



# Europe Ecommerce Region Report 2022

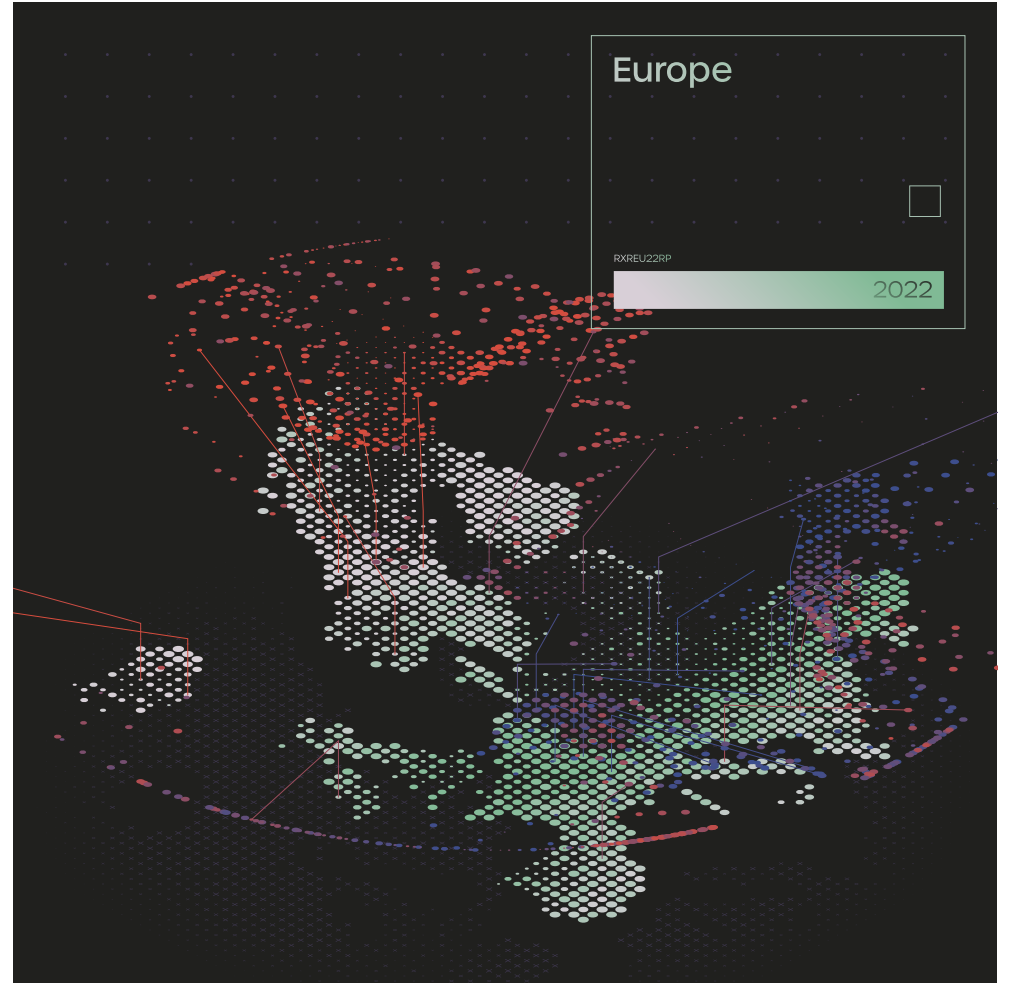
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# Introduction



## Welcome to the European Ecommerce Region Report for 2022

At the end of last year, as I reviewed the RetailX publications list for 2022, I arrived at the Europe Ecommerce Region Report and breathed a sigh of relief. Without Covid-19 to contend with, this would surely be easier to compile than last year. I should have known better. Russia's invasion of Ukraine has created new uncertainty within a global economy that had hitherto been showing early signs of recovery.

The effects of this can be seen in International Monetary Fund predictions for 2023, which have just been released as I write these words. The German economy is predicted to grow just 0.8%. In the UK, where the political space to discuss the damaging effects of Brexit remains limited, growth is predicted to be 0.5%, the lowest in the G7.

Purely from an editorial perspective, this has made particularly difficult to find a balance between reflecting

current problems and looking at the data to work out where the ecommerce and multichannel retail sector may be headed. As an optimist, I am drawn towards emphasising the new and longer-term trends, but I am also mindful that readers use this publication to get a clearer picture of today's European market.

By and large, I think we have got the balance right. For evidence, see our feature on sustainability (page 18), which offers a combination of hard data, reporting and analysis that, I modestly suggest, you will not find elsewhere. All of which seems a good moment to thank the RetailX team of researchers, data journalists and editors, whose work compiling this report takes many months.

As for what I will be writing on this page in 2023, the last few years have taught me not to make too many predictions. Better I think to focus on watching developments in the industry and the wider economy – and to try to work out what these will mean for retailers and retail brands. As ever, please do get in touch to share your responses, questions and suggestions.

**Ian Jindal**  
CEO, RetailX



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# Looking past the fog of war

The conflict in Ukraine is having a huge impact, but it's by no means the only issue shaping Europe's economy

On 24 February 2022, following weeks of military manoeuvres, Vladimir Putin announced a “special military operation” in Ukraine. What was in reality an invasion was designed, he claimed, to bring about the “demilitarisation and denazification” of Russia's neighbour. A conflict that had been rumbling on since 2014, when the Russians annexed Crimea and began providing military support to separatists in Donbas, had escalated.

**Many commentators expected Ukraine to capitulate rapidly, but instead the country has doggedly resisted Russian aggression.** The effect of all this on Ukraine's European neighbours, still emerging from a Covid-19 pandemic that may yet still have surprises in store, has been first and foremost to spread uncertainty. While other Russian acts of aggression, such as the assistance offered to separatists in Georgia in 2008, were at least limited in scope, the invasion of Ukraine threatens the country's existence as an independent liberal democracy.



The Russian invasion of Ukraine has led to companies such as Zara pulling out of doing business in a country now widely regarded as a rogue state

Economically, the effects are still playing out on a day-to-day basis, but a few main threads are already clear:

- **Russia is ceasing to be a place where the developed world does business:** one of the great symbols of the end of the Cold War era was McDonald's opening its first outlet in Russia, on Moscow's Pushkin Square on 31 January 1990, a day when around 38,000 customers waiting for hours to be served. In May 2022, McDonald's announced it was selling its restaurants in the country.
- **The displacement of refugees:** it's been estimated that as many as 9m refugees have left Ukraine. Millions more have been displaced internally. This has placed a particular strain on Ukraine's near-neighbours. While there is currently much goodwill towards the Ukrainian diaspora, this may change in the months ahead.
- **A threat to energy supplies:** until very recently, for example, Germany bought more than half its gas from Russia. Some of those countries supporting Ukraine



militarily find themselves in the bitterly ironic position of also paying Russia for its gas and oil.

- **Volatility in prices:** the cost of oil and gas increased rapidly in the aftermath of the invasion. Paying that forward, the price of goods is increasing because they cost more to produce and transport around the world. Food prices are also a concern. Many industrial farming techniques are energy-intensive. Ukraine is the world's bread basket and, while there are signs that wheat exports from the country's blockaded Black Sea ports are set to resume,<sup>[1]</sup> this is by no means certain.

**Russia's invasion of Ukraine would in itself have been enough to cause economic disruption in Europe, but of course the economy of Europe had already endured a huge shock from Covid.** This led to governments having to step in to prevent whole areas of their economies from going bankrupt. As we explore on page 23, the pandemic also disrupted supply chains. And while Europe is by and large open for business again, the same is not true for the world's largest exporter of goods, China, where a zero-Covid policy is still leading to lockdowns being imposed.<sup>[2]</sup>

So where are we and where do we go from here? One way to think about these questions is to focus not just on Ukraine, hard as that is when faced with its unfolding tragedy, but to think about how the conflict interacts with other developments shaping Europe's economy.

Writing this feature last year, we noted how the pandemic had hastened the development of ecommerce. But perhaps ecommerce was too narrow a focus, in that **over the last few years, what we have seen is the digitalisation of our societies – in how we live, not just in the way we shop.** In Europe, we access government services online, we stream music and movies, we work more often from home because digital technologies mean we don't need to be in the office for 35 hours a week.

This has occurred at the same time as concerns over the environment have become mainstream. **At Cop26 in November 2021, 197 countries agreed the Glasgow Climate Pact.** This aims to limit “the increase in the global average temperature to well below 2°C above pre-industrial levels and [to pursue] efforts to limit the temperature increase to 1.5°C above pre-industrial levels”.

It is easy to be sceptical about such grand proclamations, but to offer a glass half-full perspective, **consumer behaviour is already changing.** While that change may be patchy and even inconsistent – think of middle-class consumers who shop at budget supermarkets to save money while also supporting local and organic producers from whom they order direct – it is happening.

For harried retailers, where executives are worried on a day-to-day basis about whether they can pass on price rises from their suppliers, assuming these retailers can

even source goods reliably, all this talk of the digitalisation of society may still seem rather distant. But take a step back and perhaps the strategic imperative is how to get through the next few months and years – learning to deal for the foreseeable future with inflation, finding the right balance between investing in ecommerce and physical stores, re-establishing robust supply chains – while also trying to prepare for what lies ahead.

**To return to the economic problems caused by Russia's invasion of Ukraine, one response has been to argue that nations should develop and exploit domestic carbon fuel reserves.** In the United Kingdom, for example, this idea has been used as a partial justification for opening a new coal mine in Cumbria<sup>[3]</sup> and for granting new licences to drill in the North Sea.<sup>[4]</sup>

While acknowledging that more thoughtful commentators see exploiting these reserves as a transitional measure, an alternative response is to point out that developing cleaner sources of energy and transitioning to a post-carbon economy are now essential tasks – and anyway unavoidable. Faced with serving consumers in an increasingly digitalised and digitalising society, it's possible the European retail sector has now, metaphorically at least, reached a similar point.

[1] [www.reuters.com/world/europe/ukraine-works-resume-grain-exports-flags-russian-strikes-risk-2022-07-25/](http://www.reuters.com/world/europe/ukraine-works-resume-grain-exports-flags-russian-strikes-risk-2022-07-25/)

[2] [www.bbc.co.uk/news/world-asia-china-62046521](http://www.bbc.co.uk/news/world-asia-china-62046521)

[3] [www.lancs.live/news/local-news/government-delays-cumbria-coal-mine-24419225](http://www.lancs.live/news/local-news/government-delays-cumbria-coal-mine-24419225)

[4] [www.theguardian.com/environment/2022/feb/15/new-north-sea-oil-gas-licences-incompatible-uk-climate-goals](http://www.theguardian.com/environment/2022/feb/15/new-north-sea-oil-gas-licences-incompatible-uk-climate-goals)

# Market overview: Europe in numbers

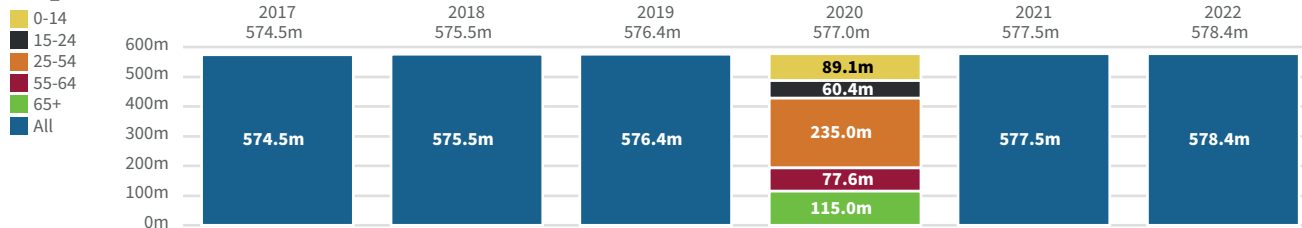
Europe is one of the most developed regions of the world, but this brings its own challenges

When Vladimir Putin invaded Ukraine, it represented the reassertion of an earlier European order, one where great powers jealously guarded not just their own borders but areas they regarded as falling under their spheres of influence. In truth, Europe long ago ceased to be that place. Despite Brexit and the rise of populism, **the modern European economy has been built on cooperation as much as on competition, especially amongst countries central to the European Union project.**

Looking at GDP figures, it's an approach that has made Europe wealthy. **GDP per capita in Europe in 2022 is projected to be €35,684, against a global figure of €15,140.** The figure for the EEA plus Switzerland and the UK is higher still, at €38,557. ('Europe' and 'global' here refer to the countries we track.)

Demographics will likely impact increasingly on these figures, even in the near future. Europe's population is

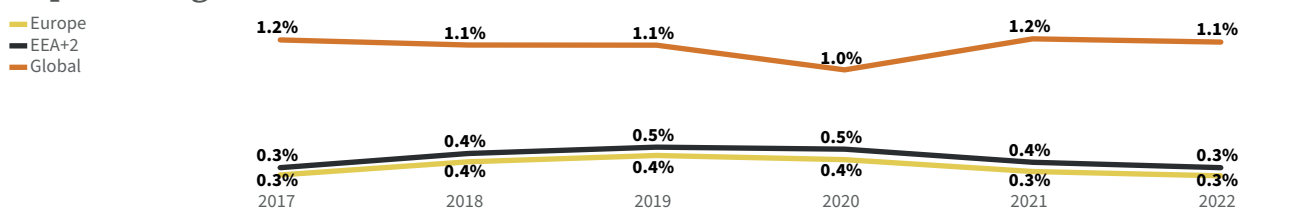
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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## Population growth

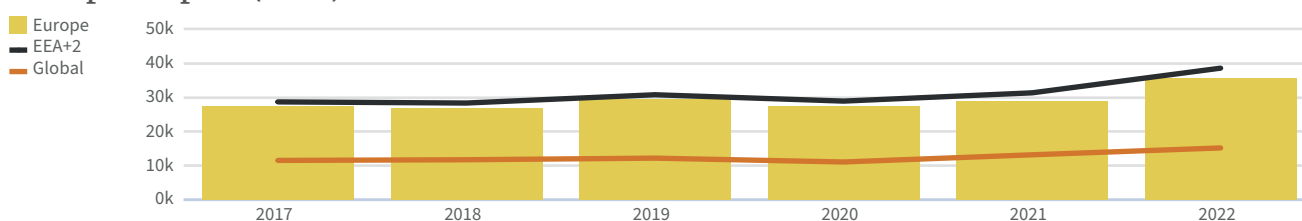


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

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## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

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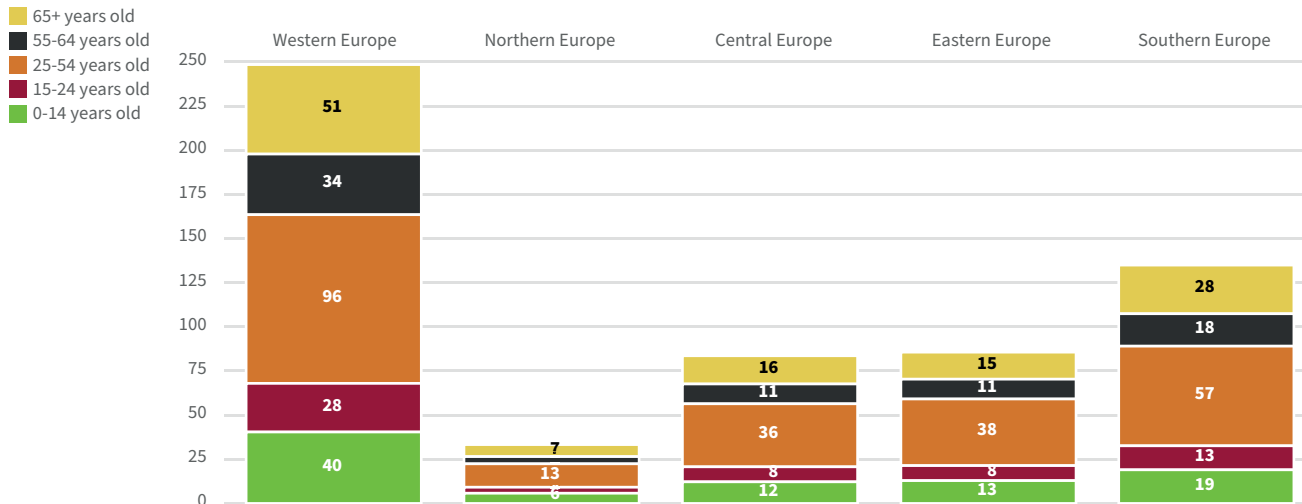
essentially stable. While it is predicted to grow by 0.3% in 2022, the equivalent global figure is 1.1%. At the same time, **Europe's population is getting older.** In many respects, this is a good news story of improving healthcare, but it also means that relatively fewer younger workers have to generate the income to support an ageing society.

One answer here is to encourage immigration, but this can be politically difficult and **an influx of workers from Europe was a factor in the vote for Brexit.** More recently in the United Kingdom, plans to raise taxes to pay for social care funding<sup>[1]</sup> have become central to the Conservative leadership contest, with Liz Truss claiming now is not the time for the government to be taking more money from people. For a right-wing party where the idea of low taxation promoting growth is akin to an article of faith, this is inevitably difficult territory.

**For all the overall sophistication of Europe's economy, there are big differences in wealth across nations and regions.** Western Europe, which includes France, Germany and the UK, has a GDP per capita of €58,452, far exceeding the €9,022 GDP per capita generated in Eastern Europe. It's important to realise that individual regions contain nations at different stages of economic development. In Northern Europe, the Scandinavian nations are far richer than their near-neighbours in the Baltics.

[1] <https://lordslibrary.parliament.uk/social-care-funding-a-rise-in-national-insurance/>

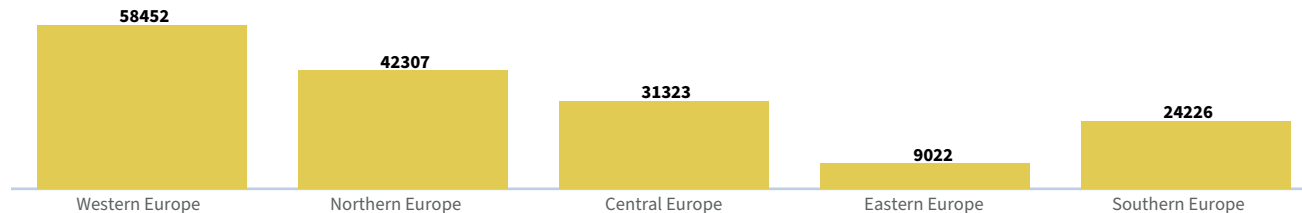
## Population Structure, 2021 (in million inhabitants)



Source: RetailX, drawing on data from Eurostat

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## GDP per capita (€), 2021



Source: RetailX, drawing on data from Eurostat

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# Market overview: Internet use

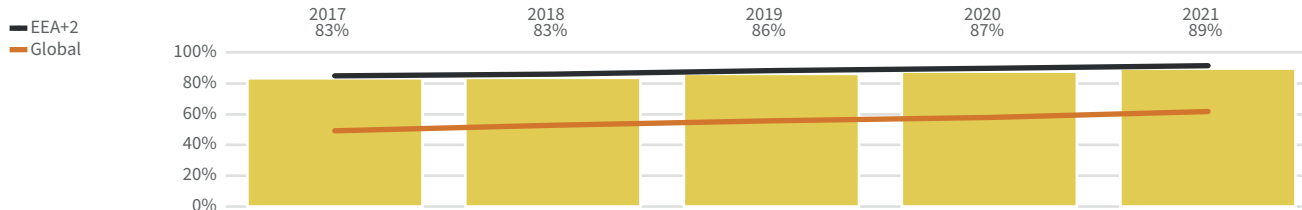
Europeans have enthusiastically adopted the internet, but have been more cautious about ecommerce

As of April 2022, the number of people worldwide using the internet had reached 5bn.<sup>[1]</sup> Comparatively rich and, by and large, with governments committed to giving citizens access to information, Europe has led the way in the adoption of digital technologies. As a result, **the percentage of the population using the internet in many European nations tops 95%**, although less developed European nations are still catching up, hence the overall total for the countries RetailX tracks in detail standing at 89% in 2021.

For all its overall upward trajectory, **the development of ecommerce has been patchier**. While the wealth of countries is generally an indicator to how many people will spend online, cultural factors also play in, with some populations noticeably less keen on ecommerce than even in near-neighbours (see individual country pages for more).

[1] [www.statista.com/statistics/617136/digital-population-worldwide/](https://www.statista.com/statistics/617136/digital-population-worldwide/)

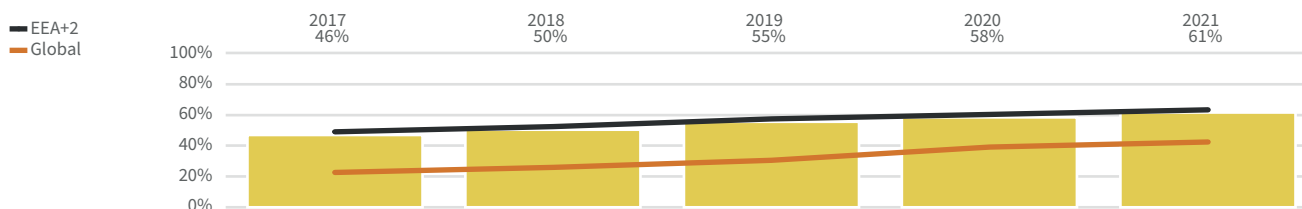
## Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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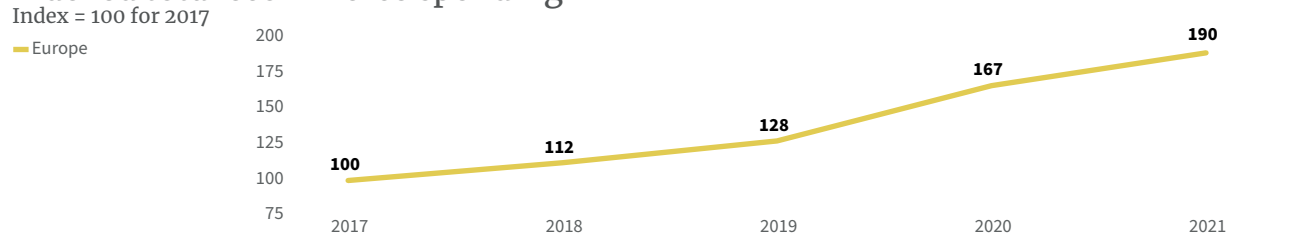
## Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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## Indexed total ecommerce spending



Source: RetailX, drawing on data from Eurostat

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# Market overview: International indices

The sophistication of Europe’s economy is shown consistently in international indices that RetailX tracks as part of our ongoing research. These indices also show variations in digital performance across the continent. We will be revising which indices we follow for next year’s report, but for now the indices we track are:

- **Logistics Performance Index:** The World Bank’s “interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics.”<sup>[1]</sup>

- **Ease of Doing Business:** “The Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.”<sup>[2]</sup> In September 2021, the World Bank discontinued updating this research following “data irregularities” being “reported internally”. A new Business Enabling Environment (BEE) index will follow at some point, but for now we continue to publish the final Ease of Doing Business Index results.

- **E-Government Development Index:** “Along with an assessment of the website development patterns in a country, the E-Government Development index

REGIONS AND COUNTRIES	LOGISTICS PERFORMANCE INDEX (LPI)	EASE OF DOING BUSINESS INDEX	E-GOVERNMENT DEVELOPMENT INDEX	INTEGRATED INDEX FOR POSTAL DEVELOPMENT (21PD)	THE INCLUSIVE INTERNET INDEX (OUT OF 100)				
					AVAILABILITY	AFFORDABILITY	RELEVANCE	READINESS	OVERALL INTERNET INCLUSIVE INDEX
<b>WESTERN EUROPE</b>									
BELGIUM	3	46	41	12	19	7	64	22	24
FRANCE	16	32	19	5	9	10	7	29	4
GERMANY	1	22	25	2	11	19	44	19	14
IRELAND	29	24	27	13	34	3	51	37	34
LUXEMBOURG	24	72	33	64	N/A	N/A	N/A	N/A	N/A
THE NETHERLANDS	6	42	10	6	3	26	56	5	8
THE UK	9	8	7	8	16	1	28	8	5
<b>NORTHERN EUROPE</b>									
DENMARK	8	4	1	45	7	29	54	20	19
ESTONIA	36	18	3	19	23	23	39	36	25
FINLAND	10	20	4	34	N/A	N/A	N/A	N/A	N/A
ICELAND	40	26	12	83	N/A	N/A	N/A	N/A	N/A
LATVIA	70	19	49	29	N/A	N/A	N/A	N/A	N/A
LITHUANIA	54	11	20	35	9	24	37	41	15
NORWAY	21	9	13	51	N/A	N/A	N/A	N/A	N/A
SWEDEN	2	10	6	26	8	17	45	16	11
<b>CENTRAL EUROPE</b>									
AUSTRIA	4	27	15	3	33	28	48	2	32
CZECHIA	22	41	39	18	N/A	N/A	N/A	N/A	N/A
HUNGARY	31	52	52	37	42	21	49	73	44
POLAND	28	40	24	15	29	10	14	43	16
SLOVAKIA	53	45	48	21	N/A	N/A	N/A	N/A	N/A
SLOVENIA	35	37	23	46	N/A	N/A	N/A	N/A	N/A
SWITZERLAND	13	36	16	1	4	40	27	25	10

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

incorporates the access characteristics, such as the infrastructure and educational levels, to reflect how a country is using information technologies to promote access and inclusion of its people.<sup>3</sup>

• **2IPD:** “The UPU’s Integrated Index for Postal Development (2IPD) is a composite index providing an overview of postal development around the world, with 168 countries covered... In addition to revealing the relative performance of postal operators around the world, the index sheds light on how to foster postal development and maximize the efficiency of postal infrastructure.”<sup>4</sup>

• **Inclusive Internet Index:** “Commissioned by Meta and developed by Economist Impact, [the Inclusive Internet 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.”<sup>5</sup>

Overall, the performance of European economies in these indices is broadly as you might expect. For example, the United Kingdom ranks in the Top 10 of all of these indices (excepting some of the sub-indices of the Internet Inclusive Index). This may change in the wake of Brexit if business conditions deteriorate, but the rankings broadly reflect the United Kingdom being open to the world and, over many years, quick to adopt digital technologies.

In contrast, the rankings of countries in Eastern Europe reflect these nations’ histories as part of the Soviet Bloc,

REGIONS AND COUNTRIES	LOGISTICS PERFORMANCE INDEX (LPI)	EASE OF DOING BUSINESS INDEX	E-GOVERNMENT DEVELOPMENT INDEX	INTEGRATED INDEX FOR POSTAL DEVELOPMENT (2IPD)	INCLUSIVE INTERNET INDEX (OUT OF 100)				OVERALL INTERNET INCLUSIVE INDEX
					AVAILABILITY	AFFORDABILITY	RELEVANCE	READINESS	
<b>EASTERN EUROPE</b>									
BULGARIA	52	61	44	39	25	34	33	33	28
CROATIA	49	51	51	42	N/A	N/A	N/A	N/A	N/A
NORTH MACEDONIA	81	17	72	63	N/A	N/A	N/A	N/A	N/A
ROMANIA	48	55	55	36	18	25	40	60	30
SERBIA	65	44	58	28	N/A	N/A	N/A	N/A	N/A
UKRAINE	66	64	69	33	N/A	N/A	N/A	N/A	N/A
<b>SOUTHERN EUROPE</b>									
CYPRUS	45	54	18	40	N/A	N/A	N/A	N/A	N/A
GREECE	42	79	42	38	28	26	2	48	18
ITALY	19	58	37	11	32	6	24	28	20
MALTA	69	88	22	69	N/A	N/A	N/A	N/A	N/A
PORTUGAL	23	39	35	22	26	20	52	25	28
SPAIN	17	30	17	31	20	9	9	11	7

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

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for example, Bulgaria and Romania, or, in the case of Croatia, North Macedonia and Serbia, as states formed after the breakup of Yugoslavia.

As ever, some of the fascinating figures here are the outliers. Belgium, for example, ranks 64th in the Relevance sub-category of the Inclusive Internet Index because, say those compiling the figures, the country suffers from a lack of local content.

Volatility in the 2IPD, noted its compilers when the latest report was published, was down to “postal operators around the world... adjusting to the new normality brought by the pandemic” with varying degrees of success.

[1] <https://lpi.worldbank.org>  
 [2] [www.doingbusiness.org/en/doingbusiness](http://www.doingbusiness.org/en/doingbusiness)  
 [3] <https://publicadministration.un.org/egovkb/en-us/About/Overview/-E-Government-Development-Index>  
 [4] [www.upu.int/en/Universal-Postal-Union/Activities/Research-Publications/Integrated-Index-for-Postal-Development](http://www.upu.int/en/Universal-Postal-Union/Activities/Research-Publications/Integrated-Index-for-Postal-Development)  
 [5] <https://theinclusiveinternet.eu.com>



# The European consumer

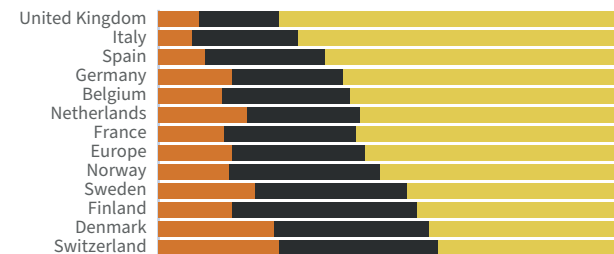
European consumers are nervous about the geopolitical and economic situations, yet ecommerce is still on the rise

It is hardly surprising that consumers are nervous about what lies ahead. Russia's invasion of Ukraine, coming immediately in the aftermath of a global pandemic, has been a seismic event, the long-term repercussions of which are still unclear. **Around 9m people have left Ukraine and further millions have fled their homes.**<sup>[1]</sup> Europe's reliance on Russian gas to keep the lights on, even as nations take in Ukrainian refugees and arm Ukraine with heavy weaponry, has come acutely into focus.

These kinds of factors were reflected in a survey conducted by McKinsey in April. In Spain, the survey revealed, 67% of respondents had a negative view of their country's economic state. Even in Germany, Europe's largest economy, 55% of respondents were negative. Arguably even more telling is that so **few respondents took a positive view of the economy.** In the United Kingdom, just 15% of respondents said they had a positive outlook.

## How often do you shop online?

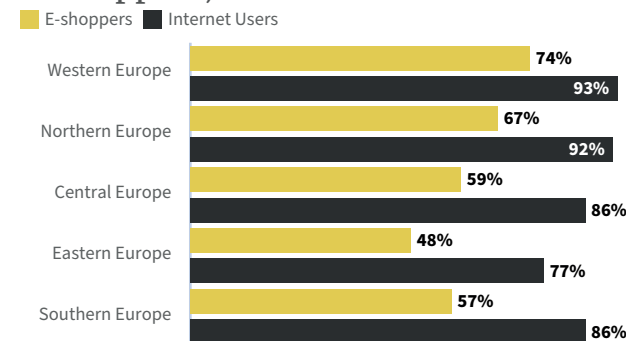
Regular shoppers Occasional shoppers Infrequent shoppers



Online survey conducted in November 2021. Answers have been stratified by age and gender. Data for Europe has been calculated as a weighted average across 19 European surveyed countries. Infrequent shoppers = Buy online less than once a year Occasional shoppers = Buy online once a month to once a year Regular shoppers = Buy online more than once a month Source: RetailX

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## Percentage of internet users and e-shoppers, 2021

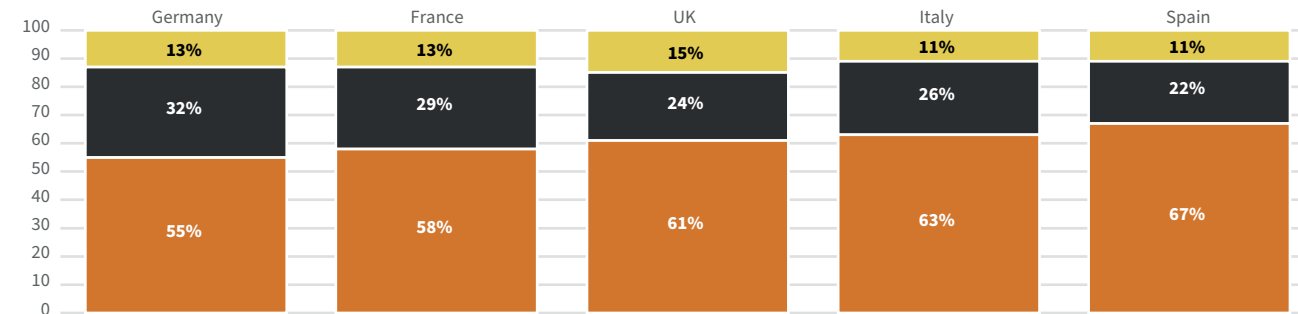


Source: RetailX, drawing on data from Eurostat

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## Confidence in own country's current economic state, in percentage of respondents

Positive Neutral Negative

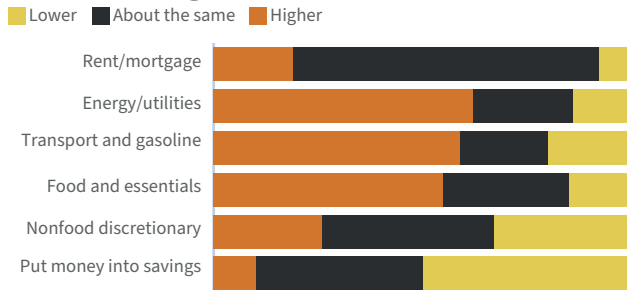


Europe Consumer Pulse Survey conducted between 12 to 18 of April 2022 containing 5,075 respondents in France, Germany, Italy, and Spain.

Were the same survey to be conducted today, it's reasonable to expect that the results would be even more negative. In Germany, there is disquiet over the prospect of energy rationing during the winter.<sup>[2]</sup> **The French government has moved to nationalise energy provider EDF, in great part a way to protect consumers from energy price volatility.**<sup>[3]</sup> In the United Kingdom, the effects of Brexit have been a drag on the economy and, in a July 2022 YouGov poll, 53% of respondents said it had been a mistake to leave the European Union.<sup>[4]</sup>

Inflation (discussed in more detail on page 31) plays a part here. As a Europe Consumer Pulse Survey revealed in April, consumers have noticed price increases across a variety

### Change of spend in general categories, in percentage of respondents



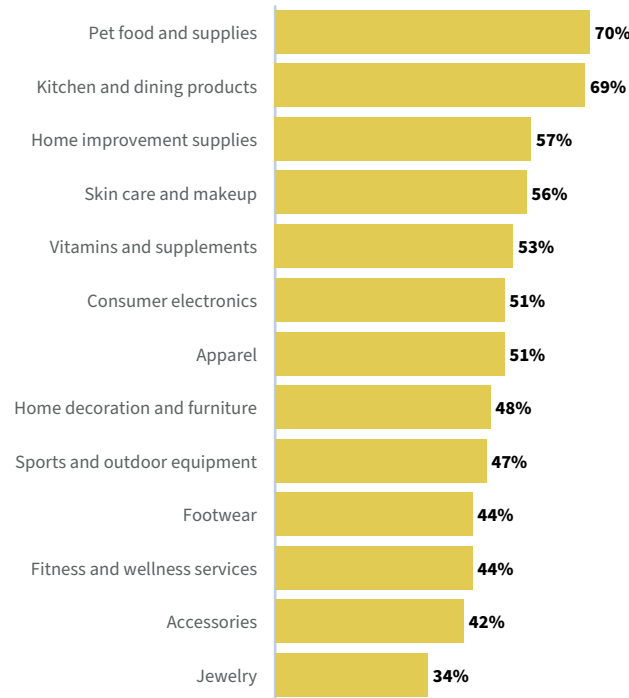
Europe Consumer Pulse Survey conducted between 12 to 18 of April 2022 containing 5,075 respondents in France, Germany, Italy, and Spain.

Source: McKinsey & Company



### Consumer-observed price increases, by category

In the last four to six weeks, how have you observed price changing across the following categories?

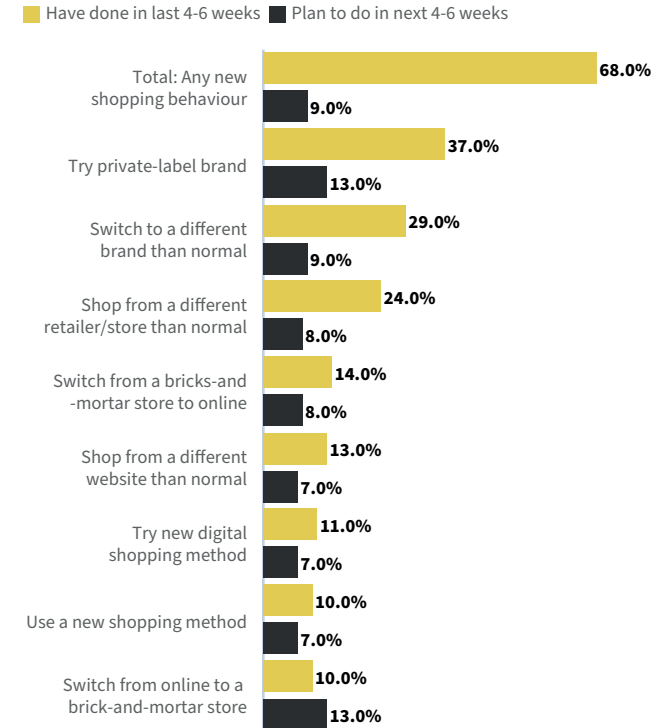


Europe Consumer Pulse Survey conducted between 12 to 18 of April 2022 containing 5,075 respondents in France, Germany, Italy, and Spain. Results show the % of respondents rating price change in the last 4-6 weeks at significant increases (answered 4 or 5 on a 5-point scale)

Source: McKinsey & Company



### Activities and intended activities when shopping for groceries or essentials, in percentage of respondents



Europe Consumer Pulse Survey conducted between 12 to 18 of April 2022 containing 5,075 respondents in France, Germany, Italy, and Spain. Results show the % of respondents rating "Extremely likely" and "Likely" on a 6-point scale

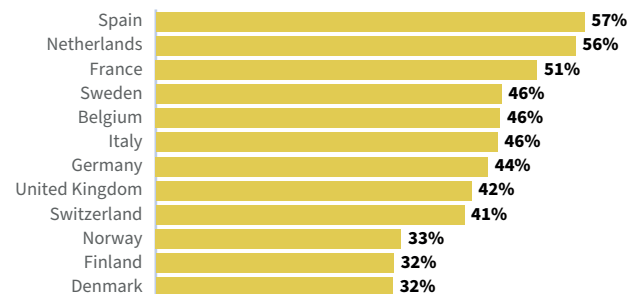
Source: McKinsey & Company



of categories, which has had an impact on consumer behaviour. Consumers are buying smaller quantities, trading down in terms of the brands they select and delaying purchases. There is nothing in the immediate economic outlook to suggest this kind of behaviour will change in the near future. **In 2023, when inflation is predicted to ease, the overall figures for the eurozone and the EU as a whole, will be respectively 4.0% and 4.6%, according to the European Commission.**

For retailers trying to sell into Europe’s competitive markets, this will be challenging. Yet at a strategic level, it is arguably more important than ever to separate short-term factors from longer-term trends. The coronavirus

### Share of consumers shopping for fashion and accessories online



Note: Survey conducted in November 2021 to between 180-450 16+ years old respondents residing in each of the shown countries

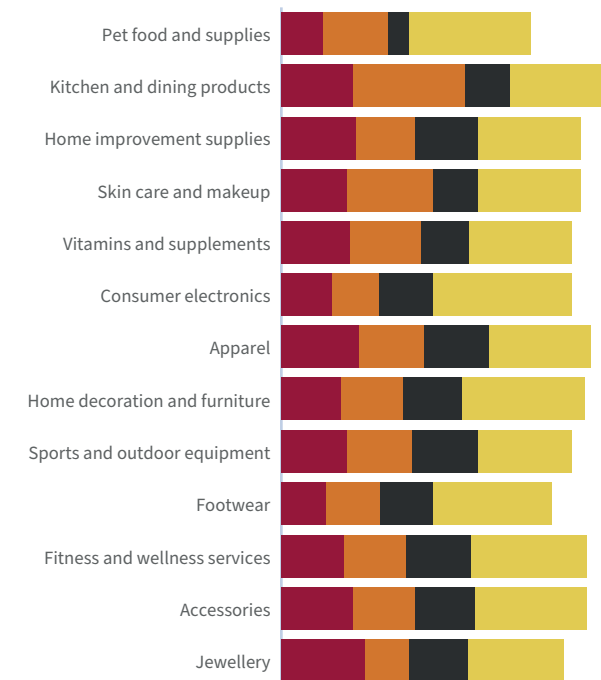
Source: RetailX

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### Changed behaviour by category when price increased perceived

In the last four to six weeks, how have you observed price changing across the following categories?

■ No action ■ Delayed purchase ■ Lower-price brand ■ Smaller quantity



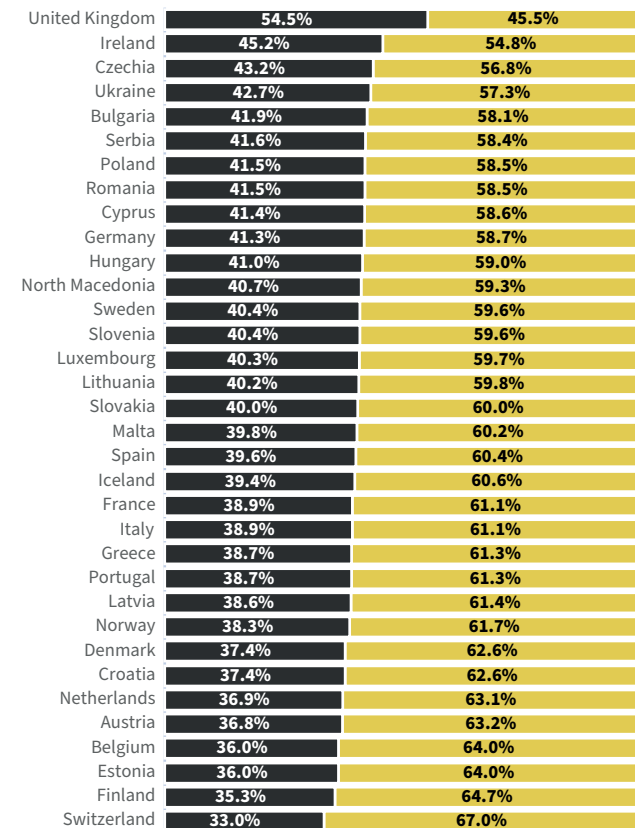
Europe Consumer Pulse Survey conducted between 12 to 18 of April 2022 containing 5,075 respondents in France, Germany, Italy, and Spain. Results show the % of respondents rating price change in the last 4-6 weeks at significant increases (answered 4 or 5 on a 5-point scale)

Source: McKinsey & Company

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### Mobile split by country in 2021

■ Desktop ■ Mobile



Source: Statista Market Outlook

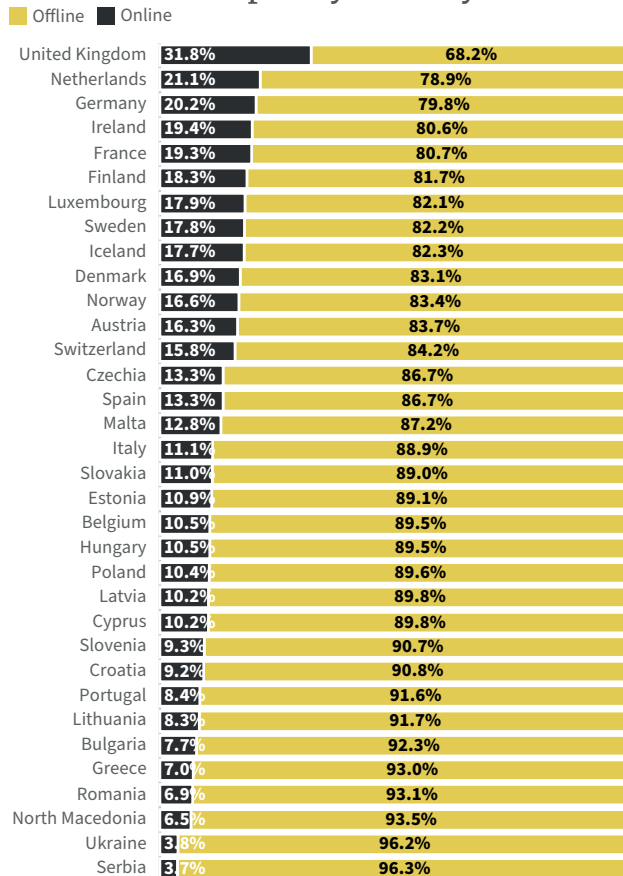
© RetailX 2022

pandemic drove people online and, while many more consumers have chosen to return to stores than some commentators initially predicted, Covid-19 has been an undeniable factor in the development of ecommerce. But it's important to remember this has represented a ratcheting up of an existing trend rather than a new development in itself.

That said, **there are clear differences in consumer behaviour across different European territories at different stages of development.** In the United Kingdom, close to a third of purchases (31.8%) are now made online. In Portugal, the equivalent figure is 8.4%. **Serbs are least likely of all Europeans to shop online, with just 3.7% of purchases taking place online.**

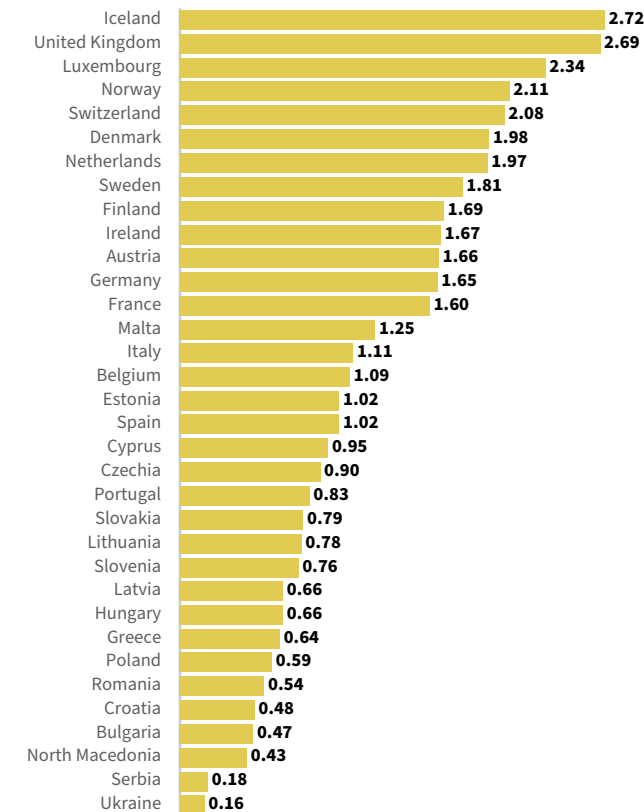
These figures illustrate how, for retailers looking to expand abroad, **the choice is often between trying to take a small share of a developed market or launching in smaller online markets where there is less competition.** It will be intriguing to see how the evolution of ecommerce in countries with underdeveloped markets affects this picture in the years ahead. Is there perhaps a sweet spot for retailers where competition is less fierce yet the market is developing so fast that launch costs are less of a risk?

### Sales channel split by country in 2021



Source: Statista Market Outlook

### Average revenue per user, 2021 (in thousand EUR)



Source: Statista Market Outlook

[1] [www.theguardian.com/world/2022/jul/06/donetsk-governor-urges-people-to-flee-after-more-civilian-deaths-ukraine](https://www.theguardian.com/world/2022/jul/06/donetsk-governor-urges-people-to-flee-after-more-civilian-deaths-ukraine)  
 [2] [www.theguardian.com/world/2022/jul/19/germany-worries-about-gas-rationing-as-supply-from-russia-halted](https://www.theguardian.com/world/2022/jul/19/germany-worries-about-gas-rationing-as-supply-from-russia-halted)  
 [3] [www.reuters.com/business/energy/france-announce-details-edf-nationalisation-2022-07-18/](https://www.reuters.com/business/energy/france-announce-details-edf-nationalisation-2022-07-18/)  
 [4] <https://whatukthinks.org/eu/questions/in-highsight-do-you-think-britain-was-right-or-wrong-to-vote-to-leave-the-eu/>

# Experience FREEDOM

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## Expert insight

## Ijaz Bhattee



As strategic account director, Ijaz helps retailers deliver powerful customer experiences using the headless commerce platform developed by Amplience

**What do European customers now expect of the retailers and brands who sell to them in your area of expertise? And how are retailers and brands adapting to meet those expectations?**

One thing is for certain: online retail growth is still going to be strong. Rising fuel and other costs mean people are going to want to minimise unnecessary travel as much as possible. That is likely to drive online sales up, but you need to be able to adapt quickly.

Adapting offers to include things such as free delivery may work well if you're able to adjust your experience, test and iterate quickly. Change is constant so being able to react accordingly, and quickly too, is vital.

As always, you need to deliver the right story at the right time on the right platform – on a customer's computer at work or their smartphone at home, for example.

**What challenges do you see coming up for retailers and brands selling in Europe?**

Being able to adapt to what customers need, whether that means better availability, lower prices or deals, is crucial. Depending on where you are in Europe, there are going to be different drivers over this challenging period.

There are supply chain issues. The cost of producing goods has increased and it's harder to source products. Despite this, you still need to cover the fixed costs of the business. So this will put pressures on the business to increase prices and the margins on your products.

As the effects of inflation mount up, it's all the more important to emphasise and communicate the value of your products or services. To do that, you may need to tell a more aspirational story. You need to inspire the customer.

That requires experiential content – blogs and videos – that tells your story and elevates the value of what you're selling. Using brand ambassadors or thought/fashion leaders has been effective for larger organisations.

**What are the opportunities that these businesses should be making the most of?**

The channels that customers use to make purchases are constantly evolving. There's the metaverse, for example, a new platform that is likely to provide plenty of opportunities for retailers.

So whether it's now or later, being able to deliver your content independent of that front-end experience means you have the ability to adapt to these changes. Don't be afraid of these new channels. If they're moving very quickly, embrace them and use them to your advantage.

One way or another, brands need to inspire customers. Staying the same while the market is rapidly changing is a larger risk for a business to take.

In these uncertain times, online sales are only going to continue to rise, so we as an industry need to make sure we're facilitating the freedom to change and adapt.



Amplience is a commerce experience platform that takes the heavy lifting out of digital content, giving your technical and marketing teams the freedom to create digital experiences without limits. The platform's MACH Alliance-certified architecture delivers maximum speed, agility and scalability. More than 400 of the world's leading brands use Amplience including Crate & Barrel, Traeger Grills, Ulta Beauty, Coach, OTTO Group, GAP, Currys, Argos and The Very Group. [www.amplience.com](http://www.amplience.com)



# Market issues

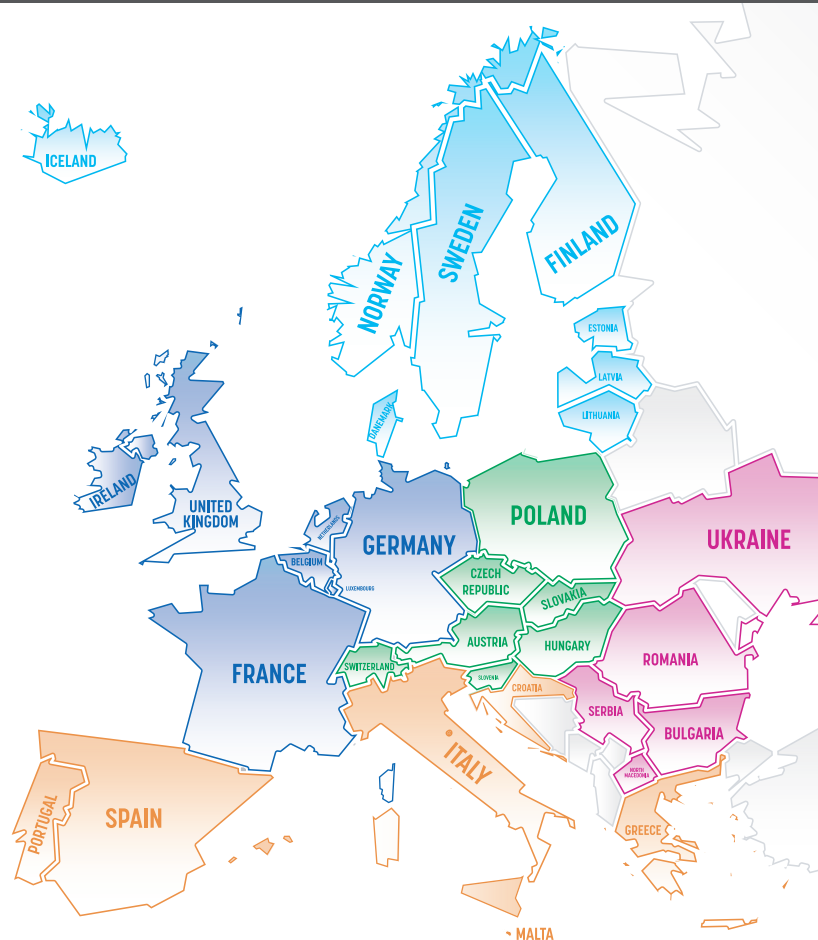
Over the following pages, we look at five issues that are likely to help shape the strategic thinking of retailers across Europe through the rest of 2022 and into next year.

Firstly, we reveal some of the latest RetailX research into sustainability. Heatwaves this year showed once again that we are entering an era when action on climate heating is imperative. However, there is a risk that the geopolitical situation will result in progress towards net zero slowing.

We also look at how supply chain issues, exacerbated by the conflict in Ukraine, are an ongoing issue for retailers and for brands; ask whether the metaverse is more than just hype (yes!); and urge caution on those assuming the pandemic is over.

Finally, we look at inflation. Just how should the ecommerce sector, which has developed over long years of prices rising slowly, adjust to an era when this is no longer true?

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# Sustainability

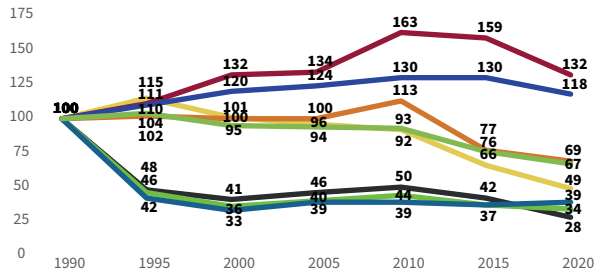
2022 is the year when action on climate issues needs to happen, but will geopolitical issues result in the world taking two steps forward, then one back?

Heatwaves and droughts in Spain and Portugal are punishing both countries with the driest weather for at least 1,200 years, at the same time as weather fronts push winter rainfall, expected for the Iberian Peninsula, northwards to the UK and Scandinavia.

