the future and also because delivery dates are much longer than people are used to. In summary, this has been a big shock for the ecommerce sector and we have had to adapt very quickly. On the other hand, we are less affected than stores that had to be closed down.

We are in contact with all our members and decided to help all the webshops, whether they are members or not. We provide information, organise webinars and we work with the government to help the sector. ■



Fevad is a non-profit association whose purpose is to support the ethical and sustainable development of ecommerce.

fevad.com

GERMANY



Q&A: MARTIN GROSS-ALBENHAUSEN, MANAGING DIRECTOR

The Federal Association of Ecommerce and Mail Order (bevh)

What is new within the ecommerce market?

Patrick Schwalger (PS): The trend that's probably most obvious because it's grown so big is sustainability. This whole concept, due to discussions about climate change, has become so salient everywhere that it's become very important both to retailers and consumers in a way that it wasn't in 2019.

Martin Gross-Albenhausen (MGA): Regarding ecommerce, one of the most important things we've seen a lot is Asian merchants coming to the EU, not necessarily via big platforms, but also via new operators, or directly to consumers with direct campaigns embedded in Facebook and Instagram. This was not so much of a trend in 2018 but in 2019, it has become dominant in the market.

We see ecommerce operations using more AI and changing the way online marketing is done. We also see people shopping more from mobile devices, with a third of revenues now coming from mobile. The problem now is that we have much higher traffic from mobile devices but with lower conversion rates compared to desktop.

Buying via invoice has decreased in importance but is still the most valued payment method for consumers. That said, we see ApplePay and mobile wallets gaining popularity.

What are the main market drivers for 2019 and 2020?

MGA: We have seen tremendous growth in the last year coming from three major causes. The frequency of online shopping is growing, with every third customer now buying more than once a week. People are also using online shopping to buy everyday items. Thirdly, mobile shopping has been a huge driver of ecommerce growth.

PS: In 2019, usage of AI was a main driver – in marketing efficiency, retargeting, dynamic prices, management of invoices/logistics... everything. I think this will continue, while a bigger trend will be mobile payments and shopping.

What were/are the main inhibitors of market growth?

PS: A lot of German consumers, retailers and enterprises still do not have the digital mindset that we see in other countries.



Q&A: PATRICK SCHWALGER, PUBLIC AFFAIRS OFFICER

Händlerbund, Europe's largest online trade association

There is clearly a lack of digitalisation in both the commercial sector and in German society in general. Distrust is an issue – you often see people being confrontational about ecommerce. For example, there is an ongoing discussion about protecting inner cities, that pits ecommerce players against local inner-city shops. The belief is that ecommerce is destroying local shops when that certainly is not true. You must have both, you can do both, and both add to each other – a truly omnichannel approach.

There is also the issue for some people who would like to start selling online but are intimidated by rules and regulations such as GDPR, cybersecurity, etc.

MGA: The main inhibitor is infrastructure – we see that major carriers do not have enough drivers, which bottlenecks the system. Another barriers may be skill – perhaps retailers are too accustomed to having people come into their store. In fact, two-thirds of German retailers do not have an online shop, since they want to talk to their customers. While this mindset is an issue, it does give a lot of space for any entrepreneur with a good idea to come into Germany.

What are the best enablers of the market?

MGA: For many of the smaller retailers, the best enablers today are Amazon and eBay because they allow retailers to start their online businesses without having to set up the technological infrastructure themselves. About 80-90% of German retailers are just two-person or three-person companies. For them, it's not feasible to have a dedicated employee running the online shop. Therefore, they need to make use of existing infrastructure and audiences, making Amazon and eBay major enablers.

It is likely that, in the future, most consumers will be on Facebook and Instagram, which will then make these enablers. Another enabler is that we now have educational programmes through professional schools to become ecommerce managing assistants. Since digital skills are still one of the major inhibitors in Germany, education will help in fixing that.

How are platforms/ marketplaces affecting entrepreneurs?

PS: On the one hand, you need to be there if you are an SME. Bigger enterprises can grow out of marketplaces but as an SME, they are fairly irreplaceable in terms of marketing, visibility and distribution. Because they help people sell products, these kinds of platforms are good for SMEs.

On the other hand, it's important that there are fair trading conditions. These platforms are not always entirely transparent, while product piracy is becoming more prevalent. A seller – most of the time from outside the EU – can connect their product to a local player's on the platform and defeat the local retailer's offer. Search results are also an issue when the criteria are not transparent, with marketplaces sometimes pushing their own labels and products in competition to smaller, third-party retailers. Marketplaces do offer opportunities but they do need to be fair and transparent.

MGA: Retailers using several sales channels are more resilient. But big platforms invest heavily in R&D, allowing SMEs to benefit from their technology. This lowers market entry barriers and brings more customers and retailers together.

Everyone is now shopping online, so if you don't want to spend more on advertising, you'll want to consider a marketplace like Amazon or eBay. However, if you want to sell on these marketplaces, you will have to invest your time and effort. People pay a lot to get visibility on those platforms, although sometimes money is an inhibitor. If you're clever and know how to be – and to sell – digital, you can be successful.

What are the messages around ecommerce sustainability?

PS: In 2019, one of the main drivers was sustainability, with so many consumers being more interested in sustainable consumption. Consumers do not want to buy a small product and get a huge package. Such decisions on the part of the retailer will have more of an influence on how and where consumers choose to buy, both online and in physical stores. Ethical consumption will be more important, as will buying local (due largely to Covid-19). It will become increasingly important both in B2C and B2B ecommerce to consider your corporate identity/responsibility.

MGA: As you know, returns are a major topic in Germany. Consumers are used to sending goods back that they do not like, which is their legal right. Returns are costly for retailers. That's why reducing return rates is one of the top priorities in ecommerce. But also in terms of sustainability and for the benefit of the environment, online retailers are already working on reducing the amount of returns as much as possible.

How is Covid-19 impacting the ecommerce market?

MGA: The impact of Covid-19 on ecommerce varied a lot between product segments. We have seen a decrease of

sales in various areas during the lockdown, yet the grocery sector is booming. This is particularly remarkable as, on the one hand, brick-and-mortar grocery stores were allowed to open throughout the pandemic and, on the other hand, Germans have always been comparatively reluctant to do grocery shopping online. The unprecedented boom in online groceries even resulted in a shortage of drivers to fulfil the extra grocery orders, since Germany had never had the opportunity to develop grocery delivery logistics.

PS: Covid-19 is a main driver for 2020. A lot of sectors are flourishing, specifically those with food and hygiene products, while a lot of sectors are struggling. For example, sales of outdoor gear, travel products and fashion have decreased due to Covid-19. Though there are difficulties, it is bringing a lot of life into the ecommerce market because so many people must change the way they do business. If you are a local retailer with a physical shop, you have had to go online. These kinds of changes in mentality and business model will not go back. Covid-19 is a game-changer because it's forced people to go online in order to survive and maintain their income. People are much keener to digitalise faster.

Apart from digitalisation, I think there is more focus on local products and local producers – people want to support local producers and buy locally during this time. There are currently a lot of new partnerships in that space, with local producers creating local marketplaces/platforms in order to find new ways to connect and market. It will be interesting to see if this continues.

We had feedback that logistics had been disrupted due to Covid-19. Naturally, if any business had a supply line that involved something from outside Germany, or even outside the EU, they had big problems with their supply line. Even for supply chains inside the EU, there have been disruptions due to closed borders. Logistics companies were also overwhelmed, which caused additional problems. ■



Händlerbund: Founded in Leipzig in 2008, Händlerbund is an ecommerce network whose members and service partners support retailers in what has quickly become Europe's largest online trade association.

www.haendlerbund.de



Federal Association of Ecommerce and Mail Order (bev): The bev currently has 500 companies as members in a range of

pureplays, teleshopping companies, mail-order pharmacies, sellers on online marketplaces and brick and mortar stores.

www.bevh.org

IRELAND



Q&A: NIALL BODKIN, CHAIRMAN

The chairman of the Ecommerce Association of Ireland (eCAI) offers his views on the market

What's new in the ecommerce market since 2019?

There is an insatiable need for ecommerce due to demand from circumstance and consumer. The world has woken up to ecommerce and has realised now it needs to move its businesses online. In the past, people were hesitant to move their businesses online

We've also seen huge rises in mobile commerce. Certainly the technology has changed, as has the size of our mobile devices. Your mobile will turn into a tablet at some point. Having responsive web design on your website, being able to hit all forms of commerce, is hugely important. Mobile is going to be central to any company's plans. From a development point of view, merchants are focusing more heavily on future-proofing their technology to cover all forthcoming scenarios. We're a technology industry – you have to be fresh.

What were the main drivers of ecommerce in 2019 and what will they be for 2020?

Again, that word 'need', especially with Covid-19, is the main driver. We had 500 responses to our Covid campaign in three weeks, so there's an awful lot of companies jumping on board to sell online and be a member of eCAI.

Direct-to-consumer certainly is growing, but brands see the value in having localised representatives because territories and markets are different. However you play it, in a corporate

situation a lot of management come and go and don't have localised knowledge. That's where distributors are very important. Getting rid of distributors makes you lose touch and connection and you drop in rank. If you cut off the flow of information, you're sabotaging your webshop.

What were/are the best enablers in the market?

Technology, 100%. Technology has become more accessible. More importantly, we have some of the best developers and their technology is much more powerful for a reasonable price. What you can now get for a cheaper price has made the market more appealing and accessible.

Harking back to mobile devices, I do think that in the not so distant future we're going to see more expandable smartphones, larger screens, projected technology, etc. Whether it's a case of projecting a larger image or it being a smaller device, retailers will need to plan for an m-commerce heavy market.

The Irish market is very westernised, so using a UK or American model works fine. It's duplicated here and received with open arms. The Irish are very open to technology and trying new things – we take on trends all over the world and we celebrate it. Customer experience is more and more present. As people get into the ecommerce market, it's becoming more competitive and you need to have that positive customer journey to be successful. By offering some out-of-the-box experiences that catch attention, customers are likely not only to jump on board but also be loyal. If you can mix what you're doing with entertainment or a story, you will get noticed, especially in the Irish media. We are a small country and people are very media savvy. Focus on the customer experience to stand out.

What were/are the main inhibitors of market growth?

One of the blockages for mass adoption of ecommerce is content. There has to be joint thinking in delivering content to the retailer that wants to stock a shop with a thousand products. It's very expensive and making it accessible is important. Brands need to come together and create a platform to keep their content relatable. One of the major blockages to SMEs is the prospect of writing descriptions for thousands of products and updating them constantly. How on earth do we have the time? So that's a daunting prospect. We can get online in seconds, get across the world. We have ample payment solutions and logistics solutions, so content is the biggest blocker.

Do you think there is a disconnect between different ecommerce traders?

We still hear a lot of horror stories from consumers in ecommerce. Bad practice hurts the entire industry – consumers



eCAI has supported its members through the Covid-19 crisis

are put off of ecommerce with a bad experience and can shy away from ecommerce as a whole. As a community, the industry needs to come together and clamp down at the source to get common best practices and teaching from the start.

What is the discussion around sustainability in the ecommerce market?

Sustainability is at the heart of what the eCAI wants companies to focus on. We have made environment a core learning pillar and we want companies to think about sustainability at the onset of their planning. We need to be thinking about your impact on the environment. Our national courier AnPost has electrified its fleet and DPD is doing the same. More and more the environment is going to be at the forefront of what we do. Ecommerce sustainability is central to the future of ecommerce and has to be a part of the conversation.

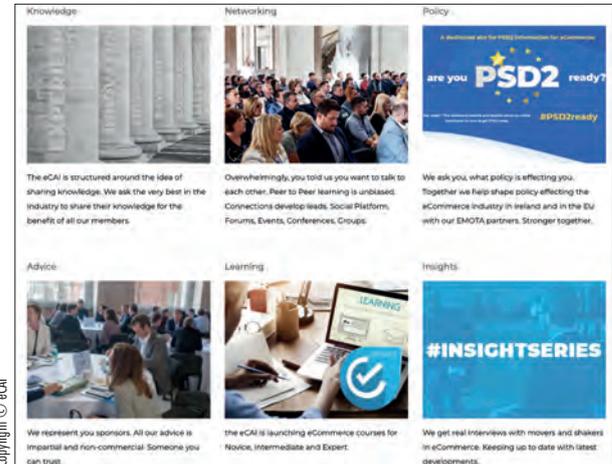
How is Covid-19 impacting the market?

Many Ecommerce companies are reporting very strong upswings and are trying to manage the increase in volume. Covid-19 has changed the world. We've seen what globalisation has done in terms of the supply chain, in terms of PPE, which was mostly made out of China. I think you're going to see manufacturing coming back to people's shores and, good or bad, I think it's changed for ever. Ecommerce has benefited from the opportunities coming out of China, but how that will look in two to three years is difficult to say. I would suggest that much more is going to come back and we're going to have more local trade, even from smaller shops using supply chains and drop shipping. Covid-19 has had huge benefit for communities, and if it does bring things back to a local level that is a positive.

How is Brexit currently impacting the ecommerce market and how do you see it affecting it in the future?

Our advice on Brexit from the start was to prepare for export markets. If Brexit doesn't happen, then you've got more markets, and if it does, you're prepared. The way it's happened is hardline, but we still hope the end result will be less severe with more synergies between the markets. Ireland has got legacy and trade agreements that supersede the EU, so there is a possibility that we may have a special relationship. Already we are seeing more connection with Northern Ireland as more Northern Irish traders are looking to the Irish market, which is phenomenal.

There are positives as well as negatives. It's still up in the air for Northern Ireland, so we can only prepare for all the angles. We have already seen Amazon has opened up its first warehouse in the Irish Republic, so it's still uncertain whether it's going to have a dedicated website or whether it is just using it



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eCAI's website is a source of expert information

for fulfilment for trade through the UK website. Most Irish trade goes through the UK, although many people are beginning to discover continental sites who deliver efficiently and cheaply.

It's common for Irish distributors to be told, "Oh, we have a distributor for the UK," when seeking new brands. We have to explain that we are not the UK, we are Ireland. Some UK distributors would seek the UK and Ireland as their territory when sourcing new brands and then use a third-party Irish distributor, which just pumps up the price along the supply chain. Now, the opportunities are turning around and brands are seeking to set up in the Irish market.

Logistically it can be tough because it's more expensive to import/export as Ireland is an island. But now as the major native English-speaking country in the EU, Ireland could really become the linking country between mainland Europe and the rest of the world. ■



The eCAI is a fully voluntary, non-profit organisation run by a team of ecommerce professionals dedicated to the advancement of the industry in Ireland. The eCAI was set up to fill the gap for ecommerce representation for all types of ecommerce companies and traders in Ireland.

www.ecai.ie/ecai

NETHERLANDS



Q&A: WIJNAND JONGEN, CEO

The best-selling author and CEO of Thuiswinkel.org offers his thoughts on the Dutch ecommerce market

What is new in the market since 2019?

The impact of digital commerce is growing, and consumer behaviour is more than ever supporting the transition of retail into digital commerce. It is not just online but also online/instore. Consumers are at the heart of these changes. They are in the control room, and the transition of retail is being influenced by this. But of course, we are still at the beginning of the transformation of retail.

What were/are the main inhibitors of ecommerce market growth?

The Dutch market is a small market. I often compare it to the small village we once were, and now we are opening to the big world. I think the Dutch market is well positioned to face challenges, but there's a challenge from international retailers. We see more of these international retailers flocking to the Dutch market, both from inside and outside of Europe. We see Dutch retailers increasingly going cross-border. We are now facing challenges that other countries have already faced for some years, including, for example, how we need to create level playing fields for EU/non-EU platforms for online retailers.

Out of €25bn plus, somewhere around €1bn is spent with online shops outside of the Netherlands. Many of the orders that

take place outside the country are only small amounts, such as things that Dutch people buy from Chinese websites. While the order numbers are large, the average amount of each sale is relatively low. Aside from China (via Alibaba), most cross-border purchases are from the UK and Germany. Only about 200m orders are placed with Chinese online shops, but at least 600m orders are placed in online shops in Germany and the UK. We are in a good position to compete.

What are your priorities as an ecommerce association moving forward into 2020?

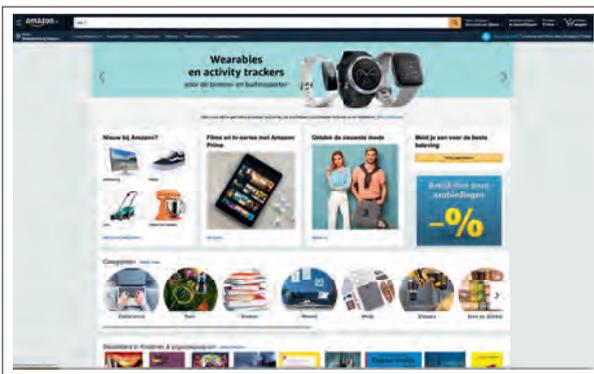
Obviously, the first priority is dealing with this new coronavirus situation. The Dutch market is well positioned to come out of the crisis stronger than we went into it. I think positive trends will be strengthened by this new situation that we're in. Ultimately, the transition of retail will be speeded up by this coronavirus crisis. The merging of offline and online will become the new normal, and local retailing, physical and online, will be strengthened.

I think it is crucial to reach consumers wherever they are, so if your product or service has options for a physical store, that may be the way to go. But it's not for everybody. I would look more into the differences in consumer behaviour. Is the best way to reach consumers by online shops? Or by new co-operative ventures that you want to set up? Or perhaps platforms? There's a whole mix of new channels available for digital commerce players. Sometimes a physical store will help, but not in all categories and not for everybody. It is very specific, depending on your target audience.

Turning to social media and m-commerce, mobile commerce is growing fast. It is still relatively small when compared with other countries, but it is growing fast and here I believe the crisis will give m-commerce an enormous push. And I think the impact of influencers is growing but obviously not at the level of other countries, such as the US and China.

What are the impacts of marketplaces/platforms on entrepreneurs?

Now that Amazon has come to Holland, the Netherlands will have to deal with a giant new player, but I think our market is well positioned to welcome such a new player. There are reasons why Amazon did not come into the Netherlands many years earlier. One is that we do have well-developed marketplaces. The Dutch are lucky to have trustworthy webshops and a great infrastructure. The service level of most online shops in the Netherlands is relatively high, so it's not like another country where Amazon can set a new standard in terms of service. We believe we are well positioned to welcome Amazon in a market that is still growing, and where we still have a pie that can be shared.



Amazon has only recently entered the Dutch online market

The platforms are gaining more market share in the Netherlands. That is one big trend we saw in 2019 and which is continuing into 2020, so we expect that trend to keep developing. Platforms are becoming more and more important for consumers, but also for retailers because platforms give them another channel or option to reach greater numbers of customers.

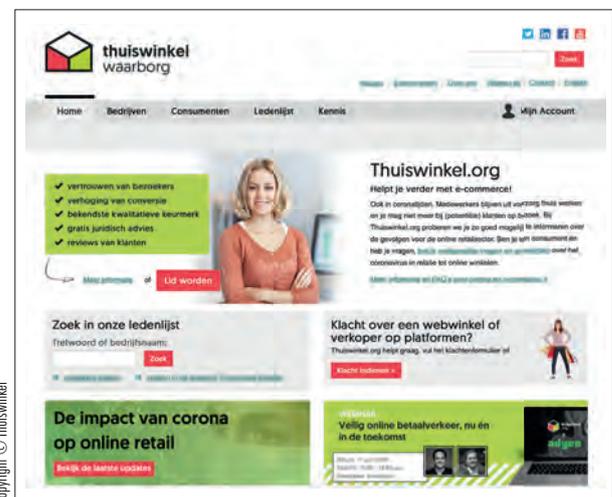
What is the discussion around sustainability in the ecommerce market?

Sustainability is a big trend after years when it really was not at the core interest of retail. We have set the standards, for example, for reductions on CO2 and reduction in materials, and we are working with the sector to set ambitions and goals. We have worked with distributors and the Dutch government. For instance, we have initiated a tool where online retailers can see what the CO2 impact is on every sale on their website in relation to the consumer. That includes the way the consumer wants to have the product delivered at home. We collect the data of all distributors and retailers. This feeds into a tool that gives back the data to individual retailers, and it also offers the opportunity to individual retailers to use that data at the checkout to influence consumers on how and when they want to have their orders delivered. That is now being implemented by Dutch webshops, and it gives us an incredible amount of data for online shops as well as a means to help consumers to make the right and greenest decision.

What impact is the Covid-19 pandemic having on the Dutch ecommerce market?

It has affected the Netherlands hugely. After an initial voluntary closure of many stores, retail stores in high streets have opened again. Yet 2020 will be a year of decline for traditional retail, as many stores will continue to suffer from a lack of consumer spending due to uncertainty and lack of consumer confidence.

We see a very different picture on the online side of the retail market. In many categories, turnover increased 40-50-60-70-80%. Think food and drinks, DIY, sports, home living, office equipment, entertainment, etc. For the remainder of 2020 we expect newly adopted consumer behaviour to be sustained. We have a hard time keeping up on the demand side, but as an organisation that is in touch with all the distributors, we are doing a good job getting stuff to people's homes. Overall, I think in the long term we are well positioned to be and become even more relevant for consumers and businesses, now and in the future.



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Thuiswinkel.org has around 2,000 members

It is just a matter of capacity problems. The demand is bigger, and the capacity is not up to meeting that demand. That has to do with the whole supply chain – from distribution centres and warehouses to being able to deliver groceries to people's doorsteps. For example, online supermarket Picnic was able to launch its new distribution centre earlier than expected. Others are not able to do this. Sure, one can add hundreds of people, but ultimately there is a struggle for capacity in the total supply chain, from warehouses to cars having to deliver. Yes, you can upscale but only to a certain level. Everyone is trying to upscale faster. ■

Thuiswinkel.org is *the* inspiring commerce network that helps companies, entrepreneurs and their employees to become more successful. It offers relevant and practical solutions through lobbying, the 'Thuiswinkel Waarborg' trustmark, knowledge, research and education. Its objective is to improve trust in distance selling and to make cross-border trading easier.



THE UNITED KINGDOM



Q&A: ANDY MULCAHY STRATEGY AND INSIGHT DIRECTOR

The current coronavirus crisis comes after several turbulent and challenging years for UK ecommerce. IMRG's Andy

Mulcahy shows that it's not all doom and gloom by highlighting the opportunities of such rapidly changing times

Give us an overview of the UK ecommerce/retail market since 2018

There has been a problem with the UK high street over the past two years and a lot of trade has started to go online. This has been on the horizon, though no one has really done anything about it.

Things were going well online until mid-2018, with strong growth and a lot happening in the market. Halfway through 2018, we had a heatwave that lasted ages. We had a royal wedding, England did quite well in the football tournament and UK consumers spent a third more by the middle of that year than they would normally have done, according to Barclaycard. But then, in the second half of the year, we saw the growth line plummet as the year progressed into Q3 and Q4.

There's no getting away from it – Brexit was building in the background, though no one seems to want to hear about it now. The uncertainty of Brexit, it could be argued, put a lot of pressure on retailers and consumers, as people began worrying more about job losses, a recession and so on.

This obviously worried consumers and spending seized up, forcing retailers to start discounting once they realised the market wasn't doing as well. Adding to the problem, retailers still depended on their high street presence and yet were forced to close several brick-and-mortar shops. With the high street suffering massive casualties, closing stores and laying off workers, consumers got even more spooked and lost confidence in many retailers, even household staples such as House of Fraser. Discounts were pushed even more heavily, even before the UK had a dreadful 2018 Black Friday/Christmas season.

How was this different from 2019?

Overall, 2019 was also a difficult year for online retail, with Brexit uncertainty continuing to loom in the background. Then, all of a sudden, there was an astronomical increase from

Black Friday to Christmas, which coincided (coincidentally) with the election results finally ensuring that Brexit would indeed happen. The market appeared to stabilise as the UK felt less uncertainty. That being said, the first few months of 2020 showed a flat growth rate, likely due to unforeseen circumstances including massive storms in February and now Covid-19. Paired with the uncertainty of the timeline and fallout of Covid-19, consumer confidence continues to decrease, with stores closing and employees laid off.

What role does sustainability play for retailers and consumers in the UK?

