RETAILX

Germany 2021

Ecommerce Country Report

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Germany
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Ecommerce
Country Report

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Introduction

Welcome to the Germany Ecommerce Country Report.

This report is published at a time when Germany is looking with hope to the future, having experienced lengthy government restrictions on movement around the country and shops closing due to the pandemic. Currently, cases of coronavirus have dropped to a point not seen since October last year.

Germany's vaccination programme appears to be going well, with initial problems with the rollout now resolved. At the time of writing, doctors have administered **40m doses** of the vaccine, almost 40% of Germany's population has received one dose and **11.2% are fully vaccinated**.

Germany's health minister, Jens Spahn, says he is looking forward to the end of June when, hopefully, a larger number of people will have been vaccinated, infection rates will have reduced and **the country can have "a really good summer"**.

Retailers are hoping for the same thing. German consumers are no different from consumers across Europe who are looking for the release of once again going out, spending time with friends and socialising properly. Retailers will be keen to collect on the **pent-up demand from money that consumers didn't spend in 2020**.

As I look over the charts and expert analysis that my team has brought together in this report, I see **Germany as a country in the midst of change**. There is hope ahead as the country comes out of its latest lockdown as a leader in environmental matters, digital taxation and scrutiny of the practices of global digital behemoths Amazon and Google. **Data protection and the desire for transparency and trust are key for Germans** and this extends into all areas of life, from how they shop online to the behaviour of its politicians.

Angela Merkel's lasting legacy may well be the strong economic position that she leaves the country as she stands down from frontline politics in September. Yet the future of the country, how it repays its Covid-19 debts and the direction it takes on the global arena in the next four years are yet to be decided. Retailers would be wise to take note of consumer sentiment.

Ian Jindal, CEO, RetailX

Contents

Country profile

Germany is a strong economy but it still faces the uncertainty of a €1.3tn pandemic bill and a looming election

Germany is the **fourth-largest economy in the world** after the US, China and Japan. It ranks fifth in terms of Purchasing Power Parity (PPP), which makes it an attractive market for business while giving citizens an enviable standard of living. It is also the country with the largest population in the European Union.

Much of its economy is based on exports. It is **one of the biggest global exporters** with almost 50% of its GDP attributed to this. Its manufacturing base exports vehicles, machinery and electrical and electronic products. Leading companies headquartered in Germany include Daimler, Volkswagen, BMW, BASF, Siemens and SAP.

Germany is **a major force in the European Union**, being one of its founders and a vocal proponent of political and economic integration. It was, for example, one of the main leads behind the enlargement of the EU to include former Soviet countries.

Although GDP will have fallen in 2020 because of the Covid-19 pandemic, Germany's strong economy looks set to bounce back fairly quickly. The **latest forecasts predict 3.2% growth in 2021**, up from a previous estimate of 3%. There is a certain level of pent-up demand among German consumers, so household spending is expected to drive the recovery once restrictions placed on the population and businesses are lifted. In the meantime, consumers will carry on purchasing online.

That said, German consumers are likely to have to pick up the bill for measures put in place during the pandemic. The loss of revenue, along with business and welfare aid packages set up by the federal and state governments, amounts to €1.3tn.

Germany goes to the polls in September so the decision on how the pandemic will be paid for will be a question for a new government.
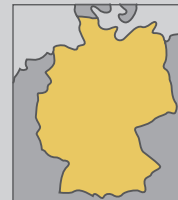
Germany country profile

Area: 357,022km²
Capital: Berlin
Currency: euro, €
Official language: German
Foreign languages spoken: English, French
Nationality: Germans
Government: Federal Republic
VAT: 19% | **Reduced rate:** 7%

"The [Covid-19] crisis is becoming historically expensive, the costs are rising from week to week and the federal government has so far not bothered to work out who will pay for them"

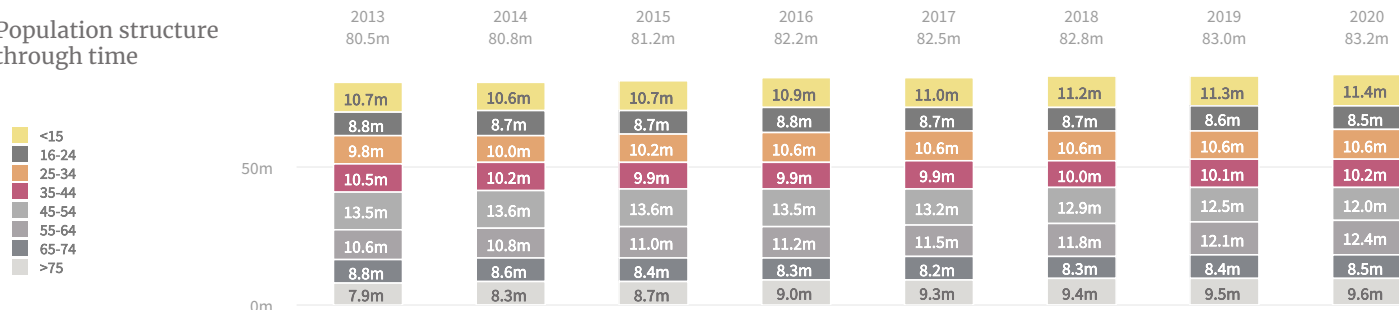Dietmar Bartsch, parliamentary leader of the socialist Left Party

Market context

As its population ages and birth rates fall, Germany attracts workers from elsewhere

Germany has the **second biggest population in Europe**, beaten only by Russia, which also has a larger landmass. Yet while Russia has unimaginably vast areas of uninhabited land and a population density of just 8.58 people for each square kilometre, Germany's residents live relatively side-by-side, with 232.8 Germans for each square kilometre.
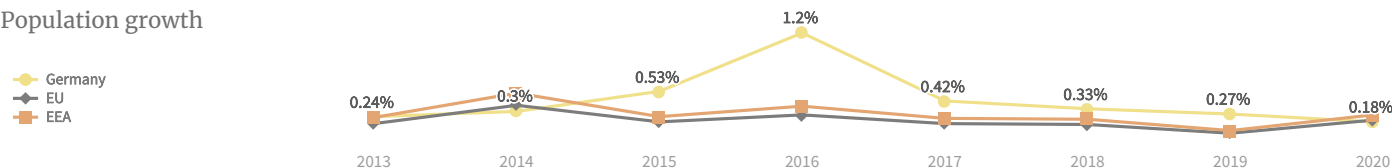
Germany has the highest population within the EU, and the EEA and **a large proportion of its population have migrant backgrounds**. 21.2 million residents, representing around **21% of the population**, were either **born as citizens of another country** or one of their parents were. Being born in Germany does not qualify people automatically to German citizenship[1]. The majority have moved to Germany from other European countries, with **35% from within the EU**.
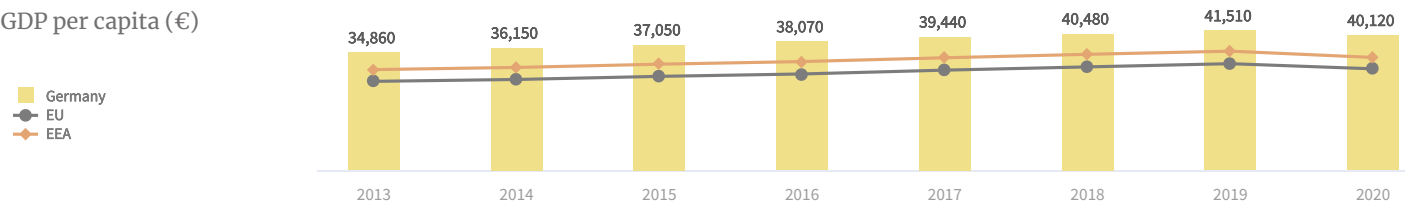
Population structure through time

	2013 80.5m	2014 80.8m	2015 81.2m	2016 82.2m	2017 82.5m	2018 82.8m	2019 83.0m	2020 83.2m
<15	10.7m	10.6m	10.7m	10.9m	11.0m	11.2m	11.3m	11.4m
16-24	8.8m	8.7m	8.7m	8.8m	8.7m	8.7m	8.6m	8.5m
25-34	9.8m	10.0m	10.2m	10.6m	10.6m	10.6m	10.6m	10.6m
35-44	10.5m	10.2m	9.9m	9.9m	9.9m	10.0m	10.1m	10.2m
45-54	13.5m	13.6m	13.6m	13.5m	13.2m	12.9m	12.5m	12.0m
55-64	10.6m	10.8m	11.0m	11.2m	11.5m	11.8m	12.1m	12.4m
65-74	8.8m	8.6m	8.4m	8.3m	8.2m	8.3m	8.4m	8.5m
>75	7.9m	8.3m	8.7m	9.0m	9.3m	9.4m	9.5m	9.6m

Source: RetailX, drawing on data from Eurostat

Population growth

- Germany
- EU
- EEA

2013	2014	2015	2016	2017	2018	2019	2020
0.24%	0.3%	0.53%	1.2%	0.42%	0.33%	0.27%	0.18%

Source: RetailX, drawing on data from Eurostat

GDP per capita (€)

- Germany
- EU
- EEA

2013	2014	2015	2016	2017	2018	2019	2020
34,860	36,150	37,050	38,070	39,440	40,480	41,510	40,120