## CO<sub>2</sub> emissions in Northern Europe

Based on index 1990=100

Denmark Estonia Finland Iceland Latvia Lithuania Norway Sweden



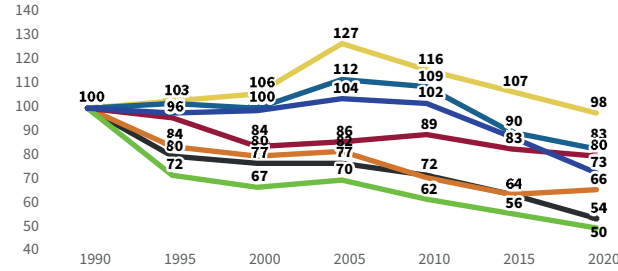
Source: Our World in Data

© RetailX 2022

## CO<sub>2</sub> emissions in Central Europe

Based on index 1990=100

Austria Czechia Hungary Poland Slovakia Slovenia Switzerland



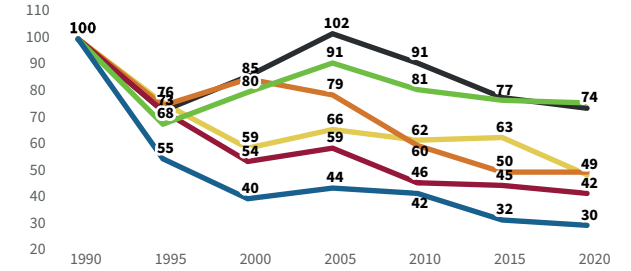
Source: Our World in Data

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## CO<sub>2</sub> emissions in Eastern Europe

Based on index 1990=100

Bulgaria Croatia North Macedonia Romania Serbia Ukraine



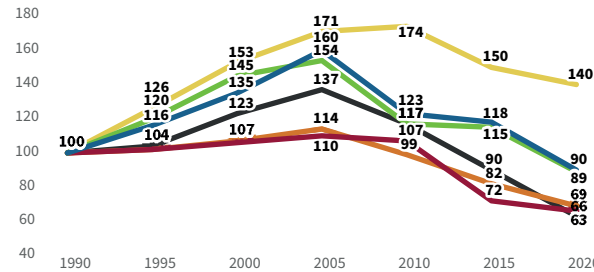
Source: Our World in Data

© RetailX 2022

## CO<sub>2</sub> emissions in Southern Europe

Based on index 1990=100

Cyprus Greece Italy Malta Portugal Spain



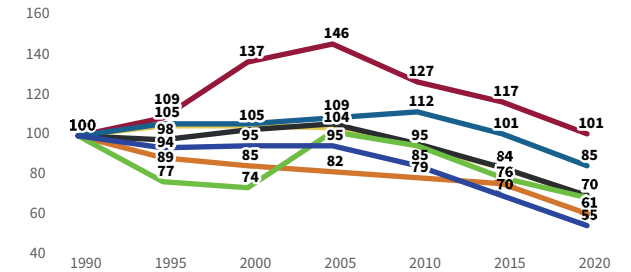
Source: Our World in Data

© RetailX 2022

## CO<sub>2</sub> emissions in Western Europe

Based on index 1990=100

Belgium France Germany Ireland Luxembourg Netherlands UK



Source: Our World in Data

© RetailX 2022

In Germany, 2021's floods were classed as a one-in-400-year event. **Climate change is no longer something that's way off in the future** or only affects far off parts of the planet – it's being felt right now in the heart of Europe.

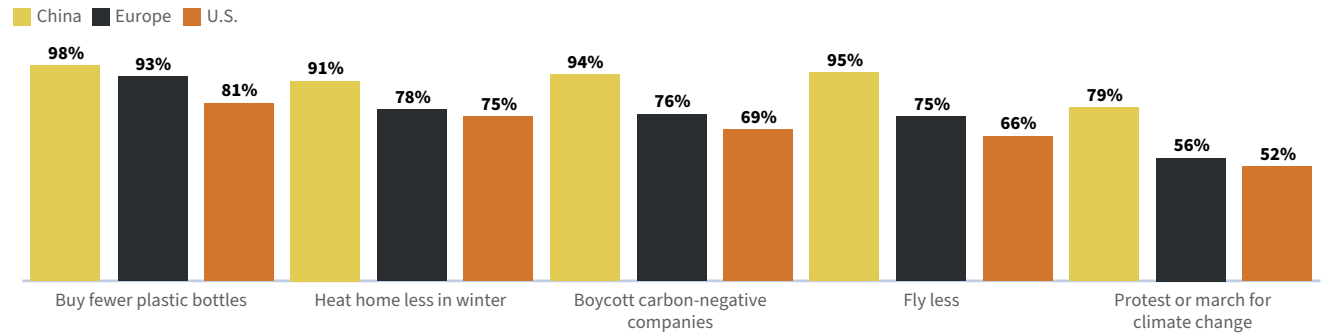
**The environment and climate change are a concern to governments**, businesses and consumers around the world. Like chaos theory's 'butterfly effect' analogy, in which a butterfly flapping its wings in the rainforest can be the catalyst for huge storm at the other side of the planet, carbon emissions from one country affects all others in ways few can predict.

In September 2021, leaders of almost 200 countries came together at the COP26 summit to discuss the issue, review implementation of current agreements including the Kyoto Protocol and Paris Agreement, push forward developments and ratify measures to alleviate the impact of rising temperatures.

**Four goals were set up specifically for COP26**, with agreements subsequently made:

1. **Securing global net zero by 2050** in order to keep global temperatures within 1.5° above pre-industrialised levels. This is to be achieved by accelerating the phasing out of coal, curtailing deforestation, speeding up the switch to electric vehicles and encouraging investment in renewables

## Percentage of people who intend to make certain decisions based on climate change in 2020



Source: Statista drawing on the European Investment Bank Climate Survey

© RetailX 2022

- Adapting to **protect communities and natural habitats**
- Mobilising at least \$100bn (€84bn) in climate finance** each year to help developing countries cope with the effects of climate change
- Working together to deliver by finalising the Paris Rulebook.** These are the guidelines under which the Paris Agreement is to be delivered. They include details on how countries will report their emissions, common timeframes for reducing emissions and the mechanisms and standards for international carbon markets.

Ahead of the 12-day Conference of the parties in Glasgow, at which world leaders were joined by thousands of

negotiators, NGOs, businesses and interested citizens, countries published their updated climate targets. At the summit's close, Alok Sharma, UK President of COP26 said: "We can now say with credibility that we have kept 1.5 degrees alive. But, its pulse is weak and it will only survive if we **keep our promises and translate commitments into rapid action.**"

This sentiment was seconded by the UN Climate Change secretariat. Its 2021 annual report marked the outcomes of COP26 as having signalled "**a shift from negotiations and setting targets to implementing actions and raising ambition further**".<sup>[1]</sup>

Countries within the EU are working as a single group to implement agreements set out at COP26, along with ambitions set previously. By 2017, the EU had already cut greenhouse gas emissions by almost 22%, compared to its benchmark year of 1990, achieving this goal three years ahead of schedule. **Current targets will see emissions cut by at least 55% by 2030.** Further ahead, the EU has set a goal of being climate-neutral by 2050.

**Individual countries within the EU each have their own target for tackling greenhouse gas emissions** and other areas of climate policy, which all link into the EU’s overarching goals. Looking at the CO2 emissions figures for countries in Western Europe in 2020 shows emissions are lower than in 2019 and are continuing a downwards trend.

The EU is also extending its climate diplomacy work to focus on human rights as well as climate change, energy, biodiversity loss and environmental degradation. This board church recognises how they are all entwined and can accelerate or deepen existing vulnerabilities that could undermine global peace and stability. This approach will see countries within the EU engaging with countries outside of Europe with a single voice.

“The EU is extending its climate diplomacy to focus on human rights as well as climate change”

However, the world remains on course to reach global warming of 1.5° within the next two decades, with the IPCC warning that temperatures will continue to increase unless the world takes much bolder action. **“Half measures are no longer an option,”** it says, since “any further delay in concerted global action will miss a brief and rapidly closing window to secure a liveable future.”

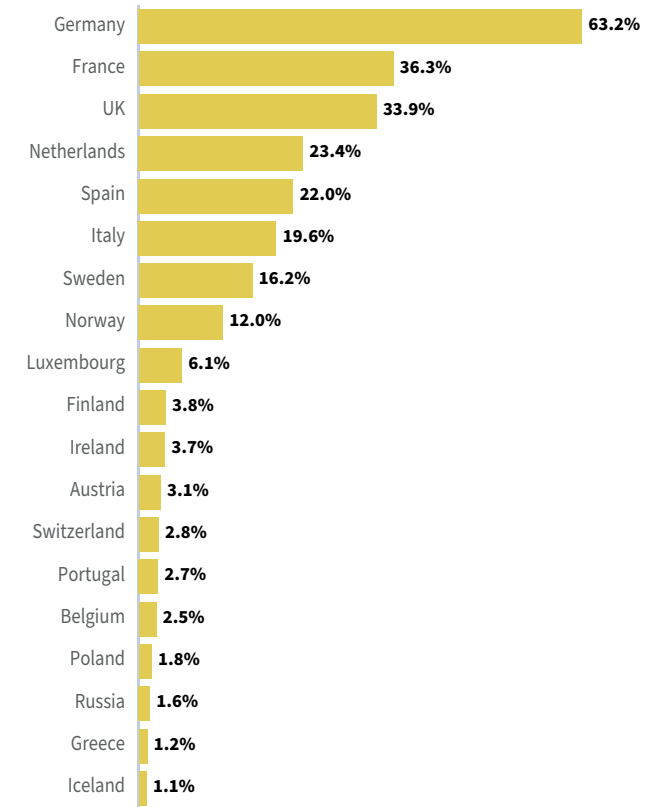
Developments are moving fast for the environment, our impact on the planet, respect for each other and other creatures. The war in Ukraine has put pressure on Russian oil-reliant countries such as Germany to revert to coal as a stop-gap, while **the US Supreme Court has stalled President Biden’s climate commitments.**<sup>[2]</sup>

It often seems as though 2021’s momentum has been slowed and that climate action is going backwards. **It is yet to be seen what 2022’s promised year of action will achieve.** Two steps forward and one back might sound like a slow progress, yet it’s still going in the right direction.

**IS PLASTIC BANISHED TO THE PAST?**

Where action is continuing apace is around the issue of single-use plastics. It’s estimated that **7bn of the 9.2bn tonnes of plastic produced between 1950 and 2017 has become waste.** A legally binding treaty “to cure” the issue of plastic pollution is being negotiated over the coming two years, having been agreed in principle at March’s United Nations Environment Assembly.<sup>[3]</sup>

**Value of green bond issuance in selected European countries in 2021 (\$bn)**



Survey period: 2021  
Source: Climate Bonds Initiative accessed via Statista

60 countries, the UK included, have already implemented some type of legislation to curb the manufacture or use of plastic packaging. The UK's legislation, which became enforceable on 1 April 2022, taxes businesses for any packaging containing less than 30% recycled plastic which they manufacture or import. As a result, **retailers have been making changes to the amount of virgin plastic used in packaging** since the tax was announced in 2018.

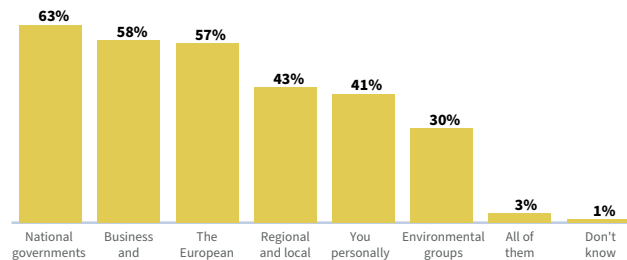
While the actual percentages vary by country around 40% to 60% of consumers cite plastic packaging as an important aspect of sustainable consumption. They also put it in first place when given a list of environmental concerns pertaining to retailing.

Retailers have not been deaf to such widespread consumer concerns and changing legislation. As part of its sustainability efforts, jewellery brand **Pandora made the swap to new bags and boxes across its stores and online in 2021**. This new packaging cut emissions by more than 60%. Its carrier bags, where used, no longer contain plastic, while the plastic content in its jewellery boxes has been reduced by more than 75%.

**Retailers are also retaining responsibility for their own emissions by taking back packaging.** Ethical beauty retailer The Body Shop accepts used product containers from customers to ensure that they are recycled rather than ending up in landfill. Each item is

## Responsibility for tackling climate change, 2021

In your opinion, who within the EU is responsible for tackling climate change?



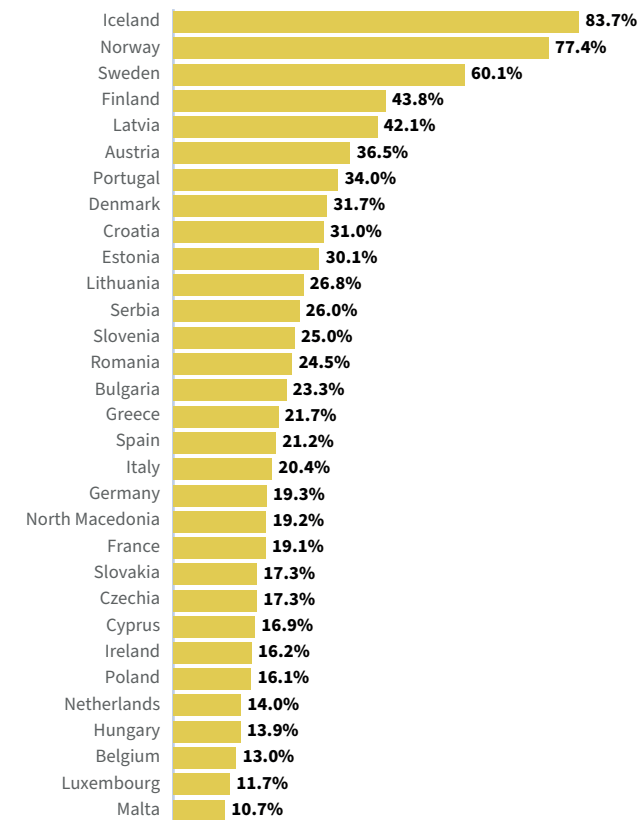
Multiple answers possible. Face-to-face surveys carried out in March and April, 2021  
Source: Eurobarometer; European Commission © RetailX 2022

quarantined before being washed then shredded into a plastic mix that's heated to more than 200° before being pressed into 100% recycled plastic boards. This is then used by ReWorked to make products ranging from furniture, shelters and bins to shop fittings and children's play equipment and furniture, the latter being donated to local schools in need.

Grocery chain Morrisons has taken things a step further by investing in a recycling plant in Scotland that processes items such as sweet wrappers and crisp packets. It has further plans for its own recycling facilities and has also committed to halving the amount of packaging used for its own goods by 2025.

## Renewable Energy 2020

% share of energy from renewable sources



No data available for the UK, Switzerland, and Ukraine  
Source: Eurostat © RetailX 2022

## MOVING FROM LINEAR TO A MORE CIRCULAR RETAIL MODEL

**Retailers are also looking to reduce the level of virgin materials used in products**, be that plastic in packaging or metals in consumer electronics. The fashion industry, for example, is working on reducing the levels of chemicals and water used to process raw materials into garments. **Fashion brands are collaborating with each other**, their textile suppliers and even farmers in order to overhaul the top-to-bottom impact of their sector.

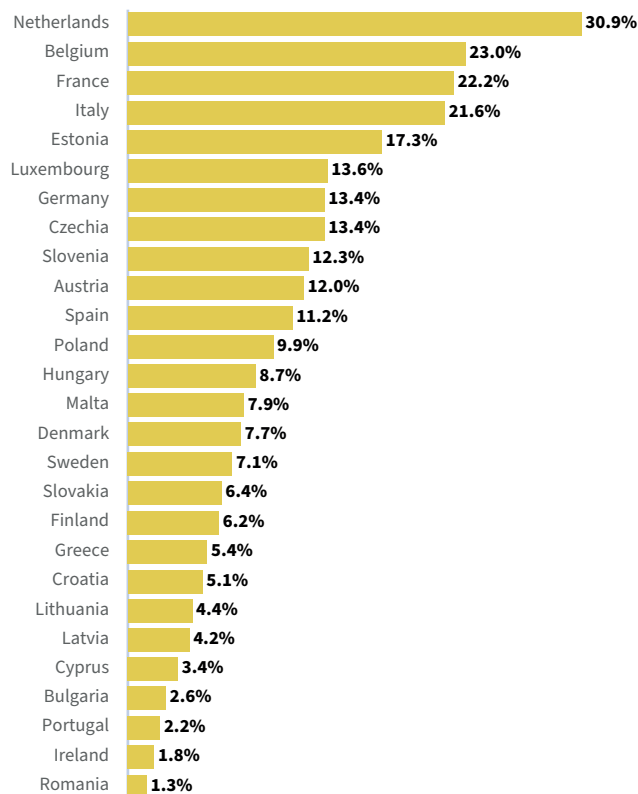
**Brands are also looking at what happens to products at the end of their life** and how to delay that by repairing. RetailX has analysed the consumer-facing websites of Europe's leading retailers, including the RetailX EU Top1000, to discover how many retailers are working towards a more circular product model and how they are communicating this increased sustainability journey with their customers.

A number of parameters were analysed, including whether the brand or retailer offer a product rental service and whether they include information of how to repair their products or a service to do so.

Other measurements around transparency of retail practices and how often they update on their sustainability progress were also measured.

## Circular material use rate 2020

% share of material recovered and recycled



No data available for the UK, Switzerland, Iceland, Norway, Serbia, North Macedonia, and Ukraine  
Source: Eurostat

CC BY ND RetailX 2022

**Rental is still in its infancy for many in the retail industry.** Fewer than 2% of the RetailX EU Top1000 have a way for customers to rent their products rather than buying them outright. 11% offer a product repair service, while under 5% include information on their website showing customers how they can carry out their own repairs.

**Taking products back for recycling** at the end of their life **is something that an increasing number of retailers and brands are offering.** More than a fifth of the EU Top1000 offer a way for customers to return and recycle their unwanted products.

Services such as these are partly driven by the desire of brands and retailers to limit their impact on the environment, the need to comply with legislation and as a way to ultimately reduce waste and costs. **Ambitious targets, collaboration and pressure points between governments, businesses and consumers are starting to make a noticeable change in the retail industry.**

[1] <https://unfccc.int/annualreport#eq-7>

[2] [www.theguardian.com/environment/2022/jul/06/supreme-court-epa-ruling-biden-climate-policy-global-reaction](http://www.theguardian.com/environment/2022/jul/06/supreme-court-epa-ruling-biden-climate-policy-global-reaction)

[3] [www.theguardian.com/environment/2022/mar/02/world-leaders-agree-draw-up-historic-treaty-plastic-waste](http://www.theguardian.com/environment/2022/mar/02/world-leaders-agree-draw-up-historic-treaty-plastic-waste)



# Supply chain issues

It has not been an easy time for the supply chain industry, with a single stranded ship, along with a global pandemic, having wide-reaching consequences for European ecommerce

Covid-19 not only changed the way consumers shop by driving many online for the first time, it also brought supply chain issues to the general public's attention. Disruption across the supply chain was well documented as **the ecommerce sector was hit hard, with 60% of websites reporting that they had encountered difficulties in their supply chain.** France, Germany, Italy and Sweden were the most impacted countries.<sup>[1]</sup>

While lockdowns may have lifted in many regions, renewed Covid-19 outbreaks in others and an ever-growing ecommerce market mean that post-pandemic global supply chain issues are still being felt.

## NOT OUT OF THE WOODS YET

Neither the global supply chain nor the ecommerce sector have fully recovered from the pandemic but are now **also facing an energy crunch, rising costs and Russia's invasion of Ukraine.** This combination means that **any**



Rocketing shipping container prices, labour shortages and delivery delays are still causing concern for ecommerce retailers working to keep customers

**disruption to the supply chain, and therefore to the ecommerce industry, may not be as short-lived as previous predicted.** As the World Economic Forum said, “The increasing frequency of supply-driven disruptions – ranging from global pandemics and the climate crisis to cyber threats and geopolitical tensions – combined with an ever-intensifying set of demand-driven disruptions – including the rise of new consumer channels, pent-up demand and a fragmented reopening of the global economy – will continue to destabilise global value chains.”

## SHIPPING CRISIS

The pandemic left transport networks weakened and resulted in labour shortages across the board. For middle-mile supply chain operators, rising fuel costs and limited HGV drivers have resulted in costs being passed back onto ecommerce retailers. **Surging retail imports and peak produce shipments have also driven up demand, and therefore the cost, of transportation services.**

**JUST IN TIME**

Pre-pandemic, **much of Europe deployed a supply chain management strategy known as ‘just in time’ (JIT)**. Based upon demand, this model coordinates consumer demand with the need for materials to produce items as and when they are required in the manufacturing process.

In theory, this reduces the need to store excess materials in a warehouse, yet **to function correctly, JIT relies on an intricate synchronisation between operations.**

The JIT supply chain aims to reduce timing delays and costs by perfecting the timing of ordering materials. The objective is for businesses to have precisely the right amount of materials needed each moment to



The latest Apple MacBook Air launched globally thanks in part to JIT

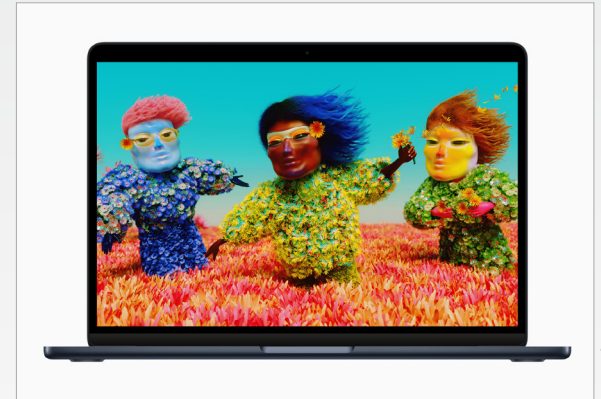
© Apple

meet customer demand. JIT is designed to be an efficient operation that optimises materials while delivering on what customers want in any given time frame.

**JIT is a model that has been deployed by Apple for decades.** In the late 1990s, the tech giant scaled back its supply chain vendors from more than 100 to 24 and slashed its number of warehouses by half. Since Apple can now turn over its inventory once every five days, **its ability to launch, manufacture and ship millions of iPhones globally like clockwork – with virtually no inventory surplus – sees it hailed as the archetype of JIT.**

However, to be able to source materials for production without lengthy lead times, **this strategy requires businesses to have a keen grasp of consumer demand, as well as strong, reliable relationships with suppliers** who are willing to fulfil small, frequent orders on very short notice, which often results in using local suppliers to reduce shipping time and expenses.

It is such a delicate balance that if any problems do arise – such as a global pandemic, for example – the JIT concept can quickly become unstable. **Once disrupted, JIT results in factories unable to meet demand and, even worsen, an economic downturn.**



© Apple

Apple quickly updates product lines by having little or no inventory surplus

With no back stock of inventory, or even raw materials, **any supply chain issue can lead to delivery delays and unhappy customers.** Also, any sudden increase in the price of raw goods, which a number of suppliers are now experiencing post-pandemic, can seriously threaten a company’s ability to service its customers.

JIT is not only affected by ‘supply shocks’. **The pandemic showed that this strategy is ill-equipped to cope with a sudden increase in demand,** such as the switch to online shopping for leisure wear and DIY equipment seen during the lockdowns.

### MOVING CLOSER TO HOME

In a bid to shorten the supply chain, big brands such as Italian clothing company, Benetton, German luxury fashion house, Hugo Boss, and Swedish-founded furniture firm, IKEA, have moved or expanded their factories in Turkey. **These companies are working to move production capacity closer to home bases in Europe.**

For Hugo Boss, by relocating production, the company aimed to become less dependent on Southeast Asia. When the move was announced in December 2021, CEO Daniel Grieder, said, “Our future strategy is to produce even more garments close to those markets where they will be sold.”

In the past year, the fashion company has already allocated production of jumpers, womenswear and other garments to Izmir, Turkey. Grieder said that **having their own factory close to Europe has been “a massive competitive advantage” in recent months.**

The flat-pack furniture giant **IKEA expects to make and export products from Turkey that were previously shipped to European markets east Asia**, thousands of miles away. “Due to shipment problems we faced during the pandemic, we are attempting to have more manufacturing in Turkey,” IKEA’s chief financial officer, Kerim Nisel, told Reuters. He declined to estimate how much capacity would be moved but added, “We all saw

in the pandemic that diversification is important. **It might not be a good strategy to produce items in one country and then try to transport them all around the world.”**

Benetton is also set to halve production in Asia from the end of 2022. It will instead grow its production focus in Turkey, Croatia, Tunisia and Egypt. The group said the move is a “strategic decision to have more control over the production process and also transport costs”.

Benetton reported **a shipping container that used to cost \$1,200 can now cost between \$10,000 and \$15,000, with no certainty of a delivery date.** It also estimated that production in Egypt would mean delivery time could be shortened to two months while, in the case of wool garments produced in Serbia and Croatia, it could take as little as four weeks.



The Hugo Boss site in Izmir, Turkey



But it's the ocean cargo industry that is facing unprecedented challenges that are hindering the flow of global goods. **The supply of container ships has been falling, with overall capacity down by 11%** between September 2020 and June 2021. Early in the pandemic, many shippers reduced capacity in response to falling demand, with border restrictions and social distancing requirements at UK ports leading to increased freight rates on main shipping routes throughout Europe.

Additionally, shutdowns in major European port cities such as Hamburg have disrupted supply chains further across the EU ecommerce sector. Elsewhere, **the global disruption caused by the container ship Ever Given's blockage of the Suez Canal in March 2021 is still reverberating.**

Such ongoing issues have resulted in shipping costs rising dramatically over the past year, with the UK topping Europe as the most expensive shipping destination. **Analysts from Deutsche Bank have predicted that average container prices could rise by 30% by 2022**<sup>[2]</sup>. Undoubtedly, this will impact retailers' profit margins and cause them to pass their cost increases onto their customers. This is a tricky scenario, given that many consumers are frustrated with lengthier shipping times and delivery delays, so will be further angered if they have to pay more.

### FIXING THE CHAIN

Soaring inflation across the eurozone, along with the continuing invasion of Ukraine, are further disrupting the global supply chain, making it harder for manufacturers and distributors to replace or refill inventories. **With production shortfalls blamed for 75% of the current contraction in global volume of trade, logistic bottlenecks explain the rest.**<sup>[3]</sup>

Firms have been faced with finding new suppliers, transport routes, production locations and, more broadly, new supply chains. Furthermore, sectors that benefited from international exposure and globalisation through the switch to ecommerce could now face a decline in total factor productivity, as well as delivering on demand with significant pressure on carriers reported. **Long-lasting supply chain disruptions may also force companies to revise or postpone their investment plans.**

On the other hand, global firms are working to reconfigure and optimise their global value chains. In a bid to revive trade flows, ecommerce firms are looking to innovation such as robots and increased video-conferencing, as well as looking into shorter supply chains with local access to strategic goods. Companies are even structurally changing their composition more towards services, which could have a positive impact.<sup>[4]</sup>

**Consumers, too, are staying local following the pandemic, with 40% of European shoppers preferring to buy from local businesses.** According to the European Union's ecommerce report, the majority of shoppers (88%) purchase from sellers in their own countries, with 31% of respondents saying they also buy from sellers from other EU countries. **Only 22% shop from suppliers from the rest of the world.**<sup>[5]</sup>

The trend to shop locally can also be seen in the last-mile section of the supply chain, with **direct to consumer shipments rising 14% each year between 2015 and 2020.**<sup>[6]</sup> According to McKinsey, parcel integrators have responded by revising their B2C strategies and adjusting price and service levels.

McKinsey states that it is the ability to quickly revise plans and adapt to whatever disruption comes next that will keep European ecommerce companies in business. To navigate supply chain issues, ecommerce firms must plan ahead while ensuring they manage customer expectations.

With industry experts predicting that disruption could last until the end of the year, and even into 2023, **ecommerce retailers require forethought and flexibility to weather this supply chain storm.**

[1] [www.contentserv.com/infographics/en/blog/ecommerce-in-europe](http://www.contentserv.com/infographics/en/blog/ecommerce-in-europe)

[2] [www.telegraph.co.uk/business/2021/11/08/shipping-rates-predicted-surge-third-next-year/](http://www.telegraph.co.uk/business/2021/11/08/shipping-rates-predicted-surge-third-next-year/)

[3] [www.allianz-trade.com/en\\_global/news-insights/economic-insights/Global-Trade-Report-Battling-out-of-supply-chain-disruptions.html](http://www.allianz-trade.com/en_global/news-insights/economic-insights/Global-Trade-Report-Battling-out-of-supply-chain-disruptions.html)

[4] [www.nber.org/system/files/working\\_papers/w29444/w29444.pdf](http://www.nber.org/system/files/working_papers/w29444/w29444.pdf)

[5] <https://ecommerce-europe.eu/wp-content/uploads/2021/09/2021-European-E-commerce-Report-LIGHT-VERSION.pdf>

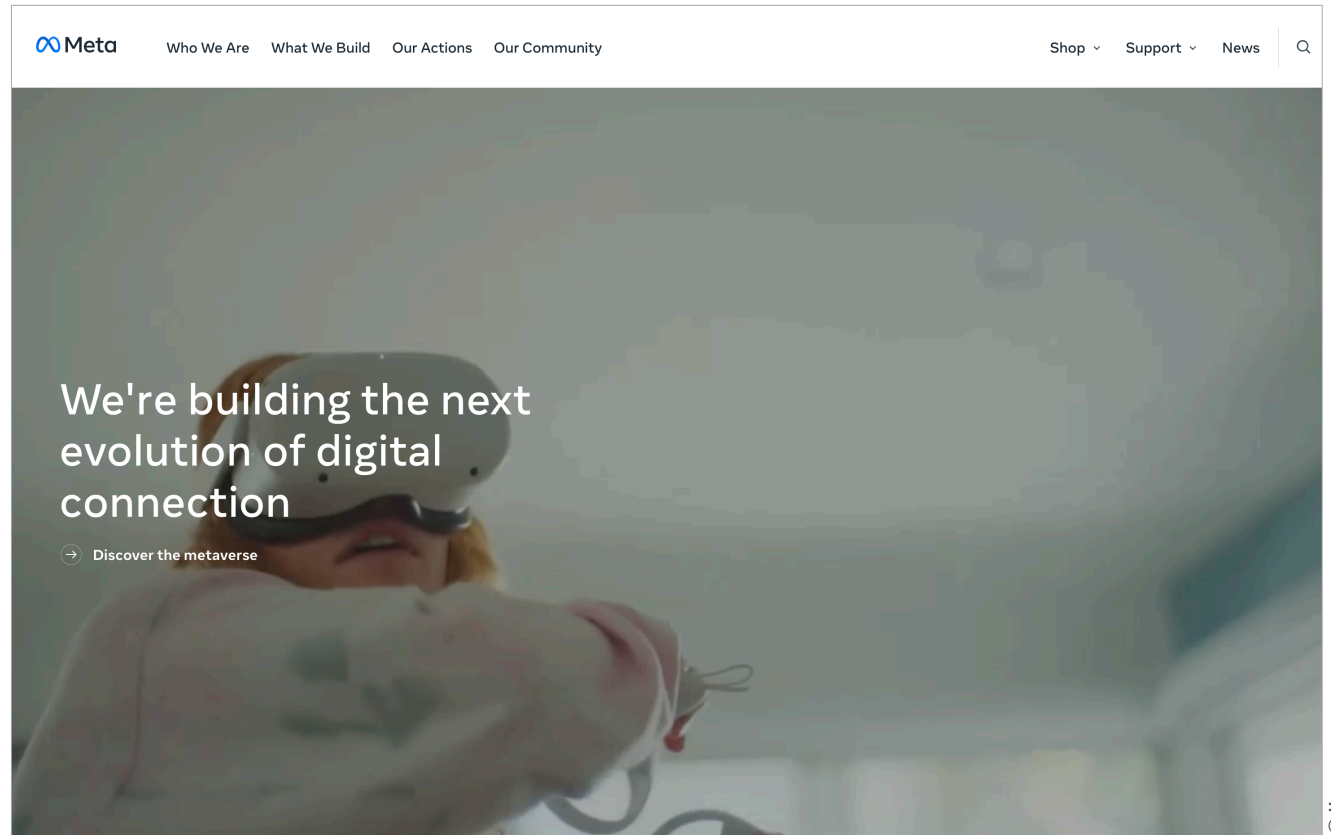
[6] [www.mckinsey.com/industries/retail/our-insights/ten-steps-retailers-can-take-to-shock-proof-their-supply-chains](http://www.mckinsey.com/industries/retail/our-insights/ten-steps-retailers-can-take-to-shock-proof-their-supply-chains)

# Is the metaverse more than just hype?

The future of the internet, or just a niche way of viewing it through funny-looking goggles? We look at the metaverse in order to separate its reality from its virtual reality

Back in the mid-1990s, just as the internet started to appear in offices, curious workers prodding at their keyboard would usually ask, “**What is it, what does it do, what is it for?**” Informing them that it connected all the world’s computers together to instantly share information and communications was largely greeted with a shrug. Explaining that it would, one day, be where you could meet new friends, do your shopping and even watch TV and they wouldn’t even believe you.

The same applies these days to the metaverse. **Most people don’t get what it is – or what it might be – so it’s easy to write it off as hype.** But is it the future of internet access – Web 3.0 if you will – or is it something that Big Tech is trying to shill in order to boost its sales?



A lot of big companies, including Meta, are betting on VR goggles being not just one way but *the* way to access a future iteration of the internet

Across the world, the jury is currently well and truly out but there is growing evidence that while there's a lot of 'what if...' surrounding the concept, **there is compelling evidence that the fundamentals of the metaverse and what it might deliver are indeed the next evolution of the digital world.** There is also a small but growing cabal of companies dipping their toes into the water in order to demonstrate what may be possible.

### WHAT IS THE METAVERSE?

The metaverse, if you want to go with the idealised view, will be **a fully-interactive, realised-in-3D version of the internet in which you can virtually 'walk' into stores** to try on merchandise, choose your groceries, attend concerts and festivals, meet up with people at clubs or other locations and interact with pretty much anything that you – or any business or brand – could imagine.

This vision relies largely on extrapolating from experience seen in games such as *World of Warcraft*, *Minecraft* or *Roblox*, which, while allowing some degree of immersion and interaction, still leave most of the metaverse's potential to the imagination. **The current closest direct comparison comes in the form of the few games and interactive experiences available on the newest iteration of the META Quest 2 VR headset.** It's this gap between expectation and current application that explains why everyone remains so conflicted on what the metaverse can deliver and whether or not it is just hype.

### ADVERSE TO THE METAVERSE

Detractors of the metaverse usually cite the need for a dedicated headset with vast computing power and that, despite many attempts, 3D entertainment has never really taken off. They say that **the cost of the basic equipment to access the metaverse will be prohibitive** and that the current experience is so poor that it will never ignite in the wider public mind, let alone illicit the required investment from business.

Gaming platforms that are putative metaverse experiences, they argue, actually demonstrate why the metaverse will fail. **Since it's a niche even within the gaming world, it could never replace text,** 2D images and clicking on screens as the principle way of accessing the web.

The idea that to use the internet via metaverse requires people to be locked into the virtual world, blinded to the outside world, also raises eyebrows. **Why would you want to tune out and strap on a headset to browse a shop?** Would doing that even be possible in the workplace or in public? Similarly, **how will the office of tomorrow embrace such isolating technology?** No, say the detractors, the metaverse is clearly ridiculous.

### DON'T BELIEVE THE NAY-SAYERS

But we have been here before. The first mobile phones were mocked not just for their size and briefcase-sized battery pack but also for the very idea that people would

want to be contactable at all times. Now we all have one. The same was also said of social media, ecommerce and, indeed, the internet itself. As the adage goes, "Mockery is an unreliable guide to the future."

**It is also worth considering who is investing in the metaverse.** While Facebook's parent company changed its name to Meta mainly as a land grab in the early skirmishes, the move also tells us how seriously one company that's defined our current world sees the metaverse. **Meta is just the poster boy but Microsoft, Google, Nvidia, Qualcomm and a raft of games companies have also invested heavily.**

Google has plans to map the metaverse in order to take search there and shift YouTube into the new environment. It has also set up a \$39.5m fund to invest in metaverse projects. Microsoft has been at the forefront of developing many technologies that service the metaverse, including 'Holoportation', where the user can jump into the virtual world as themselves rather than an avatar.

In retail, **ecommerce platform Shopify has launched a 3D shopping feature so that users can create augmented reality versions of their goods.** Even dating app Tinder is looking at how to help people meet in the virtual world, showing that given the right hardware, most metaverse possibilities can be intriguing.



## CONSUMERS GET IT

Even without the prospects of virtual dating, **consumers are currently very much excited by the metaverse.**

While it is easy to think that big tech investing in the metaverse makes it inevitable, consumer opinion seems to back up this drive to the virtual world. Research in late 2021 found that **37% of UK adult internet users are familiar with the metaverse, while 28% are interested in what it has to offer.** In France and Germany, awareness is lower, at 30%<sup>[1]</sup>.

Meanwhile, 64% of shoppers globally have, as of February 2022, already taken part in a virtual experience, or bought virtual goods, in the past year. **42% have visited a retailer virtually and 56% plan to in the coming year.** Millennials are the most likely to have done so (51%) or to be planning to (61%). Interestingly, **75% of retailers questioned said that they expect the metaverse to have a transformational impact on their business**<sup>[2]</sup>.

## RETAIL EMBRACE

This positive impression of the metaverse among retailers specifically – and businesses generally – is perhaps what will be the real driving force behind metaverse uptake. **If enough consumers want it then retailers will invest**

**in it and it can catch light.** Already, a number of European retailers have made tentative steps into the metaverse – typically through the gaming platform, *Roblox* – as well as creating virtual goods to be purchased for virtual avatars in their own virtual worlds.



Mark Zuckerberg, founder, chairman and CEO of Meta

Fashion chain Boohoo has created unique clothing for avatars, as well as taking steps into making its own ‘boohoverse’ metaverse platform. **Selfridges opened a metaverse department store online for London Fashion Week in 2022**, while Nike has already created a raft of virtual sneakers for avatars on various platforms.

There are numerous other examples, all selling virtual goods for use in the virtual world. **This approach is the vanguard that will prove the concept that people are willing to go into the metaverse to buy virtual objects.** Making the leap from this to actual ecommerce would then not be such a big step.

It may seem baffling right now but just as the introduction of the internet baffled many in the 1990s, it is likely that **many of the tropes being explored in metaverse development today will become standard ways of accessing and interacting in the not-too-distant future.** The hype is really around when, not if.

[1] [www.forrester.com/report/the-state-of-the-metaverse/RES177277](https://www.forrester.com/report/the-state-of-the-metaverse/RES177277)

[2] [www.accenture.com/\\_acnmedia/Thought-Leadership-Assets/PDF-5/Accenture-Meet-Me-in-the-Metaverse-Full-Report.pdf](https://www.accenture.com/_acnmedia/Thought-Leadership-Assets/PDF-5/Accenture-Meet-Me-in-the-Metaverse-Full-Report.pdf)

# Covid-19

In the third year of the pandemic, we should still be preparing for new waves of coronavirus to sweep across Europe

The Covid-19 pandemic has burnt itself out and the world is moving on. That, at least, is how many of those living in the western world would like to think. **With access to vaccines and more effective treatments, people have become far less worried about the threat** posed by coronavirus, while the mainstream media's short news cycles have made us grow accustomed to stories simply going away after a few months, before they get boring.

Yet despite our news fatigue, should we be more cautious? In July 2022, **Hans Kluge, the World Health Organization's regional director for Europe, issued a warning that the region faced a new surge in cases**, driven by the highly transmissible Omicron variants, BA.2 and BA.5. After the number of new cases trebled over a six-week period, he warned this situation could well worsen as the summer gave way to autumn and indoor mixing increasing rates of infection.<sup>[1]</sup>

Kluge is not a lone voice. The European Centre for Disease Prevention and Control (ECDC) has also noted



© Shutterstock

The 'hands, face, space' mantra may yet save many more lives in the months ahead

an increase in the number of cases. **While fewer people are dying with Covid-19 in Europe, the number of hospitalisations has been growing steadily.** According to Kluge, governments need, among other measures, to boost the amount of testing, to promote the uptake of vaccines and to monitor for new variants, which may be more serious than Omicron has thus far proved.

If this seems a case of being overly cautious, **it's worth looking back at the 1918 flu pandemic, which**

**repeatedly surged until 1920 and which resulted in the deaths of at least 50m people worldwide.** In 2007, Howard Markel, director of the Center for the History of Medicine at the University of Michigan, and his colleague, medical historian and assistant director J Alexander Navarro, published a paper looking at the end of the flu pandemic in the USA. **Those cities that promoted social distancing measures and kept these measures in place longer recorded fewer deaths.** There is also evidence these cities recovered more quickly economically.<sup>[2]</sup>

Not that we should jump to make direct comparisons. "We need to stop thinking back to 1918 as a guide for how to act in the present and to start thinking forward from 2021 as a guide to how to act in the future," noted Markel last year in *The Atlantic*. Rather, he suggests, **we need to start thinking about the kinds of measures and innovations we will need to cope with pandemics that, as yet, lie ahead.**<sup>[3]</sup>

And, to bring this back to where we began, we might also do well to recognise that the current pandemic is not yet over and that Covid-19 may yet have more unpleasant surprises in store for us.

[1] [www.theguardian.com/world/2022/jul/19/europe-covid-monitoring-coronavirus-world-health-organization-who](https://www.theguardian.com/world/2022/jul/19/europe-covid-monitoring-coronavirus-world-health-organization-who)

[2] [www.influenzaarchive.org](https://www.influenzaarchive.org)

[3] [www.theatlantic.com/ideas/archive/2021/08/1918-influenza-pandemic-history-coronavirus/619801/](https://www.theatlantic.com/ideas/archive/2021/08/1918-influenza-pandemic-history-coronavirus/619801/)

# Inflation is back

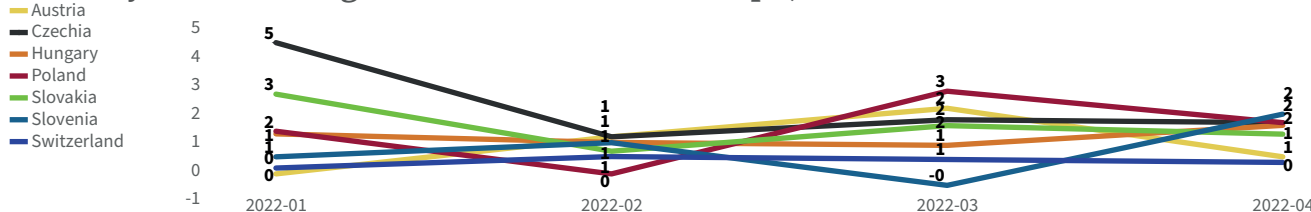
An era of slowly rising prices is over and this will inevitably have a huge impact on the retail sector

In June 2022, the UK's inflation rate hit 9.4%, the highest rate for 40 years.<sup>[1]</sup> **Across the European Union, the inflation rate was 9.6%.**<sup>[2]</sup> Over the Atlantic in the USA, the inflation figure for June was 9.1%. After years in the wake of the global financial crisis when central banks were less concerned with inflation than loosening money supplies to ensure economies did not grind to a halt, it is clear the global economy has entered a new phase.

For those working in the ecommerce and multichannel sectors, this is new territory. **When Amazon went public in 1997, the consumer prices inflation rate in the European Union was 3.1%.**<sup>[3]</sup> Even after inflation reached 4.2% in 2008, it then dropped back to 0.8% in 2009, a reflection of turbulence in the global economy. In short, one way to view the history of ecommerce is to see it as a sector that has developed, at least in terms of cost pressures, in benign times.

This is an unfamiliar lens through which to view an industry that more often portrays its success as being

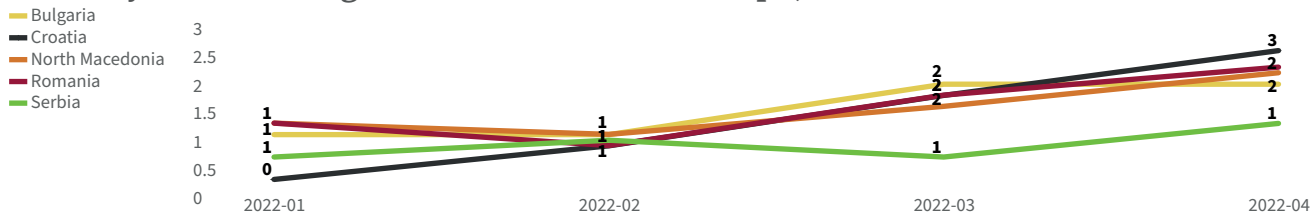
## Monthly rate of change in HICP in Central Europe, 2022 (in %)



HICP= Harmonised Index of Consumer Prices, indicator of inflation and price stability for the European Central Bank. Data current as of May 2022  
Source: Eurostat

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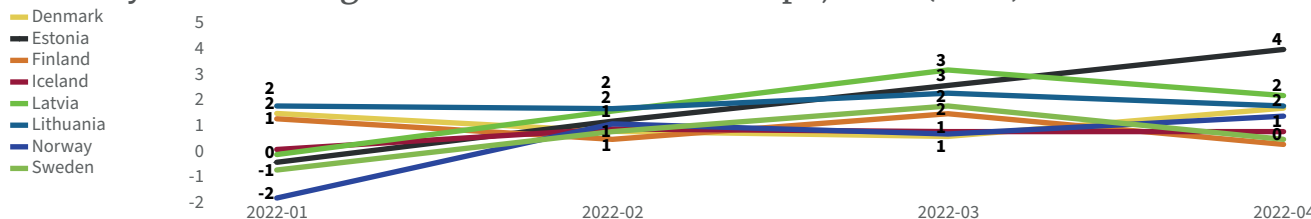
## Monthly rate of change in HICP in Eastern Europe, 2022 (in %)



HICP= Harmonised Index of Consumer Prices, indicator of inflation and price stability for the European Central Bank. Data current as of May 2022. Data for Ukraine unavailable  
Source: Eurostat

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## Monthly rate of change in HICP in Northern Europe, 2022 (in %)



HICP= Harmonised Index of Consumer Prices, indicator of inflation and price stability for the European Central Bank. Data current as of May 2022  
Source: Eurostat

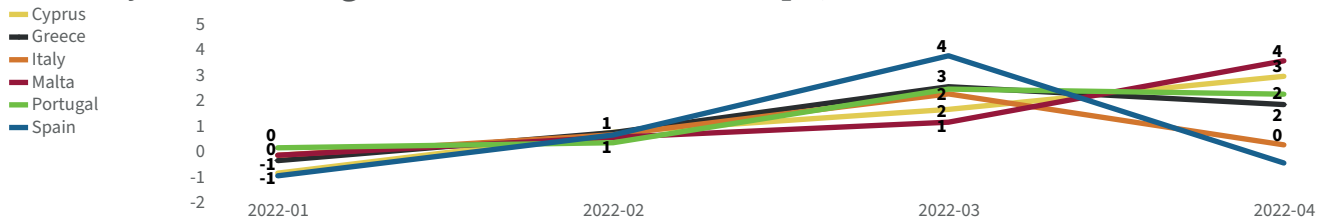
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the result of innovation and disrupting existing business models. In truth, a more rounded picture needs to take in not just innovation and comparatively low inflation, but such factors as the ability of multinationals to organise their tax affairs in an advantageous way. In addition, most notably in the UK where the rise of new delivery providers has helped to keep down staff costs, **retailers have benefited from flexibility in the labour market.**

Inflation will potentially impact on all these aspects of ecommerce in that we are moving from a time when the sector has been able to control and even cut costs to one where rising costs – whether in the supply chain or because workers will push for inflation-matching wage increases – will necessarily need to be passed to consumers. Decisions on how to approach the business challenges here will be made by executives who have previously had no direct experience of living through inflationary times.

How will this new business environment evolve in the months and years ahead? This is as yet unclear, but it seems reasonable to suggest **consumers will be more careful over whether to make discretionary purchases and will adjust which brands they favour.** Across Europe, the impact of inflation will in part depend upon government action. Most obviously, the UK government’s decision to opt for a comparatively hard Brexit has led to a devaluation of the pound. This in turn has driven up the cost of imports in a country that runs a trade deficit.

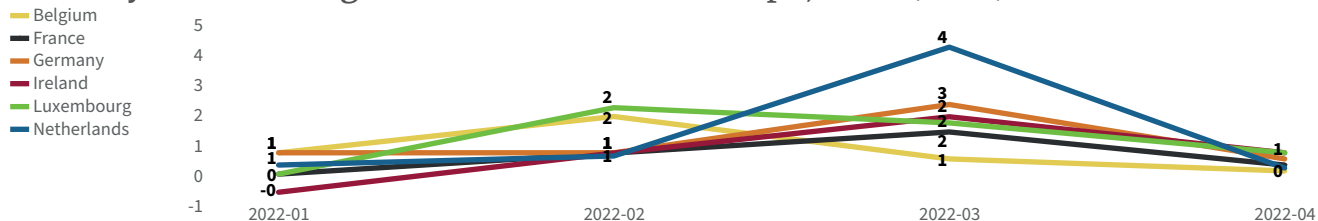
### Monthly rate of change in HICP in Southern Europe, 2022 (in %)



HICP= Harmonised Index of Consumer Prices, indicator of inflation and price stability for the European Central Bank. Data current as of May 2022  
Source: Eurostat



### Monthly rate of change in HICP in Western Europe, 2022 (in %)



HICP= Harmonised Index of Consumer Prices, indicator of inflation and price stability for the European Central Bank. Data current as of May 2022. Data for United Kingdom unavailable  
Source: Eurostat



**In France, the government moved to limit inflation by freezing gas prices and limiting increases in electricity tariffs to 4%,<sup>[4]</sup>** although whether this approach will prove sustainable in the longer term is debatable.

Looking at the Harmonised Index of Consumer Prices (HICP)<sup>[5]</sup> figures reproduced here is to see that, while different countries have suffered very different rates of inflation in different months, the overall trend remains

clear. To understand more clearly what we mean, consider Spain: the monthly rate of change in March 2022 was 3.9%, but -0.3% in April. While the latter figure was no doubt some relief to Spanish consumers, it needs to be set against the country’s annual rate of inflation in April: 8.3%.

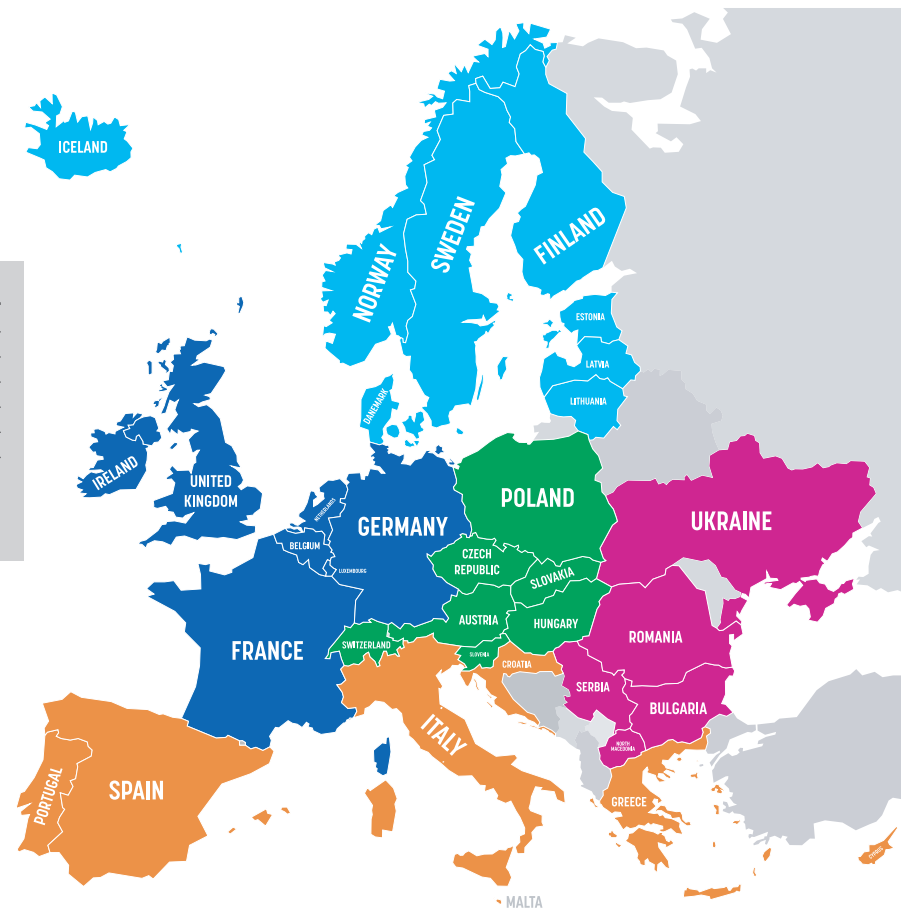
[1] [www.theguardian.com/business/2022/jul/20/uk-inflation-rise-petrol-diesel-prices](https://www.theguardian.com/business/2022/jul/20/uk-inflation-rise-petrol-diesel-prices)  
 [2] [www.statista.com/statistics/685943/cpi-inflation-rate-europe/](https://www.statista.com/statistics/685943/cpi-inflation-rate-europe/)  
 [3] <https://data.worldbank.org/indicator/FP.CPI.TOTL.ZG?locations=EU>  
 [4] [www.connexionfrance.com/article/French-news/France-extends-energy-price-cap-measure-to-the-end-of-2022](https://www.connexionfrance.com/article/French-news/France-extends-energy-price-cap-measure-to-the-end-of-2022)  
 [5] [www.ecb.europa.eu/stats/macroeconomic\\_and\\_sectoral/hicp/html/index.en.html](https://www.ecb.europa.eu/stats/macroeconomic_and_sectoral/hicp/html/index.en.html)

# Europe's ecommerce regions

Over the following pages, we look in more detail at the economies and retail sectors of different European regions and countries

<b>Western Europe 34</b>	<b>Northern Europe 62</b>	<b>Central Europe 89</b>	<b>Eastern Europe 122</b>	<b>Southern Europe 131</b>
Belgium 37	Denmark 65	Austria 92	Bulgaria 117	Cyprus 134
France 40	Estonia 69	Czechia 96	Croatia 119	Greece 136
Germany 45	Finland 71	Hungary 100	North Macedonia 121	Italy 140
Ireland 49	Iceland 75	Poland 102	Romania 123	Malta 145
Luxembourg 51	Latvia 77	Slovakia 106	Serbia 127	Portugal 147
The Netherlands 53	Lithuania 79	Slovenia 108	Ukraine 129	Spain 150
The UK 57	Norway 81	Switzerland 110		
	Sweden 85			

We have divided Europe into five ecommerce regions: Western, Northern, Central, Eastern and Southern Europe. Naturally, this gathers together countries that are geographically close, but also countries that are, where possible and in the broadest terms, at comparable stages of ecommerce development.



# Western Europe

Rising inflation is impacting on both disposable incomes and consumer confidence across the region

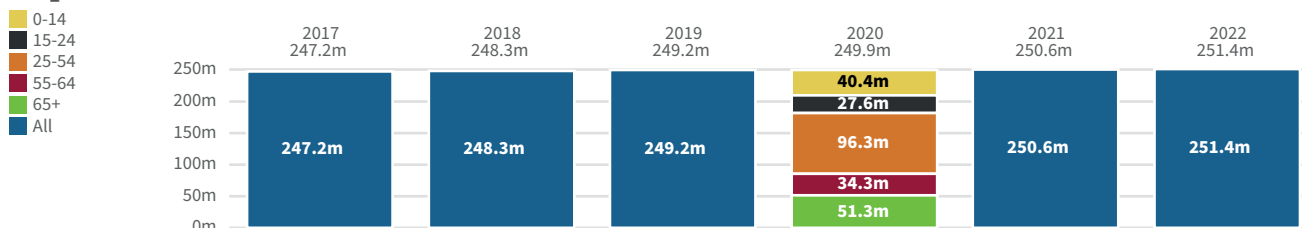
Western Europe is home to the continent's strongest economies. Its 251.4m citizens are well educated and enjoy high standards of living with large disposable incomes relative to the rest of Europe.

**Covid-19 hit Western Europe hard but the region's economies rebounded strongly in 2021 as lockdowns were lifted and growth returned.** Just as the economy was returning to normal, however, the outbreak of war in Ukraine plunged the region into renewed uncertainty.

Inflation is expected to reach more than 8% across the EU this year, driven by increased energy and food prices arising from the conflict with Russia and ongoing supply chain constraints. **Looking forward to 2023, inflation is expected to fall only slowly and is likely to remain elevated throughout the year.**

GDP growth stalled during the first quarter of 2022 and is expected to remain weak into 2023. It looks increasingly likely that Western Europe will fall into recession.