It's hard to quantify but the environmental sustainability argument must be having a profound impact in the UK. The severity of climate change is headline news every day, although the push towards sustainability is difficult for some retailers to keep up with. We don't yet have a good substitute for plastic packaging of food products, for example.

Sustainability is a topic that political parties are addressing, but understanding the real impact on consumer behaviours is difficult to measure. If you ask consumers, "Have you modified your behaviour based on plastic waste and the environmental problems we've got?", they'll say yes, while drinking out of a plastic water bottle. What people say and what they do is poles apart.

There is huge competition between retailers as well, with some currently making claims like "We're going carbon neutral" to speak to customers who are looking for a more sustainable option. In the future, you can expect there to be some companies that fully get a hold of it and really do it well, while others which are not doing it well will get blasted out of the way. The push towards more sustainable ecommerce puts quite a lot of pressure on retailers to keep innovating and adapting to consumer demands.

How do you see the effects of coronavirus impacting UK ecommerce?

Along with everything else, we got to March and coronavirus arrived, accelerating pre-existing problems within retail. Everything was closed and I didn't see how retailers could survive months and months without having their shops open, without having any customers, without warehouse staff to fulfil orders or drivers to deliver them. We can't get to the end of this, when that eventually arrives, and say, "Back to normal." There are going to be casualties here, especially with the future remaining so uncertain. You can say this about any industry dealing with the long-term effects of coronavirus, though, not just ecommerce and the retail trade.

What we saw at first was that underdeveloped online markets were not able to cope with this sudden spike in

growth. For example, grocery had never been the leading category in online sales until recently. There was a statistic that said grocery online has capacity for only 7% of the demand and, with most of the population self-isolating, consumers were having to order a week in advance after sitting in an online queue for three hours or more. Demand outstripped supply. This might ultimately result in a fundamental shift in grocery shopping towards online and away from instore but the capacity to support this just isn't there yet. Going forward, it will need to be strengthened substantially in order to meet consumer demand.

There was also a lot of panic buying and bare shelves. It was a very lopsided version of retail, with supermarkets getting completely stripped of everything they had, home office products doing well as people worked from home, and DIY also thriving as people staying inside were sorting out their homes and gardens.

Yet shops selling anything outside of those categories, such as fashion, for example, struggled. This may turn out to be a short-term trend but it has been fairly profound. Coronavirus has created new uncertainties and it shows. People are uncertain about their jobs and income, so it's likely they will plan for the worst and not buy too much for however long this lasts.

To clarify, coronavirus wasn't the cause of many of the problems with ecommerce or retail trade in the UK. Rather, it has exacerbated existing problems.

What advice would you give to an SME that wants to enter the UK market at this trying time?

It's a reasonably positive message for an SME because all the established businesses, which over time have had big store portfolios, have struggled to adapt to the digital age. I get the sense that if this madness goes on for months and months, or even a year, some of these established companies are not going to survive.

But consumers still need to buy products, so if you're an SME and you can work out how you can have something modern with environmentally spot-on messaging, then that is your opportunity. If you can offer a sustainable way of doing business and people can feel good about buying from you, I think you can really build on that, particularly as there are going to be holes left by coronavirus that other companies will need to fill. If your SME can survive this, then there is definitely an opportunity to build in the UK and do fairly well out of this abysmal situation.

There are some examples right now of entirely brick-and-mortar shops realising there is a need for them online. Someone I know was recently trying to buy plants from a local shop online but they don't sell online. The reality is that people aren't going to buy plants from your shop right



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Garden centres may have to sell more online in order to survive

now, and would prefer to buy them online, which is pushing retailers online as consumer demands shift. Harking back to the grocery example, consumers are looking online to get what they need, so retailers will have to rise to the challenge in order to stay competitive.

If you're a small retailer, find your niche. There's a lot to be said in servicing the needs of your local community. You don't have to control the entire world. You could just be doing a great thing in a local area and people will like that. If you provide really good customer service, people will buy from you. Some of the old rules still apply – customer service and service with a smile still count for something. ■



IMRG is the UK's online retail association, providing data, analysis and insight to its community of industry-leading retailers and solution providers. It is dedicated to identifying growth opportunities so that retailers can navigate online retail during these incredibly challenging times.

imrg.org

DENMARK



Q&A: NIELS RALUND CEO

In addition to being the CEO of FDIH (Danish Ecommerce Association) Niels Ralund is a member of the Executive Committee at Ecommerce Europe

What is new in the market since 2019? Have you noticed any big changes or updates we should zoom in on?

The funny thing about the Danish market is that there's not something that is very 'new', as we're seeing the same development and growth as before. That said, we are seeing use of mobile phones growing fast, growth in the number of automated packing facilities where you pick up your parcels, a growing number of shops where you can pick up your parcels, and a little less delivery at the home address. More than half of the parcels in Denmark are picked up at either shops or automats. We also see that some of the brick-and-mortar shops are coming to the conclusion that they need an online presence as well as physical, so more online shops are being created. It is an ongoing discussion in Denmark that a lot of brick-and-mortar shops close 'because of ecommerce', and you could say that our point of view is that perhaps they didn't keep up with development. Consumers are the ones who change their behaviour, and it has stayed consistent throughout the past 10 years, so it should be pretty obvious to brick-and-mortar shops that they need to be where the customers are. Finally, in 2019 we had an incredibly lucrative Black Friday. It was an all-time record of online sales for Black Friday, turning over approximately €150m in online sales.

What were the main drivers of the ecommerce market in 2019 and what do you foresee as the main drivers in 2020?

If you look at the Digital Economy and Society Index, you will see that Denmark is one of the top countries in Europe, so we are highly digitalised. Although nothing 'new', convenience and omnichannel are where we see strong connections between brick-and-mortar stores and online shops supporting one another. Regarding the ease of paying, mobile is on the rise, especially on the payment side. We see a number of shops going for a higher rate of online subscriptions because this helps them to keep contact with the customer. The whole idea is to get your app on the customer's phone, which will make you top of mind when they are going to buy something. Finally, and something

we are looking towards in 2020, is that for the past two years we have been speaking about Amazon, wondering if it will approach the Nordic countries. Currently, south of the Danish border it is setting up another Amazon facility and, as far as we know, it will do so in Sweden as well. A highly digitalised society like the Danish will always be fierce competition for new ecommerce players. Though some, like Amazon, are big and very good at what they do, they will find stronger competition in the Danish market than in the German market.

What were the main inhibitors of the ecommerce market growth? Do you see this changing in 2020?

The biggest challenges we see are surrounding issues of climate change and sustainability as well as environmental issues. These are actually the biggest challenges we will face this year, especially the idea that transportation and packaging in ecommerce is adding significantly to pollution and is unsustainable. Ironically, most ecommerce shops are focusing substantially on this issue as they find a way that is low cost, which means you don't need to have big packages unless absolutely necessary. There's much focus on ensuring correct separation of plastics, using recyclable products/materials, etc. We need to reinforce the message that ecommerce is not demonstrably adding to climate change. That said, even if what we add with ecommerce is little, we will have to do better in the future than what we are doing today.

What, if any, are the best enablers in the market? What allows ecommerce in Denmark to thrive as it does?

What allows ecommerce in Denmark to thrive as it does goes way back. We have a highly digitalised society, especially regarding public administration. Most Danes are used to the idea that anything you do administratively is always online. As the population and businesses are accustomed to doing things online, why not shopping as well? Therefore, there's nothing especially enabling from last year or the years before.

What are your priorities as an ecommerce association moving forward into 2020? What would you like/need to see happen for continued growth?

Sustainability, climate issues and especially our co-operation with Ecommerce Europe. Could we do ecommerce in a smarter way? Could we nudge consumers to do things in a more sustainable way? How do we inform consumers about what is the greenest way to shop online? These are the questions we are looking into heavily for 2020 and probably over the next five years.



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E-HANDELSANALYSEN: CORONAKRISEN ÆNDRER DANSKERNES FORBRUG PÅ NETTET MARKANT

Rejsebranchen lider voldsomt, mens omsætningen i især digitale dagligvarebutikker og bolig-have butikkerne eksploderer under coronakrisen og øger den samlede e-handelsomsætning i april. Det viser FDIH's analyse af e-handlen i coronaens tegn.



14. maj 2020 Søren Willemoes

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TJEK

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FDIH is making the most of the rapid growth of mobile payment apps

What's the situation within Denmark regarding cross-border purchases?

About one-third of all purchases by Danes are done in companies outside Denmark. A third of our total turnover goes to companies such as Zalando, Amazon, H&M, etc. The Danish population is so used to ecommerce that if you ask where a company like Zalando is based, 40% think it's a Danish company. Danes trust ecommerce, and they like the idea of convenience and the possibility of buying anything you want anywhere in the world. If searching via Google, Danes will look for the right price, delivery and conditions, and will place the order. Especially in Northern Europe, the

EU works perfectly from a Danish point of view for cross-border purchasing. ■

FDIH STYRKER DANSK E-HANDEL

The Association for Danish Internet Commerce (FDIH) works to strengthen conditions for internet commerce in Denmark and internationally for the more than 2000 webshops affiliated with the association. It is the leading Danish organisation for ecommerce companies and their suppliers.

www.fdi.dk

ESTONIA



Q&A:
TÕNU VÄÄRT, CEO

The Eesti E-kaubanduse Liit (Estonian Ecommerce Association) unites Estonian ecommerce businesses and promotes best practice

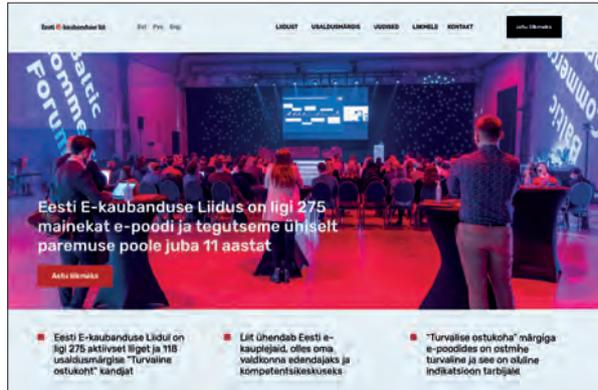
How has Covid-19 impacted on ecommerce in Estonia?

In March and April, shopping centres in Estonia were closed, and the prime minister and the government recommended shopping only from e-shops.

In April, 1.5 million more parcels were sent in Estonia than a year ago. This represents 237% growth. About €400,000 more in purchases were made from Estonia’s biggest e-shops every day. Turnover increased by 178% and more than 400 entrepreneurs approached Maksekeskuses (a local e-payment solution provider) with a request to receive e-payment solutions for their business. The growth will have continued in May.

What are the main drivers of ecommerce in Estonia?

The main drivers of ecommerce are improving the user experience, delivery speed and the security of e-shops. The pandemic opened up extraordinary growth and the opportunity for a sharp leap in ecommerce. The trend in 2020 is also to see the constant growth and dominance of large sales platforms (local and also eBay, AliExpress, etc). Estonian ecommerce turnover is 50/50 domestic and cross-border e-shopping.

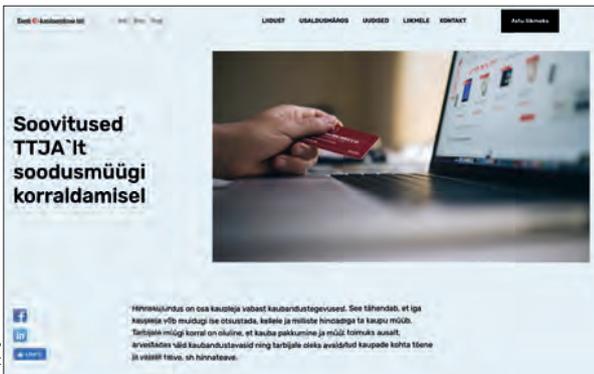


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Eesti E-Kaubanduse Liit runs regular webinars for its members

Can you tell us a little about your work?

The Estonian E-Commerce Association is an umbrella organisation whose members work together to solve problems occurring in ecommerce and to share their achievements. The association unites Estonian ecommerce businesses and is the promoter and competence centre in its field. We assist our members who are in need, as well as consumers and the public sector. We keep our finger on the pulse of internet-based business and look to its well-being according to best practice, high-quality standards and fair legislation. ■



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Safe online shopping is one of the association’s aims

Eesti e-kaubanduse liit

The Estonian E-Commerce Association has 276 active members from all over Estonia. One of the association’s biggest initiatives is E-Monday – a 24-hour shopping day on the second Monday in May and November. More than 50,000 unique e-shoppers visit the campaign page within 24 hours. The association runs a large media campaign to support E-Monday.

e-kaubanduseliit.ee

FINLAND



Q&A: JANNE KOIVISTO, CHIEF POLICY ADVISER

Kauppa Liitto's expert on EU affairs considers the ecommerce market in Finland

What's new in the ecommerce market since 2019?

In 2019, Finns made digital retail purchases in the domestic and international market totalling €4.5bn. The growth since 2018 was 12%. Prior to the impact of the coronavirus in Europe, the projected growth for the current year was approximately 11 per cent – not including VAT or delivery expenses.

What were the main drivers of the ecommerce market in 2019 and what do you foresee as the main drivers in 2020?

The domestic ecommerce market has grown during the past few years. Of all online purchases made in Finland, 60 per cent are shipped from Finland. China is, nevertheless, a clear number one in cross-border ecommerce bound for Finland. An estimated 13 per cent of the euros Finns spend on digital purchases rushes to China.

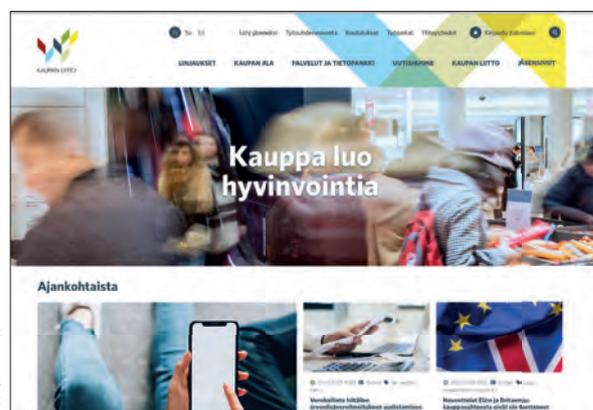
The share of China is significant in all Nordic countries, and its position is not shaking in the near future. According to data from last October, Wish was the most frequently used shopping application in the Nordics, both in Apple's App Store and Google's Play Store. AliExpress was also among the top 10 stores.

What are your priorities as an association moving forward into 2020?

Our lobbying priority regarding ecommerce, and also in relation to platforms, is to achieve platform liability and a level playing field in competition between national retailers (offline or online) and traders operating on platforms.

How is Covid-19 impacting the Finnish ecommerce market? What are the measures being taken to tackle the crisis? And how do you see the future of ecommerce post-Covid?

More than one-fifth of consumers intend to shop more online as the coronavirus crisis carries on. The increase will be particularly notable among men under the age of 35, of whom almost one-third intend to do more digital shopping. However, millennials are not the only group online stores should now focus on: every fifth woman aged 65–79 wants to try online shopping, and do more of it.



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About 7,000 Finnish companies are members of the federation

Consumers' willingness and need to try online grocery shopping is also evident in the results of the Finnish Commerce Federation's member survey conducted a couple of weeks ago. More than 70 per cent of grocery shops using a digital sales channel reported an increase in online purchases. ■



The Finnish Commerce Federation is a nationwide commerce sector lobbying organisation whose mission is to promote Finnish commerce. The organisation develops the co-operative action and operational preconditions of commerce companies, and takes care of members' business and employer benefits.
kauppa.fi

NORWAY



Q&A: GERHARD ANTHON, DIRECTOR

Virke Ecommerce's manager discusses how the Norwegian market is evolving

What is new in the ecommerce market since 2019?

It's not exactly new but a lot has happened regarding payment methods and logistics over the past year. We see more suppliers in terms of logistics and many new providers in the market in terms of delivery.

What were the main drivers of the ecommerce market in 2019 and what will they be for 2020?

Payment methods are evolving. Vipps, a Norwegian smart-payment service, has strengthened its position during 2019. M-commerce is still increasing. Exciting things are happening, especially in the field between technology and marketing. A new company, Springboard Martech, is trying to support this innovation and act as a kind of incubator for this kind of development.

What are some inhibitors to market growth?

Profitability. You have to prove that the business concept of ecommerce is sustainable for both profitability and for growth. We currently see a lot of companies losing money, which is an unfortunate side effect of our now extremely weak currency – we have to pay 10-15% more now per euro than before. We used to say the Norwegian currency was strong but it is no longer any more and this is a challenge. Also, an increased focus on sustainability is connected to large numbers of product returns. Fashion returns need to decrease for sustainability reasons.

What are some enablers of market growth?

Omnichannel and initiatives from traditional cross-border shops. You can buy a product online and you don't even have to go into the shop: you just say when you will be there and they will deliver it to you. So it's more service oriented and such changes to traditional shopping are exciting for the ecommerce market. Of course, coronavirus has also been an enabler, in terms of goods being sold online. Customer preferences have also changed as we all become more used to shopping online and as consumers are getting older.

We also see logistics becoming more and more efficient. The company SWOSJ allows you to pay less than €3 per

month to get products free at home, similar to Amazon Prime. Norwegian consumers are heavily into cross-border shopping. In the past, foreign shops did not have to pay VAT. This has now been done away with but still foreign shops are not obligated to pay all the Norwegian taxes, while we have to pay and follow all the EU laws, as well as comply with GDPR.

What is the influence and impact on entrepreneurs of marketplaces and platforms?

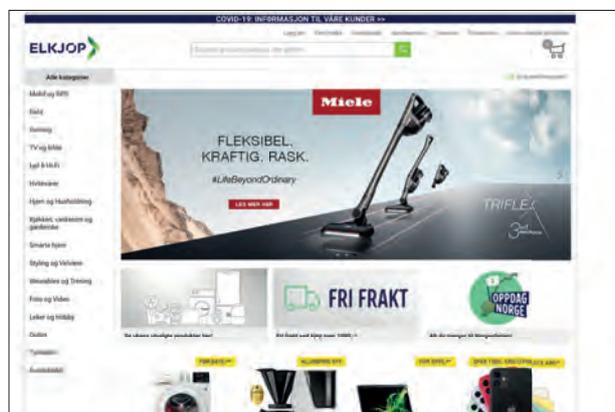
I'm unsure. We do have some Norwegian companies that try to enter the platform market but they do not succeed often, so I am unsure of the importance. However, some of the new services will probably enter the market. Zalando is probably the biggest and also CDON. Zalando.no has an all-Norwegian website and all-Norwegian VAT firms, etc. Norwegians also purchase from the UK and the US.

What is the discussion around sustainability in the market?

I think Norwegians are doing a lot around this topic. We have a Norwegian entrepreneur called the Green Deal working with the issue of returns. The concept is that returns affect climate change enormously, especially with a return rate of 50-70% for fashion and clothing.

This company, the Green Deal, collects and resells globally. They won't send products back to Eastern Europe and will try to resell the products in the Norwegian market instead. The company is very interesting, as it the entire concept. At present, it is only in Norway, although it is likely to expand into Sweden and Denmark as well.

Consumers are also leaning into the trend towards more sustainable packaging. Any packaging is waste, so change is happening through consumer demand for more sustainable packaging. It's not a discussion any more –



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Elkjøp is one of Norway's leading online retailers

retailers have to change. They have to be smart and think and act green. So I think within the next year that this will be more and more of a topic in the ecommerce world.

Retailers need to accept it and do something with it. There's a lot of focus currently on sustainability and the 'right' products. It's in the discussions around companies selling from abroad into Norway, where the question is about their liability from abroad. Products sold from Asian countries, from China, etc, are not good enough and are not complying with sustainability requirements set by the EU. In fact, just last week, the ombudsman discovered that several such products were full of poison, so there are still several issues with products coming into Norway from abroad.

What are your priorities as an ecommerce association moving forward into 2021?

We supply the government, parliament and media with figures, trends, analysis and policy input on ecommerce, and we frequently use information from Ecommerce Europe. In its political work, Virke aims to concentrate on innovation in ecommerce, a sustainable development and a level playing field in cross-border ecommerce and between ecommerce and other retail. Along with these topics, there's the Digital Service Act (DSA) and the liability of platforms outside the EU, VAT on ecommerce and the VAT package (which is likely to be implemented 1 July 2021), payments and stronger customer authorisation.

How is Covid-19 impacting the ecommerce market?

Travel and other services such as hotels, tickets, events, etc have always made up more than 50% of the total ecommerce market in Norway. Due to travel bans and other restrictions, these important areas have dropped dramatically since March 2020.

During the exact same period, ecommerce of goods has increased almost out of all previous performances. A survey from week 17 among Virke's member companies shows that more than 64% of online stores have increased their sales after the introduction of coronavirus restrictions in Norway. Some 13.5% of those who participated in the survey show growth in turnover of more than 90%. If we compare a similar survey a month ago, we see that the proportion of online stores with sales growth has grown significantly, from close to 47% to today's 64%. The share with sales growth of more than 90% is also larger now.

On the other hand, more than 15% of online stores report a sharp decline in sales and 3.2% of these had a drop of more than 80%. In the survey, companies that do not have an online store are asked to respond to any plans to start online shopping. As many as 20% plan to establish an online store within the next six months. Fashion is the big problem



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Virke has been supporting Norwegian businesses since 1990

area, but all the other sectors are fine. Grocery is reporting double turnover, although we haven't had the same level of shutdown as they had in France and Italy, so Norwegians have all been able to go out to do shopping, both grocery and other products.

Consumers will be more likely to shop online after the crisis because they have made new habits. It will be like that for ever. I mean, if you compare the ecommerce market in Norway, it was about 7% of the total market for goods, yet it's now moving to 10, 11, 12%, and will more or less remain there. The convenience of shopping online will not change after the crisis, so it is likely consumers will still opt to shop online. We also have better logistics today than we had a year before, as well as better payment methods than a year before, so the convenience of shopping online is there.

Omnichannel shops are doing it quite well, as they are able to allow customers to 'buy online and pick up in store'. So if you buy a product and want it delivered, you can get it the same day or the next day. The speed has therefore not been lessened by the crisis, so the convenience of shopping online remains. ■

VIRKE
EHANDEL

Virke brings together Norwegian trade, and organises 14,600 businesses in everything from specialist trade, construction products and groceries to pure ecommerce players. It aims to improve the framework conditions and regulations that make it profitable to create jobs, and to inspire change and social activism.

www.virke.no/bransjer/handel/virke-e-handel/

SWEDEN



Q&A:
SIMON SANEBACK,
CO-FOUNDER

Wellstreet

What's new in the ecommerce market since 2019?

Simon Saneback: I can summarise it in three top areas. The first one is in terms of logistics – the up-and-comers (startups) are competing with giants like PostNord. Sweden is special when it comes to logistics, as we have been using the pick-up method for quite a long time. Now, everyone seems to want home deliveries since coronavirus, so you see relatively small niche startups booming, raising money and competing with giants, leading to Swedish consumers quickly changing their behaviour. To be sure, the 'relatively small startups' are no longer small – they're actually huge now.

Behaviour in Sweden has been shifting quite a bit. I always say, "We don't want fast delivery, we want smart delivery," meaning consumers want to know when the product will be delivered. Historically, when you would have a home delivery you would be quoted "sometime between 8am and 8pm", which was irritating. As the smaller players started growing, they began telling customers within a two-hour window, which has contributed substantially towards helping with grocery purchasing during Covid-19. This is very industry specific: for example, if you buy a refrigerator online you don't necessarily need to have it delivered tomorrow, but you do want to know when it will be delivered so you can plan.

Now that Amazon has very recently begun offering home delivery, the rules of the game have changed as suddenly big players need to determine how to handle this. This contradicts with free shipping/returns, killing margins for many. Again, everything depends on the industry you're in. If you look back three to five years ago when Wish came to Sweden, consumers began buying from the app and changed their behaviour everywhere else. They began buying fewer items per basket (less order value), but buying more frequently. Then came Greta Thunberg speaking about climate change and suddenly Swedish consumers felt it wasn't sustainable and changed their behaviour alongside newly introduced government regulations and taxing for foreign goods. Suddenly Wish dropped 70-80% because it increased customs fees.