Source: Eurostat

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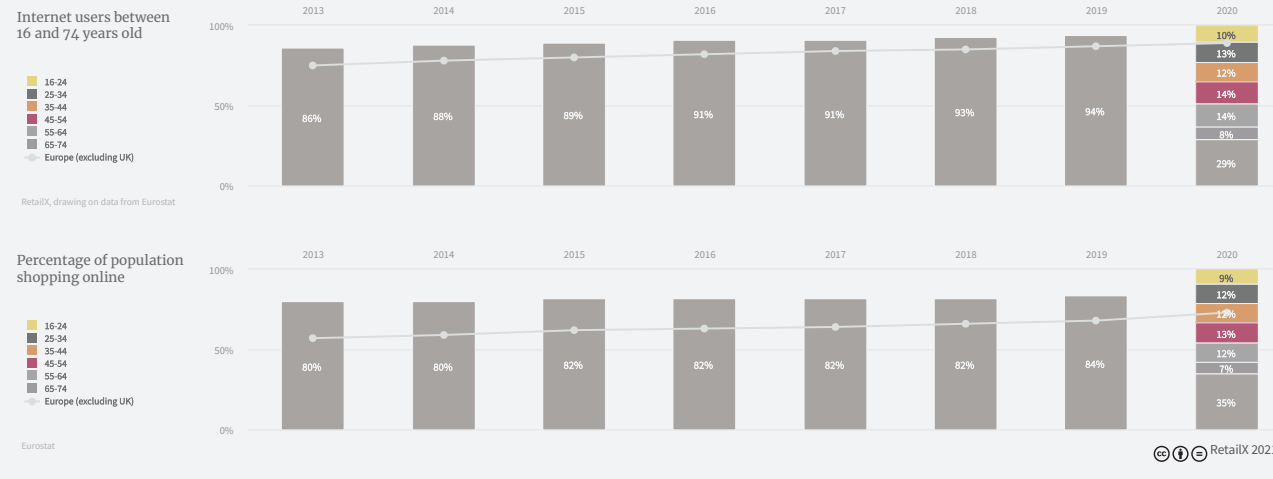
Immigration into the country will continue to rise, with migrants expected to make up one in three of the population by 2040. The **number in cities is expected to increase above the country average**, to eventually represent 65% or 70% of the population[2].
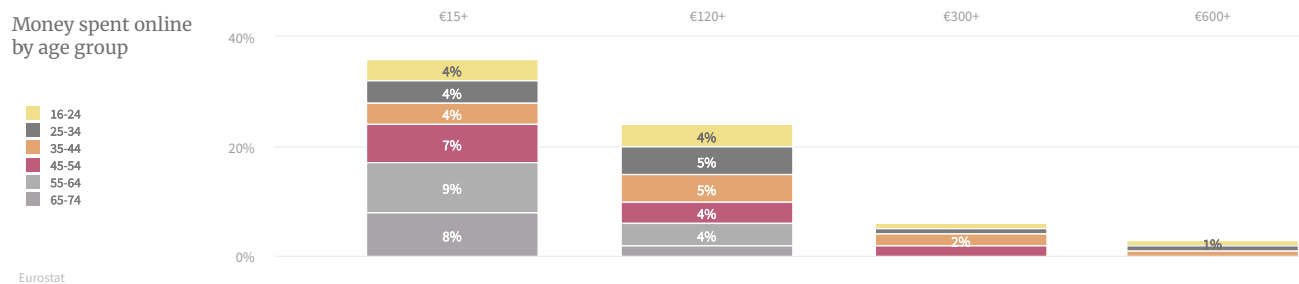
This population increase is seen as essential by the government, which wants to continue attracting workers, particularly highly-skilled people, as a way to keep the economy stable. **Germany is facing a future with falling birth rates and an ageing population** – almost a quarter is 55 years or above. Although it has increased in recent years, Germany has had one of the lowest birth rates in the world for the last 70 years. Age groups below 25 years old comprise less than 23% of the total population.

The country is attractive to people from other countries due to its **per capita GDP, which is higher than other countries across the EEA**. This has been rising steadily, as has the number of people using the internet and the percentage of those who are shopping online. What is already a large market for **ecommerce is forecast to increase by 11% in 2021**, making an already highly digitalised society even better for consumers and online retailers alike.

[1] www.dw.com/en/german-population-of-migrant-background-rises-to-21-million/a-54356773
[2] www.dw.com/en/germany-in-20-years-1-in-3-people-will-have-migrant-roots/a-51101172

Germany: internet user analysis over time

Internet users between 16 and 74 years old

16-24 / 25-34 / 35-44 / 45-54 / 55-64 / 65-74 / Europe (excluding UK)

2013: 86% | 2014: 88% | 2015: 89% | 2016: 91% | 2017: 91% | 2018: 93% | 2019: 94%
2020: 10% / 13% / 12% / 14% / 14% / 8% / 29%

RetailX, drawing on data from Eurostat

Percentage of population shopping online

16-24 / 25-34 / 35-44 / 45-54 / 55-64 / 65-74 / Europe (excluding UK)

2013: 80% | 2014: 80% | 2015: 82% | 2016: 82% | 2017: 82% | 2018: 82% | 2019: 84%
2020: 9% / 12% / 12% / 13% / 12% / 7% / 35%

Eurostat

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Money spent online by age group

16-24 / 25-34 / 35-44 / 45-54 / 55-64 / 65-74

€15+: 4% / 4% / 4% / 7% / 9% / 8%
€120+: 4% / 5% / 5% / 4% / 4%
€300+: 2%
€600+: 1%

Eurostat

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Expert insight

Mike McGuire

VP Sales EMEA, Iterable

Before joining Iterable, Mike worked at Salesforce Marketing Cloud for six years where he built pan–EMEA sales teams specialising in new acquisitions

What do you see as the main characteristics that define Germany's ecommerce market?
The German market is defined by a discerning consumer base, as well as by security, transparency and consistency. These are trademarks of how the German consumer goes through the buying process.

Research also plays a pivotal role in the buying decision, while secure payment options can be a deciding factor for the overall customer experience. I believe that satisfaction with a consistent product takes precedent, since German consumers expect their money will always be put towards a valuable product that satisfies their needs.

What has been your experience of the last year and how have German merchants handled the pandemic?
Over the course of the pandemic, a digital transformation occurred where the traditionally offline German economy embraced digital channels for food and personal care items. While this occurred out of necessity, the German consumer base, 95% of which use the internet, adapted quickly. The extensive German infrastructure further expedited the digital adoption, making the dissemination of online orders efficient and timely.

Where will retailer growth come from post-pandemic?
Looking to 2022 and beyond, retailer growth in Germany will come from those brands that are able to adequately replicate their offline experience online. In doing so, retailers will create a consistent, cohesive experience that will bring the personalisation and promise of quality that comes from an in-store experience onto digital channels.

A point of emphasis for brands will be the personalisation by generation. With Germany's aging population comes a shift in preferences and buying behaviours. As the age structure of the country shifts, so too does the way in which brands communicate with their audiences.

How do you think the omnichannel customer experience will change in 2021 and 2022?
German consumers have access to all of the necessary reviews, surveys and feedback to understand which products are the best in their categories. For many categories, the differences are razor thin. That's why the omnichannel customer experience will be the ultimate differentiator. These days, experience is more impactful than product, or even price.

When looking at the German market, age and region play integral roles in how brands can personalise their omnichannel experience. Some generations and regions will still prefer the in-store experience, while others will fully digitally transform. As we continue through 2021 and into 2022, the omnichannel experience will be about who can create the most seamless, consistent and valuable customer journey. Removing friction at every opportunity encourages consumers to remain engaged and, ultimately, to come back.

Benchmarking the digital economy

Germany is one of the world's leading digital economies and indices that compare performance reflect this

In the Overall Internet Inclusive Index, **Germany ranks 25th**. Compiled by The Economist Intelligence Unit, this Index, "seeks to measure the extent to which the internet is not only accessible and affordable, but also relevant to all, allowing usage that enables positive social and economic outcomes at the individual and group level".

Germany's weakest performance is in 'Relevance'. In some countries, this measure is low due to many news and government sites not using local languages. In Germany's case, its score is reduced because of the low number of websites within the leading 25 that use a country-level domain. The **relatively low level of consumers accessing finance, health and entertainment** online in Germany also brings its score down.

Its rankings of first and third in separate logistics and postal indices attest to investment in infrastructure, especially by postal incumbent **Group Deutsche Post DHL**.

Indices	Definition	Global rank
Logistics Performance Index (LPI)	LPI measures performance along the logistics supply chain within a country	1 /160
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	22 /190
E-Government Development Index	The E-government Development Index measures the willingness and capacity of national administrations to use information and communication technologies in order to deliver public services	25 /193
Integrated Index for Postal Development (2IPD)	2IPD is a comparative indicator of postal development around the world which built on four pillars: Reliability, Reach, Relevance and Resilience	3 /170

Internet Inclusive sub-indices

	Definition	Global rank
Availability	Quality and breadth of available infrastructure required for access and levels of internet usage	20 /120
Affordability	Cost of access relative to income and the level of competition in the internet marketplace	22 /120
Relevance	Existence and extent of local language content and relevant content	60 /120
Readiness	Capacity to access the internet, including skills, cultural acceptance, and supporting policy	12 /120
Overall Internet Inclusive Index		25 /120

KEY: ■ Top quartile ■ Second quartile ■ Third quartile ■ Bottom quartile

Source: World Bank, United Nations, The Economist Intelligence Unit, Universal Postal Union

The German consumer in focus

Transparency and trust are key for Germans, but convenience and price are the factors that drive online shopping
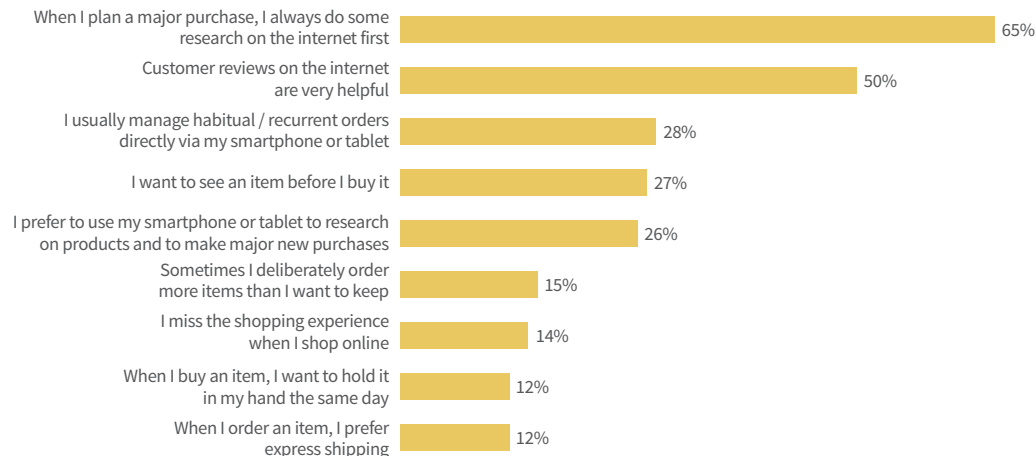
German consumers are the conscious consumers of Western Europe. **They want to know and understand all of the details of their shopping transaction before buying online**. This extends from understanding delivery options even before they add an item to their basket, to how any information they provide about themselves is going to be held or used by a retailer. **The terms and conditions are important to German consumers**.

