

Coronavirus

## Effects of Corona on Germany's E-Commerce Market

**Some online retailers have had to struggle with significant supply chain difficulties, others have been unprepared for the sudden and dramatic increase in demand.**

- ▶ E-Commerce during the covid-19 pandemic
- ▶ Logistics difficulties impacting sales
- ▶ Increased consumer online spending
- ▶ Future online buying behavior
- ▶ Corona trends – what will be important in the future?
- ▶ Social commerce increasing in relevance

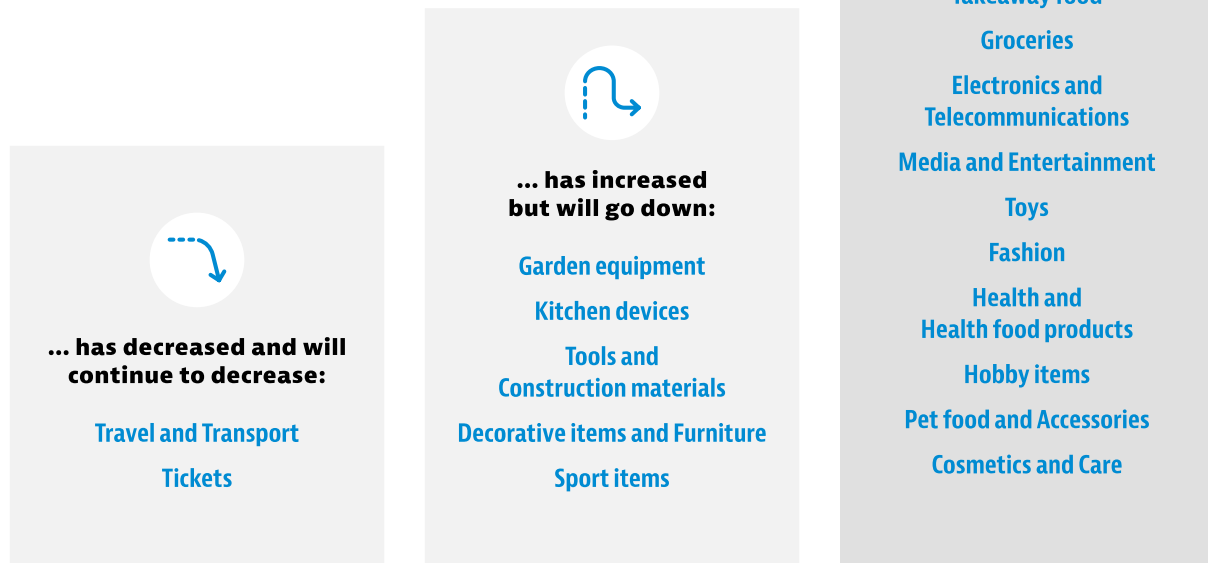
### E-Commerce during the covid-19 pandemic

Consumer behavior and consumer demand are changing during the Coronavirus crisis. E-commerce sales in March were almost 20 percent below March 2019 levels. E-commerce analyst After Pay Insights reported strong e-commerce growth in April and a recovering market in May 2020 – with 36 percent growth compared to the pre-Corona period. Online retailer Otto reports record sales of beard trimmers, dumbbells, office chairs, printers, board games (+199 percent), and wall paint (+240 percent).

Other industries adversely affected by the pandemic are now showing strong growth (e.g. fashion sector with 28 percent increase since March). Tourism and event sectors are still behind in recovery terms.

## Which products are consumers in Germany spending more or less on since Coronavirus outbreak?

Online sales up 36 percent compared to pre-Corona period.



©Germany Trade & Invest · Source: AfterPay INSIGHTS 2020

Any talk of a “boom” can only be limited to a few isolated sectors. Some retailers have been literally overrun, while others have been unable to sell their products. According to DHL, parcel volumes were already at pre-Christmas levels before Easter.

The dramatic and swift increase shows that small offline retailers in particular increasingly relied on this delivery channel to deliver their goods to the consumer. In a survey of almost 500 online retailers conducted by the Händlerbund in April 2020, some 80 percent of those questioned confirmed that they were directly affected by the Corona crisis in terms of business (10 percent more than was the case in the previous month).

A majority of the retailers suffer from negative consequences (58 percent) as a result of delivery difficulties (e.g. to customers abroad); bottlenecks with suppliers from countries including China, Italy and Spain; and higher investments to protect warehouse staff/hygiene measures.