Another trend we're seeing is live video shopping, which has been very standard in China for the past few years. A



Q&A:
PER LJUNGBERG, CEO

Svensk Digital Handel

Swedish company called Bambuser has existed for quite a while and has pivoted and launched a new product for live video shopping, which is growing tremendously. It was originally supposed to take one to two years to use live video, but coronavirus has shifted everything and now it's become a must-have. Whether it will remain a trend or not post-coronavirus is yet to be seen.

What were the main drivers of 2019 and what will they be for 2020?

SS: Drivers have largely remained the same: convenience and cheaper prices. In early 2020, we were seeing more of a focus on these. For example, convenience has become essential since Covid-19.

We still see the ecommerce industry growing, but we may see a shift in goods purchasing being higher and services lower. So there could be a redistribution, but it depends of course on how the crisis continues. Sweden has an interesting model for coronavirus: herd immunity. We could be one of the few countries that heal and get back to business, but that remains to be seen. There are so many other issues now to touch on, such as the increase in online fraud. That's been one of the biggest issues we've had. The vulnerable become even more vulnerable during a crisis, unfortunately.

Per Ljungberg: There were a few new elements during 2019. The market is driven by strong growth in ecommerce of groceries and pharmaceuticals, which in turn drives an increased proportion of home deliveries. Previously there was a clear majority of consumers picking up their purchases at parcel deliveries by themselves. From the second half of 2019 until now, there was also a clear increased focus on sustainability issues, both with consumers and companies.

There was more and better suppliers for home delivery, creating the conditions for closer and faster deliveries. Covid-19 has also driven the consumption patterns, as people who did not buy online now do so.

What, if any, are the best enablers in the market?

PL: There are more developed and faster delivery services. There have also been better opportunities to compete with

foreign suppliers, thanks to lower labour costs and lower delivery costs.

What were/are the main inhibitors of ecommerce market growth?

PL: There are many. National taxes impede the competitiveness of the Swedish companies, such as the tax on electronics. Platforms including Wish and Alibaba do not have to comply with European legislation, such as CE marking. Other factors include high shipping costs from Sweden to foreign markets and high labour costs compared to the rest of the EU/world. We will end up in economic decline. People will lose their jobs and not be able to consume the same way.

What is the discussion around sustainability in the ecommerce market?

SS: Sustainability grew during 2019 to become one of the most essential topics, and it had an even bigger impact because it was sort of a Swedish trend. We think a lot about sustainability, but on the other hand our consumption does not necessarily reflect that mentality. Since 2019, Swedish consumers have been very conscious about their purchasing behaviour, which has hit large retailers hard. We're seeing a lot of focus on second-hand items and clothing, sustainable quality clothing, decreased purchasing of fast fashion, etc.

Fast fashion companies are giving the message to consumers: "If you're going to buy so little, we are going to have to fire people or close." The textile industry has been hit hard by the sustainability wave. Now the Covid-19 wave has come and we may have a recession wave as well as an Amazon wave, so it could be very difficult for some industries in the future.

What is the impact of platforms/marketplaces on entrepreneurs?

PL: Mainly from Wish in the Swedish market. There is a need for it to follow the same legislations as EU countries when it comes to, for example, product safety. Amazon is not established in the Nordic countries yet but is constantly the topic of discussion. Many Swedish companies are preparing for it and more are trying to sell their products on Amazon.

SS: Two years ago everyone was certain Amazon would enter the Swedish ecommerce market, but it never happened. We now see clear indications that it is entering the market. It's looking more likely that Amazon will launch sometime in or after Q3 2020, which will change the ecommerce game completely.

We are quite diplomatic so we will be open to Amazon as long as it pays Swedish tax just like Google and Apple and many others. As long as it pays taxes and competes in a fair market, then it is welcome. It's up to the community to find good competing environments for SMEs. Sweden is

having huge problems in fashion and other retail verticals, as well as a wave of bankruptcies and restructuring because of the current circumstances, which was a consequence of big players such as Zalando. The question is, what will happen when Amazon comes into Sweden? Will there be a second wave of falling companies?

How has Covid-19 impacted the ecommerce market?

SS: Some companies have seen a tremendous increase while others have seen a tremendous decrease, and some are breaking even. There is no general answer for the overall impact. In total, I think ecommerce has increased if you look at tangible goods and some services. In terms of 'winning', we're seeing food/grocery, fast-moving consumer goods (FMCG) and pharmacy peaking. That said, we are seeing supply chain issues. Non-essential items have been on the decline in addition to anything regarding travel.

There are some niche players trying to support the local community and ecosystem. It's very early to tell and we don't have any figures yet, but it does look as if Covid-19 is having a positive impact on the climate. Post-Covid-19 Sweden will never be the same. Even if it would end tomorrow, it has changed consumption, logistics preferences, payment preferences and buying behaviours.

A positive consequence of Covid-19 is that the ecommerce industry went from something that was just a complement to being something necessary. I think it's great to see that the ecommerce industry is essential, playing a key function in a functional society around the globe. ■

wellstreet*

Wellstreet launched four years ago and has since made a significant impact on the Nordic startup scene. It builds sustainable and profitable tech companies for a better tomorrow. By investing in companies that have a net positive impact in their value chain, the company drives development in the right direction.

wellstreet.se

SVENSK DIGITAL HANDEL

Swedish commerce association is a service company geared to companies within ecommerce, and is wholly owned by the Swedish Trade Federation. It offers advice in diverse areas, with particular focus on the development of ecommerce.

dhandel.se

AUSTRIA



Q&A: RAINER WILL, CEO

Handelsverband's CEO reviews the Austrian ecommerce market

What's new in the ecommerce market since 2019?

Right now there is a huge trend towards regional shopping. We have about 12,000 webshops and 4,000 are registered on our ecommerce page. It's like a directory or marketplace only for Austrian retailers, so consumers can shop locally. Along with this, retailers have said their revenues have increased up to four times since the coronavirus crisis. We're also seeing that Amazon is growing a lot in Austria – about half of customers already have Amazon Prime accounts. This is particularly a problem because these consumers with Prime accounts are very hard to reach for other ecommerce players. We're trying to motivate small webshops to get listed on Amazon or eBay because they can use the reach of these big platforms, particularly during this time.

What were the main drivers of the ecommerce market in 2019? What will they be for 2020?

One thing was payment progress. Last year Apple Pay launched in Austria, which made it easier to shop online and pay with Apple Pay. There are some other players such as Bluecode, which is a local competitor that does the same. We've also seen Asian retailers such as Alibaba and AliExpress getting stronger in Austria, as well as Wish.com, which is originally a Californian app. But all the retailers that are listed there are from China, making them able to sell at a really low price. Delivery takes two weeks or longer, but the price is so low that many Austrian consumers don't mind the lengthy delivery times. The main driver for that is, of course, price. Most consumers do not seem to mind if the products are fake. If it is cheap they will buy it.

Amazon managed with Prime and video to build a huge ecosystem which is working well in Austria. A lot of consumers have Alexa at home; in fact, ownership increased by 100%. Voice commerce is still very low, but it doubled in one year – from 15,000 people in 2018 to 30,000. Most consumers do not use Alexa for shopping (many using it just for weather and jokes), but it will be interesting if this growth continues this year and next year. Perhaps then it will be considered a bigger driver in Austrian ecommerce.

Since last year, the number of smartphone shoppers has increased by 11% and spending increased by 25%.

The market share for ecommerce is about 10% of the total retail sector, and smartphone shopping is about 10% of the ecommerce sector.

Instagram is also a big driver, as it is creating a new ecommerce channel. There is a lot of advertising on Instagram, and quite a few of our retailers tell us it's working really well to sell products – using influencers specifically.

What are your priorities as an ecommerce association moving forward in 2020?

Taxes. Last year in Europe, Amazon made a profit of about €32bn and got a tax refund of €300m. There are huge problems in each country in the EU, and we cannot understand why there is no accountability. Amazon and Chinese webshops listed on marketplaces do not pay VAT, nor do they participate in the waste/disposal system, whereas European retailers must pay a certain amount for waste/disposal. Overall, the system is becoming more expensive for local retailers because foreign retailers are not obligated to pay the same fees and taxes. There is also an issue with fake products not labelled as such, which is fraud.

What is the impact of platforms/marketplaces on entrepreneurs in your market?

I think it is a good idea, especially for small retailers who are trying ecommerce for the first time. We recommend platforms because it's easy to go on the platform, list your product and use fulfilment by Amazon, so there's a low entry barrier. On the other hand, Amazon is not European – it's a US player – and the only one that can compete is perhaps Alibaba. The main problem here is that there is no European alternative to these marketplaces.

Regarding data and privacy in particular, there should be a European marketplace because this could be our main difference. Customers should have the right to decide if they want to give their data and to which company, and for how

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Ecommerce in Austria faces constant challenges from China

long. Google, Amazon and Facebook are getting stronger every year. They get more of the cake and this makes it difficult for small players to compete. The data they collect is making them more powerful every year. That's all fine, but it's not good for competition in the ecommerce market.

There is a 'winner takes all' problem with the platform economy. It would be all right if they paid taxes and paid their workers a fair share, but that is not the case. In Austria there is one logistics centre and 95% of the employees are not fully employed. It's cheaper for Amazon but not for workers – wages are low and there's no social security.

What is the discussion around sustainability in the Austrian ecommerce market?

There are a few initiatives regarding more innovative packaging with new materials, and the Austrian postal delivery is experimenting with new e-cars, especially in the last mile, as well as using bicycles for delivery. There's some progress, though we still have a lot to do. In the fashion industry we hear from our members that they are trying to reuse cotton and other materials, but there's still a lot of 'fast fashion'. Related to fashion is the topic of returns. There are some possibilities within AI and body scans to reduce the amount of returns, which could become a main driver for sustainable ecommerce.

Sustainability was a huge topic before coronavirus in the retail sector. We had a significant amount of regulation on single-use plastics and we are now discussing deposits. (If you buy it and return it you can get money back.) Though this topic has been totally bulldozed by coronavirus, it is definitely a huge issue and Austrian customers know it is important. On the other hand, they still buy from Chinese webshops, so it depends. If there's an economic crisis and people have low wages and no money, then the sustainable approach will likely be less important. However, after the crisis I feel the climate change topic will go back to the top.

How is coronavirus impacting the ecommerce market?

We have had a huge shutdown from mid-March to mid-April. The whole non-food retail sector was shut down, so they lost about €1bn each week. Additionally, three-quarters of that revenue will not return to the retail sector, which is a massive problem. We are trying to recover.

All shops have been open since 2 May, but we had some problems at the beginning because all the customers were obliged to wear masks and maintain social distancing. This kept the frequency and revenue low. There are a few sectors, including gaming or books, which have increased, but the whole fashion industry is seriously struggling. Fashion and shoes purchasing, both brick and mortar and

online, has drastically fallen, with some having losses of up to 90%.

Numerous retailers are turning to ecommerce during this crisis. Ecommerce was the only channel possible for most retailers, so they have since tried to expand and/or create a new webshop. Perhaps this is a chance for Europe to think about supply chains and our dependency on China, because that was the main problem in March. Several retailers had problems with their supply chain because Chinese supply chains could no longer deliver. Perhaps we should start thinking more about our decisions to outsource to other continents, and instead produce products in Europe. This would be more sustainable for the environment and leave us better prepared for future crises.

Keeping the supply chain disruptions in mind, logistics has not been up to the task of coronavirus. In the grocery sector especially, coronavirus has been difficult for webshops and customers, as everyone has had problems with logistics, the last mile and supply chain disruptions.

An interesting development is that before coronavirus we were the European champion in cash payments. However, retailers are requesting consumers stop paying with cash and banks increased the limit for contactless payments. I think a lot of customers will adjust to this new cashless payment and this trend will continue after the crisis. That said, cash payments are more for brick-and-mortar shops; within ecommerce, invoice is still one of the most popular, followed by credit card and PayPal. ■



The Austrian Retail Association/Handelsverband has been the spokesman and partner of the Austrian retail companies since 1921. It is active as a political independent advocacy group and innovation platform in the context of changing market challenges.

www.handelsverband.at

CZECHIA



Q&A:
JAN VETYŠKA,
EXECUTIVE DIRECTOR

A view of the changing retail landscape from Jan Vetyška, executive director of Czechia's

ecommerce association, Apek

What is new in the market since 2019?

I think the biggest change is not easy to hear, but it is that in past years, it's been consumer behaviour and expectations – how they pay and how they get their goods. In the past two years, there were a few changes from cash on delivery to payment cards. This is very peculiar to the big cities, especially personal pick-up from stores. Many people order their goods from the online shop of some stores, as we have many pick-up points in the small shops where you can collect your order. This was an important change in the B2C sector in the behaviour of consumers.

What were the main drivers of the ecommerce market in 2019 and what have the main drivers been in 2020?

The three biggest players are growing more than the market and they make up an important part of the turnover. The Czech leaders are alza.cz, Mall group (with the key shop Mall.cz) and Rohlik.cz (online grocery leader). In 2019, those shops opened marketplaces, which hadn't been seen much in Czechia and so has been an interesting new thing. While the biggest part of turnover is in electronics and clothes, Czech ecommerce continues to be successful in all possible categories.

We did not expect any big changes in 2020 but then the Covid-19 situation arrived as an important challenge for ecommerce and boosted the sector in unexpected way. I think most challenges focus on logistics now. In Czechia, consumers already expect fast delivery, so this crisis really tested the local delivery capabilities. We feel that logistics and the last mile will remain the biggest challenges for the Czech market throughout 2020.

What are your priorities as an ecommerce association moving forward into 2020?

We have four pillars to our work – education and development, events and networking, media and, finally, legislation with government relationship. We have kept up with our free seminars for members (although recently, we

had to quickly arrange webinars about Covid-19 as a new project). We are focused on new studies, the biggest project being our Czech market study. We feel that is necessary to collect more data about Czech ecommerce – how many employees are there, and what is the real impact of ecommerce in Czechia? We have also finished a study about the Hungarian market (the report is in English) and we would like to continue with other strands of research. In October, we still hope that we will be able to organise the 12th year of our E-business Conference. Also, an important part of our activities is work regarding legislation, both Czech and EU, and about keeping our members informed.

What has been the impact of platforms and marketplaces on entrepreneurs?

They have been very important, even that there is no Amazon officially in Czechia. Marketplaces are not currently used as much here as in Western Europe or the US, so it's still not a common type of sale. But our biggest companies are starting marketplaces on their websites, so we feel that there could be change soon. Many consumers already use comparison sites to see the reviews, which makes it important for shops to be there. Also, Google has an important competitor comparing to other countries. Czechia has another player, Seznam.cz, which handles about 25% of searches. Seznam was historically the first place people would search and in the early days of the internet, it was used as the homepage for most of the computers, so it is still an important player.



Seznam is one of the most established sites in Czechia

APEK - meet the best of Czech e-commerce

Asociace pro elektronickou komerci (APEK - Association of E-commerce) is a society of Czech e-commerce companies and entrepreneurs who mean the business seriously. We support our members to improve and develop their activities in the right direction. Using all association benefits our members are always one step ahead from the competitors.

ABOUT APEK APEK TRUSTMARK

TURNOVER GROWTH IN E-COMMERCE FROM 2015

Year	Turnover (bn)
2019	155bn
2018	133bn
2017	115bn
2016	98bn
2015	82bn

Source: APEK and Heureka.cz (2020)

SEARCH MEDIA TRUSTMARK PROJECTS

"APEK's studies and researches helped me on many occasions and important business decisions. I appreciate that APEK is a comprehensive platform for sharing information and interesting data."

Martin Kasa.
Předseda představenstva, zakladatel Pilulka.cz

NEED HELP?
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Apek also carries out research into neighbouring ecommerce markets, including Hungary and Slovakia

What is the discussion around ecommerce sustainability?

I think that this is quite a new topic in Czechia for the general public. Before the Covid-19 crisis, we could see the biggest players starting to change their approach to packaging and sustainability. However, there hasn't been as much pressure from customers compared to some other European countries. We believe that most of the online shops will develop greener solutions in the future at their own pace.

How is Covid-19 impacting the ecommerce market?

In up to 80 % of our members, the Covid-19 crisis has resulted in a growth of turnover. On the other hand, some types of shop aren't doing so well. The basic goods stores or drug stores have seen rapid growth (sometimes by as much as 100% or more), while the fashion and entertainment sectors have decreased.

Overall though, Czech ecommerce has done well from the crisis. At the beginning of the pandemic, many online shops had problems with delivery times. Normally, you can get your order within two days but this was quite difficult and was a problems because people didn't want to go out. But the shops and logistics companies reacted quickly and solved the issues during April and May. We believe that the ongoing Covid-19 crisis will support the growth of ecommerce and also increase the number of online shops. ■



Apek, the Association of Ecommerce, is a society of Czech ecommerce companies and entrepreneurs. It helps its members work to improve and develop their activities in the right direction, making certain they are a step ahead of their competitors.

www.apек.cz/en

HUNGARY



Q&A: NAGY SÁNDOR, PRESIDENT

The founding member of Ecommerce Hungary looks at the latest developments in the country's market

What's new in the ecommerce market since 2019?

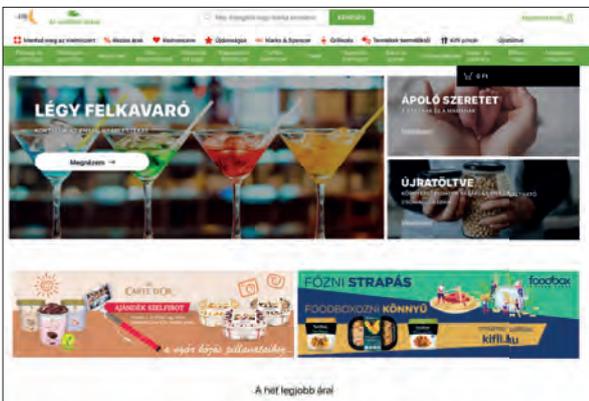
There wasn't anything especially new in our market in 2019. The biggest event was the merger between the Hungarian online electronics retailer Extreme Digital and eMAG, a division of South Africa's Naspers. Two new companies started on FMCG online: Spar and Kifli.hu, but this segment remains under-represented in the market, representing less than 1% of the total. From June 2019, webshops began to use Google Shopping.

What were the main drivers of the ecommerce market in 2019 and what do you foresee as being the main drivers in 2020?

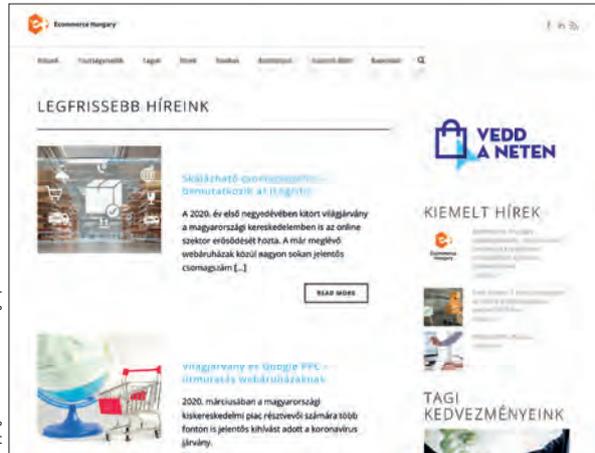
The most important drivers from the supply side was the growth of marketplaces, and especially the significant increase in customer spending in 2019. In the past year, the demand was high for quality products, as well as leisure goods. This helped to increase online sales.

I hope that we will continue to see the building of more automated solutions, and the use of outsourced services such as fulfilment logistics.

This year, Covid-19 will change a lot. My opinion is that we can no longer talk separately about retail and ecommerce. Traders can serve customer then and there, and in the ways consumers want. Many traders have to change



Bakery products are key to FMCG retailer Kifli.hu's offering



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Ecommerce Hungary supports online retail professionals

their mindsets: build more channels (offline and online together), and be present in several places, such as their own webshop, marketplace or other partnership. This is the big challenge of our market for this year.

What are your priorities as an ecommerce association moving forward into 2020?

Now that online commerce has come to the fore, we consider it a top priority to help the development of the profession, primarily through education and grants. We will launch our 'Buy on Net!' programme soon. This will provide significant support to traders who have joined the association. And, of course, we continue to provide opportunities for professionals to share new knowledge and exchange experiences through our programmes.

What is the impact of platforms/marketplaces on entrepreneurs, specifically in your ecommerce market?

The ecommerce share was 6.2% in 2019. It remains at the CEE average (>12%). This is a potential market for new players, domestic and foreign too. The number of shoppers is not enough for the giant players (such as Amazon), but I believe a few new international companies will enter the market. And our own small businesses also have an opportunity in this market. Customers need local, reliable providers that bring new services. Each market is stronger if it is more diverse.

What is the discussion around sustainability in the Hungarian ecommerce market?

All of the participants accept the importance of sustainability, and they would like to transform their operations. The big

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Spar has launched online in Hungary, but the FMCG sector remains under-represented online in the country

challenge is the last-mile problem: how we can optimise the resources that are devoted to delivery? Customers specifically require economic solutions, such as the pack station, whose usage is more than 25%. The next level is how we can optimise the number of deliveries. But on the other hand, the coronavirus crisis has increased demand for packaged products, which is not good news.

How is Covid-19 impacting the Hungarian ecommerce market? Where are you seeing pros/cons to the crisis? What are the measures currently being taken to tackle the crisis? How do you see the future of ecommerce post-Covid?

The crisis will affect trade, but it will not be able to change it significantly. People will continue to look for traditional buying options for the vast majority of products. Shopping is not only a necessity but also a social activity. It will be important for large chains with physical stores and mall owners to maintain and operate the existing store networks profitably. The role of online commerce will certainly be strengthened. However, because of job closures and other problems affecting families, demand will decline throughout the year and shipping charges may be a limiting factor. Likewise, spending will fall on premium and convenience

product lines that helped to grow online commerce last year. And what can we profit from? Perhaps companies will have a better belief in the need for digitisation, and believe more in the importance of strategic planning in the business. ■



Ecommerce Hungary carries out professional activities that primarily develop the domestic ecommerce market, improve their legal operation and improve their operating conditions.
ecommerce.hu

POLAND



Q&A: PAWEŁ MAZUREK, MARKETING LEAD

The Chamber of Electronic Economy expert tells us how the Polish ecommerce market is coming of age

What's new in the ecommerce market since 2019?

The first and obvious: Covid-19, social distancing and the closing of big stores. All this has led directly to an increase in ecommerce growth. The biggest Polish marketplace said its revenue numbers were 1:1m the same as they were in Q4 of last year, which is massive as that's the Christmas and Black Friday season. With the new restrictions, there was a big hit to offline shopping and traditional business sales. People simply had to somehow buy what they needed, which pushed those purchases directly online.

Aside from Covid-19, there's been information from Amazon that it would enter the Polish market in full force in 2020. Currently, it has signed an agreement with the Polish National Post in terms of delivering packages. Everything for 2020 will depend on what happens in the second half of the year surrounding restrictions, particularly regarding consumer behaviours and ecommerce usage.

What were the main drivers of the market in 2019 and what will they be for 2020?

Nothing massively new, but the change from 'mobile first' to 'mobile only' is happening, meaning people are not only just starting their purchases on mobile devices, but they are stuck on their mobile devices. We have two big networks of SNCG stores (medium ones), two networks of shops – they are on-the-corner shops, probably 100m² or less – who did well with a points-redeeming system where customers get points for purchases. They've had a significant amount of installations of their app on Android, and many users decided to install the app and have their credit card saved, gathering points. All of these networks have introduced click and collect for free as well, which came to the market last year and was a catalyst for growth this year.

What were/are the inhibitors for market growth?

Distrust and effectiveness of advertising is growing. People are more aware of online advertising and how it works, which is a big plus in terms of switching to content marketing, but on the other hand some companies have dropped the ball in this area.

