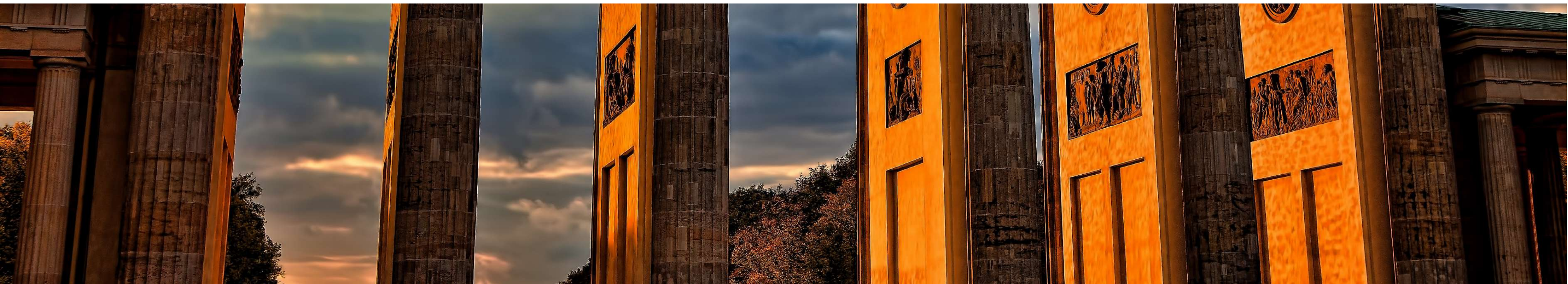




Ecommerce Report: Germany

2019

LIGHT REPORT



Thank you for reading this report

Thank you for downloading this report. We hope it will help you take the next step in selling online in Germany.

The Ecommerce Foundation is an independent organization, initiated by worldwide national ecommerce associations as well as online and omnichannel selling companies from industries such as retail, travel & finance. Our **mission** is to **foster global digital trade** as peace is the natural effect of trade. By facilitating digital commerce we hope to make the world a slightly better place.

If you like our reports, please visit our report page on www.EcommerceWiki.org. On this page, you will find a large collection of **Ecommerce Country Reports for free**.

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SAP Customer Experience is a business unit of SAP, providing omnichannel customer engagement and commerce solutions that allow organizations to build up a contextual understanding of their customers in real-time, deliver a more impactful, relevant customer experience and sell more goods, services and digital content across every touch point, channel and device. Through its state-of-the-art customer data management, context driven marketing tools and unified commerce processes, SAP Customer Experience has helped some of the world's leading organizations to attract, retain and grow a profitable customer base.



Asendia is one of the world's top three international mail, shipping and distribution organisations, delivering your packages, parcels and documents to more than 200 destinations across the globe.

We combine the experience and expertise of our founding companies, La Poste and Swiss Post. As a joint venture, we bring together a wealth of international and local expertise and connections. Today we employ over 1,000 people in fifteen country offices in Europe, Asia and the USA - a global network blended with a local presence.



We are Osudio. An award-winning digital agency. We are part of the SQLI group and one of Europe's largest and most experienced e-business specialists.

Having worked in e-business since the 90's we understand what works, what doesn't and what drives growth. Many of our national and international clients are market leaders. Our goal is to help them evolve their business model so they can excel in every market or channel.

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Computop offers local and innovative omnichannel solutions for payment processing and fraud prevention around the world. For e-commerce, at POS and on mobile devices, retailers and service providers can choose from over 350 payment methods.

Computop, a global player with locations in DE, CN, UK, USA, processes transactions for more than 16,000 retailers annually, with a combined value of \$ 34 bln.



.shop is a domain name for ecommerce. Short, meaningful and relevant, .shop allows ecommerce businesses to choose a brandable online address that instantly identifies ecommerce websites to online shoppers around the world. A .shop domain name can also help offline retailers and service providers to be discoverable online. For businesses, .shop domain names are a more powerful marketing tool and can be used to distinguish their corporate website from their online shop, and provide an enhanced user experience for their customers.



Ecommerce Foundation is an independent organisation, initiated by national ecommerce associations worldwide and omnichannel-online companies from the retail, travel, and finance industries.

Our mission is to facilitate ecommerce through the development of practical knowledge, market insights, and services.

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#1

GERMANY OVERVIEW

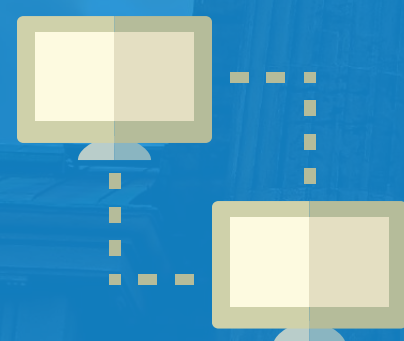
AREA: 357.022 KM2

CAPITAL: BERLIN

CURRENCY: Euro (EUR)