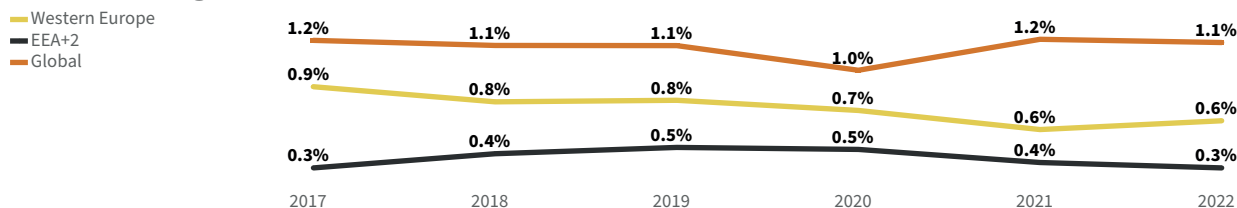
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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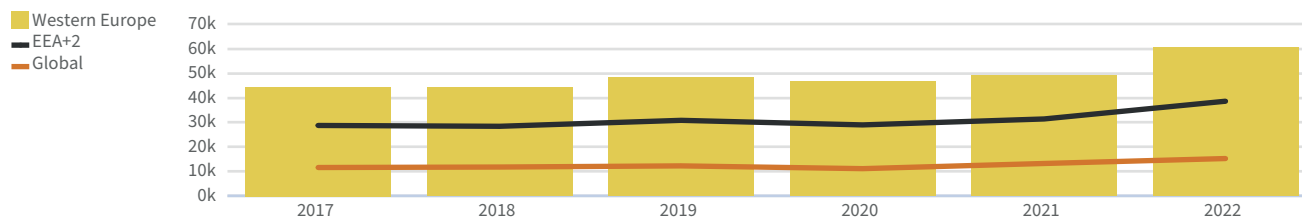
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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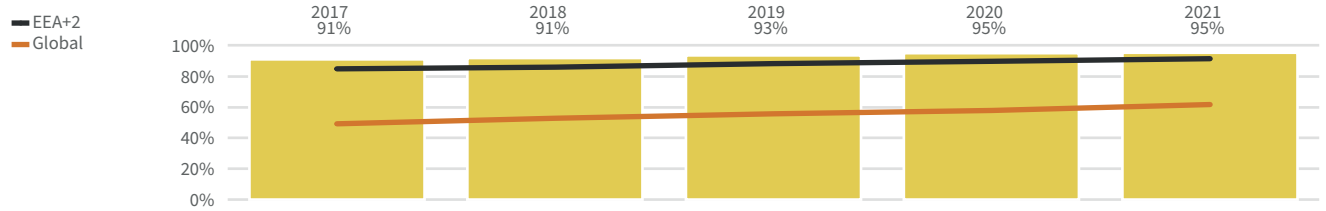
**Germany has been especially strongly impacted by the war in Ukraine.** The country’s reliance on Russia for energy is fuelling rapid inflation while, at the same time, supply chain issues are restraining manufacturing output. Business sentiment has hit a record low and consumer confidence is also low.

**In the United Kingdom, a post-Brexit economy is expected to continue growing, albeit modestly,** in 2022 but inflation is forecast to continue rising throughout the year to a peak of 10% before declining gradually during 2023 to a more modest level of 4.7% at year-end. Inflation is set to stay much higher than consumers have become accustomed to in recent years for some time to come.

Faced with rising bills, consumers across Western Europe are tightening their belts. But GDP per capita is significantly higher than the EEA+2 average and disposable incomes remain high. **More than 90% of the population has access to the internet and the percentage of internet users who shop online reached 74% in 2021,** up from 71% in 2020 and 68% pre-pandemic in 2019.

With one in four internet users still not shopping online, there remains room for growth in ecommerce revenues across the region, particularly as consumers go online in search of the best possible pricing. **Indexed total ecommerce spending stood at 167 in 2021,** below the EEA+2 average of 190 but rising upwards from 147 in 2020.

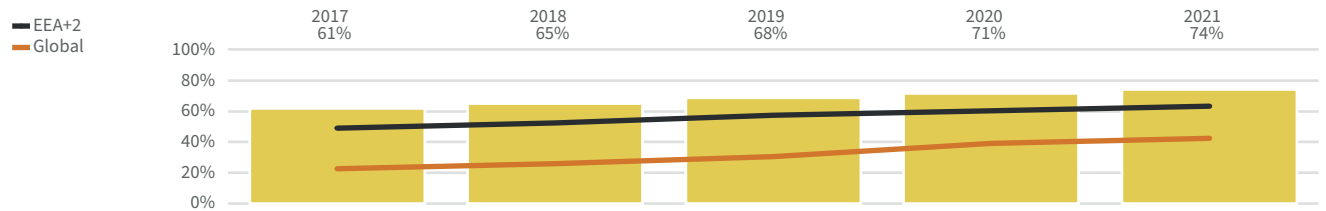
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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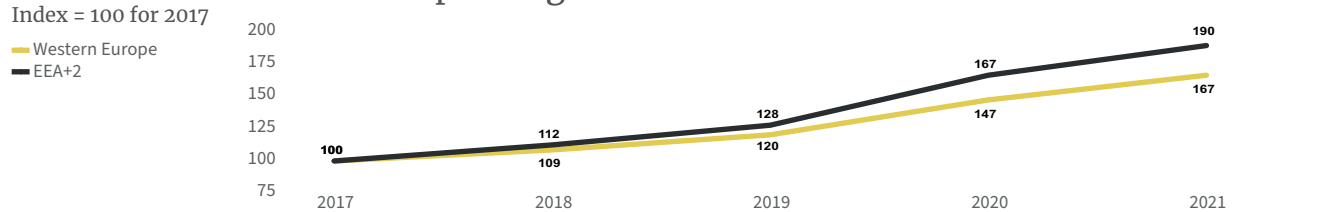
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

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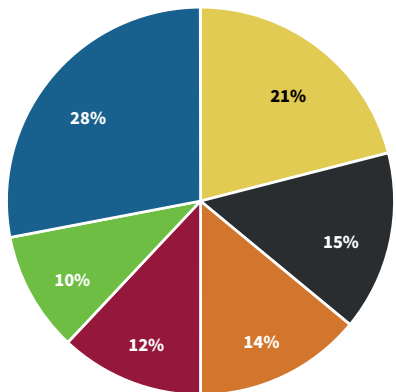
# The Largest 100

Despite a vibrant local ecommerce ecosystem, US-based retailers are maintaining their popularity

**Multi-sector online retailers continue to dominate ecommerce in Western Europe**, accounting for more than nine in 10 visits to the region's Largest 100 retailers (93.3%). One in five of the Western Europe Largest 100 are based in the US. More than eight in 10 visits from consumers in the region to the Largest 100 are to a US-based retailer (83.5%).

## Where the Western Europe Largest 100 are based

- USA
- Germany
- France
- UK
- Netherlands
- Others



Data based on 94 of the Largest 100 retailers  
Source: RetailX

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## Web traffic by sector in Western Europe

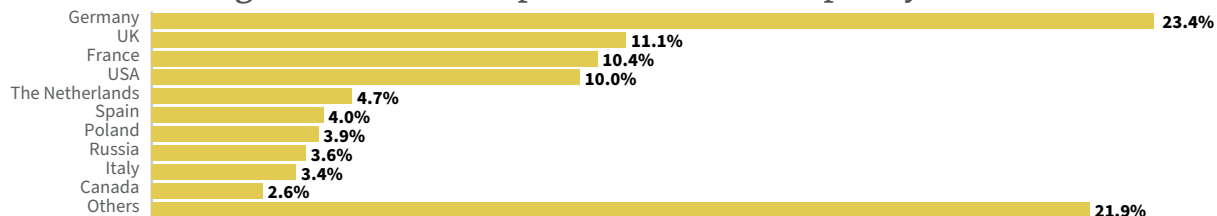
Web visits of local consumers to the Western Europe Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 88 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

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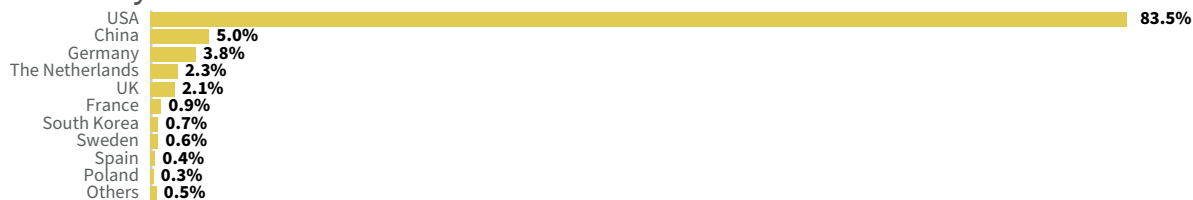
## Web traffic to the largest Western Europe-based retailers split by consumer location



Data from 59 retailers are used. These are all the Western Europe-based retailers that belong to the Western Europe Largest 100  
Source: RetailX, drawing on data from SimilarWeb

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## Countries where the Western Europe Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

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# Belgium

A well-placed country geographically and economically, Belgium has bounced back strongly from the pandemic

Bordering Germany, the Netherlands, Luxembourg and France, Belgium boasts three official languages: German, Dutch and French, with German spoken in the East Cantons region, French in Wallonia and Dutch in Flanders. **The country has a slowly growing population, up from 11.5m to 11.6m in 2022**, with approximately 4.5m falling in the 25-54 age bracket in 2020.

GDP per capita is relatively high, in great part thanks to a healthy service sector. In 2022, the country ranked 20th in the World Happiness Index, dropping from 17th last year.<sup>[1]</sup>

**Belgium**

**Area:** 30,530km<sup>2</sup>


**Capital:** Brussels

**Currency:** euro (EUR)

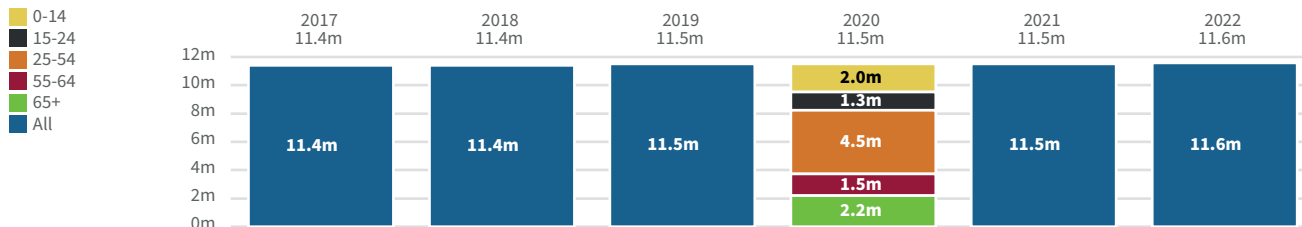
**Official language(s):**  
Dutch, French, German

**Government:** Federal parliamentary democracy under a constitutional monarchy

**VAT:** 21% | **Reduced VAT:** 12%



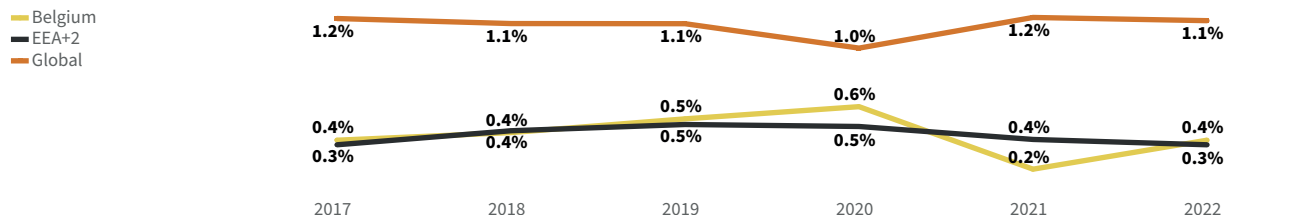
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

RetailX 2022

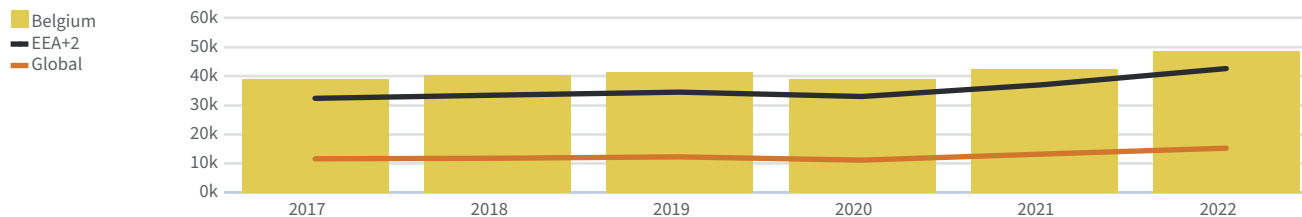
## Population growth



Data for EEA includes all current EEA members in addition to UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

## GDP per capita (EUR)



Data for EEA includes all current EEA members in addition to UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

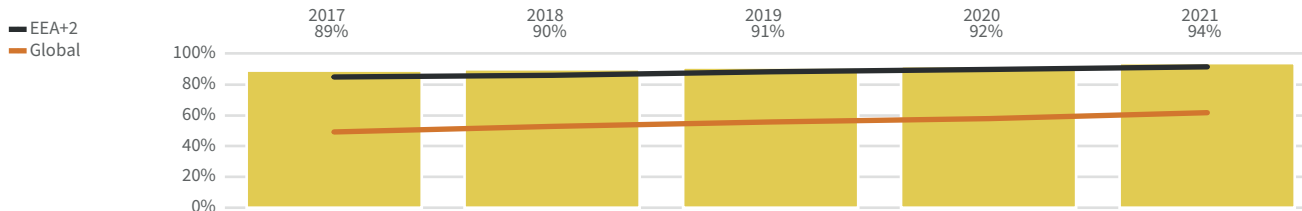
Since late 2020, Belgium has had a liberal prime minister, Alexander De Croo, who introduced drastic Covid-19 measures that resulted in violent protests in early 2022. Nevertheless, the country has bounced back relatively well from the pandemic. **In June 2022, Belgium's National Bank said it expected inflation to start falling after the summer.** The country's €4.3bn of EU Recovery Fund money is earmarked to include increased spending on infrastructure, investing in skills, improving the care and welfare system, as well as transforming Flanders digitally.

**The majority of the Belgian population (94%) uses the internet on a regular basis, with 66% of these shopping online.** These figures have been rising steadily in recent years and, in 2019 and 2020, both saw increases partly due to the impact of Covid-19.

Cards are still the most popular (42%) way for Belgians to pay online. This is followed by wallets, at 21%, and bank transfer, at 18%.<sup>[2]</sup> **Open banking payment is making strides in the country but hasn't yet reached the levels of Germany or the Netherlands.** According to a PostNord survey in 2020, the favourite delivery method for Belgian consumers is to have purchases delivered to the home and signed for (56% of consumers).<sup>[3]</sup> According to RetailX research, 54% of Belgian internet shoppers cite convenience as a reason for buying online.

[1] <https://worldhappiness.report/ed/2022/>  
 [2] [www.statista.com/outlook/dmo/ecommerce/belgium?currency=EUR&comparison\[\]=switzerland](https://www.statista.com/outlook/dmo/ecommerce/belgium?currency=EUR&comparison[]=switzerland)  
 [3] [www.postnord.se/siteassets/pdf/rapporter/e-commerce-in-europe-2021.pdf](https://www.postnord.se/siteassets/pdf/rapporter/e-commerce-in-europe-2021.pdf)

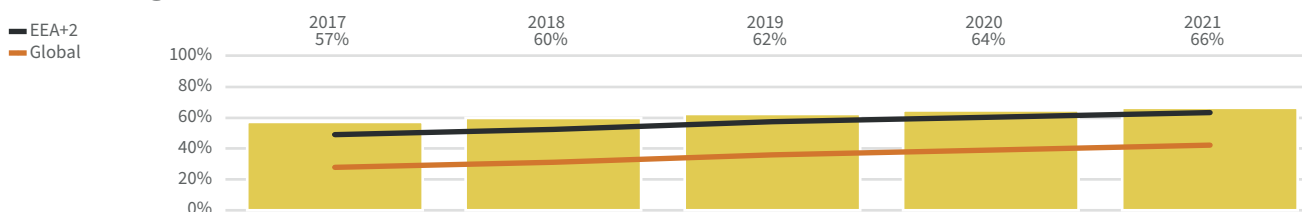
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat and DataReportal

RetailX 2022

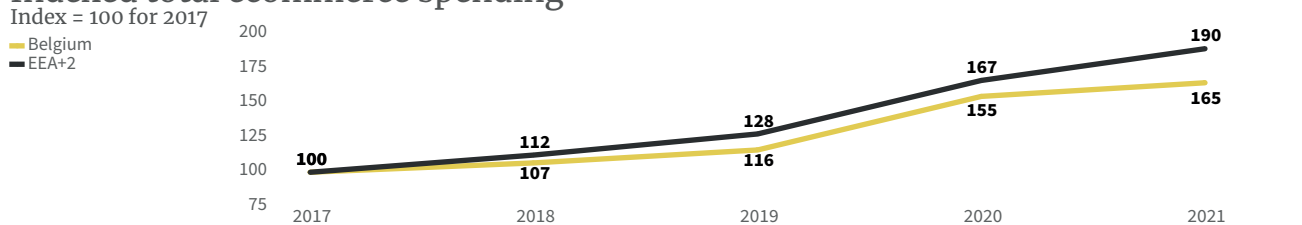
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Statista

RetailX 2022

### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat

RetailX 2022

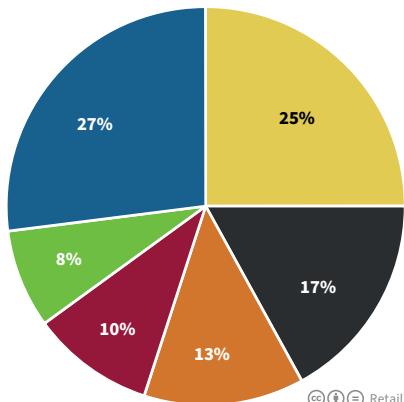
# The Largest 100

## Belgian consumers are happy to shop with retailers that are based abroad

Belgium's location and linguistic accessibility make it a convenient place for retailers to expand, with healthy cross-border trade. 33.5% of the Belgium Largest 100 retailers are based in the USA, 32.7% in the Netherlands and just 8.5% in Belgium itself.

## Where the Belgium Largest 100 are based

- USA
- The Netherlands
- Belgium
- France
- China
- Others

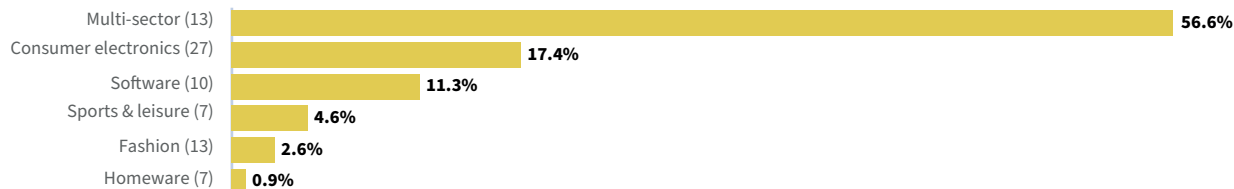


Data based on 93 of the Largest 100 retailers  
Source: RetailX

© RetailX 2022

## Web traffic in Belgium, by sector

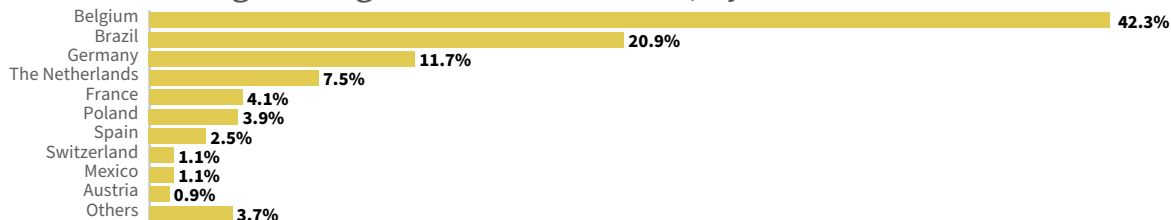
Web visits of local consumers to the Belgium Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 84 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

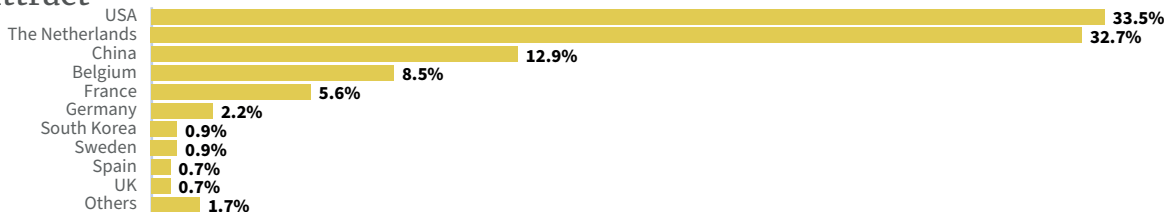
## Web traffic to the largest Belgium-based retailers, by consumer location



Data from 13 retailers are used. These are all the Belgium-based retailers that belong to the Belgium Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Belgium Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# France

The world's fifth-largest economy, France exceeded GDP expectations last year and has recovered post-pandemic

**France's ecommerce sector is strong and continues to thrive.** Some segments of the sector saw significant growth during the pandemic, while areas such as tourism took a hit. **Unemployment in France has fallen to a ten-year low, consumer purchasing power has increased** and foreign money has started to dribble in as the country gains increased attractiveness to international investors.

Experts predicted that France would start to see export losses of around €1.9bn per year, principally in aircraft, pharmaceuticals and manufactured goods.

**France**

**Area:** 549,087km<sup>2</sup>

**Capital:** Paris


**Currency:** euro

**Official language:** French

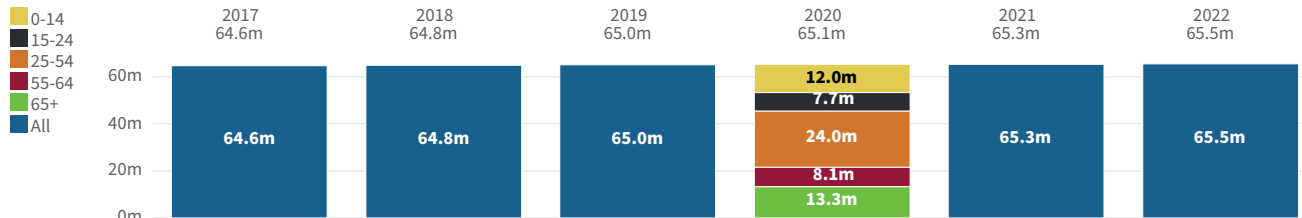
**Other languages spoken:** English, Spanish

**Government:** Semi-presidential republic

**VAT:** 20% | **Reduced VAT:** 5.5%



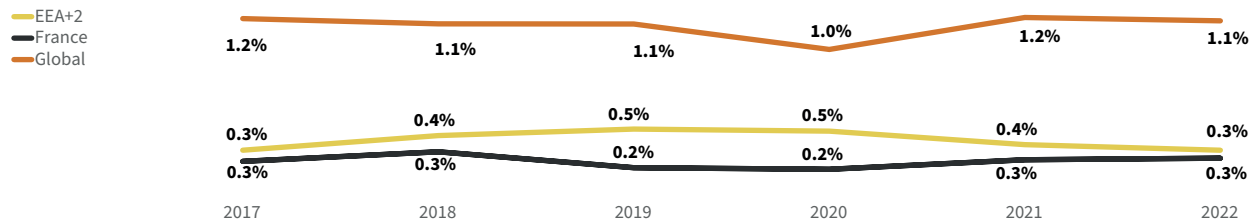
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

## Population growth

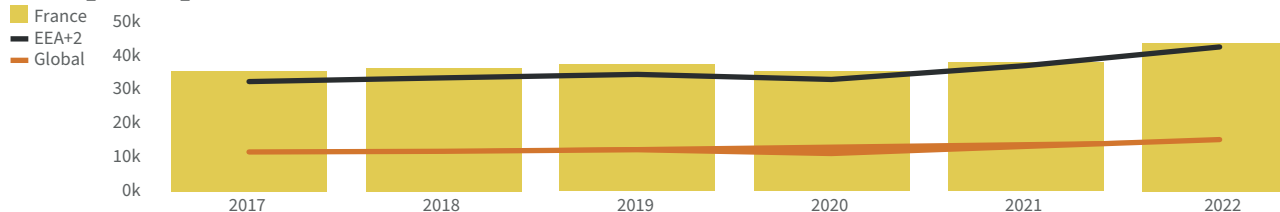


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

© RetailX 2022

Yet **while the economy grew at its fastest pace in 52 years in 2021, the country also recorded its lowest net export figures in history**. However, President Macron has outlined plans to recover an equal trade balance over the next decade.

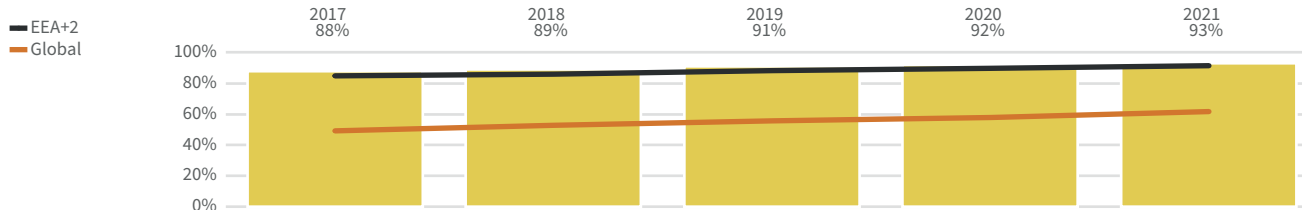
There continues to be ongoing challenges around Brexit, with rising shipping costs and cancelled freight routes. **Issues with raw materials and rising energy prices all mean the trade deficit will not improve any time soon.**

This year, the European Commission’s proposed Digital Services Act (DSA) and the Digital Markets Act (DMA), part of the EU’s Digital Single Market Strategy, will enter force, aiming to create a safer digital space and establish a “level playing field to foster innovation”. This should go some way to reaching the government’s ambitious targets for enterprise and startups.

The world is still reeling from the effects of Covid-19, Brexit and, more recently, military conflict, which is causing optimism to wane. However, **the French economy has been one of the best-performing since the pandemic**, with GDP around one per cent higher in the fourth quarter of last year compared with the same period in 2019 (before the pandemic)<sup>[1]</sup>.

Last year, Francois Villeroy de Galhau, Governor of the Bank of France and a policy maker at the European Central Bank,

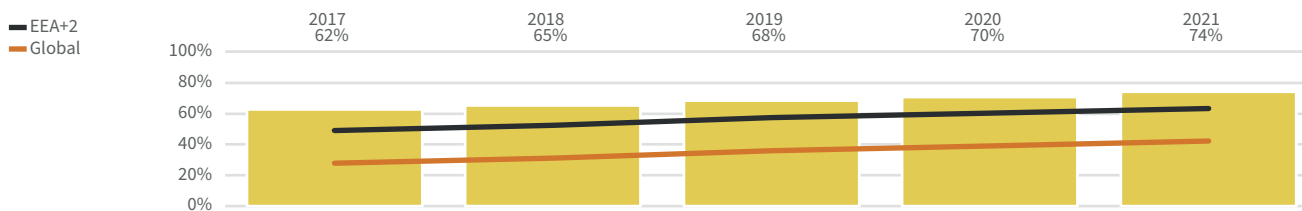
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

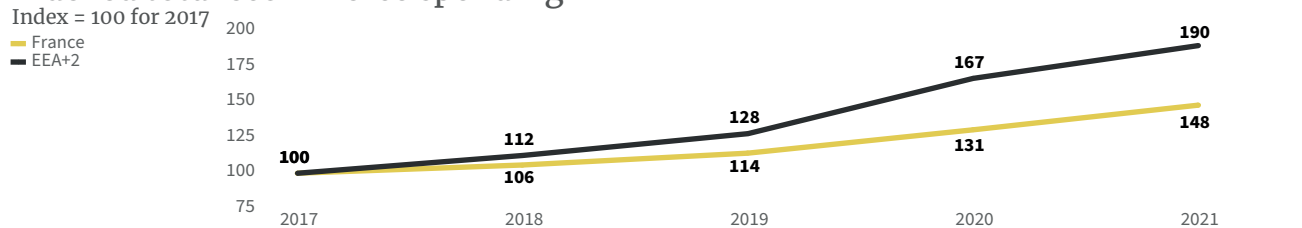
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



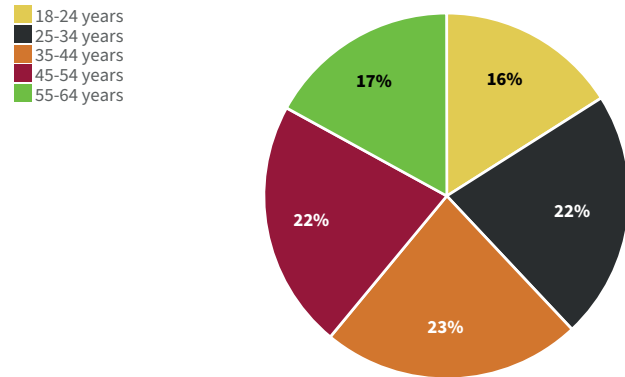
Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

© RetailX 2022

optimistically predicted a minimum 5.5% growth rate for 2021, yet he wasn't wrong. The country grew 7% – its strongest rate in 52 years. This growth is, arguably, in part thanks to huge state intervention. **As the second-biggest economy in the eurozone, France also has the highest government spending** and intervened, for example, to keep cushion consumers from energy price rises.

France is the most visited country in the world. However, research from WTTC, the World Travel and Tourism Council<sup>[2]</sup>, showed that **travel and tourism's contribution to French GDP dropped by a staggering €103bn in 2020** due to combination of Covid-19 and Brexit uncertainty.

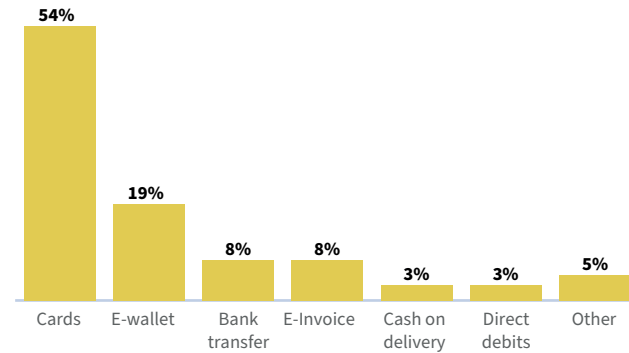
### Ecommerce users by age group, 2021



Source: Statista Digital Market Outlook



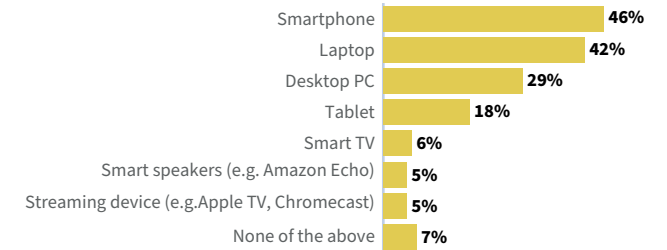
### Payment methods in 2021



Source: Statista Market Outlook



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

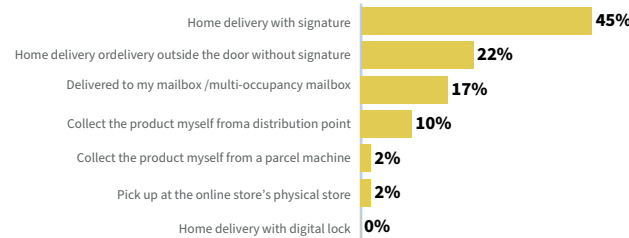


Survey conducted in 2021. Results include 2051 18-64 French respondents. Respondents could select multiple answers

Source: Statista Global Consumer Survey (GCS). Accessed via Statista



### When you order a product online, how do you prefer to have it delivered? (France, 2021)

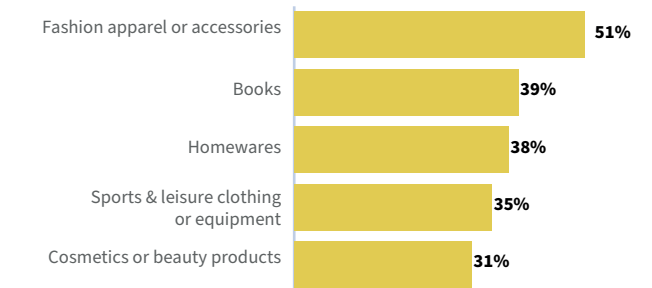


Online survey conducted in 2020 and 2021. Results include 1,000 interviews with ecommerce consumers in France. The interviews were conducted with representative nationwide samples of individuals aged 15-79 years

Source: PostNord



### What do you shop for online? (France, 2021)



Survey conducted in November 2021, includes 691 French e-shoppers

Source: RetailX





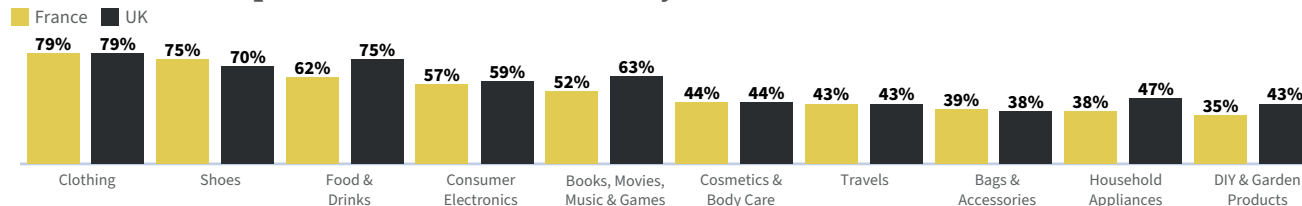
The forecast this year is considerably rosier, though, with new research from WTTTC suggesting that, if restrictions continue to ease, **the travel and tourism sector could gain more than 60,000 jobs in 2022**, reaching 2.8m and surpassing pre-pandemic levels by 2.3%.

**Spending and saving money matter to French voters** – a factor that was influential in May’s presidential election and Emmanuel Macron’s re-election. Macron’s surging popularity due to his high-profile role as the go-between in Russia’s war on Ukraine also played a part.

**France’s enjoys widespread digitalisation, with 94% of the population using the internet.** This has made lockdown shopping in a predominantly online environment easier than for many other countries. There were 48m French ecommerce users in 2021 and the ecommerce market is worth US\$42bn. While physical stores obviously suffered during the pandemic, the country’s ecommerce sector has benefited enormously from ongoing lockdown measures. The country has the one of the highest average ecommerce spends per capita in the world – with some sources suggesting the figure here exceeds €2,000.

In terms of numbers, **37% of the Top500 French stores are online pure players**, that is stores that sell exclusively online. This accounts for 46% of net sales which, for context, is higher than the US (31% and 36%) but lower than China (50% and 74%).

## Which of these products and services are you interested in?



Survey conducted in 2021 and last updated in October 2021. Results include 1932 online shoppers in France and 2034 online shoppers in the UK (split sample). Respondents could select multiple answers  
Source: Statista Global Consumer Survey

© RetailX 2022

## Share of cross-border retail ecommerce revenue in France, 2022



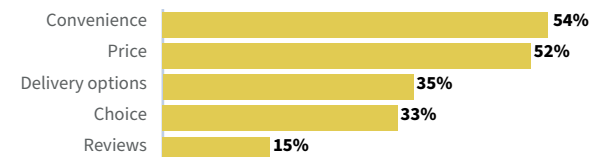
Data based on estimates. Data current as of March 2022  
Source: Statista Digital Market Outlook. Accessed via Statista

© RetailX 2022

France is a nation of startups, which is something that the government has always taken pains to encourage. **Back in 2019, Emmanuel Macron identified the goal of having 25 French ‘unicorns’ (a private company valued at \$1bn or more) by 2025.**

This goal was reached in January 2022, when robotics company Exotec raised \$335m in funding, bringing its

## Why do you shop online? (France, 2021)



Survey conducted in November 2021, includes 691 French e-shoppers  
Source: RetailIX

© RetailX 2022

valuation close to \$2bn. Looser restrictions and increased government spending should provide a fertile ground for French ecommerce innovation in the coming year.

[1] [www.reuters.com/world/europe/french-2021-economic-growth-strongest-52-years-7-2022-01-28/](https://www.reuters.com/world/europe/french-2021-economic-growth-strongest-52-years-7-2022-01-28/)  
[2] <https://wttc.org/News-Article/Frances-Travel-and-Tourism-sector-could-see-employment-surpass-pre-pandemic-levels-this-year-says-WTTTC>

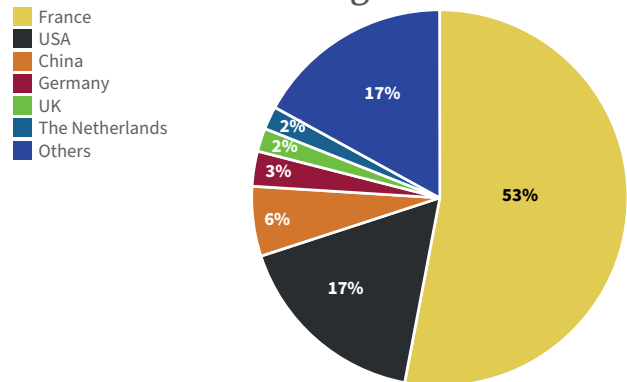
# The Largest 100

Whether it's familiarity, patriotism or both, French shoppers keep it local

French consumers are known for being particularly loyal to French brands and indeed, **more than half of the Largest 100 French retailers are domestically based.**

Nevertheless, US-based retailers attract a large percentage of French web traffic. Russian web traffic to French retailers has presumably declined in the short time since this data was gathered – a reflection of the war in Ukraine.

## Where the France Largest 100 are based



Note: Data based on 90 of the Largest 100 retailers  
Source: RetailX



## Web traffic to the largest France-based retailers split by consumer location



Note: Data from 90 retailers are used. These are all the France-based retailers that belong to the France Largest 100  
Source: RetailX, drawing on data from SimilarWeb



## Web traffic by sector in France

Web visits of local consumers to France Largest 100 retailers



Note: For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 85 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb



## Countries where the France Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb



# Germany

Can one of Europe's strongest economies power through current trade issues and revamp its energy market?

**The German economy is the largest in the European Union** and made good recovery from the global challenges of Covid-19 and Brexit. GDP per capita is high (€50k), and well above global, EU and Euro area average. However, **in 2020, its population declined for the first time in more than a decade.** Studies suggest that the population – currently 83.4m – will go down by 14% by 2060.

As gas supplies decline, **the country faces an energy crisis like never before.** Businesses and householders

**Germany**

**Area:** 357,580km<sup>2</sup>

**Capital:** Berlin


**Currency:** euro (EUR)

**Official language:** German

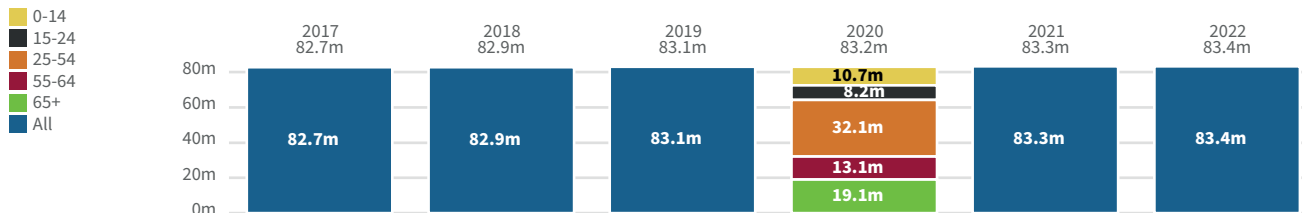
**Other languages spoken:**  
Danish, Frisian, Sorbian and Romani

**Government:** Federal parliamentary republic

**VAT:** 19% | **Reduced VAT:** 7%



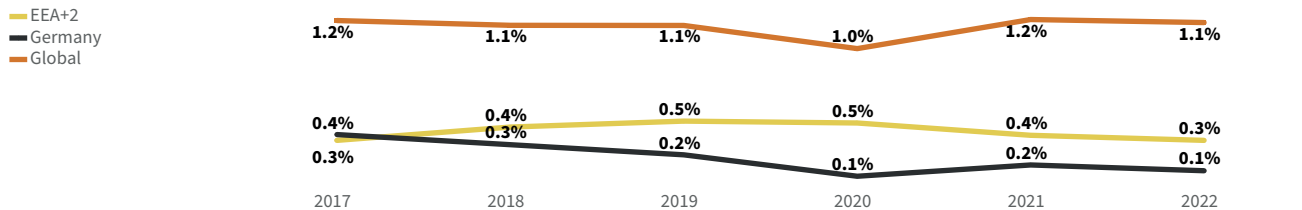
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

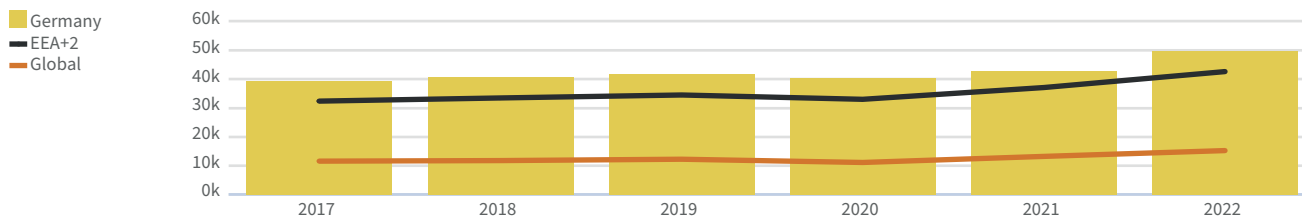
## Population growth



Data for EEA includes all current EEA members in addition to UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA includes all current EEA members in addition to UK and Switzerland  
Source: RetailX, drawing on data from IMF

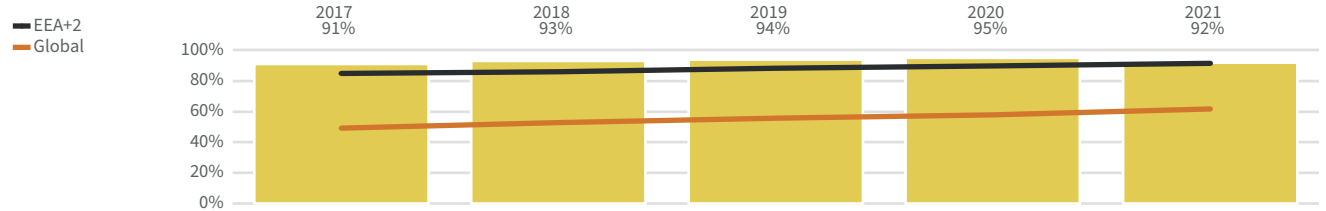
© RetailX 2022

are being asked to ration usage as tensions with Russia escalate, with the government proposing an emergency levy on gas customers to help spread costs. In response, **the government says it's planning to build two new liquified natural gas terminals on the North Sea coast** and restart some coal-fired power plants that had been due to be phased out, in an attempt to wrest back some independence from Russian power supplies.

The 2021 elections left the country with a coalition, governed by the chancellor Olaf Scholz, between the Social Democrats (SPD), Greens and the Free Democrats (FDP). **All members of the coalition have made clear they want to plan for a decade of digital and social renewal,** with already in place to address digital skills and the digitalisation of business.

Under its new rule and in response to Russia's invasion of Ukraine, Germany has relaxed its long-term pacifist foreign policy. Defence expenditure has long been below EU averages and NATO's targets but **in February, Scholz announced a new €100bn armed forces fund, as well as the decision to send significant weapons to Ukraine.**

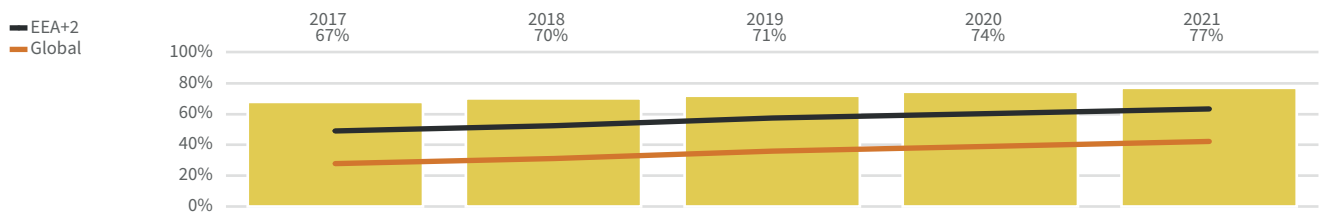
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

### Percentage of internet users who shop online

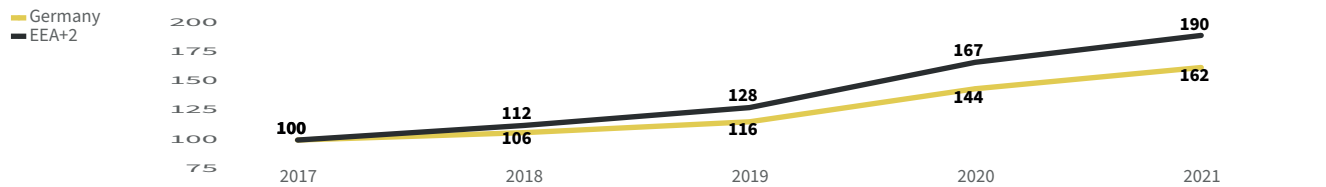


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending

Index = 100 for 2017



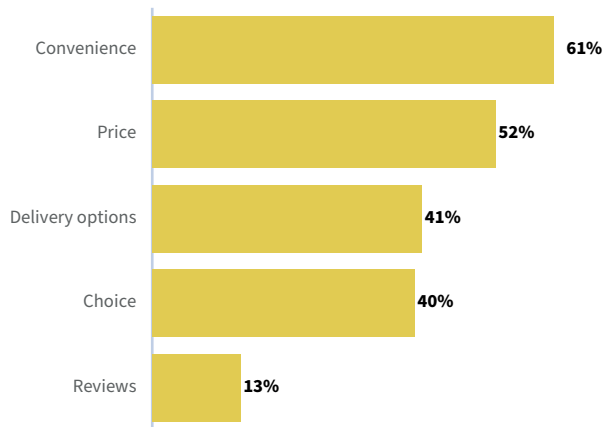
Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

© RetailX 2022

Naturally, consumer confidence is low against the rising costs of goods. But the German shopper is digitally savvy. Overall, **internet usage in Germany is generally good and has been rising steadily, up to 92% in 2021**. Of these, 77% are internet shoppers, up from 74% in 2020.

Much like the Netherlands, **Germans favour bank transfer (28%) over other forms of online payment**, thanks to the rise of services such as SOFORT and IDEAL. E-wallets are at 23% and cards are down, at 19%.

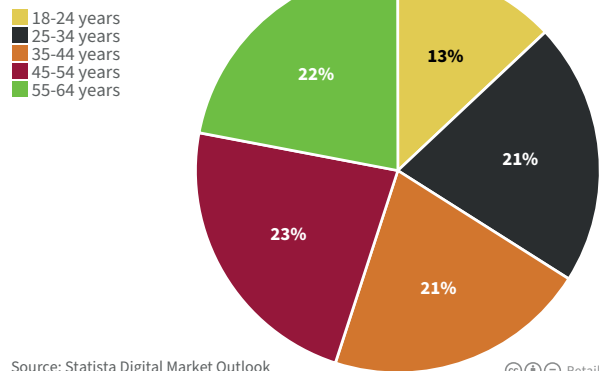
### Why do you shop online? (Germany, 2021)



Survey conducted in November 2021, includes 679 German e-shoppers  
Source: RetailX



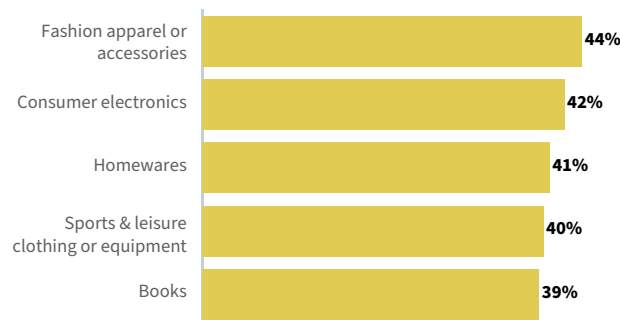
### Ecommerce users by age group in Germany 2021



Source: Statista Digital Market Outlook



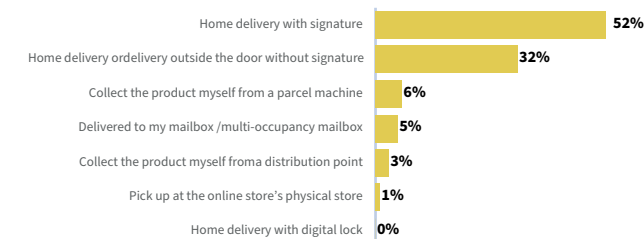
### What do you shop for online? (Germany, 2021)



Survey conducted in November 2021, includes 679 German e-shoppers  
Source: RetailX



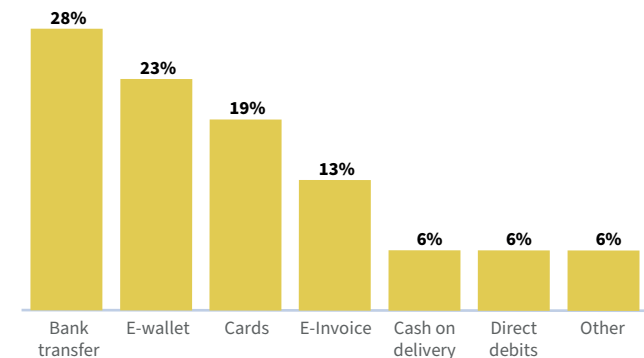
### When you order a product online, how do you prefer to have it delivered? (Germany, 2021)



Online survey conducted in 2020 and 2021. Results include 1000 interviews with ecommerce consumers in Germany. The interviews were conducted with representative nationwide samples of individuals aged 15-79 years  
Source: PostNord



### Payment methods in Germany in 2021



Source: Statista Market Outlook

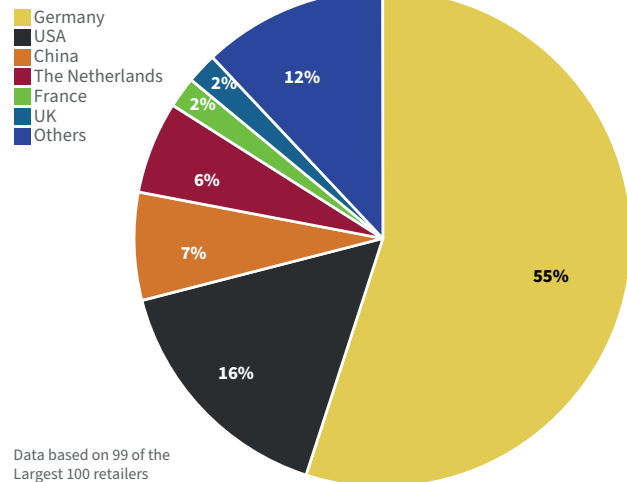


# The Largest 100

## Marketplaces take the lead in the cross-border online shopping stakes

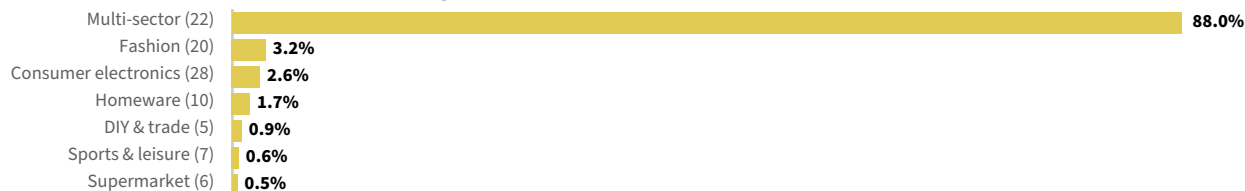
The majority (55%) of **Germany's Largest 100 retailers are based in Germany**. This is followed by the US at 16% and China at 7%. Web traffic to the Largest 100 retailers sits at 47.7% from German consumers.

## Where the Germany Largest 100 are based



## Web traffic by sector in Germany

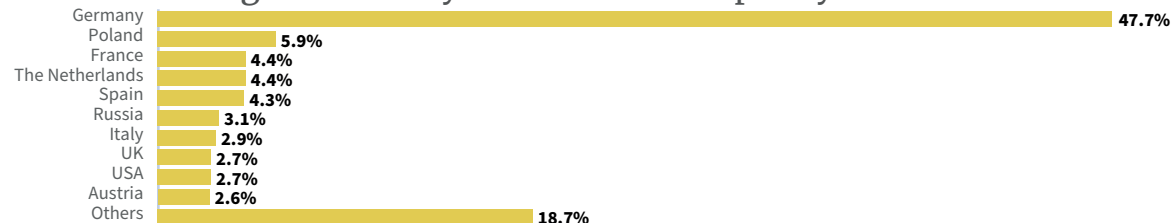
Web visits of local consumers to Germany Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 99 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

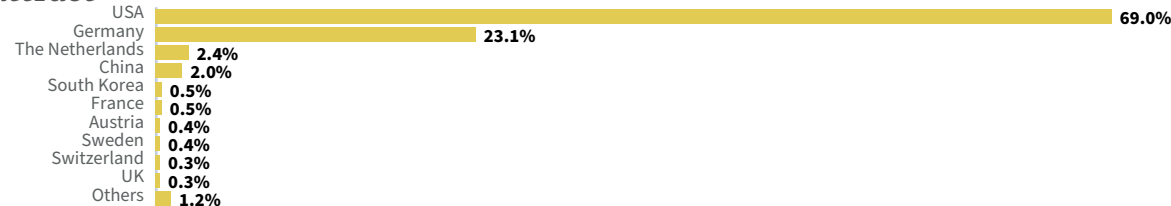
## Web traffic to the largest Germany-based retailers split by consumer location



Data from 99 retailers are used. These are all the Germany-based retailers that belong to Germany Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Germany Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022



# Ireland

Ongoing issues concerning the implementation of Brexit are causing uncertainty in Ireland

Ireland has long had a choice position as the bridge between the UK and the rest of Europe, thanks to its lack of language barrier and membership of the eurozone. It's had the euro since 2002 and is **now the only member of the EU for which English is the main language for business and public life.** Northern Ireland remains part of the UK.