Germany's modern data privacy laws date back to 1970 and a time when the Stasi secret police operated in East Germany[1]. The State of Hesse, a region in what was then West Germany, introduced legislation governing how the public sector would use information from citizens. A version of this *Datenschutzgesetzgebung* – Data Protection Legislation – became federal law in 1977 with the aim of protecting citizens' data "against abuse in their storage, transmission, modification and deletion".

Attitudes towards online shopping in Germany, 2020

Which of these statements on online shopping do you agree with?

When I plan a major purchase, I always do some research on the internet first — 65%
Customer reviews on the internet are very helpful — 50%
I usually manage habitual / recurrent orders directly via my smartphone or tablet — 28%
I want to see an item before I buy it — 27%
I prefer to use my smartphone or tablet to research on products and to make major new purchases — 26%
Sometimes I deliberately order more items than I want to keep — 15%
I miss the shopping experience when I shop online — 14%
When I buy an item, I want to hold it in my hand the same day — 12%
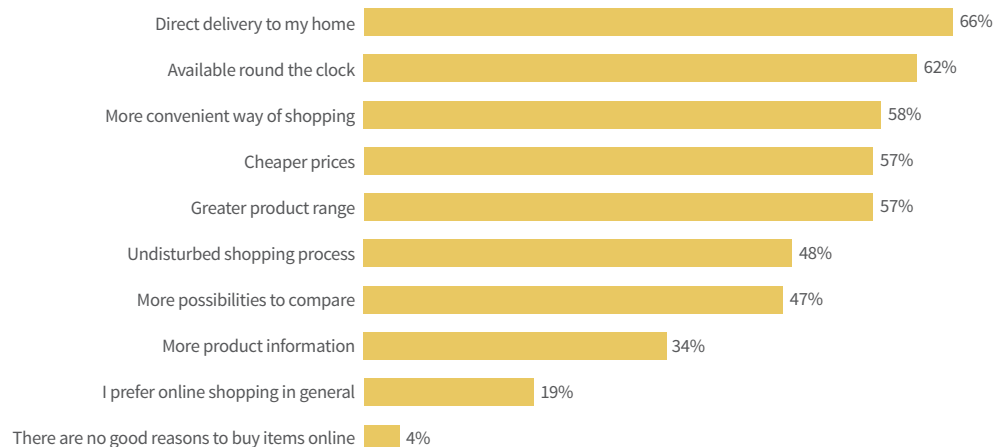When I order an item, I prefer express shipping — 12%

Source: Statista Global Consumer survey

Drivers of online purchases in Germany, 2020

Which of these do you consider good reasons to buy an item online?

Direct delivery to my home — 66%
Available round the clock — 62%
More convenient way of shopping — 58%
Cheaper prices — 57%
Greater product range — 57%
Undisturbed shopping process — 48%
More possibilities to compare — 47%
More product information — 34%
I prefer online shopping in general — 19%
There are no good reasons to buy items online — 4%

Source: Statista Global Consumer survey

In 1983, the German Constitutional Court took this need for legislation further, **declaring the right of "self-determination over personal data"**. This gave German citizens a fundamental right to privacy. A successive law in 1990, based on this ruling, forms the basis of the EU data privacy legislation introduced in 1995.

It is no surprise then that Germany is one of the main proponents behind anti-trust measures. It was a Spanish citizen who brought Google to the Court of Justice of the European Union in 2014, which led to the highest court in the EU ruling that people have the so-called 'right to be forgotten'. However, it is amendments to German competition legislation, introduced earlier this year, that now allow regulators to intervene in anti-competitive behaviour, particularly against the practices of large digital companies at an early stage.[2]

The Federal Cartel Office (*Bundeskartellamt*) initiated anti-competition proceedings against Amazon in May and is examining whether the online marketplace holds **"an almost unchallengeable position of economic power"**. It is already investigating the extent to which Amazon influences sellers' pricing through price control mechanisms and algorithms on its Marketplace – and also how agreements between it and brands, such as Apple, exclude other sellers from listing branded products.

"In the past few years, we have had to deal with Amazon on several occasions and also obtained far-reaching improvements for sellers on Amazon Marketplace," says Andreas Mundt, president, Bundeskartellamt. "If we find that the company does have such a market position, **we could take early action against and prohibit possible anti-competitive practices by Amazon**."

USING DATA

Germany was among the first countries to implement the **General Data Protection Regulation** (GDPR) that came into force in 2018. **This legislation protects consumers' privacy across the EU today**. German citizens and the authorities are quick to contact any company not applying the regulations correctly.

For example, property company Deutsche Wohnen was fined €14.5m in 2019 after it was found to have stored tenants data unnecessarily[3]. The same year, fines of €195,407 were given to delivery company Delivery Hero Germany, which sent unsolicited emails and stored personal data of former customers, while a telecoms provider was fined €9.55m for lack of data security.

Data security and the use of technology come up again for German retailers in their use of artificial intelligence (AI). This is being used increasingly across the retail industry, and in others, to optimise logistics, drive interactions with consumers and provide actionable

Multichannel service relevance in Germany, 2020

Which of these services in the field of shopping would you like to use?

Service	%
Checking online whether the product is available in the store	45%
Return / replacement in the store of items ordered online	40%
Home delivery of products purchased in the store	35%
Ordering online then picking up in the store	33%
Online store locator	25%
Picking up purchased items in the store outside opening hours	21%
Buying in the store and returning by mail	19%

Source: Statista Global Consumer survey

insight for employees. AI is self-learning, so the controls that are put in place during the setup and initial training of an AI impact on future interactions with people or other machines. It also raises questions around responsible use and ethics.

German grocery chain Rewe has introduced **an AI manifesto that outlines the ethical use of AI** and dictates responsibilities for employees developing IT solutions with it. Among the guidelines is the point that software engineers developing or using AI have to take

responsibility. "An AI can only make decisions within the boundaries you defined," it says.

The manifesto reminds developers about inclusivity and unconscious prejudice so that **data used to train AI should reflect actual users' perspectives**. Customers also need to be told when they are interacting with an AI application rather than a live person[4].

IMPACT ON SHOPPER BEHAVIOUR

The desire to understand and be in control of their data and the implications on privacy may make it seem as though German consumers are risk adverse or very cautious shoppers. As shown in more detail further on in this report, **Germans want a sense of security when shopping online** – they value information about products and transparency.

The safe payment method of open invoices has become popular in Germany since such invoices allow shoppers to order online, have the items delivered and then inspect them before deciding whether to keep and pay for them, or return all or part of their order. **Easy returns, therefore, are important**. While behaviours are now starting to change in both the types of payment offered by retailers and the ones preferred by consumers, 'try before you buy' type behaviour remains.

Product reviews are popular in Germany, with shoppers trusting the opinions of other customers. Half of online shoppers say that they look at product reviews from other customers on the internet and find them very helpful. **A large majority of shoppers (65%) always conduct some sort of research online** when planning a major purchase.

When it comes to reasons for shopping online rather than visiting a brick and mortar store, consumer attitudes lean towards the convenience aspects of digital channels. Having an order **delivered directly to their home is the main reason given for shopping online** by 66% of consumers polled.

Online stores being open 24/7 ranks second among consumers as a driver for online purchases, with 'being a more convenient way to shop' coming third. This is closely followed by **57% liking lower prices** than in brick and mortar stores, along with a wider range of product availability. German shoppers are price sensitive, which is most obvious in the clothing and grocery sectors. Online's convenience factor drives behaviour across channels, with the ability to check online which items are available from a physical store the main driver of multichannel services.

[1] https://advisera.com/eugdpracademy/knowledgebase/eu-gdpr-vs-german-bundesdatenschutzgesetz-similarities-and-differences/
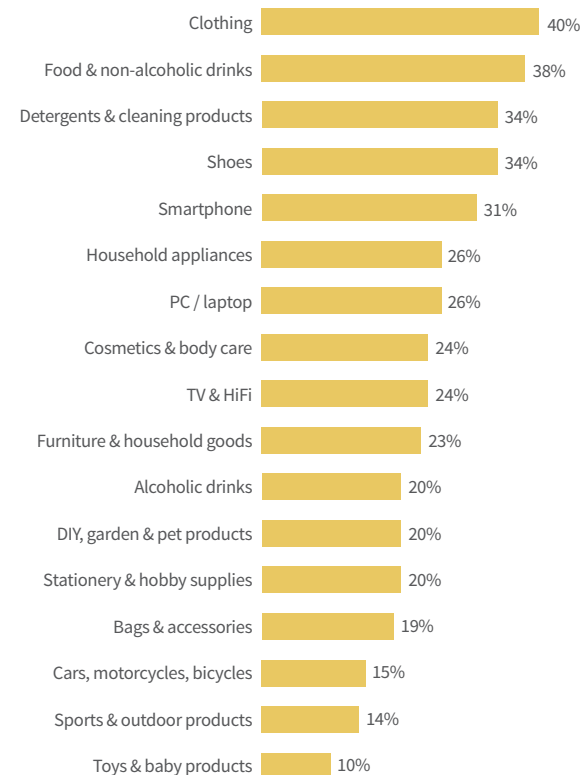[2] https://www.bbc.co.uk/news/technology-57160721
[3] www.linklaters.com/en/insights/data-protected/data-protected---germany
[4] www.rewe-digital.com/en/ai-manifesto.html

Importance of low-priced products in Germany, by category, 2020

For which of these products is a low price of particular importance to you?