Government:
Federal Republic



Internet users (2018):
88.58%

Main device used for Internet:
Desktop, 54.49%

URL country code:
.de



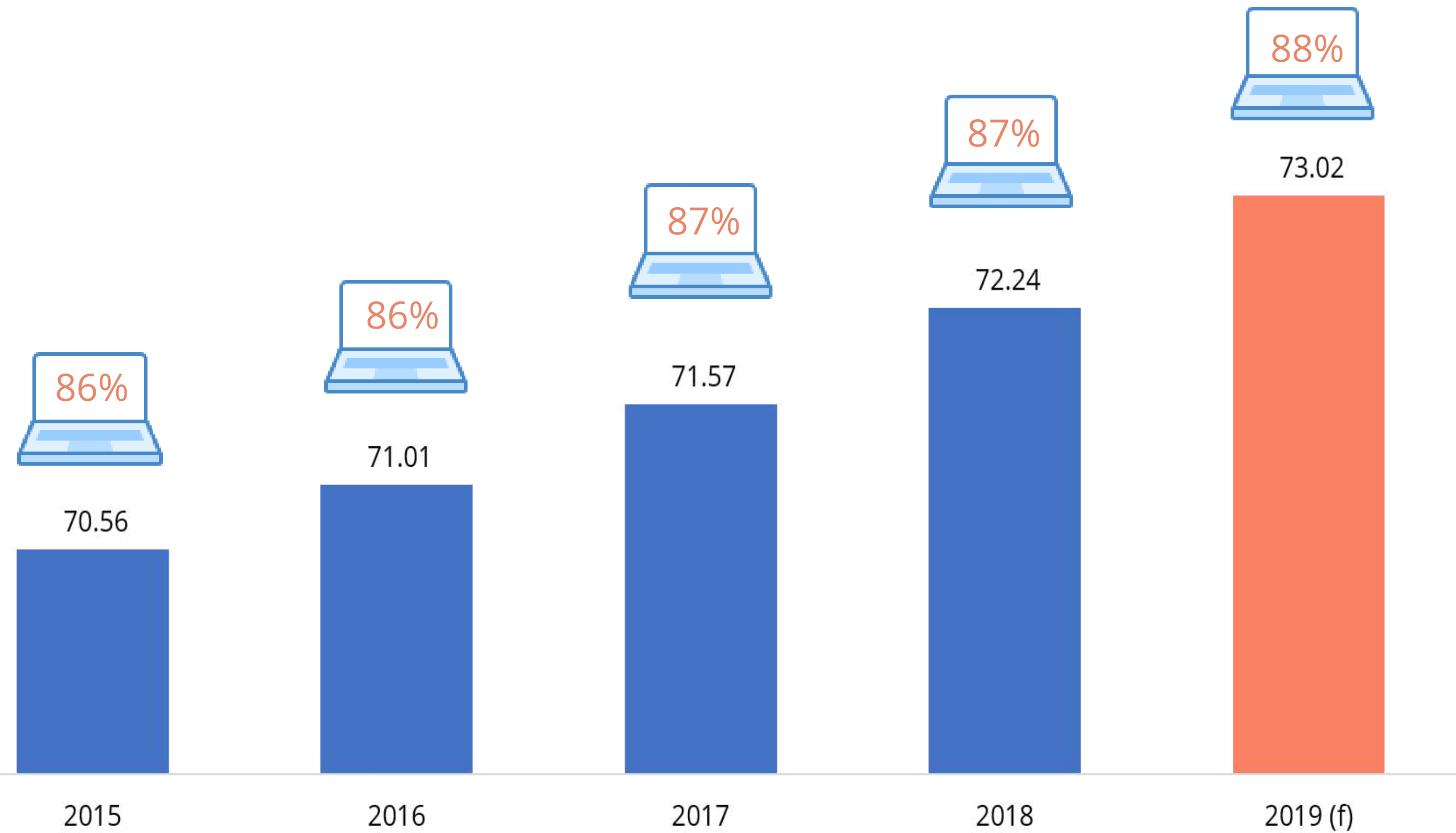
Official languages:
German



Most of the population is between 25-54

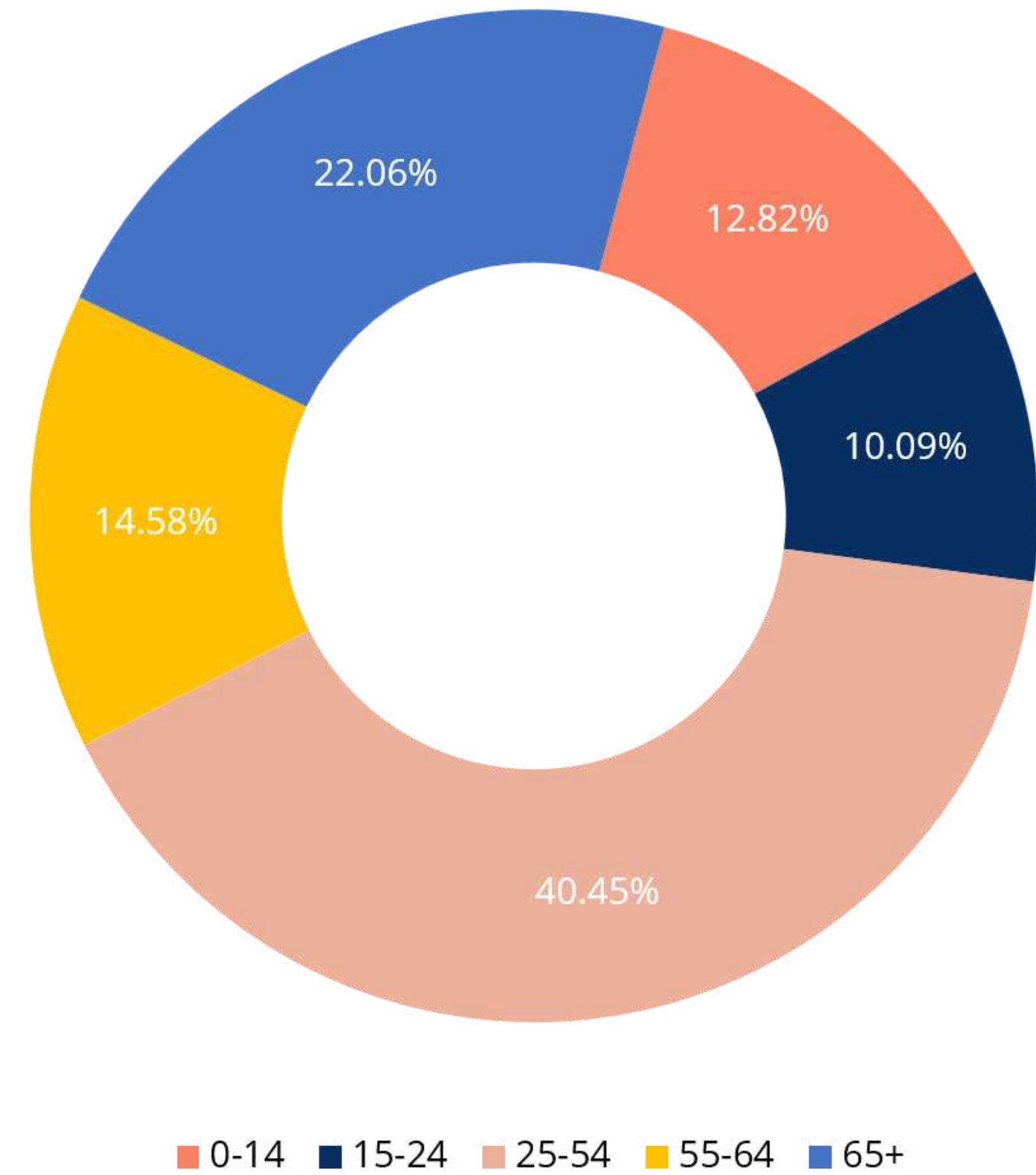
Population & Internet Penetration

Total population (in millions) & Share of the population using the Internet, 2015-2019(f)



Age Structure

Share of population in select age ranges, 2019 (f)



GDP is continuing to increase in 2019

Gross domestic product (EUR)

GDP, GDP Growth Rate & GDP per Capita, 2014-2019 (f)

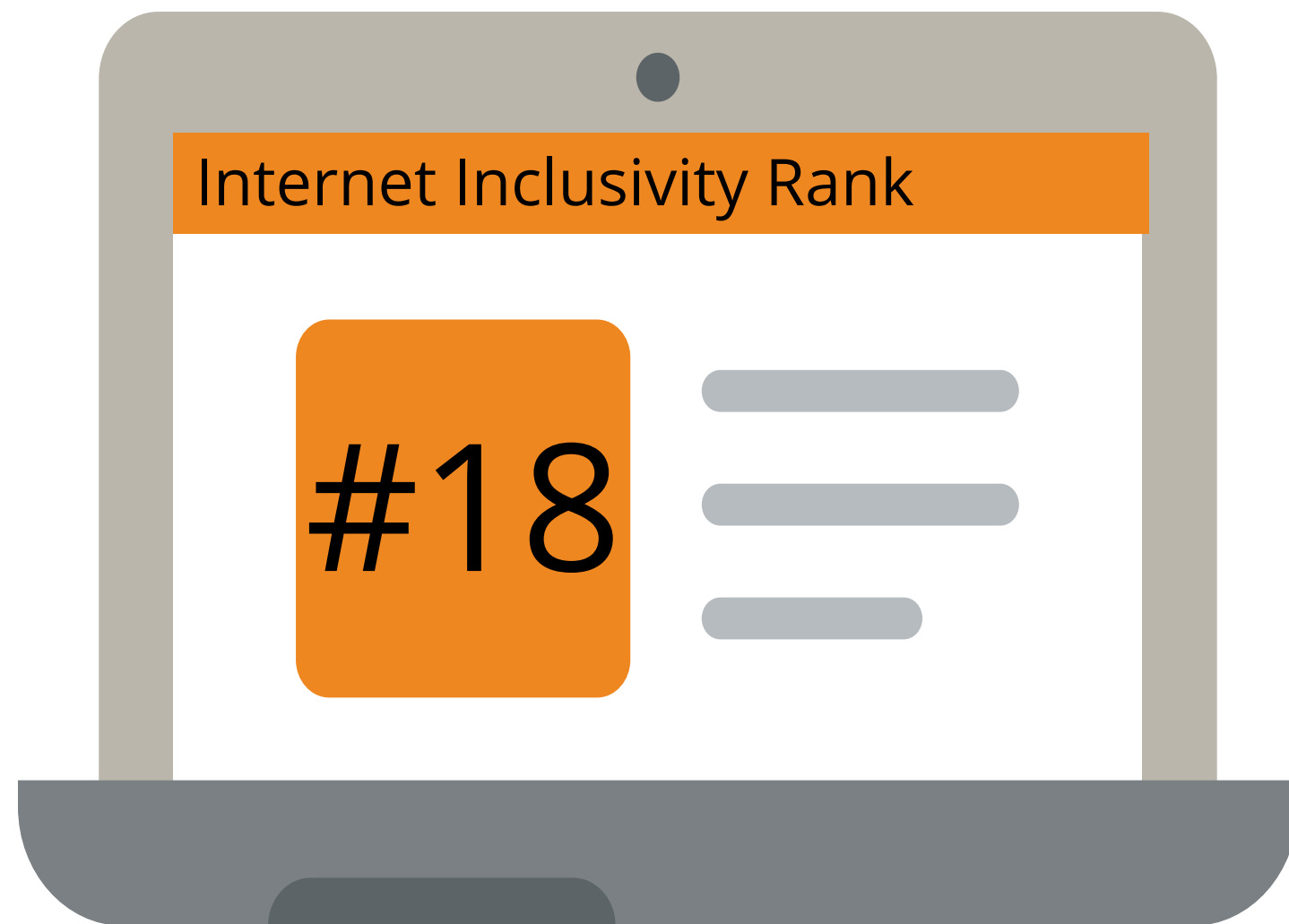
YEAR	GROSS DOMESTIC PRODUCT (GDP), BILLIONS OF EUROS	GROWTH RATE YOY	GDP PER CAPITA
2014	EUR 292	3.46%	EUR 36,105
2015	EUR 303	3.72%	EUR 37,117
2016	EUR 313	3.29%	EUR 38,243
2017	EUR 322	2.88%	EUR 39,247
2018	EUR 331	2.92%	EUR 40,306
2019 (f)	EUR 341	2.96%	EUR 41,426

#2

Infrastructure & Logistics



Germany dropping to 18th in the Internet Inclusivity Ranking



Internet Inclusivity Index

The Index outlines the current state of Internet inclusion across 86 countries, and aims to help policymakers and influencers gain a clearer understanding of the factors that contribute to wide and sustainable inclusion.

Readiness

This category examines the capacity to access the Internet, including skills, cultural acceptance, and supporting policy.

