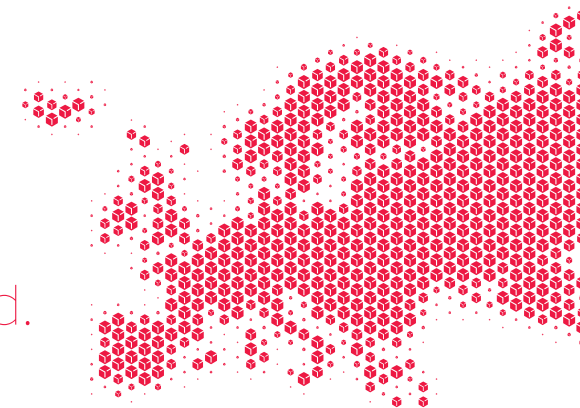




European
e-shoppers
in 2020





Until 2019, the e-commerce space was highly concentrated. This reality changed in 2020.

“E-commerce in Europe has been steadily growing over the past several years, registering particularly strong growth in 2019 (14.2% vs. 2018). **E-commerce was among the fortunate few sectors to develop a positive momentum in 2020**, within the context of the Covid-19 pandemic. Despite continued growth, however, the industry did not entirely escape the pandemic’s impact. Based on our deep understanding of European online shopping trends and habits, we’ve looked into how the health crisis has affected e-commerce.

With health restrictions and lockdowns limiting, if not closing, access to traditional retail stores, Covid-19 has fast-forwarded e-commerce across the globe three to five years ahead of what the industry was prepared for. **In the EU alone, 15 million new e-shoppers appeared in 2020** vs 2019.¹

In only a few months, we’ve witnessed great transformation. Product category preferences have also shifted drastically, while the growing trends of conscious consumerism and sustainability have gained further momentum.

All e-shoppers have increased the frequency of their purchases, and this, coupled with the arrival of novice e-shoppers, has generated unprecedented peak-period volumes since spring 2020. Among the recent adopters of online buying, we’ve identified the emergence of a new e-shopper persona, adding even greater diversity to the existing array of e-shopper profiles and creating what we’ve dubbed ‘**super stretch e-commerce**,’ i.e. the remarkable differences in shopper profiles that the industry serves, from millennials to seniors, experts to novices.

While e-commerce players strive to keep up day-to-day with the ongoing, heavy demand, our analysis provides guidance for this volatile landscape and sheds light on the long-term consequences the pandemic will have on Europe’s e-commerce industry.”

Jean-Claude Sonet,
DPDgroup’s Executive Vice-President
in charge of Marketing, Communication & CSR.

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This 2020 brochure is based on data from previous DPDgroup e-shopper barometer studies and third-party sources.

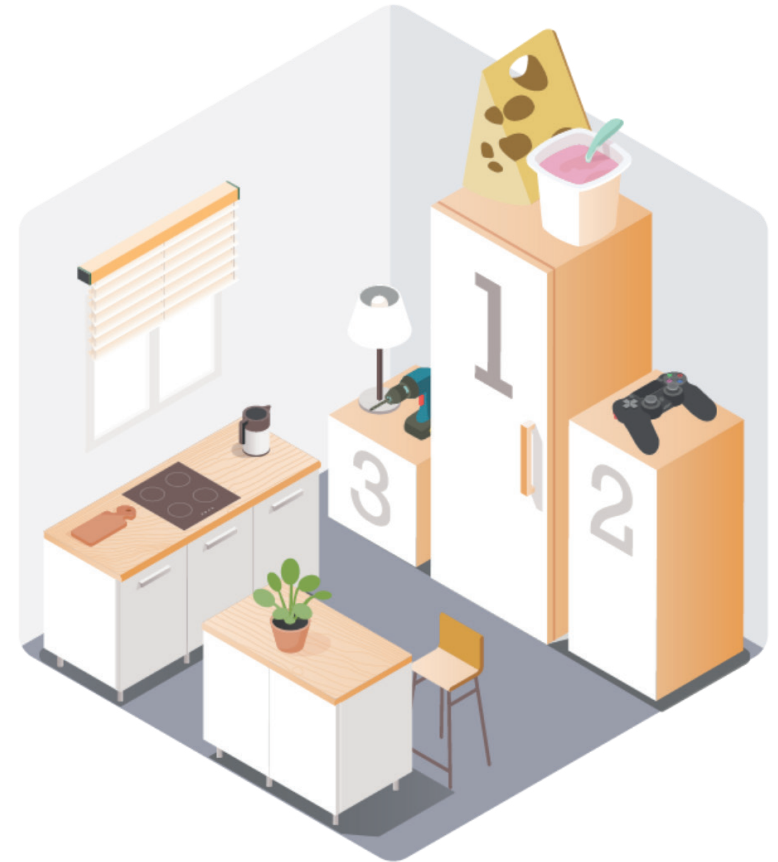
1 - Source: Europe 2020 Ecommerce Region Report, Ecommerce Europe and EuroCommerce, July 2020.

