

Will Big Ecommerce Players Be the Biggest Winners in Germany?

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eMarketer Editors

If the coronavirus pandemic has produced any winners in the retail sector, digital merchants are among that number.

While the shake-up in retail and ecommerce has hurt many merchants in Germany, it seems to have reinforced the power of leading international and regional online players, including Amazon.

We are breaking out Amazon Prime users in Germany for the first time, and in 2020, an estimated 25.8 million people in the country are expected to be Prime members. By definition, virtually all these people buy frequently enough for the Prime next-day delivery service to be a key motivator. Of course, the total number of Amazon buyers will be even greater. Both groups are set to increase between now and 2022, when 32.5 million people in Germany are expected to use Prime.

Another factor strengthening the leading online marketplaces, and Amazon in particular, is that some smaller merchants caught out by the pandemic have tried to stem their losses by initiating or augmenting their presence on such marketplaces. In turn, several of those aggregators are encouraging this process with special terms.

However, some small-scale retailers are taking another path. Across Western Europe, local and regional initiatives have sprung up,

providing digital platforms that close technical and logistical gaps for small physical stores. One example in Germany is Einzelheld, launched in March by two small IT firms in Stuttgart, which offers local retailers a quick, straightforward opportunity to sell online without having their own ecommerce site.

Digital-only merchants may not be the only ones gaining an advantage during the pandemic, though. Omnichannel retail should also benefit—not least because click and collect has been essential during the crisis. The same applies to orders packed and shipped from physical stores and warehouses. This will continue to be crucial for multichannel stores, both as a support to physical operations and to ensure product availability.

Ultimately, the crisis is accelerating the digitization of retail at every level. Digital processes and resources—such as centralized databases for product and customer information—are proving vital for retailers' profit margins. Going forward, retailers across every sector can no longer use customer hesitation as a reason to limit digital investment.

eMarketer PRO subscribers can check out our latest forecasts for total retail, ecommerce and mcommerce sales in Germany, as well as estimates for the country's digital shoppers and buyers. Our report also looks at the influence of the pandemic and other developments on retail trends.

Report by Karin von Abrams Jun 12, 2020

Germany Ecommerce 2020



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