Affordability

This category examines the cost of access relative to income and the level of competition in the Internet marketplace.

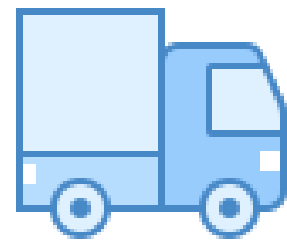
Relevance

This category examines the cost of access relative to income and the level of competition in the Internet marketplace.

Availability

This category examines the quality and breadth of available infrastructure required for access and levels of Internet usage.

Germany ranks 1st in the world for logistical performance



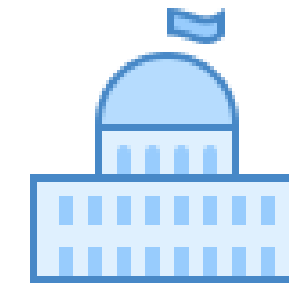
Logistics Performance Index

The LPI overall score reflects perceptions of a country's logistics based on, among other things, efficiency of customs clearance process, quality of trade- and ease of logistics services.



Ease of doing Business Index

A high ease of doing business ranking means the regulatory environment is more favorable for the starting and operation of a local firm. The rankings are determined by sorting the aggregate distance to frontier scores on 10 equal topics.



E-Government Development Index

The UN's E-Government Index provides a comparative assessment of the e-government development of UN Member States. Important factors contributing to a high level of e-government development are concurrent past and present investments in telecommunication, human capital and provision of online services.



#3

Ecommerce Landscape



B2C ecommerce turnover continues increasing

B2C Ecommerce Turnover

B2C ecommerce sales (billions of Euros) & growth rate, 2013-2019 (f)

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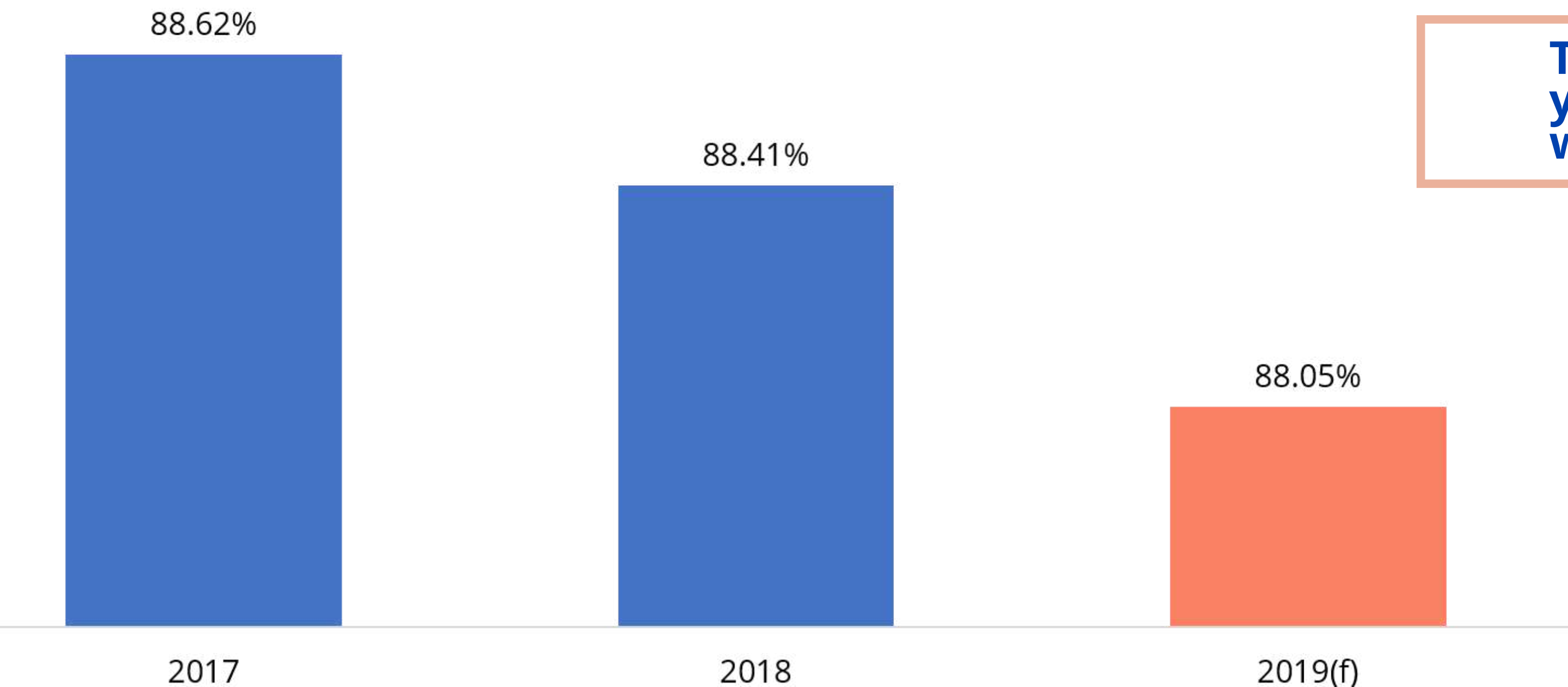
Over 88% of the online population is forecasted to shop online in 2019

E-Shopper Penetration

Share of the population having shopped online, 2017-2019 (f)

E-Shopper Spending

Annual amount spent per e-shopper (Euros), 2017-2019 (f)



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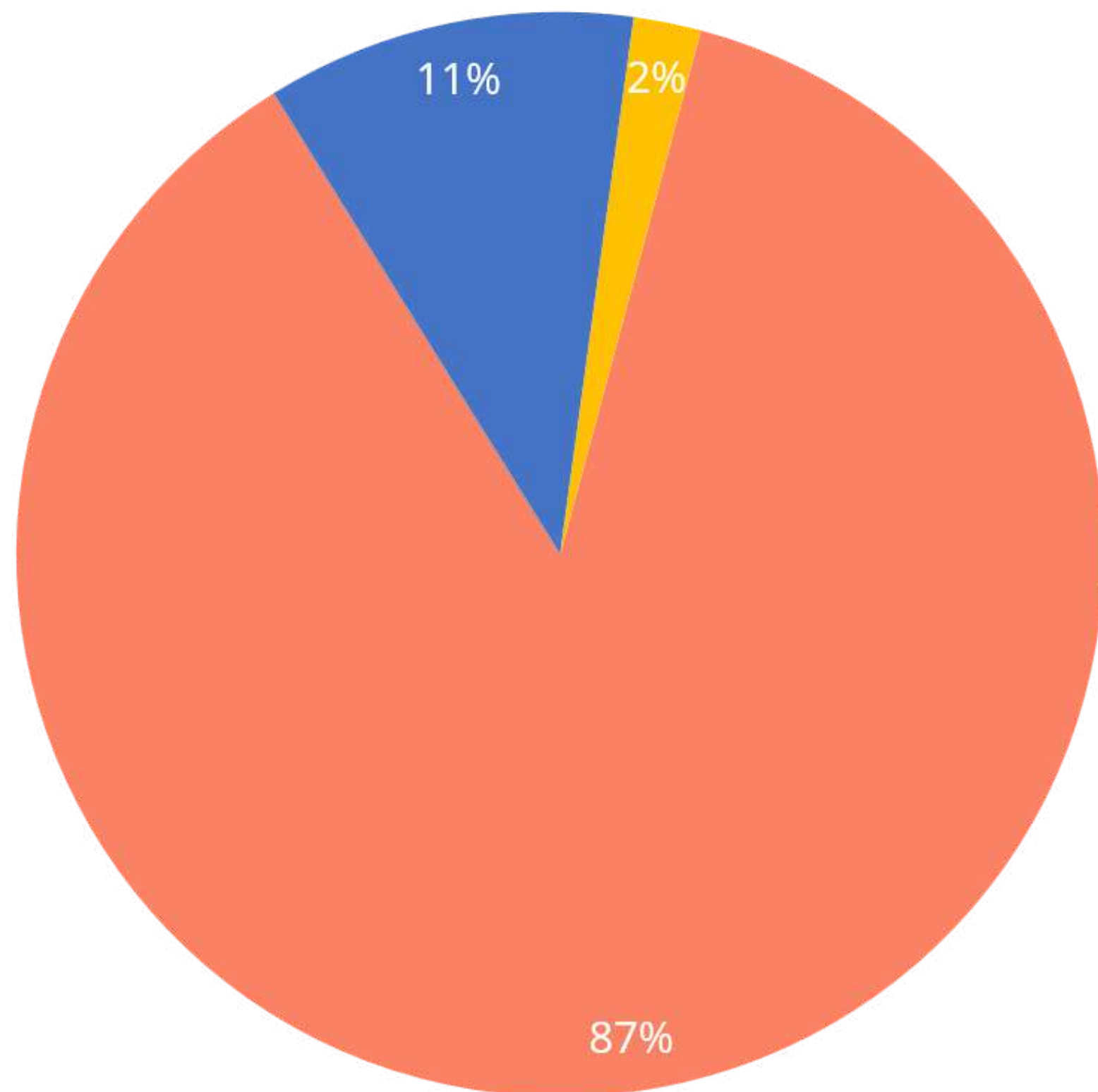
Most German consumers use the internet every day