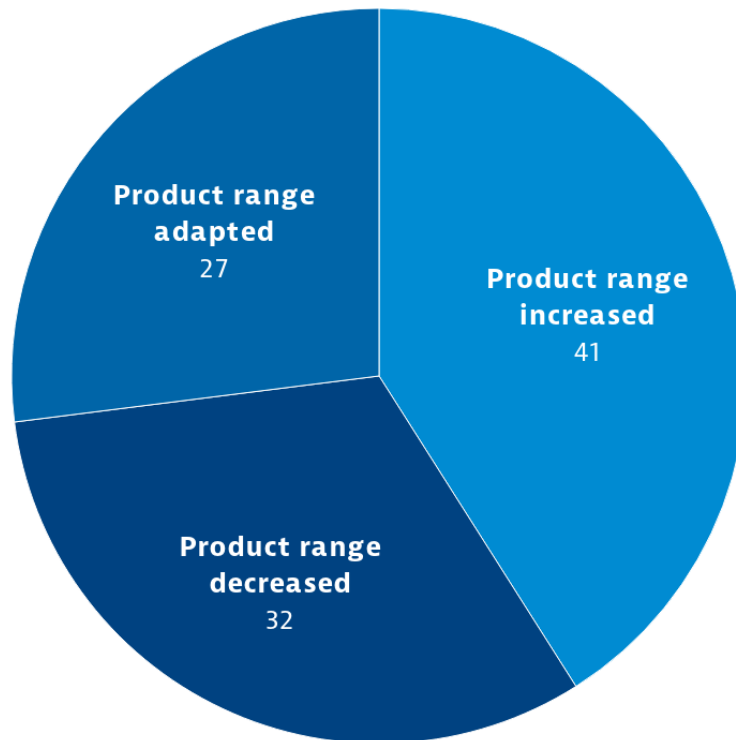
### Logistics difficulties impacting sales

Eighty percent of the retailers surveyed report that suppliers have difficulties in delivering their services (63 percent) or cancel orders (17 percent). Even where retailers report increased customer demand, it is possible that they cannot deliver because they themselves have no access to the goods ordered. Of those retailers who have been able to react to the extreme changes brought about by the Coronavirus crisis, 40 percent have expanded their range and 27 percent have adapted their offer. Thirty-three percent of online retailers surveyed by the Händlerbund report that

they have encountered more understanding customers during the Coronavirus crisis and that the number of customer service complaints has also decreased.

### Product range changes due to Coronavirus crisis (in percent)

■ Product range increased ■ Product range decreased ■ Product range adapted



Source: Händlerbund, April 2020

[Show on Datawrapper](#)

### Increased consumer online spending

Consumers have made purchases normally made in store online because of the lockdown. In a representative study made by the bitkom digital association, 52 percent of consumers surveyed indicate that they have used delivery methods that do not require direct contact since the start of the pandemic. One in four consumers have parcels dropped off at a specified, pre-arranged location.

***Even now, after the lifting of some restrictions, the online shopping trend is continuing for the most part.***

Inner-city shopping areas have lost their normal appeal due to face mask use and social distancing rules. This has led to fast-moving consumer goods purchases also being made online – a situation supported by the convenience of online shopping and the often lower prices offered.

### **Future online buying behavior**

Consumers are expected to shop – online and offline – even more price sensitively in the future as a result of the expected recession and associated loss of purchasing power. The share of frequent/heavy shoppers, defined by more than five online purchases in the last two weeks, rose from 10 percent before the Covid-19 crisis to 18 percent.

This group continued to make the majority of all online purchases (52 percent) and tends to shift offline purchases made in certain categories (e.g. foodstuffs) entirely online. Sixty-seven percent of consumers who bought foodstuffs online during the crisis plan to continue doing so in the future. Forty percent of consumers are prepared to pay higher prices than normally apply in food retailing. This flies in the face of the forecast recession and the existing foodstuff price sensitivity of consumers in Germany.

### **Corona trends – what will be important in the future?**

In a representative online survey published in June 2020 by the ibi-Research Center, more than half (53 percent) of the retailers (both online and stationary retailers) surveyed believe that the Coronavirus pandemic will bring about a lasting change in customers' shopping behaviors.

***Many customers who have now shopped online for the first time are becoming accustomed to it and will increasingly buy online in future.***

Fifty percent of those surveyed retailers without an online presence plan to start selling their products online now or in the near future because of the pandemic – 60 percent of them with their own online presence. Germany's online shop landscape – and the players active in the online market – will grow accordingly as a consequence of the ongoing situation.

The big winners of the crisis are the online marketplaces, and Amazon in particular. Small and new market players will have to find their own respective niches in order to get a piece of the pie.

### **Social commerce increasing in relevance**

Social media/social commerce has gained relevance in recent months. During the course of the lockdown, many offline retailers became creative and offered their products using social media channels. Facebook, Instagram and Snapchat have all announced plans to expand their social commerce offerings. This sector will become more important in a number of purchase categories and target groups.

Moreover, issues of automation in logistics, sustainability, voice commerce, use of artificial intelligence (e.g. chatbots, dynamic pricing), and additive manufacturing/3D printing will become more important in the future.

*Companies that offer innovative solutions for both off- and online retailers in these areas will be able to play a leading role in the development of the market.*

**This content is relevant for:**

Coronavirus / E-Commerce  
Industries

**Contact Us**

Johannes Fischer

 +49 30 200 099 390

 [Submit your question](#)

---

All rights reserved. Any reproduction in whole or part only with express written permission. All efforts are made to ensure integrity of the content, however we are not liable for any mistakes that may occur.

© 2021 Germany Trade & Invest

Promoted by Federal Ministry for Economic Affairs and Energy in accordance with a German Parliament resolution.