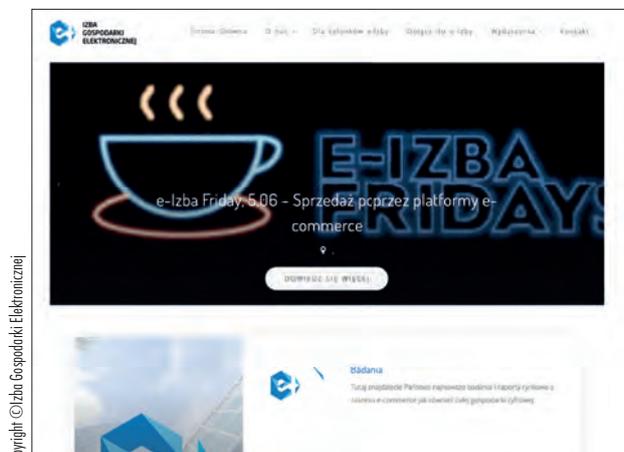
What were/are the main enablers of market growth?

Chatbots, marketing automation and AI market automating, personalisation, deep learning and AI, so we can go as deep as possible to understand every single user in their own target audience or group. Making a unique path for him/her is the key to development. This is the biggest key, not just to adopt a consumer into a group of users, treating them as one in the many, but rather treating consumers uniquely, bearing in mind their interaction with the shop/merchant.

There was a big buzz last year in Poland about the introduction of GDPR, but it was more focused on the questions, "Who has my data?" and, "Which companies are administrating my data, with or without my consent?" In terms of user behaviour, it's more focused on where their data is going rather than what's being done with it. I do not think we're there yet in terms of thinking about what corporate companies are doing with our data. There was a news story recently about the Hungarian court fining Booking.com for marketing automation, but this did not echo in Poland at all. The industry did not take notice, so Polish people are not yet there in thinking about their data being used or by whom.

What is the impact of marketplaces and platforms on entrepreneurs?

Looking at a spontaneous brand recognition survey, it's 80% Allegro, 39% OLX, 17% Zalando and 13% AliExpress. Of course, if you reach a certain point of market size and growth, you can go beyond Allegro, but there are dozens of SMEs that are solely and only selling on Allegro and it supplies their business with streams of buyers. It's always hard to work with big players, but for the first step, if you want to enter the market it's a good option. In fact, based on the data for Q1 revenues of Allegro, if you're a small



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Allegro is a hugely important marketplace in Poland

market and your offline sales have dropped recently, you can quickly (within one or two days) restart your sales.

Retailers don't have to put a whole lot of money into selling on the marketplace, but there is the possibility of it backfiring in six months when there's a lot of competition. However, in terms of starting online, it's still a good way to start. I'm curious to see what happens when Amazon enters the market. Probably there will be big competition because there's a new bloke in town, which may benefit retailers if they lower advertising costs to attract sellers to their platform. Keep in mind the fee for first starting on Allegro is just one fee, but the revenue sharing fee varies by product category, that is, it could be 6% for one category and 2% for another.

What is the state of discussion around sustainability in the ecommerce market?

For now, all of the discussions around sustainability are disrupted by Covid-19, elections and the political situation in Poland. There are government initiatives concerning the overall help to the industry and supporting ecommerce, but really when it comes to sustainability the population doesn't seem to care. There are two groups: one is, "Whatever, I don't care," and the other is, "I can't worry about this, I've lost my job." Sustainability is just not really talked about.

There are different approaches to this, however. If you decide to paint yourself with the strong sustainability policy, there is a portion of the population that really cares, but it's not very large. If you want to work at scale and sell to millions of people in Poland, branding/marketing yourself around sustainability won't matter. There have been some actions regarding waste generation, but people don't really seem to care. Common consumer thoughts in Poland are: if it's cheap and reliable and I will have it on my desk tomorrow then that's fine.

How is Covid-19 impacting the ecommerce market?

From the customer perspective, at the beginning of April if you wanted to buy groceries online, the delivery times were

from three weeks to one month. However, if you were buying something from fashion or electronics, delivery times were normal. If you wanted to buy groceries and hygiene products, delivery times were enormously long not because of supply chain problems, but because shops were overloaded in terms of completing the orders to be sent.

The key market player is InPost for delivery. Because of the Christmas booms they were fairly prepared for the initial enormous growth of order values coming in, and they are one of the most popular ways of delivery for online shopping. They simply adopted their holiday policy/strategy and introduced it now. There are two new features: firstly if your parcels are delivered to a pick-up point machine, you can open it without touching it. The machine checks via GPS if you're close to the point, then opens your slot so you can take out your parcels. It's all contactless, so there is minimal risk from touching a screen. The second thing they introduced is called multi-packaging, where every single packaged addressed to you used to have its own slot. Now all the parcels for one customer are put in one slot, thereby freeing up other slots for more customers.

So, logistics was the fastest to adapt simply because they were prepared, as it's just like another holiday season. However, the problem was mostly with shops that were unprepared for such an increase in orders. Many shops have experienced increased delivery times because of the extreme growth in ecommerce orders. ■



The Chamber of Electronic Economy represents and supported the interests of companies related to the electronic economy market in Poland, with particular emphasis on companies associated in the e-Chamber.

eizba.pl

SWITZERLAND



**Q&A: PATRICK KESSLER,
CEO**

Swiss retailers are gaining market share, says the Handelsverband. swiss expert

What's new in the market since 2019?

Switzerland has had a huge increase in cross-border transactions from Chinese webshops – 50% every year. Out of 33m parcels in 2018, two-thirds came from China. In 2019, we saw a slight reduction of parcels from China and the US by about 2m, which created a stronger increase of ecommerce within Switzerland. There is a trend towards speed and quality, and we're accepting Swiss companies' offers online rather than buying the cheaper products we purchased in years past.

This counter-movement during 2019 will likely become even stronger with coronavirus, since nothing is coming in anymore from China and most consumers want to buy inside Switzerland from Swiss companies. While it may go back to China again, right now we see a Swiss-first preference, with online consumers acknowledging the value of Swiss products.

Amazon is not dominant in Switzerland, which is a crucial detail. It's basically not investing in Switzerland, so we have strong Swiss brands and marketplaces basically being dominated by Swiss players, across home electronics, furniture and food. In textiles, we have Zalando dominating the market.

What were the main drivers of the market in 2019 and what will they be during 2020?

The first drivers are speed and availability. Companies are becoming better in terms of logistics, Swiss Post is faster and next-day delivery is standard now – these are triggers to increase online shopping. The second driver is demographics. 2020 is the first year we have more active consumers born in the digital decade, so many more consumers have a highly digital background. This generation is getting jobs, making money and shopping online. Every year, 5%-plus growth is due solely to new consumers coming to consuming age.

The third driver is finding cheap products from China and the curiosity of shopping cross-border. Opting to spend a small amount of money to see if you'll get the product from China is opening up a whole new world to consumers, yet they are realising they can get better quality products right at home. The fourth driver is that a lot of brick and mortar shops are closing every year, especially the physical media and fashion stores, which is driving more people towards online shopping.

What were/are the main inhibitors of market growth?

One obstacle would be the border we have, since we are not part of the EU. From time to time, you land on a website in Germany, France or the UK, and find out they do not deliver to Switzerland, which translates into a bad experience for the customer. A second obstacle would be the 'I want to touch it' mindset of consumers. A third obstacle is, speaking specifically about buying food online, that we have an unbelievable brick-and-mortar infrastructure in food retail.. Wherever you live in Switzerland, you have a food store about five minutes away. This stops people from buying food online, preventing faster adoption and development of online food shopping.

High labour costs also have an impact. A simple example would be that a logistics employee with no education probably makes between €3,000-3,500 a month, whereas in Germany that same employee would make around €1,000 per month. As you know, logistics are expensive, which is why people are not interested in investing in certain countries.

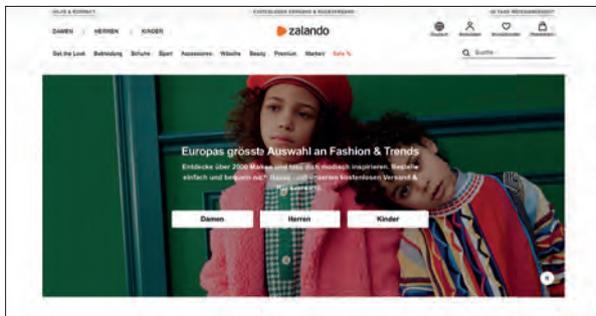
What are the best enablers in the market?

Managing your process properly. Because we have high labour costs, I think the sector will be the fastest moving in ecommerce innovation and technology – high rates of automation in commissioning and packaging, etc. Then it is about speed and getting products from your warehouse to the customer, which are important for the future as well.

What is the impact of platforms and marketplaces on entrepreneurs?

I am quite neutral to this question because it's clear that development is ongoing. I look at it from the consumer's perspective. Consumers want comfortable experiences and do not want to think about where the cheapest/best option is, so they go straight for a marketplace. Marketplaces are usually cheap, legitimate and backed by guarantees, so they are easy. These marketplaces are becoming the new retailers, it's only a bit different because they do not own their own stock. These platforms could be bad for retailers because they lose the direct contact to their customers, who are not able to get email addresses, to send out newsletters and so on. Yet marketplaces can be good for brands and producers because then the brand gets direct access to consumers. So there are many different aspects and I do not think we can fight this development – it's here and every retailer has to undertake strategic analysis to decide if they want to go with the platform or do it alone.

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Zalando is a familiar name to Swiss consumers

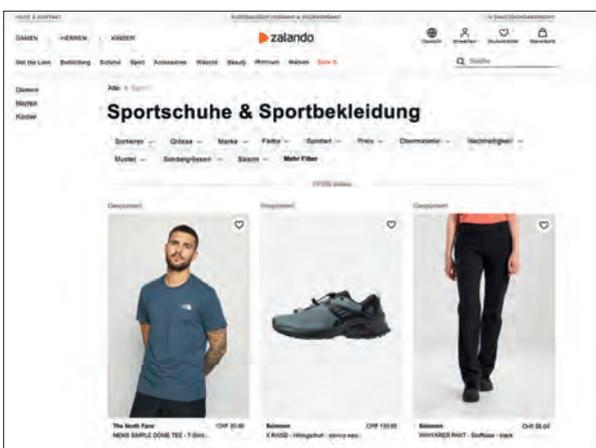
What is the discussion around sustainability?

The common 'easy' mindset of consumers is the basic mindset is that online shopping is not positive for the environment, so consumers think ecommerce isn't sustainable. In these cases, consumers talk mainly about the return rates of textiles. Therefore, companies are reacting by implementing special returns-awareness policies and starting to change packaging to reduce its volume. Online retailers are trying to reduce the 'air' in their parcels.

Based on a study our association conducted a few years ago comparing the impacts of department store CO2 output and ecommerce last-mile delivery, we concluded both were equal in terms of negative environmental impact. We communicate this message constantly to inform consumers of the data and sustainability. It is a difficult message for consumers to understand but we are working on all aspects, including having the first pure electric postal delivery network grid covering about 25% of Switzerland and using only electric cars to deliver.

People are accepting and, indeed, are pushing sustainability. Take as an example a company offering delivery by Swiss Post and delivery by an electric-driven parcel company. They both

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Swiss consumers are discussing ecommerce's sustainability

make deliveries that are equal in terms of cost, yet almost 100% of consumers choose the electric way. So you can see what the ecological image can deliver – if there's no cost difference, people will opt for the environmentally friendly choice.

How is Covid-19 impacting the ecommerce market?

We have had a huge increase in online shopping. Swiss consumers have been confident and calm with the situation, and the government is reacting quickly. We have an estimated increase of 30-40% in online sales compared to last year, with only two sectors struggling, fashion and beauty, especially the luxury beauty sector. B2B is struggling as well, although most other areas in ecommerce have boomed.

Swiss Post faced having quotas due to large volumes of goods being ordered, although the industry has banded together with competitors to organise delivery and sorting. So at this moment, Swiss Post is working with DPD, Quickpack, etc.

I am convinced total retail will suffer in the second half of the year and that frequency will not return to the high streets. We will see a jump of 10-20% in overall online business, which I do not think will drop once the crisis is over. I am worried we may also see a recession and reduced consumer spending, which is a toxic mix for department store and online pending. However, consumers are getting used to working from home, which may also increase online shopping. We expect, with this jump to a new level of ecommerce happening so quickly, that consumer behaviours will be permanently changed towards using ecommerce. ■



Handelsverband.swiss brings together more than 330 online shops, which generate around 60% of the B2C online trading volume in Switzerland and almost 50% of the total parcel volume of Swiss Post.

www.handelsverband.swiss

BULGARIA



Q&A:
JANET NAIDENOVA,
CHAIRPERSON

The chairperson of the Bulgarian Ecommerce Association is also a digital marketing consultant

What's new in the market since 2019?

Bulgarian B2C ecommerce turnover experienced growth at about 30% in 2019, making almost €900m. We are very pleased to see more consumers shopping online, more online shops coming on board, new industries focusing on ecommerce and more cross-border purchase from online consumers. Of course, this also means more regulations at a national level as well as a European level. During these uncertain times because of coronavirus, the Bulgarian Ecommerce Association expects two-digit growth of the ecommerce B2C market in Bulgaria during 2020.

What were the main drivers of the ecommerce market in 2019 and what do you foresee as the main drivers in 2020?

The main drivers of the ecommerce market in 2019 were the economy (GDP growth), almost 70% internet penetration and saturation of mobile devices with the internet. About 31% of online users (22% of the total population in Bulgaria) have already bought goods online in 2019 and have built online shopping habits and developed trust in online channels.

We expect the main drivers of the ecommerce market in 2020 to be consumer connectivity and demand for better assortment and value through an omnichannel experience. We also see the growth of mobile first e-shops and ecommerce platforms, better logistics and developments of online payments.

What were/are the main inhibitors of ecommerce market growth?

The exploitation by small and medium enterprises (SMEs) of information and communication technology has enlarged because of the increased affordability and sophistication of computing equipment, along with the development and utilisation of the internet and the emergence of ecommerce. This has allowed SMEs to operate, communicate and trade electronically in potentially new marketplaces and to be the main inhibitors of commerce growth.

What, if any, are the best enablers in the market?

Established marketplaces and SaaS ecommerce platforms are among the best enablers, along with skilled ecommerce service providers, logistics and fulfilment companies and innovative mobile providers.

What are your priorities as an ecommerce association moving forward into 2020?

We have several main priorities for 2020. They include lobbying for better and more desirable industry policies through co-operation with state authorities in the development of ecommerce laws and regulations. We also help SMEs to obtain digital skills through series of education courses, together with universities and business partners, so that everyone will be able to be part of a competitive digital single market. We also believe in sharing good ecommerce practices.

What has been the impact of platforms/marketplaces on entrepreneurs?

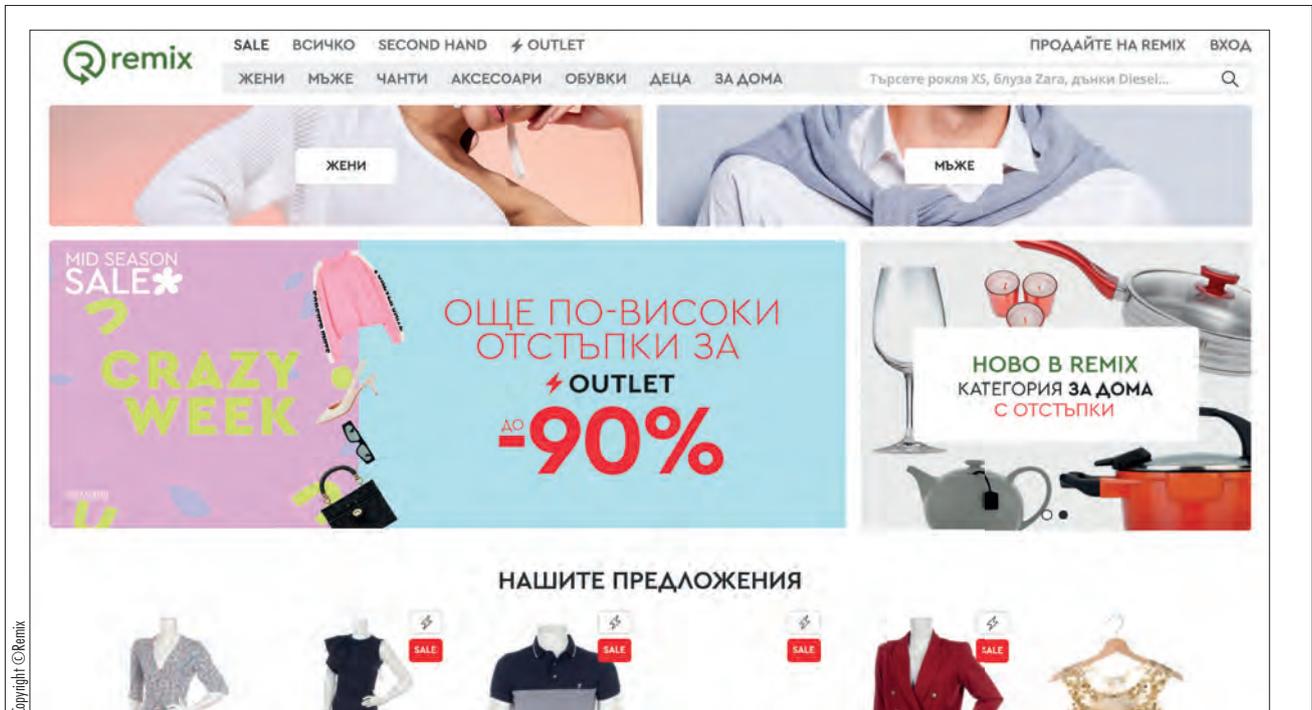
There is an increased interest in starting an online business using SaaS platforms and greater activity of retailers and entrepreneurs, uploading products to marketplace platforms and online classified sites. Entrepreneurs would like to sell online outside Bulgaria, and the first natural choices are well-established platforms such as Amazon, eBay and Etsy.

What is the discussion around sustainability in the ecommerce market?

Climate change is one of the biggest challenges that we're facing today, and as with all other industries, ecommerce plays its part. But the good news is that small changes can make a big difference. We believe it is important to promote sensible and sustainable consumer behaviour.

We have a leading example of a sustainable Bulgaria ecommerce brand with a unique business model. Remixshop.com is one of the leading online stores for branded second-hand and outlet fashion in Europe operating in nine countries – Austria, Bulgaria, Germany, Greece, Poland, Romania, Slovakia, Czech Republic and Hungary. In addition to buying from Remix, their customers can send for sale to remixshop.com their reserved clothes and accessories through the "Sell to Remix" service. The company believes in the green side of fashion and gives a second life to nearly new clothes and accessories, standing behind their motto of 'reuse, reduce, remix'.

There are simple ways in which online shops can be more sustainable. One way is to reuse material. Many clothing companies are putting a lot of effort into reusing garments



Remix is one of Eastern Europe's biggest players in the resale and reuse of clothing and accessories

when making new clothes. It's also important to take actions to decrease returns, as well as develop sustainable shipping and smaller packages. Carbon offsetting is another issue that is being considered.

How is Covid-19 impacting on the ecommerce market?

The world has changed once and for all, and the situation has changed irrevocably at every level: HR, business, social contacts. Businesses will start working in the new normal: more thinking, analysing and adopting – not only whom they are talking to, but why they are talking to them. The coronavirus pandemic will accelerate the digital transformation of businesses in Bulgaria.

Ecommerce has become a major channel through which a number of companies keep in touch with their customers. The important question is whether this readjustment will remain temporary for the duration of the state of emergency or if the change will permanently transform the retail market.

Companies face the challenge in several phases. The first is retention when physical stores are closed and ecommerce is the main sales channel and priority, followed by recovery when physical stores are reopened. Another challenge is normalisation, when the free movement of consumers will increase, as well as a return to growth when the business will reach pre-Covid-19 levels and start growing. ■



BEA is the voice of the ecommerce industry in Bulgaria, with the main priority to lobby for better policies for the ecommerce industry.
beabg.com

NORTH MACEDONIA



Q&A:
VIKTOR STOJKOSKI,
SECRETARY GENERAL

The Macedonian Ecommerce Association's secretary general gives his views on the ecommerce

market in North Macedonia

What's new in the ecommerce market since 2019?

Although the current Covid-19 situation is devastating to the economy, domestic quarantine and self-isolation are undoubtedly fuelling ecommerce. This is expected at a time when we all need to stay at home to limit the spread of the virus. Ecommerce experienced this before when, in 2002 and 2003, Alibaba.com and JD.com grew significantly during the Sars pandemic.

In North Macedonia, according to information we receive daily from e-sellers and local banks, ecommerce has experienced a drastic increase during this period. Businesses are quickly finding solutions to keep up with this demand and are rapidly digitising their processes. Companies are now seeing the benefits of ecommerce, understanding its possibilities and investing in building great relationships with their customers. They know that the habits customers are acquiring will not stop after the pandemic. The offer in North Macedonia is increasing dramatically and with that, we believe that turnover made through the e-sales channels will increase substantially.

According to data from the National Bank of the Republic of North Macedonia, as of 31 December 2019, 1,020 e-shops were registered in Macedonia. Throughout 2019, there had been 149 e-shops registered, while up to March 2020, there had been only 117 requests submitted to banks for opening new e-shops. As of the end of 2019, 6,727,051 online transactions were made, totalling €176m. In 2020, we will see e-sellers having a huge role in repairing the economic damage caused by Covid-19.

What were the main drivers of the ecommerce market in 2019 and what will they be during 2020?

2019 was a truly challenging year. In North Macedonia, we had 149 new e-shops, 23.8% growth in terms of number, and 26.6% growth in the value of transactions made online. People are increasingly trusting ecommerce and buying more online. The main drivers for ecommerce growth in 2019 were improved regulation of cross-border trade and

facilitated customs procedures, the digitalisation of the customs administration, increased education and dedicated groups working to reduce the grey economy.

For 2020, one of the biggest drivers of ecommerce has been the Covid-19 pandemic. What I want to emphasise, and what will directly contribute to the dramatic growth of ecommerce in the long run, is that most e-sellers in 2020 have taken the role of their relationship with customers seriously, since it serves to build a positive image for ecommerce in general. This newly increased workload during a pandemic should be used to create positive customer experiences. Inevitably, buying habits will continue after the pandemic, so it is crucial those habits remain and that customers continue purchasing from e-shops, having positive experiences and getting fair prices and discounts.

What were/are the main inhibitors of ecommerce market growth? What are your priorities as an ecommerce association moving towards the end of 2020?

In recent years, our main focus has been raising awareness and improving education through educational events, working sessions, round tables and annual ecommerce conferences – the largest and most visited in the region.

In 2020, it can be said that ecommerce awareness has risen dramatically. Ecommerce turnover shows exponential growth and consumers increasingly trust online shopping. Our goal is to provide a greater supply in the market so the ecommerce situation can continue to improve.

Currently, in addition to daily communications with members to help with the situation and processes during the pandemic, with the support of the USAID Business Ecosystem Development Project under the Ecommerce4ALL initiative, we are working on a web platform that will enable all potential and existing e-traders to get acquainted with the ecommerce regulation necessary to open an e-shop.

They will also be able to learn what the law requires of every e-trader, what the opportunities are, the procedures for ecommerce import and export, the possibilities for online payments and implementation, the options for delivery in North Macedonia and abroad, what consumers pay attention to and the importance of maintaining the highest security level.

With the support of this project, MECA (financially and with consulting) will also support the opening of 40 new e-shops, giving shoppers the opportunity to shop more safely online from legal businesses. As online shopping sees a surge in demand during the Covid-19 pandemic, this initiative will open new opportunities for retailers, craftsmen, startups and other local companies to address liquidity challenges and protect jobs. A public call for the opening of 40 new

e-shops was posted on the association's website. At the same time, within this project, MECA prepares educational events such as 'learn-a-thons', where micro, small and medium enterprises have the opportunity to enhance digital skills and competencies on a variety of topics related to ecommerce and digital marketing. Our motto for such events is "Now I know how and I can do it".

What are the best enablers in the market?