Consumer Behavior: Internet Use

Frequency of internet use, consumer survey, 2018

Consumer Behavior: Social Media Usage

Social Media usage, consumer survey, 2018



■ Every day ■ At least once per week ■ At least once per month

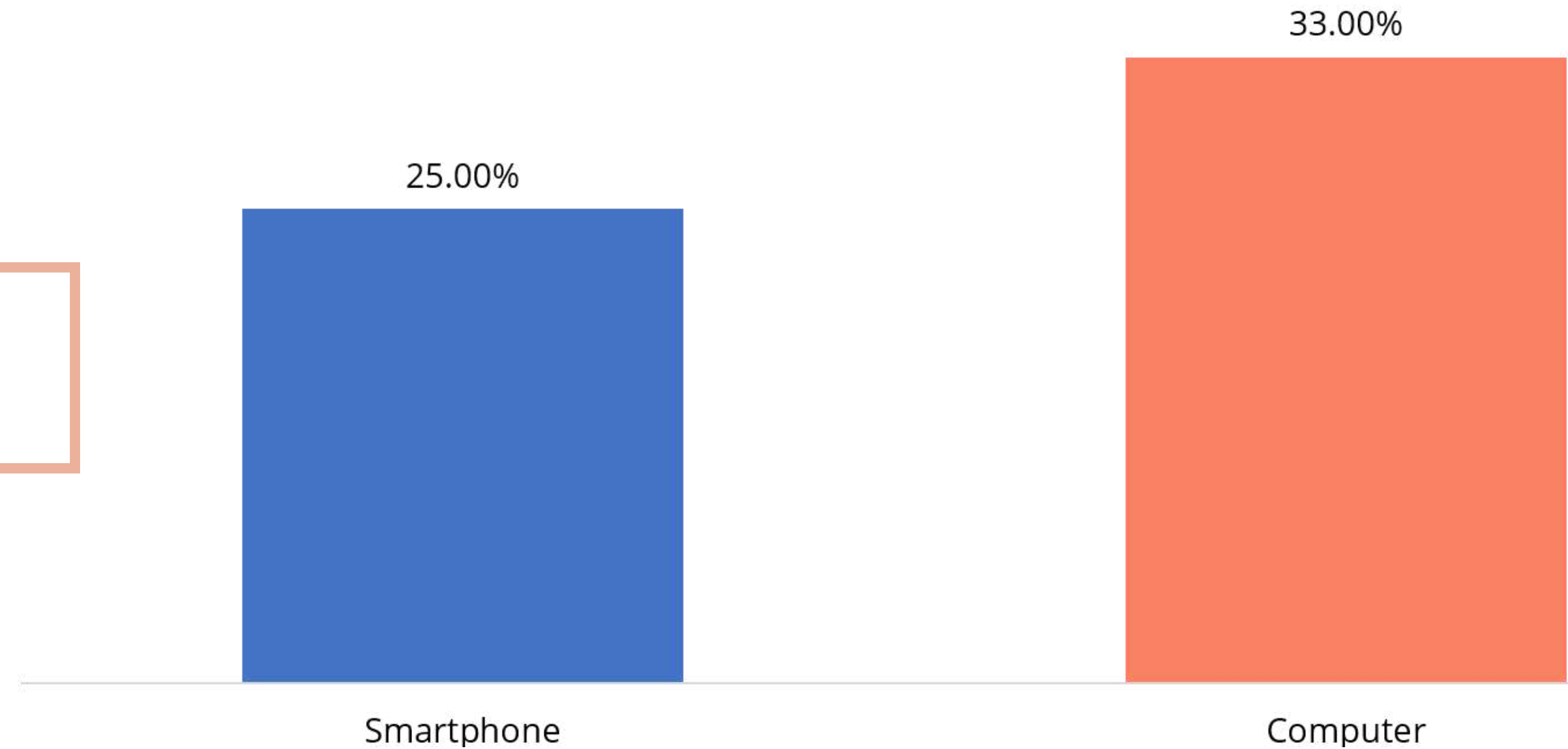
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Most German consumers search online for a product

Consumer Behavior: Online Shopping
Main activities online, consumer survey, 2018

Consumer Behavior
Devices used to search for product information, 2018

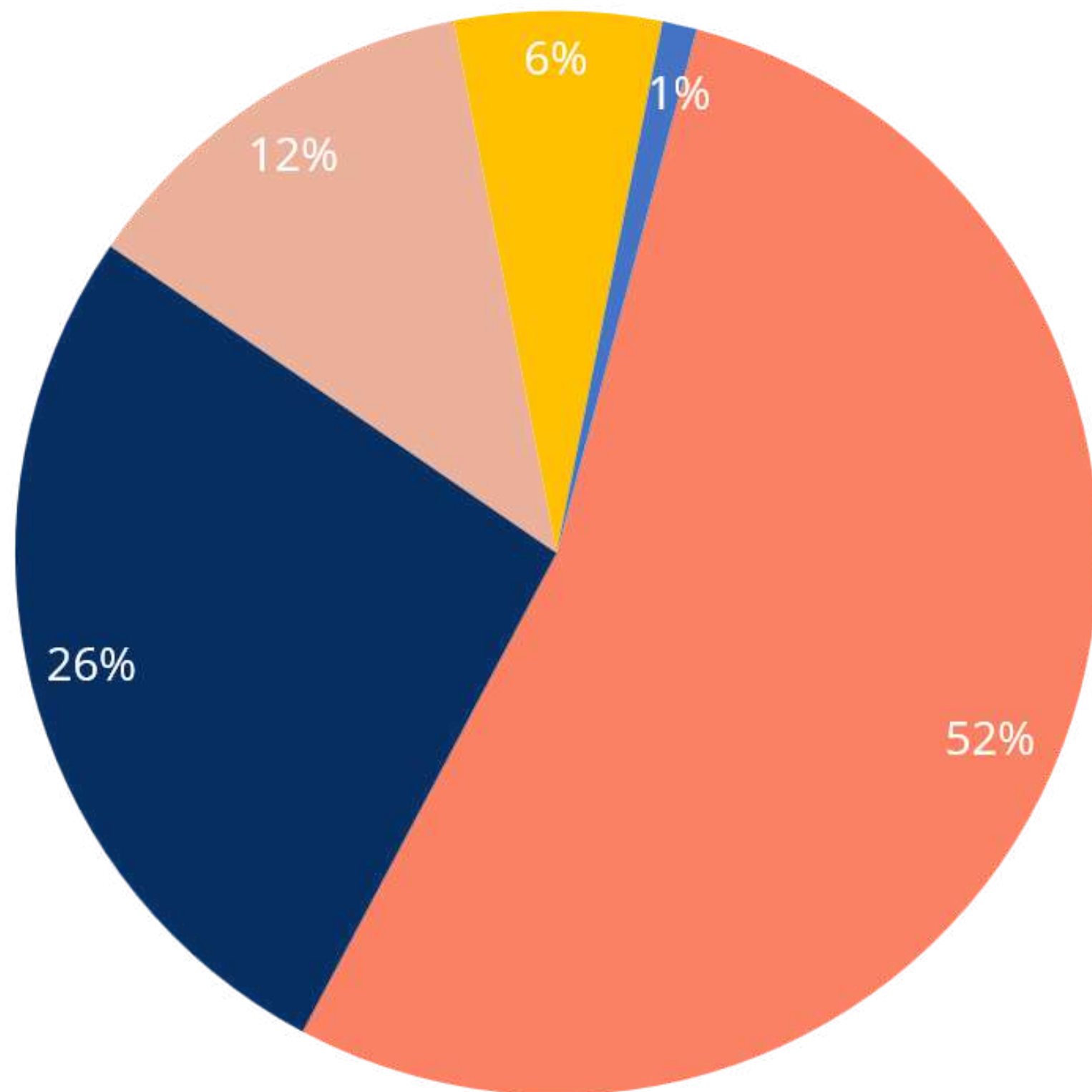
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The most popular payment method remains PayPal followed by invoice

Consumer Behavior: Payment Methods

Share of buyers who have used each payment method at least once, 2018



PayPal Invoice Debit or credit card Direct debit Cash on delivery

Consumer Preferences: Payment Methods

Likelihood to purchase without PayPal as a payment method, 2018

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Deutsche Post DHL is the most popular delivery method