Category	%
Clothing	40%
Food & non-alcoholic drinks	38%
Detergents & cleaning products	34%
Shoes	34%
Smartphone	31%
Household appliances	26%
PC / laptop	26%
Cosmetics & body care	24%
TV & HiFi	24%
Furniture & household goods	23%
Alcoholic drinks	20%
DIY, garden & pet products	20%
Stationery & hobby supplies	20%
Bags & accessories	19%
Cars, motorcycles, bicycles	15%
Sports & outdoor products	14%
Toys & baby products	10%

Source: Statista Global Consumer survey

A maturing market

Germany is a mature online market but offers opportunities for retailers with a long-term view

Germany is one of the more mature digital markets in Europe, with a **large percentage of the population using the internet and shopping online**. It's the 25-34 age bracket that is shopping online most often, with the majority of this group shopping online more than six times in the last three months of 2020 and 29% of them shopping online more than ten times during that period.

Those aged between 35 and 44 also shop online frequently, with 49% doing so six times or more during the latter months of 2020. Frequency of shopping online decreases with age but a fifth of older online shoppers aged 65-74 shop online at least twice a month.

These age groups also spend the most online, with **11% of shoppers aged 25-44 spending more than €1,000** online over the same three months. This is **higher than the EU average**, highlighting both the maturity of the German online market and the country's position as one of Europe's strongest economies. Even younger (16-24) shoppers spend more online than the EU average.

While many people already shop online in Germany, there is **plenty of scope for market expansion**. Many consumers are yet to become regular online shoppers, while the majority spend less than €300 online over three months. Retailers have an **opportunity to incentivise shoppers** towards larger basket sizes as well as increasing the number of times they purchase online.

The last three months of 2020 included a period when brick and mortar stores were closed in Germany due to the Covid-19 pandemic. This may skew figures slightly, with shoppers having to shift online and a percentage of the population shopping online for the first time.

Amount spent online in the last three months, by age group, 2020

Germany (GER) vs Europe, excluding UK (EU)

- Less than €50
- €50-€99
- €100-€299
- €300-€499
- €500-€699
- €700-€999
- More than €1000

Source: Eurostat

Frequency of online purchases in the last three months, by age group, 2020

Legend: 1-2 times | 3-5 times | 6-10 times | More than 10 times

Age group	1-2 times	3-5 times	6-10 times	More than 10 times
16-24	27%	42%	17%	14%
25-34	16%	32%	23%	29%
35-44	18%	33%	22%	27%
45-54	23%	37%	20%	20%
55-64	33%	37%	18%	12%
65-74	38%	40%	14%	7%
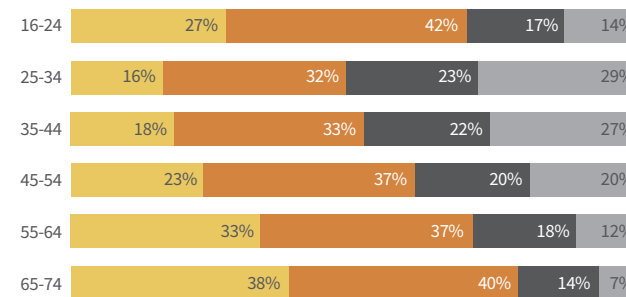
Source: Eurostat
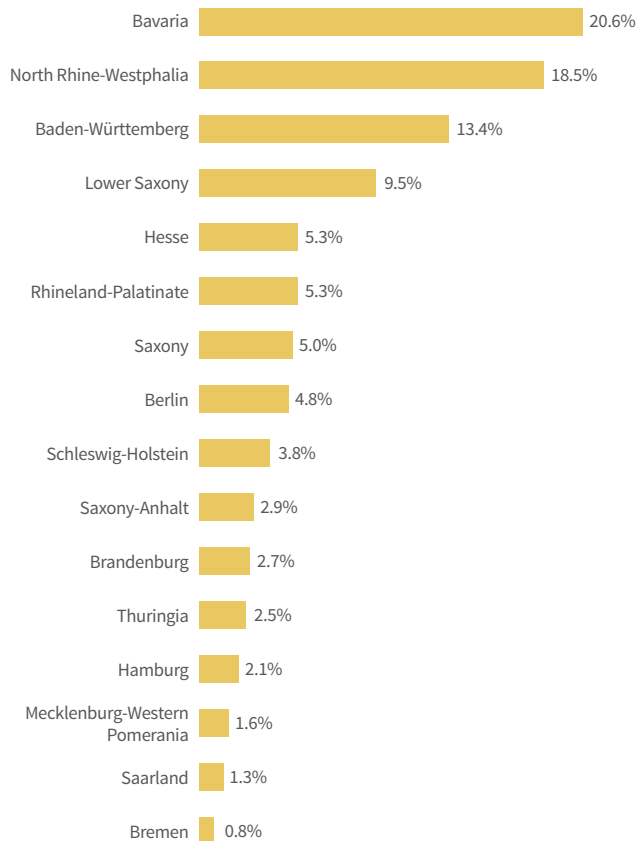
LOCATION AND DEMOGRAPHICS

What consumers are buying online differs by age group. This needs to be taken into account when taking a long-term view of the German market rather than seeing it as a quick win. Falling fertility rates, along with increasing life expectancy, are causing **an ageing population**, which will result in **different behaviour and spending patterns**.

While younger consumers are buying from fashion categories, purchasing among older age groups shifts towards more hobby pursuits, categories such as DIY, garden and pets.

Another demographic opportunity for retailers is capturing market share in those states with a high percentage of online shoppers. More than **half of Germany's online shoppers live in the three most populous states** of North Rhine-Westphalia, Bavaria and Baden-Württemberg.

Bavaria has a larger percentage of online shoppers than its population suggests, is home to automotive companies and ICT giants and has a per capita economic output far above the European average. **Berlin is another state in which a large percentage of the population shops online**. This could be because the city is a hotspot[2] for technology startups and ecommerce companies.

[1] https://ec.europa.eu/growth/tools-databases/regional-innovation-monitor/base-profile/bavaria

[2] www.businesslocationcenter.de/en/startup-capital-berlin/

Share of online shoppers in Germany, by state, 2020

State	Share
Bavaria	20.6%
North Rhine-Westphalia	18.5%
Baden-Württemberg	13.4%
Lower Saxony	9.5%
Hesse	5.3%
Rhineland-Palatinate	5.3%
Saxony	5.0%
Berlin	4.8%
Schleswig-Holstein	3.8%
Saxony-Anhalt	2.9%
Brandenburg	2.7%
Thuringia	2.5%
Hamburg	2.1%
Mecklenburg-Western Pomerania	1.6%
Saarland	1.3%
Bremen	0.8%

Source: Statista, VuMA

Most purchased category, by age group, 2020

Categories: Clothing, Shoes, Books, movies, music, games, Consumer electronics, Household appliances, Cosmetics and body care, DIY, garden and pet products, Drugstore and health products, Furniture and household goods, Bags and accessories

Legend: 18-24, 25-34, 35-44, 45-54, 55-64, All individuals

Source: Statista Global Consumer survey

Payment methods

As the payment market evolves, German consumers are moving away from their earlier internet habits

How German consumers pay for their online purchases has gone through a major transformation in recent years, with **many new payment services entering the market since 2014**. Some, such as giropay and paydirekt, have been launched by the banks, while Klarna's successful Buy Now Pay Later (BNPL) method is independent.

As ecommerce has matured, consumers' trust in new payment providers has increased and **digital wallets**, including **PayPal** and the German banks' **Paydirekt** service, are now the most popular way to pay. They offer consumers a certain level of privacy since banking details aren't shared with the retailer and they are secure – two factors that are important to German shoppers. The ease of using them to make payments on a smartphone will have speeded up their adoption as the use of smartphones for online shopping has grown.

Open invoice has been the predominant way to pay in Germany, allowing consumers to order products then pay for them at a later date once they've received and reviewed their goods. This works well for German consumers because they have a **high propensity to return goods, or order a replacement**. Although invoicing has now been taken over by digital wallets as the preferred way to pay, its use remains popular with 21% of online shoppers.

BNPL has been growing in popularity across Europe and Germany is no exception. The service lends itself to German consumers' preference for transparency since, as with open invoice, **BNPL services offer transparent conditions and no interest**. They also enable consumers to order items online secure in the knowledge that they can be returned before they have to be paid for.

Payment by instalments is popular, with PayPal launching the **PayPal Ratenzahlung**, (Instalments by PayPal) service to its 23m customers in Germany in 2016[1].

What is clear is that **the German payments market continues to evolve** and, as long as different consumers have preferred ways to pay for goods online, retailers need to be able to offer a range of services.

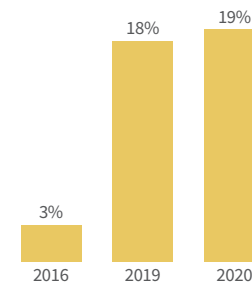[1]https://newsroom.paypal-corp.com/2020-06-29-paypal-launches-installments-in-france

Most popular payment methods for online purchases, 2020
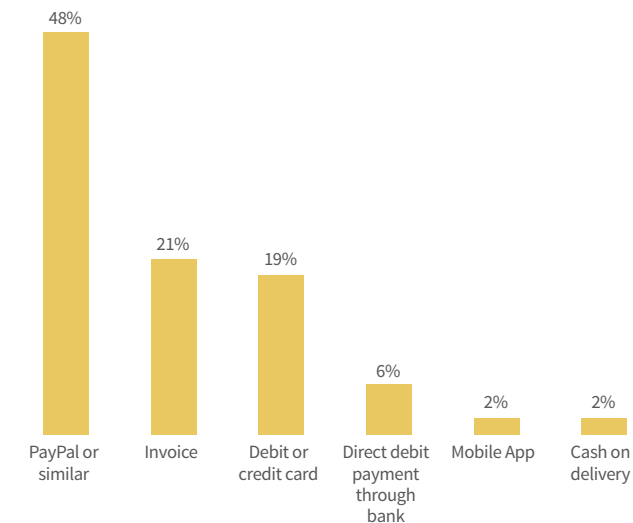
Source: Statista, PostNord

Market share of buy now, pay later (BNPL) in domestic ecommerce payments

From 2016 to 2020

Source: Worldpay, Statista

How German consumers shop

Mobile commerce is driving the use of shopping apps and social media purchasing

When German consumers shop online, they are **more likely to reach for their smartphone** than turn to a laptop or desktop computer. This rise in mobile commerce is affecting the use of mobile apps and social media, which are now ubiquitous throughout retail.
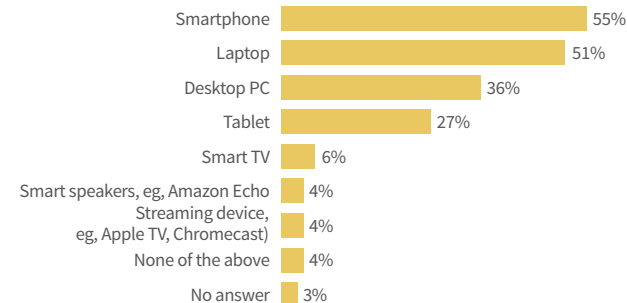
Vintage and second-hand fashion marketplace app **Vinted** (known as Kleiderkreisel in Germany) is **leading the iPhone shopping app download charts** in Germany and is one of the brands that has done well during the Covid-19 pandemic. Established in Lithuania, Germany was the first country into which the platform expanded. Growth has mostly been through word-of-mouth but in 2020, it became **a big hit on social media**[1].

