

What Does Online Grocery Shopping Look Like in Western Europe During COVID-19?

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Since early March, the coronavirus crisis has posed an unprecedented threat to the retail industry across Western Europe. In most countries, only retailers that sell food, drugs and other essential items can do so in physical stores.

In Germany, many observers thought that consumer lockdowns would be a major boost for ecommerce. But online sales of most goods haven't risen significantly, according to a survey by the Bundesverband E-Commerce und Versandhandel (bevh). Some 41% of online retailers said the number of customer orders had fallen; 58% said they expected a further decline in the coming months. And 62% of retailers said that a prolonged quarantine in 2020 could force them to shrink or even close their businesses.

The one exception to the downward trend in Germany is online stores selling fresh food, including supermarkets that provide quick, reliable deliveries of fruit and vegetables. The pandemic has been a massive business-driver for them in recent weeks.

This dramatic increase comes at a pivotal point in the evolution of online food shopping in the region. Historically, grocery ecommerce hasn't attracted a large consumer base in Germany largely because many people visit local shops daily or almost daily to buy items like fresh meat and fish, fruit, vegetables and bread. More than half of internet users in Germany ages 18 to 69 said they never shopped for groceries online, according to a September 2019 poll by ibi research and the Digital Commerce Research Network.

Preferred Channel to Make a Digital Purchase According to Internet Users in Germany, by Product Category, Sep 2019
% of respondents

	1	2	3	4	5	6
1 Amazon/Amazon Marketplace						
2 Digital retailer's website						
3 eBay						
4 Via Google Shopping						
5 Via price comparison website						
6 Don't shop online						
Books, music, movies and video games	56%	12%	11%	6%	5%	10%
Consumer electronics	44%	16%	11%	7%	11%	11%
Household appliances	36%	17%	11%	7%	12%	17%
Toys	36%	13%	11%	5%	7%	28%
Sports and outdoor	33%	19%	10%	7%	7%	23%
DIY	31%	13%	13%	7%	9%	28%
Footwear and apparel	29%	33%	12%	6%	8%	12%
Health and beauty	28%	25%	8%	7%	8%	24%
Watches and jewelry	28%	16%	10%	6%	9%	30%
Household and furniture	24%	22%	10%	9%	10%	24%
Groceries	18%	14%	5%	4%	4%	55%
Total	33%	18%	10%	7%	8%	24%

Note: n=980 ages 18-69; numbers may not add up to 100% due to rounding
Source: ibi research and Digital Commerce Research Network (DCRN), "Handel im digitalen Wandel: wie online eingekauft wird", Jan 28, 2020

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On the other hand, grocery was one of Germany's fastest-growing ecommerce categories in 2019, with sales 17.3% higher than the year prior, per bevh.

Top Ecommerce Product Categories in Germany, 2018 & 2019

millions of € and % change

	2018	2019	% change
Clothing	€12,689	€14,257	12.4%
Electronics & telecommunication	€11,787	€13,225	12.2%
Computer/accessories/games/software*	€5,284	€6,000	13.5%
Household goods & appliances	€4,300	€4,959	15.3%
Furniture, lamps & decoration	€4,236	€4,717	11.4%
Shoes	€4,105	€4,448	8.4%
Books/ebooks/audio books*	€3,599	€3,856	7.1%
Hobby & leisure articles	€3,021	€3,309	9.6%
Video & music*	€2,519	€2,763	9.7%
DIY & flowers	€2,088	€2,276	9.1%
Drugstore	€1,833	€2,076	13.3%
Auto & motorcycle/accessories	€1,481	€1,608	8.6%
Groceries	€1,360	€1,595	17.3%
Toys	€1,300	€1,470	13.1%
Home textiles	€1,092	€1,247	14.2%
Pet supplies	€1,095	€1,224	11.7%
Jewelry & watches	€979	€1,108	13.2%
Office supplies	€722	€788	9.1%
Medication	€693	€788	13.6%
Others	€917	€923	0.7%

Note: includes VAT, excludes C2C sales on digital marketplaces; *includes downloads

Source: Bundesverband E-Commerce und Versandhandel (bevh), "Interaktiver Handel in Deutschland: E-Commerce – Verantwortung & Perspektiven," Jan 21, 2020

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Italy, where consumers' daily shopping for fresh food remains legendary, is also following an upward trajectory. In 2019, food and grocery ecommerce sales were set to jump 42% compared with 2018, according to the Osservatori Digital Innovation del Politecnico di Milano and Netcomm. Elsewhere in Western Europe, grocery ecommerce gained momentum last year and was poised for further growth.

B2C Ecommerce Sales in Italy, by Category, 2019

billions of € and % change

Tourism and transport	€10.9 (9%)
Computer/consumer electronics	€5.3 (19%)
Apparel/accessories	€3.3 (19%)
Furniture/home furnishings	€1.7 (30%)
Food & groceries	€1.6 (42%)
Insurance	€1.5 (6%)
Publishing	€1.0 (8%)
Other products (e.g., beauty, car parts, toys)	€5.2 (21%)
Other services (e.g., event tickets)	€1.1 (0%)

Note: total B2C ecommerce sales=€31.6 billion and 15% change vs. 2018
Source: Osservatori Digital Innovation del Politecnico di Milano and Netcomm, "Osservatorio eCommerce B2C" as cited in press release, Oct 28, 2019

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That said, rocketing demand in March 2020 has put tremendous pressure on online food providers and left many consumers facing longer delivery times for orders of pharmaceutical products, groceries and takeout. According to a mid-March assessment of food retailers by the Mitteldeutscher Rundfunk (MDR) program "Umschau," customers of the REWE chain in Germany couldn't arrange any delivery date prior to April 1. The surge in orders for long-life foods, canned goods, preserves and pharmaceutical items was a major cause, a REWE spokesman said.

Karsten Schaal, managing director of the online grocer food.de, based in Leipzig but serving all of Germany, told MDR a similar story. "The level of just new orders every day is 25 times higher than in 2019," he said. "Naturally, the high demand puts pressure on delivery times. In the Leipzig area, we're seeing three days to one week; in the Dusseldorf area, we're already fully booked for two weeks ahead." MDR also reported that the big drugstore chains Rossmann and dm were taking online orders, but both told customers to expect delivery times of at least nine working days.

In Switzerland, delivery times have also lengthened. The newspaper Zofinger Tagblatt reported that an order made at the online store LeShop on a recent Tuesday morning couldn't be delivered before Saturday morning, and these delays applied in Zürich and smaller towns. The supermarket Migros told online customers that the volume of orders meant that not all delivery dates were available. Certain products were also out of stock, "due to an unexpected rise in order numbers."

It's unclear how many consumers will stick with their online food suppliers when the coronavirus threat has diminished. Many supermarkets aren't in favor of a significant shift to ecommerce. In Denmark, the Coop has found its online sales to be a "good expansion" of physical sales but has no plans to transfer any large share of its business online, according to a March 18 article in the newspaper Der Nordschleswiger.

In the short term, many virtual stores tell a different story. In mid-March, Danish online supermarket Nemlig.com announced that it had posted a 50% sales rise and planned to hire 200 new staff. The firm already employs 1,100 people; more are needed to keep the website live and avoid virtual queues. Nemlig.com, like online food retailers regionwide, hopes that a return to normality doesn't undo the major gains made earlier this year.