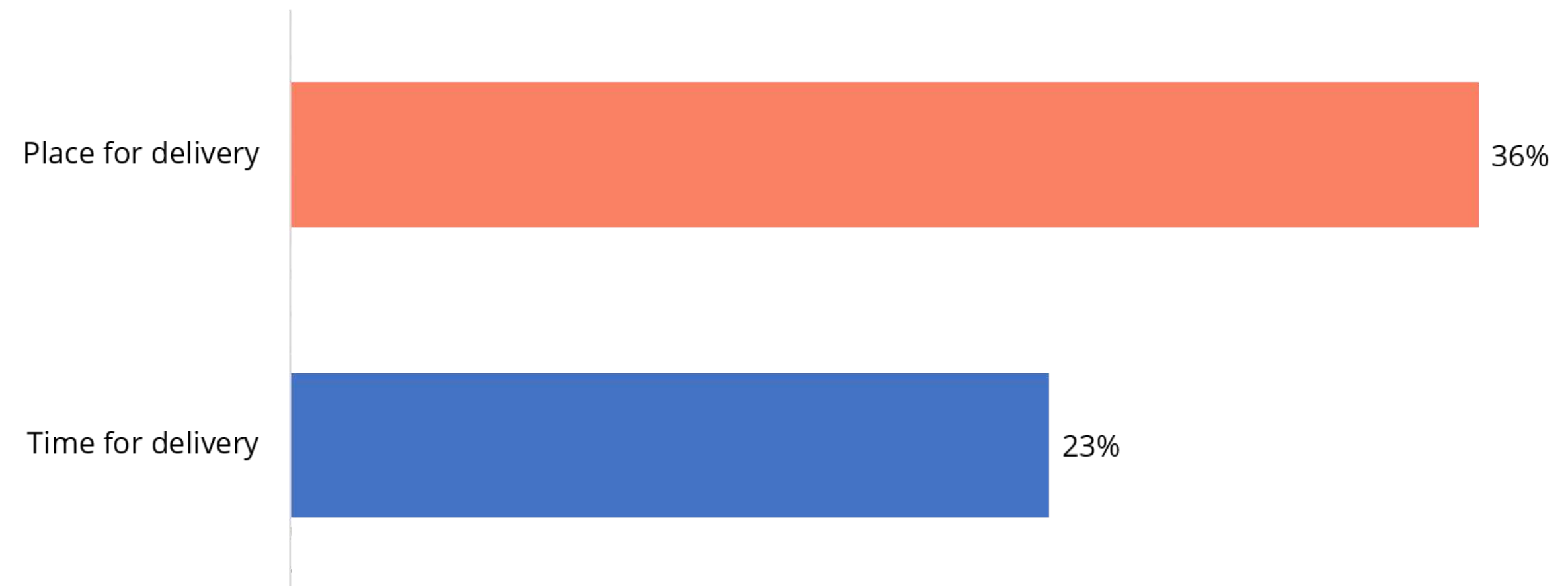
Consumer Preference: Delivery Methods

When you order a product online, how do you prefer to have it delivered?, 2018

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Delivery Preferences

Important delivery factors, How important are the following factors in delivery in your decision to buy goods from an online shop?, 2018



Amazon.de dominates the German e-market

Top Retailers

Leading online retailers based on revenue (millions of Euros), 2018

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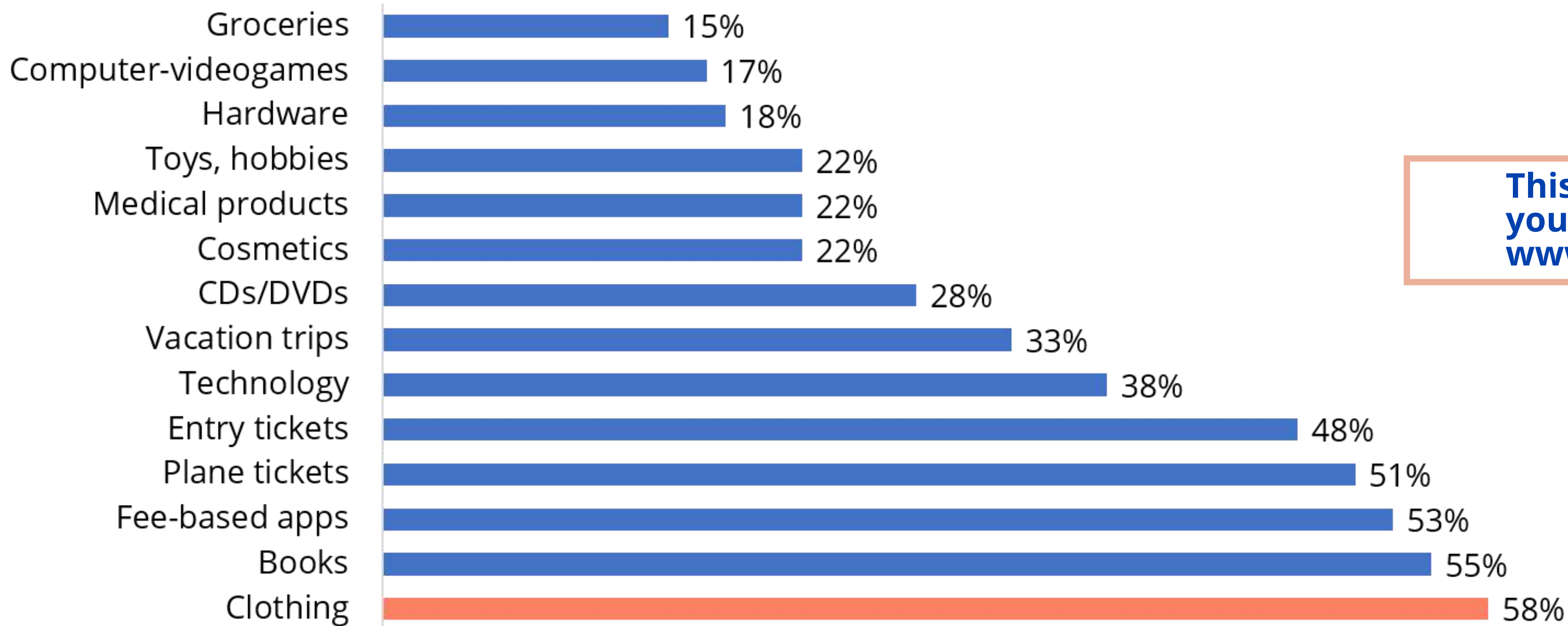
#8	cyberport
#9	ONRAD
#10	ALTERNATE

#6	LIDL
#7	bonprix

Most German consumers use smartphones to buy clothes

Consumer Behavior: Online Shopping

Products bought with smartphones, consumer survey, 2019



Consumer Behavior: Online Shopping

Top 5 online stores in the fashion segment, consumer survey, 2019

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German consumers are making more cross-border online purchases every year