Almost a **quarter of shoppers aged under 35 purchased goods on social media** last year and its importance will keep rising as this group's spending power increases.

[1] https://conquestconsulting.eu/companies-that-are-succeeding-during-the-covid-19-pandemic/

Online purchases in Germany, by device, 2020

Which of the following devices have you used for online shopping in the past 12 months?

Device	%
Smartphone	55%
Laptop	51%
Desktop PC	36%
Tablet	27%
Smart TV	6%
Smart speakers, eg, Amazon Echo	4%
Streaming device, eg, Apple TV, Chromecast)	4%
None of the above	4%
No answer	3%

Source: Statista Global Consumer Survey
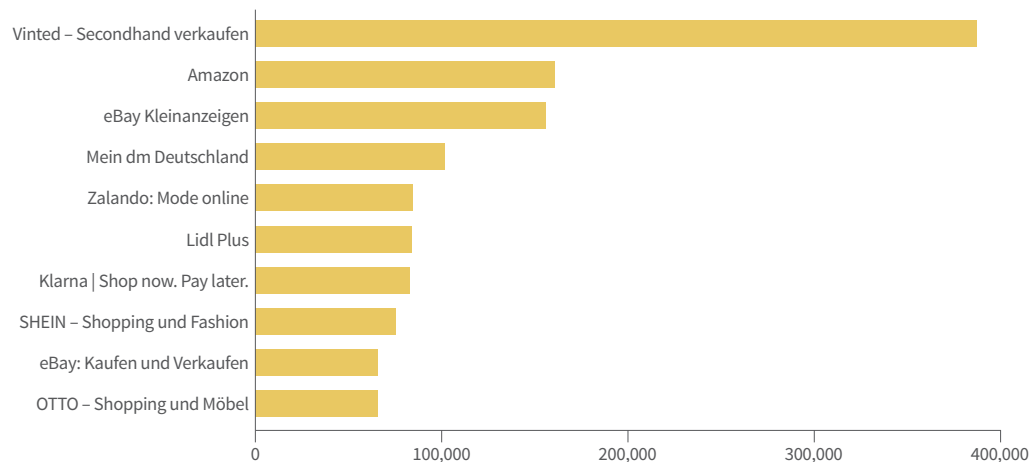
Share of people who purchased goods on social media, by age group, 2020

Age group	%
18-34	23%
35-54	12%
55+	3%
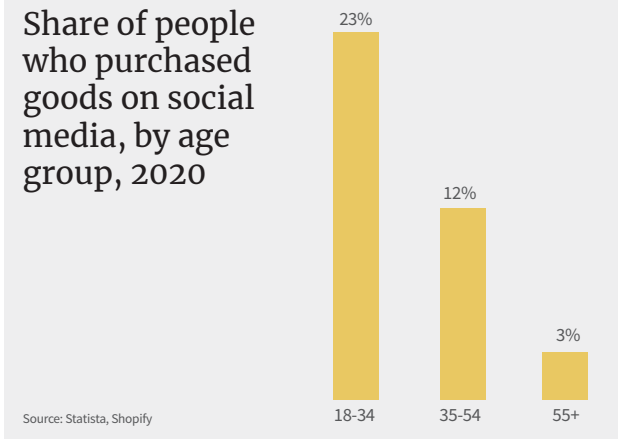
Source: Statista, Shopify

Leading iPhone shopping apps in Germany, by downloads, 2021

App	
Vinted – Secondhand verkaufen	~385,000
Amazon	~160,000
eBay Kleinanzeigen	~155,000
Mein dm Deutschland	~100,000
Zalando: Mode online	~85,000
Lidl Plus	~85,000
Klarna	Shop now. Pay later.	~85,000
SHEIN – Shopping und Fashion	~75,000
eBay: Kaufen und Verkaufen	~65,000
OTTO – Shopping und Möbel	~65,000

Source: Airnow, Statista

CASE STUDY

Douglas: premium beauty triumphs on social media

Premium beauty platform Douglas turned to **live streaming in response to shoppers' move to digital channels** in the summer of 2020. The innovative format of Douglas Live combines live tutorials and social commerce – with the audience able to interact as well as to purchase products featured during the presentation directly from the live stream feed from Douglas' website.

Tutorials are held several times a week with each one covering different types of products and brands that are sold on the platform. Some of the tutorials include discount codes for the products and are valid only for the duration of the broadcast. Others feature social media influencers, such as YouTuber Dana Rolle, while others still feature an appearance by the celebrity behind a beauty brand. **Alicia Keys joined the live stream to launch her new skincare range Keys Soulcare.**

While social media and live presentations are becoming familiar territory for beauty brands and retailers **the move to social commerce is still in its infancy in Europe**.

The mix of commerce and entertainment is clearly an innovation that shoppers enjoy – and it boosts sales. The sales figures of the products presented multiply during the broadcast with the format achieving a conversion rate of up to 40%, according to Douglas. On top of this, consumers spend more time on the website.

Douglas Live was particularly successful in the run up to Christmas when many consumers were buying gifts.
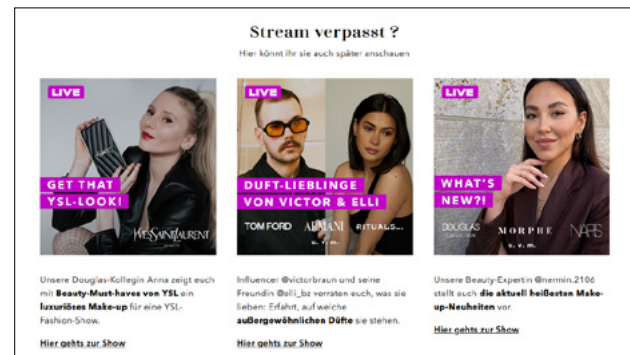
Live streams will become increasingly important in the years ahead

However, lockdowns and national measures to restrict the spread of Covid in the middle of the Christmas shopping period had a huge impact on the weeks of the year that usually generate the strongest sales for Douglas, according to Tina Müller, CEO, Douglas Group. Their impact was offset to a certain extent by the company's online offerings with Douglas increasing momentum through ecommerce thanks to a digital-first strategy. More than half of its sales in Germany are now attributed to digital channels.

During the Christmas quarter, the growth of new online customers was 81% higher than in the same period of 2019 with the number of online orders rising by 68% to a total of 8m. Online sales across digital and bricks and mortar stores in Europe account for €1bn of its €3.2bn revenue.

"Our platform strategy in ecommerce is working, as evidenced by our strong sales growth of around 60% to €1bn in the 2020 calendar year. We are resolutely continuing on this path with the further international roll-out of our initiatives and marketplace already being used in Germany, Austria and France. All these efforts are geared to our clear goal of realising €2bn in ecommerce as quickly as possible."

Vanessa Stützle, chief digital officer, Douglas Group

Grocery deliveries

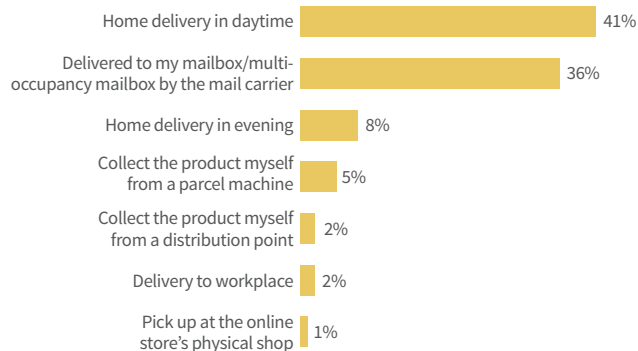## Grocers expand online offerings following rapid sales growth in 2020

2020 was a pivotal year for the online grocery market in Germany, with consumers turning to the internet at the start of the pandemic in record numbers. **Online food retail sales grew 126.8% in April 2020** compared to the previous year, pushing the market to a value of €308m, according to German ecommerce association bevh. Online grocery is in its infancy in the country, yet some retailers are now investing heavily in digital channels.

Hypermarket chain Kaufland bought the Real.de marketplace in 2020 relaunching it under the Kaufland brand in 2021. **Real.de now offers 25m products** listed across 5,000 grocery and non-food categories and has 32m monthly customers[1].

There is speculation that discounter **Aldi is preparing to launch ecommerce offerings**, with the rollout of a backend solution across 20 countries at a cost of €1.5bn[2].

Meanwhile, **Dutch pureplay Picnic is opening new distribution hubs in Germany** following a year in which its sales in the country increased six-fold[3].

Preferred methods of delivery in Germany, 2020

Method	%
Home delivery in daytime	41%
Delivered to my mailbox/multi-occupancy mailbox by the mail carrier	36%
Home delivery in evening	8%
Collect the product myself from a parcel machine	5%
Collect the product myself from a distribution point	2%
Delivery to workplace	2%
Pick up at the online store's physical shop	1%

Source: PostNord

Ecommerce consumer expectations of delivery time, 2020

1-2 days	3-5 days	6+ days
14%	75%	10%

Source: PostNord

[1] https://internetretailing.net/selling/selling/lidl-owner-acquires-marketplace-to-bolster-online-presence-21599
[2] https://ecommercenews.eu/aldi-prepares-for-ecommerce/
[3] https://ecommercenews.eu/picnic-doubles-revenue-eyes-expansion-to-france/

Returns of online purchases in Germany, by category, 2020

Which of these kinds of articles have you sent back after an online order in the past 12 months?