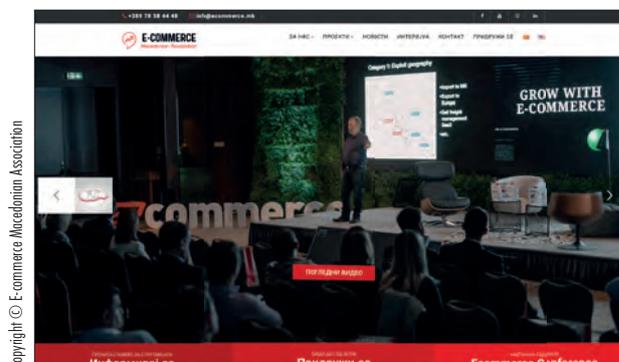
After Covid-19, everyone understands the world is changing and that the future is digital. With ecommerce, there are no limits to your market and anyone in the world can be your potential customer. The accelerated step of the digitalisation of society creates more opportunities for the development of ecommerce. We all lead increasingly faster lifestyles compared to the past, which is why each of us values our time much more. Therefore, I believe that ecommerce will make a significant contribution to the rational spending of our time because online shopping is easy. With just a few clicks on our mobile or computer, we can order all the groceries we need. We also save time that could be spent on more productive things.

What is the discussion around sustainability in the Macedonian ecommerce market?

The economic consequences of the global health crisis are inevitable. Let's try to look at things positively by thinking about how we can overcome these crises and help the economy together. Look at what happened around the world during the global financial crisis of 2008-2010. Some of the key companies that are now of paramount importance to the US economy were founded just after the financial crisis a decade ago. These were startup businesses that are now worth billions.

In 2009, the encrypted messaging app WhatsApp was created, which was acquired by Facebook a few years later for \$19bn. The Instagram app was created in 2010 and was also purchased by Facebook in 2012 for \$1bn. In 2010, Travis Kalanick and Garrett Camp launched the Uber app after failing to find a taxi on a cold night in Paris. The company is now valued at \$47bn. There's also Slack and Pinterest, valued at \$15.9bn and \$8.6bn.

It is for these reasons that I think that in times of crisis, people should think revolutionarily, entrepreneurially, focusing on how to overcome and get out of this crisis smarter, wiser, richer and perhaps more successful. In this period, ecommerce is growing rapidly. I believe that investing in a business that is closely related to commerce, with dedicated work, following trends, quick responses and an honest and sincere approach to customers can lead to rapid growth for



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The ecommerce sector in North Macedonia is growing quickly

all. So instead of 2020 being a year of Covid-19, let it be a year of new priorities and challenges so that we can be proud of this crisis with our successful startup stories that will be the backbone of our economy in the years to come.

What is the impact of platforms/marketplaces on entrepreneurs?

Marketplaces have really become a trend in our country in the past two years, as more companies are starting their e-shop with them. This bodes well because when the Covid-19 pandemic imposed a complete lockdown and strict restrictions on movement, there was a need for rapid market adjustment. Because of that, more and more brick and mortar companies had to focus on ecommerce to survive. The fastest and easiest way to do this is marketplaces, which, in addition to providing an easy opportunity to sell online, provide marketing assistance and allow access to existing customers who can become your potential customers.

For consumers, marketplaces are good because there is much more selection – you can find more similar products from different e-merchants, creating a more competitive market. Additionally, for companies that have not yet allocated enough funds for marketing and outreach, marketplaces can help companies to feel the benefits of ecommerce directly. ■



The Macedonian Ecommerce Association is the first and only association within the country that aims for inclusive ecommerce. Its mission is to create a future for ecommerce growth and success in Macedonia.

www.ecommerce.mk

SERBIA



Q&A:
ZORANA MILIDRAG
PRESIDENT

The president of the Ecommerce Association of Serbia offers her insights into the ecommerce industry

What's new in the ecommerce market since 2019?

The ecommerce market is growing dramatically year on year and also month to month. A lot is changing. In the past we didn't have click and collect or pick-up points (at first). When Zara entered the market, it brought click and collect, but before 2020 it wasn't very common. So we are improving the different processes and services for ecommerce. In June 2019, a new ecommerce law was put in place so now we finally have recognised terms like 'drop shipping', contributing to the development of the ecommerce market.

Prior to the maturation of the ecommerce market and newer developments in the past year, ecommerce was happening in Serbia, but mainly through Instagram and Facebook (not official ecommerce). Through this new law, the Ministry of Trade began properly working on ecommerce issues, allowing us to map the market better. Our ecommerce market is growing from month to month, both for existent webshops and new webshops, and we're also improving services which were already quite normal for other markets but not yet for Serbia.

Finally, with support of the USAID Growth Project we have founded the national E-commerce Association of Serbia with the aim to bring all interested stakeholders together to share and build best ecommerce practices and influence further ecommerce advancement of different industries and the market as a whole.

So you see bigger retailers actually bringing technology to the market, helping it develop?

Consumers are not well educated in digital skills. Many people around the world shop online, but the same cannot be said for the majority of the Serbian population. They don't know about all the services and options available to them with ecommerce. They also don't know what to expect with ecommerce, keeping their expectations somewhat low, which is why we still have e-merchants offering insufficient services, offers and experiences. As bigger retailers like Zara bring new services, they are improving the ecommerce expectations for customers. Even still, you can only pay

by card for click and collect, and in Serbia 80-90% of ecommerce purchases are still cash on delivery.

Overall, click and collect is increasing card payment and online transactions, which are more secure, easy and convenient. In the past, smaller retailers were uninterested in installing payment systems because of high interest and transaction costs of banks. Now we have smaller payment providers which are cheaper for smaller webshops.

For all ecommerce players in the market, increased card usage is better because it decreases rejection of packages, which is a more common occurrence with cash on delivery. This is improving through different government and credit card/bank initiatives. Last year the Ministry of Trade had a campaign about the security of online payments, and some credit card companies (Mastercard and Visa) are promoting card purchases by giving gifts to card purchasers.

What were the main drivers of the ecommerce market in 2019 and what will be for 2020?

In 2019, the Ministry of Trade launched a campaign to improve ecommerce and the media shared more positive examples of ecommerce, which became a main driver. Before, the media highlighted mainly scandals, so the positive examples coming from the Ministry of Trade, media, e-merchants and the ecommerce association have been inspiring smaller retailers to take the initiative in ecommerce.

In 2020, we expected to see huge growth because of the 2019 campaign, but what we didn't expect was the Covid-19 digitalisation overnight boom. Most importantly in that moment, people who were afraid to buy online finally tried it because they had no other options. Our physical shops have now opened and we worried the level of ecommerce may drop, but sales both in ecommerce and brick-and-mortar shops haven't dropped, which is really positive for the ecommerce market.

What were/are the barriers for market growth?

Education is the biggest barrier, both of the customers as well as everyone in the digital ecosystem. We also had a lack of legal framework for ecommerce, though we've remedied that since 2019. The last largest barrier would be fear, both for consumers as well as retailers. Retailers still fear to venture into e-commerce as the new commerce channel due to lack of experience and unpreparedness for digital transformation which e-commerce inevitably brings. That is why ECS has launched an E-commerce Academy which has gathered 17 speakers from different areas of digital ecosystem to cover crucial topics that e-commerce relies upon.

Consumers are fearful that online transactions are not secure, particularly regarding online payments and whether

they will receive what they've ordered. What they've learned since Covid-19 is that they will actually receive the products they've ordered and they can also securely pay online. The customers are now here to participate in ecommerce, so we need to improve the customer journey to create positive experiences and repeat customers.

What are/were the main enablers of market growth?

Even though the market is not highly developed, Serbians love new things, new technologies, and as soon as they hear about something they accept it very quickly. They adopt new technologies immediately and start behaving as if they had always used that technology, which is great for entrepreneurs because if you come here trying something new, the population is accepting and open.

We now have a local app called CarGo, similar to Wolt & Glovo, but if you had asked me a few years ago if people would use it, I would have said no. Now people are using apps with credit cards more often and the app has been widely accepted, mainly in Belgrade where people order cabs. So, even if we are sometimes late, we just need someone to come here and roll out the new technology.

M-commerce is also on the rise. When I began four years ago down this journey, only 30% of ecommerce was on mobile devices. Now it's between 70-80%, though of course it depends on the shop size and awareness of the brand. During educational lectures about Serbian ecommerce, I don't even talk about desktop designs for webshops. I start talking about mobile first. Mobile is king – it starts from there.

What is the impact of platforms/marketplaces on entrepreneurs in Serbia?

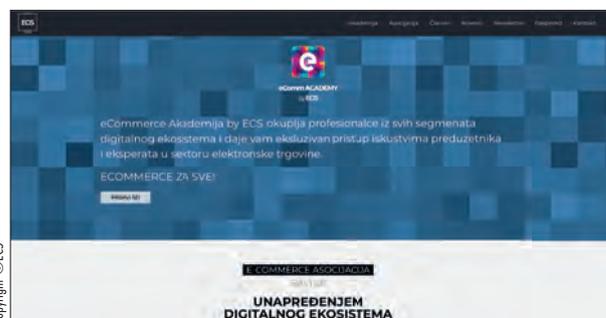
Amazon is not in Serbia, so the number one platform is AliExpress. We have a local marketplace, but it's mostly for medium-sized retailers, though we are working on a new free platform for smaller retailers in rural areas. Serbian consumers do still purchase from Amazon, though.

What is the discussion around sustainability?

I think people here are not that interested in sustainability. A new law was passed last year regarding packaging, and we have some bigger changes among retailers such as H&M and Zara in terms of fast fashion and returns, but it is not yet on the same level as other European countries.

How is Covid-19 impacting the market?

Tourism is struggling. I believe it will increase soon, not necessarily from abroad but domestic tourism. The grocery sector had a huge boom – not only supermarkets, but also neighbourhood shops. They were also working on a 'delivery for neighbours' programme from local markets. We do have



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ECS is supporting the expansion of ecommerce in Serbia

online grocery apps, with whom the grocery stores had issues regarding delivery, mainly because the market infrastructure was unprepared. That said, pairing grocery stores with online apps significantly helped, decreasing the delivery time from grocery store to home to one hour.

As the ecommerce association, we've had so many calls, even from the most stubborn of retailers that never wanted to digitalise. Everyone was/is turning to ecommerce during this crisis – customers, retailers, logistics, everyone. However, we are noticing problems with logistics. In Serbia you have myriad warehouses connected to both physical and online shops, which was a large logistical issue. About 50-70% are working with just one delivery service, which is also part of the problem – we don't have big players. We have DHL, but it operates worldwide to Serbia rather than in Serbia.

Many of our association members had 200-300% sales increases in April 2020, so the biggest positive outcome we're seeing is brand new ecommerce users. The challenge here will be to inspire all the members of the digital ecosystem to improve their offers and the customer journey. This explosion of ecommerce happened overnight, and I believe it will continue. ■



ECS brings together all the factors of the digital ecosystem for the joint improvement of the ecommerce market of Serbia. We are committed to promoting safe internet commerce and regulating and encouraging all who are part of the process through consumer and trade sector education.

ecommserbia.org

UKRAINE



Q&A:
YEVGEN SYSOYEV,
MANAGING PARTNER

The entrepreneur and managing partner of AVentures Capital offers his insights into the current

state of Ukraine's ecommerce industry

What's new in the ecommerce market since 2019?

The Ukrainian ecommerce market can be broken down into several parts. There are marketplaces in the B2C model, such as Rozetka, a leader in electronics, and Kasta, a leader in fashion.

B2B2C platforms include EVO (owned by Rozetka) as well as C2C platforms, including OLX.ua, which is part of OLX Group owned by Naspers. There's also RIA (auto, real estate) and Lun.ua (real estate). International players that deliver international packages include Amazon, Alibaba and ópm.

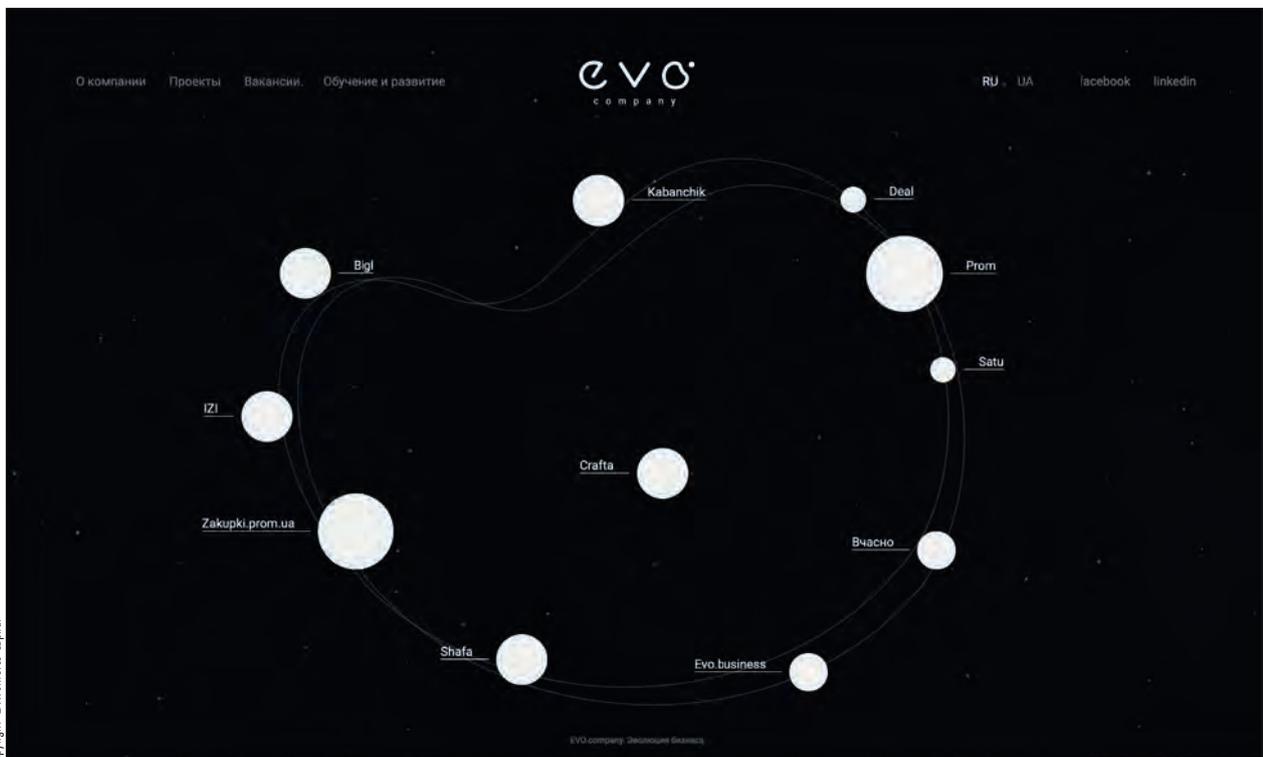
Vertical leaders in beauty include MakeUp and Parfums, while Liki24 is in pharmacy. For travel, there's Tickets.ua, grocery has Zakaz.ua and Glovo Ukraine, part of international player Glovo, is a leader in restaurants.

Offline retailers which have built up their online presence to become omnichannel retailers include Allo, Foxtrot, and Comfy in electronics, Epicentrk in household goods and MTI in fashion.

During 2019, some of the ecommerce players were actively building up their offline presence. Local ecommerce leader Rozetka now has 19 brick-and-mortar stores, which serve as pick-up points, stores and showrooms, while Kasta built up its chain of its shops to 122.

Offline retailers increased their share of online orders to 25% or more of their total. There has been a further convergence from offline retail to the online ones, and online stores are rolling out the offline presence, resulting in a blurring of the division between the two groups.

The dominance of marketplaces has been steadily growing, with Rozetka emerging as a leader but other challengers coming up fast. The trend for consolidation by larger players within the verticals will continue, as will the rapid growth of food delivery.



EVO is a major B2B2C platform in Ukraine

There was rapid growth of ecommerce over April and May 2020 in terms of number of orders thanks to the coronavirus-related quarantine and social isolation. The grocery, restaurant food, pharmacy and household goods categories enjoyed especially accelerated growth.

What were the main drivers of the ecommerce market in 2019 and what will they be throughout 2020?

The main driver of 2019 was a continual consolidation of the market by the marketplaces, offering broad assortments and vertical leaders. The main driver for 2020 has been the Covid-related closure of offline stores during Q2 and social distancing, which has forced even more shoppers to switch to ecommerce.

What were/are the inhibitors for market growth?

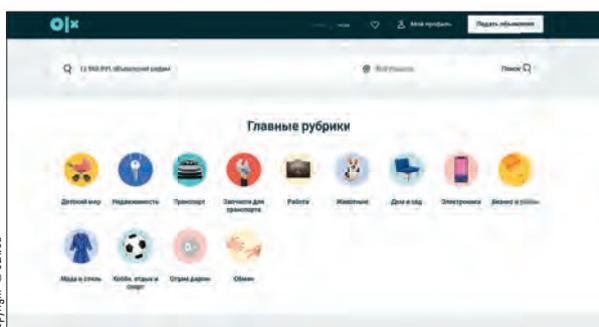
There is still relatively low internet usage outside of the major cities – just 64% of the population had internet in 2018. Other factors include consumer behaviour and a lack of logistical infrastructure to facilitate fast delivery outside of major cities.

What were/are the main enablers of market growth?

In Ukraine's ecommerce, the main enablers include increasing the convenience of online ordering and improving delivery experience. There's also the expansion of internet availability across the country, as well as the growth of consumer confidence in the security of online payments, which should in time increase the number of consumers who regularly purchase items online.

What has been the impact of platforms and marketplaces on entrepreneurs in your ecommerce market?

Marketplaces are consolidating most of the ecommerce market and have enforced higher quality standards related to product quality, delivery and customer support.



OLX.ua is important in the Ukrainian market

How is Covid-19 impacting the Ukrainian ecommerce market? Where are you seeing the pros and cons of the crisis, what measures are being taken to tackle it and how do you see the future of ecommerce beyond it?

The ecommerce market is rapidly growing in terms of the number of orders and this is due mainly to quarantines and social distancing. Those who were ecommerce consumers before Covid-19 started ordering online more often, while the market rapidly expanded to include many people who would never have ordered online if it had not been for Covid-19.

However, since the entire economy is in crisis, with millions of people losing their jobs, the average amount of each online order decreased, reflecting the majority of shoppers delaying or cancelling high-value purchases such as electronics. To tackle the crisis, the major ecommerce platforms, offline grocery retailers and postal delivery services all made alliances to facilitate fast delivery of products across the whole country.

After the relaxation of the quarantine measures, we expect a decline in the retail market, although online retail will still have a larger portion than its pre-Covid levels due to changes in consumer behaviour during the pandemic and the increased customer base of ecommerce. ■

Aventures Capital team backs talented Ukrainian entrepreneurs with innovative ideas, global thinking and solid execution skills. The fund invests in early-stage startups and advises IT businesses across all stages and other funds on strategy and execution.
aventurescapital.com

CROATIA



Q&A: MARCEL MAJŠAN, PRESIDENT

The president of eCommerce Hrvatska offers his views on ecommerce in Croatia

What's new in the market since 2019?

Well, the biggest change is obvious – online shopping habits have changed because of Covid-19. Most of our members have noticed a big increase in online sales since all non-essential stores were closed in Croatia, especially in fast-moving consumer goods, health and household categories. One of our members, Equestris, recently made a survey about online shopping habits, and 89% of tested subjects said that they plan to continue shopping online after the crisis.

Other than that, we have noticed other new developments from our research. One of them is that more than half of our population – 57% – prefer to use local and regional

webshops rather than international sites. We have also discovered that 39% of online buyers prefer using a credit card, but 61% don't use it because of trust issues. And 22% don't use it because of poor user experience and the extra work involved in making purchases.

In our experience, most buyers prefer home delivery. In-store pick-up is favoured by 7% of people, and only 3% of buyers prefer pick-up-points such as petrol stations, etc. Our research also shows that almost half of buyers give up on purchasing because of two main factors – negative reviews of a webshop (24%) and hidden delivery/return information (23%). For first-time buyers, the most important factors are their preferred payment method (34%) and a trustmark (31%). Positive reviews rank highly as well for first-time purchasers, with 30% being swayed by reviews.

What were the main drivers of the ecommerce market in 2019 and what do you foresee as the main drivers in 2020?

I think that the coronavirus crisis will change shopping behaviour and create many new online buyers. But because of the crisis, people could become even more price sensitive and sales of luxury/non-essential goods could suffer a bit.

Marcel Majšan of eCommerce Hrvatska says its his members rather than the authorities promoting ecommerce in Croatia



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Bizzybeeshop.com is a Croatian version of Shopify

What were/are the main inhibitors of ecommerce market growth?

I believe that the biggest ecommerce growth comes with increasing the number of trusted ecommerce players, but also with increasing trust in online shopping altogether. Offering preferred payment and delivery options seemed to be very important to our buyers, alongside positive reviews and some kind of trustmark certificates on the webshop. That's the main reason why eCommerce Croatia Association is offering Safe Shop certification free of charge to all our paying members.

What, if any, are the best enablers in the market?

We really don't see many activities from our government enabling ecommerce growth, so I have to say that the best enablers are our members themselves. As they grow, the trust in ecommerce is increasing, and more people are buying online. Also, I hope that our association is contributing to this growth by certifying our members' webshops, by organising free monthly meetups and concluding researches, but also by providing answers to the most important questions through our website, Facebook group and ebooks.

What are your priorities as an ecommerce association moving forward into 2020?

We noticed a large increase of new players coming into the market, so we are making a big guide which will help them to open an online shop through a set of steps, leading them through the forest of our laws and regulations. In addition, we already organised a conference for 300 people, where we presented the data we gathered in our research of online shopping habits based on almost 2,000 survey respondents.

What is the impact of platforms/marketplaces on Croatia's entrepreneurs?

I believe marketplaces can help retailers to extend their reach, but also test the market before creating their own solution. Also, platforms like Shopify or a local version of it (bizzybeeshop.com) help them to start their own ecommerce store without big expenses. But just to be clear here: if you want to set up a professional online store, we highly recommend hiring an experienced webshop development team or ecommerce consultants. Because the most important factors for a successful webshop aren't the best-looking website, but knowledge about online customers' wants and needs. ■



The eCommerce Croatia Association was founded with the aim of informing, educating, connecting and helping online retailers and other entities involved in the process of creating, implementing or promoting web sales. ecommerce.hr



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The ecommerce association in Croatia has many resources to help its members

ITALY



Q&A: ROBERTO LISCIA, PRESIDENT

The Ecommerce Association Consorzio Netcomm expert assesses ecommerce in Italy

What new features within the ecommerce market have you noticed since last year?

We are observing the development of a new shopping experience – ‘proximity’ ecommerce. This is where local stores use simple yet smart solutions to integrate their offers, creating a new purchase experience. These solutions allow stores to respond more flexibly to the needs of their regular customers, while gaining new clients by also accepting orders through WhatsApp or email. Proximity ecommerce started last year, yet the Covid-19 crisis has stepped up its development.

What were the main drivers of the market in 2019 and what will they be for 2020?

Logistics is the main driver for most businesses. The number of ways to collect goods away from the home are increasing, with things such as click and collect, or click and collect-drive. We have also seen significant growth in food and pharmaceutical ecommerce sales.

What were/are the main inhibitors of market growth?

The number of sellers in Italy is around 60,000, which represents a lower percentage of companies operating online than are in other countries.

What do you see as the best market enablers?

Traditional retailers have started operating online, which has allowed their customers to convert more easily to ecommerce.

What are your aims as an ecommerce association?

Netcomm aims to aggregate small ecommerce operators that are developing their activities online. Sustainability is one of our top priorities of 2020. This means developing all components along the supply chain as well as the packaging logistics. It also means adding AI solutions to optimise resources. We have also noticed how marketplaces have strengthened their role by helping small operators develop their online business.

What have been recent drivers of the ecommerce market?

Logistics. Also, developers who have introduced new solutions such as click and collect or drive and collect.

Where will you focus your efforts over the next 12 months?

We will focus our efforts to achieve the objectives described. As an association, we will also continue to support our associates as we have always done, especially during the Covid-19 crisis. We have offered legal advice, helped businesses understand government decisions and published updated information, along with emails to inform them of all developments.

We have also organised webinars and working groups to offer advice and to let retailers share their experiences. Covid-19 has created problems for everyone but some categories have been hit harder due to logistical problems, leading to customers being unhappy by delays. We have tried to facilitate discussions between all of the value chain players so they can explain the difficulties they are facing.