Since the UK left the EU, **a new customs border has allowed people to move between Ireland and Northern Ireland.** The Northern Ireland Protocol of the Brexit withdrawal agreement means the UK and the EU must

**Ireland**

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**Area:** 70,280 km<sup>2</sup>

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**Capital:** Dublin

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**Currency:** euro (EUR)

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**Official language:** English, Irish

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**Nationality:** Irish

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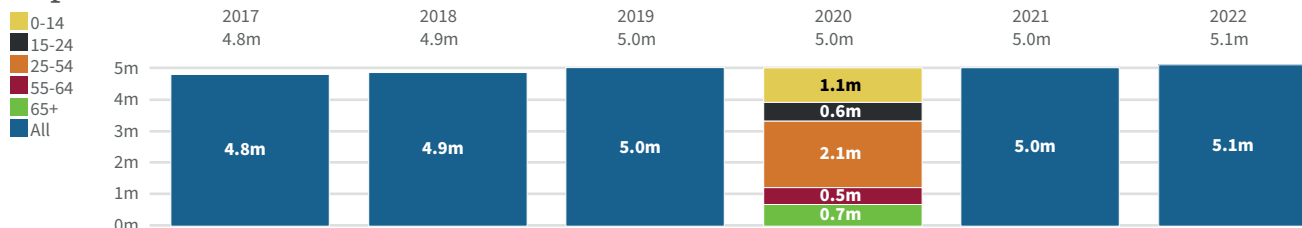
**Government:**  
Parliamentary republic

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**VAT:** 23% | **Reduced VAT:** 13.5% & 9%



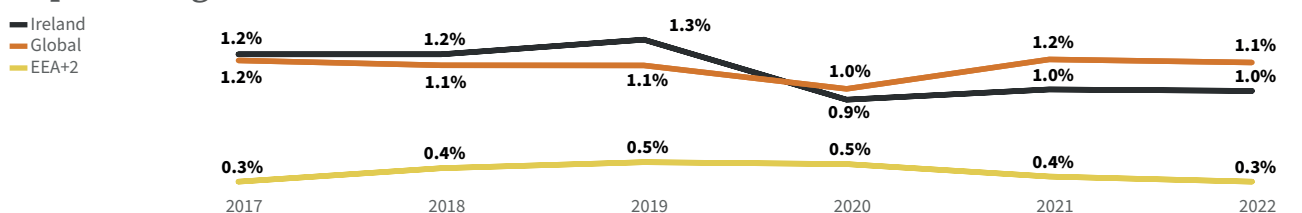
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

RetailX 2022

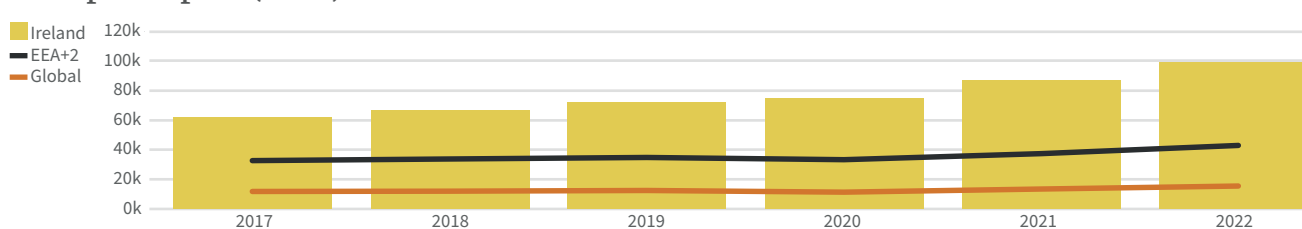
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

remain committed to maintaining an open border in Ireland. However, in recent months, the UK government – under the outgoing PM Boris Johnson – has attracted criticism (and threat of action from the EU) for attempting to override trade agreements.

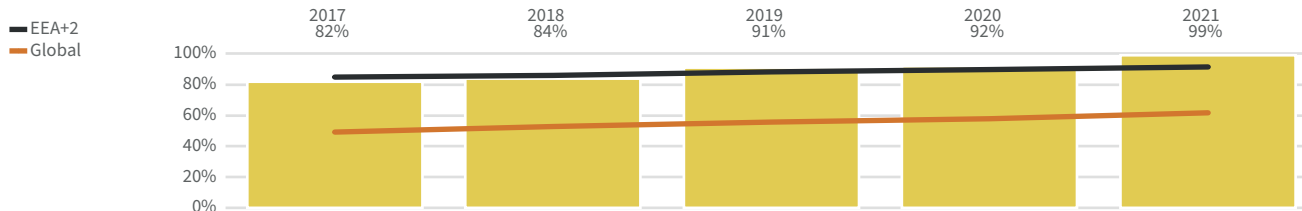
Trade has been disrupted since Brexit but cross-border trade between Ireland and Northern Ireland<sup>[1]</sup> jumped by €2.8bn (£2.3bn) in 2021. **GDP per capita is still well above global and EU averages**, thanks in part to Ireland’s status as something of a tax haven for large corporates. **These companies have been making the most of the ‘double Irish with a Dutch sandwich’**, a tax avoidance technique making clever use of Dutch and Irish subsidiaries to move profits to low or no-tax jurisdictions.

**Thanks to high investment and a burgeoning tech industry, the population is digitally literate**, with 99% online in 2021 and 71% of internet users being regular online shoppers.

However, the country has now signed up to an Organisation for Economic Co-operation and Development agreement for a global minimum corporate tax rate of 15% by 2023. It will be interesting to see how this impacts the country’s tech industry and the talent and digital innovation it has previously attracted.

[1] www.theguardian.com/politics/2022/feb/15/brexit-trade-figures-northern-ireland-republic

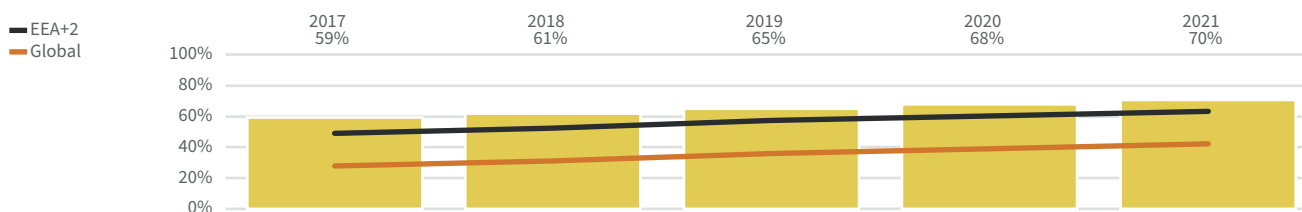
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

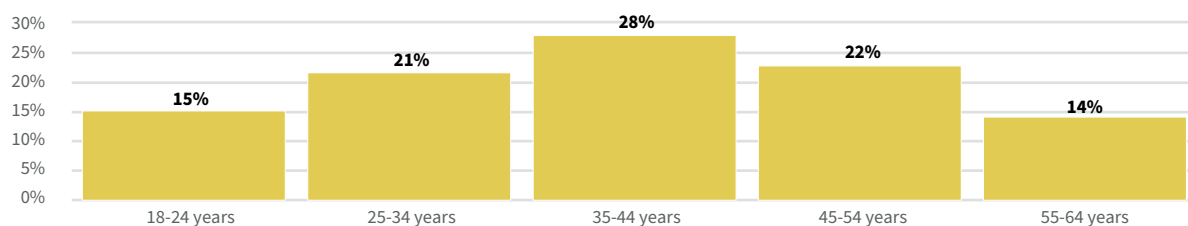
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Ecommerce users by age group in Ireland, 2021



Source: Statista Digital Market Outlook

© RetailX 2022

# Luxembourg

Prosperous and robust with a forward-thinking digital plan, Luxembourg is a centre for ecommerce

Luxembourg has long had a high degree of prosperity. With higher-than-average GDP per capita, **it's the wealthiest country in the European Union**, according to the European Chamber<sup>[1]</sup>, and also has the second-lowest debt rate. The population is growing slightly and it's one of the youngest in the EU, according to Eurostat.

High internet usage and a developed digital infrastructure mean **it's an attractive place both to live and to do business**. It's also known as a safe and friendly place to live, ranking second out of 128 countries in terms of

**Luxembourg**

**Area:** 2,590 km<sup>2</sup>

**Capital:** Luxembourg


**Currency:** euro (EUR)

**Official languages:**  
Luxembourgish, Portuguese, French, German

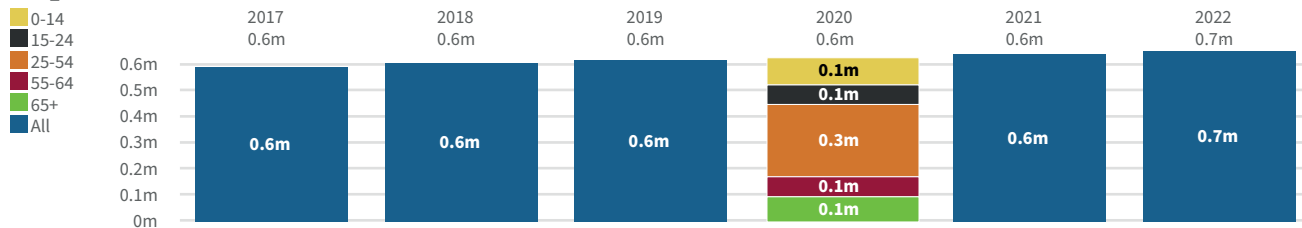
**Other languages spoken:** English, Italian

**Government:** Constitutional monarchy

**VAT:** 17% | **Reduced VAT:** 3%



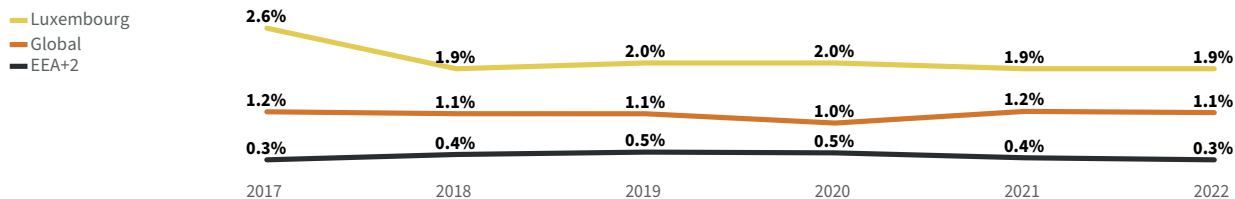
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook



## Population growth

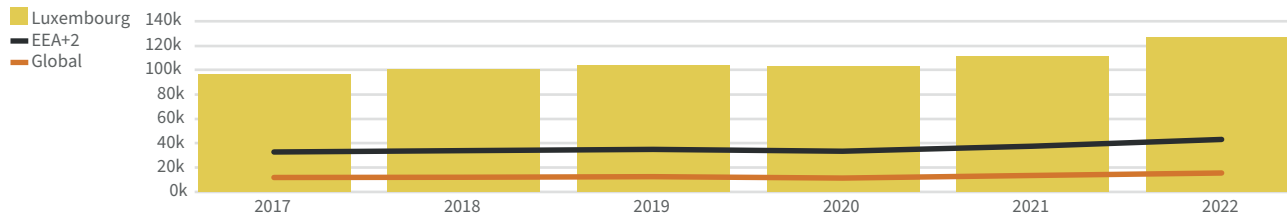


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF



## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF



political stability and safety in a study published by the World Economic Forum<sup>[2]</sup>, with **a robust and diverse economy** and the highest minimum wage in the EU.

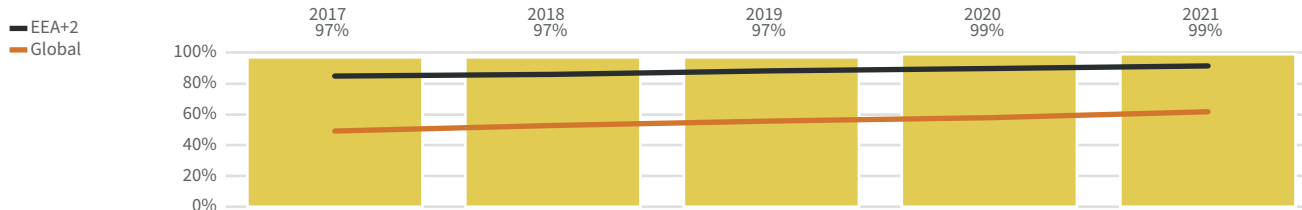
Covid-19 has had an impact on the country, as with everywhere, although the government has been quick to respond with a series of impressive policy responses which have meant that recovery has been good. However, the war in Ukraine is having an impact and **growth is projected to be slow, due in part to rising inflation.**

**The country has been steadily working on its reputation as a knowledge-based data economy, with a robust and forward-thinking data-driven innovation strategy.** It recently announced it would make 65% of the computing capacity of the Luxembourg HPC (high performance computing) available to companies, including startups.

**Internet use is strong in Luxembourg**, with 99% of the population online in 2021. Some 74% of these regularly shop online, up from 71% in 2020. Where are they spending their money online? Mostly on fashion, with the sector making up 35% of ecommerce revenue, compared with 16% from electronics. Food made up just 9% of ecommerce trade.

[1] <https://eucham.eu/2014-10-10-richest-countries-in-europe/>  
 [2] [www.mimccapital.com/en/news/luxembourg-rank-2nd-out-of-128-countries-in-terms-of-political-stability-and-safety](http://www.mimccapital.com/en/news/luxembourg-rank-2nd-out-of-128-countries-in-terms-of-political-stability-and-safety)

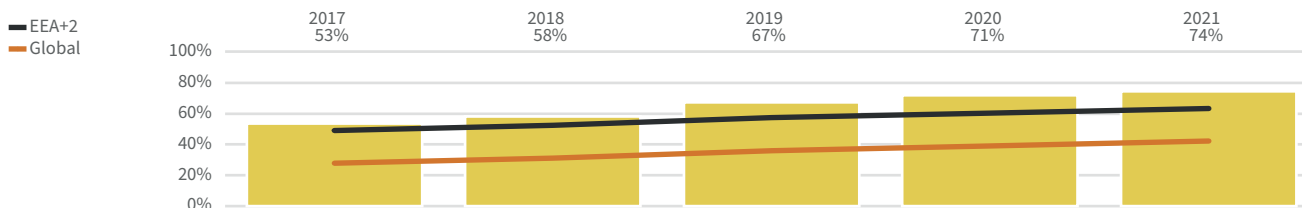
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

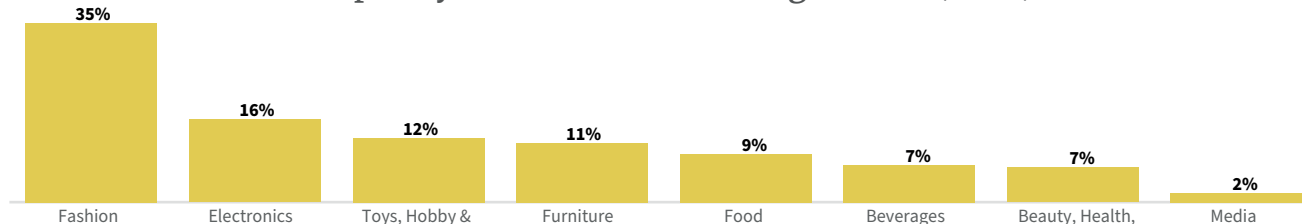
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Statista

© RetailX 2022

### Ecommerce revenue split by sector in Luxembourg in 2021 (in %)



Note: Data shown is using current exchange rates.  
 Source: Statista Digital Market Outlook

© RetailX 2022

# The Netherlands

High GDP per capita and healthy happiness scores make for cheerful Dutch ecommerce consumers

The Netherlands has an ageing population of 17.5m but this is a country that, despite older customers sometimes being reluctant to shop online, is happy with the idea of ecommerce. Indeed, **people in The Netherlands are happy with most things, with the country ranking fifth in the 2022 World Happiness Index<sup>[1]</sup>**. This is perhaps partly because the Netherlands has an above-average GDP per capita and the 17th largest economy in the world.

**The country has fared comparatively well from Brexit,** with a surge in UK companies looking to set up bases in

**The Netherlands**

**Area:** 41,540km<sup>2</sup>


**Capital:** Amsterdam

**Currency:** euro (EUR)

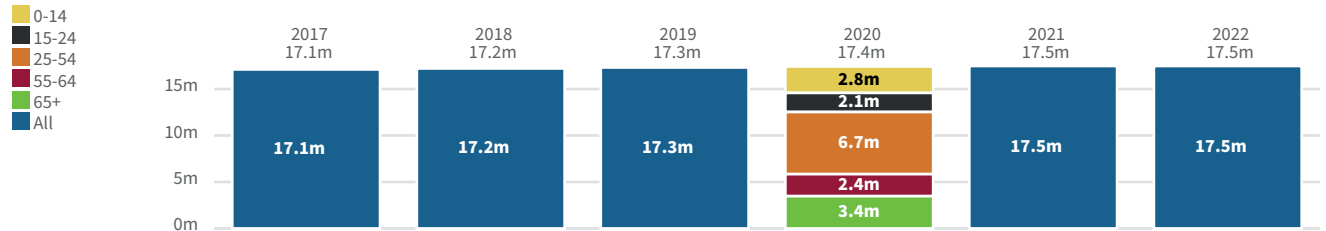
**Official language:** Dutch

**Government:**  
Parliamentary constitutional monarchy

**VAT:** 21% | **Reduced VAT:** 9%



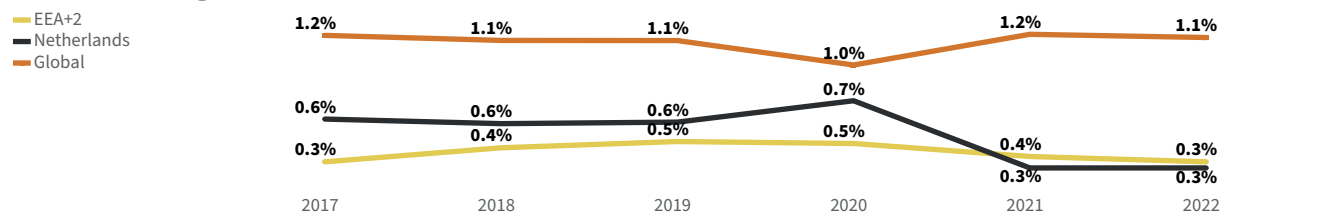
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

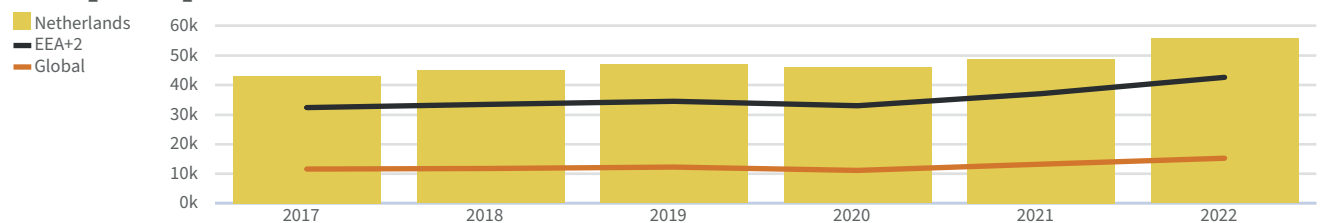
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

The Netherlands thanks to proximity, cultural similarity, good infrastructure and transport hubs. **According to the Dutch foreign investment agency NFIA, 24 of 133 new companies in the Amsterdam metropolitan area cited Brexit as the reason to set up in the city.** Moreover, Amsterdam finished 2021 as Europe’s top share-trading venue, ousting London from its top position.

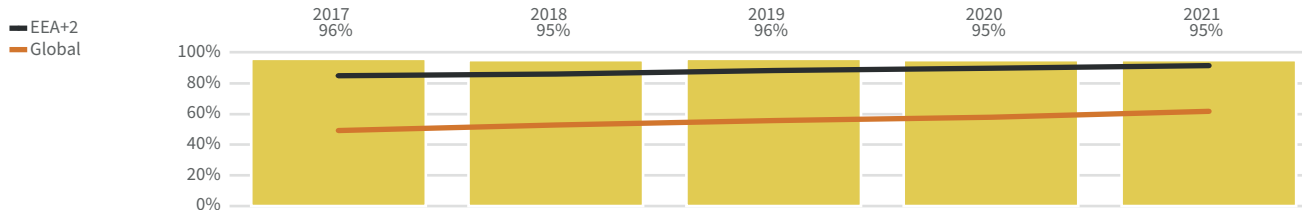
Internet use is good in the Netherlands, standing at 95% in 2020. Of this 95%, some 75% are regular online shoppers, up from 61% in 2017 and still well above global and EEA averages. Indexed total ecommerce spending for the Netherlands in 2021 was also marginally higher than EEA.

**Bank transfer is still the predominant spending method in the country, at 50%, with cards lagging behind at 23%.** This bank transfer is usually done using the domestic transfer system iDEAL, which is supported by all Dutch consumer banks and allows consumers to make payments using a mobile banking app or the online banking environment of their own bank.

**Fashion apparel and accessories are the most popular online shopping item, at 56%, followed by homewares at 44%.** Food is lower down the list, at 35%.

Smartphones are the predominant shopping device, at 61% among 18-64-year-olds, with laptops at 49%. Smart speakers are far less popular, at 5%.

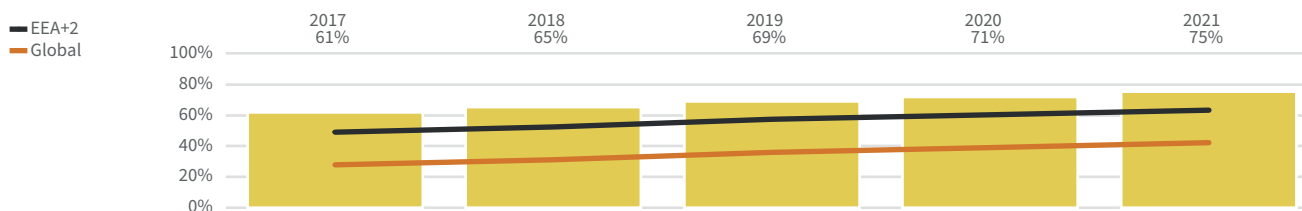
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

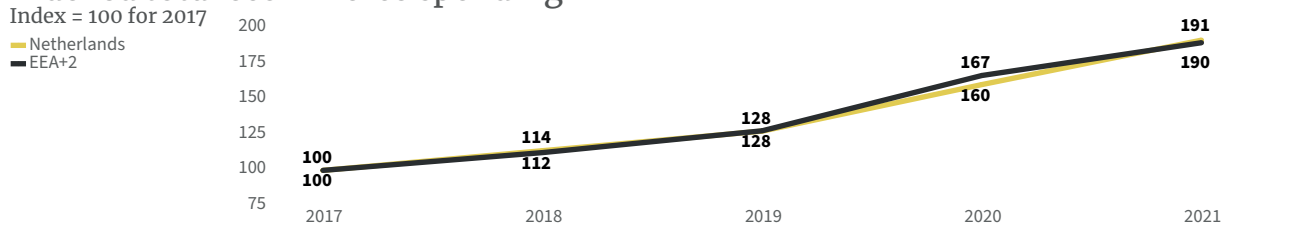
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

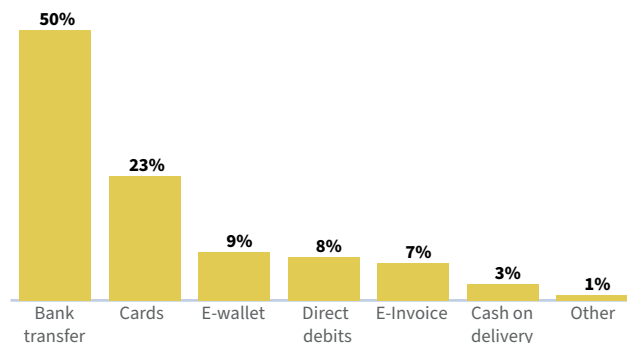
© RetailX 2022

Home delivery with signature remains the most popular (51%) way to receive a package but **delivery without a signature and left outside (31%) is still fine for many Dutch consumers.**

Collection is less popular, at 8%, perhaps reflecting the government's willingness to enter lockdowns faster than other countries and consumers' response to adapting to an increasingly work-from-home lifestyle.

[1] <https://worldhappiness.report/ed/2022/>  
 [2] <https://investinholland.com/news/>

### Payment methods in Netherlands in 2021

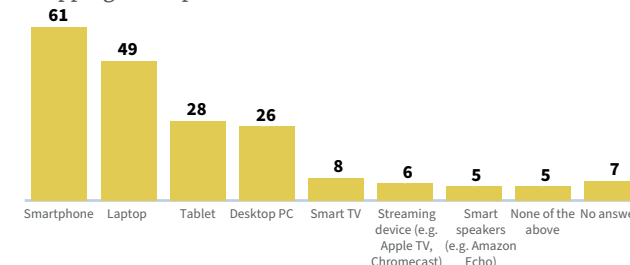


Source: Statista Market Outlook

© RetailX 2022

### Devices used to shop online in The Netherlands 2022

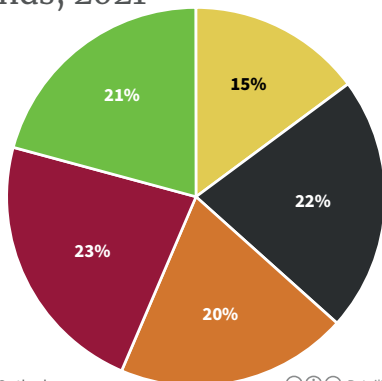
Which of the following devices have you used for online shopping in the past 12 months?



Survey conducted in between April 2021 and March 2022. 2,033 18-64 years old Netherlands residents. Multiple answers were possible  
 Source: Statista Global Consumer Survey (GCS) © RetailX 2022

### Ecommerce users by age group in The Netherlands, 2021

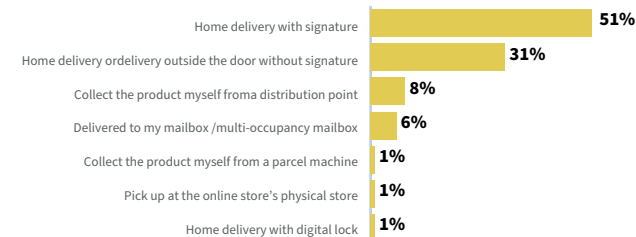
- 18-24 years
- 25-34 years
- 35-44 years
- 45-54 years
- 55-64 years



Source: Statista Digital Market Outlook

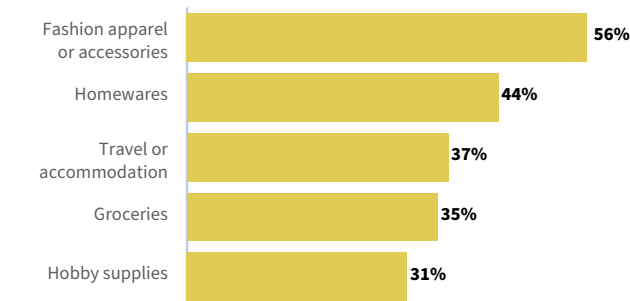
© RetailX 2022

### When you order a product online, how do you prefer to have it delivered? (The Netherlands, 2021)



Online survey conducted in 2020 and 2021. Results include 1,000 interviews with ecommerce consumers in The Netherlands. The interviews were conducted with representative nationwide samples of individuals aged 15-79  
 Source: PostNord © RetailX 2022

### What do you shop for online? (The Netherlands, 2021)



Survey conducted in November 2021, includes 441 Dutch e-shoppers  
 Source: RetailX

© RetailX 2022

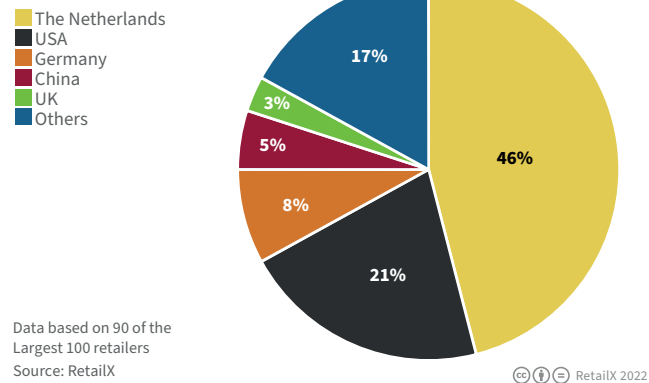


# The Largest 100

## Dutch shoppers embrace international brands in this open ecommerce market

Some 46% of the Netherlands Largest 100 retailers are based in the Netherlands and 75% of visits to the largest Netherlands-based retailers were from Netherlands-based consumers, followed by Belgium at 16.7%. Web traffic from local consumers is most popular to multi-sector sites.

## Where The Netherlands Largest 100 retailers are based



## Web traffic to the largest The Netherlands-based retailers split by consumer location

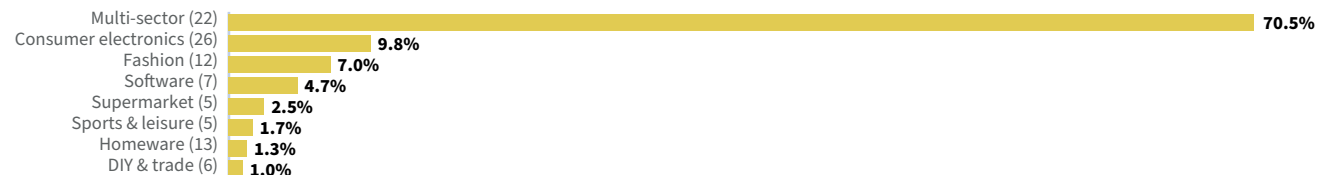


Note: Data from 96 retailers are used. These are all the Netherlands-based retailers that belong to The Netherlands Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic by sector in The Netherlands

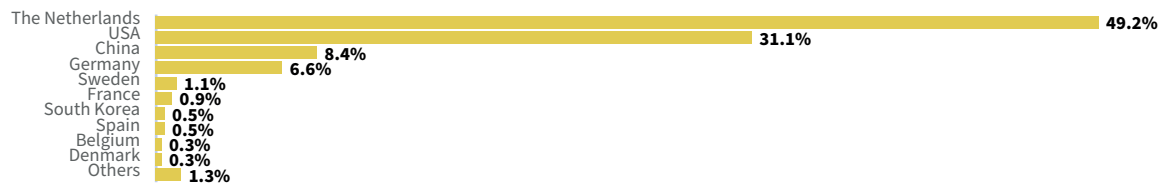
Web visits of local consumers to The Netherlands Largest 100 retailers



The number of retailers for each category is shown in parentheses. A retailer can fall into multiple sectors. Data based on 89 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Netherlands Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# The United Kingdom

While the UK faces huge challenges, it remains a leading economy with an innovative ecommerce sector

The United Kingdom is a member of the G7 group of leading economies. It has four constituent countries. England is home to the majority of the UK population and also to London, its capital city, which has a highly diverse population of around 9m people who between them, speak more than 300 languages. **Scotland, Wales and Northern Ireland all have devolved powers**, with parliaments or assemblies that have responsibility for policy areas including education and health. Queen Elizabeth II is the UK's longest-serving monarch and, in 2022, has been celebrating her platinum jubilee.

## The United Kingdom

**Area:** 243,610km<sup>2</sup>

**Capital:** London

**Currency:** pound sterling (GBP)

**Official language:** English

**Other languages spoken:**

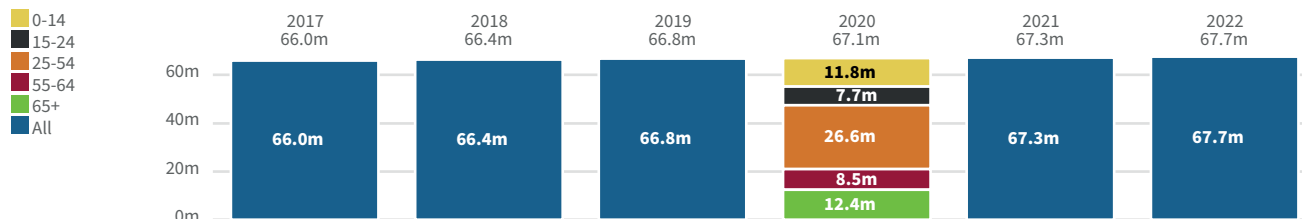
Scots, Scottish Gaelic, Welsh

**Government:** Parliamentary constitutional monarchy

**VAT:** 20% | **Reduced VAT:** 5%



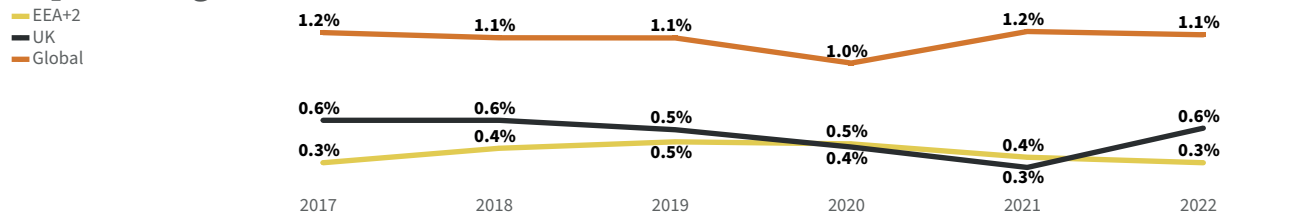
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

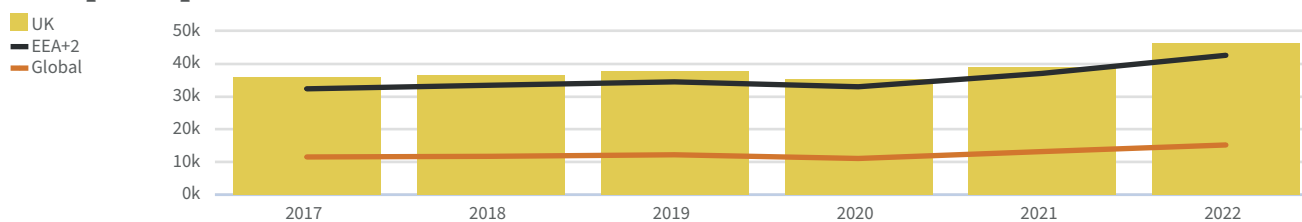
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (€)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

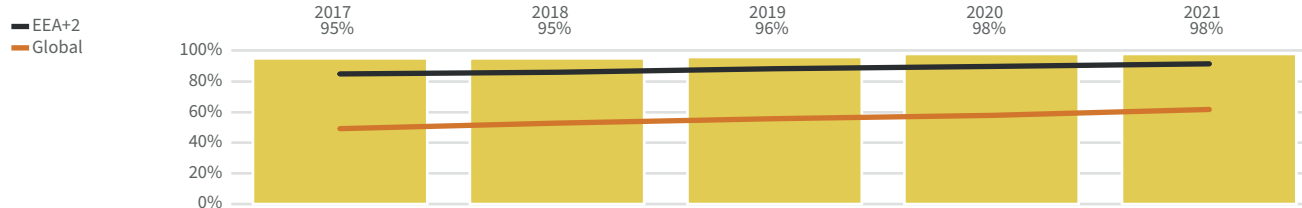
© RetailX 2022

After two years of Covid-19, the UK has moved on from pandemic lockdowns and trading restrictions. Yet while shops are now trading as normal, many shoppers are now more likely to be working from home for at least part of the week, potentially spending less on in-store purchases and more online. **The effects of Brexit, which saw the country leave the EU single market and customs union in early 2020, are still being felt** in the UK's supply chain and in skills shortages within the labour market.

Nonetheless, gross domestic product (GDP) has returned to levels last seen before the pandemic, with retail spending also recovering. **Shoppers are now making more of their retail purchases online**, although at a lower level than at the peak of Covid-19 lockdowns. However, **rising energy prices are feeding into an ongoing cost of living crisis** made far worse following the Russian invasion of Ukraine. The government has moved to cushion consumers against energy price rises but consumer confidence has suffered.<sup>[1]</sup>

The UK has been one of numerous countries taking sanctions against Russia and its ally, Belarus, with steps including closing UK airspace to Russian airlines and sanctions imposed on named individuals and Russian banks. **UK retailers and brands have suspended trading with Russia and even divested themselves of Russian-based assets.** The effects of these actions on the UK's economy and ecommerce will be seen in the longer term.

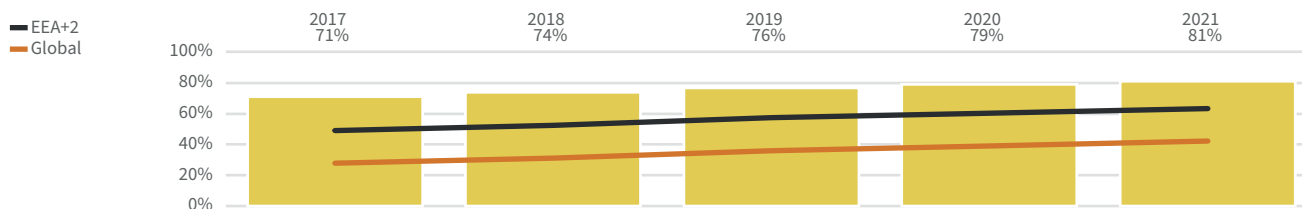
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

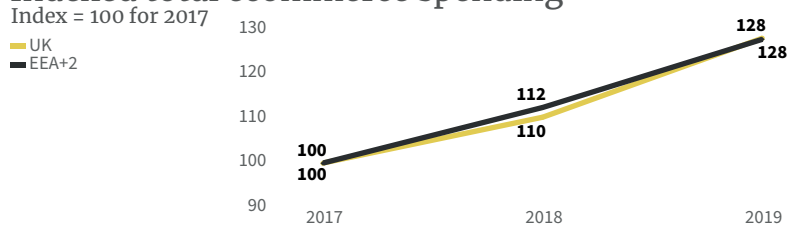
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



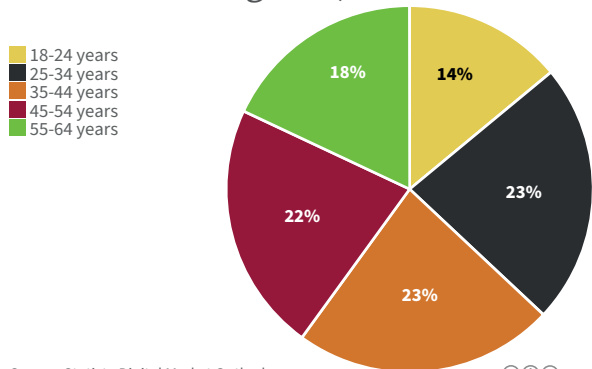
Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

© RetailX 2022

UK politics are currently in a turbulent state. In June 2022, Boris Johnson was forced to stand down as prime minister but, at the time of going to press, the Conservatives had yet to elect a successor.

Findings of the 2021 Office for National Statistics census have yet to be published, yet we do know that **the UK's population growth rate has slowed**, falling to an estimated increase of 0.3% in 2021<sup>[2]</sup>. Factors affecting this may include European workers leaving the country post-Brexit, as well as rising excess deaths rate due to the pandemic. According to ONS figures, there were **121,371 excess deaths above the five-year average in England and Wales** between 13 March 2020 and 18 February 2022<sup>[3]</sup>.

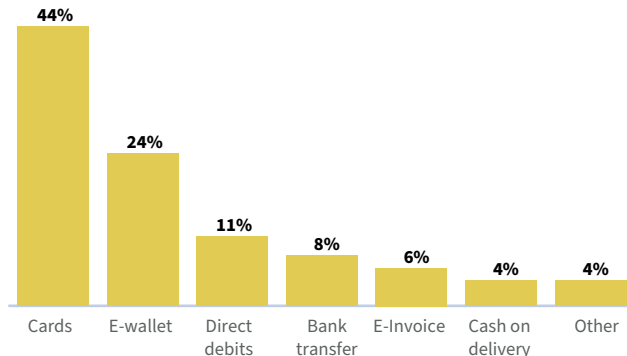
### Ecommerce users by age group in The United Kingdom, 2021



Source: Statista Digital Market Outlook

© RetailX 2022

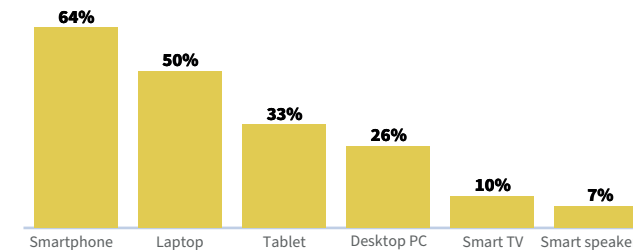
### Payment methods in the UK in 2021



Source: Statista Market Outlook

© RetailX 2022

### Which of the following devices have you used for online shopping in the past 12 months? (United Kingdom, 2021)

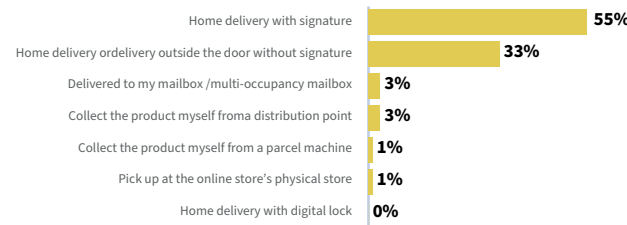


Respondents could select multiple options. Results include 2,034 UK residents. Data current as of October 2021

Source: Statista Global Consumer Survey

© RetailX 2022

### When you order a product online, how do you prefer to have it delivered? (United Kingdom, 2021)



Online survey conducted in 2020 and 2021. Results include 1,000 interviews with ecommerce consumers in United Kingdom. The interviews were conducted with representative nationwide samples of individuals aged 15-79 years

Source: PostNord

© RetailX 2022

### What do you shop for online? (The United Kingdom, 2021)



Note: Survey conducted in November 2021, includes 723 British e-shoppers

Source: RetailX

© RetailX 2022

An early indicator of how Covid-19 would end up changing the UK market was the sudden shortage of grocery delivery slots during the initial lockdown, when vulnerable people dared not leave their homes to buy food. Since then, **grocers have looked to new ways of quickly expanding their delivery capacity**. The shift of grocery to online, previously expected to gradually take place over many years, was suddenly a functioning reality.

The UK was already well-placed for this shift online, with many shoppers used to making at least some of their purchases online. Research suggests that **by 2021, 98% of the UK population were internet users, of whom 81% shopped online**.

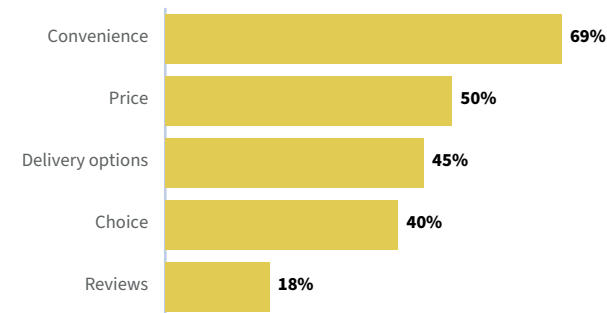
While the proportion of UK retail sales taking place online rose during pandemic lockdowns – peaking at 36.5% in February 2021 – the share has steadily declined since then, reaching 25.3% in January 2022<sup>[4]</sup>. **The ONS has found<sup>[5]</sup> that UK retail sales – excluding fuel – grew by 2.3% to £402.9bn in 2020 compared to the previous year**, as in-store sales (including fuel) fell by 11.1% and online sales grew by 49.9%. In 2021, UK retail sales were 4.5% ahead at £420.99bn, with in-store sales 5.3% ahead and online sales 8.7% ahead of the previous year, continuing to build on the ecommerce growth of the pandemic.

According to PostNord research, **when UK shoppers buy online, they spend more each year than in many other European markets**, surpassed only by shoppers in Denmark, Norway and Germany. Fashion is the most common category that UK shoppers buy online. It’s also one that’s expected to get more popular over time as shoppers become more confident with ecommerce. Offering easy returns processes will be key to increasing that confidence. Other **key UK ecommerce categories include electronics, furniture and appliances**, while more shoppers continue to buy more groceries online than they did before Covid-19.

Now that the pandemic lockdowns are over, **shoppers are returning in-store, although to a lesser extent than before**. British Retail Consortium/Sensormatic IQ footfall figures<sup>[6]</sup> suggest that the numbers visiting shops are closing on levels seen before the pandemics – yet UK footfall was 14.9% lower in February 2022 than in pre-pandemic February 2020.

[1] [www.bbc.co.uk/news/business-58090533](http://www.bbc.co.uk/news/business-58090533)  
 [2] [www.ons.gov.uk/census/censustransformationprogramme/census2021outputs/releaseplans](http://www.ons.gov.uk/census/censustransformationprogramme/census2021outputs/releaseplans)  
 [3] [www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19/latestinsights#mortality](http://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases/articles/coronaviruscovid19/latestinsights#mortality)  
 [4] [www.ons.gov.uk/businessindustryandtrade/retailindustry/adhocs/1431onlineandinstoreretailsalesgreatbritain2007to2021](http://www.ons.gov.uk/businessindustryandtrade/retailindustry/adhocs/1431onlineandinstoreretailsalesgreatbritain2007to2021)  
 [5] [www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/january2022](http://www.ons.gov.uk/businessindustryandtrade/retailindustry/bulletins/retailsales/january2022)  
 [6] <https://internetretailing.net/location/numbers-visiting-uk-stores-now-closer-to-pre-pandemic-levels-following-ending-of-covid-19-restrictions-24487>

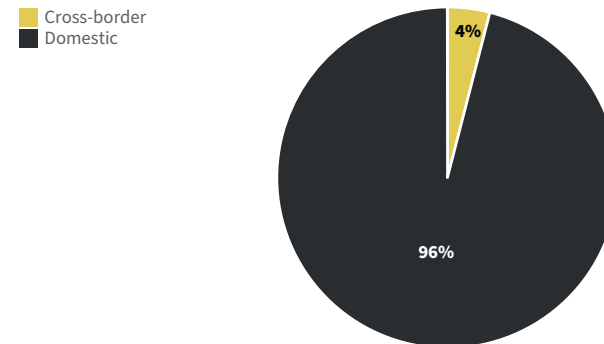
## Why do you shop online? (the UK, 2021)



Survey conducted in November 2021, includes 723 British e-shoppers  
 Source: RetailX



## Share of cross-border retail ecommerce revenue in United Kingdom, 2022



Data based on estimates. Data current as of March 2022  
 Source: Statista Digital Market Outlook. Accessed via Statista

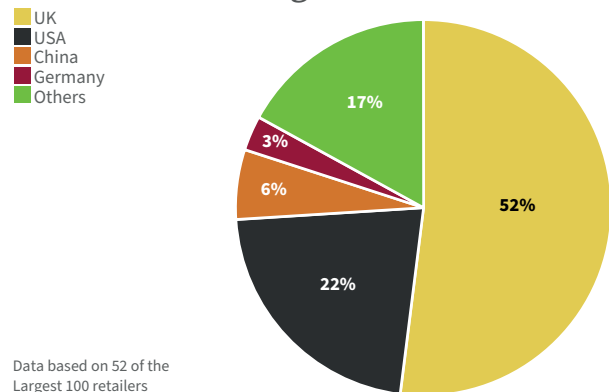


# The Largest 100

## UK consumers tend to heavily favour British and American retailers

The 52% of UK-based retailers in the Largest 100 attract 70.2% of their web traffic from domestic consumers, which is a reflection of how well retailers in the country cater for their customers. The strength of American retailers within the Largest 100 reflects the way that large companies, notably Amazon, command UK market share.

## Where the UK Largest 100 are based



Data based on 52 of the Largest 100 retailers  
Source: RetailX

© RetailX 2022

## Web traffic by sector in the UK

Web visits of local consumers to the UK Largest 100 retailers



Note: For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 52 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

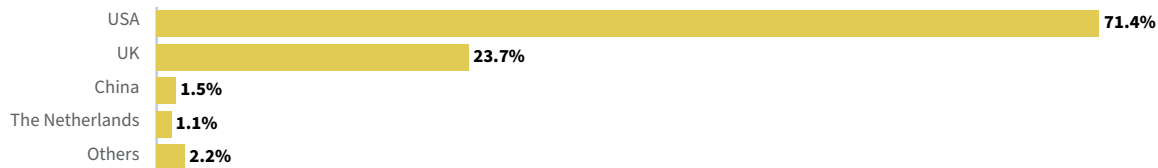
## Web traffic to the largest UK-based retailers split by consumer location



Data from 52 retailers are used. These are all the UK-based retailers that belong to the UK Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the UK Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# Northern Europe

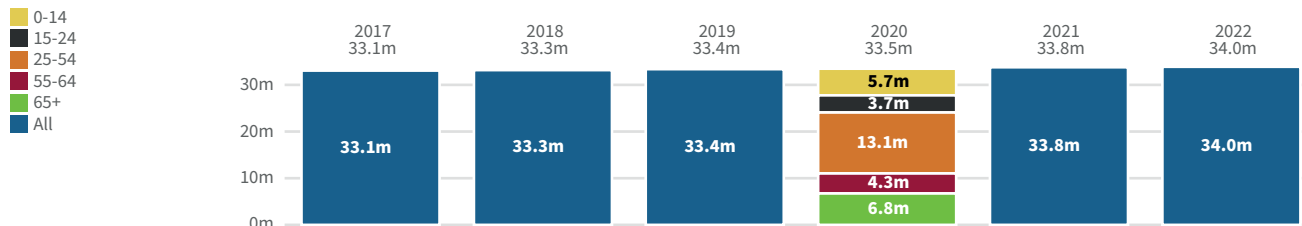
The wealthy Nordics and digital-savvy Baltics represent strong markets for online retailers and brands

Northern Europe combines the wealthy and highly developed Nordic nations of Denmark, Finland, Norway and Sweden with Iceland, and with the former Eastern Bloc Baltic states of Estonia, Latvia and Lithuania.

Nine in 10 citizens (95%) have access to the internet, a number that stood at 91% in 2017, suggesting digital maturity was achieved some time ago. Some 66% of those online also shopped online in 2021, up from 63% in 2020 and a pre-pandemic 61% in 2019. **Indexed total ecommerce spending stands at 201, just above the EEA+2 average of 190.**

GDP per capita is above the EEA+2 average but there are significant variations by country. **The Nordic nations are among the wealthiest in the world, with a highly educated population and highly developed economies.** Citizens enjoy high wages, high employment rates and access to a well-funded social security net, leading to a high standard of living across the region, and a much smaller variation than average between rich and poor.

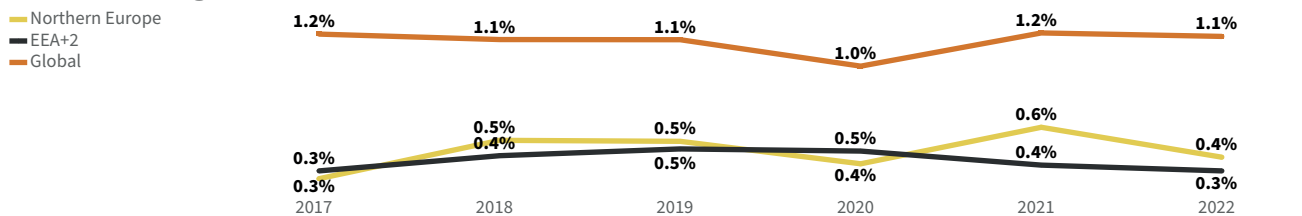
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

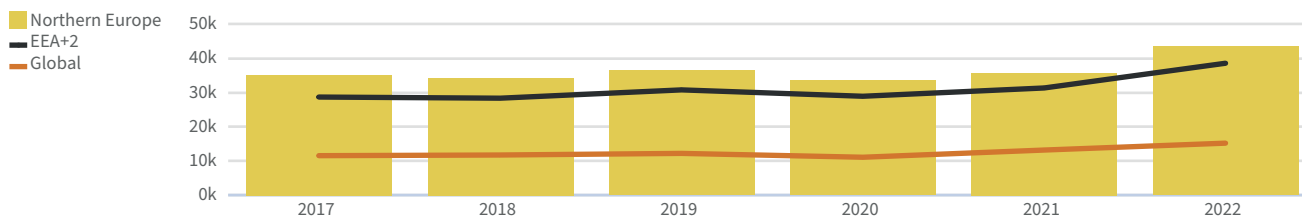
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022



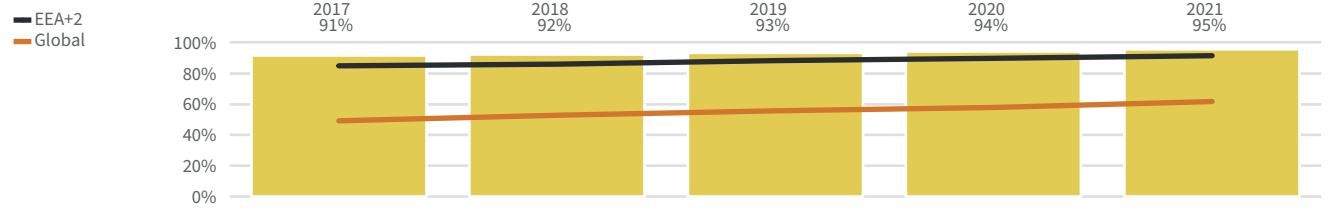
**In the Baltics, average incomes remain lower but Estonia, Latvia and Lithuania have experienced strong growth since they regained their independence in 1991.** The three nations have made a strong recovery from the pandemic. Growth rates are forecast to reach 5-6% in Latvia and Estonia and 4% in Lithuania in 2022.

**The war in Ukraine is having an impact on all the region's economies,** with rising inflation rates putting pressure on wages and on consumer sentiment. Finland and the Baltic nations, which have traditionally had Russia as a major trading partner, are being most severely impacted. Norway and Iceland, where exports of goods and services remain strong and the economy is expected to grow by 4.2% this year, are the least impacted.

In the Baltics, strong wage growth is now also being accompanied by double-digit inflation, predominantly due to the impact of the war on gas and oil prices.

**With high levels of internet access and two in three consumers shopping online, ecommerce is well developed across this digitally savvy region.** This presents both advantages and disadvantages for retailers looking to expand their businesses in Northern Europe. While the market is attractive in terms of disposable income and willingness to use the internet to shop, domestic retailers are well established online, which makes for a competitive environment.

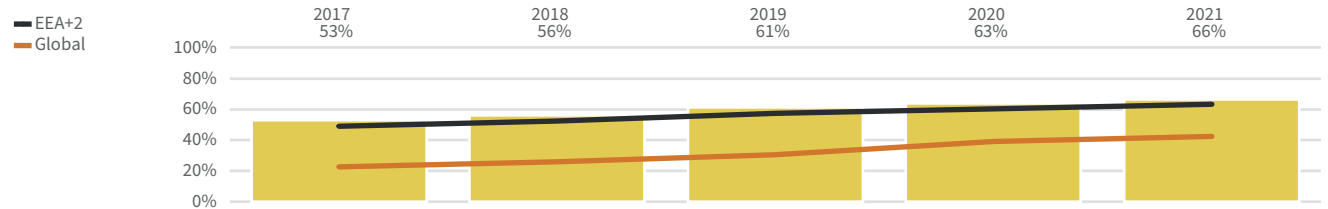
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

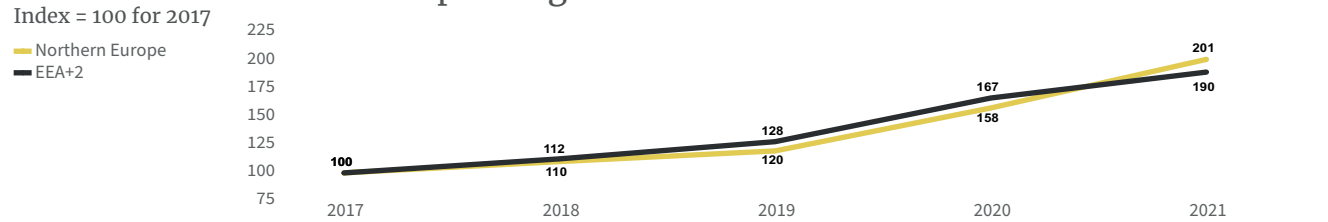
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

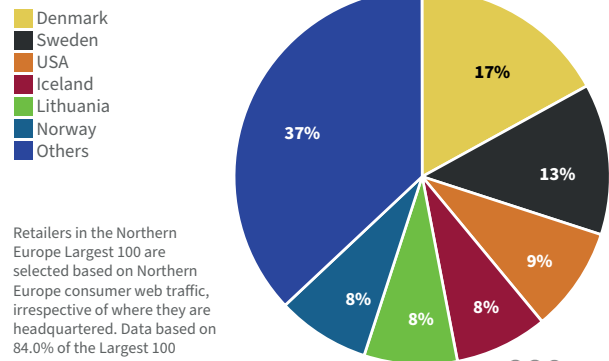
© RetailX 2022

# The Largest 100

A highly localised ecommerce market with shoppers favouring retailers with a base in Northern Europe

More than seven in 10 of the visits to a Northern Europe-based Largest 100 retailer go to a multi-sector merchant (72%), followed by homeware (9.5%) and consumer electronics (6.6%). Almost all website visitors to Northern Europe-based retailers in the Largest 100 come from within the region, led by Sweden (30.6%) and Denmark (28.9%).