Category	%
Clothing	32%
Shoes	18%
Bags & accessories	6%
Consumer electronics, eg, TV, smartphones)	5%
Household appliances	5%
Books, movies, music & games (excluding downloads)	4%
Sports & outdoor products	4%
Cosmetics & body care	3%
DIY, garden & pet products	3%
Food & drinks	3%
Furniture & household goods	3%
Stationery & hobby supplies	2%
Toys & baby products	2%
I did not send anything back	53%
Other	2%
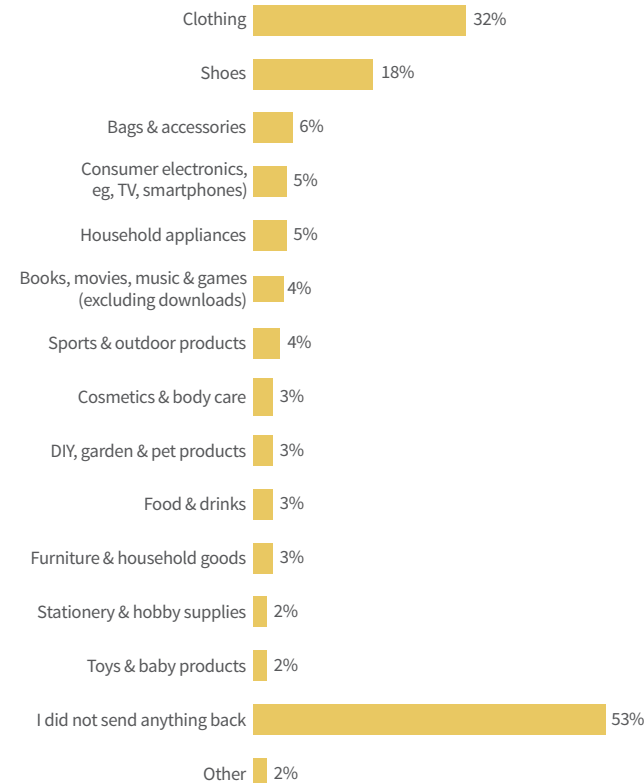
Source: Statista Global Consumer Survey

Covid-19

The pandemic accelerated ecommerce, adding customers along with an increased frequency that's likely to remain

2020 was an unprecedented year for the retail industry, which had to continue supplying goods to consumers while closing brick and mortar stores and keeping employees safe. **Changes in consumer demand caused supply chain issues**, while a huge rise in ecommerce put pressure on fulfilment activities. Of course, sectors were impacted differently and companies that already operated online before the pandemic managed to flex well.

The **grocery and pharmaceutical sectors saw particularly strong growth online**, with ecommerce association bevh reporting increases above 30% for this sector, with some seeing ecommerce rise by 53%.

Retailers handled the increase in orders well, with more than 95.3% of consumers saying they were either satisfied or very satisfied with the service they received during the pandemic – an improvement of 0.8 percentage points.

The dramatic shifts in consumer behaviour last year are expected to remain, with ecommerce having become more

ingrained in German shopping habits. Many **older consumers** (those aged 60 and older) shopped online for the first time and **now make up a third of online consumers**. Before the pandemic, this age group accounted for less than a quarter of online shoppers.

Shopping frequency has also changed, with **40% of consumers buying online more than once a week**. 75% say they would like to continue buying the same amount, if not more online, a rise from 50% a year ago.

Shifting to online purchases because of the Covid-19 pandemic, by category, 2020

As of 31 May, 2020, have you deliberately purchased any of these products or services online instead of offline because of the Covid-19 pandemic?

Source: ecommerceDB

German ecommerce growth, by category

Food & Personal Care is expected to profit the most from Covid-19 in Germany

Source: ecommerceDB
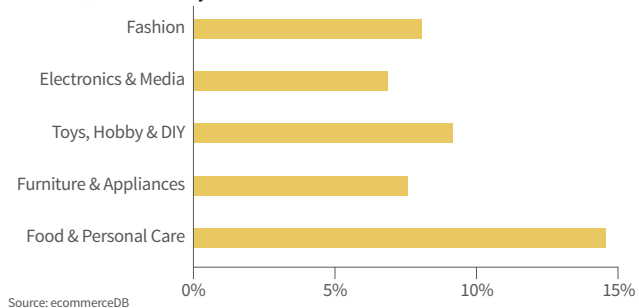
Holiday season

Non-essential brick and mortar stores closed ahead of restrictions on Christmas Day gatherings

Black Friday in Germany is a major affair, with the majority of shoppers usually planning to pick up a bargain online during the sale period. The popularity of **Black Friday** in Germany is unsurprising since the originally American shopping phenomena **was largely exported to other countries by Amazon**, which holds a major share of the German ecommerce market.
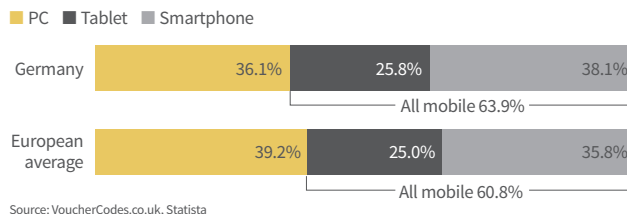
As Christmas 2020 approached, Covid-19 cases in Germany rose at an alarming rate, keeping shoppers away from brick and mortar stores. The increase caused the government to introduce strict measures in mid-December, with Angela Merkel and state leaders introducing a nationwide lockdown that included schools and non-essential stores from 16 December. Parents not classed as key workers also stayed home looking after children for the last few days of the school term[1]. **The internet, therefore, became the main source of Christmas presents.**

Bars and restaurants were already closed when the stricter measures were introduced but these new rules restricted families and friends gathering on New Year's Eve and only small gatherings were allowed over the core festive holiday. Some states went further, introducing **night-time curfews and banning people from leaving their homes** except for essential reasons.

[1] www.theguardian.com/world/2020/dec/13/germany-to-close-shops-and-schools-in-tightened-covid-lockdown

Christmas gift shopping locations during the pandemic in Germany, 2020

Online retailers
49%

In-store with local retailers
25%

In-store with large brands and retailers
18%

Online with multichannel brands and retailers
4%

Source: Quantilope

Devices used for online Christmas shopping, 2020

■ PC ■ Tablet ■ Smartphone

Germany: PC 36.1% | Tablet 25.8% | Smartphone 38.1%
All mobile 63.9%

European average: PC 39.2% | Tablet 25.0% | Smartphone 35.8%
All mobile 60.8%

Source: VoucherCodes.co.uk, Statista

Plans to shop on Black Friday in Germany, 2020

Do you plan to shop on Black Friday 2020?

Undecided 14%

Plan to 85%

Source: Black Friday GmbH , Statista
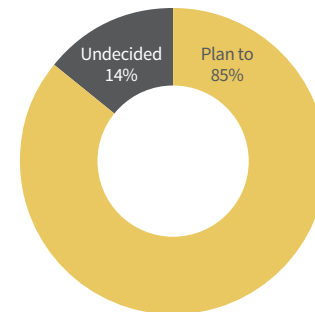
Coronavirus and Christmas present choices in Germany, 2020

How is the Covid-19 crisis influencing your choice of Christmas presents this year?

■ Disagree ■ Neither ■ Agree

I will be giving away fewer coupons/tickets to cultural events because the outlook is so uncertain: Agree 60% | Neither 8% | Disagree 32%

I will be giving away fewer vouchers for trips because the outlook is uncertain: Agree 60% | Neither 7% | Disagree 33%

I plan to spend more money on Christmas gifts because I have spent less on travel and cultural events this year: Agree 13% | Neither 9% | Disagree 78%

Source: Statista, FOM, IFES

The Largest 100

What does RetailX data say about the Largest 100 retailers that sell online in Germany?
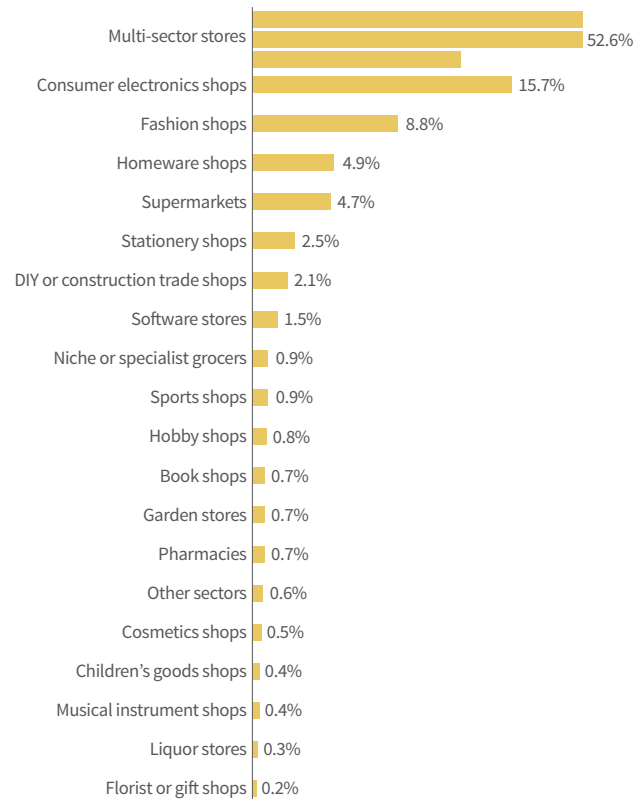
Understanding where – and in which categories – German shoppers browse when they are online offers useful insights into demand. Such data puts a spotlight on some of the commercial opportunities available to those retailers and brands that are considering investing in this market. RetailX researchers worked with SimilarWeb to explore customer visits to the Largest 100 websites in the German market.

The web traffic analysis is used here to show where key retailers selling to the German market are based. It shows the type of goods local online shoppers are interested in. It also shines a light on the way that German browsers explore other international markets, as well as on which international shoppers take an interest in German ecommerce stores.