Shifting categories purchased online

Faced with the profound disruption of the Covid-19 pandemic and the widespread implementation of lockdown measures, consumers had few options for obtaining essential and non-essential items conveniently and safely. Many turned to e-commerce, resulting in an unprecedented surge in online retail. However, not all categories experienced the same degree of growth. Fashion, long one of the favourite online categories worldwide, dropped significantly in 2020, placing it second to last in terms of performance, and slightly ahead of luxury.

High-tech, cosmetics, home furnishing/ DIY and sports equipment all showed impressive growth, but the **big winner in**

2020 was the grocery category, whose online purchase volumes reached unheard of levels worldwide: grocery stores experienced a 95% increase in transactions between March and December.² Consumers eating far more often at home drove online grocery purchases, influencing demand in categories such as healthy food, treats, ready-to-cook, and ready-to-eat meals. In certain areas of Europe, food and drink value sales actually outperformed non-food. Overall, online food shoppers in 2020 chose more frozen and packaged fresh food and cleaning products and fewer sweets, impulse, seasonal, and beauty products than in previous years.



DPD BeLux expert opinion

"The crisis has made people behave differently, and they have arbitrated between the barriers of buying food online and convenience. The Covid-19 pandemic has underscored just how much online grocery shopping has evolved and the importance of providing today's shoppers with the convenience, diversity, and flexibility they seek from online grocery buying. DPD BeLux launched DPD fresh, a brand-new express transport offering with next day delivery, suitable for ambient, fresh, and frozen products."

Koen Verlaenen,
General Manager DPD fresh

New habits and expectations



The impact of the health crisis and its accompanying containment measures deeply affected the habits and behaviours of e-shoppers. **Purchase frequency overall increased** across a wide variety of retail categories, and as people became accustomed to buying more things online, they showed a greater willingness to **give unfamiliar online brands and retailers a try**. With many parcel shops closed, there was an unprecedented demand for **home delivery, as well as locker delivery** in some European countries, regardless of product category. **Contactless deliveries** were introduced and met with immediate popularity, while flexible delivery options such as the ability to select a delivery date and time were especially appreciated in the context of working from home.

Our 2019 e-shopper barometer had already indicated strong website loyalty among confirmed e-shoppers, due primarily to a positive overall experience with their preferred e-tailers, from browsing for items to payment options to fast and flexible delivery services.

In 2020, while trusted brands and platforms still received the lion's share of purchases, there also appeared to be a growing interest in **local and national online shops**, as well as a certain open-mindedness to new websites. Moreover, this phenomenon was not limited to the major players; e-commerce businesses of all sizes gained customers. According to a survey of over 13,000 consumers globally, three out of 10 discovered small merchants they previously didn't know about (29%) and direct-to-consumer brands (28%).³



DPD Germany expert opinion

"The health crisis has taken e-commerce's steadily rising popularity and multiplied it so quickly that many e-tailers are struggling to keep up with the booming demand. Delivery companies in turn must scale up their services to meet e-tailers' needs and expectations. In Germany, we were able to maintain a high service level throughout the pandemic, e.g. by implementing adapted services and hiring additional staff in order to ensure that e-shoppers received their parcels smoothly and swiftly."

Andreas Reiß,
Chief Sales Officer at DPD Germany

³ - Source: Criteo, Loyalty & Lockdowns: How Consumers Discover New Online Stores, July 2020

The senior e-shopper

Another result of the health crisis was the sudden growth of the “senior e-shopper” profile. **Aged 55 and older**, this group existed prior to the Covid-19 pandemic as indicated in our 2019 e-shopper barometer. However, this type of online shopper became increasingly present over the year. Driven to e-commerce more out of necessity than desire, this group exhibits many of the behaviours associated with novice e-shoppers, i.e. their website choices are **heavily influenced by trust**, and they are less demanding in terms of delivery options than more experienced e-shoppers are.

Senior e-shoppers show a marked preference for desktop/laptop buying rather than mobile devices and are overall less likely to use social media than younger digital shoppers. The role of social media in this group’s purchase

experience is therefore limited, both in the decision-making process and in post-purchase. Senior e-shoppers are warier of the e-shopping experience than younger buyers and tend to have a more **traditional approach to shopping and paying** (i.e. using price comparison tools, reading product descriptions, preferring credit cards to digital wallets). Despite this wariness, senior e-shoppers are generally satisfied with the online shopping experience: 68% consider it to be extremely easy (vs. 51% of 18-34yo).⁴

68%

of senior e-shoppers consider the online shopping experience to be extremely easy



DPDgroup expert opinion

“Until 2019, the e-commerce space was highly concentrated (45% of e-shoppers, the regular ones, accounted for 85% of online purchases). This reality changed in 2020: occasional e-shoppers became regular buyers, as their purchase frequency increased. We also noted the arrival of new e-shoppers with a growing importance: the senior e-shopper profile.”