## Where the Northern Europe Largest 100 retailers are based



## Web traffic by sector

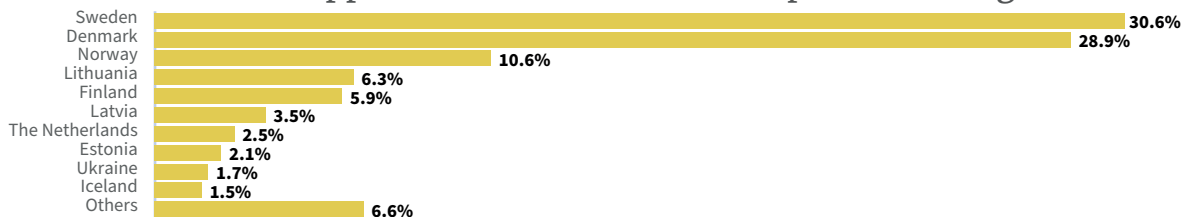
The percentage of web visits to the Northern Europe Largest 100 retailers from Northern European consumers, by sector



The number of retailers for each category is shown in parentheses. A retailer can fall into multiple categories. Data based on 76.0% of the Largest 100  
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

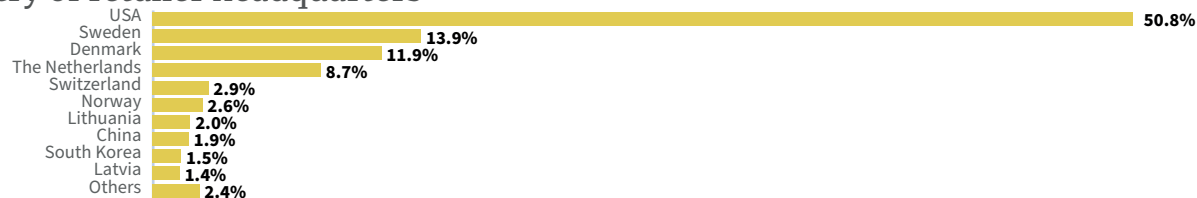
## Countries from which shoppers visit the Northern Europe-based Largest 100



There are 67 Northern Europe-based retailers among the Northern Europe Largest 100. The Largest 100 are selected based on Northern European consumer web traffic. Data based on 84.0% of the Largest 100. Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

## Northern European web traffic to the Northern Europe Largest 100 retailers, by country of retailer headquarters



Retailers in the Northern Europe Largest 100 are selected based on Northern European consumer web traffic. Data based on 84.0% of the Largest 100  
Source: RetailX, drawing on data from SimilarWeb

RetailX 2022

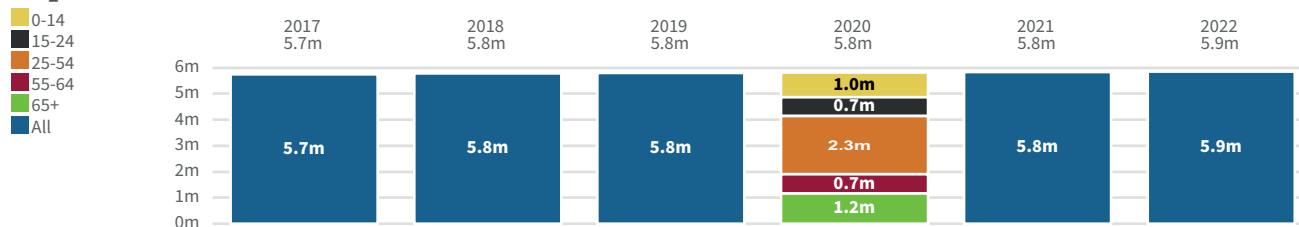
# Denmark

After recovering in the wake of the pandemic, the Danish economy is on course to grow strongly through 2022

It is a measure of the Danish economy’s resilience that, in May 2022, its finance ministry revised growth forecasts upwards. **Gross Domestic Product is expected to expand 3.4% this year, against a March estimate of 1.9%.** “We came out of 2021 at a very high pace and have a good starting point for continued growth,” noted Denmark’s finance minister, Nicolai Wammen.<sup>[1]</sup>

In great part, this is to be expected. Highly connected and highly developed economies in which the authorities intervened to support businesses and citizens during

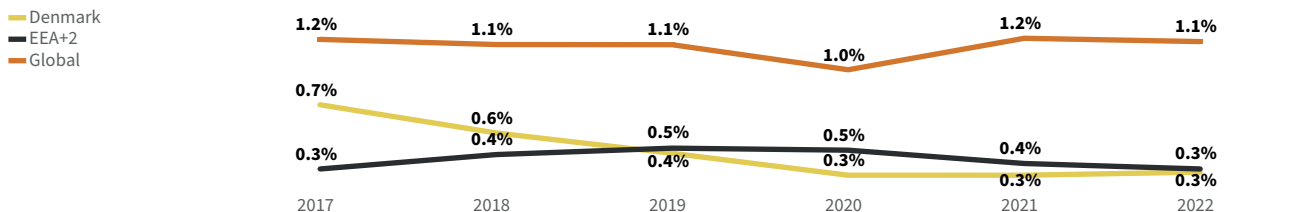
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

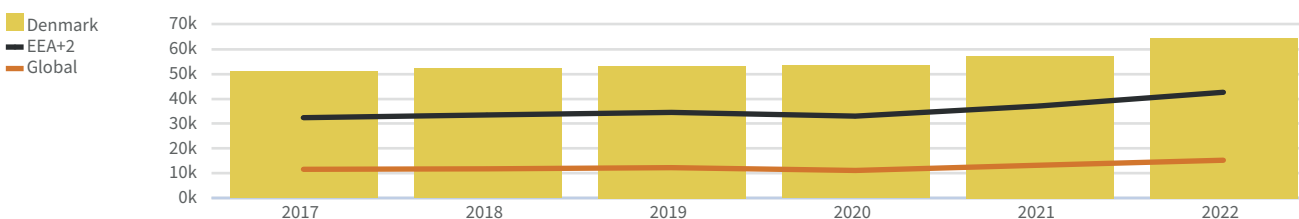
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

**Denmark**

**Area:** 42,920km<sup>2</sup>

**Capital:** Copenhagen

**Currency:** Danish krone (DKK)

**Official language:** Danish

**Other languages spoken:** English, Faroese

**Government:** Parliamentary constitutional monarchy

**VAT:** 25% | **Reduced VAT:** N/A

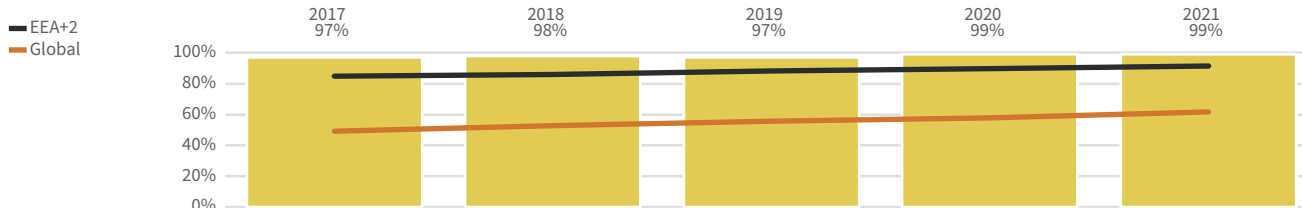
the pandemic have tended to bounce back quickly.

**Unemployment in Denmark stands at just 2.5%, the lowest level for 14 years.** Its authorities predict private consumption will help to drive growth, which is predicted to slow by 2023, although will still be 1.9%.

Despite this optimistic picture, there are clear risks for the Danish economy. Most of these – cost-of-living issues, the knock-on economic effects of lockdowns in China as it pursues a zero-Covid strategy, supply chain difficulties – are not specific to Denmark. However, it’s worth highlighting that Denmark is a country open to the wider world and highly connected. **If the war in Ukraine impacts Danish exports, perhaps because of near-neighbour Germany also experiencing economic difficulties, growth estimates may need to be revised again, this time downwards.**

Taking the longer-term view, Denmark is a stable social democracy, **internet use has reached 99% and GDP per capita is high by global standards, at €64,654.** Its long-term economic success will likely be centred on the capital, Copenhagen. The city has close ties with southern Sweden across the Øresund strait, to the extent that the wider area is promoted as Greater Copenhagen.<sup>[2]</sup> Here is a metropolis with a highly educated workforce, precisely the kind of area from which digital innovations arise, due to the growth of innovative companies as well as there being a market of relatively cash-rich, time-poor consumers. Any

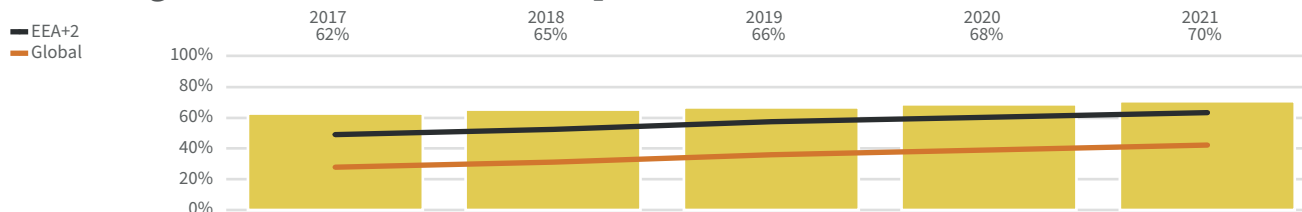
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

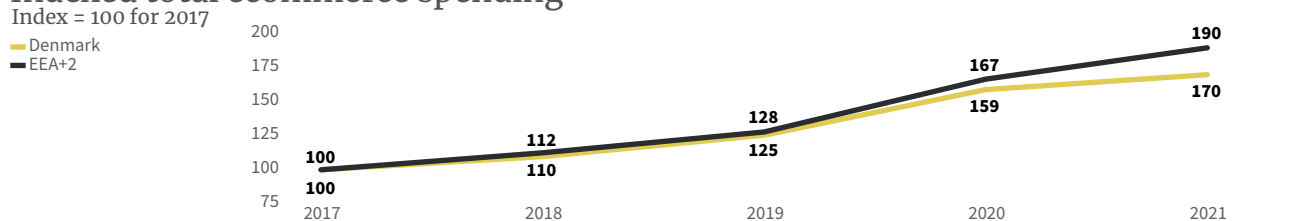
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

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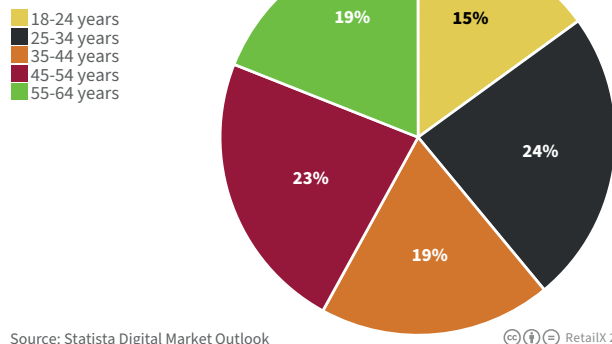
retailer that is successful in Greater Copenhagen is tapping into a market of 4.4m people.

It is no coincidence that research for the European Commission’s Digital Economy and Society Index 2021 ranked Denmark, Finland and Sweden as the three EU states that have made the biggest progress “in digital competitiveness in the areas of human capital, broadband connectivity, the integration of digital technologies by businesses and digital public services”.<sup>[3]</sup>

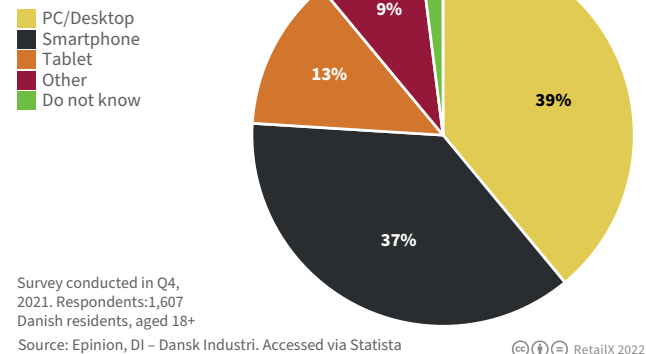
And innovation will be needed. Looking ahead, Denmark is already beginning to face issues around an ageing society. Population growth was just 0.3% in 2021 and, **by 2040, it is expected that a quarter of the population will be aged 65 or older.**<sup>[4]</sup> This is of course an issue across the entire developed world but it will be particularly intriguing to see how the authorities in Denmark cope when a declining younger population has to produce the wealth to support a large number of elderly citizens who expect high standards of social welfare. That said, the Danish version of the Nordic model – essentially social democracy where high taxation rates fund high levels of social provision – has proved resilient in the past.

[1] [www.bloomberg.com/news/articles/2022-05-11/denmark-raises-2022-economic-forecast-on-strong-labor-market](https://www.bloomberg.com/news/articles/2022-05-11/denmark-raises-2022-economic-forecast-on-strong-labor-market)  
 [2] [www.greatercph.com](https://www.greatercph.com)  
 [3] [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_21\\_5481](https://ec.europa.eu/commission/presscorner/detail/en/ip_21_5481)  
 [4] [https://unece.org/DAM/pau/age/country\\_rpts/2017/DNK\\_-\\_National\\_Report.pdf](https://unece.org/DAM/pau/age/country_rpts/2017/DNK_-_National_Report.pdf)

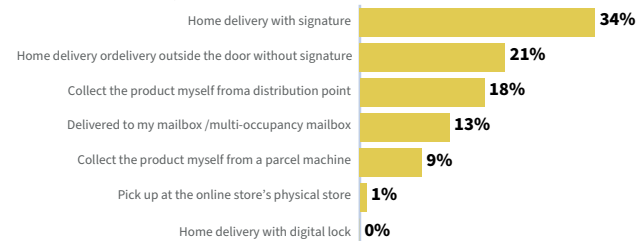
### Ecommerce users by age group (Denmark, 2021)



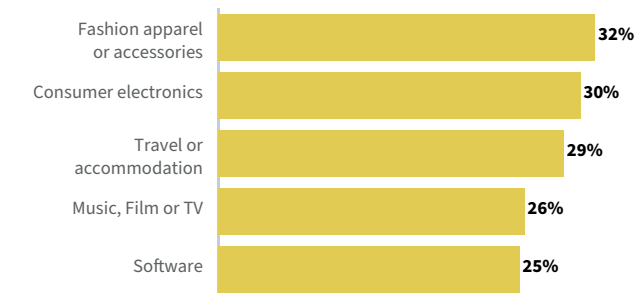
### Devices used to shop online (Denmark, 2021)



### When you order a product online, how do you prefer to have it delivered? (Denmark, 2021)



### What do you shop for online? (Denmark, 2021)

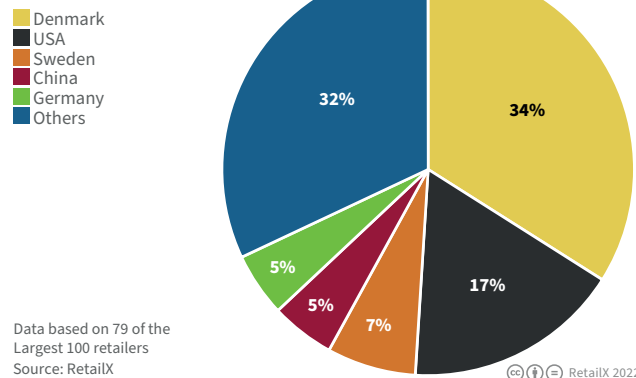


# The Largest 100

Danish consumers favour shopping with Denmark-based retailers, but will also look further afield

While RetailX analysis shows that Danish consumers most often buy from retailers based in Denmark, retailers based in other countries also have a strong presence in the market. **Swedish and American consumers are most likely to visit Danish-based retailers in the Largest 100.**

## Where the Denmark Largest 100 are based



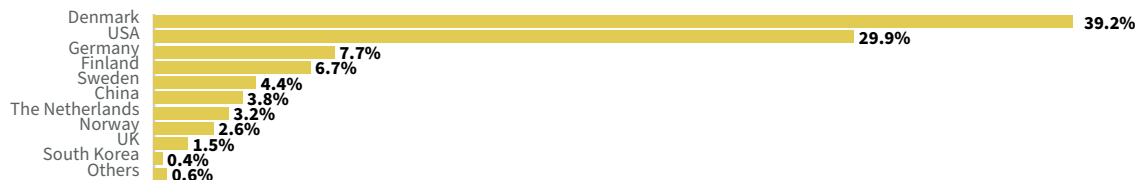
## Web traffic to the largest Denmark-based retailers split by consumer location



Note: Data from 34 retailers are used. These are all the Denmark-based retailers that belong to the Denmark Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

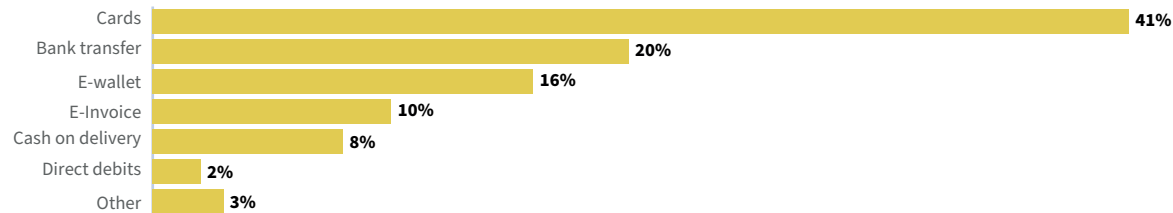
## Countries where the Denmark Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

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## Payment methods in Denmark in 2021



Source: Statista Market Outlook


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# Estonia

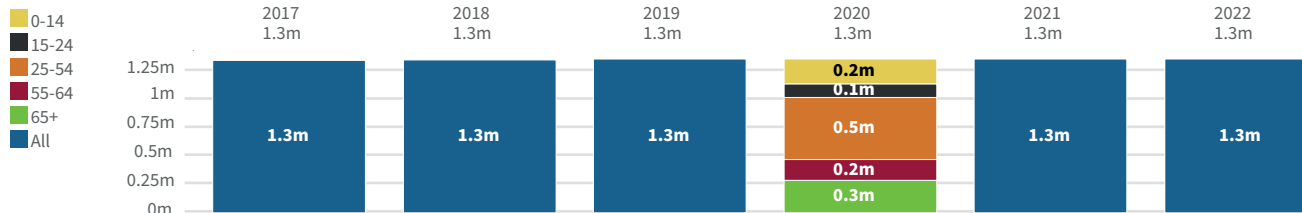
This former Soviet Union satellite state is coming on strong as both a digital leader as well as an EU and NATO member

Estonia is the northernmost Baltic state, bordering on Latvia to the south and Russia to the east. Its capital, Tallinn, lies on its Gulf of Finland northern coast, with a city centre that's a UNESCO World Heritage Site. The country welcomes visitors as tourists, migrant workers and, most recently, as refugees from the Ukraine conflict.

**Virtually, it welcomes people as members of its e-residency scheme for digital workers and entrepreneurs**, which gives non-EU businesses digital access to European markets.

<b>Estonia</b>	
<b>Area:</b> 45,340 km <sup>2</sup>	
<b>Capital:</b> Tallinn	
<b>Currency:</b> euro (EUR)	
<b>Official language:</b> Estonian	
<b>Foreign languages spoken:</b> Russian	
<b>Government:</b> Parliamentary republic	
<b>VAT:</b> 20%   <b>Reduced VAT:</b> 9%	

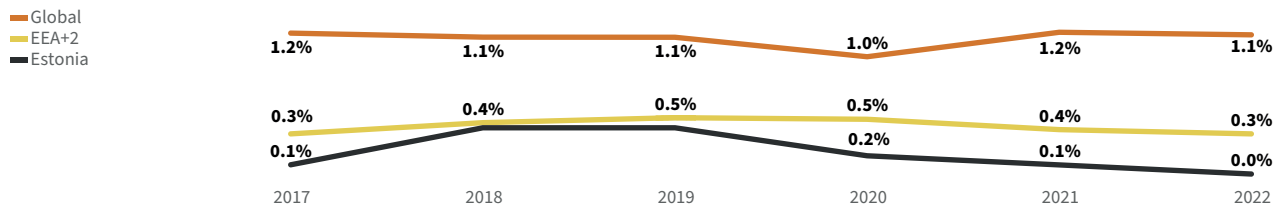
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook



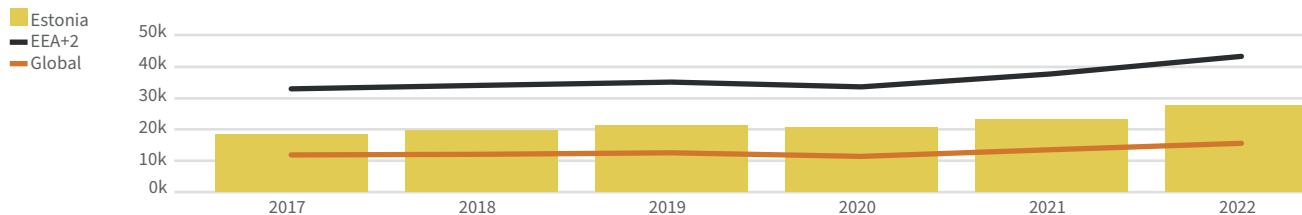
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF





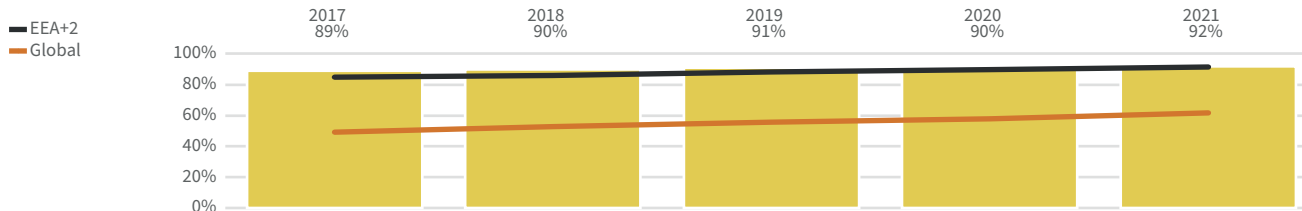
Its population has stayed steady at 1.3m in recent years as the growth rate slows. **It has one of the fastest ageing populations in Europe, with older people staying in the workforce for longer than in other European countries**<sup>[1]</sup>. Formerly part of the Soviet Union, the country has been a member of both the EU and NATO since 2004 and of the Euro area since 2011.

**Estonia has a reputation as one of the world’s most digitally advanced countries**, with many of its services being digitised over the last 20 years. The latest available figures suggest that 92% of the population were internet users in 2021 and that 55% of internet users shopped online regularly in 2021. Despite its small size, international digital businesses such as Skype have started life in Estonia and **the country claims to have the most unicorns – startups with a value of more than €1bn – per capita in Europe**<sup>[2]</sup>. Its e-residency scheme has attracted more than 93,000 members from 179 countries since launch in 2014.

The OECD says that its **strong digital services are one reason why Estonia has weathered the Covid-19 pandemic**. However, Russia’s invasion of Ukraine is expected to take its toll on the economy, with GDP growth forecast to fall back to 1.3% in 2022 and 1.8% in 2023<sup>[3]</sup>.

[1] [www.praxis.ee/en/tood/the-situation-of-older-workers-in-estonia/](http://www.praxis.ee/en/tood/the-situation-of-older-workers-in-estonia/)  
 [2] <https://investinestonia.com/euronews-estonia-is-building-a-unicorn-stable-through-its-e-residency-programme-to-boost-diversity/>  
 [3] [www.oecd.org/economy/estonia-economic-snapshot/](http://www.oecd.org/economy/estonia-economic-snapshot/)

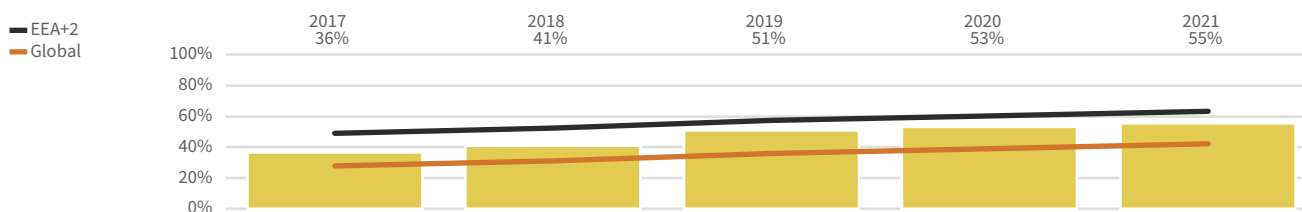
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat and DataReportal

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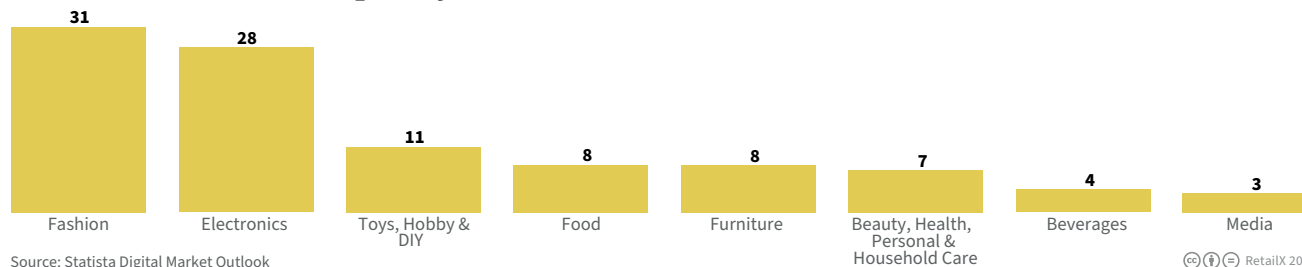
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Statista

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### Ecommerce revenue split by sector in Estonia, 2021 (in %)



Source: Statista Digital Market Outlook

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# Finland

The months ahead will reveal whether Finland’s vibrant digital economy can be a financial buffer against its aggressive, troublesome neighbour, Russia

Of all the countries in the Nordics, Finland has most reason to be concerned by Russian aggression. The country has a border with Russia that runs for 1,340km, largely through taiga forests and sparsely populated rural areas. Despite the forbidding nature of much of this terrain, **Finland and the USSR fought a series of wars in the middle of the 20th century.** Although relations have subsequently been more cordial, Finland has maintained universal male military conscription. While Russia’s invasion of Ukraine

**Finland**

**Area:** 338,450km<sup>2</sup>


**Capital:** Helsinki

**Currency:** euro (EUR)

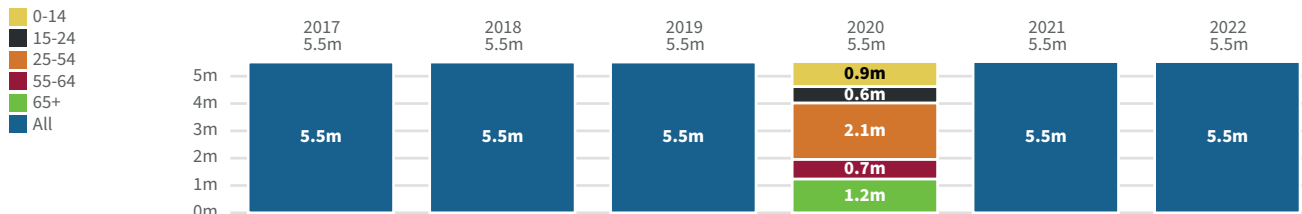
**Official language:**  
Finnish, Swedish

**Government:**  
Parliamentary republic

**VAT:** 24% | **Reduced VAT:** 10%



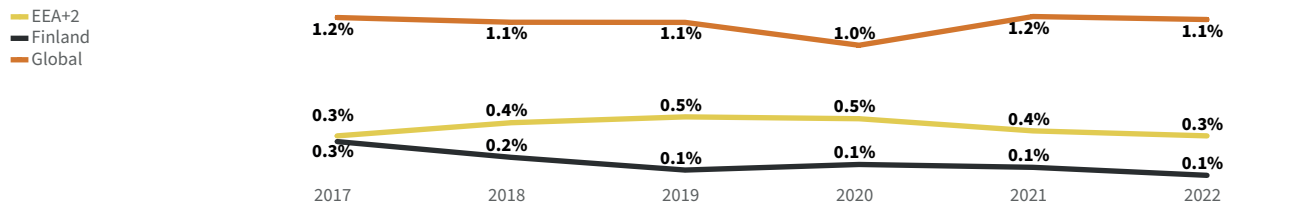
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

## Population growth

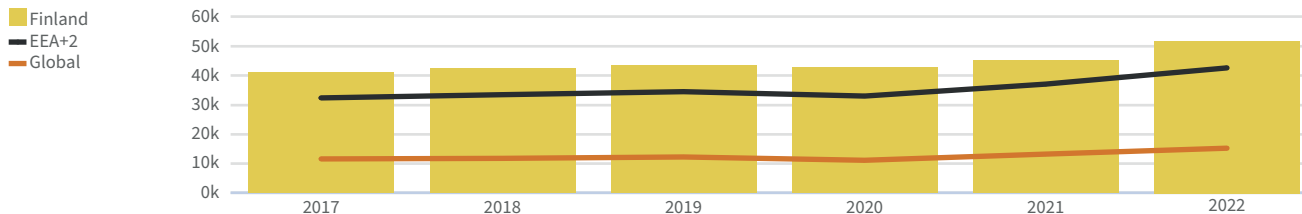


Data for EEA includes all current EEA members in addition to UK and Switzerland

Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA includes all current EEA members in addition to UK and Switzerland

Source: RetailX, drawing on data from IMF

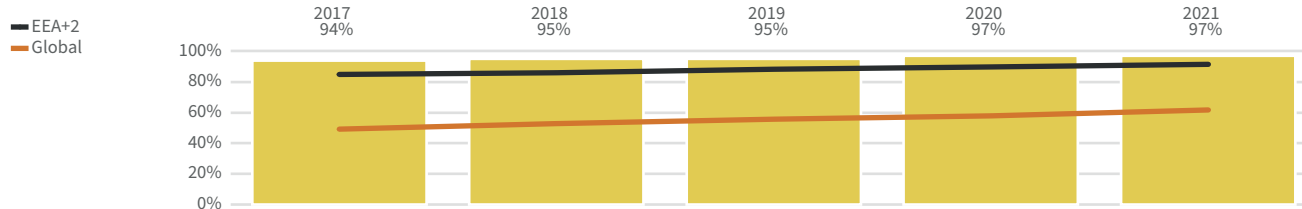
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led to Finland, along with Sweden, applying for NATO membership, in truth, its armed forces had long worked closely with the alliance. Nevertheless, its move towards formalising this cooperation was greeted by Vladimir Putin saying Russia would “respond symmetrically” if any military infrastructure was set up in Finland and Sweden<sup>[1]</sup>.

The current geopolitical situation has led to uncertainty over how Finland’s economy will perform. **In May 2022, the Russian energy supplier RAO Nordic announced it was going to suspend deliveries of electricity to Finland<sup>[2]</sup>.** While it cited problems with payments, the move came shortly after Russia threatened “retaliatory steps” when it became clear that Finland was looking to join NATO. Also in May, Norda Bank predicted that Finland’s economy would grow at 2% in 2022, rather than the 3% it had predicted in January<sup>[3]</sup>.

For all this buffeting, the Finnish economy remains strong. A member of the European Union, it has adopted the euro as its currency. Its capital, Helsinki, consistently performs well in indices of the best cities in the world in which to live and work. Over recent decades, Finland has become highly industrialised. Its transition to a digital economy was represented by the success of Nokia, a globally recognised consumer brand that at one point supplied around 40% of the world’s mobile phones. **Finland’s GDP per capita is €51,928 against an average in the European Economic Area of €42,561.**

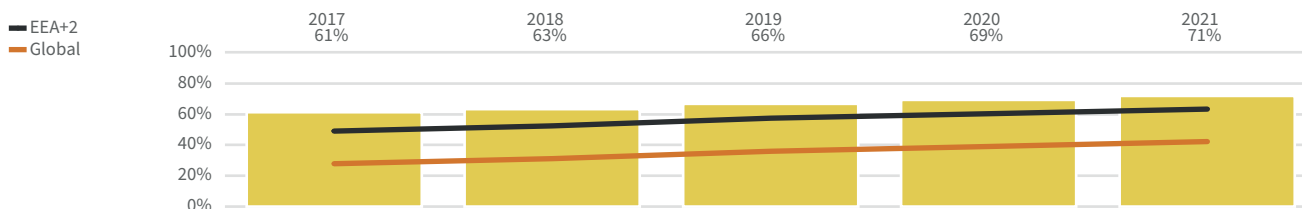
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

### Percentage of internet users who shop online

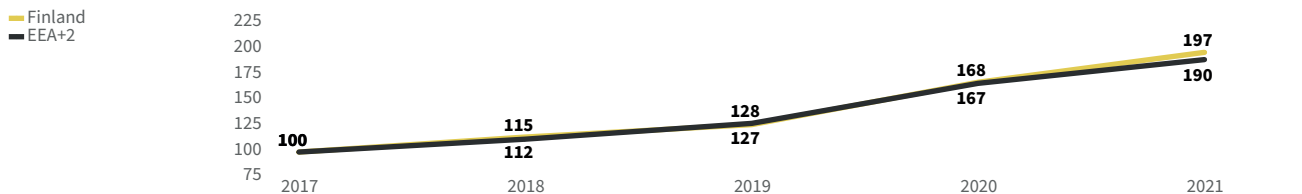


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending

Index = 100 for 2017



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

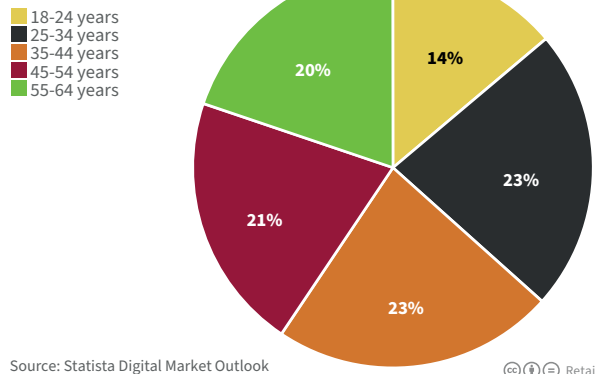
© RetailX 2022

The percentage of people using the internet has reached 97%, with 71% of these consumers shopping online. While Finnish consumers are happy to buy from foreign brands and retailers, Finland-based retailers in the Largest 100 tend to attract Finnish consumers.

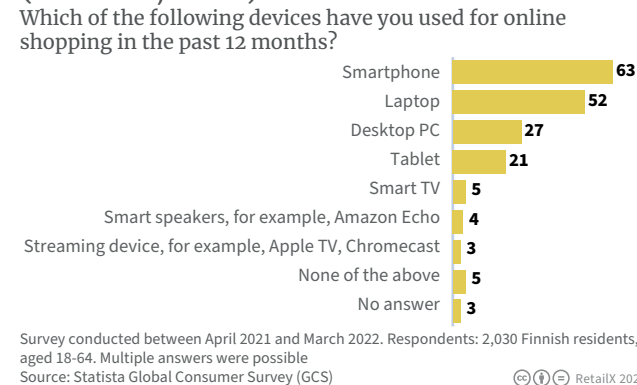
Price and convenience are important issues for Finnish consumers when they choose to buy (see graphic below). It is more important to offer parcel collection options in Finland than elsewhere in Europe (see below right).

[1] <https://www.theguardian.com/world/2022/jun/29/russia-condemns-nato-invitation-finland-sweden>  
 [2] [www.bbc.co.uk/news/business-61442432](https://www.bbc.co.uk/news/business-61442432)  
 [3] <https://yle.fi/news/3-12440886>

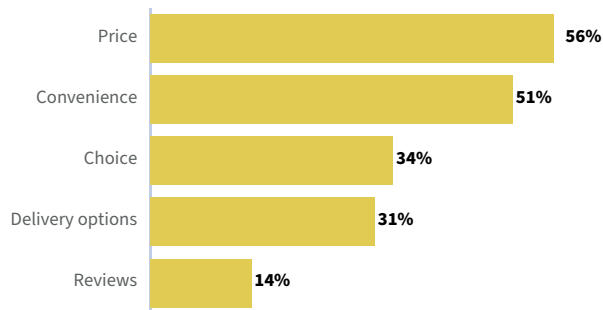
### Ecommerce users by age group (Finland, 2021)



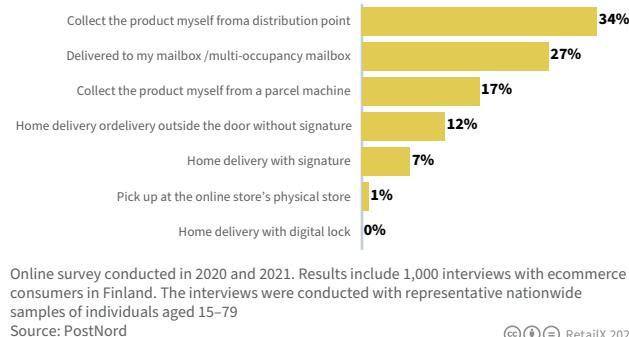
### Devices used to shop online (Finland, 2021)



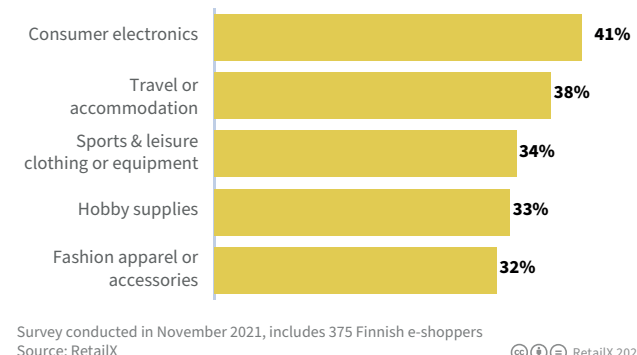
### Why do you shop online? (Finland, 2021)



### When you order a product online, how do you prefer to have it delivered? (Finland, 2021)



### What do you shop for online? (Finland, 2021)

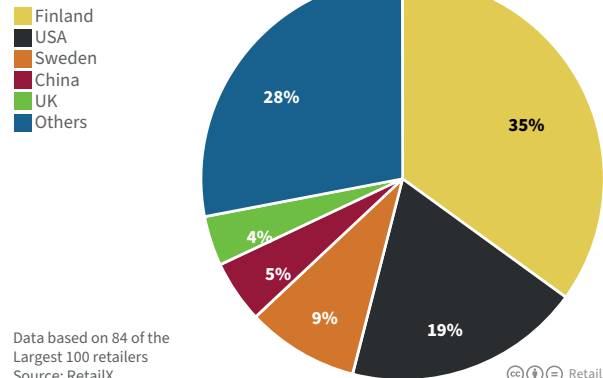


# The Largest 100

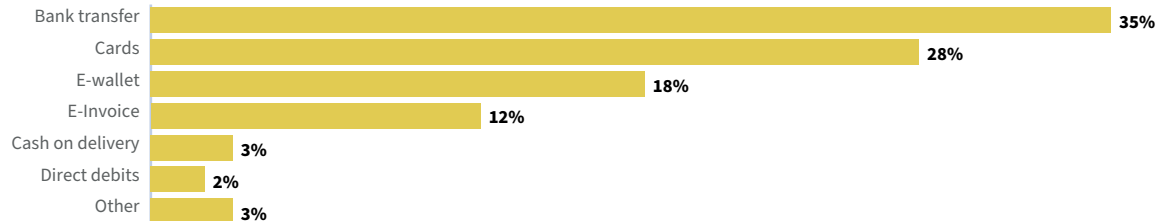
While local brands attract loyal Finnish customers, US-based retailers are also popular

As we have already noted, Finnish consumers are keen on getting good value. This may help explain why there's a strong US presence in the country, companies such as Amazon that operate at scale. But cultural factors are important too and it follows that **a number of Swedish retailers have a strong presence in Finland.**

## Where the Finland Largest 100 are based



## Payment methods in Finland in 2021



Source: Statista Market Outlook

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## Web traffic to the largest Finland-based retailers split by consumer location

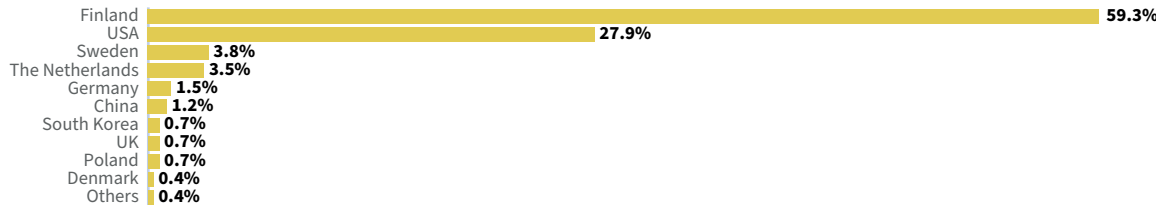


Data from 35 retailers are used. These are all the Finland-based retailers that belong to the Finland Largest 100

Source: RetailX, drawing on data from SimilarWeb

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## Countries where the Finland Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# Iceland

The 2008 financial crisis continues to cast a long shadow across Iceland, whose citizens remain cautious about spending

In May 2022, the monetary policy committee in Reykjavik lifted its seven-day term deposit rate from 2.75% to 3.75%<sup>[1]</sup>. The rise was in reaction to worries over inflation. In contrast, the Bank of England increased the base rate to just 1% in the same month, despite inflation surging to 9% in the UK later in May.

That the Icelandic authorities took such prompt action can, in part, be explained by recent history. The 2008 global financial crisis hit Iceland hard because its financial sector had grown to dominate an economy inevitably constrained

**Iceland**

**Area:** 103,000 km<sup>2</sup>

**Capital:** Reykjavík


**Currency:** Icelandic króna (ISK)

**Official language:** Icelandic

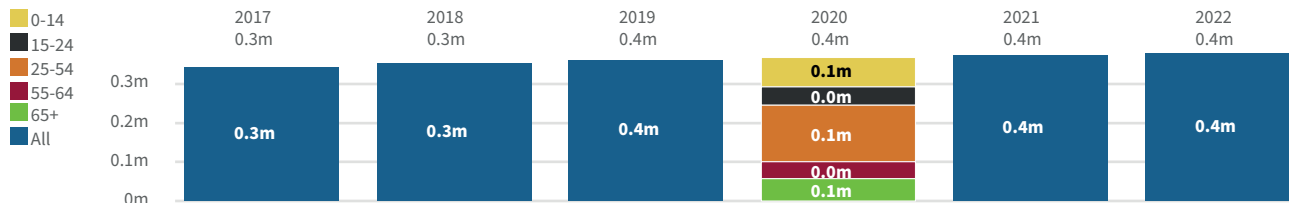
**Foreign languages spoken:** English, Nordic languages

**Government:** Unitary parliamentary republic

**VAT:** 24% | **Reduced VAT:** 11%



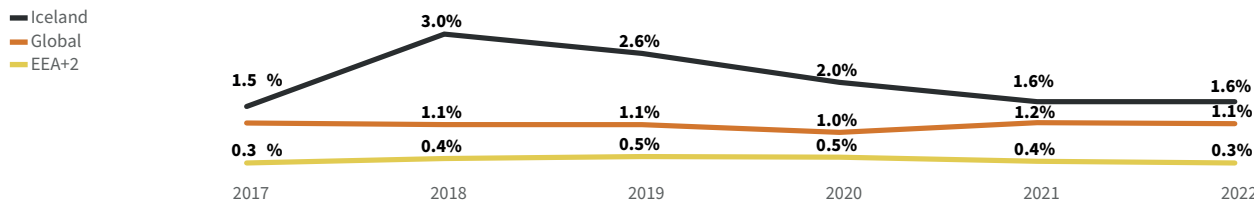
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook



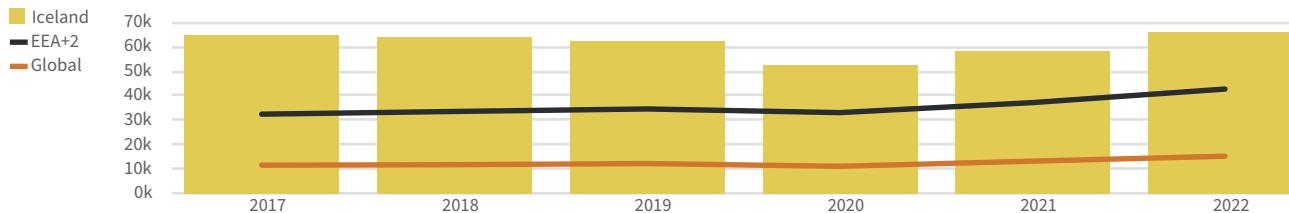
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



by Iceland’s isolated geographical position in the North Atlantic and its relatively small population of 366,000.

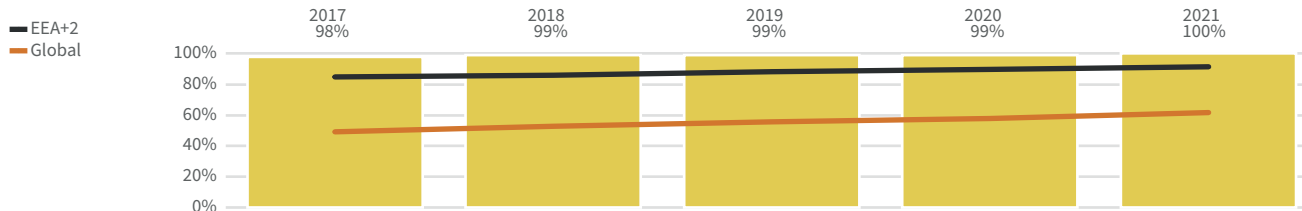
Iceland remains highly dependent on tourism, so was hit badly by the Covid-19 pandemic, yet it has a mixed economy organised along the Nordic model. **Iceland’s GDP per capita of €62,025 is higher than the EEA+2 average of €42,561.** Its population has been growing in recent years, in great part due to immigration from the European Union.

In ecommerce terms, Iceland is, inevitably, a minnow. All of the Largest 100 retailers in Iceland that also have their headquarters in the country receive 100% of their traffic from domestic customers. **Revenue in the Icelandic ecommerce market is projected to reach \$903m in 2022<sup>[2]</sup>**, largely taken by domestic retailers, although sites such as Asos are popular with Icelandic customers.

Away from ecommerce, **Iceland has embraced the digital world**, notably as an aid to rebuilding trust in the political process, which was eroded by events around the global financial crisis. The Citizens Foundation, for example, is an NGO that has designed platforms and tools aimed at encouraging greater public participation in politics<sup>[3]</sup>.

[1] [www.bloomberg.com/news/articles/2022-05-04/iceland-ramps-up-tightening-with-biggest-rate-hike-since-2008](https://www.bloomberg.com/news/articles/2022-05-04/iceland-ramps-up-tightening-with-biggest-rate-hike-since-2008)  
 [2] [www.statista.com/outlook/dmo/ecommerce/iceland](https://www.statista.com/outlook/dmo/ecommerce/iceland)  
 [3] [www.citizens.is](https://www.citizens.is)

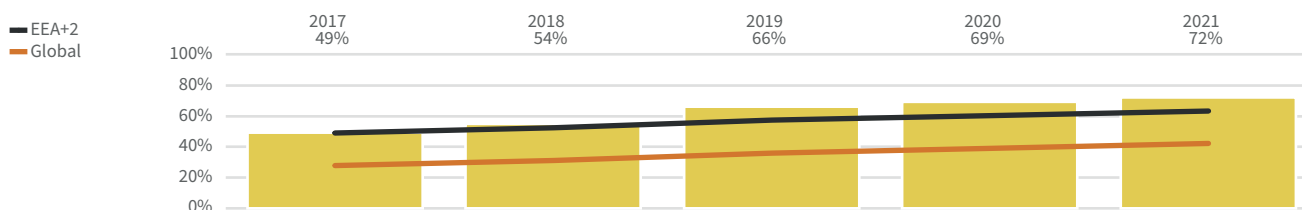
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

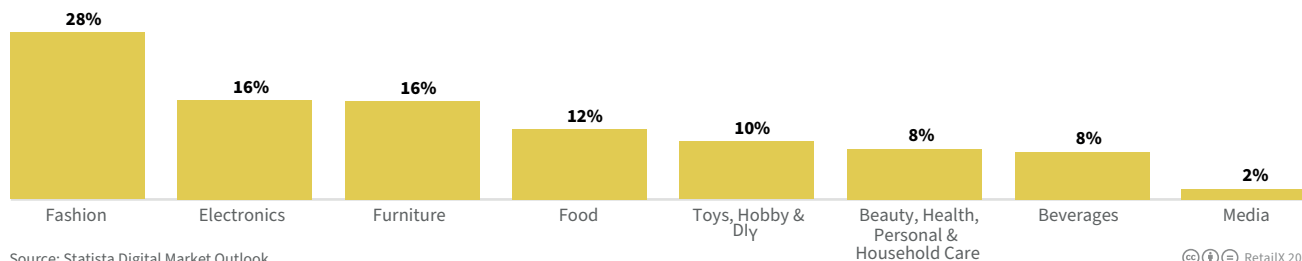
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Statista

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### Ecommerce revenue split by sector in Iceland in 2021



Source: Statista Digital Market Outlook

© RetailX 2022




# Latvia

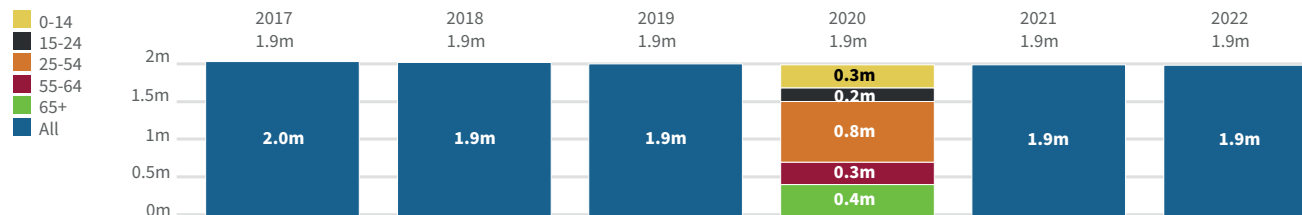
This Baltic state's city-based population might be slowly declining but it has good access to the internet

**Latvia is the central of the three Baltic states.** It borders with Estonia to the north, Russia to the east, Belarus to the southeast and Lithuania to the south. The country was occupied by the USSR between 1940 and 1991 but has been a member of the EU and NATO since 2004 and of the Euro area since 2014. Its coastal capital, Riga, with a population of 625,000 in 2022<sup>[1]</sup>, lies on the Gulf of Riga.

The official language is Latvian. Russian was spoken by about two-thirds (63%) of the population in a 2012 European Commission study, while English (27%) and German (11%) were also spoken by sizeable minorities<sup>[2]</sup>.

<b>Latvia</b>	
<b>Area:</b> 64,570 km <sup>2</sup>	
<b>Capital:</b> Riga	
<b>Currency:</b> euro (EUR)	
<b>Official language:</b> Latvian	
<b>Foreign languages spoken:</b> Russian	
<b>Government:</b> Parliamentary republic	
<b>VAT:</b> 21%   <b>Reduced VAT:</b> 5%	

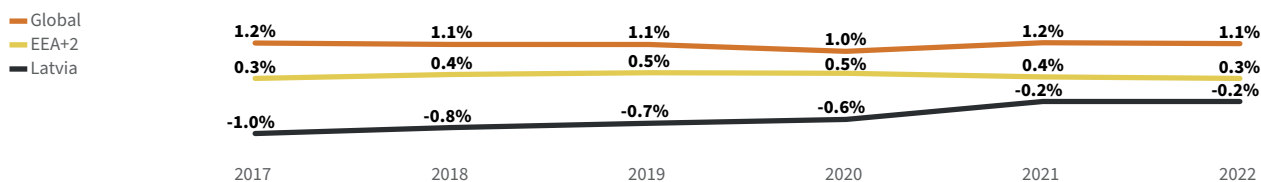
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

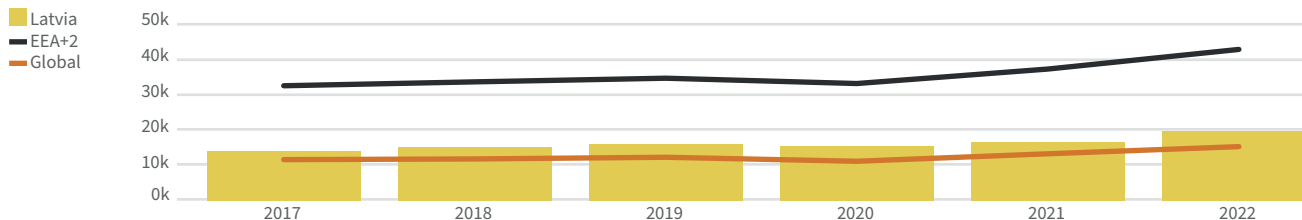
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

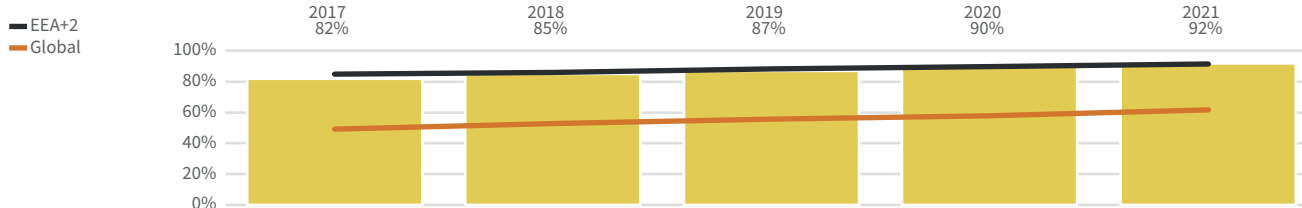
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Latvia's predominantly urban population is both declining and ageing – birth rates have been low for many years. Its GDP is below the EEA average and in June 2022, the OECD<sup>[3]</sup> reduced its growth forecasts for the market to 3.5% in 2022 and 1.6% in 2023. This is due to export growth slowing, as well as declining EU economic activity due to war in Ukraine.

The country depends on Russia for natural gas but is targeting a 40% share of energy from renewable sources, according to the IEA<sup>[4]</sup>. Key industries include forestry, construction and services including IT, transportation and financial services. The OECD believes that demand for exports such as wood and some food products will help to temper the slowdown.

In 2021, 92% of Latvia's residents had access to the internet, of whom just over half (56%) shopped online in 2021. Latvia's online shoppers are most likely to buy fashion (35%) and electronics (33%), according to Statista. In 2020, 96% of Latvians aged between 16 and 24 used the internet daily, contrasting with 65% of those aged between 55 and 64<sup>[5]</sup>.