Looking across the charts, the data highlights German consumers' love of marketplaces. **More than half of the unique visits to the largest 100 retailers over the last 12 months is directed at multi-sector stores**

Web traffic from the catchment to sectors

The percentage of unique visits over 12 months to the Largest 100 retailers, split by sector

Sector	Percentage
Multi-sector stores	52.6%
Consumer electronics shops	15.7%
Fashion shops	8.8%
Homeware shops	4.9%
Supermarkets	4.7%
Stationery shops	2.5%
DIY or construction trade shops	2.1%
Software stores	1.5%
Niche or specialist grocers	0.9%
Sports shops	0.9%
Hobby shops	0.8%
Book shops	0.7%
Garden stores	0.7%
Pharmacies	0.7%
Other sectors	0.6%
Cosmetics shops	0.5%
Children's goods shops	0.4%
Musical instrument shops	0.4%
Liquor stores	0.3%
Florist or gift shops	0.2%

Source: SimilarWeb, RetailX

Web Traffic destinations (HQ) from the region

The Largest 100 retailers in Germany are not necessarily headquartered in Germany. (See the chart on the following page.) This chart shows the percentage of unique visits to the Largest 100 retailers split according to where the company is based

Region	Percentage
USA	53%
Germany	34.1%
China (mainland)	2.5%
Netherlands	2.1%
Switzerland	1.8%
Sweden	1.4%
Austria	0.8%
Italy	0.7%
France	0.5%
United Kingdom	0.5%
Korea, Republic of	0.5%
Poland	0.5%
Japan	0.4%
Singapore	0.3%
Denmark	0.2%
Spain	0.2%
Taiwan, RoC	0.2%
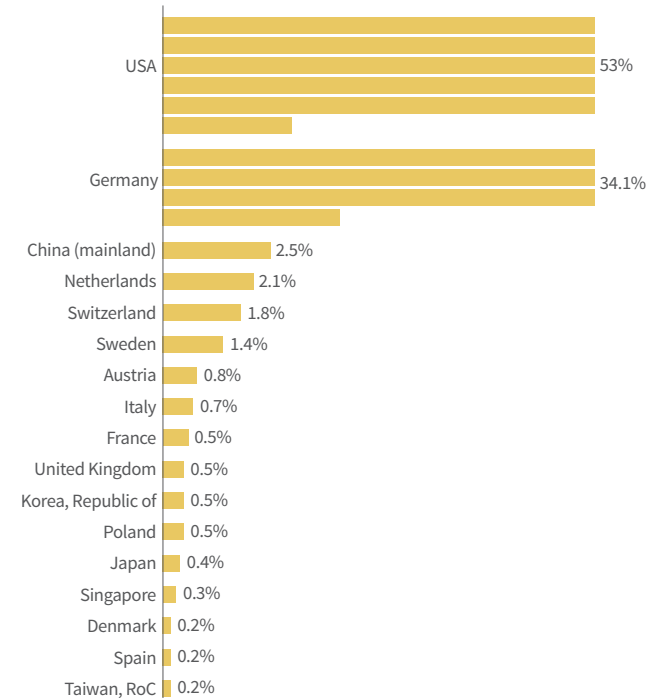
A huge proportion of web traffic goes to marketplaces (and, in particular, to Amazon and eBay) which are based in the USA. German-based companies are the dominant destination of web traffic when marketplaces are excluded

Source: SimilarWeb, RetailX

rather than consumers visiting retailers specialising in a specific category. With just 15.7% of unique visits, retailers of consumer electronics show the disparity in how people in Germany shop. This figure may be higher even than previous years since people have been working from home, and thus spending money on computer equipment and looking to digital channels and gaming for entertainment to fill leisure time.

The fashion sector, in third place for unique visits, accounts for 8.8% of visits.

It's interesting to see that a large proportion of German web traffic is directed towards ecommerce stores operated by retailers based in the US. Further analyses shows that these are predominantly marketplaces – and in particular Amazon and eBay. Both of these companies operate localised .de websites specifically for the German market.

German consumers are loyal to retailers headquartered in Germany as well. **More than a third of unique visits to German retail websites are from consumers within the country**. Examining the list of retailers within the Largest 100, we find that the majority of them are headquartered in Germany.

These retailers also receive a large part of their web traffic from outside of Germany. This highlights the international reach of some of Germany's major retailers. For example,

Web traffic sources of retailers headquartered in the catchment

Country	%
Germany	42.2%
Other	11.9%
USA	7.9%
France	6.0%
Poland	4.4%
Netherlands	4.0%
United Kingdom	3.4%
Russian Federation	3.1%
Austria	2.5%
Belgium	2.4%
Italy	2.4%
Switzerland	2.3%
Spain	2.1%
Sweden	1.7%
Canada	1.3%
Czechia	1.3%
Denmark	1.1%
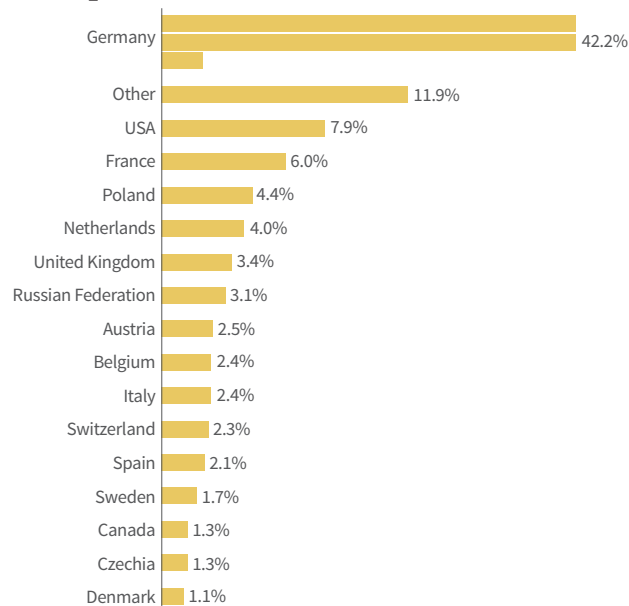
Source: SimilarWeb, RetailX

both fashion marketplace Zalando and beauty retailer Douglas have extended operations internationally and operate ecommerce sites across a number of countries in Europe. Douglas has bricks and mortar stores as well, although many of these will have seen reduced footfall or been closed at various times throughout 2020.

Countries where the Largest 100 are headquartered

The Largest 100 are selected based on web traffic from German consumers and are not necessarily based in Germany itself. This chart shows, however, that the majority of the companies are based in Germany

Legend: Germany, USA, China (mainland), Netherlands, France, UK, Korea, Republic of, Poland, Sweden, Others
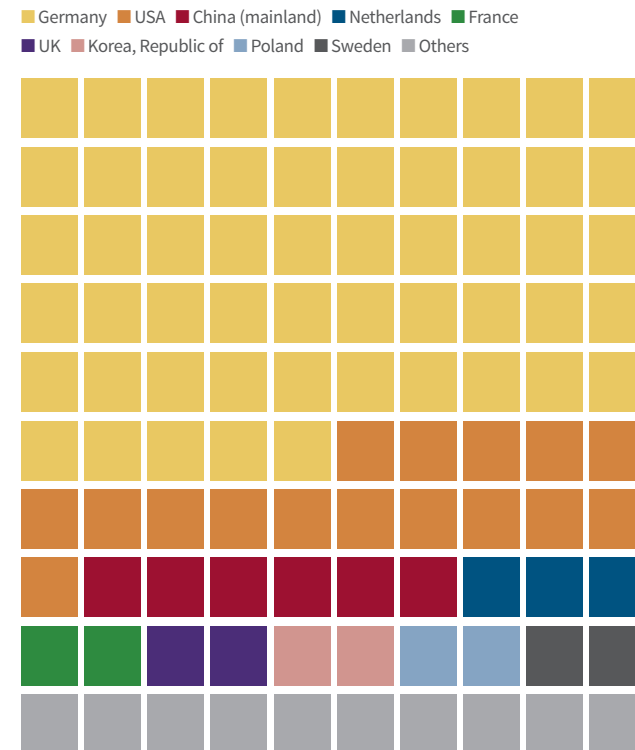
Source: RetailX

German election

Germany's election in September is pushing sustainability targets to the top of the political agenda and will have consequences for the retail sector

Germany is facing a political tipping point as it heads towards elections on 26 September 2021. **Chancellor Angela Merkel is standing down,** having stated in 2018 that she will not seek any political post after the end of her current term[1].

Merkel has been the leader of the centre-right Christian Democratic Union (CDU) party for 21 years and held the top position in German politics for 16 years. This longevity makes her Europe's longest-standing consecutive leader. As part of her tenure, she has seen the country go through major changes, including the **2008 global financial recession** and, more recently, the **Covid-19 pandemic**. However, the battle that lies ahead for the CDU to retain its majority in the Bundestag (German parliament) might be an equally tough challenge.

Many Germans are **disappointed by how the government has handled the health crisis**, particularly in its reaction to the second and third waves of the disease and a slow rollout of vaccinations. Germany joined with other EU states in the mass purchase of vaccinations in a move that has subsequently put member states behind other countries in vaccinating citizens. Germany's online portal for booking vaccinations is causing issues as well.

Restrictions in people's movement and the temporary closure of brick and mortar retail establishments classed as non-essential caused dissent amongst retailers and consumers alike. As well as closing stores in March 2020 when the pandemic first hit Europe – **at a cost of €26bn in lost revenue to the retail sector** – many physical stores closed on 16 December ahead of the busy Christmas shopping period. Retailers brought a number of legal cases against regional governments, which held the power to introduce local measures to slow infection rates, in the hope of getting their stores reclassified as 'essential' so that they could remain open.

The **federal government currently retains the legal right to reintroduce measures** to curb people's movement if infection rates rise again. This 'emergency brake' could see it closing schools or introducing night-time curfews[2]. It could also instigate a return to the temporary closure of stores, stopping people from physically shopping in certain stores and only able to click and collect or shop online. This would be introduced if infection rates in Germany rise to between 100 and 150 per 100,000 people.