Hervé Crochet,
Group E-commerce Director at DPDgroup



4 - Source : Criteo survey of over 13,000 consumers globally

The need for sustainability



An increasing sensitivity to issues of responsibility and sustainability was one of 2019's key take-aways; our 2019 e-shopper barometer noted that **70% of European regular e-shoppers consider that brands and companies have to be environmentally responsible**. As a result of heightened awareness of global issues due to the pandemic, as well as the multiplication of product offers with differing claims and positioning, the appeal of green options and sustainable solutions became even more evident this year.

For many consumers, the unavailability of brick-and-mortar shops due to forced closures moved them to reassess their shopping habits

and environmental impact. The result was greater eco-awareness in terms of health, product safety, food waste, and climate action. This growing conscious consumerism that we had focused on in our 2019 e-shopper barometer translated into **strong growth for the second-hand market, higher demand for eco-friendly delivery options, and greater attention to product recyclability**.

70%

of European regular e-shoppers consider that brands and companies have to be environmentally responsible



DPD Netherlands expert opinion

"The increasing eco-awareness of e-shoppers is a driver for DPD in the Netherlands to significantly reduce the CO2 emissions in our first and last mile. In 2025, we will deliver throughout the 30 largest cities in the Netherlands with a zero-emission fleet. To accomplish this, we are investing in an electric charging infrastructure and will replace 400 diesel vans with electric vehicles. At the same time, we are partnering with the main Dutch digital commerce network to make our footprint transparent to e-shoppers and give them the opportunity to select the most sustainable delivery mode for their parcels."

Anoeek van Dooremaal,
Compliance, Security & Sustainability Manager at DPD Netherlands

Long-term staying power

Going forward, the clear question is **to what extent these new behaviours will stick**. Will consumers who adopted e-shopping during lockdown pursue their e-commerce patronage over the long term? Will online food shopping remain as popular as it was this year? Will consumers continue to show greater interest in purchasing locally and nationally?

Over the summer months, when restriction and containment measures were relaxed, these new behaviours did persist to a certain extent. The second wave of lockdowns undoubtedly boosted online retail transactions, reinforcing new habits as well.

Studies show that **over 70% of consumers plan to continue their new shopping habits post-pandemic** and nearly 9 out of 10 people worldwide intend to spend money in the future

> 70%

of consumers plan to continue their new shopping habits post-pandemic



at an online store that was previously unknown to them. And in light of the health and economic context, there is little reason for e-shoppers to abandon the convenience and attractive prices that they find online.

But there are caveats: first and foremost, the overall online shopping experience must remain positive in order for e-shoppers to continue. Second, many feel that e-commerce websites and brands should maintain their efforts to achieve a reduced carbon footprint, including changes to product delivery and sourcing. It is in the industry's best interest to take heed.



DPDgroup expert opinion

"We've noticed a change not only in e-shoppers' behaviour but in physical retail as well, which leads us to feel quite optimistic about the future of e-commerce. We will undoubtedly continue to see very positive trends considering the convenience of the e-commerce channel."

Carmen Cureu,
Market Research Director at DPDgroup

Key take-aways



1. Food, formerly a niche product, has dethroned fashion and shoes as the category most often purchased online.



2. An omnichannel approach has become an essential ingredient in e-tailers' success, obliging them to develop an online offering and appropriate delivery methods (e.g. Click & Collect) to continue selling their merchandise during the health crisis.



3. In order to maintain momentum, e-commerce must stretch itself to meet the needs and expectations of varying groups of buyers, from aficionados⁵ to seniors. The **senior e-shopper**, a relatively new profile with a traditional shopping style, offers buying power that justifies e-tailers' investment in their onboarding and positive online experience.



4. The desire to set a time for delivery is very important to buyers, as it meets new needs in post-pandemic lifestyles such as home office life. **Next-day delivery** continues to grow in popularity, especially for perishables. **Contactless delivery as well as multiple delivery choices** are also key.



5. Sustainability must be an active constant for all e-commerce players as e-shoppers research eco-friendly products and services.



⁵-Aficionado e-shoppers make 34% of all online purchases and show a marked preference for online vs in-store buying. They are heavy shoppers with many years of experience and high purchase frequency who love the ease and convenience of the e-shopping experience.



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