We feel that this kind of approach has been really appreciated by our members. We have gained a lot of new members, as well as people following us on websites, due to our open discussions and because of the way that we have freely shared our material.

Italy has seen an increase of two million new online shoppers, which is significant because it's introduced a lot of households to the possibilities of digital. In 2019, it was estimated that only 10% of shops had a website and were selling online. This percentage has increased rapidly due to the Covid-19 crisis, which has helped to develop digital transformation, even for those who had not previously considered these channels.

While it's probably true that people will continue to buy locally, this proves the case for proximity commerce. In terms of logistics and time, Italians still prefer to pick up from local stores, even when they are using ecommerce.

How has Covid-19 impacted the Italian ecommerce market?

We have served the new shopping experiences – a move that started in 2019 but that has been accelerated by Covid-19. Again, I'm referring to proximity ecommerce, where local shops are developing smart but simple solutions that integrate offers for regular customers. As an example, lots of smaller shops are now using WhatsApp chat as a way of taking orders from local customers. This has been the start of a new shopping experience that's entirely due to Covid-19. We think it is a new trend that could develop and, long after the current crisis has passed, could continue to help more SMEs develop their ecommerce solutions.

What makes Italian consumers unique?

Each country is the result of its culture and traditions, which also determine certain behaviours. In Italy, digital culture continues to grow while falling behind other European countries.

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STUDI E RICERCHE

Scarica gratuitamente gli studi economici e le ricerche di mercato

Emergenza Coronavirus

Netcomm monitora sin dalle prime fasi l'evoluzione dell'emergenza epidemiologica da Coronavirus e l'impatto dei provvedimenti sul settore digitale, attraverso la [sezione dedicata del sito](#) avrete la possibilità di accedere agli aggiornamenti quotidiani dei provvedimenti normativi adottati dalle autorità, alle schede di approfondimento realizzate da Netcomm e ai contributi messi a disposizione dai soci di Netcomm nello spirito di collaborazione e di restituzione che caratterizza da sempre il consorzio.

Come ampiamente comunicato, il commercio al dettaglio di qualsiasi tipo di prodotto effettuato via internet è espressamente previsto dall'Allegato 1 del dPCM dell'11 marzo 2020 che continua a produrre i suoi effetti in quanto richiamato e prorogato dai dPCM 22 marzo 2020.

Vai alla Sezione

Hai domande? Chiedi a NetBOT

Cookies

Openly sharing information and solutions has helped Italian ecommerce weather the Covid-19 storm

Covid-19 Crisis has changed some digital behaviours (such as payment methods).

Overall, I think people do now trust ecommerce, which makes us optimistic because we have seen this important change of behaviour and mentality. We now know that people will accept digital payments more than they have in the past.

Due to Covid-19, Italy has probably seen as much change in ecommerce in the last two months as we had seen in the previous five years, although not in all sectors. The tourism sector, for example, has been strongly and negatively affected by the crisis.

Yet the lockdown has helped enterprises to face the situation and develop solutions. Earlier, stores and supermarkets faced a lot of problems, especially around the logistics of grocery delivery, because they didn't have enough capacity to meet the sudden increase in demand. Subsequently, they were able to adapt and develop resources and solutions which will be maintained in the future and which have led to the digital growth of the sector. ■

netcomm

Consorzio Netcomm is the Italian Digital Hub for the evolution of companies towards digital consumers worldwide. The Italian Digital Commerce Consortium is the reference point for ecommerce and digital retail in the national and international scene.

www.consorzionetcomm.it

PORTUGAL



OPINION:
**ALEXANDRE NILO
FONSECA, PRESIDENT**

The Chair of e-Logistics at Ecommerce Europe considers the effect of Covid-19 in Portugal

The Covid-19 pandemic has had an incredibly significant impact on our daily lives, regardless of where we live, and the Portuguese have been no exception. Facing a state of emergency that imposed a full lockdown for several weeks, the population of Portugal – the European country with the largest number of sunny days and culturally used to social living outdoors – had to get used to working, studying, using public services and shopping from home.

Three unquestionable facts stem from the enforcement of social distancing and lockdown in Portugal:

- There are more Portuguese people shopping online
- Those who already shopped online started shopping more locally – rather than cross-border
- The food sector was the big winner

One thing is for sure: nothing will be the same and many of these new habits are going to stay even after this pandemic as long gone.

Before the pandemic, most Portuguese consumers shopped mostly on Chinese, UK-based and Spanish websites. This was a different pattern compared with other European countries, where its citizens prefer to buy in their country of origin. It is also worth mentioning that before the Covid-19 crisis, the categories of services and products most purchased online by Portuguese were accommodation and travel, online ticketing, clothing and fashion accessories and electronics/mobile accessories – according to data published in 2019 by ACEPI, the Portuguese Digital Economy Association.

Around 50% of internet users in Portugal were already shopping online before the pandemic, and preliminary studies suggest that in this period of the pandemic an

ACEPI has launched a new initiative in order to help Portuguese retailers get selling online



Copyright © ACEPI

ACEPI's website supports retailers in Portugal

additional 20 to 25% of internet users have made online purchases for the first time. If this trend continues after the crisis, it will mean that the gap to the European average – which today is around 70% of European internet users – might be narrowing.

Forced to shop closer to home

With the closing of borders, as well as the cancellation of most international flights, cross-border transportation of goods originating from destinations that shipped the great part of the Portuguese online purchases became more expensive, slower and even impossible to carry out in this pandemic period. Many Portuguese – and indeed many Europeans – according to a recent study by Ecommerce Europe pointed out that cross-border ecommerce had practically disappeared during the pandemic period, providing an immense opportunity for ecommerce growth in domestic markets. This was also the case in Portugal.

Social confinement has also changed online shopping habits, with a substantial increase in the local food sector, especially online supermarkets, which had to brutally adjust their operations in this period, but which will certainly be a good preparation for the future. Local merchants adhered to platforms such as Glovo and Uber Eats to benefit from the ecommerce growth.

Some local merchants have also managed to adapt in this period by using some basic digital tools such getting orders using WhatsApp or Facebook and accepting electronic payment systems such as MBWay – the most used local online payment method. Electronics was another category that grew significantly, as well as home appliances and telecommunications equipment, which is not surprising when so many household members needed to be at home and use the internet simultaneously.

However, some sectors saw a drastic decrease – specially the tourism sector (accommodation and transportation), ticketing (music and sporting events) and the fashion sector, which until recently was the most important online category in Portugal.

It is fair to conclude that after this crisis, a larger part of Portuguese population will be more digitally savvy and will buy more online. It is also clear that the Portuguese will get back to buying a lot in international sites like they were doing before (as soon as the international markets will reopen), but it is also clear that they will buy more from local merchants (both B2C and B2B). The food sector will be one of the categories that will benefit the most from this crisis and it seems clear that Portuguese will be more accustomed to use electronic payments in general – even in physical stores. On the other hand, more businesses will be online, namely small merchants that became more aware of the importance to have an online presence, and to know how to do ecommerce.

In order to support small merchants in this moment of crisis, ACEPI launched a program, in partnership with the Merchants Confederation and the Portuguese Government, to help the SMEs, especially local merchants, to start having their internet presence and to develop an online business. This program includes a free digital academy with training courses, a voucher with a one year free licensing of .PT domain, email, hosting and website developing tool; free online Trustmark for one year, and several other free services including webinars, online guides, and local merchants directory. More information at www.comerciodigital.pt

One thing is certain: nothing will be the same and many of these new habits are here to stay in the lives of Portuguese online consumers and merchants. ■



The Portuguese Association of Electronic Commerce and Interactive Advertising is an independent, non-profit organisation, made up of individuals and collective bodies, aiming the study and implementation of various forms of eBusiness in particular eAdvertising, eCommerce, eBusiness, eProcesses, eFinance and eMobile in Portugal, thus constituting an independent and open forum for the debate, enhancement, promotion, generalisation and dignify of these matters in Portugal.

www.acepi.pt

SPAIN



Q&A: JOSÉ LUIS ZIMMERMAN, DIRECTOR GENERAL

The chief of the Asociación Española de la Economía Digital (Adigital) surveys the market in Spain

What's new in the ecommerce market since 2019?

In Spain, the ecommerce market in 2019 experienced almost no change. Amazon and Aliexpress remained uncontested leaders, followed by the offline retail main players such as El Corte Inglés or Carrefour. These actors in the offline retail market are increasing their efforts to boost their online ecommerce channels and take advantage of the synergies with their physical channels.

What were the main drivers of the ecommerce market in 2019 and what do you foresee as the main drivers in 2020?

In 2019, from a marketing perspective, one of the main drivers was an increased generation of synergies between the physical channel and the online channel, together with the constant improvement of the customer experience such as reducing delivery times, improving reverse logistics, and ease of payments. In 2020, the main drivers will be connected to the different strategies implemented to face Covid-19, which would be related to guaranteeing achievable delivery times, easing returns and maximising security throughout the supply chain.

What were/are the inhibitors for market growth?

In general, the main inhibitors are related to insufficient investment in certain technologies and back-office tasks. On the one hand, Spain should increase investments in different technologies, such as cloud services, as well

improving storage capacity and logistics. On the other hand, developing cross-border activities remains a challenge in Spain. Ecommerce logistics are expensive, which makes it difficult for retailers to expand their activity beyond Spain's national borders.

At the same time, one cannot ignore legal inhibitors, such as the fragmentation of the regulatory framework in the EU as well as the different implementation of EU legislation by the member states. Special attention should be paid to the absence of regulatory frameworks in support of startups.

What were/are the main enablers of market growth?

On the one hand, several enablers can be identified from the consumer point of view: higher interest in the market, better knowledge, higher levels of trust in ecommerce and more inclination towards using this market.

As we stated in our Adigital Report *Spain Digital Nation* in 2019, we have improved in most of the indicators related to infrastructure, where we were already at the top, allowing a good starting point for, for example, the implementation of 5G.

At the same time, the enhancement of companies' capacity to learn to sell more online has led to the market growth we've seen.

In this regard, there has been a strong and growing trend for companies to generate and strengthen their own online sales channels in certain areas, especially in the service sector (tourism and restaurants), and with the proliferation of ecommerce of sustainable products (mainly in the food sector and clothing and footwear).

What are your priorities as an association moving forward into 2020?

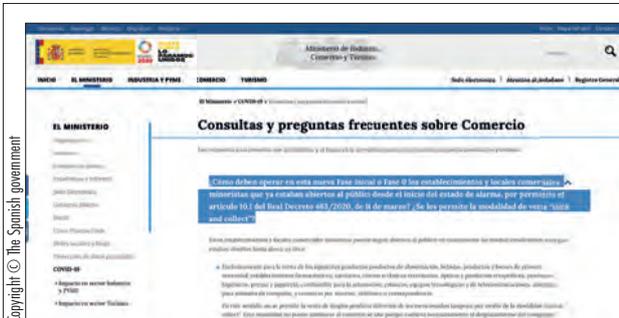
In general terms, the main priority for Adigital is to promote norms that contribute to the flourishing of the digital economy. In particular, Adigital is closely following the design of a Digital Services Act and the review of the eCommerce Directive, which has been vital for the development of the digital economy in the EU. Moreover, the implementation of new rules relating to consumer protection, as well as rules related to platforms and the reform of the ePrivacy Directive remain top priorities for the association in 2020.

What is the impact of platforms/marketplaces on entrepreneurs specifically in your ecommerce market?

The impact is huge as these platforms/marketplaces have captured the market almost entirely, which means there is a great dependence on them. At the same time, this market is highly competitive. Many producers rely on them exclusively in order to sell their production.



Ecommerce is rapidly gaining ground in Spain



Copyright © The Spanish government

The government has supported businesses during the pandemic

At the same time, there has been a growing trend for retailers to generate and strengthen own online sales channels in certain areas, especially in the service sector, and also with the proliferation of ecommerce of sustainable products (mainly in the food sector and in clothing and footwear)

What is the discussion around sustainability in the Spanish ecommerce market?

The discussion focuses on three main aspects: waste generation and management, issues related to packaging and aspects related to transportation. The ecommerce market in Spain follows closely proposals under the new Circular Economy Plan, which could have a great impact on a great variety of aspects affecting the entire supply chain.

How is Covid-19 impacting the Spanish ecommerce market? Where are you seeing pros/cons to the crisis? What measures are being taken to tackle the crisis? How do you see the future of ecommerce post-Covid?

Adigital considers it is early to draw any conclusion on this, as there are no official figures yet and a six-month period would be needed before having a general overview. However, in general there has been a positive effect given the fact that, during the state of alarm, the ecommerce sector has been the only one allowed to continue operating through deliveries and click-and-collect systems.



Copyright © Adigital

Adigital supports the development of Spanish ecommerce

Adigital maintains a very close cooperation with the Ministry of Commerce, which has been extremely helpful when it comes to the development of best practices during the Covid-19 crisis. The Ministry of Commerce has published different guidelines such as a Q&A on offline and ecommerce, and a best practices guide.

In this sense, Adigital has also contributed to respond to the most frequently questions raised by both the retailers and the consumers including:

- The effect of the state of alarm on the ecommerce sector
- A set of recommendations for the ecommerce during the state of alarm
- Constant monitoring and the update of measures affecting ecommerce.

Ecommerce post-Covid will experience a remarkable growth as, apart from the marketplaces, there has been an increase in the number of SMEs launching their activity on the ecommerce channel. ■

The image shows the Adigital logo and a text box. The logo is a red circle with a white dot inside, followed by the word 'adigital' in lowercase. The text box contains the following text: 'The Spanish Association of the Digital Economy is the business organisation that promotes the digitisation of the Spanish economy. Formed by a network of more than 500 companies from key sectors, we promote the development of the Digital Economy. www.adigital.org'

MARKET ISSUES

WE EXPLORE THE CHALLENGES FACING THE EUROPEAN ECOMMERCE SECTOR IN THE YEARS AHEAD

Until a few months ago the biggest issue facing retailers in Europe was the impact of Brexit on trading. Few if any would have predicted this would have been overshadowed by a global pandemic.

Covid-19 has changed shopping behaviours and patterns, decimated retail spending and caused the temporary (and in some cases permanent) closure of swathes of physical retail during lockdown. Only recently have stores begun to reopen, and we will witness the impact for years to come as consumers adjust and retailers work to recover.

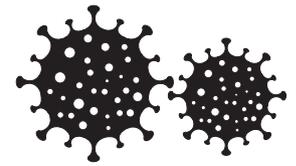
Because of the closures, one of the biggest changes has been a shift to ecommerce. In the UK alone, online sales accounted for a third of retail spend in April and May, according to the Office for National Statistics (ONS). Mobile commerce, already a growing trend, will have further accelerated during lockdown and it's this that we explore on page 164. We ask: how is mobile changing and growing amidst the new world of socially distanced retail and are retailers doing enough to embrace the acceleration?

While Brexit has been overshadowed, it certainly hasn't gone away. On page 168, we look at how the cost and complexity of trading internationally will increase as a result of the UK's decision to leave the European Union.

Such complications mean that expert help is more important than ever to help guide retailer professionals through the issues that they face today in Europe. We speak with Jonas Hassler, previously at IKEA, on what retailers need to be aware of in terms of European ecommerce (page 172); Daniel Bennett of Corsearch on brand protection in Europe (page 174); a supply chain focus with Stan de Caluwe of the Holland International Distribution Council (page 176); and finally how to make branding work, with an interview with Erik Ankoné of Revolte Studio (page 178).

Each delivers relevant, thought-provoking advice that will help you to navigate the uncertain waters ahead.

CORONAVIRUS TRACKER



THE COVID-19 PANDEMIC HAS HAD AN IMPACT ACROSS EUROPE. WE LOOK AT THE PICTURE IN DIFFERENT COUNTRIES, HIGHLIGHTING BOTH RETAILERS' EXPERIENCES AND THE CHANGING BEHAVIOUR OF CONSUMERS

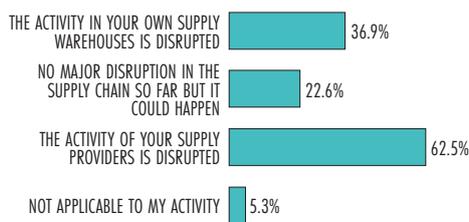
WESTERN EUROPE

FRANCE

In France, retailers have been exhibiting supply chain and logistics problems since the lockdown began in March

RETAILER SURVEY:

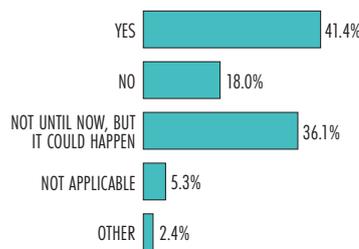
In terms of logistics, is your business affected by the following issues?



SOURCE: FEVAD (MARCH 2020)

RETAILER SURVEY:

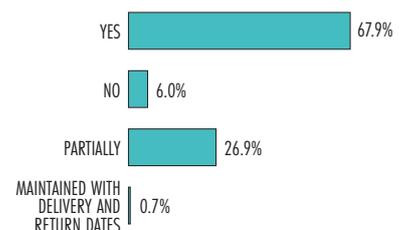
Do you have supply problems?



SOURCE: FEVAD (MARCH 2020)

CONSUMER SURVEY:

Has your ecommerce activity been affected?



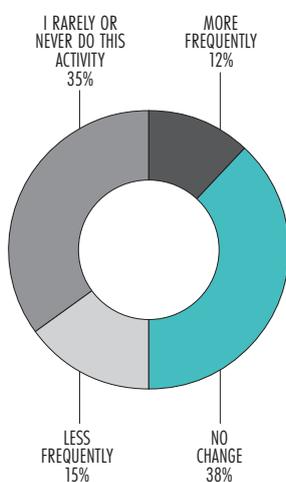
SOURCE: FEVAD (MARCH 2020)

GERMANY

German consumers are opting to purchase more online during the coronavirus crisis

CONSUMER BEHAVIOURS:

Change in ecommerce usage to purchase products normally bought in-store due to Covid-19



SOURCE: STATISTA, IPSOS (MARCH 2020)

CONSUMER SURVEY:

Have you deliberately purchased any of these products/services online instead of offline because of Covid-19?

I HAVE NOT SHIFTED FROM OFFLINE TO ONLINE PURCHASES FOR ANY PRODUCTS OR SERVICES	47%
CLOTHING	25%
RESTAURANT DELIVERY/TAKEAWAY	16%
HEALTH PRODUCTS (MEDICINE)	15%
BOOKS	14%
HYGIENE PRODUCTS (HAND SANITIZER, TOILET PAPER)	13%
FOOD AND DRINK DELIVERY (FROM SUPERMARKETS)	10%
GAMES	10%
CONSUMER ELECTRONICS, HOUSEHOLD APPLIANCES, FURNITURE	9%
HOUSEHOLD CLEANING PRODUCTS	9%
HOBBY SUPPLIES	9%
VIDEO	7%
MUSIC	7%
MAGAZINES AND NEWSPAPERS	6%
FINANCIAL PRODUCTS AND SERVICES	4%
OTHER	4%

SOURCE: STATISTA (AS OF MAY 31, 2020)

CONSUMER BEHAVIOURS:

Products/services people spend less than usual on due to the Covid-19

GOING OUT (RESTAURANTS, CINEMAS, PUBS)	74%
SERVICES	61%
TRAVEL	67%
CLOTHING	41%
CONSUMER ELECTRONICS, HOUSEHOLD APPLIANCES, FURNITURE	28%
HOBBIES	27%
FOOD AND DRINKS	16%
INVESTMENTS	31%
CHILDCARE	19%
HOME ENTERTAINMENT	11%
HOUSING, ENERGY, MAINTENANCE	12%
INSURANCE	13%
HOUSEHOLD CLEANING PRODUCTS	8%
HEALTH AND HYGIENE	7%

SOURCE: STATISTA (AS OF MAY 31, 2020)

CONSUMER BEHAVIOURS:

Products/services people spend more than usual on due to the Covid-19

HEALTH AND HYGIENE	33%
HOUSEHOLD CLEANING PRODUCTS	18%
FOOD AND DRINKS	22%
HOME ENTERTAINMENT	20%
HOUSING, ENERGY, MAINTENANCE	11%
HOBBIES	10%
CONSUMER ELECTRONICS, HOUSEHOLD APPLIANCES, FURNITURE	8%
INVESTMENTS	5%
CLOTHING	4%
INSURANCE	2%
CHILDCARE	3%
GOING OUT (RESTAURANTS, CINEMAS, PUBS)	2%
SERVICES	5%
TRAVEL	2%

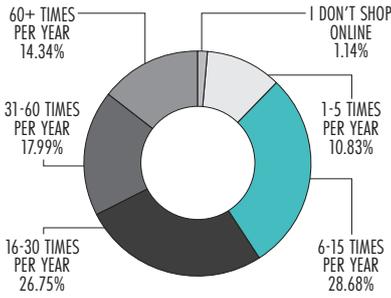
SOURCE: STATISTA (AS OF MAY 31, 2020)

WESTERN EUROPE

UK

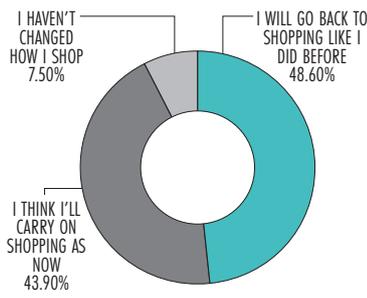
Before, during and after the crisis, consumers continue to look to ecommerce to meet many of their needs

CONSUMER SURVEY: How often do you shop online in a year?



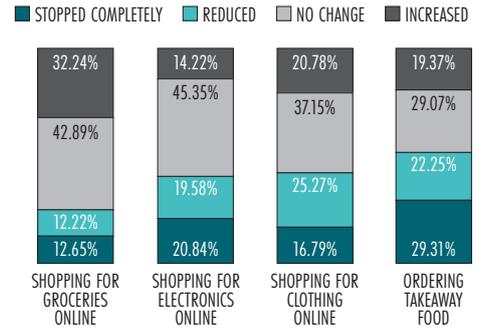
SOURCE: RETAILX (MAY 20, 2020)

CONSUMER SURVEY: After the Covid-19 health issue is over...



SOURCE: RETAILX (MAY 20, 2020)

CONSUMER SURVEY: How has Covid-19 affected your shopping?



SOURCE: RETAILX (MAY 20, 2020)

NORTHERN EUROPE

DENMARK

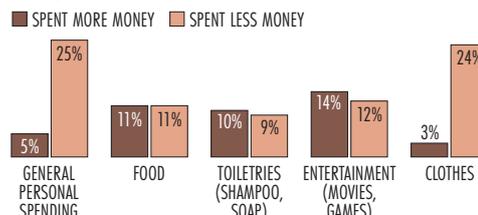
Coronavirus is having an impact both on consumer and entrepreneur behaviours in Denmark

RETAILER EXPERIENCES: Impact of Covid-19 on webshop sales rates



SOURCE: STATISTA, FDH (2020)

CONSUMER SURVEY: How have your purchases in physical stores changed over the last 2 weeks due to Covid-19?



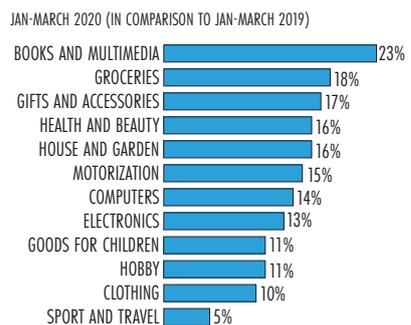
SOURCE: STATISTA, YOUNGOV (2020)

CENTRAL EUROPE

POLAND

New online stores cropped up all over Europe during the crisis adding to existing safety concerns for consumers shopping online

RETAILER EXPERIENCES: Growth in number of online stores due to Covid-19



SOURCE: STATISTA, SHOPER

FINLAND

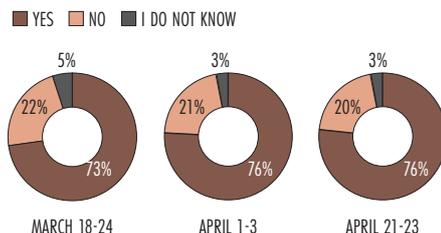
Small-to-medium-sized enterprises (SMEs) have also been impacted by the Coronavirus

RETAILER SURVEY: How much have your company's sales decreased due to Covid-19?