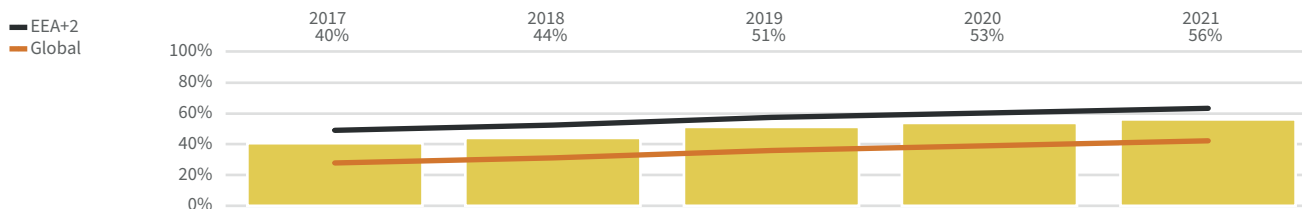
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

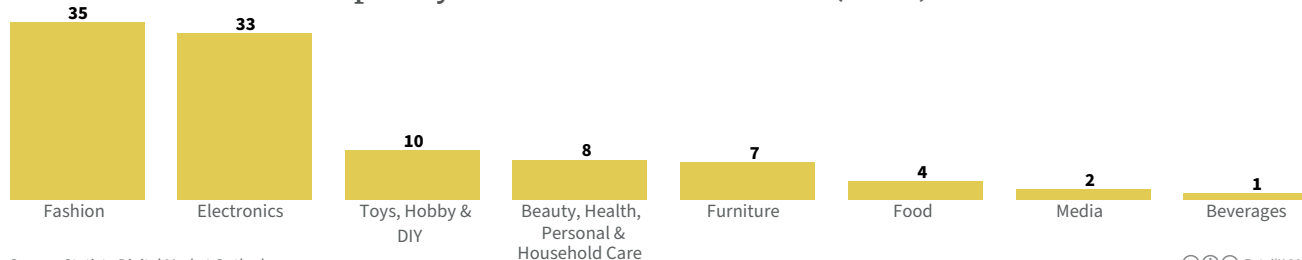
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Ecommerce revenue split by sector in Latvia in 2021 (in %)



Source: Statista Digital Market Outlook

© RetailX 2022


[1] www.macrotrends.net/cities/21778/riaga/population  
 [2] https://languageknowledge.eu/countries/latvia  
 [3] www.oecd.org/economy/latvia-economic-snapshot/  
 [4] www.iea.org/countries/Latvia  
 [5] www.statista.com/statistics/1241833/latvia-internet-users-use-accessed-internet-daily-age/

# Lithuania

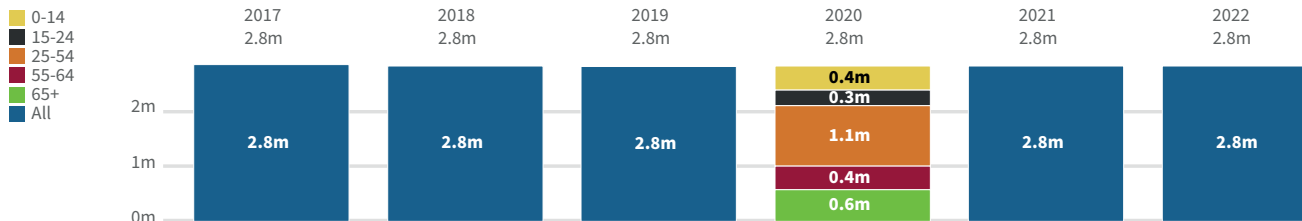
The largest Baltic State is well-connected by road, rail and sea, along with its growing internet use

Lithuania is the southernmost and largest Baltic state, bordered by Latvia to the north, Belarus to the southeast, the Baltic Sea to the west, and both Poland and the Russian enclave of Kaliningrad to the southwest. Like its Baltic neighbours, **Lithuania had been occupied by the USSR in 1944**, before declaring independence in 1990. It joined the EU and NATO in 2004, then the eurozone in 2015.

Its capital is Vilnius and its official language is Lithuanian. **Russian is spoken by 44% of the population**, according to a 2012 European Commission study<sup>[1]</sup> that also found

<b>Lithuania</b>	
<b>Area:</b> 65,290 km <sup>2</sup>	
<b>Capital:</b> Vilnius	
<b>Currency:</b> euro (EUR)	
<b>Official language:</b> Lithuanian	
<b>Government:</b> Semi-presidential republic	
<b>VAT:</b> 21%   <b>Reduced VAT:</b> 9% & 5%	

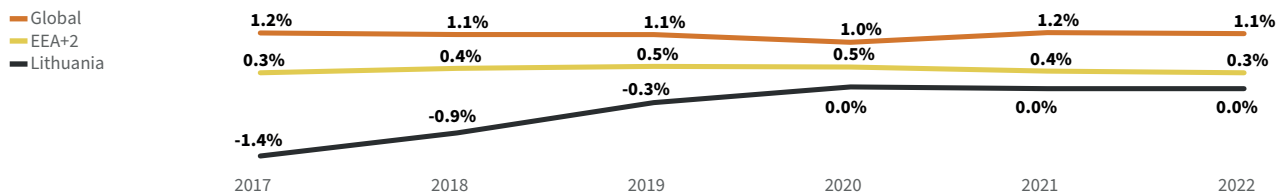
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook



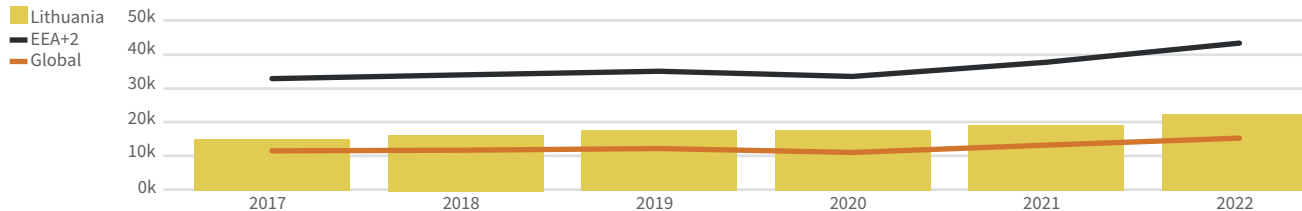
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



significant proportions speak English (21%) and Polish (9%). **The Lithuanian population has lately remained steady at 2.8m**, with growth now flat.

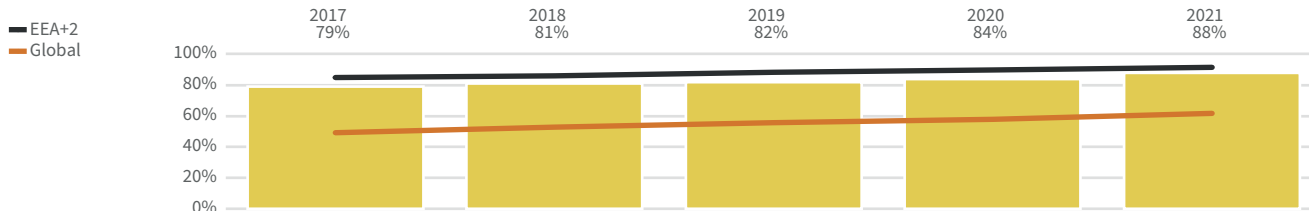
Key industries include ICT, life sciences and the production of food, furniture, electronics and engineering. **Renewable energy is a growth sector**, while transport and logistics are key in a market that is located between Western Europe, the Nordics and Russia, as well as being an important point on cargo routes from China, linking to Klaipėda, the northern-most ice-free port in the Baltics<sup>[2]</sup>.

GDP is below the EEA average. In June 2022, the OECD forecast<sup>[3]</sup> that growth would slow to 1.8% in 2022 and 1.6% in 2023 as a result of war in Ukraine and rising energy costs. **Lithuania stopped importing Russian oil and gas in April 2022** yet still depends on energy imports. Ukrainian refugees equivalent to 2% of the population arrived in the early weeks of war and many have joined the workforce.

**In 2021, 88% of Lithuanians used the internet**, while 52% of these users shopped online. Ecommerce is now growing more quickly in this market than the EEA average, although the OECD says there are **still gaps to be reduced in its digital infrastructures** before digitalisation benefits can be widely shared.

[1] <https://languageknowledge.eu/countries/lithuania>  
 [2] [www.enterpriselithuania.com/en/business-sectors/](http://www.enterpriselithuania.com/en/business-sectors/)  
 [3] [www.oecd.org/economy/lithuania-economic-snapshot/](http://www.oecd.org/economy/lithuania-economic-snapshot/)

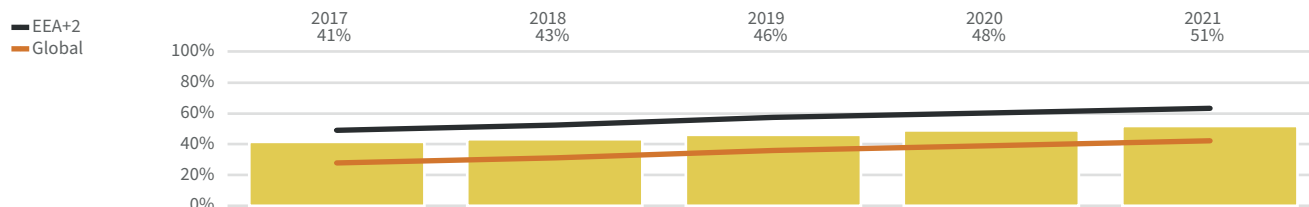
## Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat and DataReportal

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## Percentage of internet users who shop online

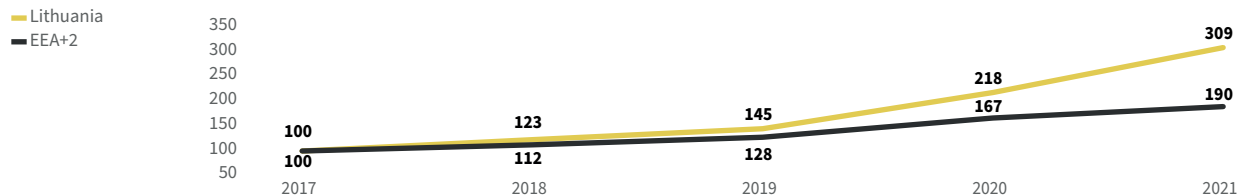


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Statista

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## Indexed total ecommerce spending

Index = 100 for 2017



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat

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# Norway

In a nation rich from its oil reserves yet facing a post-carbon future, Norwegians are not afraid of embracing change

Late last year, with the arrival of the Omicron variant, Covid-19 reminded us all that it could still serve up some surprises. In Norway, where restrictions had been largely lifted in September 2021, **the economy flatlined in Q4 of 2021 and declined by 1% in Q1 of 2022**. While such factors as supply chain disruptions also played a part, an increase in the number of Covid-19 cases, even those of a milder variant, impacted on the economy<sup>[1]</sup>.

Norway has since returned to growth, a reminder that its economy is fundamentally strong. In great part, this is

**Norway**

**Area:** 625,222 km<sup>2</sup>


**Capital:** Oslo

**Currency:** Norwegian krone (NOK)

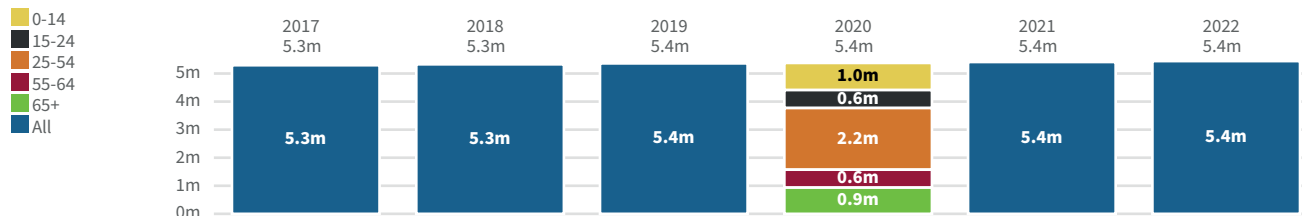
**Official languages:**  
Bommal Norwegian, Nynorsk Norwegian

**Government:**  
Parliamentary constitutional monarchy

**VAT:** 25% | **Reduced VAT:** 6%



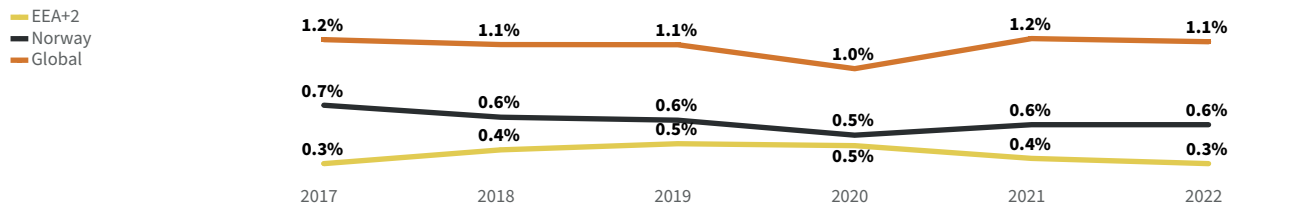
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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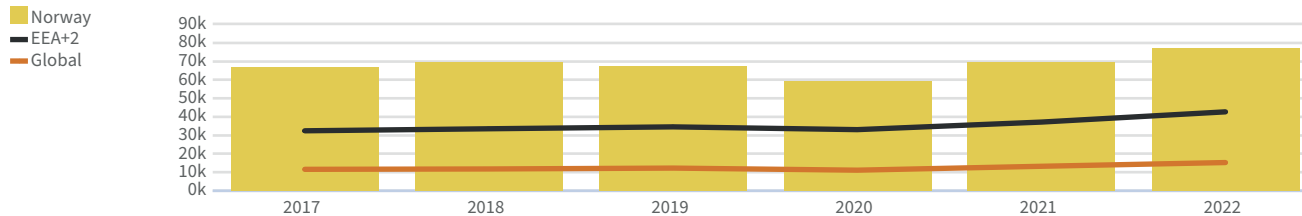
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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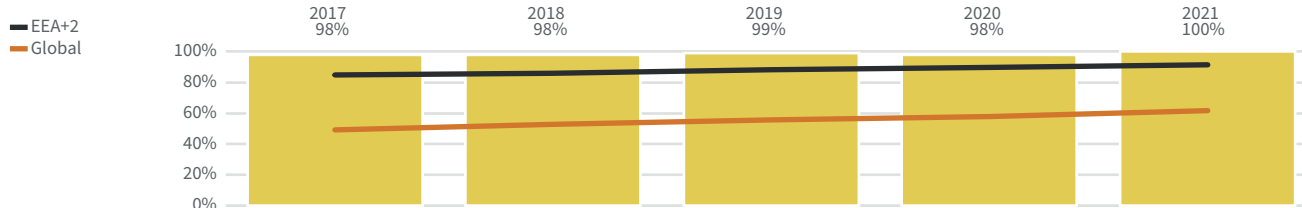
down to its energy wealth. In the 1960s, oil was found in Norwegian waters under the North Sea and the country has also benefited from its natural gas reserves. **In 1990, the government established the Government Pension Fund Global**, also known as the Oil Fund, a sovereign wealth fund investing surplus petroleum revenues. **The value of the Oil Fund passed \$1tn in 2017.**

**Norway’s energy wealth is reflected in the country’s GDP per capita which, in 2022, is expected to reach €76,859**, compared to an EEA+2 figure of €42,561. In the years ahead, this wealth may be needed as the global economy shifts to a post-carbon age.

This massive transition to a greener economy is a live issue in Norway. In the general election of September 2021, the Social Democratic Labour Party won the largest number of votes. Labour’s leader, Jonas Gahr Støre, hoped to form a majority government in coalition with the agrarian Centre Party and the Socialist Left Party. But the latter, which opposes further oil and gas exploration, walked out of talks. Støre formed a minority government<sup>[2]</sup>, but **the future of the energy sector and global heating will again be live issues when Norway next goes to the polls, in 2025.**

In terms of its digital development, 100% of Norwegians can access the internet. Norwegians are happy to shop online, with 79% of people also happy to buy goods and services online.

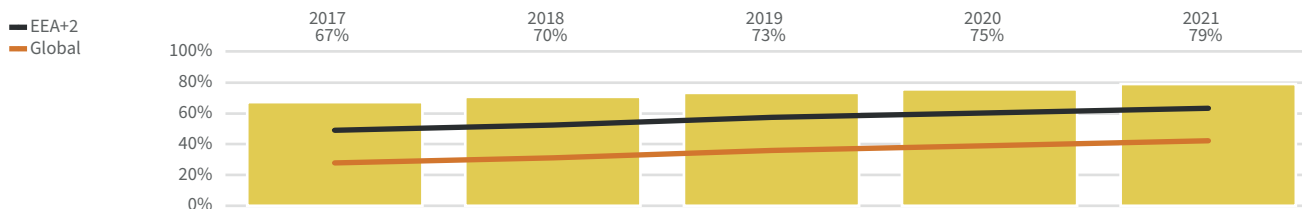
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

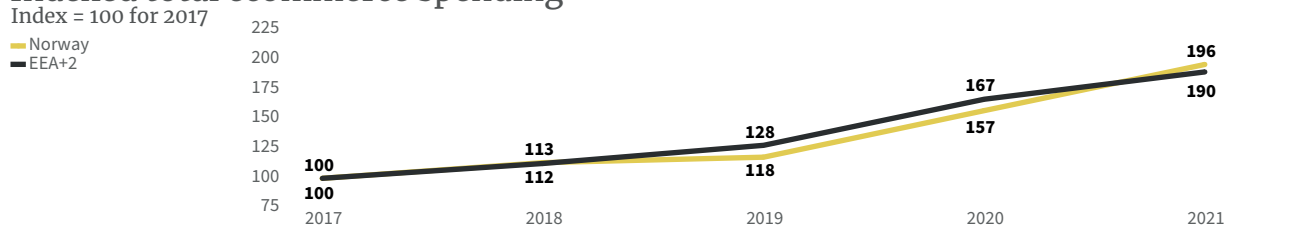
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



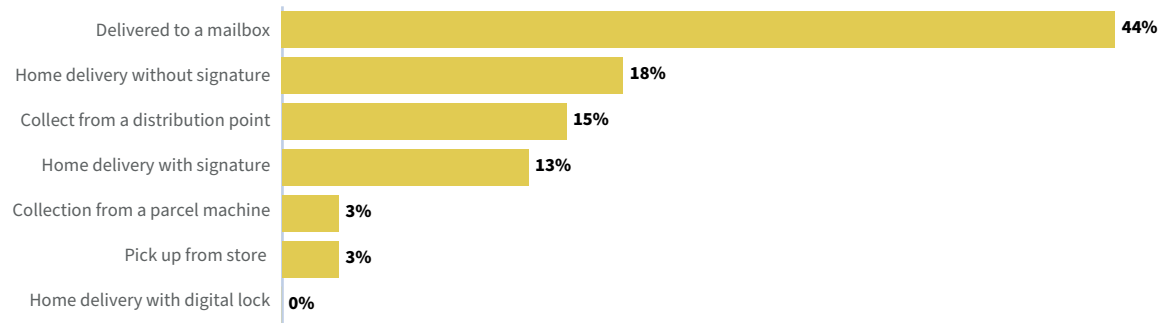
Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

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This digital adoption is captured in a report produced as part of research towards the European Commission’s Digital Economy and Society Index (DESI) 2021<sup>[3]</sup>. This tracks “digital competitiveness in the areas of human capital, broadband connectivity, the integration of digital technologies by businesses and digital public services”. **A mini-report on Norway<sup>[4]</sup> reveals it to be among the most digitally sophisticated countries in Europe**, broadly on par with its Nordic neighbours and the Netherlands.

[1] <https://tradingeconomics.com/norway/gdp-growth>  
 [2] [www.worldoil.com/news/2021/10/8/norway-s-labor-center-agree-to-form-pro-oil-minority-coalition](https://www.worldoil.com/news/2021/10/8/norway-s-labor-center-agree-to-form-pro-oil-minority-coalition)  
 [3] <https://digital-strategy.ec.europa.eu/en/policies/desi>  
 [4] <https://digital-strategy.ec.europa.eu/en/policies/desi-norway>

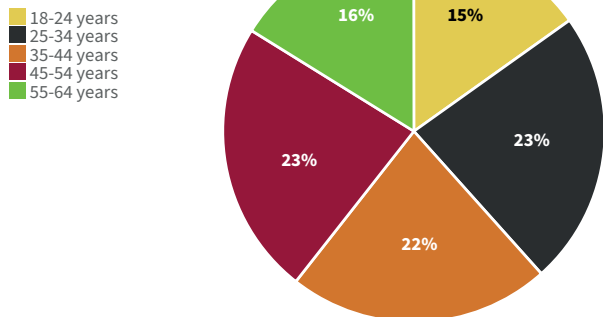
### When you order a product online, how do you prefer to have it delivered? (Norway, 2021)



Online survey conducted in 2020 and 2021. Results include 1,000 interviews with ecommerce consumers in Norway. The interviews were conducted with representative nationwide samples of individuals aged 15–79  
 Source: PostNord

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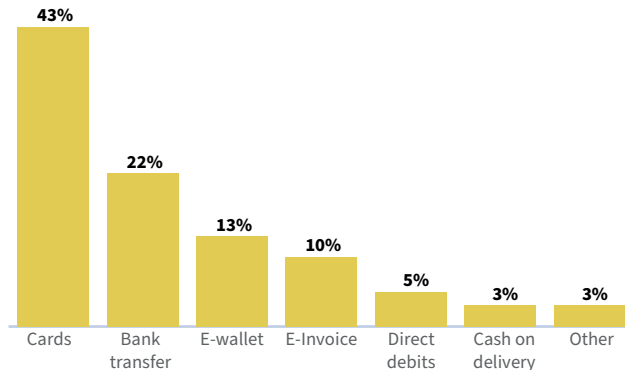
### Ecommerce users by age group (Norway, 2021)



Source: Statista Digital Market Outlook

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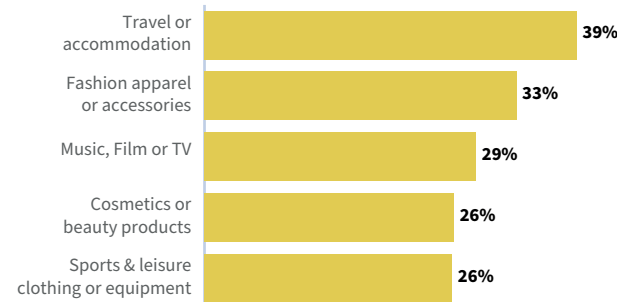
### Payment methods (Norway, 2021)



Source: Statista Market Outlook

© RetailX 2022

### What do you shop for online? (Norway, 2021)



Survey conducted in November 2021, includes 358 Norwegian e-shoppers  
 Source: RetailX

© RetailX 2022



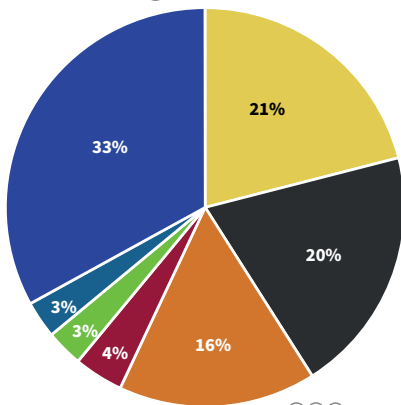
# The Largest 100

## Norwegian shoppers strongly favour multi-sector retailers

When Norwegian shoppers go online, they most often shop from multi-sector retailers. Sites selling consumer electronics also perform strongly. **Consumers from elsewhere in the Nordics visit Norwegian-based retailers in the Largest 100 comparatively often**, once again emphasising how cultural factors drive ecommerce.

## Where the Norway Largest 100 are based

- Norway
- USA
- Sweden
- China
- Denmark
- UK
- Others

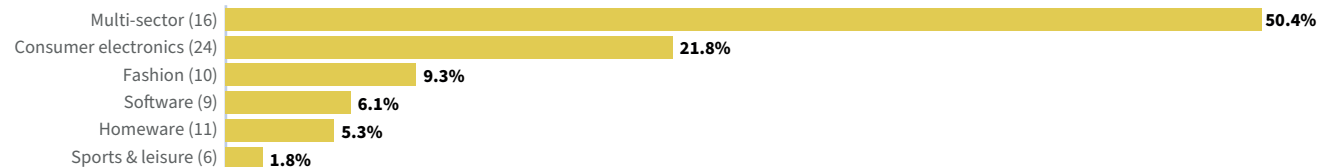


Data based on 79 of the Largest 100 retailers  
Source: RetailX

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## Web traffic by sector in Norway

Web visits of local consumers to the Norway Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. Data based on 76 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

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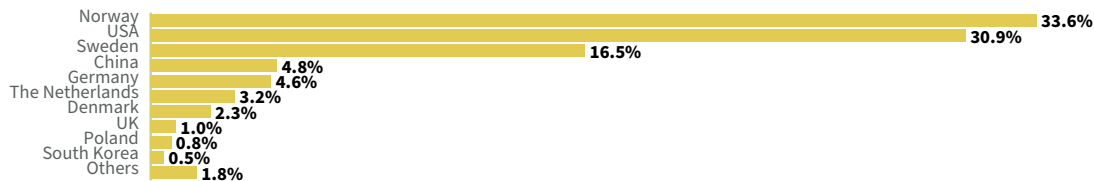
## Web traffic to the largest Norway-based retailers split by consumer location



Note: Data from 21 retailers are used. These are all the Norway-based retailers that belong to the Norway Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Norway Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

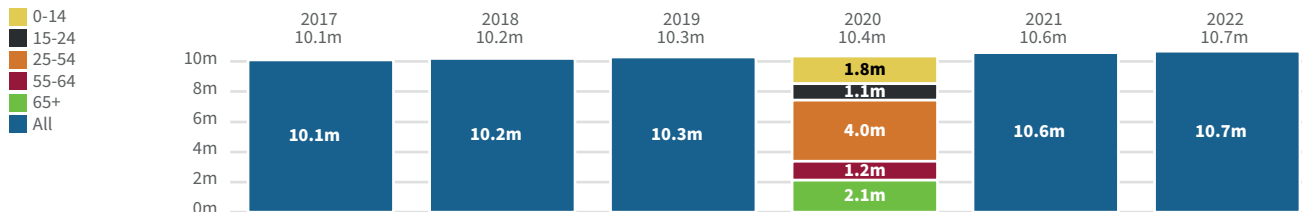
# Sweden

Despite being home to many international brands, Sweden is being forced to adapt its economy in response to ever-changing world events

Sweden's central Riksbank recently began to raise interest rates. While this is hardly unexpected at a time when inflation is rising globally, it does represent a policy change in Sweden. **Until recently, the Riksbank had signalled an intention to keep its policy rate at 0% until 2024**, which made the country an outlier in international terms<sup>[1]</sup>.

Increasingly, such abrupt changes in policy are becoming commonplace across Europe. A combination of the war in

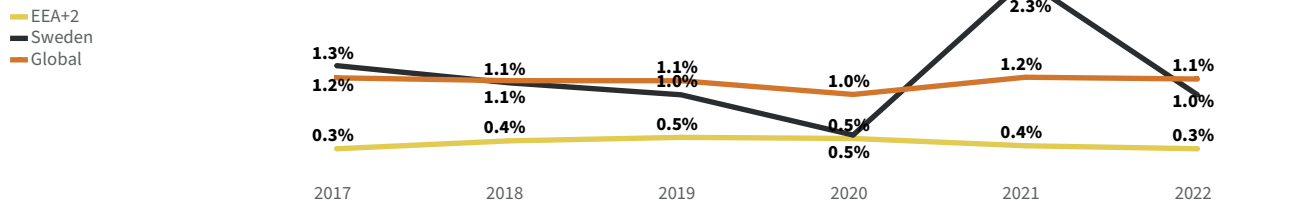
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

RetailX 2022

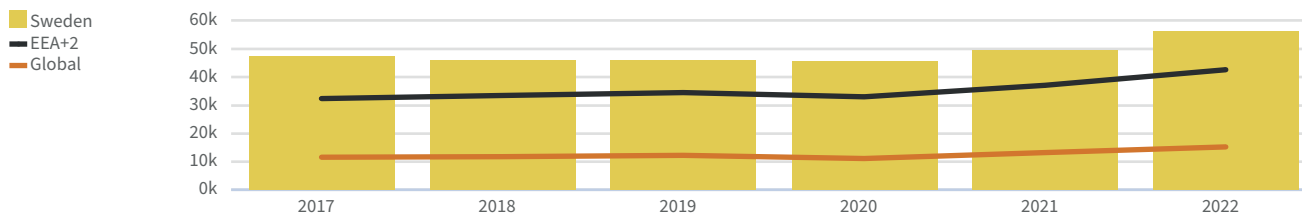
## Population growth



Data for EEA includes all current EEA members in addition to UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

## GDP per capita (EUR)



Data for EEA includes all current EEA members in addition to UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

**Sweden**

**Area:** 447,430 km<sup>2</sup>


**Capital:** Stockholm

**Currency:** Swedish krona (SEK)

**Official language:** Swedish

**Government:** Parliamentary constitutional monarchy

**VAT:** 25% | **Reduced VAT:** 6%



Ukraine, supply chain issues and rising costs, all of which affect consumer confidence, have forced policymakers to amend macroeconomic policies. Sweden’s economy contracted in Q1, 2022 and the spectre of stagflation, not seen in Europe since the 1980s, is also looming.

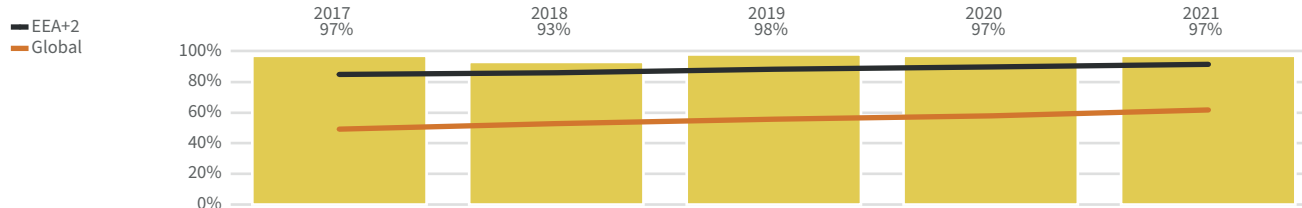
Running in parallel with this economic buffeting, **Swedes are looking anew at their place in the world.** Over many decades, Sweden has remained neutral, yet Russian aggression has led to the country deciding to join NATO. Following weeks when Turkey threatened to block Sweden’s membership, an agreement was signed in June that cleared a potential geopolitical impasse<sup>[2]</sup>.

The economy of Sweden is highly developed and therefore well placed to cope with the difficulties that likely lie ahead. A large number of brands, including Ericsson, H&M, IKEA, Electrolux and Spotify<sup>[3]</sup>, are successful enough to enjoy an international recognition factor.

**GDP per capita is high by international standards, expected to reach €56,354 this year.** Sweden’s population has been growing slowly but steadily in recent years, driven largely by immigration. Around 20% of Swedes now have an immigrant background<sup>[4]</sup>.

As elsewhere in the Nordics, **most of Sweden’s citizens (97%) use the internet.** The percentage of those online who also shop online is 74%. Swedish consumers can

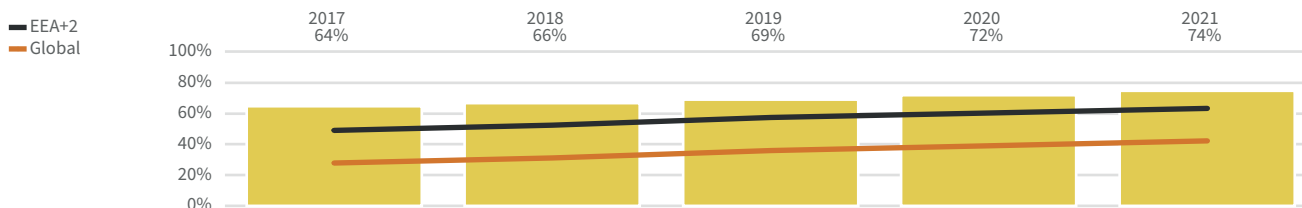
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailIX, drawing on data from Eurostat and DataReportal

© RetailIX 2022

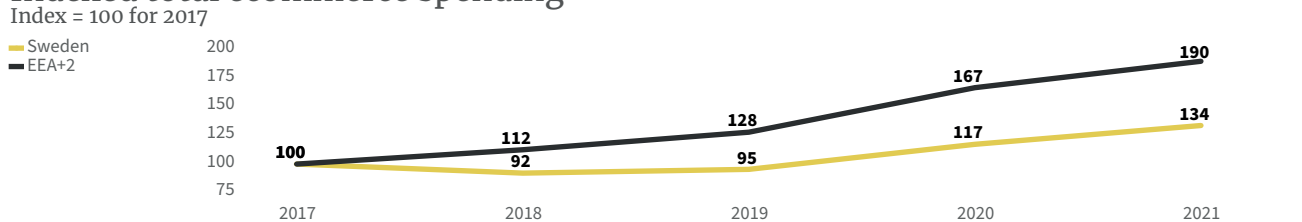
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailIX, drawing on data from Statista

© RetailIX 2022

### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailIX, drawing on data from Eurostat

© RetailIX 2022

be conservative in their attitudes to ecommerce, often preferring to shop in person. However, they are also pragmatic, far less likely than Danes to shop every day but happy, for example, to use marketplaces to compare prices and to do weekly or monthly grocery shopping online.

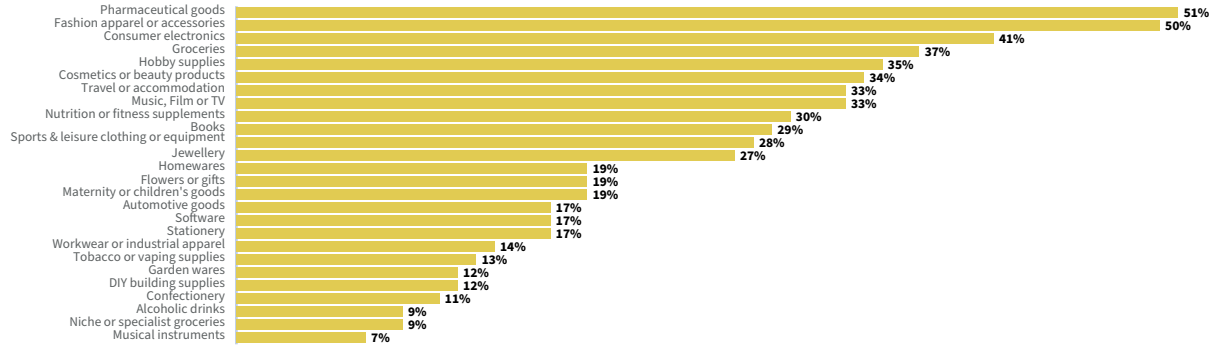
The latest Digital Economy and Society Index research by the European Union (2021) backs up this picture of digital sophistication, ranking Sweden third in the EU behind Denmark and Finland<sup>[5]</sup>.

According to Statistics Sweden, the digital sector accounts for 5.8% of Sweden’s GDP<sup>[6]</sup> – a figure that looks likely to grow in the years ahead. **Stockholm is an international centre for the digital industry, a startup hub.**

Companies such as Apple and Amazon, which launched a Sweden-specific site in 2020, have invested heavily in the country. Swedish companies such as H&M have launched successfully across multiple territories.

[1] www.bloomberg.com/news/articles/2022-04-28/swedish-economy-contracts-as-price-hikes-are-starting-to-bite  
 [2] www.nato.int/cps/en/natohq/news\_197251.htm  
 [3] https://sweden.se/work-business/business-in-sweden/10-companies-you-didnt-know-were-swedish  
 [4] www.migrationpolicy.org/article/assessing-immigrant-integration-sweden-after-may-2013-riots  
 [5] https://digital-strategy.ec.europa.eu/en/policies/desi  
 [6] www.business-sweden.com/insights/articles/swedens-digital-technologies-ecosystem/

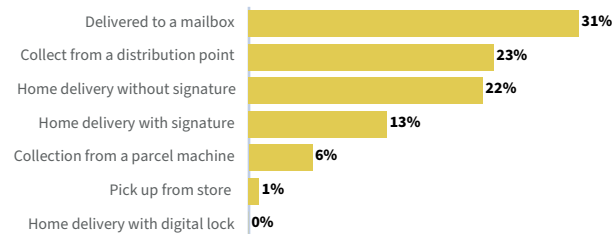
## What do you shop for online? (Sweden)



Survey conducted in November 2021. Data obtained from 458 Swedish respondents aged 16+ (91.6% of total Swedish respondents) who said they shop online. Respondents could select multiple answers  
 Source: RetailX



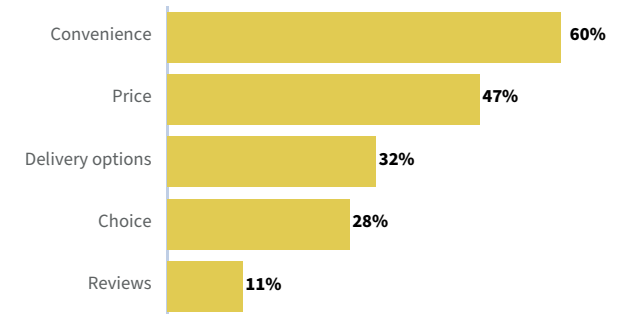
## When you order a product online, how do you prefer to have it delivered? (Sweden, 2021)



Online survey conducted in 2020 and 2021. Results include 1,000 interviews with ecommerce consumers in Sweden. The interviews were conducted with representative nationwide samples of individuals aged 15–79  
 Source: PostNord



## Why do you shop online? (Sweden, 2021)



Survey conducted in November 2021, includes 458 Swedish e-shoppers  
 Source: RetailX

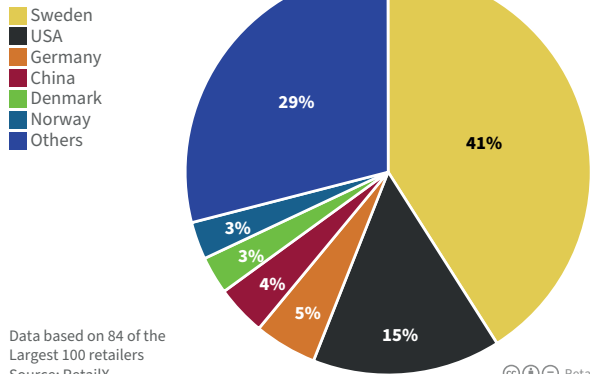


# The Largest 100

## Sweden has a strong homegrown ecommerce sector

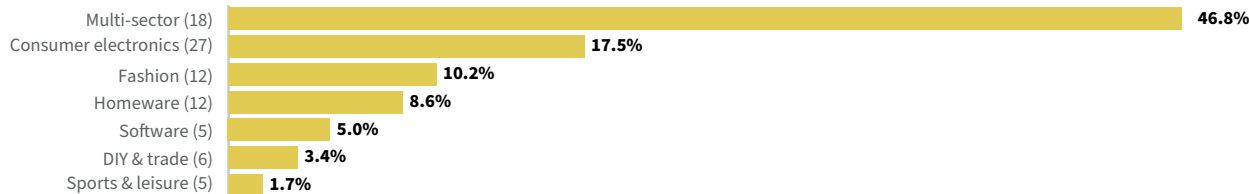
As the research here shows, the strength of Sweden's retailers is reflected in their domestic performance. **Two in five of the Largest 100 are headquartered in Sweden.** These businesses command 56.2% of web traffic to retailers in the Sweden Largest 100.

## Where the Sweden Largest 100 are based



## Web traffic by sector in Sweden

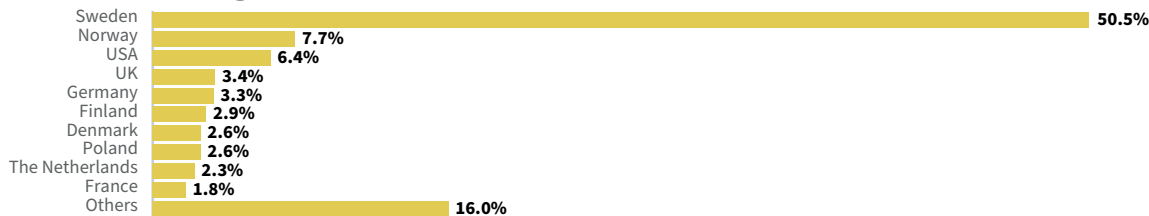
Web visits of local consumers to the Sweden Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. Data based on 81 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

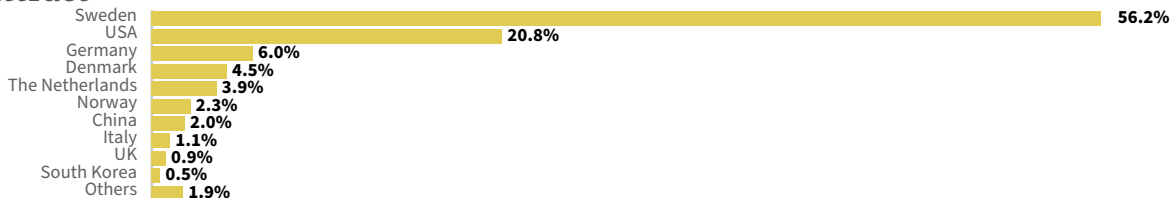
## Web traffic to the largest Sweden-based retailers split by consumer location



Data from 41 retailers are used. These are all the Sweden-based retailers that belong to the Sweden Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Sweden Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# Central Europe

The economies of Central Europe remain strong but the conflict in Ukraine has slowed growth

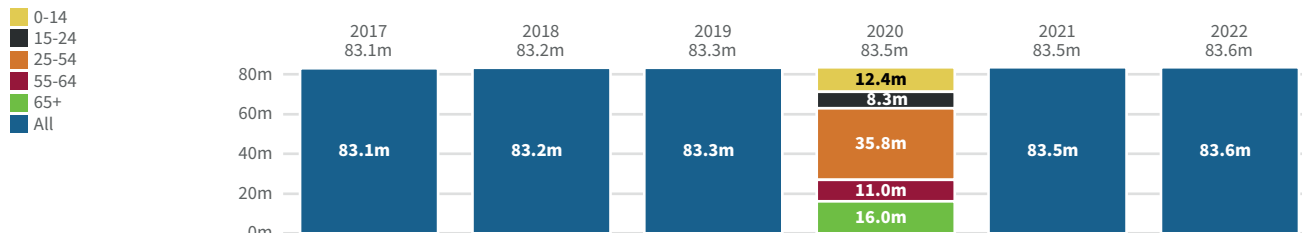
Central Europe includes the financial services powerhouse of Switzerland along with manufacturing giant Austria, high growth Poland, well-developed Czechia and Hungary, along with Slovakia and Slovenia. **GDP per capita for the region is just below the average for the EEA+2.**

The countries lie at the heart of Europe, with easy access to the markets of Northern and Western Europe as well as the natural resources of Eastern Europe. **All the countries' economies are continuing to grow post-pandemic but the war in Ukraine is having a significant effect.**

The Swiss economy is the most resilient to the impact of war. A slowdown in demand for exports and in investments is reducing GDP growth forecasts but the economy is resilient. Inflation is not expected to rise significantly above the normal range this year and is then set to fall in 2023.

Supply chain disruptions from the war in Ukraine and from the lingering after-effects of the pandemic are now being coupled with higher energy costs and tight labour markets

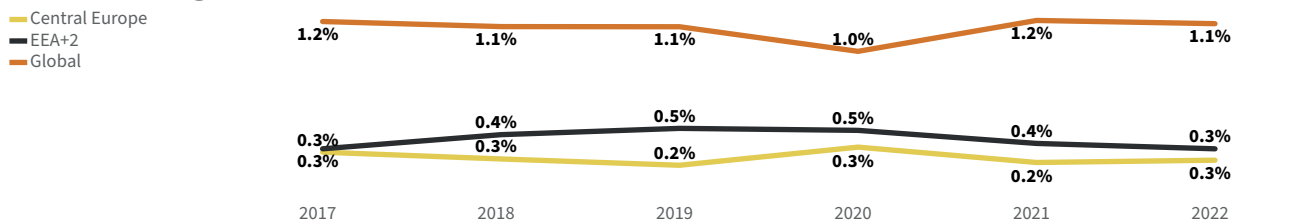
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

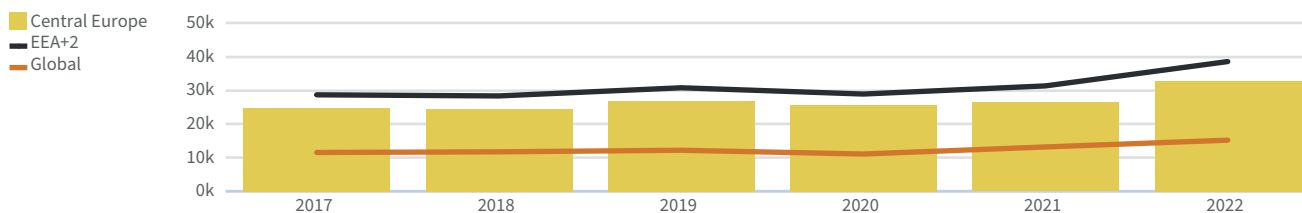
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

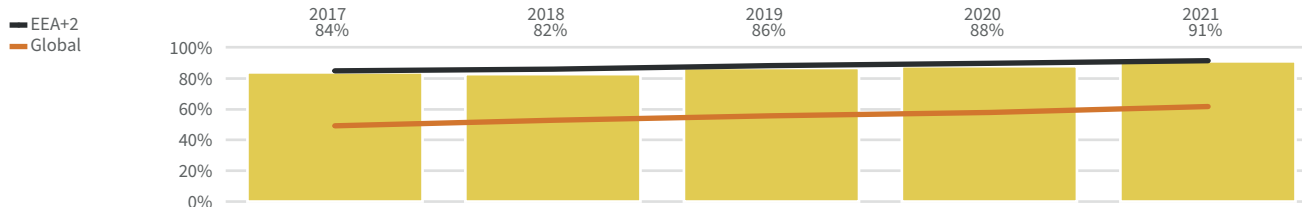
to drive inflation upwards across the rest of the region, particularly in those countries where manufacturing is a significant contributor to GDP. This, along with rising food prices, is impacting both business and consumer confidence, especially for exporters.

More than 3m refugees have entered Poland from Ukraine and many more have entered the neighbouring nations of Central Europe. **Overall, 91% of Central Europe's population of 83.6m had access to the internet in 2021**, up from 88% in 2020 and just below the average for the EEA+2 nations. There are variations within the Central Europe region when it comes to online shopping, however.

For the region as a whole, just 59% of internet users shopped online in 2021, up from 56% in 2020 and 53% pre-pandemic in 2019. Nevertheless, **total ecommerce spending was above average at 199**.

Switzerland is home to the largest number of the region's local major ecommerce merchants but six in 10 visits to an online retailer from a Central European consumer continue to be to merchants based in the US. **Polish consumers make up by far the largest group of online shoppers in Central Europe**, accounting for 17.2% of traffic to the Central Europe Largest 100 retailers. Consumers from Germany constitute the next largest group, reflecting the large number of Polish citizens that now live and work in the country.

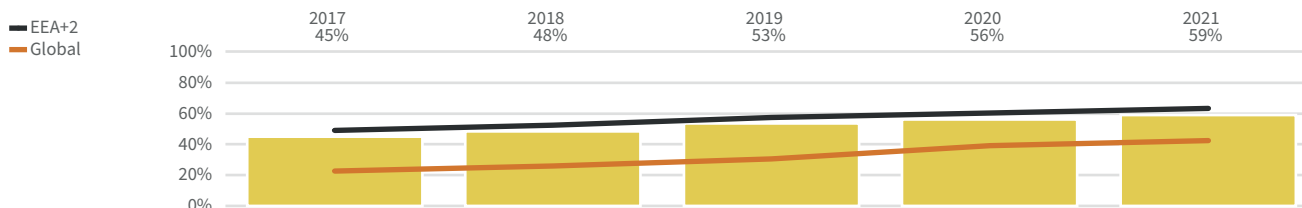
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

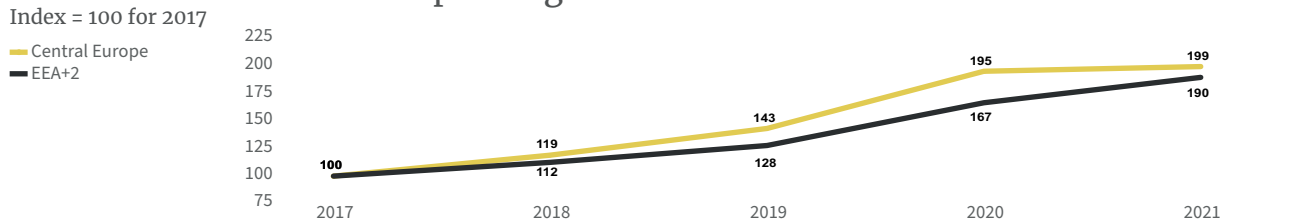
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

© RetailX 2022

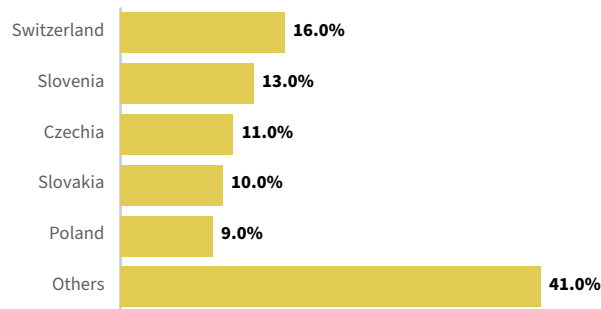


# The Largest 100

Consumer electronics and fashion are by far the most popular online purchases in Central Europe

More than 40% of visits to the Largest 100 online retailers made by consumers in the region are to consumer electronics retailers. Just 3.1% are to multi-sector retailers. **Fashion retailers have also been successful in attracting online shoppers**, with 11.5% of all traffic to the Central Europe Largest 100 retailers going to fashion merchants.

## Where the Central Europe Largest 100 are based

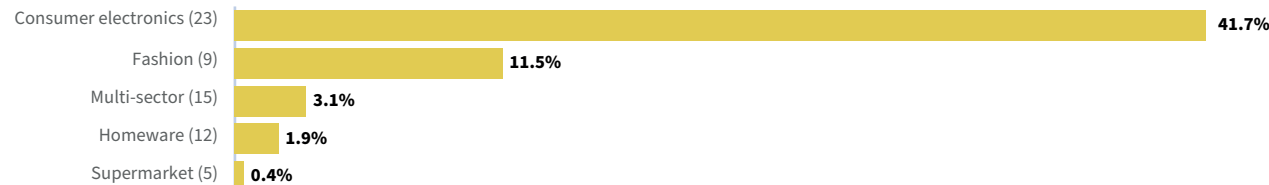


Data based on 69 of the Largest 100 retailers  
Source: RetailX

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## Web traffic by sector in Central Europe

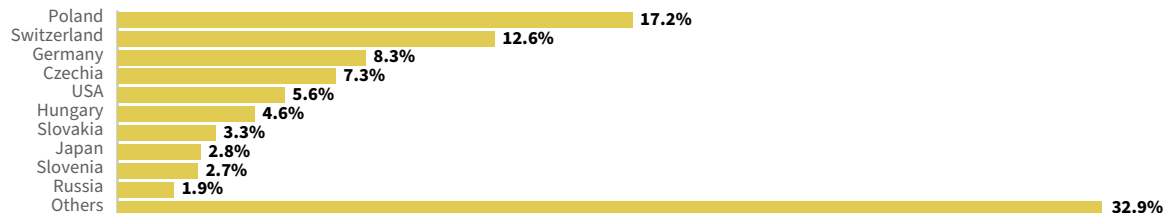
Web visits of local consumers to the Central Europe Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 88 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

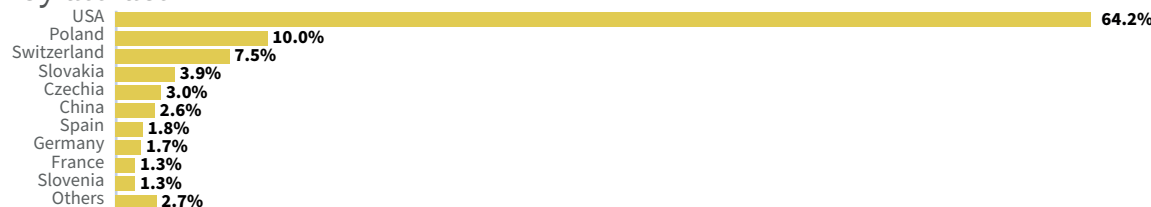
## Web traffic to the largest Central Europe-based retailers split by consumer location



Note: Data from 69 retailers are used. These are all the Central Europe-based retailers that belong to the Central Europe Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Central Europe Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# Austria

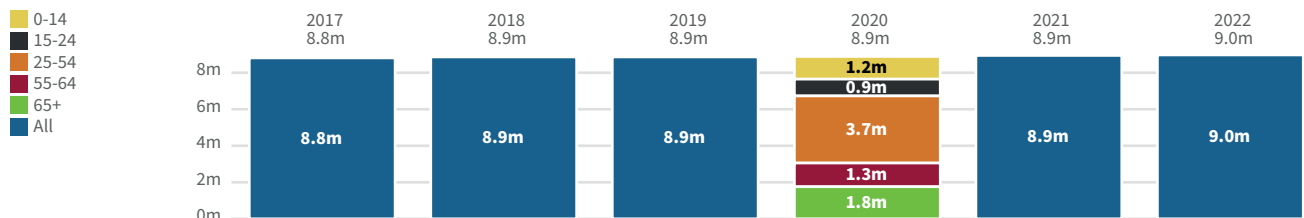
One of Europe’s most powerful economies also has the potential for successful ecommerce within the EU

**Austria is one of the EU’s most highly developed economies.** Austria’s GDP per capita will be €52,881 in 2022, compared to Germany at €42,933. For the EEA+2, the equivalent figure was €42,561.

Russia’s invasion of Ukraine has forced Austria’s central bank to cut its growth forecast and raise its inflation outlook for 2022, as reported in Reuters March 2022.

The Austrian National Bank (ONB) cut its gross domestic product (GDP) growth forecast to 3.5% from the 4.3% it

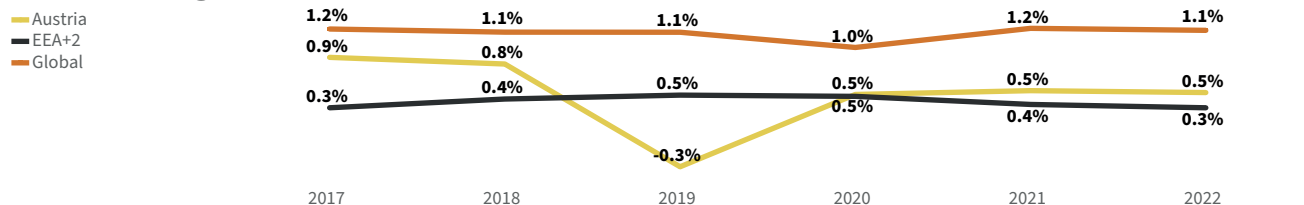
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

RetailX 2022

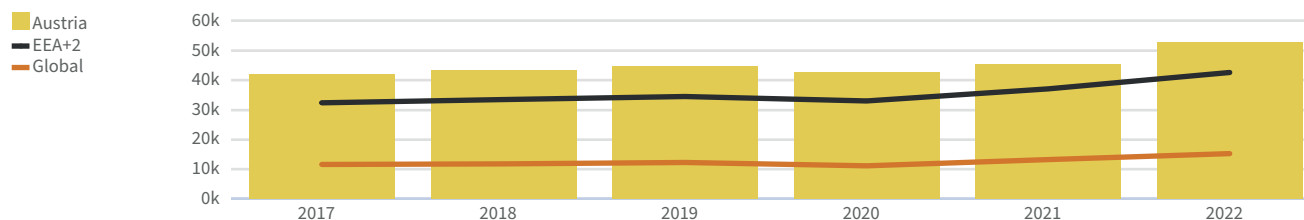
## Population growth



Data for EEA includes all current EEA members in addition to UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

## GDP per capita (EUR)



Data for EEA includes all current EEA members in addition to UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

**Austria**

**Area:** 83,879 km<sup>2</sup>

**Capital:** Vienna

**Currency:** euro (EUR)

**Official language:** German

**Government:**  
Federal parliamentary republic

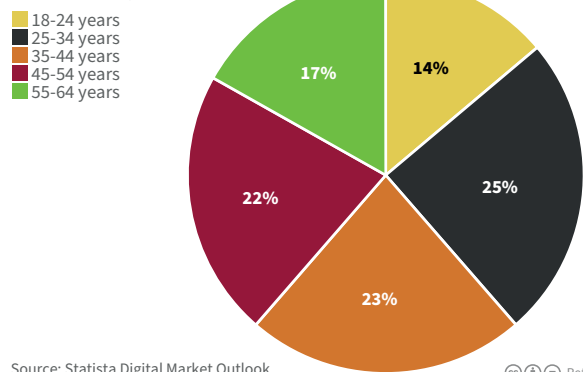
**VAT:** 20% | **Reduced VAT:** 10%

predicted in its economic outlook issued in December. The central bank also cut its growth forecast for next year, to 2.2% from 2.6%<sup>[1]</sup>, assuming the war ends soon.