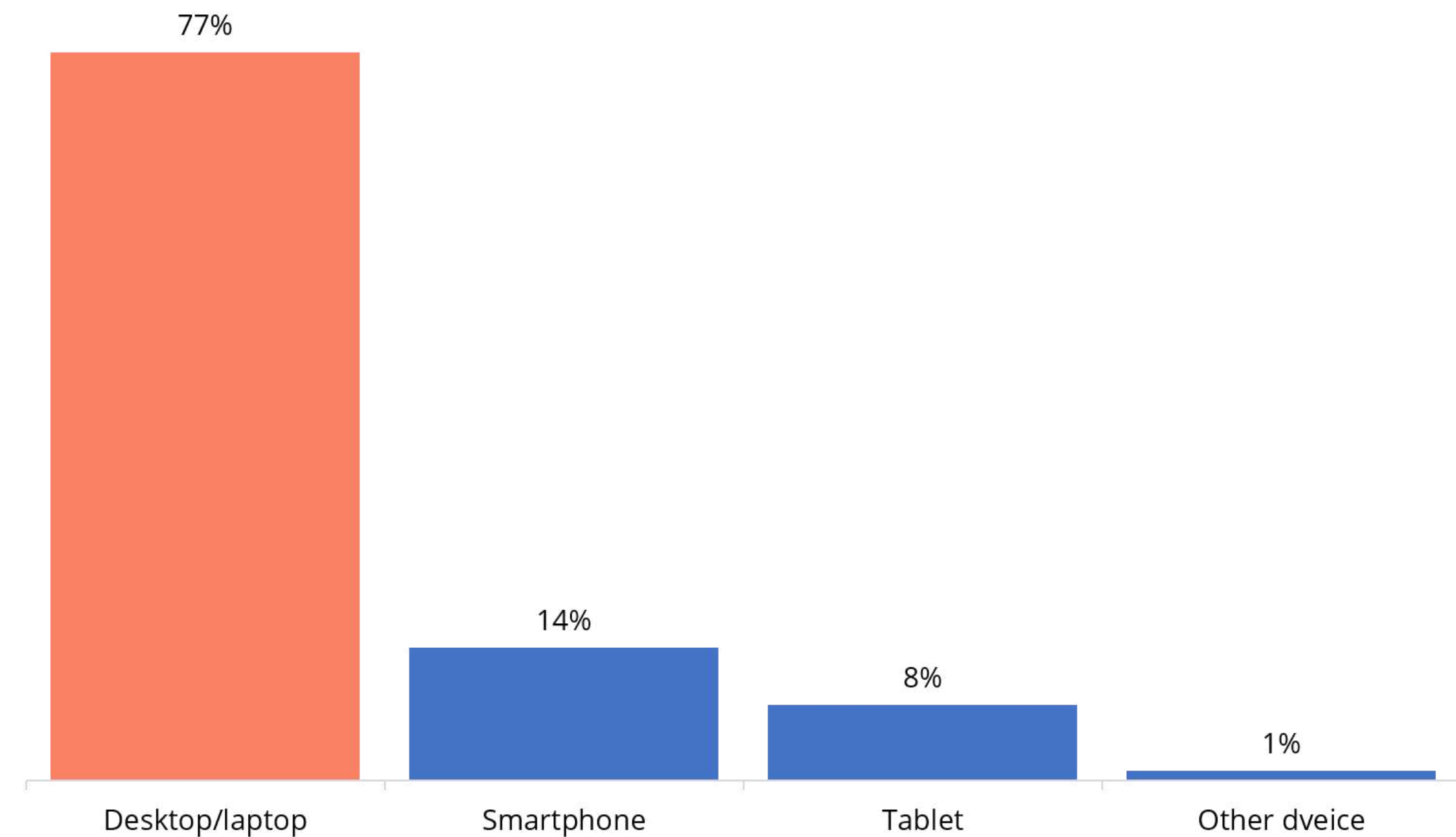
Cross-border Online Shopping

Share of domestic/cross-border shopping, 2018/2019 (f)

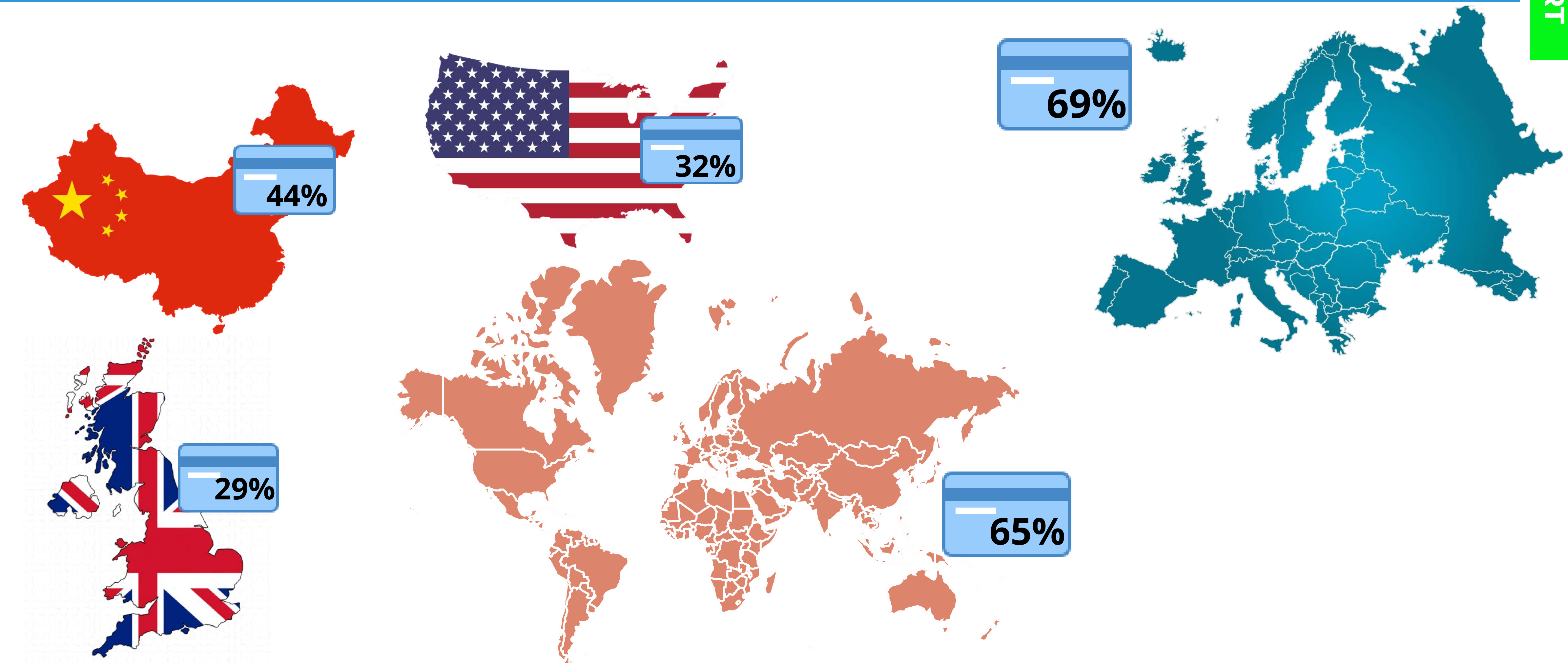
Cross-border Online Shopping

Share of cross-border shopping by device used, 2018

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Most cross-border purchases come from within Europe to Germany



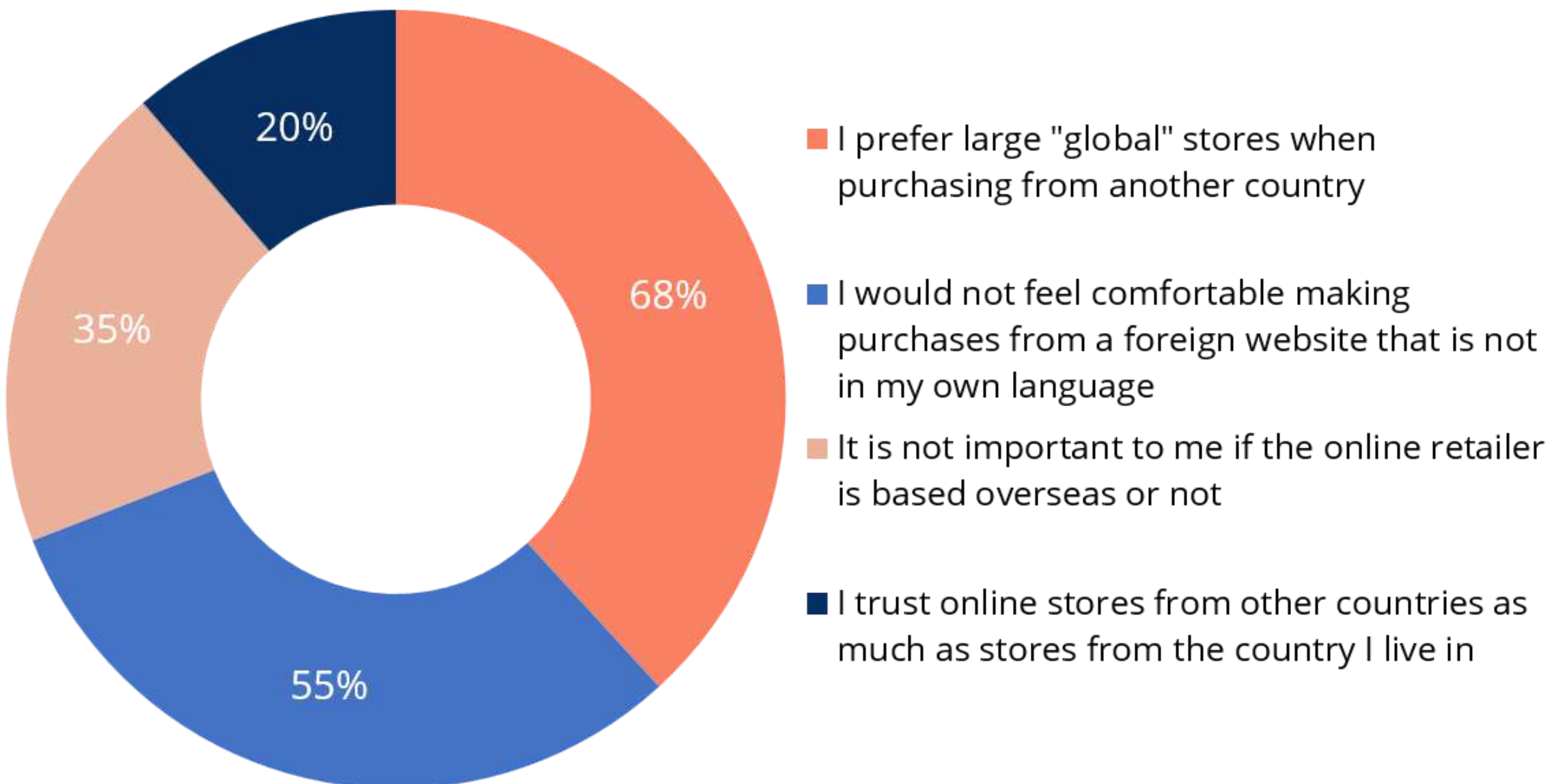
German consumers prefer large "global" stores for cross-border purchasing