NO DECLINE IN SALES OR CUSTOMERS	32%
DECLINE LESS THAN 10%	6%
DECLINE OF 10-30%	21%
DECLINE OF 30-50%	16%
DECLINE OVER 50%	19%
NO SALES AT ALL	6%
I DO NOT KNOW	1%

SOURCE: STATISTA, SUOMEN YRITTÄJÄT, KANTAR TNS FINLAND (MAY 25, 2020)

RETAILER SURVEY: Has Covid-19 caused problems for your business?



CONSUMER BEHAVIOURS: Safe online shopping during the Covid-19 pandemic



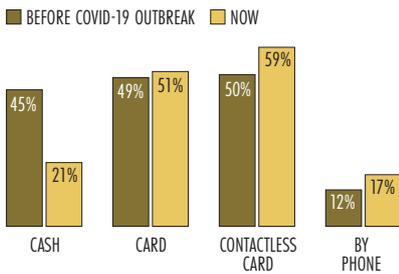
SOURCE: STATISTA, MASTERCARD, FLY RESEARCH (MAY 2020)

EASTERN EUROPE

ROMANIA

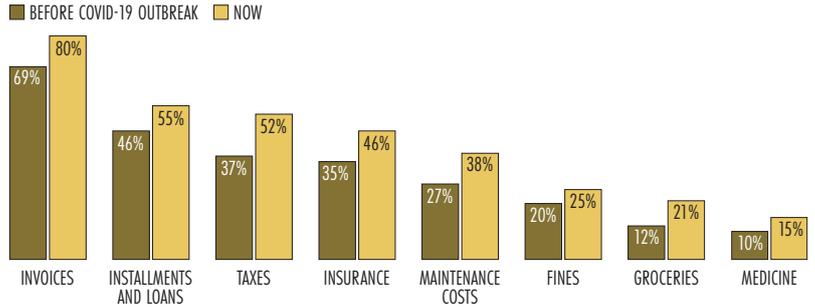
Payment methods used by consumers before/after the crisis has been impacted, as has what goods/services payments they are making

CONSUMER BEHAVIOURS: Payments methods used since the coronavirus outbreak



SOURCE: STATSA, ISENSE SOLUTIONS (2020)

CONSUMER BEHAVIOURS: Frequency of online payments during the coronavirus pandemic



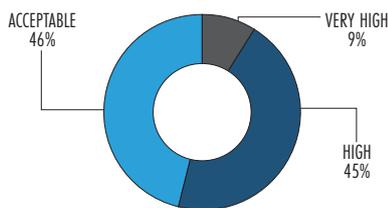
SOURCE: STATSA, ISENSE SOLUTIONS (2020)

CENTRAL EUROPE

HUNGARY

Despite the perceived high cost of delivery during the pandemic, many consumers still considered ordering cross-border online

CONSUMER SURVEY: Hungarians' opinion on parcel delivery prices during Covid-19



SOURCE: STATISTA, NRC MARKETINGKUTATÓ ÉS TANÁCSADÓ KFT (2020)

CONSUMER SURVEY: Consumer opinion on online cross-border shopping during Covid-19



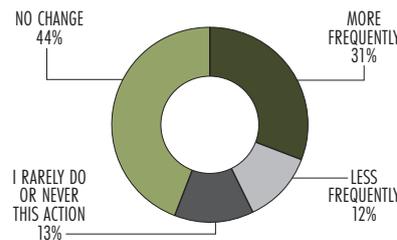
SOURCE: STATISTA, REACTY DIGITAL (2020)

SOUTHERN EUROPE

ITALY

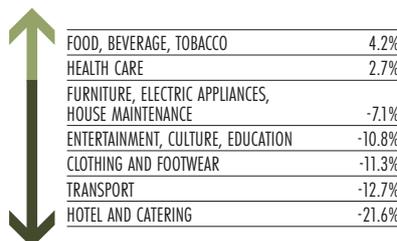
Consumption methods as well as frequency changed substantially from Covid-19

CONSUMER BEHAVIOURS: Ecommerce purchase frequency during the coronavirus outbreak



SOURCE: STATISTA, IPSOS (MARCH 2020)

CONSUMER BEHAVIOURS: Estimated percentage change in consumption value due to coronavirus, by sector

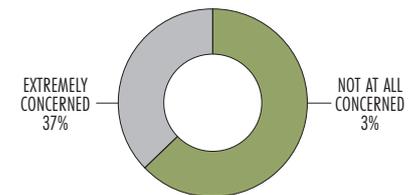


SOURCE: STATISTA, CONFCOMMERCIO-IMPRESSE PER L'ITALIA (2020)

SPAIN

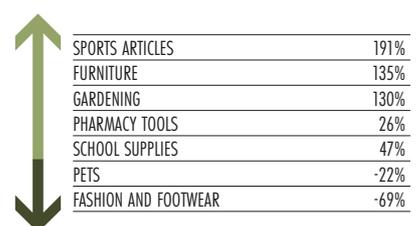
Essential items are more of a concern due to Covid-19 and many product categories have seen increases/decreases in online turnover

CONSUMER BEHAVIOURS: Share of consumers concerned about getting essential supplies during the Coronavirus pandemic



SOURCE: STATISTA, TOLLUNA; HARRIS INTERACTIVE; KURUNDATA (2020)

CONSUMER BEHAVIOURS: Spanish ecommerce turnover changes during Covid-19



SOURCE: CROSS-BORDER MAGAZINE (2020)

HOW HAS MOBILE IMPACTED EUROPEAN ECOMMERCE?

THE GLOBAL CORONAVIRUS PANDEMIC LOCKDOWN ACCELERATED EUROPEAN ECOMMERCE BY BEING A LIFELINE TO MILLIONS OF CONSUMERS STUCK IN THEIR HOMES BY THE LOCKDOWN. SINCE MANY OF THESE PEOPLE HAD NEVER SHOPPED ONLINE BEFORE, WILL THEY NOW CONTINUE TO DO SO?

More people shopping online, more people using smartphones and a greater volume of purchases – these have been the effects of the coronavirus on ecommerce. Pre-Covid-19, mobile was slowly becoming the channel of choice for consumers, creeping up to match – and in some markets, surpass – desktop as the main channel. Much of this growth was driven by younger shoppers in the 17-34 age group, who have always been very much mobile first.

Yet increasingly, with lockdown forcing more people to go looking for basic items online, many older shoppers also picked up their mobiles and started to shop from them.

As with all things in ecommerce, the coronavirus has merely accelerated trends that were already emerging. Mobile was well-placed to have an impact on European ecommerce long before the virus shook things up.



Copyright © Asia

Supermarkets are employing smartphone apps to assist in-store shoppers during the Covid-19 pandemic

Increased mobile usage

Mobile is everywhere. The most recent figures from the GSMA show that in 2017, there were 465m unique mobile subscribers in Europe. That's equivalent to 85% of the entire population. Yet in many Western and Northern European countries, mobile phone usage is actually above 100%, meaning many people own and use multiple phones.

While such mobile phone ubiquity has led to a slow but undeniable rise in mobile shopping, lockdown has accelerated this growth. In 2018, mobile accounted for around 44% of ecommerce traffic in Europe, second only to the 47% seen in the Middle East and Africa, a region that largely leapfrogged past fixed-line internet and desktop by adopting mobile first.

According to research by Criteo, Sweden currently leads the way in Europe, with 60% of the country's ecommerce coming from mobile devices. This is followed by Norway (57%) and the UK (55%). In Germany, in 2018, the country was at the 50% tipping point, although the lockdown has more than likely tipped this over into the majority.

Changing how people shop

Mobile's main impact across all markets is how it has fundamentally changed the way that consumers shop. The traditional purchase funnel, which follows a well-defined and linear path from discovery to purchase, has been made more complex with mobile. Shoppers now use mobile not to just buy things but also to follow a path of research, sharing, advocacy, recommendation and then purchase. A purchase made on a website or marketplace may well have been researched and undertaken in its entirety on mobile.

The true impact of mobile on ecommerce is therefore probably far greater than traffic figures suggest, since mobile may have played a role in many more ecommerce transactions than the 'purchase' data shows.

HOW ARE CONSUMERS SHOPPING ON MOBILE?

Apps

While many European mobile shoppers started their m-commerce experience on websites, retail apps quickly



Copyright © Facebook

Social shopping is gaining in popularity, a huge opportunity for Facebook, headquartered in California



This little-used app saw a huge rise in usage by already being up and ready before the pandemic to guide people to local shops

made their mark by offering a richer and more branded experience. As a result, there was a surge in retail app use some five years ago, which has since waned. The problem with retail apps is that users tend to quickly forget about them and revert to websites. As many as 75% are downloaded, used once, then forgotten.

Changes to Google searches to be more mobile-centric, along with the ability for web search results to fire up the retailer app if the searcher has it installed, have started to redress this balance and now for the second time, app use is on the rise.

The Covid-19 pandemic has prompted a further shift towards apps. According to numbers from Poq, retail app downloads hit their second highest ever level in the last week of March to first week of April 2020, when the lockdown took hold, with shopping conversion rates also up. In the UK over this period, retail conversions also spiked, showing a continued upwards trajectory. Session times on retail apps consistently outstripped m-web – levels of use of which have also grown since the shops shut – with health and beauty seeing 4.33% rise in use compared to 3.02% on m-web.

Conversions from these app sessions are also up for retail as a whole, growing 10.59% compared to m-web on 3.94%. Fashion app conversions grew 10.56% over the week, compared to 3.61% growth in conversions on m-web.

This shift to apps was driven during lockdown by the richness of content and the fact that shoppers had more time on their hands. “It is clear that people are still looking to browse and

shop and apps now offer far more than just transactional facilities,” says Sam Rigg, Poq’s content marketing manager. “They are also full of content and are more engaging and entertaining, as well as being somewhere to shop. People are bored and they want to shop but they also want to be inspired and entertained.”

Social shopping

Mobile is also now deeply intertwined with social media. According to Statista, the active global mobile social media population worldwide as of January 2020 was 3.76bn – equivalent to almost every single mobile phone user on the planet. By far the biggest of all social networks is Facebook, with 75% of mobile owners using it, according to Statcounter. Pinterest has 11.72%, Twitter 5.59%, YouTube 4.76% and Instagram 1.64%. This enormous mobile social media user base has seen retailers using these channels to target shoppers. Initially employed as just marketing and engagement platforms, social media sites are now muscling in on becoming sales platforms too.

Instagram was one of the first to become ‘shoppable’, allowing retailers such as M&S in the UK to start to sell through posts. This has grown rapidly and now Facebook – which owns Instagram – has essentially turned itself into a next-generation marketplace.

Facebook Shops allows retailers to create a single online selling presence on the platform and to sell from users’ feeds. It also will be closely allied to the company’s other social media selling tools on Instagram when it goes live

in Europe later this year. It is also believed that the Shops tool will work with the company's proposed cryptocurrency, Libra, announced last year although so far failing to gain any real traction in ecommerce. "Our goal is to make shopping seamless and empower anyone from a small business owner to a global brand to use our apps to connect with customers," Facebook CEO Mark Zuckerberg said at the time in a video announcing the new product.

Local shopping

Mobile has seen retail shift to a more location-driven and, thanks to the pandemic, increasingly locally-driven business. Mobile has long appealed to high street retailers as the tool to reach out to passing consumers to lure them into the store and while the shift to this way of selling was already underway globally – albeit slowly – the lockdown has seen mobile retail shift to using the mobile device as a way of tracking stocks in local stores to a means for smaller retailers to get involved in grocery delivery.

A little-known local grocery delivery app called Grocemia, which launched in the UK in 2017, got a national roll-out and saw traffic explode during lockdown as shoppers turned to local shops to get food deliveries. Likewise, an app that agglomerates all available supermarket delivery slots in the user's own area has also seen a massive surge in traffic.

This trends towards local shopping driven by mobile, while impacted positively by coronavirus, was already growing before the pandemic. Local search has been increasingly popular as multichannel retailers embrace things such as Google's local shopping SEO terms Google My Business (GMB) and local listings. 75% of the UK shoppers polled in a study by Uberall said they have already used a 'near me' search from their mobile device in 2018.

The poll of a thousand smartphone users – half in the UK and half in the US – found that these local searches were even more prevalent in the US, where 83% of shoppers indicated they have already searched – or intend to search for – an item or store that was 'near me'.

Mobile and social distancing

While the pandemic has driven a rise in ecommerce overall and pushed more shoppers towards their smartphones for the first time, mobile is also set to play a key role in the socially distanced future that all European retailers now face.

The most obvious is in payments, where mobile was already starting to gain traction. In a world where 'contactless' now has more benefits than just being an easy way to pay, mobile payments are poised to cause changes across how retailers operate. PayPal, for instance, has rolled out the ability to use QR Codes to buy and sell goods in the UK and 27 markets around the world, in order to aid socially distanced retail.

From local takeaway coffee shops to selling second-hand goods, the QR code functionality in the PayPal app now allows customers to buy or sell in in-person, safely and securely, and touch-free.

"We know that in the current environment, buying and selling goods in a health-conscious, safe and secure way is front of mind for many people around the world," says John Kunze, senior vice president of branded experiences, PayPal. "As the coronavirus situation has evolved, we have seen a surge in demand for digital payments to transition to include new in-person environments and situations. The rollout of QR codes for buyers and sellers not only incorporates the safety, security and convenience of using PayPal in person but also takes into consideration ongoing social distancing requirements, even as we start to see some restrictions be lifted around the world."

Supermarket chain Asda, meanwhile, is using mobile to allow shoppers to virtually queue at its stores, waiting isolated in their cars until they are called into the store. This sort of use of mobile as part of the new socially distance world is going to become all too familiar across Europe in the coming months – as will the increasing use of mobile and mobile-social to engage in ecommerce. ■

WHAT DOES BREXIT MEAN FOR EUROPEAN ECOMMERCE?

THE EVENTUAL IMPACT OF BREXIT ON EUROPEAN ECOMMERCE IS UNKNOWN AND IT'S THIS ONGOING UNCERTAINTY THAT IS ITSELF CURRENTLY THE BIGGEST ISSUE FACING THE RETAIL INDUSTRY. WHAT THEN ARE THE BEST 'GUESTIMATES' OF WHAT MIGHT HAPPEN NEXT?

Sitting on top of the huge pile of Brexit uncertainties is one thing everyone does know – that the impact of Brexit will be wide-ranging, both in the UK as well as the EU and beyond. Within continental Europe, the further away from the UK, the less its ecommerce impacts will be seen. Yet go even further outside the EU and its impact becomes more pronounced in some markets than others – and not always in a bad way.

The impact on UK retailers

UK retailers are going to be impacted by Brexit in two ways. Those that export will have their sales into Europe affected,

while those that rely on supply chains where goods come in through Europe, either as raw materials or as the items they actually sell, will also be hit. How? By tariffs. The one problem that all retailers will have with Brexit is that the costs and complexities of doing trade will increase.

Currently, as a member of the EU, the UK has free trade, where goods move between countries without much in the way of customs checks, paperwork and without taxes added onto the cost of goods. While Brexit will change this, the question that remains to be answered is how. Selling into Europe is likely to become more complex and costly for most



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By operating as a block as it has always done, the EU is a strong position to control ecommerce on the continent

The British Retail Consortium is currently helping retailers cope in the pandemic, but Brexit remains a huge issue

retailers. This may put off some Euro-shoppers from shopping in the UK, but if what is being sold is uniquely British and can't really be found elsewhere, this impact may be lessened.

The main problem that UK retail faces after Brexit will be importing from the EU. Some 80% of the UK's food – and its raw ingredients – comes from the EU, according to the British Retail Consortium (BRC). This could be impacted significantly by changes in tariffs, which would then increase food prices and could lengthen delivery times, with goods held up by more rigorous customs and border checks at ports of entry.

While this is a problem primarily for the food supply and supermarket industries, which rely on fast access to fresh produce, it could also impact any smaller retailers reliant on imports. According to McKinsey, 54% of UK imports come from the EU. Flowers, for instance, tend to come from Holland, so all UK online florists will be hit by Brexit from a supply point of view. UK retailers selling into the EU post-Brexit will also face logistical and paperwork issues with returns. In some sectors, particularly apparel, return rates are as high as 50%. With the increased costs of export, plus the time and monetary costs associated with increased

paperwork relating to moving goods between the UK and Europe and vice versa, the issue of returns for UK retailers could potentially price them out of selling into Europe.

All this adds to the complexity – and cost – of doing business. As Helen Dickinson, chief executive of the British Retail Consortium, explains: "The issue is simple – higher tariffs and extensive checks will harm consumers, retailers and the UK economy. The government must set about negotiating a zero-tariff agreement that minimises checks and red tape, otherwise it will be consumers who suffer as a result."

She continues: "The introduction of excessive or avoidable checks would mean businesses face a mountain of paperwork to be filled out by an army of newly trained staff, coupled with exhaustive checks on thousands of lorries every day. And the result for consumers would be higher costs and reduced availability on the shelves."

The impact on EU retailers

The impacts of Brexit on European ecommerce are even less well defined, although they may well be advantageous to some European retailers by offering them the chance to

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Partnering with a specialist to gain in-depth knowledge of Chinese ecommerce preferences can boost sales for European vendors

undercut those in the UK. Ecommerce is an international business and many UK retailers already sell into Europe, with the Netherlands, Belgium and, to a lesser extent, Germany and France buying UK goods. Increases in prices and a reduction in delivery speeds caused by increased customs checks could well make UK purchases less attractive and so promote shopping on domestic European sites.

Any lack of harmonisation in standards between UK goods and the EU may also see European markets simply outlawed from accepting UK imports of any non-compliant goods. While this is something of worst-case scenario, in the longer term, it is certainly a possibility.

Taken together, these could give a boost to inter-Europe cross-border trade. Already, German shoppers tend to buy from sites with a .de suffix that operate in German. While they do buy from UK sites, the additional costs and perhaps even a rise in anti-UK sentiment post-Brexit could be an opportunity for German retailers. The German ecommerce market – currently dominated by Amazon.de – is ripe for a shake up. Could Brexit be the fillip that encourages smaller, domestic German retailers to have a go at ecommerce?

In the Netherlands and Belgium, sandwiched between Germany, France and, if you ignore the English Channel, the UK, the picture is more complex. Dutch and Belgian shoppers tend to shop online from sites aligned linguistically to them – so Dutch-speaking Belgians from Dutch sites such as bol.com, German-speaking Belgians from Amazon.de and

the Dutch buying from mainly Dutch sites and Amazon.de. However, many also buy from their shared third language, English. How this traffic and trade will be impacted remains to be seen.

Elsewhere in Europe, ecommerce tends to be dominated by local sellers, more localised marketplaces and Amazon, so while UK retailers do get a look in, the further east you travel, the less of a look they get. Here the impact of Brexit is, naturally, lessened.

Across Europe, however, the impact of Brexit on European manufacturers and suppliers is worth noting. Many UK companies buy in goods and raw materials from across the EU and delivery, customs, standards and tariff changes could have an impact on those suppliers. Costs would be higher, making products sold both domestically in the UK and exported back into the EU and elsewhere more costly.

The wider world

While not as profound, Brexit is also set to have an impact outside the EU. For UK companies, China and the US are likely to be early target markets for an export drive.

Already, many UK retailers are selling into China, which has a population hungry for 'Brand UK' goods. A study by ecommerce platform JGOO, found that more than three quarters (76%) of Chinese citizens who have previously bought UK goods online plan to increase their online expenditure in 2020 when compared to last year. Of these,



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European retailers might step in to replace UK businesses

43% said it was because British goods are becoming more fashionable in China, followed by 23% who said it was because the profile of the UK had risen as a result of news about Brexit and the issues concerning Prince Harry and Meghan Markle.

17% said it is because they are less willing to purchase American goods because of the current tension between the US and China, making British products a good 'alternative' to these. Selling into other markets, such as the US and elsewhere, is all dependent on what sorts of post-Brexit trade deals the UK government can garner once Brexit itself is done. The worst-case is that the UK drops onto World Trade Organisation (WTO) tariffs and customs and so is competing unfavourably with EU sellers who have the benefits of a blanket free- or low-tariff trade agreement with many countries as part of being EU members – including with the US and China.

Selling into more geographically dispersed markets also impacts returns for UK retailers: making it costly, time consuming and potentially being a prohibition to trade

as it become impractical to offer returns at all in many markets. However, returns is a big factor for any EU-based ecommerce business looking to sell outside the EU, so isn't a problem uniquely faced by UK retailers.

For this reason, retailers looking to seriously target non-EU markets with higher value goods need to look for a local presence in or around those regions to try and mitigate returns issues. Such a 'boots on the ground' approach would also help with localisation of customs, culture and language.

From a supply point of view, looking more globally for supplies could make sense for UK retailers post-Brexit. Looking for supply outside the EU to replace or augment today's EU-supplied goods incurs many of the same costs as a no-deal or bad-deal Brexit would. It also adds to the time taken to receive supplies and, especially in the case of just-in-time manufacture, could potentially cause huge disruption.

From a retail point of view, the disruption caused by Brexit on international (including EU) supplies is causing widespread concern. Widespread enough to even impact global retail behemoth Amazon, whose head, Jeff Bezos, was prompted in late 2019 to tell retailers that they should maintain "the standard recommended minimum of four weeks of inventory coverage at all times" and consider placing inventory in warehouses outside of the country in order to fulfil EU orders.

Conclusions

Of course, none of this may come to pass at all because at this stage, no one really knows what the outcome will be. What is certain is that come what may, trade between the EU and UK, as well as the UK and rest of the world, will continue. While there may be bumps along the way as the details are sorted out, a new way of trading will emerge.

Some ecommerce businesses will thrive while others may not come out the other side. For European retailers, there is an opportunity to grow domestically and within the EU, to fill the gaps left by the UK.

For the UK, too, there are opportunities. Specialist retailers have a golden opportunity now to get a foothold in EU markets while the UK is still technically part of the block. Finding a loyal audience now could see them through once Brexit is finally enacted.

There is also the impact of coronavirus. It is starting to become clear that the economic impact of coronavirus on global trade is so immense as to dwarf any fallout that Brexit may have. Yes, Brexit may cause an economic downturn in the UK, but that is a drop on the ocean compared to how the post-corona landscape might look. We may yet see a no-deal Brexit, but it may have no tangible impact at all. ■

CASE STUDY



Q&A:
JONAS HESSLER,
SENIOR ADVISOR

The former ecommerce & digital manager at IKEA offers his expert perspective on the pan-European digital retail market

As the saying has it, you don't know what you don't know. For that reason, entering new markets is tough. Take the fundamental issue of customer payment preferences, which vary from financially cautious Germans rarely using cards to the credit-card-happy British. At IKEA, Jonas Hessler dealt with these kinds of issues and now offers his expert perspectives on expanding into new territories.

What do retailers need to know about the European ecommerce market?

When I advise companies that want, for example, to go into Germany from the Nordics, I always tell them: know your market. This includes understanding consumers, positioning, how you differentiate yourself, language, etc. You could go into the Swedish market with an English site, for example,



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IKEA has made sustainability a key selling point

whereas in Germany, you can forget it. You also need to understand current legislation, as policies differ between countries and consumers have different rights. In regards to payment methods, do your research, since they tend to differ across different markets.

To have profitable cross-border sales, you need to address your delivery setup, because delivery and returns will eat profitability. Cross-border returns are a nightmare and will cost you a fortune, while certain product categories can also have especially expensive returns. Delivery and returns aren't sexy topics but are very important to success.

Also, do you want to approach the market via your own corporate branded site or by using a marketplace? The answer varies depending on the market and product category. Using a marketplace give you the opportunity to learn what works and what doesn't – it's lower effort but you won't necessarily earn any money – so that you can then apply lessons learned to your own company site. Using the marketplace as a launchpad alternative to Google for directing traffic to your own site can also be helpful if you have a limited marketing budget.

Finally, many emerging technologies are, if not local, at least regional, with platform features geared towards a certain market. Whatever you do, make sure you have a cloud service offering and be clear about where you want to position or differentiate yourself. Be explicit when it comes to your goals, why they are your goals and what you want to achieve, then choose a platform that can achieve them. Quite often the goals are linked to the means. For instance, personalisation is a hot topic that is often confused with a goal, but to me it's a means to achieve the real goal, which is relevance. The key is to test and explore quickly, be open minded and keep your real goals in focus.

