

Western Europe to See \$10.83 Billion More in Ecommerce Sales than Expected

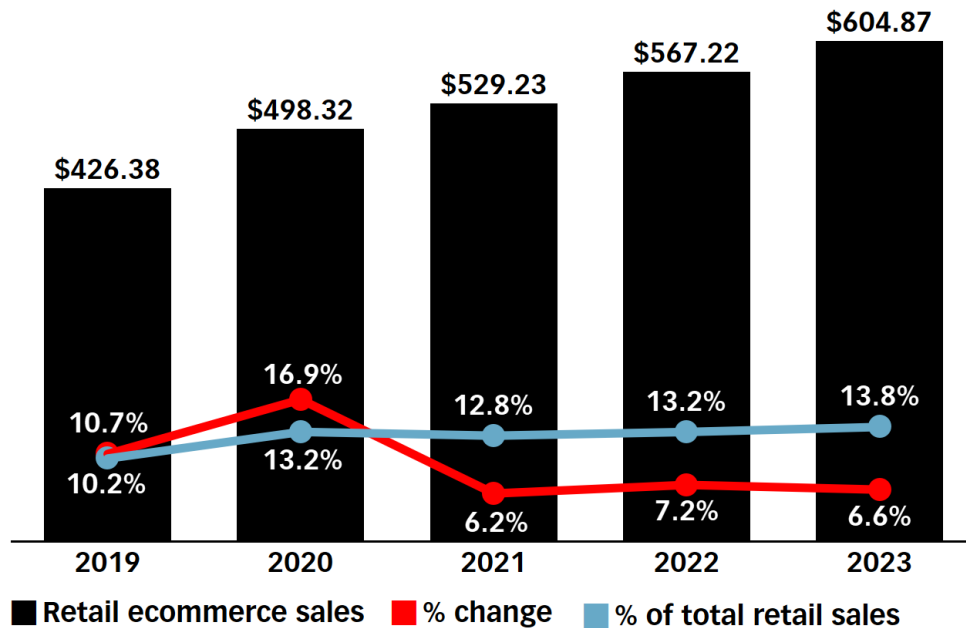
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Retail ecommerce in Western Europe was already growing at a healthy clip, both in aggregate and as a share of overall retail, but we now expect that the pandemic will cause overall spending to increase much faster than anticipated. Even as overall retail declines by 9.9% in the region, we estimate that ecommerce sales will jump by 16.9% this year—well up from our pre-pandemic forecast of 8.8%.

Retail Ecommerce Sales in Western Europe, 2019-2023

billions, % change and % of total retail sales



Note: includes products or services ordered using the internet via any device, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice goods sales
Source: eMarketer, May 2020

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This upward revision means that \$498.32 billion will be spent via online retail, an increase of \$71.94 billion over 2019—and \$10.83 billion more than we previously calculated. This boost will deflate in 2021 as brick-and-mortar stores reopen and recover some share. However, the influx of new spending this year will leave ecommerce permanently ahead of its previous pace. We now forecast that the region will see higher sales figures than it otherwise would have through 2023.

Notably, we previously estimated that retail ecommerce would account for 11.0% of total retail in Western Europe this year, but we have revised that figure to 13.2%, an increase of 3 percentage points over 2019.

Within individual markets, the countries that had already been the fastest-growing for ecommerce will maintain that status, but rising at greater rates. Spain will increase its sales by 22.9%, the highest rate in Western Europe and one of the fastest rates in the world. Meanwhile, the Netherlands will grow at 21.9%; Italy will rise by 20.5%. These countries were hard-hit by the virus and started at a lower ecommerce base than some of their European peers, enabling faster growth.

More mature ecommerce markets like the UK and the Nordic countries will accelerate this year, but to a lesser extent, (rising by 14.7% and 16.2%, respectively). Overall, every country in Western Europe will increase its retail ecommerce by at least 12%.

Most of these increases will be driven by explosive growth in online sales of consumer packaged goods (CPG), the rise of online grocers and the emergence of click and collect. Many brick-and-mortar retailers were able to rapidly pivot to ecommerce, and these newly multichannel retailers are bringing new online users with them. We estimate that 66.9% of the regional population will be digital buyers by the end of this year (up from 64.9% last year). When looking at the region's internet users, 79.0% will be digital buyers in 2020.