Consumer Preferences: Cross-border Shopping Barriers

Main barriers of shopping cross-border, 2018

Consumer Preferences: Reasons to Shop Cross-Border

Main reasons for future cross-border shopping, 2018



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#4

Case study: The Fall of the Wall

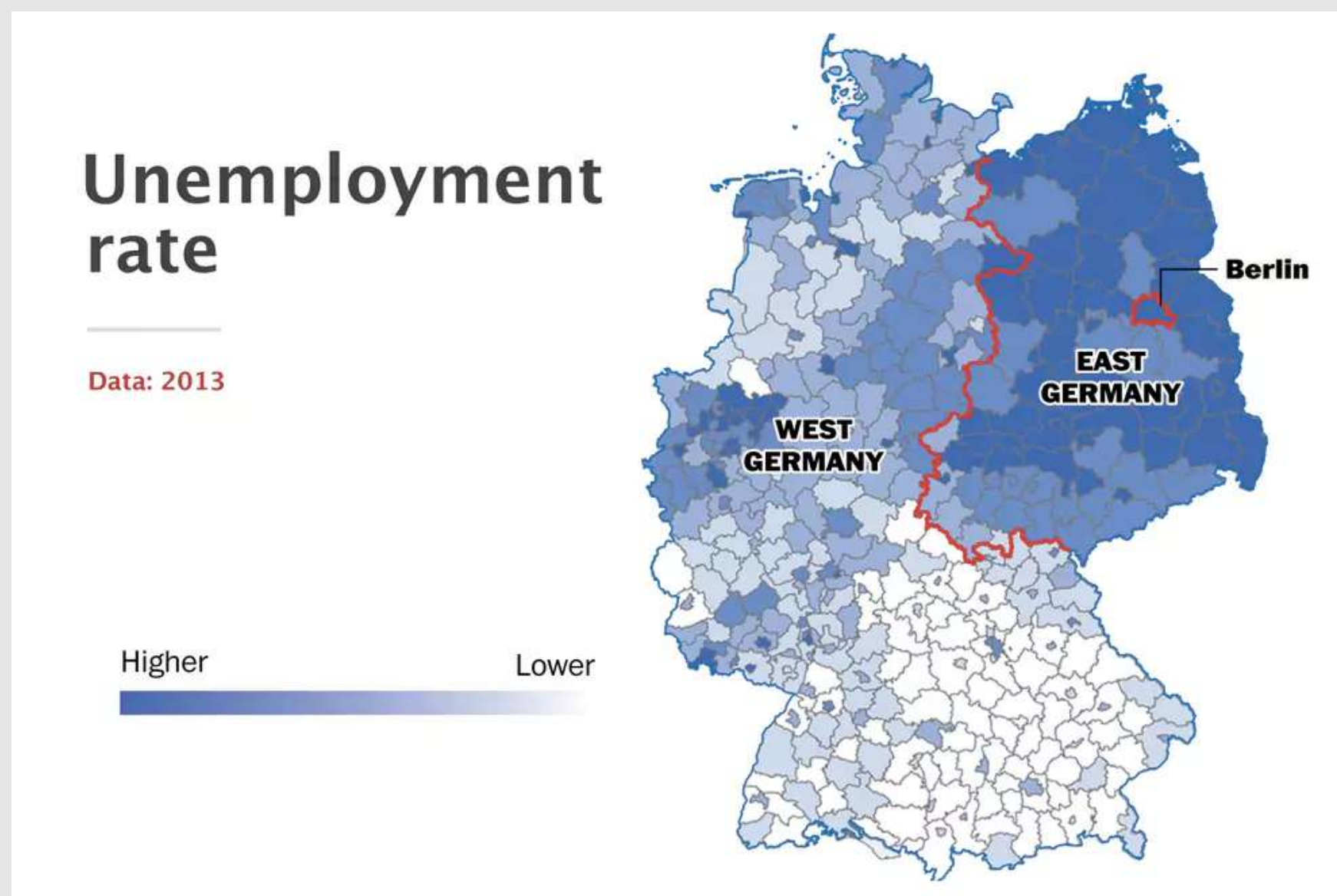


The Fall of the Berlin Wall

On November 9th of 1989, “Wessi” and “Ossi” Germans celebrated the Fall of the **Berlin** Wall. Just one year later on October 3rd, 1990, East and West Germany were officially reunified. Reunified legally, but culturally?

East-West differences have been clear since the first day of unification, mainly concerning the economy, employment rate and cultural differences of the two. The East has caught up economically after the Fall of the Wall, but is faced with a higher risk of falling behind again.

In the past year, 17.8% of people in eastern Germany, including Berlin, were at risk of poverty - in western Germany, the figure stood at 15.3%.



Generations also have an influence on the East-West differences. A new study by the Ifo-Institute states:

“Young people in both parts of the country have similar attitudes and behavioural patterns”



However, more cultural differences are presented amongst relatively older people in the East, as they have spent much of their lives in the German Democratic Republic (GDR).

Any differences regarding ecommerce?

The differences between “Wessi” and “Ossi” are not so evident anymore. In fact, an ecommerce study conducted by Deutsche Card Services showed that the disparity between retail sales in western Germany and those in the former communist east of the country no longer exists. Ecommerce sales in the east are just as strong as those in the west.

In any case, if companies wish to expand into the German ecommerce market, they should be aware of some facts and figures.

First of all, it is important to take into account cultural differences when selling to German online shoppers. German cultural staples of having rules, punctuality and efficiency should be a “must-have” in your webshop.

German consumers also prefer a localized website, with the .de domain if possible, because they prefer trusted, recognized and local retailers.

Moreover, German consumers are much more keen to shop at a webshop in their native German language, similar to other European consumer preferences.

To conclude, German consumers have the right to return their purchases within 14 days, resulting in a high return rate (5-10% for electronics to 70% for fashion).

To prevent this, it is fundamental to understand the reasons for returns and to improve the description of the product.

For companies, it could be easier to consider a local return address to facilitate this process.

Although the Berlin Wall fell just a short time ago, and most of us still live with the memory, thinking Germany is still ‘divided’ in a way, ecommerce has clearly transcended those barriers even more so than economic factors.

To be sure, in larger countries home to different cultures, ecommerce still seems to be a universal language, and a successful one at that.

Germany is in central Europe with a strong ecommerce market which could improve your ecommerce turnover. It is important always to remember the key points of German consumers:

- Rules
- Punctuality
- Efficiency

#5

Expert Opinions & Advice



**Mark de Bruijn**

VP, Head of EMEA & MEE Marketing,
SAP Customer Experience

Mark is a modern, data-driven marketer with a passion for digital, innovation and everything related to customer experience. For the past 8 years, Mark has taken on various roles in marketing, business intelligence and predictive analytics.

In addition, he was affiliated with Avans University as a lecturer. Mark's greatest pleasure is sharing his vision and knowledge with others, as he is a regular speaker at events across the world.

Q: Looking back at the GDPR implementation from 2018, how do you feel this has impacted the European (and wider) ecommerce industry?

A: When I look back at the months just before the GDPR implementation, then the first thing that comes to mind is how many companies were attending our GDPR readiness events and how much content was written about that topic. I felt this was a turning point for brands to really start thinking about the customer experience, and for customers to be even more aware about the value of their personal data. I'm happy about the fact that, now, brands are putting a lot of thought into shaping meaningful experiences for their customers, finding smart ways to treat customer data and giving them something in return, at every step of the buying journey.

“...[find] smart ways to treat customer data and giving them something in return.”

Q: The debate still rages regarding privacy and our online shopping experiences.

Personalisation is core to many ecommerce strategies. Do you think these two sides can coincide?

A: Absolutely. Many consumers expect a personalised customer experience and are aware that, in return, they will be sharing some data about themselves. Technology is also developing really quickly, so even with minimal data it's already possible to deliver a personalized experience by instantly responding to customers' signals. In the end, I believe it's about making clear what it is that customers get in return. And it's about asking for it at the right time. For example, when visiting a web shop, most people are not willing to leave their mobile phone number. But at the point of ordering a product, they might feel more confident to do so, as it may help with the delivery. It's not even a question if privacy and personalisation can exist together, they are fully connected.

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In addition, he was affiliated with Avans University as a lecturer. Mark's greatest pleasure is sharing his vision and knowledge with others, as he is a regular speaker at events across the world.

Q: Where do you see voice search in the customer journey in the upcoming year?

A: Let's state some simple facts: voice shopping is expected to increase twenty-fold by 2022, so it is already gaining a preponderant place in the customer journey. Connected to this, mobile commerce is expected to take nearly half of all ecommerce sales over the next two years or so.

Those are clear signals for ecommerce retailers and brands to put the customer at the center of their strategies, by instantly delivering the answers that consumers are looking for any time they wish to have an interaction with them, no matter the device, channel or type of search. The ability to deliver solutions when consumers ask for them will be key to build long-term, trusted relationships.