It is unlikely that a single party will take power in the Bundestag

The government has been **criticised by some for opening Germany's border to migrants in 2015** and giving temporary asylum to more than a million refugees. This move had repercussion in following years and was a core reason behind the rise of the anti-immigration party, Alternative for Germany (AfD), which has attracted some votes away from conservative right-wing parties.

Political corruption within the CDU resulting in three members of Germany's Bundestag resigning this year is not helping it in the polls. **62% of voters say they are less satisfied with the party**, following record approval in 2020. The same poll puts the Greens ahead by 4pp.

The amalgamation of East Germany's Alliance 90 and West Germany's Greens has been attracting significant numbers

of left-leaning voters, with co-leader **Annalena Baerbock being particularly popular with voters**. 28% of German voters say that they would vote her in as chancellor if the political system allowed. However, voting for a chancellor is the first job of the new parliament, with the candidate typically drawn from the party holding the majority of seats.

Speculation as to the outcome of the election continues, with the likely position (at the time of writing) being a **coalition between the CDU and The Greens**. The alternative is the 'traffic-light' option of centre-left Social Democrats (SPD), the centre-left Greens and the right-liberal Free Democrats (FDP), as indicated by two major regional elections. This follows the CDU's worst results ever in two traditional strongholds[3].

CDU INTRODUCES SUSTAINABILITY BILL
All of the political parties, including the CDU, are pushing green credentials in a bid to win voters. In May, **Merkel announced that Germany would become carbon neutral by 2045**, five years ahead of its previous target. The sustainability bill will see the country reducing carbon emissions by 88% by 2040 in order to hit its deadline.

However, the bill was introduced following legal action by environmental groups and a decision by Germany's top constitutional court that **older generations should share the burden of reducing emissions and not leave it to young people**. "The freedom of those living today has to

be protected, but also the freedom of future generations," it ruled. The court called on the government to declare the course it would take to tackle climate change post-2030.

Merkel said at the time that while she understands frustration about the speed of combating climate change, the CDU also has to ensure that parliamentary majorities allow action to be taken[4].

So, what will these changes mean to business in Germany? Whether the Greens take the majority in the Bundestag or just increase the number of seats they hold, **Germany is on a challenging path to combat climate change over the next 24 years**.

Investments in clean hydrogen, and possibly carbon capture, are on the cards, according to think tank Agora Energiewende. **It is estimated that it will cost €250bn on top of the investment required for its existing 2030 environmental targets** – around 3% of GDP[5].

Other measures include: having 14m electric vehicles on the road by 2030 and ending the sale of new petrol and diesel cars by 2032; phasing out the use of coal by 2030, eight years ahead of the original target; and increasing renewables to account for 70% of all energy generated.

These strong environmental commitments put pressures on industries to reduce their impacts, as well as engaging

> ### "The freedom of those living today has to be protected, but also the freedom of future generations"
> Court ruling on climate change

companies throughout supply chains. **Getting to net zero is not something that a country, businesses or people can do alone**. Working together with legislation backing up the commitments that consumers want is a way forward which will see companies changing in order to follow where they are legally led by government and pressured to do so by consumers voting with their wallets.

While business does want to change, there are already companies within the retail industry that are pushing far ahead of government legislation. Brands and retailers entering the German market will need to keep the environment front of mind when dealing with authorities, consumers and the marketplaces on which they sell. The balance of 'money over planet' is quickly shifting.

[1] www.bbc.co.uk/news/world-europe-46020745
[2] www.bbc.co.uk/news/world-europe-56829377
[3] www.newstatesman.com/world/europe/2021/03/spectre-left-led-traffic-light-coalition-rising-germany
[4] www.independent.co.uk/news/germanys-merkel-build-political-majority-vs-climate-change-angela-merkel-berlin-germany-one-cabinet-b1848057.html
[5] www.bloomberg.com/news/articles/2021-05-11/germany-s-2045-net-zero-goal-means-accepting-unpopular-technologies

Zalando: Leading by example

German fashion platform Zalando has been **on a mission to have a positive impact** on the planet and people since 2019, by aiming to give back more to society and the environment than it takes. Its vision includes targets for its own business as well as the brands selling via its platform.

Significant progress has been made in the year and a half since the strategy launched. The Berlin-based retailer and marketplace now requires that all brands selling via its site use the Sustainable Apparel Coalition's updated version of the Higg Brand & Retail Module to **measure both the environmental and the social impacts** of their business

and submit data to it. This is applicable to more than 3,500 brand partners and private labels.

Zalando uses data ranging from fair wages and human rights, to CO_2 emissions, in order to **track trends in its supply chain**, gain a better understanding of how goods sold on its site are made and develop solutions to help both its suppliers and its own business to improve.

Another target has been set for 2023 **requiring Zalando to generate 25% of gross merchandise volume (GMV) from sustainable products** and for the business to be working only with partners that meet its ethical standards.

The retailer is quick to point out that it doesn't expect suppliers to make any changes that it isn't prepared to instigate itself – **Zalando aims to lead by example**. Its sustainability agenda is organised across the three pillars of planet, products and people. It has so far set science-based targets to reduce its operational carbon emissions

Zalando measures its own sustainability to encourage others

by 80% and carbon emissions coming from the production of private label products by 40%. Zalando is already using 100% renewable electricity in its own operations, which has resulted in a **64% decrease in emissions since 2017**.

Over the past year, the number of sustainably manufactured or sourced garments for sale on its platform tripled to 80,000 products, 16% of GMV was generated by the sale of sustainably produced products and 250 brands reported on their own sustainability activities. However, the platform **still has work to do in educating consumers**. A recent survey it conducted found that while consumers care about sustainability, the same level of sentiment isn't carried over to sustainable fashion.

> "We made big steps in 2020 and we encouraged our partners to do the same. We are excited and encouraged by the progress we have been able to make. This validates our ability to act and scale solutions fast. Therefore, we are accelerating our efforts by raising our target of GMV generated by more sustainable products"

Kate Heiny, director sustainability, Zalando

Figures

Germany report data sources

To supplement our own research in our analysis for this report, we drew on these sources. While each one is referenced next to the chart or graphic they are used in, for transparency, here are all the links:

Population:
www.worldometers.info/world-population/germany-population/

https://ec.europa.eu/eurostat/data/database

GDP: www.quandl.com/data/ODA/DEU_NGDP-Germany-GDP-at-Current-Prices-LCU-Billions

https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/germany/economic-forecast-germany_en

B2C turnover: www.bevh.org/

www.haendlerbund.de/en

https://ecommercedb.com/en/markets/de/all

Logistics performance index: https://lpi.worldbank.org/

Ease of doing business:
https://data.worldbank.org/indicator/IC.BUS.EASE.XQ?locations=DE

E-government development index:
https://publicadministration.un.org/egovkb/en-us/data-center

Internet inclusive index:
https://theinclusiveinternet.eiu.com/explore/countries/performance

Integrated index for postal development: www.upu.int/UPU/media/upu/publications/2020-Postal-Development-Report.pdf

Attitudes towards online shopping:
www.statista.com/global-consumer-survey

Drivers of online purchases:
www.statista.com/global-consumer-survey

Multichannel service relevance:
www.statista.com/global-consumer-survey

Importance of low-priced products by category:
www.statista.com/global-consumer-survey

Internet purchases – money spent by age group:
https://ec.europa.eu/eurostat/data/database

Frequency of online purchases by age group:
https://ec.europa.eu/eurostat/data/database

Share of online shoppers: www.statista.com/statistics/786561/online-shopping-share-of-shoppers-by-state-germany/

Most purchased category by age group:
www.statista.com/global-consumer-survey

Most popular payment methods for online purchases:
www.statista.com/statistics/434341/e-commerce-popular-payment-methods-germany/

Market share of Buy Now, Pay Later (BNPL) within domestic ecommerce payment:
www.statista.com/statistics/1233850/online-bnpl-penetration-country/

Online purchases by device: www.statista.com/forecasts/998672/online-purchases-by-device-in-germany

Share of people who purchased goods on social media by age group:
www.statista.com/statistics/1192455/share-of-people-who-purchased-goods-on-social-media-by-age-group/

Leading iPhone shopping apps: www.statista.com/statistics/700084/leading-iphone-shopping-apps-in-germany-by-downloads/

Preferred methods of delivery:
www.postnord.com/media/publications

Returns of online purchases by category: www.statista.com/forecasts/998730/returns-of-online-purchases-by-category-in-germany

Ecommerce consumer expectations of delivery time:
www.postnord.com/media/publications

Shifting to online purchases because of the Covid-19 pandemic, by category: https://ecommercedb.com/

German ecommerce growth by category: https://ecommercedb.com/

Christmas gifts shopping locations during COVID-19:
https://app.quantilope.com/share/K4LTSBrtqLmxjdkR8?type=dashboard

Devices used for online Christmas shopping:
www.statista.com/statistics/1194644/devices-used-in-europe-for-online-christmas-shopping/

Plans to shop on Black Friday: www.statista.com/statistics/1183150/black-friday-shopping-plans-germany/

Coronavirus and Christmas present choices:
www.statista.com/statistics/1191637/coronavirus-covid-19-christmas-present-choices-germany/

Conclusion

2020 will be looked back on as **the year that ecommerce in Germany accelerated**. The country may be the largest economy in Europe but in terms of ecommerce, it still falls behind the UK and France.

Consumers changed their shopping behaviour during the pandemic. While this was dictated partly by the temporary closure of brick and mortar stores, many of the new customers attracted to buying online have continued to do so. For those who were already shopping online before the pandemic, the frequency of shopping has increased. Indeed, when surveyed at the end of May 2020, **the majority of consumers** said that they had **made a conscious effort to buy something online rather than visiting a physical store**.

Many small retailers launched online for the first time in response to footfall to their brick and mortar stores reducing, or stores having to close temporarily. The switch to online then enabled them to keep on serving loyal, local shoppers as well as extending their reach to new, more distant consumers.

These new patterns of consumer behaviour and the advantages for retailers of operating an online store are expected to remain in place. While older shoppers with a high level of disposable income make up a third of online shoppers, it is the younger consumers with a growing appetite for buying on credit that will shift perceptions, since historically Germans have avoided debt. **Buy now, pay later will become as linked to German consumers as their desire for high quality and transparency**, or their tendency to complain if they are not happy with their purchase.

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