The largest age-group of ecommerce users is 25 to 34 years at 25%. The second largest group of users is 35 to 44 (23%) followed by 45 to 54 years (22%). 17% are ages 55 to 64 (17%) and the lowest group is 18 to 24 years at 14%.

In 2021, cash on delivery was still a preferred method of payment for 5% of Austrians, while **card payment still being the most popular with 34% of the survey's participants**. 32% cited Bank transfer, 15% E-wallet, 6% E-invoice and 4% Direct Debit. **Multichannel user**

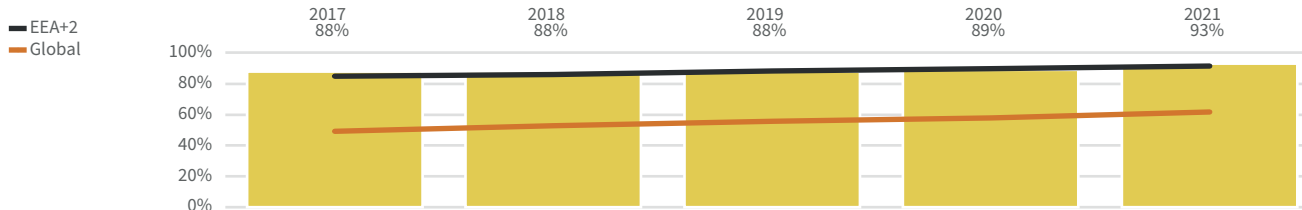
### Ecommerce users by age group in Austria, 2021



Source: Statista Digital Market Outlook

© RetailX 2022

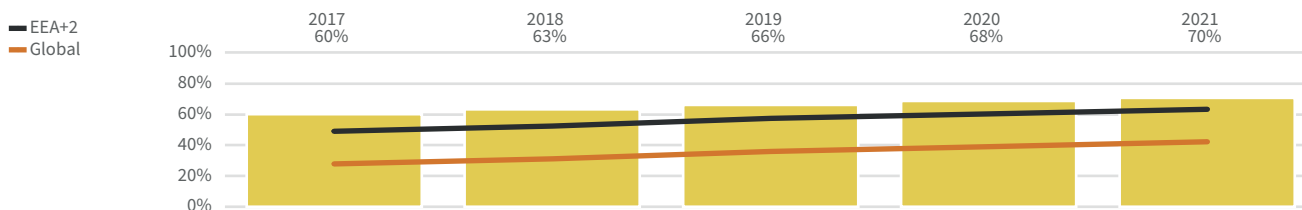
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

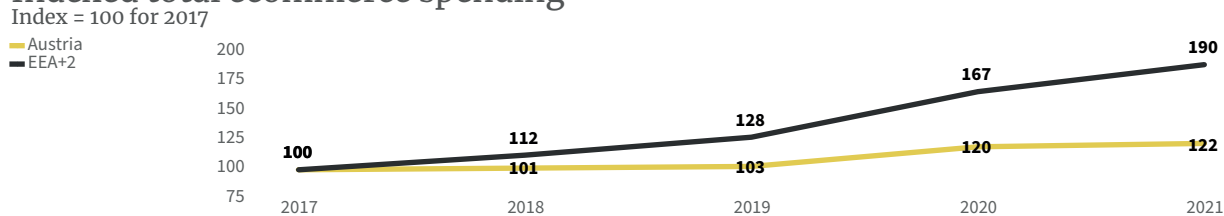
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

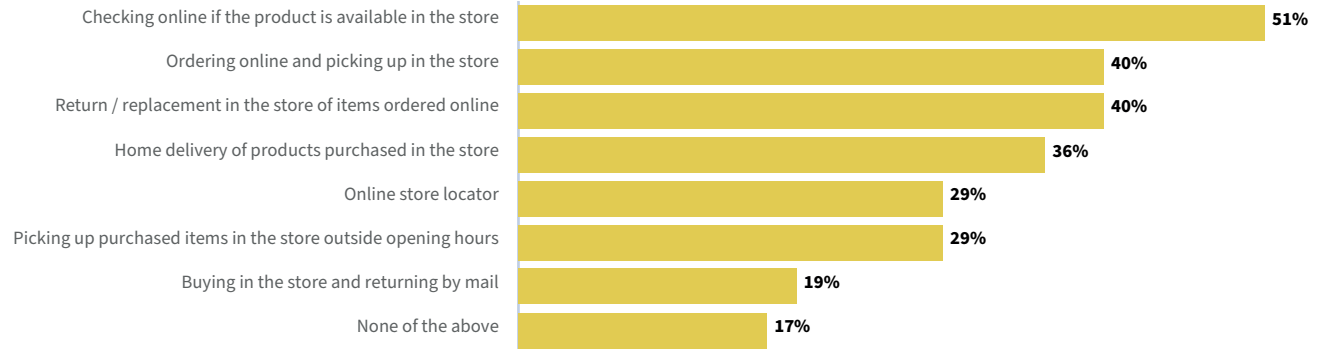
© RetailX 2022

**behaviour remains one to watch as retailers set strategies.** Some 51% of 18-64 year old Austrian residents surveyed said they would check online to see if the product is available in the store, while 40% said they would order online and pick up in store.

**Some 62% of Austrians used a smartphone to shop online in 2022**, 50% used a laptop, 32% a desktop and 27% a tablet. The use of smart speakers to shop online sits at just 4% but we expect this to grow as the process becomes easier – or normalised – for shoppers.

[1] www.reuters.com/world/europe/citing-war-ukraine-austrian-central-bank-cuts-growth-forecast-2022-03-30/

### Multichannel service relevance in Austria 2022

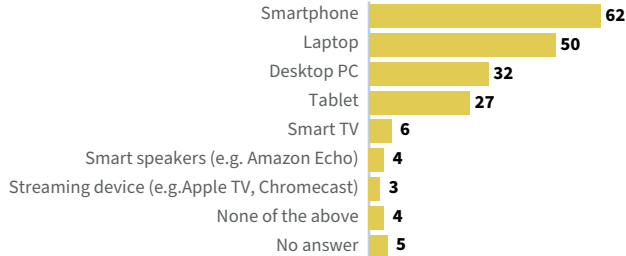


Survey conducted in between April 2021 and March 2022 to 2040 18-64 years old Austria residents  
Source: Statista Global Consumer Survey (GCS)



### Devices used to shop online in Austria, 2022

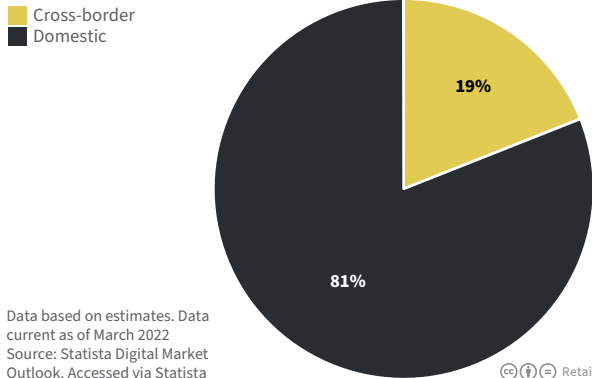
Which of the following devices have you used for online shopping in the past 12 months?



Survey conducted in between April 2021 and March 2022 to 2040 18-64 years old Austria residents. Multiple answers were possible  
Source: Statista Global Consumer Survey (GCS)



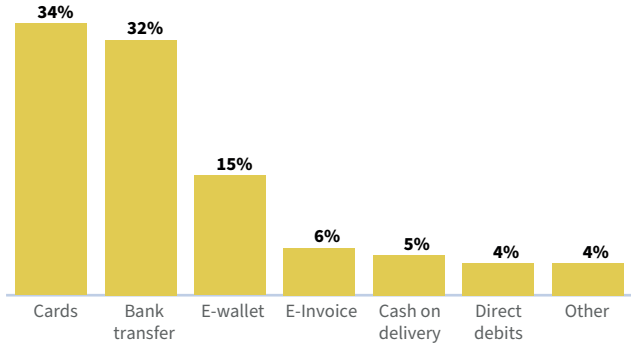
### Share of cross-border retail ecommerce revenue in Austria, 2022



Data based on estimates. Data current as of March 2022  
Source: Statista Digital Market Outlook. Accessed via Statista



### Payment methods in Austria in 2021



Source: Statista Market Outlook



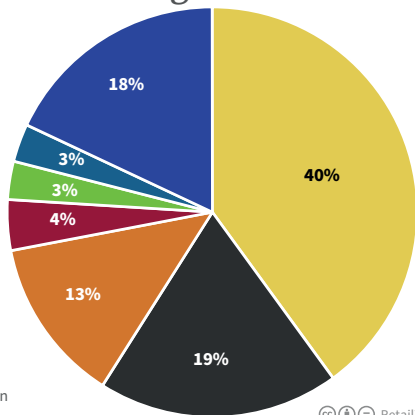
# The Largest 100

## Germany's ecommerce users are the most significant to Austria-based retailers

Austria-based Largest 100 retailers received most attention from Germany's ecommerce users, at a dominant 44%, while 32.4% of users came from the domestic market. Austria's Largest 100 retail brands are significantly less relevant to its other neighbours. Only 3.6% of users came from Switzerland, 3.3% from Hungary, 3.1% from Czechia and 1.1% from Slovenia. France's share sits at 1.6%, with the USA 1.1% and UK just 1%.

## Where the Austria Largest 100 are based

- Germany
- USA
- Austria
- The Netherlands
- China
- UK
- Others



Data based on 96 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic by sector in Austria

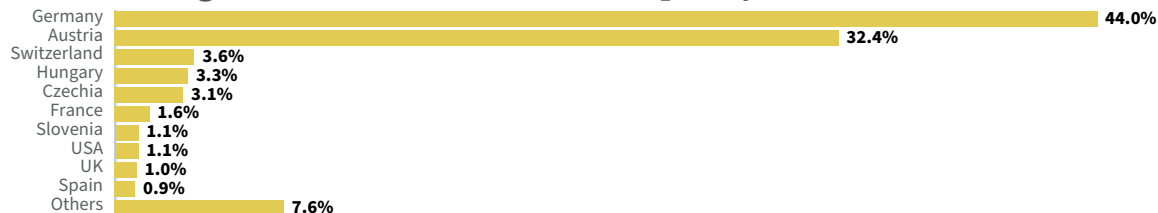
Web visits of local consumers to the Austria Largest 100 retailers (%)



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 82 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

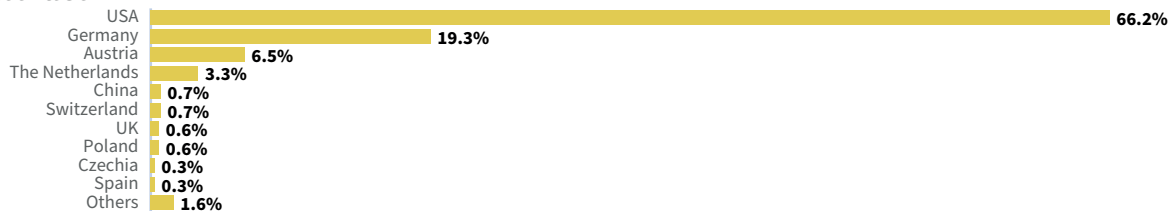
## Web traffic to the largest Austria-based retailers split by consumer location



Data from 96 retailers are used. These are all the Austria-based retailers that belong to the Austria Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Austria Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

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# Czechia

A strong export-orientated economy where, unusually, cash on delivery dominates ecommerce payment methods

The Czech economy is projected to grow by 1.8% in 2022 and 2% in 2023. **Its post-Covid recovery is facing challenges due to supply disruptions, rising prices and uncertainty related to the war in Ukraine.**

While a tight labour market may well bolster private incomes, weaker sentiment and rising prices will weigh on domestic demand. Inflation is expected to increase further, before gradually returning towards the tolerance band around the 2% target<sup>[1]</sup>.

**Czechia**

**Area:** 78,870 km<sup>2</sup>


**Capital:** Prague

**Currency:** Czech koruna (CZK)

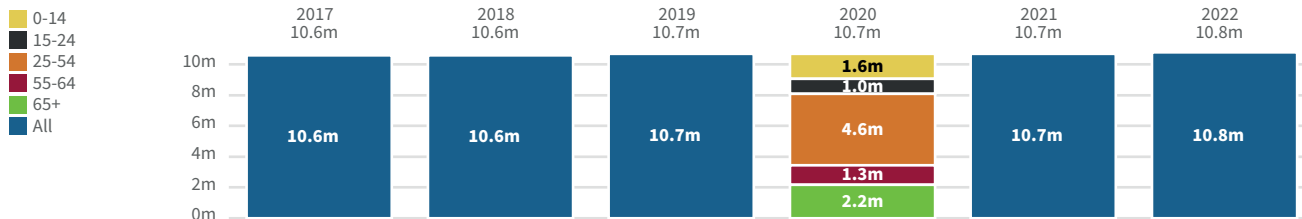
**Official language:**  
Czech

**Government:** Parliamentary republic

**VAT:** 21% | **Reduced VAT:** 10%



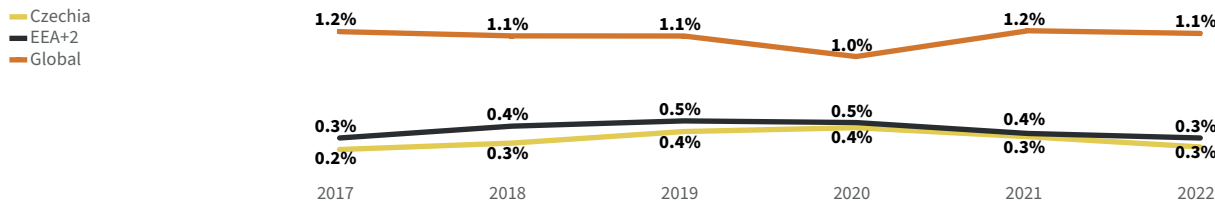
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

## Population growth

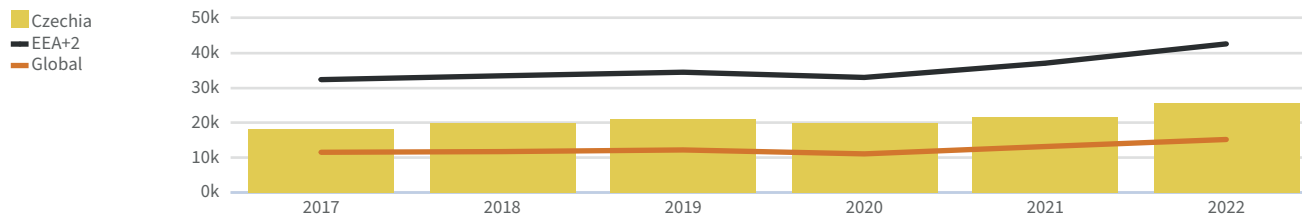


Data for EEA includes all current EEA members in addition to UK and Switzerland

Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA includes all current EEA members in addition to UK and Switzerland

Source: RetailX, drawing on data from IMF

© RetailX 2022

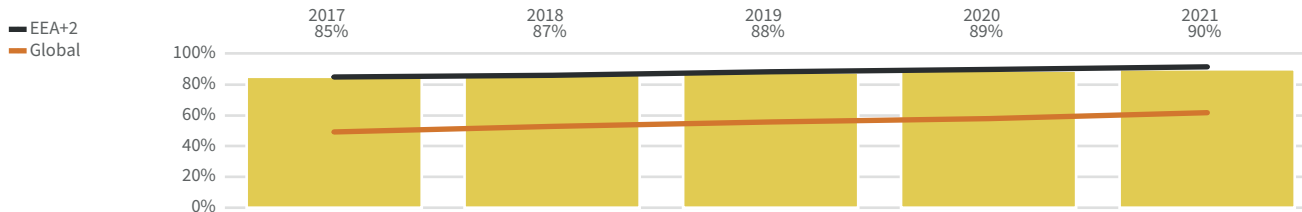
Czechs are concerned about the negative impact of the Russia-Ukraine war on their lives. Specifically, 88% of Czechs are definitely or rather worried<sup>[2]</sup>. This reflects the country’s geographical proximity to Ukraine. **As early as March 2022, the Czech prime minister, Petr Fiala, visited Kyiv** (along with Mateusz Morawiecki and Janez Janša, respectively prime ministers of Poland and Slovakia) to meet with Volodymyr Zelenskyy and to express solidarity with Ukraine<sup>[3]</sup>.

Fiala, of the Civic Democratic Party (ODS), has been prime minister since November 2021, leading a five-party bloc of centre and centre-right parties. **Fiala replaced the populist Andrej Babiš**, who during the election was caught up in a scandal around using offshore companies to purchase a mansion in France. Fiala came to power at a time when Covid-19 was rife in the country and a large energy provider had recently collapsed.

When communist rule ended in Czechia in 1989 and Czechoslovakia transitioned to the republics of Czechia and Slovakia, it emerged as an export-orientated social market economy. A country with a population of 10.8m, **Czechia was ranked 12th globally in the inequality-adjusted Human Development Index for 2019**, a measure that considers health, education and income<sup>[4]</sup>.

The population is comparatively young by European standards. In 2020, ages 25 to 54 made-up 4.6m members

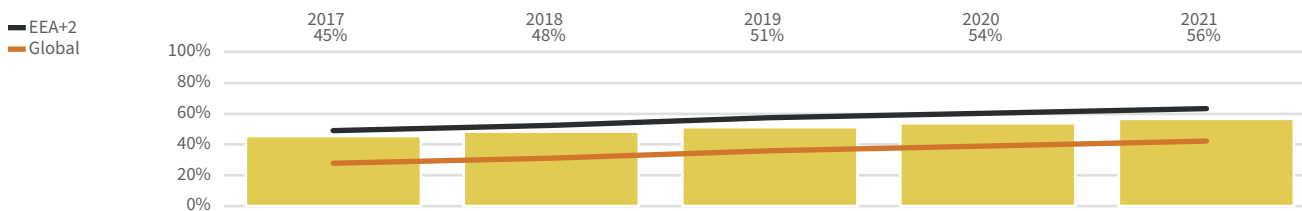
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

RetailX 2022

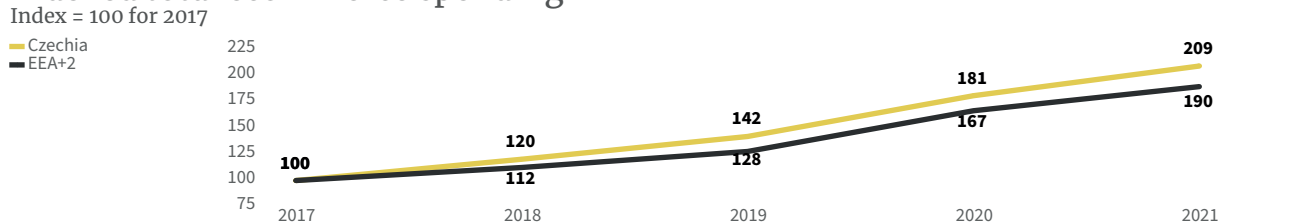
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

RetailX 2022

### Indexed total ecommerce spending



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

RetailX 2022



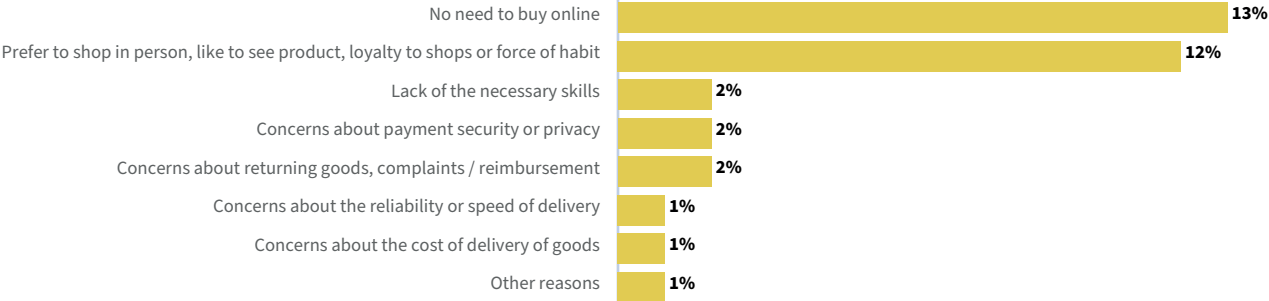
of the population, 55 to 64 (1.3m), 0 to 14 (1.6m), 65+ (2.2m) and ages 15 to 24 (1.0m).

**Since 2017, online spending by the Czech population has grown and 56% of those online now use ecommerce.** The largest group of ecommerce users in Czechia is those aged between 35 and 44 (27%). More generally, workers aged between 25 and 54 are most likely to shop via the internet, perhaps reflecting that they are most likely to have disposable income.

For all the sophistication of the Czech market, the most popular method of payment in Czechia in 2021 was cash on delivery, at 39%. **Just 14% of those surveyed chose cards as their preferred method.** Bank transfer was the preferred method by 33% of the survey’s participants.

Our research offers reasons some of Czechia’s population may prefer to shop offline. 13% saw no reason to buy online and 12% of those surveyed cited preferring to shop in person, whether because they like to see the product, have loyalty to shops or do so because of force of habit. Other reasons for offline shopping included payment security and concerns around the cost of delivery, 2 % and 1% respectively.

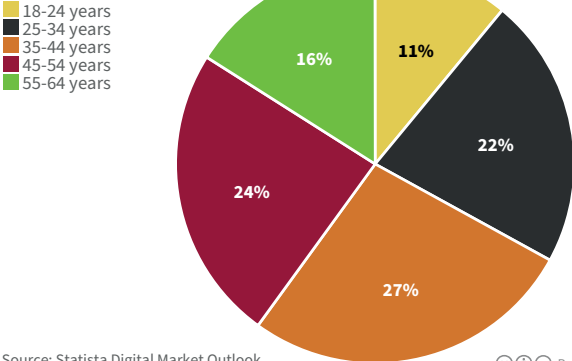
### Perceived barriers to buying online in Czechia in 2021



Note: Reason for not buying via a website or an app in the past 3 months  
Source: Eurostat



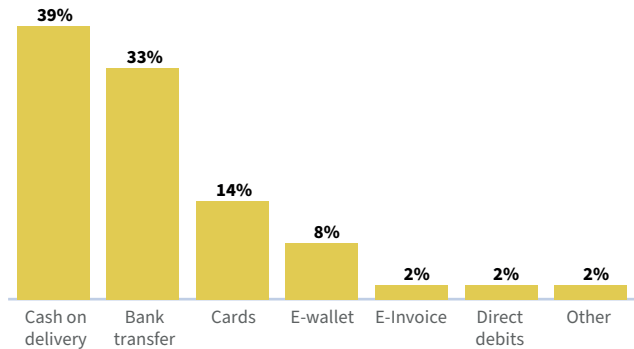
### Ecommerce users by age group in Czechia, 2021



Source: Statista Digital Market Outlook



### Payment methods in Czechia in 2021



Source: Statista Market Outlook



[1] [www.oecd.org/economy/czech-republic-economic-snapshot/](http://www.oecd.org/economy/czech-republic-economic-snapshot/)  
[2] [www.statista.com/statistics/1294366/czechia-fears-of-a-russia-ukraine-war/](http://www.statista.com/statistics/1294366/czechia-fears-of-a-russia-ukraine-war/)  
[3] [www.theguardian.com/world/2022/mar/15/polish-czech-and-slovenian-prime-ministers-travel-to-kyiv-ukraine](http://www.theguardian.com/world/2022/mar/15/polish-czech-and-slovenian-prime-ministers-travel-to-kyiv-ukraine)  
[4] <http://hdr.undp.org/en/>

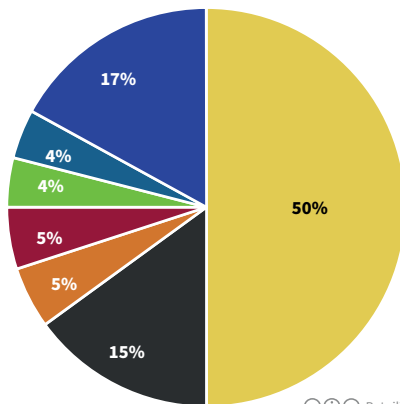
# The Largest 100

A strong domestic market sees multi-sector and consumer electronics attracting the majority of traffic

Half of Czechia's Largest 100 are based in Czechia, while 15% are headquartered in the USA. Traffic to the Czechia-based retailers in the Largest 100 is dominated by domestic customers (77.7%), while 11.3% come from Slovakia, 3.4% from Hungary, 1.2% from Germany and 1.1% from the USA.

## Where the Czechia Largest 100 are based

- Czechia
- USA
- Germany
- Slovakia
- The Netherlands
- Poland
- Others



Data based on 93 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic by sector in Czechia

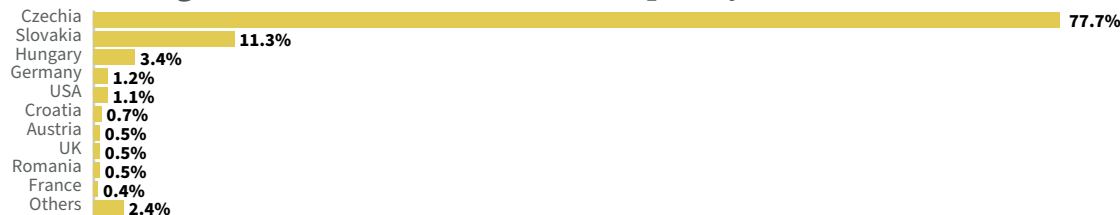
Web visits of local consumers to the Czechia Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 87 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic to the largest Czechia-based retailers split by consumer location



Data from 93 retailers are used. These are all the Czechia-based retailers that belong to the Czechia Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Czechia Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb


© RetailX 2022

# Hungary

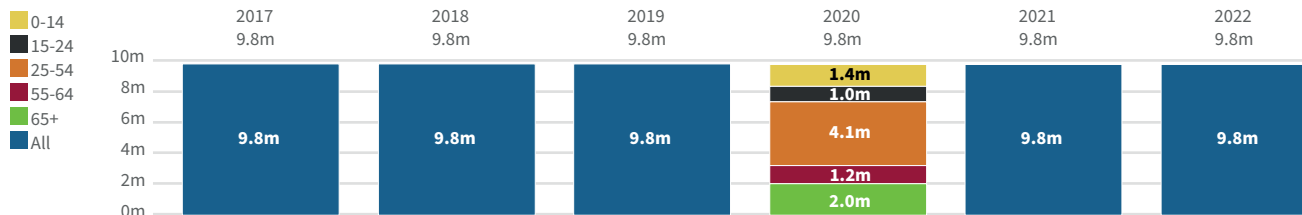
A country which shares a border with war-torn Ukraine and is also threatened by financial insecurity

**Hungary's proximity to Ukraine has cast a shadow over its economy.** Prime Minister Viktor Orban declared a wartime state of emergency in May, immediately after his new government was installed. Orban has been vocal in his fears of an economic crisis and how it will directly affect Hungary's already vulnerable middle class<sup>[1]</sup>.

**Hungary has been Russia's closest partner in Europe** and Orban has been criticised for refusing to fully support Russian sanctions. Concerns include energy price hikes and political destabilisation which could lead to an economic crisis<sup>[2]</sup>.

<p><b>Hungary</b></p> <p><b>Area:</b> 93,030 km<sup>2</sup></p> <p><b>Capital:</b> Budapest</p> <p><b>Currency:</b> Hungarian forint (HUF)</p> <p><b>Official language:</b> Hungarian</p> <p><b>Foreign languages spoken:</b> English, German</p> <p><b>Government:</b> Parliamentary republic</p> <p><b>VAT:</b> 27%   <b>Reduced VAT:</b> 5%</p>	
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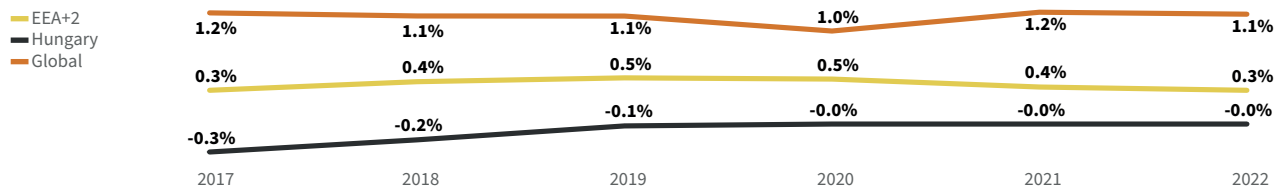
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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## Population growth

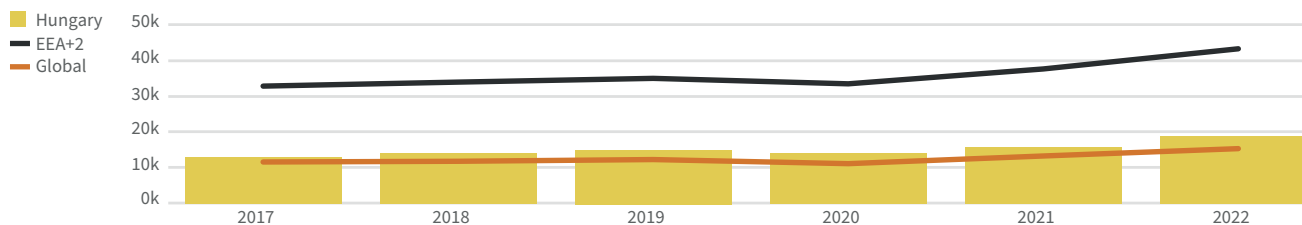


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

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Hungarians haven't forgotten that the 2008-2009 financial crisis forced them to go to the International Monetary Fund, EU and World Bank for a bail-out.

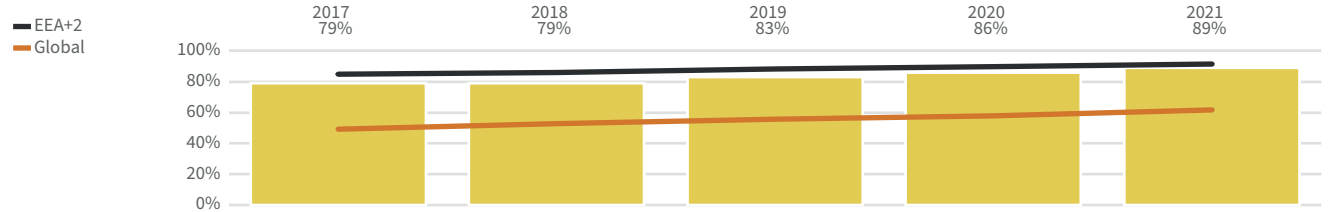
While the economy has subsequently recovered, the country shifted towards greater authoritarianism and the years since have seen the undermining of press freedom and judicial independence. In 2020, **The Economist Intelligence Unit has rated Hungary as a "flawed" democracy.**<sup>[3]</sup>

**The highest ecommerce user group within Hungary is ages 35 to 46 (26%).** Pitched either side of that segment are those aged between 25 and 34, (23%) and those aged between 45 and 54 (23%). In 2020, there were 4.1m Hungarians aged between 25 and 54.

**Hungary's population growth sits below the global average and below that of Europe too.** This is a trend linked closely to strict immigration policies and its younger population, many of whom seek opportunities beyond their homeland.<sup>[4]</sup>

[1] <https://hungarytoday.hu/while-the-hungarian-elite-flourishes-the-middle-class-steadily-diminishes/>  
 [2] [www.ft.com/content/4d0f770b-d800-4905-8f5f-d198da49857a](http://www.ft.com/content/4d0f770b-d800-4905-8f5f-d198da49857a)  
 [3] [www.eiu.com/n/campaigns/democracy-index-2020](http://www.eiu.com/n/campaigns/democracy-index-2020)  
 [4] [www.statista.com/statistics/1011177/hungary-net-migration/](http://www.statista.com/statistics/1011177/hungary-net-migration/)

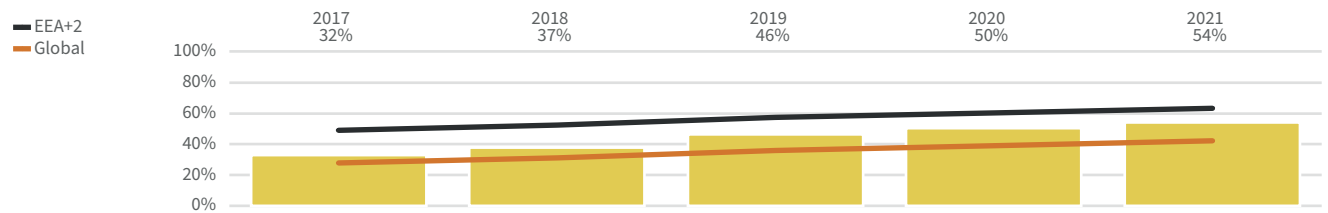
## Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

## Percentage of internet users who shop online

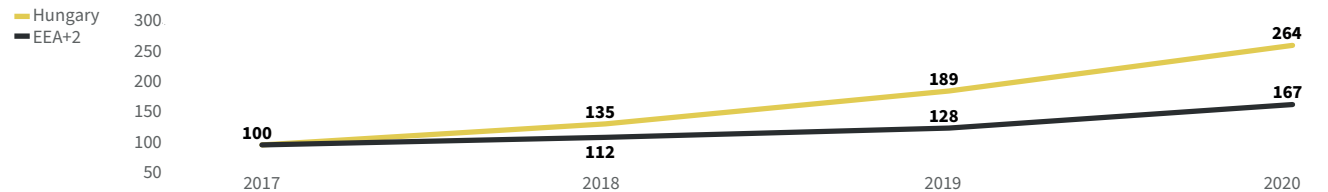


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Statista

© RetailX 2022

## Indexed total ecommerce spending

Index = 100 for 2017



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
 Source: RetailX, drawing on data from Eurostat

© RetailX 2022

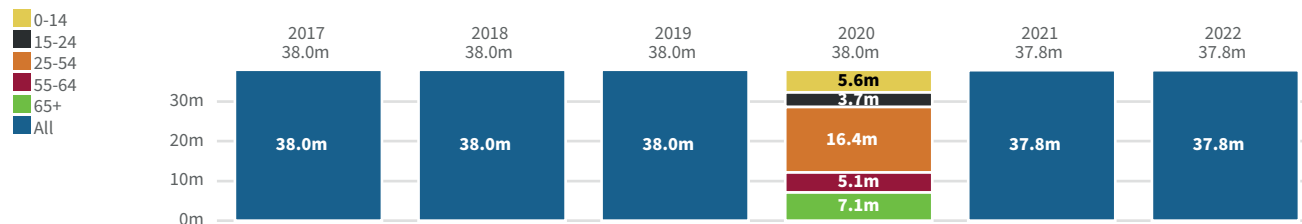
# Poland

Despite the war in neighbouring Ukraine, Poland's economy remains strong, yet also untapped by international retailers

Poland has experienced uninterrupted growth since 1992 and is **now one of the 10 largest economies in Europe**. EU member states have accounted for over 70% of the country's trade since as long ago as the mid-1990s, with **Germany alone the destination for an astonishing 29% of Poland's exports**.

Poland has been the leading destination for immigrants into the EU for several years. It is also one of the world's

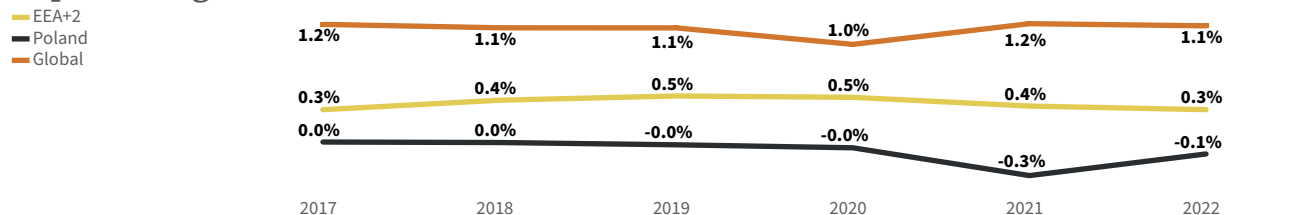
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

## Population growth

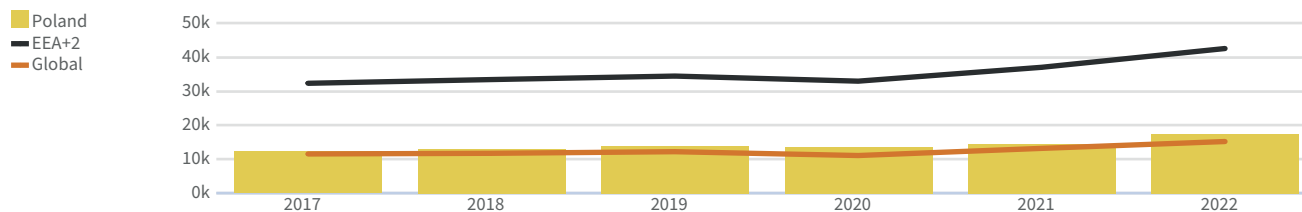


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

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**Poland**

**Area:** 312,690 km<sup>2</sup>

**Capital:** Warsaw

**Currency:** Polish złoty (PLN)

**Official language:** Polish

**Government:**  
Parliamentary republic

**VAT:** 23% | **Reduced VAT:** 5%

largest recipients of refugees. With the war in Ukraine, immigration numbers have swelled significantly. **Poland has welcomed three million refugees from Ukraine into the country since the war began**, increasing its population of 37.8m by 8% to more than 40m.

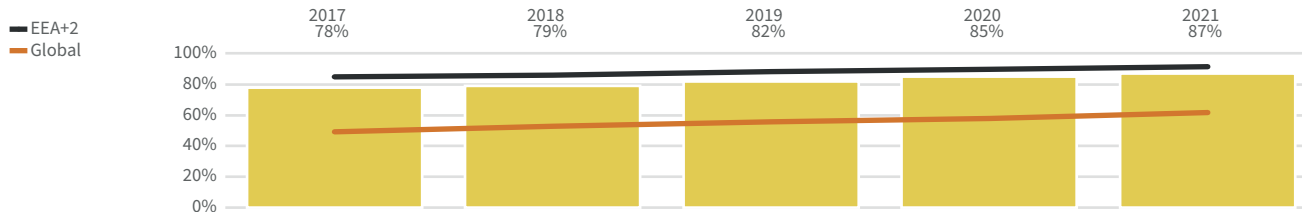
Some 87% of the Polish population had internet access in 2020 but just **55% of internet users shopped online in 2021, up from 52% in 2020** and 45% in 2017. Indexed total ecommerce spending is above average for the EEA+2 countries, at 267.

Ecommerce usage is spread across different age groups. **The largest percentage of users are in the 35 to 44 age group** (28%) and the 25 to 34 age group (26%), although all ages are well represented.

Asked what motivates them to shop online, **76% of Poland's online shoppers say they like the fact that an online store is open throughout the day**, while 73% like not having to go to a physical store. More attractive prices are cited as a motivation by 65% of online shoppers, with a greater range of products liked by 59%.

**Home delivery is the most popular delivery option for online product purchases**, with 27% preferring home delivery with signature, 22% preferring a parcel to be left outside the door without a signature and 15% preferring delivery to their mailbox. Collecting an order from a parcel

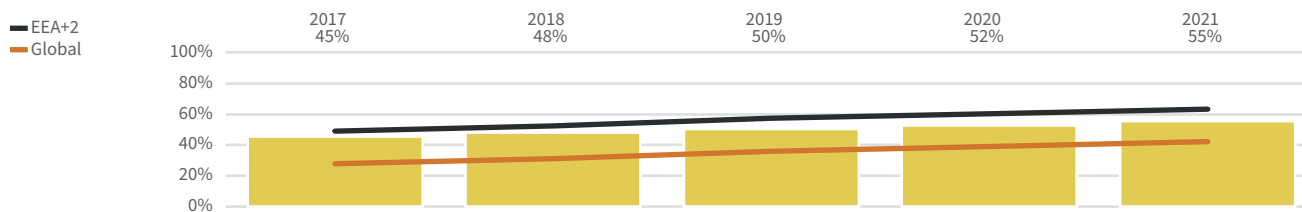
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

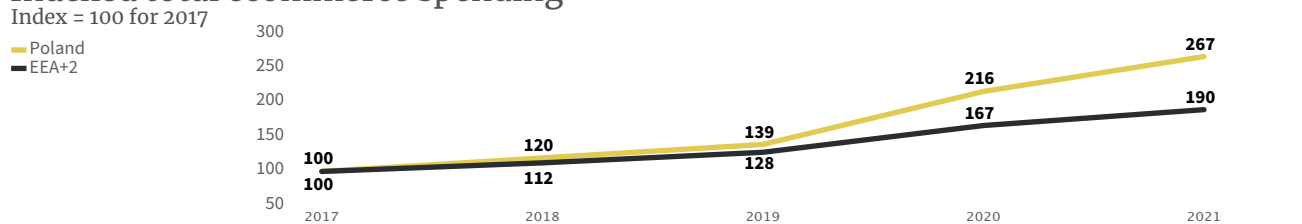
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending



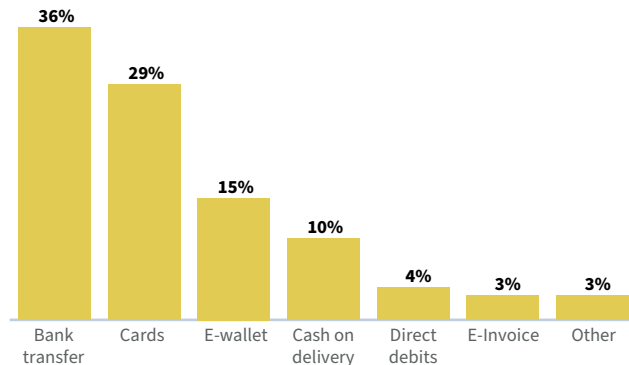
Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat

© RetailX 2022

machine (22%) is the next-most popular option, while just 2% prefer to pick up their order from an online retailer's physical store.

When it comes to paying for their ecommerce purchases, **bank transfer is the preferred payment method in Poland** (39%), followed by cards (29%) and e-wallets (15%). Cash on delivery accounts for 10% of the total.

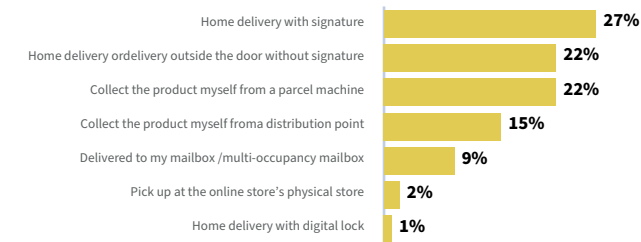
### Payment methods in Poland in 2021



Source: Statista Market Outlook

© RetailX 2022

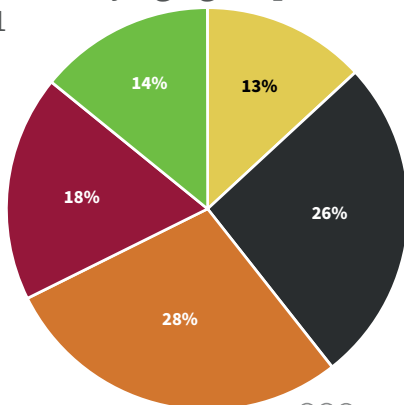
### When you order a product online, how do you prefer to have it delivered? (Poland, 2021)



Online survey conducted in 2020 and 2021. Results include 1,000 interviews with ecommerce consumers in Poland. The interviews were conducted with representative nationwide samples of individuals aged 15-79 years  
Source: PostNord © RetailX 2022

### Ecommerce users by age group in Poland, 2021

- 18-24 years
- 25-34 years
- 35-44 years
- 45-54 years
- 55-64 years



Source: Statista Digital Market Outlook

© RetailX 2022

### Main reasons for shopping online in Poland, 2021

What motivates you to shop online?



Survey conducted between May and June 2021 of 1,360 Polish residents aged 15+ who shop online  
Source: Gemiusz Izba Gospodarki Elektronicznej. Accessed via Statista

© RetailX 2022



# The Largest 100

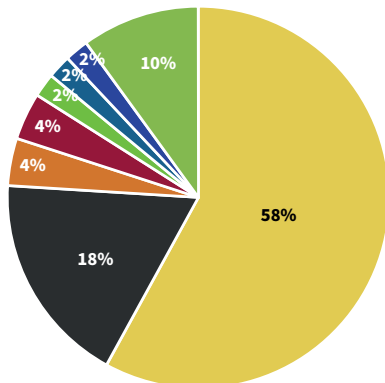
Polish consumers overwhelmingly favour local online retailers, particular those with a multi-sector offering

Some 58% of the Poland Largest 100 retailers are based in Poland and **86.4% of the visits to Poland-based retailers' websites come from consumers in Poland.**

Outside the country, only the US generates a double digit visitor percentage from Polish online shoppers (18.7%), followed by the Netherlands, at just 2.5%.

## Where the Poland Largest 100 are based

- Poland
- USA
- Germany
- The Netherlands
- China
- Denmark
- UK
- Others

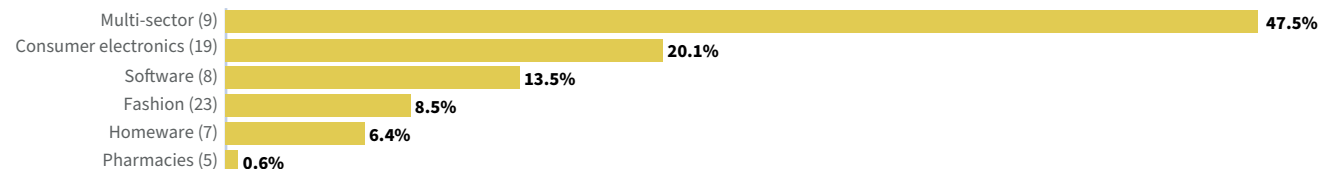


Data based on 94 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb



## Web traffic by sector in Poland

Web visits of local consumers to the Poland Largest 100 retailers



Note: For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 88 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb



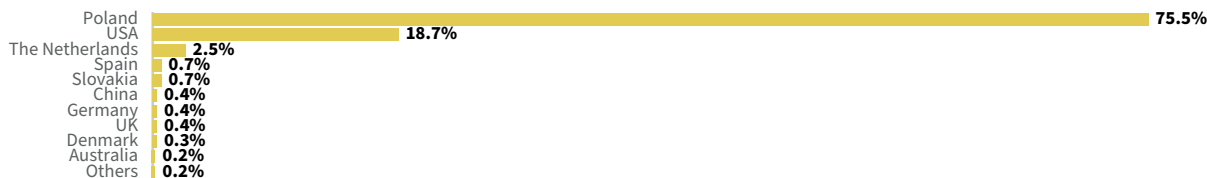
## Web traffic to the largest Poland-based retailers split by consumer location



Note: Data from 94 retailers are used. These are all the Poland-based retailers that belong to the Poland Largest 100  
Source: RetailX, drawing on data from SimilarWeb



## Countries where the Poland Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb



# Slovakia

The Tatra Tiger's economy is under multiple negative pressures from the war in neighbouring Ukraine

War in neighbouring Ukraine is putting significant strain on a Slovakian economy that was already under pressure before the pandemic.

**Supply chain shortages are affecting all areas of Slovakian manufacturing** and are having a particularly strong impact on the country's all-important car manufacturing sector. Slovakia is the world's largest automobile producer per capita and Volkswagen, Peugeot, Kia Motors and Jaguar Land Rover all have significant manufacturing investments in the country.

## Slovakia

**Area:** 49,030 km<sup>2</sup>

**Capital:** Bratislava

**Currency:** euro (EUR)

**Official language:** Slovak

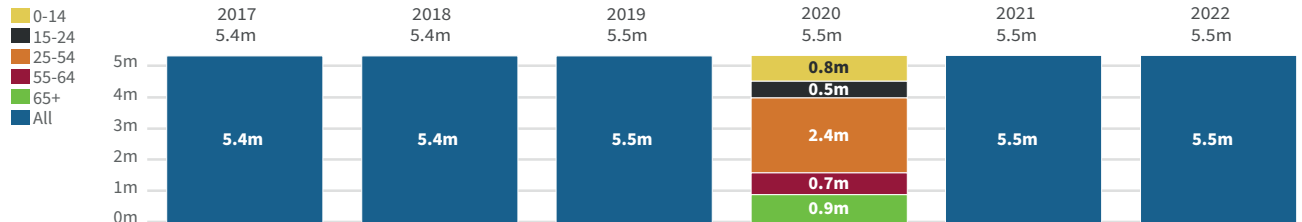
**Government:**

Parliamentary republic

**VAT:** 20% | **Reduced VAT:** 10%



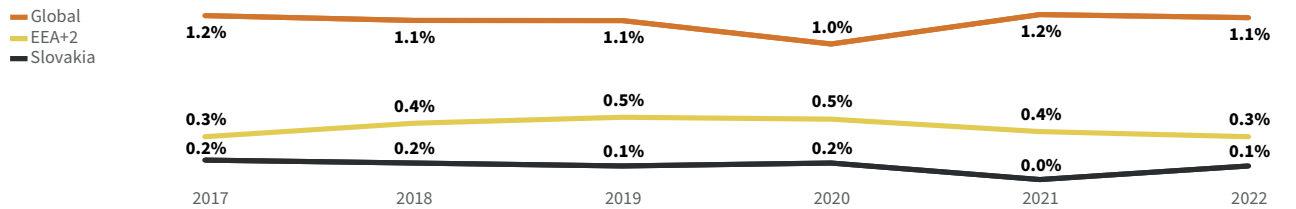
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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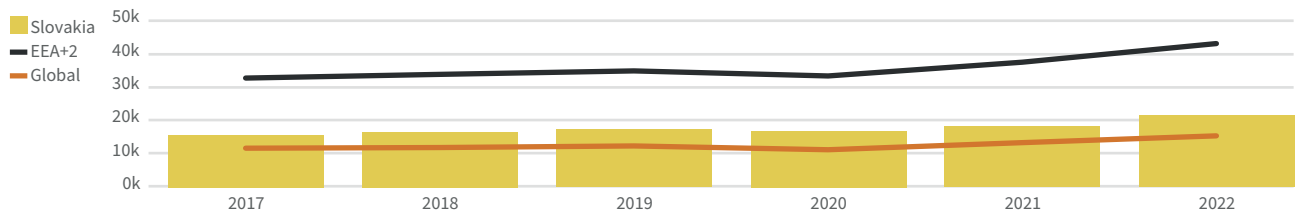
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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In March and April, shortages in component supplies from Ukraine, along with the ongoing global disruption to semiconductor supplies, led to two car plants having to temporarily suspend production altogether.

Inflation is now in double digits and expected to stay that way into 2023. **Slovakia's oil and gas is piped to the country from Russia**, via Ukraine, raising concerns for yet higher inflation and more manufacturing disruption should the war continue long-term.

**Slovakia is also considered vulnerable to future waves of Covid-19 due to low vaccination rates.**

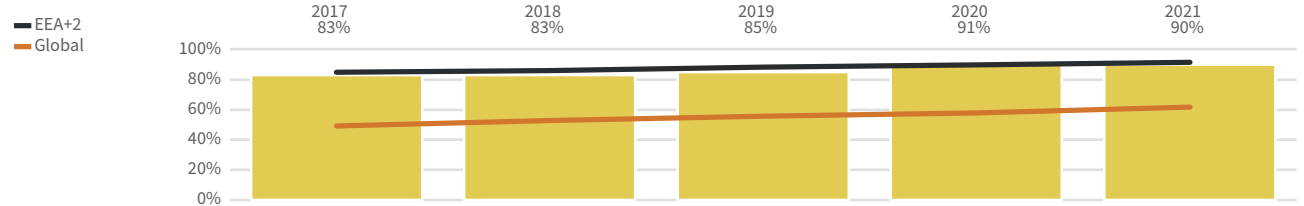
The country ranks last but one among EU nations for knowledge creation and is in last place for innovation and entrepreneurship. 78,000 refugees from Ukraine have been welcomed into the country since the war began, equivalent to 1.5% of Slovakia's population of 5.5m.

Overall, **90% of the population had access to the internet in 2021** and 50% of internet users shopped online in 2021, up from 48% in 2020 and 36% in 2017.

**Electronics is the largest ecommerce category by revenue**, accounting for 39% of all online sales in 2021.

The next largest category is fashion at 24%, followed by toys, hobby and DIY at 10%. The furniture sector takes up 9% of ecommerce sales by revenues, with food accounting for 6%, media for 2% and beverages for 1%.

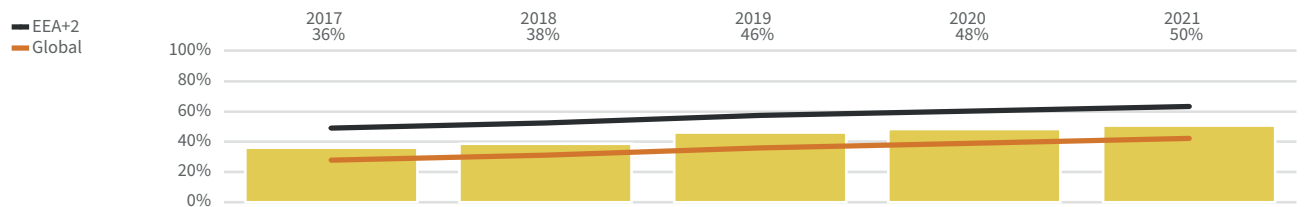
Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

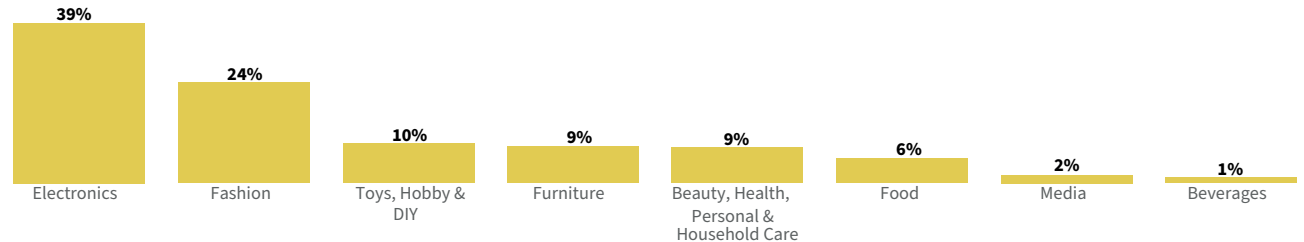
Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

Ecommerce revenue split by sector in Slovakia in 2021



Source: Statista Digital Market Outlook

© RetailX 2022

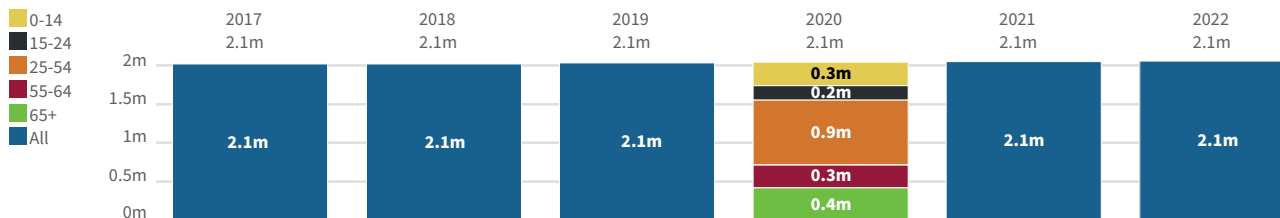
# Slovenia

A strong post-pandemic recovery is now facing headwinds from rising inflation and the war in Ukraine

**Slovenia is a developed economy with a highly educated workforce and a strong service sector** that accounts for over half of its economy. A member of the EU since 2004 and part of the Eurozone since 2007, close to two-thirds of workers are employed in service roles.