What are your thoughts on sustainability and the European ecommerce market?

Wherever you are in your market, make sure sustainability is on the agenda, because I can assure you the younger generation is interested in sustainability. Although their current sales footprint may not be that large, if you don't gain their trust now, you won't have it when they are older and spending more. Look ahead.

There are many different ways to tell your customers you're working on sustainability. I like what IKEA did with their message, "Sustainability is about doing every activity in a way that is people and planet positive." That's simplistic, but the idea is to talk about the objective rather than exactly what you do. You need to go backwards in your value chain, to start off with raw materials and manufacturing, which is far

too often located in China. It includes everything from raw materials to workers' rights, how the goods are delivered to the consumer, the whole journey from end to end. Focusing on being people and planet positive becomes an asset in the dialogue with your consumers.

What's your advice to SMEs on coping with the massive impact of Covid-19?

The effects of sustainability and Covid-19 will come together, since both companies and authorities will now want to secure product supply within their own country, or at least within a region such as the EU. There will also be an increasing demand for products produced sustainably, while at the same time lowering the carbon footprint of transport. This will often translate into a trend of buying more locally. Many companies are already considering moving their supply closer to the demand, including fulfilment centres and warehouses, due to Covid-19 and the strain on ecommerce logistics and supply chains.

What we've also seen with Covid-19 is the shift among older people to purchase online. This has been a massive change and it's happened very quickly. In many cases, older customers were forced to try ecommerce and passed the fear of the unknown, and have realised how convenient it is. This change will definitely remain.

Keeping this convenience is important, which is why having a fulfilment centre near your consumers can give you an extra leg-up, especially during these times of crisis.

What can you say about the different digital and ecommerce landscapes across Europe?

Sustainability is high on the agenda in the Nordics, but the further south and east you go, the lower it goes. Payment methods also differ a lot from country to country. People in Portugal use the ATM to pay their bills, which is very different from other countries. Consumers also have different delivery expectations, with some countries wanting home delivery and others preferring pick-up locations. In France, click and collect is huge, often located near big stores. Marketplaces are extremely big in UK, France and Germany, where delivery times are also phenomenal – their delivery terms and options are difficult and costly to compete with.

The younger generation tends to be more open to things that relate to personalisation, where it's obvious that retailers know things about them, even though they haven't personally revealed it. When you push personalisation, you also have to consider GDPR legislation, since we now have technical capability that goes beyond what's allowed from a legislative perspective. Along with the younger generations, I think the Nordics are also quite open to this kind of data

handling. This goes back to society, where trust in authorities and governments is high. That said, if you look at privacy in Germany, consumers are more protective, and they still have stronger privacy and data protection legislation.

What are your thoughts on upcoming trends in European ecommerce such as m-commerce?

If your question is, "Should I invest in a mobile experience?" the answer is without a doubt yes. Growth is now coming from mobile devices and if you look at demographics, mobile is more popular with the younger generation.

Considering a 'mobile website versus app' experience is tricky though. The app will certainly provide you with some advantages, if you can convince the consumer to download and use it. They will likely be more loyal and will convert better, but they will also be more demanding. If consumers don't get additional benefits compared to the web version, they probably won't use the app.

So you need to be clear: what value am I adding by having an app? An app is costly and requires a lot of maintenance, so you really need to look at the star rating on app stores to make sure you know what consumers are saying. It is often better to start with the mobile web experience, to learn, before going with an app, or go all-in and focus on the app.

Any last thoughts on European ecommerce?

Be consumer-centric, relevant, convenient, and keep it simple for the consumer. I met with a company in the UK that has the idea of creating a personal profile with customers' sizings, and then connecting them to different sites and brands. So instead of saying, "I need a size medium," you can say, "I am Jonas, so present to me anything in your range that will fit my measurements."

To counteract getting stuck in a routine, "When was the last time you did something for the first time?" The DNA of being good is the constant desire to become better. Then you have to try new things. ■



Jonas Hessler is a senior executive with wide international retail experience. He is an expert in the development of sales, organisations and digital products. He is passionate about developing people's careers, and talented in managing complexity and situations where innovation and change are necessary to grow businesses.

CASE STUDY



Q&A: DANIEL BENNETT, PRESIDENT, BRAND PROTECTION

More than ever, retailers and brands need to take action to protect intellectual property, says the Corsearch expert

In an era when brand infringement is becoming more commonplace, it's essential that businesses protect their intellectual property (IP). But how best to go about this? With retail becoming a truly global market, Daniel Bennett offers a primer on what retail executives need to know in this area.

Firstly, what is brand protection and why does it matter to retailers and brands selling online in Europe?

Despite the continual advances in technology and the shifting landscape of retail, brand protection isn't a new business. The first trademarks date from the 1870s, so the idea that IP can be protected from misuse through laws is a very old one. The simplest way to see it is that businesses spend significant time and money developing their reputations and their products, so customers come to associate names and trademarks with a level of service. If that's a positive experience, they will return to the brand again and again.

Sadly, competitors who either want to use that brand image for their own commercial gain, or to change public perceptions of the legitimate business, often use the words, symbols and other forms of IP that consumers associate with the brand. Brand protection is the business of finding and then stopping such infringements.

It matters for all sorts of reasons but chiefly because counterfeits have been shown to be dangerous and damaging. Many have health and safety consequences, while all deprive businesses of profits and good reputations. In recent years, brand infringements have moved online, through both counterfeit goods sold on marketplaces or the unauthorised distribution of copyrighted material. This affects brands of all sizes and areas, so thinking about how you can protect your business and your own growth is crucial.

How does this affect ecommerce players?

Nothing exists in a vacuum, so isolated country or region-based selling is no protection against your brand being abused. You may be a European business, or want to sell online in Europe, but the internet doesn't work that way. My

view is that you must see infringements and counterfeits as you would see a legitimate competitor. They want to take your customers and deprive you of income. More often than not, any poached customers will be massively disappointed, which can affect the credibility of your brand.

When you are thinking about a strategy for brand protection, it's important to appreciate the size of the problem, which can be made easier by getting experts to perform detailed analysis of where your brand is infringed. Once you know the size of the problem and what steps you might take, you can assess the resources you need. You're not just defending your rights, you're also growing your market share by removing competitors. You can't police the entire internet, but you can be proactive and take a zero-tolerance approach rather than making costly retroactive actions after the problem has already exploded.

Are there any global competition laws to which online retailers, brands and marketplaces must adhere?

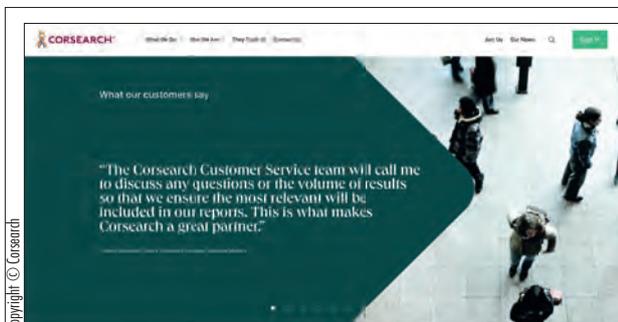
Like other kinds of law, IP law varies by country, which is why the picture for brand holders can appear to be frustratingly patchy. While there may be some international websites you can target through global IP registrations, you may also find fake products in China, for example, where some websites require specific Chinese IP rights before they will act.

You may have a problem with trademark infringement in Malaysia, or copyright theft on Russian social media. How you solve these issues really depends on local laws and being able to have expertise in local markets. Many online platforms will be compliant with your requests to remove infringing material, while others won't.

Is it possible to use machine learning or other artificial intelligence systems to protect brands online?

Machine learning is still in development, yet we have already pioneered some amazing solutions that combine the expertise of our analysts and software developers with technology. We auto-scan more than 1,000 ecommerce platforms and apps a day, all the global and local social media sites, and of course world-wide websites and domains. This produces millions of global hits where brand names, content and other references appear.

Obviously, this is an unmanageable amount of data to check manually, so through keyword and image tagging we've taught our machines to attach risk scores to listings, then create accurate threat watchlists. Data-clustering enables us to compile instances of infringer activity so that we can take targeted action. We can match seller profiles across multiple domains with details such as shipping addresses and phone numbers, which assists with investigations and enforcement.



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Corsearch provides businesses with analysts as well as tools

Are there any counterfeit product or trademark infringement trends targeting European social media and mobile apps?

I think live shopping will be one of the next great challenges that brands face. Although it originated on Chinese apps like WeChat, it's now here with Facebook Shops and Instagram. Live shopping broadcasts live, with linked products embedded into the videos, letting users to go off-platform to purchase. They are more difficult to monitor than static listings and once you add in the complications of the sellers using privacy networks and different languages, it becomes even more challenging. That's why technology alone isn't enough. You also need people with the expertise to know when and where this is happening in order to capture the data.

What are the most 'attacked' sectors and why is this?

They're the most predictable ones – those that are desirable for consumers and where there's large profit to be had for infringers. So that's luxury goods, sportswear, footwear, electronics and pharmaceuticals. However, no sector is immune and we constantly see examples of adulterated food and drink, fake pesticides, computer processors, board games and so on. If it can be faked, it will be.

What are some of the 'brand protection pitfalls' when selling on a marketplace such as Amazon?

While marketplaces are very important, they are also just one part of the challenge for brands and retailers. Most marketplaces are searchable and many have recognised procedures for enforcement. A common pitfall is actually focusing solely on marketplaces at the expense of other spaces such as domains, social commerce, and apps. A full, strategic approach to brand protection needs to be flexible.

What counterfeit goods and trademark infringement have you seen on the rise during the Covid-19 pandemic?

Sadly, the pandemic has generated some of the most cynical exploitations of people's trust. Millions of fake masks and pieces of PPE have been seized. Fake coronavirus testing

kits were being sold online almost immediately, although the most worrying thing has been fake drugs, as revealed by a combined operation by Interpol and Europol which seized antiviral and antimalarial medications.

The pandemic has created an increased reliance on ecommerce, which has led to a greater need for IP owners to monitor and enforce online. Data suggests that as people have shopped online in record numbers, infringements and counterfeits have been growing, too.

Many European SMEs are concerned with fake products, particularly luxury brands, coming in from China. What can they do to combat competitors based outside of Europe?

Something like 90% of counterfeits originate in Asia so it's just a fact of life now. While you can monitor and enforce solely in the European markets you trade in, this will mean you only seeing a small proportion of the infringements that affect you. Ecommerce does not work in country-specific silos since consumers buy from wherever they can find the best deal.

To effectively protect yourself in China, you need good IP coverage, including Chinese trademarks. This requires language and culture experts who know how to work within the Chinese systems. Offline investigations into factories and wholesalers should also be a consideration.

D2C is becoming more popular, particularly in Western and Southern Europe. What brand protection tips you would give to an SME setting out on their own?

Don't underestimate the time and resources you'll need to combat infringements. Predict where your biggest problems are and have the relevant IP you will need for enforcement.

Are there any differences between European countries for how SMEs should protect themselves from trademark infringement?

Although trademarks are region-specific, and this does alter the way you establish your own IP rights, infringements are global. European companies need to be conscious that protecting themselves online requires a more holistic approach than simply looking at their own markets. ■

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CASE STUDY



**Q&A: STAN DE CALUWE,
SENIOR MANAGER,
SUPPLY CHAIN
SOLUTIONS**

The expert from the Holland International Distribution Council outlines issues around fulfilment in European ecommerce

Getting purchases to customers is a key part of the overall retail experience. It follows that investing in scalable and robust logistics infrastructure, or choosing reliable partners, are board-level decisions. Throw in Brexit and the expansion of online retail in Eastern and Southern Europe, both of which may lead to companies looking again at fulfilment operations, and, as Stan de Caluwe outlines, there's plenty to think about here.

Have the logistics of certain sectors or retailers been hurt more than other by the effects of Covid-19?

Within the Netherlands, where we have many fulfilment centres that serve a big chunk of the European market, warehousing operations coped quite well. They implemented distancing measures in their warehouses and haven't seen any disruption. Of course, dealing with a continuous peak in online orders – a more than 30-50% increase in online orders for certain products – does pose its challenges, but the distribution centres of both third-party logistics providers (3PLs) and brands have been able to cope. It depends a lot on the types of product and sales channel, of course. Hybrid centres, serving both B2B and B2C channels, have been able to reallocate resources from their slumping B2B to the

booming B2C business. Purely retail distribution centres haven't been so lucky, although shopping streets have since reopened across Europe. The pandemic looks to be a seismic event for online retail, though. Many consumers have been shopping online for the first time and they will stay!

Where distribution centres and 3PLs have been coping, we do get a lot of complaints regarding the last mile and intercontinental shipments. Parcel carriers are stretched and their infrastructure barely holds. The promise of one or two day lead time across most of Europe from the Netherlands is not always met. Consumers have shown some understanding in this unprecedented situation but their patience won't last. That's one reason why we still get a lot of questions about setting up fulfilment operations here, in the middle of western Europe, to be close to the consumer.

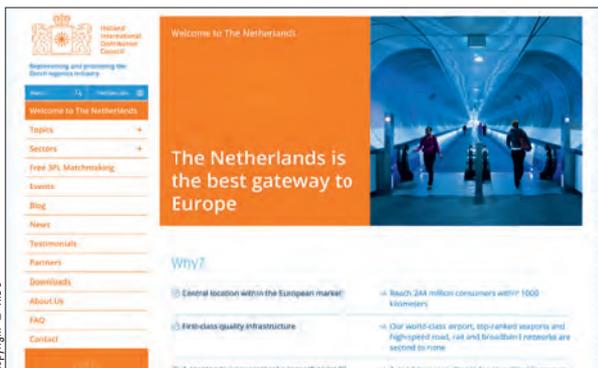
Brands that have been shipping directly to European consumers from their Asia or North America fulfilment centres – a model that's increasingly supported by digital solutions – have suffered from limited capacity on air freight lanes and postal services. Lead times will be even longer and unreliable and costs may increase, which will not be accepted by the European consumer.

British retailers want to know what they should do about Brexit and how can they continue to sell into Europe?

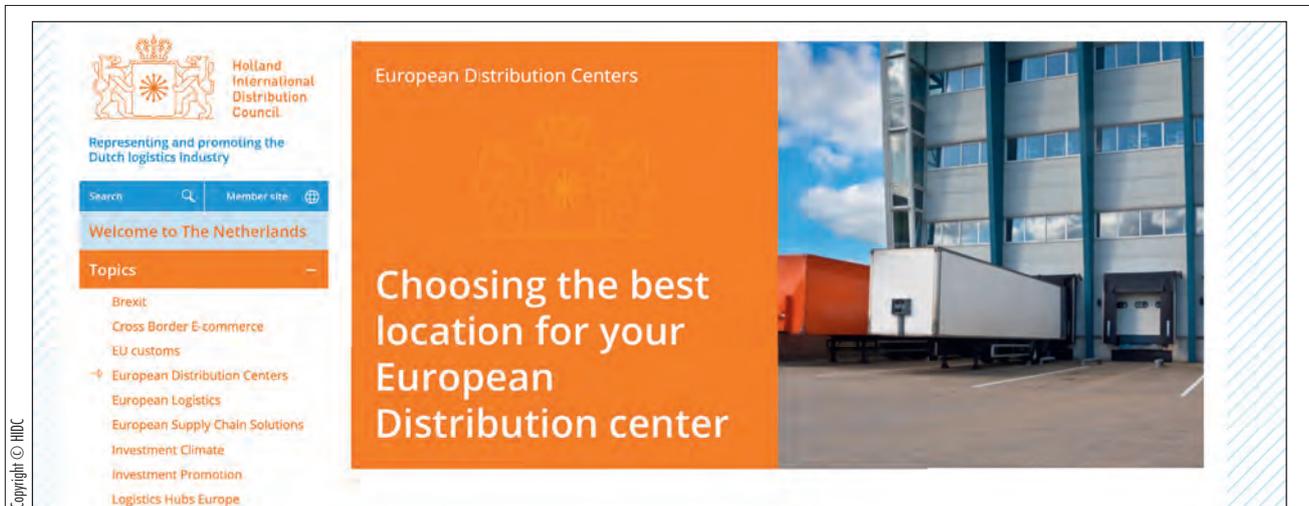
Brexit has been a very unpredictable process and still, with only six months to go in the transitional period, a lot is unclear about how seamless trade between UK and EU will be. In the best, but increasingly unlikely, scenario, a deal will be struck and we know how to handle imports, exports and VAT. Yet even in this positive scenario there will be additional formalities for each shipment and, in the case of B2C, for every individual parcel. As a result, we see the number of UK brands and platforms looking to set-up a mainland EU fulfilment centre increasing significantly.

VAT is a massive question for most retailers coming from outside the EU and looking to sell in the EU, but also for inter-EU selling. What are some important or unique points to bring up about inter-EU cross-border selling and VAT, as well as selling from outside into the EU and VAT?

If an overseas company doesn't know how EU VAT works and they choose the 'trial-and-error' approach, these could be frustrating and costly errors. It is crucial to understand the European 'distance selling' rules when you sell to consumers from a European stock. If you hit certain sales thresholds, for example, €100,000 Euro for Germany, German VAT should be applied and filed in Germany. The same goes for other European countries that all have their own institutions and peculiarities. The upcoming VAT changes, postponed until 1 July 2021, will simplify VAT in the EU by offering a



HIDC provides free matchmaking services for logistics partners



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The Netherlands capitalises on its central location by providing help for businesses looking to relocate there

one-stop-shop for VAT, letting you do your filings in one country. Brands and retailers should anticipate this change and be informed.

What can SMEs learn from the Netherlands, especially relating to current trade arrangements and logistics for the Netherlands, both from outside and inside the EU?

European importers and overseas exporters can both benefit from the favourable business climate in the Netherlands. The country includes Europe's largest port and best-connected airport, as well as the most business-friendly VAT environment in Europe, which is highly digitised and streamlined. For example, it is fairly straightforward to defer import VAT payments, meaning that you don't need to pay VAT upon import and then reclaim it. You can even do this without having an establishment in the Netherlands by making use of a fiscal representative. These low-barrier ways of streamlining supply chains and cash flows have proven to be very attractive for overseas companies.

What are your main tips for SME retailers that are looking to sell online in mainland Europe?

Europeans want their products within one or two days, so shipping from North America directly to consumers won't work. A fulfilment centre makes sense. A centre in the Netherlands would situate you between the three biggest ecommerce markets – Germany, France and the UK. If you want to build up stock in Europe, being in one centre makes sense and having stock in a central location is best. You can outsource the warehousing and fulfilment, even when your volumes are still low. There is a wide variety of third-party fulfilment providers and it can be a challenge to find the right

one based on your product, volume, sales channels and destinations markets.

North American and British retailers and brands should also know that most Dutch people speak English. In fact, the Netherlands is the number one English-speaking country in the world after native English-speaking countries such as US and UK, so nothing will get lost in translation.

The other big question on everyone's mind: Amazon – is this the only solution for SMEs that are looking to sell into Europe?

It's a great way to test the waters but relying on Amazon can be a risk further down the line. It is advisable to stay in control by owning the market data and intelligence that you gather selling online and fulfilling orders. There are many more platforms and online retailers that vary by country and may work better for you. Selling from your own webshop gives you total control and market info. The good thing with having a third-party fulfilment partner is that they can service all B2B and B2C sales channels (including Amazon) and give you a solution for returns. ■



Holland International Distribution Council (HIDC) – Dutch: Nederland Distributieland (NDL) – is a private, non-profit organisation providing free matchmaking services for logistics partnerships in Europe.
hollandinternationaldistributioncouncil.com

CASE STUDY



Q&A: ERIK ANKONÉ, CREATIVE AND ACCOUNT DIRECTOR

Revolte Studio's co-founder offers a creative's perspective on engaging customers who may have a very different culture to a retailer's home territory

For companies that want to enter the European market, the opportunities have rarely been greater. However, this involves navigating a variety of issues, including communicating brand values to customers who may be unfamiliar with a retailer, even suspicious. Erik Ankoné offers the creative's perspective on engaging customers based in countries that may have a very different culture to a retailer's home territory.

What tips you would give retailers from outside Europe looking to expand into the European ecommerce market?

Keep in mind that Europe is far from a homogenous market. There are many significant cultural differences, from the way

we congratulate someone's birthday to the way we build houses! Differences exist even within countries, so if you're going to run ad campaigns, don't be afraid to team up with local agencies to get extra help. They will know how to engage your target audience.

Why is an understanding of brand identity and strategy important to a retailer wanting to engage in Europe?

A strong brand identity is especially important if you exist solely online because your customers must get to know, like and trust you. Everything your brand does, says and portrays needs to fit the same narrative, otherwise customers won't know who they're dealing with. It's more difficult to create that trust without an in-store employee stepping in to explain.

With regards to opening up in Europe, unless you're bringing a unique product to the market, we probably already have what you're offering, especially in Western Europe. So, focus on the story – why is your approach or background different? Why is this difference important?

I think a lot of companies don't think about branding that much because they're happy and married to their logo and corporate identity. They may also have a good company culture but that is only inward – you have to convey that message outward too. Audit yourself. Do you



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Revolte Studio has undertaken package design and photography for online coffee retailer Het Koffielab



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Revolte's custom-branded energy drinks for visual artist ANK1

still live by your core values? Do your customers experience your brand the same way you do? If not, something may need changing.

Where would you suggest that retailers entering the European market should allocate their budgets?

It would be suspicious if I suggested investing in branding but I'll say this: know who you are as a company, how you talk, how you look, how you write, how you engage. Focus inwards before you step out, then adapt – it will make it easier to branch out beyond your borders. For smaller companies, it's hard to calculate ROI on branding, although big brands also started small. A good brand strategy plus the will to stick to it will get you there.

Any extra tips for SMEs looking towards Europe?

Know your target audience so that you can strategise your approach, campaign look and messaging. Branding is really just trying to shape an entity that your target audience would love to interact with. A company shows its face through every single point of contact with its customers. Understanding your target audience will help you understand how to behave as a brand.

You see a lot of brands jumping on the sustainability bandwagon but if it's not part of your DNA, then don't. If it is, then sure, lean into it but don't overdo it – that might interfere with the other things customers love about your brand.

If you're catering to a certain market, either research the language and cultural differences, or have a strategy team on the ground make recommendations. Choose between British or American English, for example, then stick with it.

Finally, branding is more than graphic design and copywriting – it's building a company that everyone believes in. If you really know what your brand stands for, company operations will move more quickly and efficiently. Living your brand makes selling your products so much easier, so get your house in order before you go across the border! ■

REVOLTE
a branding and communication studio

Revolte Studio is a branding and communication studio based in Amsterdam. Through thorough analysis, strong design and clear communication, the company creates brand identities.
www.revolfestudio.com

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PAYMENT METHODS: <https://beabg.com>

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CROATIA

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CYPRUS

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THANKS

There are years where, even as events play out, it's clear that future historians will devote whole books to what happened. Thanks to the Covid-19 pandemic sweeping across the world, 2020 is one such year as the world has gone into a lockdown that, as we go to press, is cautiously being lifted.

Over long weeks when ordinary life has been suspended, the ecommerce sector has come into its own, notably in ensuring people have access to basic groceries. Many of those who for the first time discovered that ecommerce is fast and convenient will continue to shop online. Many sectors of ecommerce are actually thriving as a result of the pandemic.

Looking ahead, it's easy to imagine this situation continuing, but it's also worth injecting some notes of caution here. There may be further lockdowns as the coronavirus flares up. The UK may not reach a trade deal with the European Union. More generally, the geopolitical situation is unstable.

As a way to reflect these uncertainties, it's worth emphasising that many of our forecasts in this report are likely to need revising, and we plan to keep updating our work here over the coming year. A full update of the report will follow in 2021.

Thanks again to those who contributed their insights to this report, which you can download in full at: retailx.net/europe-2020. It is free for Members of Ecommerce Europe and EuroCommerce as well as RetailX members.

Finally, do let us know your ideas and suggestions for the 2021 edition: research@retailx.net. ■

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