Q: What topic or area of ecommerce has piqued your interest this year, and why?

A: Well, besides all the great technology, ethical commerce is a thing now for more and more consumers. Think about very detailed product information, but also packaging, shipping distances and if a brand is socially responsible. Consumers want to feel good about the products they buy and I'm confident that ethical commerce will be a huge focus in the upcoming years. In the end, it is all about building a trusted relationship between brands and consumers.

“...mobile commerce is expected to take nearly half of all ecommerce sales over the next two years or so.”

**Stefan Herold**

Managing Director,
Osudio Germany GmbH

Stefan Herold, Managing Director of Osudio Germany GmbH, has been working as a consultant, product- and project-manager for more than 17 years in the E-Business and Master Data Management (MDM/PIM) market.

His expertise and best practices help large national and international B2B and B2C market leaders to create the right foundation for a seamless omnichannel experience that enables brand experience and drives sales.

Q: In last year's ecommerce report we asked you about the role of A.I. and machine learning. Is its importance just as strong this year?

A: Artificial Intelligence is still a major topic. More and more companies are trying to get a piece of the A.I. cake. Especially in ecommerce, there is an immense potential for A.I. and how it can increase sales.

Only companies that present customized information, offers and solutions to their customers will prevail. The degree of individualization can become the decisive USP that decides on the conversion and thus on the success in ecommerce.

Soon, a chatbot could become the perfect shopping consultant and help customers choose the right product or run a simple support request smoothly.

Q: How will the balance between an online and offline retail shift in 2019 within Germany?

A: Ecommerce continues to grow in Germany. Almost half of the online revenue accounts for market leader Amazon. In the online business, the marketplace, where retailers sell goods, is playing an increasingly important role. Companies that combine online with stationary retailing show increased sales compared to companies that purely conduct online trade.

Customers today expect a perfectly connected shopping experience where an online shop is available, in addition to the stationary business, and expect that on- and off-line business are connected. Only companies that offer this seamless experience will be successful.

“..there is an immense potential for A.I. and how it can increase sales.”

**OSUDIO**
BY **SQLI****Stefan Herold**

Managing Director,
Osudio Germany GmbH

Stefan Herold, Managing Director of Osudio Germany GmbH, has been working as a consultant, product- and project-manager for more than 17 years in the E-Business and Master Data Management (MDM/PIM) market.

His expertise and best practices help large national and international B2B and B2C market leaders to create the right foundation for a seamless omnichannel experience that enables brand experience and drives sales.

Q: Ecommerce UX is a much-discussed topic. Which current UX element would you eliminate if you had the power?

A: Many B2B ecommerce websites still prevent their visitors to gain a full understanding of their product offering by a login page. Often the login page is still there in order to enable specific B2B functionalities like customer specific pricing, customer related assortments etc.

Beyond missing out on potential search traffic – and thus potential additional sales – the customer experience includes a dissatisfier ‘by design’, at ‘best’ creating a high amount of interaction for registered users, it is often too high of a cost for potential customers that will abort their customer journey.

Removing the login page, which can be done by a myriad of graceful solutions, would enable the user and create a more satisfying purchase journey, which radiates to the brand.

Companies engaging in a B2B relationship should realize that B2C ecommerce experiences are setting the bar for customer expectations, where the login-page is being removed, or alternative paths are being offered in order to boost conversion rates.

“Companies engaging in a B2B relationship should realize that B2C ecommerce experiences are setting the bar for customer expectations.”

**Henning Brandt**

Head of Communication, Computop

Henning Brandt is working as Head of Communication with the global payment processor Computop.

Coming from a both economic and editorial background, he published on topics like payment strategies for cross-border merchants, PSD2 / biometric authentication, integrating POS with eCom payments, and more.

Q: Mobile commerce is on the rise and usage of mobile-payments with it. How has this developed for the German market?

The introduction of Google Pay and Apple Pay in 2018 has given mobile payment in Germany a significant boost. Although the user rate is still low compared to POS payments with Chip & PIN, Apple Pay, in particular, has attracted a lot of attention for smartphone payments. Before the launch in December 2018, Computop has prepared some very well-known retailers for the introduction of Apple Pay. When other major banks introduce this payment method in the course of 2019, the customer base will become even broader.

This is also benefiting the growing share of mobile commerce: in-app payments, which will become much more convenient and secure with mobile payment methods, will increasingly shift to Apple Pay and Google Pay at the expense of other payment methods that still require user names or passwords to be entered.

At the same time, contactless payment at the POS is gaining momentum. With the issue of the popular debit girocard (in 2018, 108 million units were in circulation) with NFC function, many Germans are switching to Tap & Go.

Q: When shopping cross-border what payment options would German consumers prefer to see?

German customers preferred to buy cross-border from the UK, the USA and increasingly also from China. The payment methods invoice purchase and direct debit, which are popular in Germany, are usually not available abroad.

When shopping across the border, Germans, therefore, prefer PayPal (over 20 million German customers) or credit card payment. Instant payments as a Europe-wide real-time transfer, as envisaged by the Payment Services Directive PSD2, would be a good complement for payments within the EU, but will not yet be widely available for merchants in 2019.

**Henning Brandt**

Head of Communication, Computop

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Coming from a both economic and editorial background, he published on topics like payment strategies for cross-border merchants, PSD2 / biometric authentication, integrating POS with eCom payments, and more.

Q: What does omnichannel ecommerce mean in Germany today, and how do online payments fit into the puzzle?

Omnichannel commerce means meeting customer expectations: click & collect or in-store return are just two of the cross-channel processes that merchants today have to master. Especially large fashion retailers, such as s.Oliver or PUMA, are working on connecting the channels with each other, and payment plays a decisive role in this. Because it is only omnichannel if the payment streams accompany the flow of goods.

For a globally active payment processor such as Computop, the processing of all channels via one single payment platform is crucial because this is the only way for merchants to analyse their transactions in order to take the right steps for their successful future development. It will become even more relevant with upcoming sales channels such as Conversational Commerce, Voice Commerce or VR.

Q: What has been the most exciting recent development in ecommerce for you?

One of the most exciting developments is yet to come in 2019: the impact of the PSD2 on e-commerce. This EU-wide directive places higher requirements on the authentication of payers for many payment methods in e-commerce. This will lead to shifts in the use of these payments.

For the success of a payment method and the conversion that a merchant achieves with it, it will be decisive whether the payment triggering is still possible in a convenient manner. Since credit card payments are the main focus of fraudsters, the major credit card companies have also adapted to the increased requirements by updating their 3D Secure security system.

“One of the most exciting developments is yet to come in 2019: the impact of the PSD2 on e-commerce.”

#6 About the Report

About the authors



Sara Lone
Senior Research Analyst

Sara holds a Master in Public Policy from the University of California in the United States. Sara oversees the Ecommerce Foundation Research Team in its creation of country reports, custom research, content and webinars. Additionally, Sara presents on research around the world and advises stakeholders in furthering ecommerce globally.



Isabela Fàvero
Research Analyst

Isabela holds a Master in Development Economics from the University of Auvergne in France. At Ecommerce Foundation, she is part of the Research Team providing support in data analysis and the creation of country reports. Her interests and experience include analysing data as well as conducting policy evaluations.



Ludovica Quaglieri
Junior Research Analyst

Ludovica is pursuing a Master in Environmental Economics at Wageningen University and Research, The Netherlands. At Ecommerce Foundation, she is part of the Research Team collecting data and supporting the creation of reports. She is interested in sustainability and data analysis.



Shaun Packiarajah
Content Specialist

Shaun graduated with a Master's degree in Victimology and Criminal Justice from the University of Tilburg. He works for the Research Team at Ecommerce Foundation in creating research-related content and reports. His background is in policy creation and analysis, in addition to practical knowledge of business development.



Sources used in the report

The report could only be realized by consulting a great number of valuable sources. These were available in various countries and regions in Europe and around the globe. The wide variety of sources include public domain publications, blogs, websites, industry and financial specialist publications, regional and local news, annual reports, and press releases.

Sometimes the information sources are contradictory and sometimes different figures and data were given by varying sources within the same country, for example due to different definitions. In our reports we have mentioned the different sources, definitions and outcomes of such reports, studies and interpretations.

The report is based on information that we consider reliable, but we cannot vouch for it being completely accurate or complete, nor should it be relied upon as such. Opinions expressed are our current opinions as of the date of this report.

OUR SOURCES

Händlerbund Management AG	Statista
Doing Business	Statista
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Quandl	Statista
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In total, Ecommerce Foundation publishes multiple country reports and three overview reports per year, covering the most important ecommerce markets worldwide.

To have a tailor-made ecommerce report made, completely based on your wishes and requirements, please contact us via info@ecommercefoundation.org.

The full reports can be online purchased via:
<http://www.ecommercefoundation.org/reports>.

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