Until the outbreak of war in Ukraine, **Slovenia's economy had bounced back strongly from the pandemic**, exceeding pre-Covid levels by May 2021. Now, however, economic growth has slowed and inflation is rising, driven

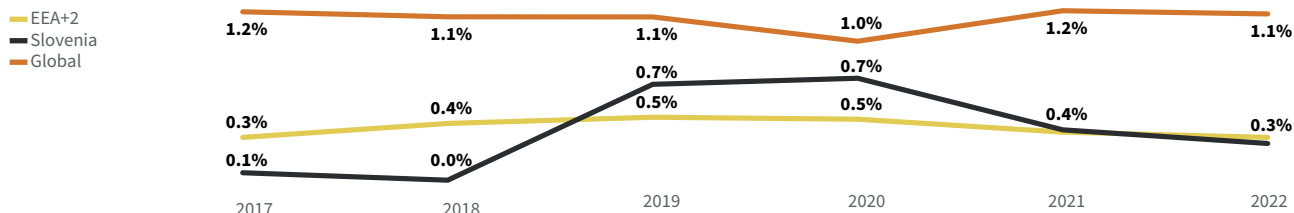
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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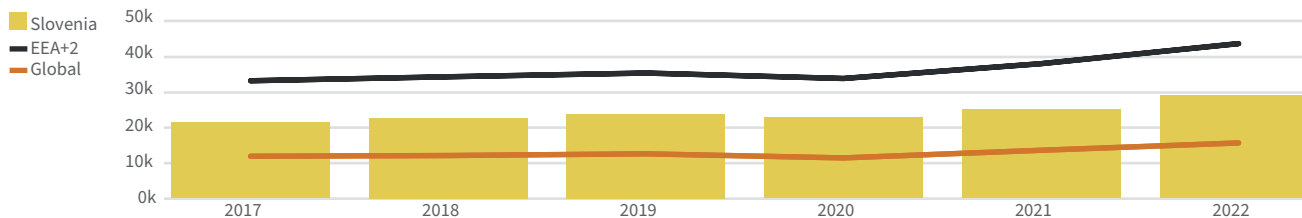
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

**Slovenia**

**Area:** 20,480 km<sup>2</sup>

**Capital:** Ljubljana


**Currency:** euro (EUR)

**Official language:** Slovene

**Other languages spoken:** English, French, Italian

**Government:** Parliamentary republic

**VAT:** 22% | **Reduced VAT:** 9.5% and 5%



by energy price increases, supply chain bottlenecks and labour market shortages, as well as the impact of the war.

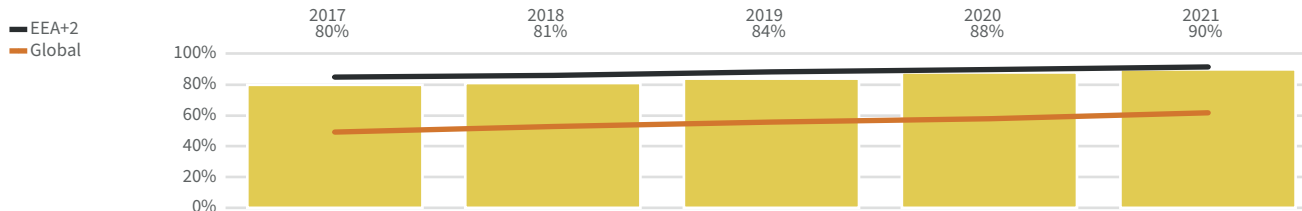
**The majority of Slovenia’s trade is predominantly with other EU countries and, in particular, with Germany, Italy, France and Austria.** Yet the main driver of growth in the year ahead is expected to come from domestic demand. Here, **a historically high employment rate, along with rising fuel and food prices, are putting significant pressure on employers to increase wages** and concerns have been raised by the OECD that this could lead to a wage-price spiral.

**Trade with Russia and Ukraine is limited** but almost all of Slovenia’s gas is sourced from Russia and 18,000 refugees have arrived from Ukraine this year.

Overall, **90% of Slovenia’s population of 2.1m had access to the internet by 2020** and 53% of internet users now shop online. This is up from 50% in 2020 and just 34% back in 2017.

Electronics (32%) and fashion (30%) attract by far the largest share of ecommerce revenues in Slovenia, followed by toys, hobbies and DIY, at 13% and by beauty, health, personal and household care, at 9%. Online sales of furniture account for 6% of the market, while food makes up just 4% of ecommerce sales, followed by media at 3% and beverages at 2%.

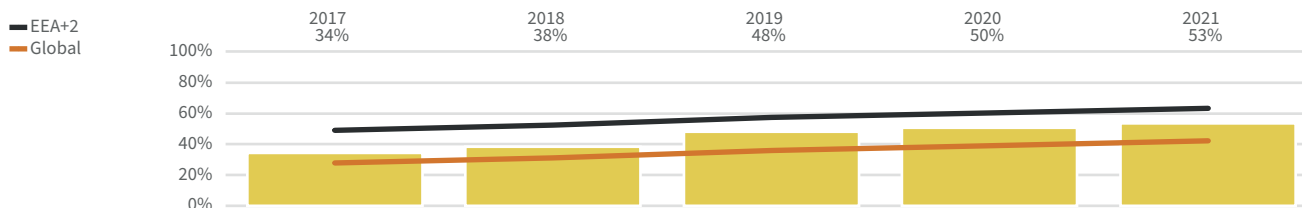
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

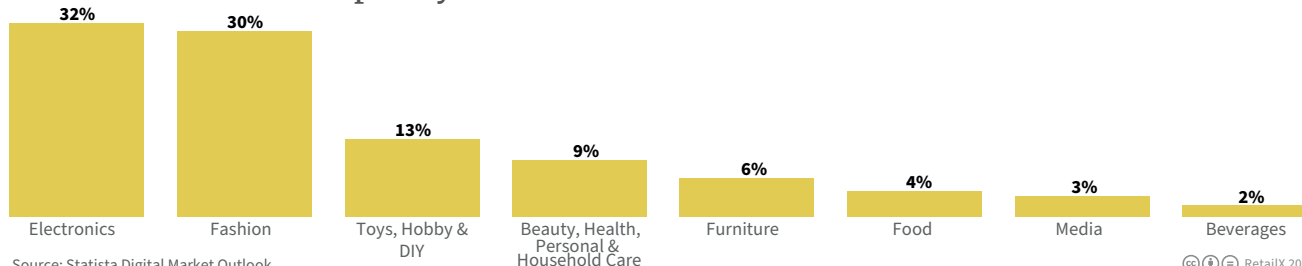
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Ecommerce revenue split by sector in Slovenia in 2021



Source: Statista Digital Market Outlook

© RetailX 2022

# Switzerland

At times daunting to outsiders, the highly developed Swiss market continues to offer new opportunities for ecommerce growth

Switzerland's impressive wealth and characteristic stability – financial, political, social – have long made it an attractive proposition to foreign businesses. However, **barriers to entry have traditionally been perceived as forbidding**. This scenario may be changing in 2022 as a series of new factors come into play.

After an encouraging start to the year, Switzerland's economic forecast for 2022 was subsequently downgraded, mainly due to the **Russian invasion of Ukraine and financial uncertainty in China**. Meanwhile,

**Switzerland**

**Area:** 41,290 km<sup>2</sup>


**Capital:** Bern

**Currency:** Swiss franc (CHF)

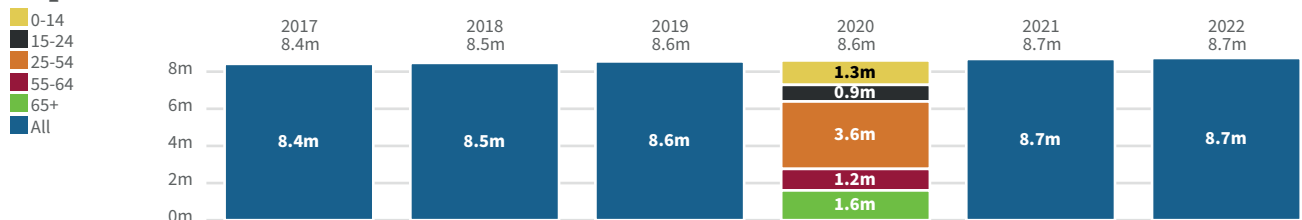
**Official languages:**  
German, French, Italian

**Government:** Federal republic

**VAT:** 7.7% | **Reduced VAT:** 2.5%



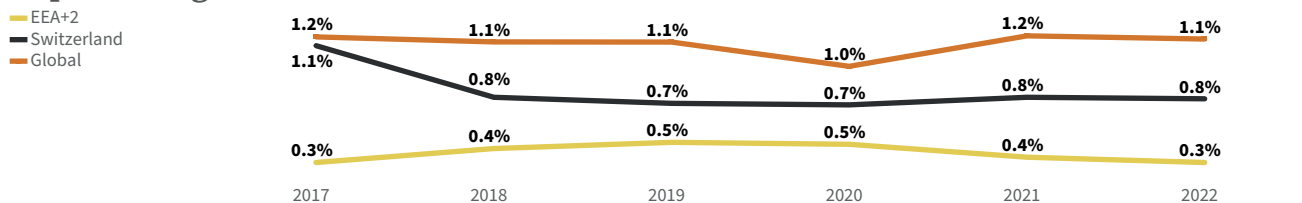
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook



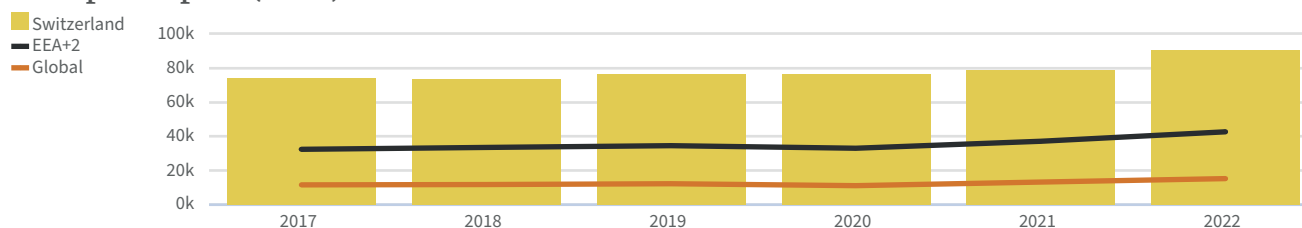
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



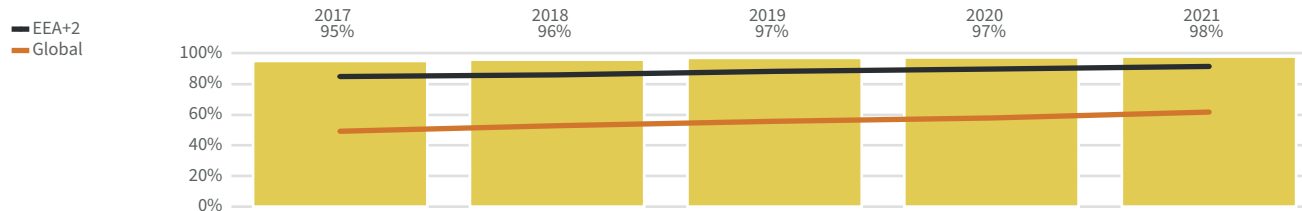
Swiss financial giant Credit Suisse has been hit by a series of scandals, leaks, allegations and even criminal charges, resulting in significant losses<sup>[1]</sup>.

**There is some evidence that social and consumer attitudes in Switzerland are changing**, or may differ significantly from how they are traditionally perceived by non-Swiss businesses. Politically, there are signs that Switzerland may be changing too. The BBC reports that **the Russian invasion of Ukraine has even seen the younger generation of Swiss citizens questioning their country’s long-cherished neutral status**<sup>[2]</sup>

Switzerland is associated with wealth, high prices, luxury items and technological precision – all qualities associated with ‘Swissness’. According to the Swiss Federal Institute of Intellectual Property, **the global market for counterfeit Swiss goods is costing companies billions** each year and also resulting in thousands of job losses.<sup>[3]</sup> Yet increasingly, even Swiss consumers have been looking for cheaper alternatives from foreign sources while, at the same time, a rising percentage of shoppers are **prepared to pay more for a sustainable product**.

Established in 1924, Watches of Switzerland is actually a British company, yet its current success underscores some key factors about what makes Swiss products attractive. “The luxury watch industry is a microcosm,” chief executive Brian Duffy told the *Financial Times*. “It’s a

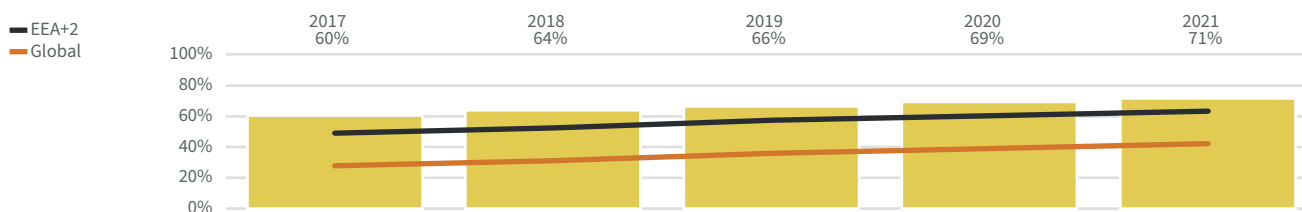
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

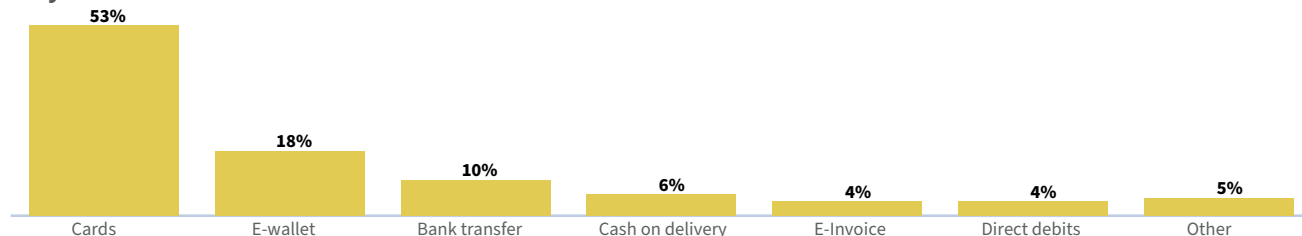
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Payment methods in Switzerland in 2021



Source: Statista Market Outlook

© RetailX 2022

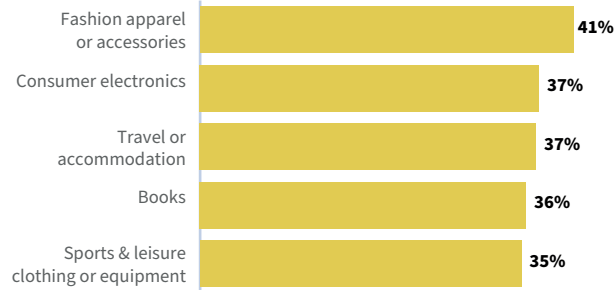
very conservative Swiss industry that has been producing below demand for some years now.”

With the average unit price at £6,000, the fact that demand for luxury Swiss watches already outstrips supply, especially in the USA, suggests that **Swiss conservatism may in fact be a shrewd long-term business strategy.** Indeed, the ‘conservatism’ of the Swiss watch industry has long been seen as a case study. By refusing to compete on price with Japan in the 1970s during the global boom in cheap digital watches, Swiss manufacturers missed out on the chance of amassing enormous revenues. However, this has since ensured that, four decades later, Swiss watches are still regarded as ‘the best’, with collectors and enthusiasts prepared to pay high prices.

Local knowledge for those launching in Switzerland is, naturally, crucial. Most Swiss operatives have an impressive command of spoken and written English, yet **Switzerland is a multilingual country**, so awareness of German, French and Italian – not forgetting the minority language Romansh – will be valuable. The huge success of the German fashion retailer Zalando and the German iteration of Amazon reflect the close ties with Switzerland’s German-speaking neighbours.

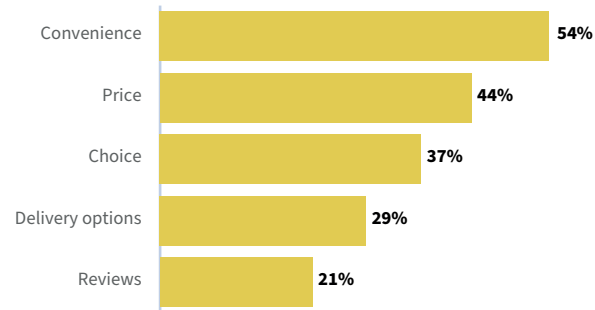
[1] [www.theguardian.com/business/2022/apr/20/credit-suisse-issues-profit-warning-caused-by-jump-in-legal-costs](http://www.theguardian.com/business/2022/apr/20/credit-suisse-issues-profit-warning-caused-by-jump-in-legal-costs)  
 [2] [www.bbc.co.uk/news/world-europe-61320132](http://www.bbc.co.uk/news/world-europe-61320132)  
 [3] [www.admin.ch/gov/en/start/documentation/media-releases.msg-id-82800.html](http://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-82800.html)

## What do you shop for online? (Switzerland, 2021)



Survey conducted in November 2021, includes 337 Swiss e-shoppers  
 Source: RetailX

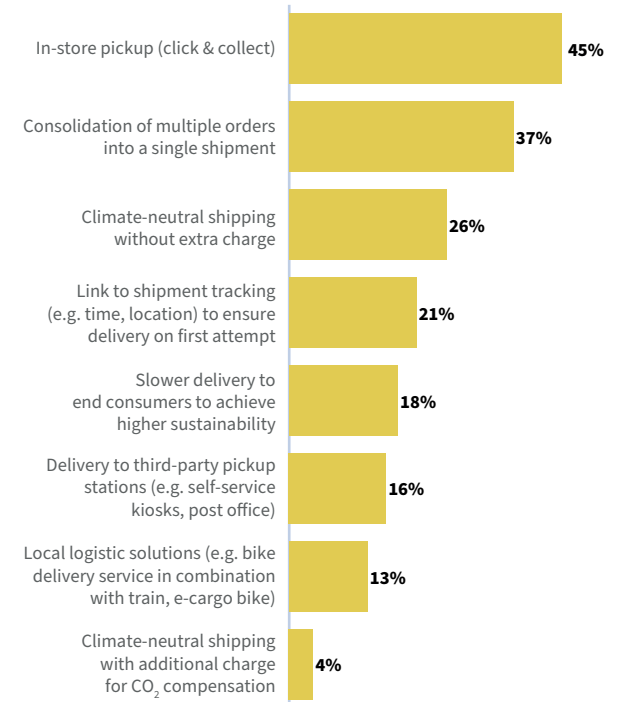
## Why do you shop online? (Switzerland, 2021)



Survey conducted in November 2021, includes 337 Swiss e-shoppers  
 Source: RetailX

## Sustainable delivery methods implemented by online retailers in Switzerland 2021

Which of the following apply to your online store business?



Online survey conducted between March and June 2021 to 248 online retailers based in Switzerland  
 Source: Hochschule Luzern, Swiss Post. Accessed via Statista

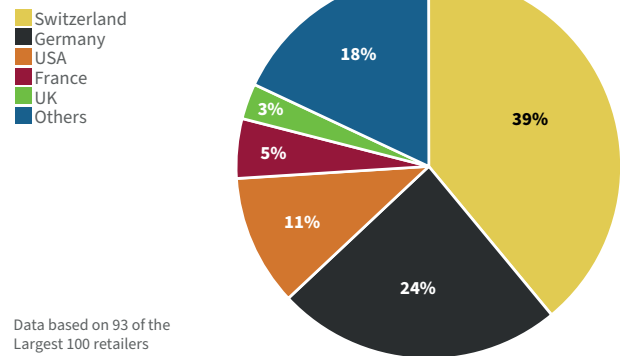


# The Largest 100

## Switzerland's Largest 100 ecommerce companies balance a national flavour with a global outlook

Almost 40% of the Switzerland Largest 100 is made up of Switzerland-based retailers. As already noted, German-based retailers also command a strong share of the market, which we would expect because of the close ties between the countries. Multi-sector retailers perform strongly in Switzerland.

### Where the Switzerland Largest 100 are based



Data based on 93 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic by sector in Switzerland

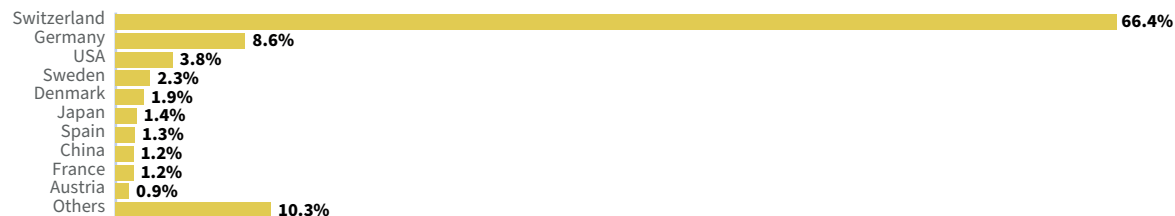
Web visits of local consumers to the Switzerland Largest 100 retailers



Note: For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 89 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

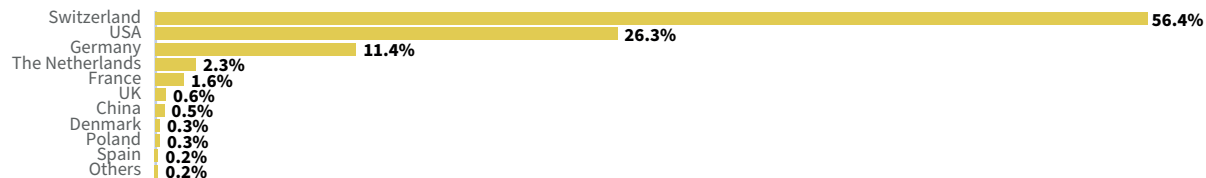
## Web traffic to the largest Switzerland-based retailers split by consumer location



Note: Data from 93 retailers are used. These are all the Switzerland-based retailers that belong to the Switzerland Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Switzerland Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# Eastern Europe

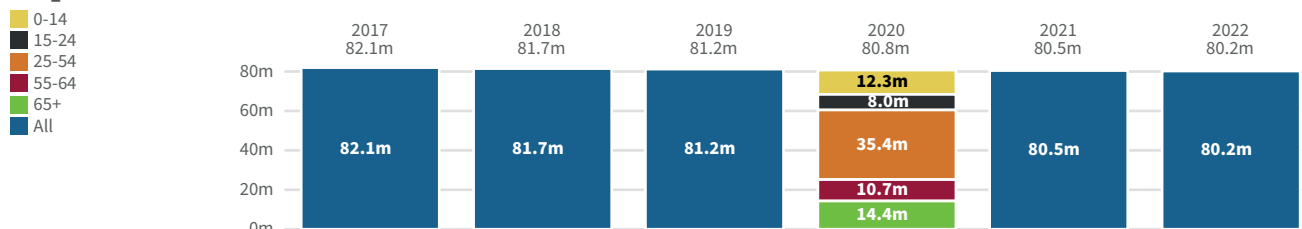
## The impact of the war in Ukraine dominates the economic environment in Eastern Europe

Eastern Europe comprises the former Eastern Bloc nations of Ukraine, Bulgaria and Romania, plus nations formed after the breakup of Yugoslavia, Serbia, North Macedonia and Croatia. Until the war in Ukraine, the region's economies had rebounded well from the pandemic.

**Ukraine is the largest country on mainland Europe after Russia, covering some 600,000km<sup>2</sup> and, pre-conflict, home to more than 40m people.** Ukraine's economy has, of course, been devastated by the war and many of its citizens are now refugees in the rest of Europe. Ukraine shares a long border with Romania to the south with Bulgaria and North Macedonia beyond, Serbia to the east of Romania and then Croatia beyond that.

The impact on fellow Eastern European nations of the war is lower than might be expected, however, as **Ukraine's main trading partners have traditionally been Russia, Poland, Italy, Germany and Turkey rather than its neighbours in Eastern Europe.**

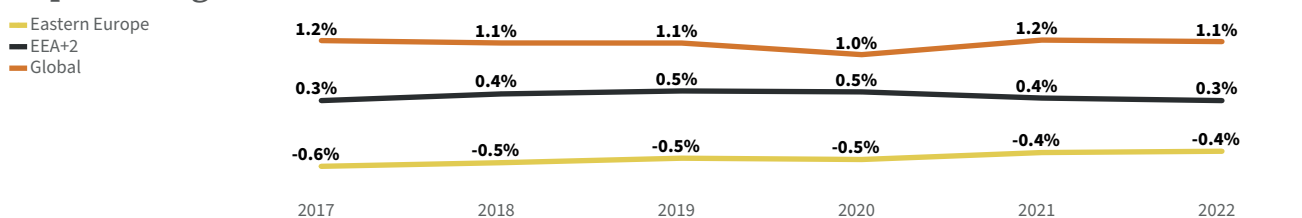
### Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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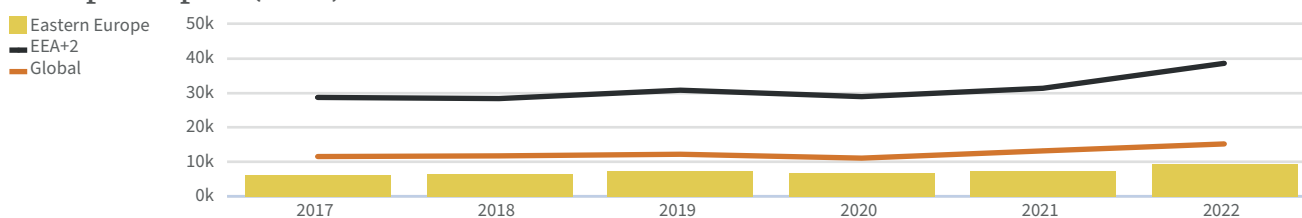
### Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

### GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

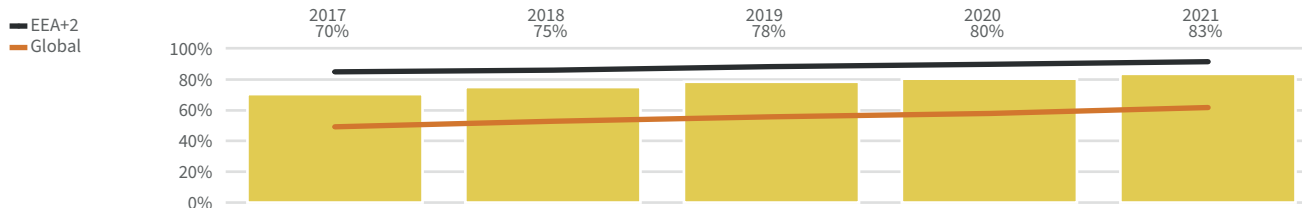
Romania, for instance, was badly hit economically by Covid-19 but its economy rebounded strongly in 2021 before being dented again this year by rising inflation and supply shortages. **Romanian GDP is still expected to grow in both 2022 and 2023.**

Across Eastern Europe as a whole, GDP per capita increased significantly in 2022 but the region still suffers from low average incomes. **GDP per capita is still substantially below the European average at less than €10K a year.** That average masks strong variations between individual nations, however.

**Overall, 83% of the population was online in 2021, up from 78% in 2019 and 70% in 2017.** Less than half of all internet users (47%) shopped online in 2021, though, well below the European average but up from 43% in 2020, 39% pre-pandemic in 2019 and just 28% in 2017. Indexed total ecommerce spending is above the European average at 202, up from 184 in 2020.

**One in three visits to an Eastern Europe Largest 100 retailer is from a consumer in Romania, 18.2% from Bulgaria, 14.5% from Serbia and 9.8% from Croatia.** Half of all visits to major online retailers from consumers in Eastern Europe are to merchants based in the US (48.5%), however, and just 14.8% of visits are to retailers based in Romania, 8.1% to merchants in Bulgaria and 5.9% to Serbia.

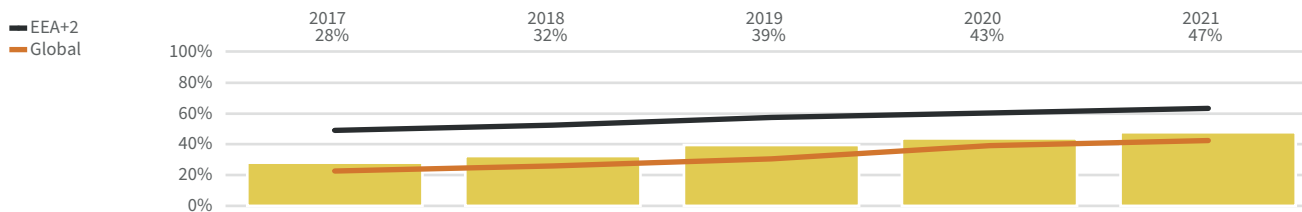
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

### Percentage of internet users who shop online

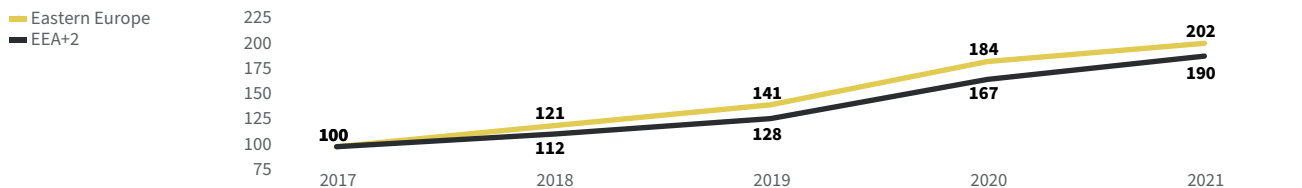


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending

Online and mail-order retail spending of consumers



Index = 100 for 2017. Data for EEA+2 include all current EEA members in addition to the UK and Switzerland  
Source: Eurostat

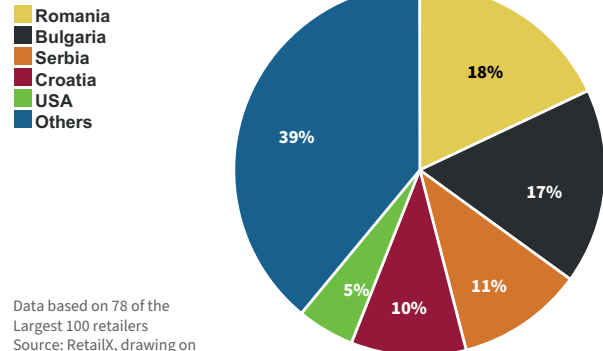
© RetailX 2022

# The Largest 100

## Online shopping remains a largely untapped market in Eastern Europe

Three-quarters of the population of Eastern Europe now has access to the internet but the majority of internet users are yet to begin shopping online. Those that do shop online predominantly visit retailers based outside the region. The Happiness Index here, which we intend to reference more often in future reports, attempts to measure citizens' levels of contentment.

## Where the Eastern Europe Largest 100 retailers are based



Data based on 78 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

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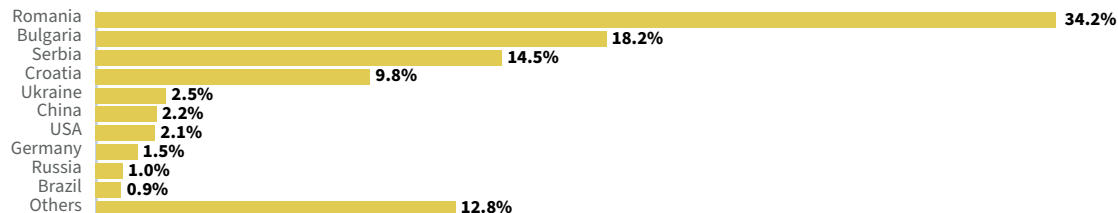
## Happiness Index



Survey respondents evaluate the quality of their current lives on a scale of 0 (unhappy) to 10 (happy). Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland. Source: The World Happiness Report

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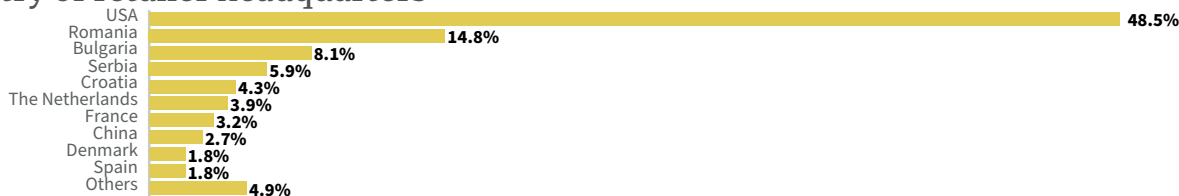
## Web traffic to the largest Eastern Europe-based retailers split by consumer location



Data from 78 retailers are used. These are all the Eastern Europe-based retailers that belong to the Eastern Europe Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Eastern European web traffic to the Eastern Europe Largest 100 retailers, by country of retailer headquarters



Retailers in the Eastern Europe Largest 100 are selected based on Eastern European consumer web traffic. Data based on 78.0% of the Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# Bulgaria

Once an internet pioneer, Bulgaria's relatively low web uptake now sees it recording equally low online sales

Bulgaria technically lies within the Balkans at the nexus of Europe and Asia, making it a cultural melting pot with Greek, Slavic, Ottoman and Persian influences. Its population remains relatively static at around 7m.

**Back in the early 21st century, Bulgaria had the fourth-highest fixed line internet uptake in Europe** – which was a source of national pride. Costs of expansion in urban areas, along with an increasing domination of mobile networks, has seen this fall. Internet use in Bulgaria now falls below the EEA+2 (78%).

**Bulgaria**

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**Area:** 111,000 km<sup>2</sup>

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**Capital:** Sofia

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**Currency:** Bulgarian lev (BGN)

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**Official language:**  
Bulgarian

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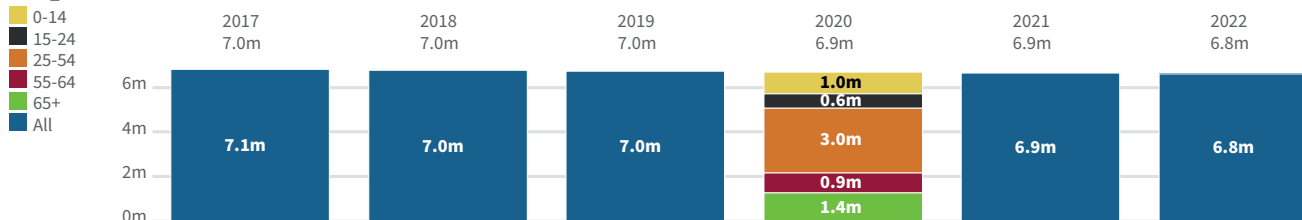
**Government:** Parliamentary republic

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**VAT:** 20% | **Reduced VAT:** 9%



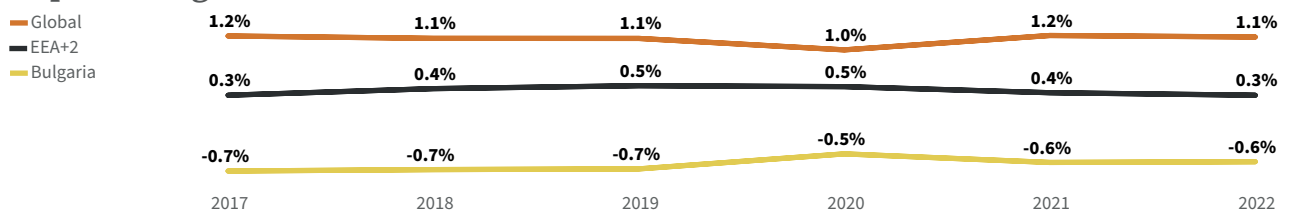
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook



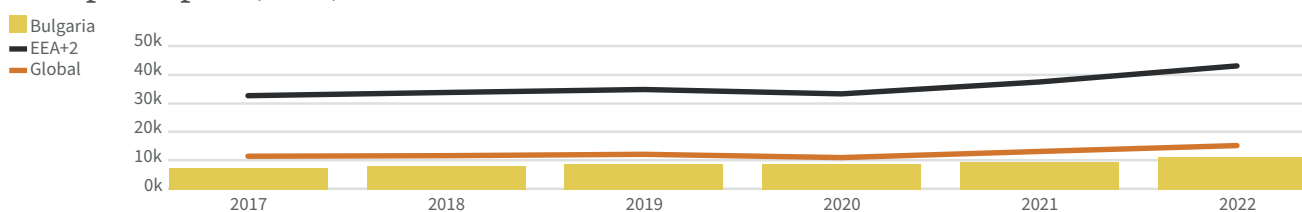
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



As a result, **the percentage of Bulgarians shopping online is only narrowly above the global average**, sitting at 44% in 2021. This is partly due to internet availability but is also down to cultural factors, with many Bulgarians wedded to the interactions that come with physical retail.

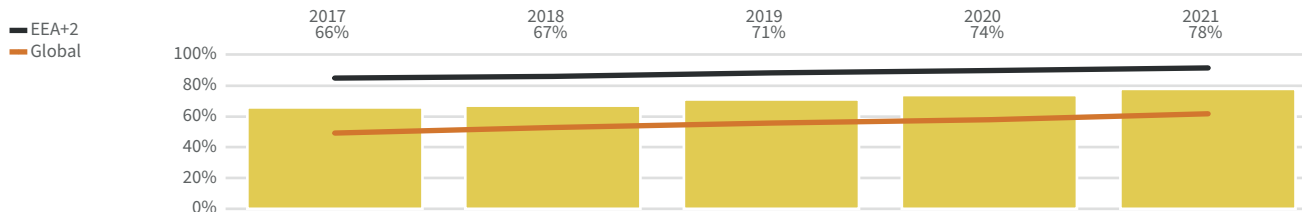
That said, **the indexed level of ecommerce spending in the country is relatively high**, sitting more than 100 points above the EEA average. As seen elsewhere, growth in online spending has been driven by a switch to ecommerce during the pandemic. This is a trend that has continued to accelerate.

Electronics and fashion lead the way in terms of the items Bulgarians buy online, accounting for 63% of online spend between them (43% and 20% respectively). **Beauty, furniture and hobbies are all relatively popular.** Online food shopping in the country is relatively nascent but still accounts for a notable 7% of online spend.

**The leading ecommerce site in the country is emag.bg**, a mixed marketplace site that sells around \$46m of goods annually in the country. Second and third are fashion sites remixshop.com and fashiondays.bg.

Outside of these, Bulgarians are also shopping at German ecommerce sites, as well as sites based in Turkey, Russia and Romania.

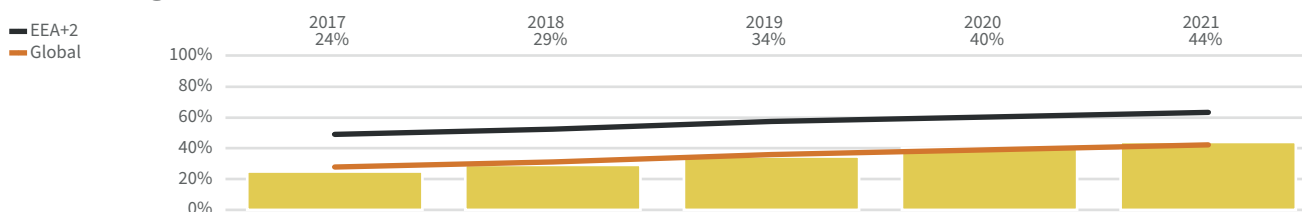
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

### Percentage of internet users who shop online

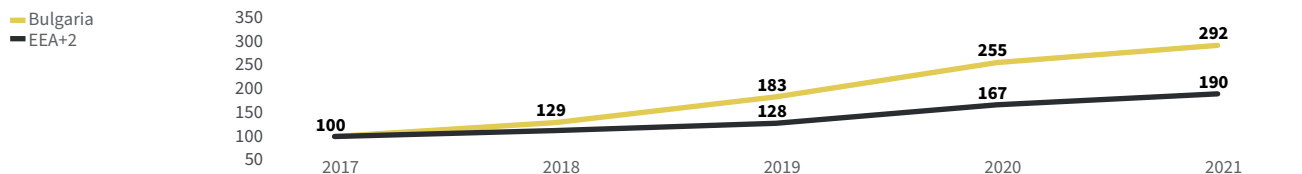


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Indexed total ecommerce spending

Online and mail-order retail spending of consumers in Bulgaria



Index, 2017 = 100

Data for EEA+2 include all current EEA members in addition to the UK and Switzerland  
Source: Eurostat

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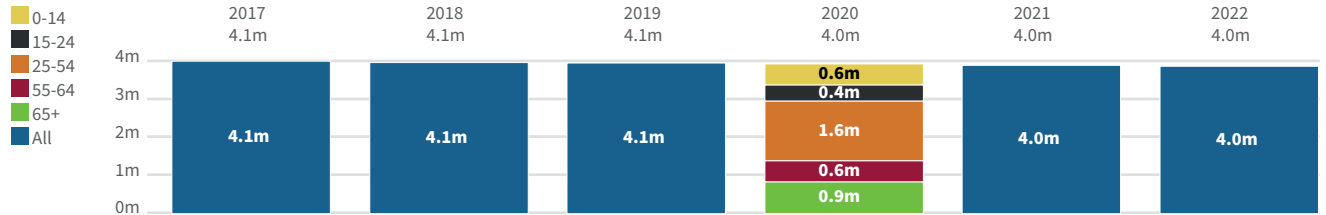
# Croatia

High web and mobile uptake see this small nation punching above its weight in terms of ecommerce

Located at the crossroads of Central and Southeastern Europe, **Croatia is one of Europe's smallest countries**, with a population hovering around just 4m and with an economy that sees GDP per head of population in near perfect harmony with the global averages each year – putting it some way behind the EEA+2 average.

Yet the country has relatively high rates of internet usage. Some **82% of the population is online, which is above the global average** and a little shy of the overall EEA+2 average. The country has a relatively high mobile

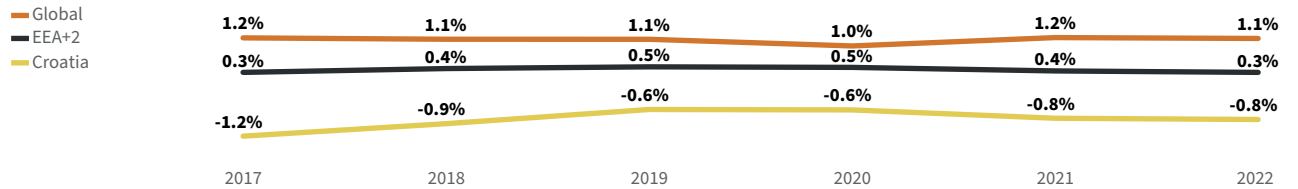
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

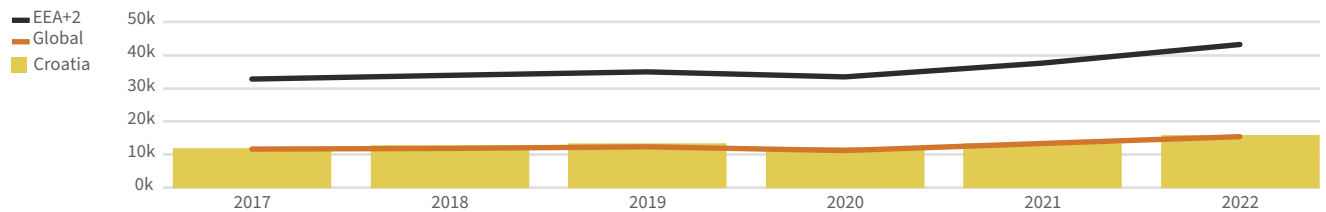
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

**Croatia**

**Area:** 88,070 km<sup>2</sup>

**Capital:** Zagreb


**Currency:** Croatian kuna (HRK)

**Official language:** Croatian

**Nationality:** Croatian

**Government:** Parliamentary republic

**VAT:** 25% | **Reduced VAT:** 5%



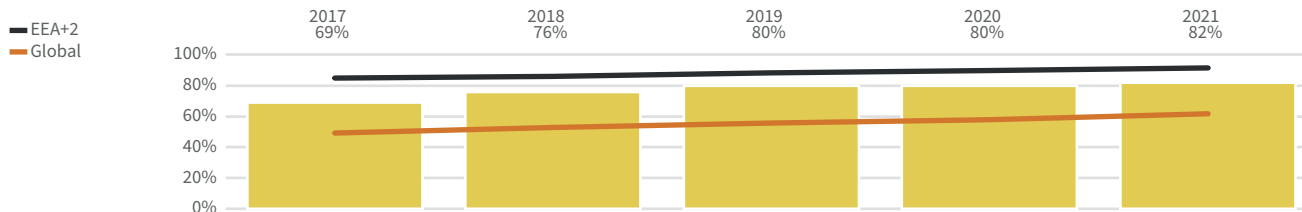
phone usage of 121% – meaning more than one mobile per person – which is on a par with many of the more advanced economies of Western Europe.

Combined with fixed line internet access, **this penchant for mobile has driven consistent growth in online shopping**. 59% of the population did so in 2021, trending well above the global average. **Significant growth has been seen in online shopping in Croatia pre-pandemic, rising 10pp between 2018 and 2019** and then a further 4pp the following year. The pandemic year then saw a 5pp growth in online retail.

This, however, has led to only a modest rise in indexed spending, tracking 66 points behind the EEA average. This is the result of the relatively low GDP per capita being below the EEA average, resulting in lower spend per head.

**The most popular sectors in Croatian ecommerce spending are electronics (accounting for 40% of online spend) and fashion (25%).** Toys, hobbies and DIY (13%), health and beauty (10%) and furniture (7%) are also significant sectors. Online food purchasing has yet to see any popular uptake, accounting for just 2% of online sales. As a result, **leading stores in the country are Hungary’s ekupi.hr, a multiple goods retailer, followed by clothing retailer zara.com and Bauhaus.hr**, a German homewares and garden company. Together, these three retailers account for 15% of Croatian ecommerce sales.

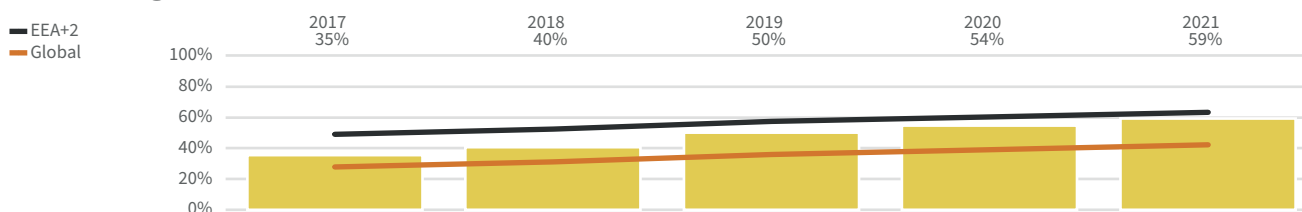
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

© RetailX 2022

### Percentage of internet users who shop online

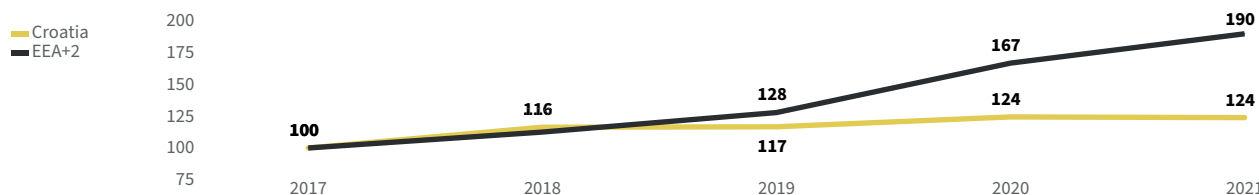


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Indexed total ecommerce spending

Online and mail-order retail spending of consumers in Croatia



Index, 2017 = 100

Data for EEA+2 include all current EEA members in addition to the UK and Switzerland

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# North Macedonia

It's a country rich in heritage but, in ecommerce terms, is one that's hindered by a lack of payments technology

**North Macedonia was the only country born from the collapse of Yugoslavia without any bloodshed.** Or more correctly, reborn, since the Kingdom of Macedonia dates back to around 900BC, while its capital city, Skopje, is at least 7,000 years old. This tiny nation of just 2.1m people is certainly rich in heritage, yet **it has a low GDP per capita that sits well below the global average** and far beneath the average for the EEA.

Despite its size and ancient lineage, the country has a surprisingly high internet usage, sitting at 87% of the

**North Macedonia**

**Area:** 25,710 km<sup>2</sup>


**Capital:** Skopje

**Currency:** denar (MKD)

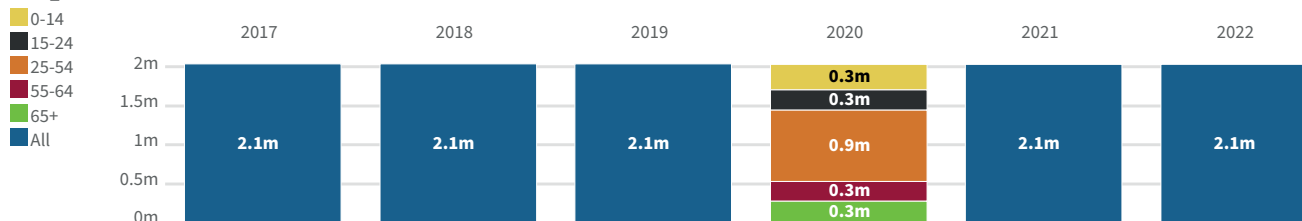
**Official languages:**  
Macedonian, Albanian

**Government:** Parliamentary republic

**VAT:** 18% | **Reduced VAT:** 5%

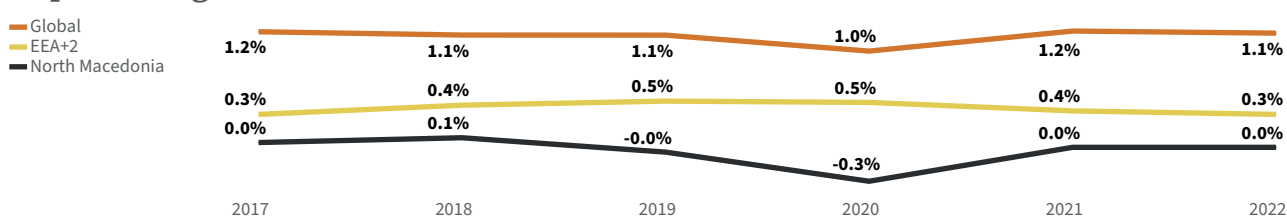


## Population structure



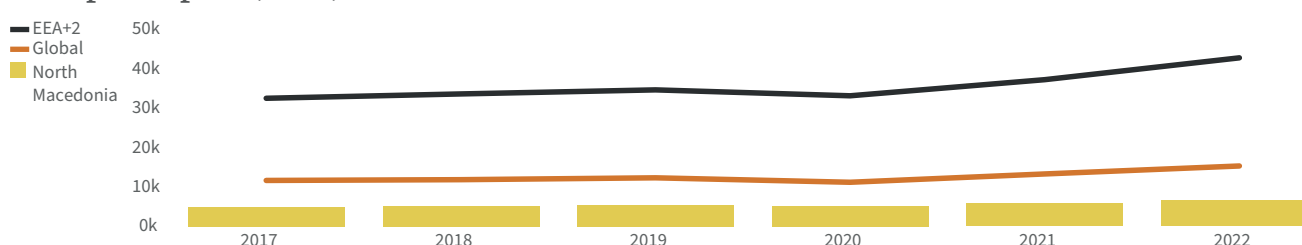
Source: RetailX, drawing on data from IMF and The World Factbook

## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

## GDP per capita (EUR)



Source: RetailX, drawing on data from IMF

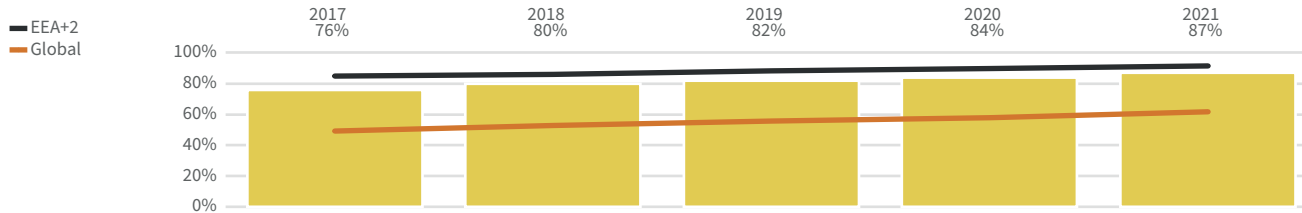
population – which is above the global average and just below the EEA+2 average. **Around a quarter of these have high-speed broadband, which the country has slowly been rolling out since 2019.** Mobile uptake sits at 90%, with 1.86 million people having access to it.

However, this level of web and mobile usage has yet to manifest itself in ecommerce. **Just 39% of those who can do so shop online.** While this has seen slow, steady growth since 2017, this figure still sits below the global average and way below levels seen elsewhere in Europe.

Of those that do shop digitally in the country, **electronics dominate, accounting for 33% of online sales, on a par with the 27% of fashion sales.** Electronics sales, while the dominant sector in North Macedonian ecommerce, are much lower than in other markets, while fashion is much higher. **The country also sees a significant 9% of ecommerce sales accounted for by online food sales.**

North Macedonian consumers lack digital literacy and, as a result, **there is a proliferation of inexpensive counterfeits of well-known brands.** This has prompted many external sellers, including Amazon and eBay, to bar or restricting certain purchases. **Payments are an issue with ecommerce and mcommerce, with limited ways to pay securely online.** Paypal, for instance, can only be used to send money within the country, not for purchases.

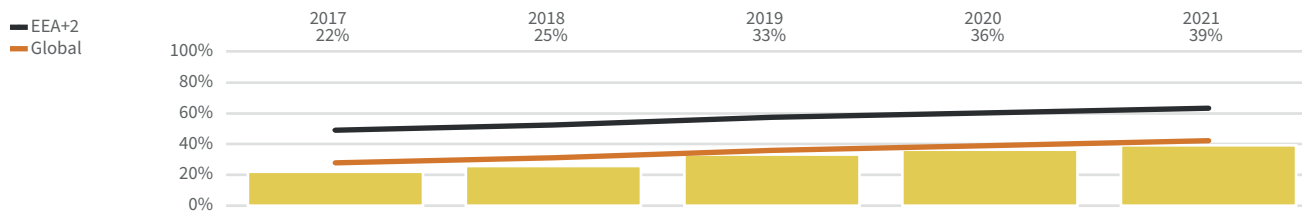
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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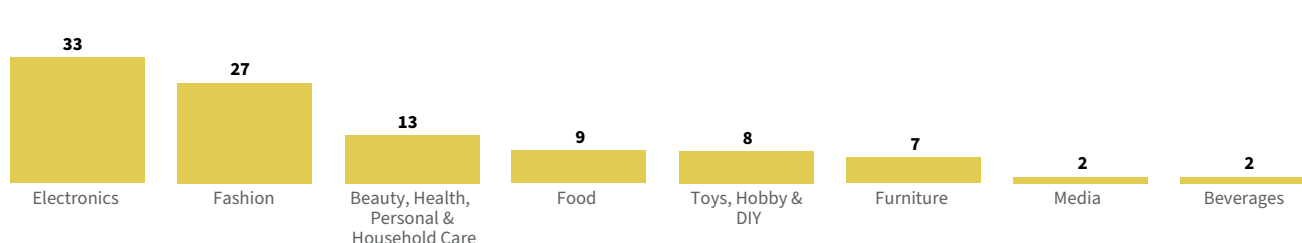
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Ecommerce revenue split in North Macedonia, by sector, 2021 (%)



Source: Statista Digital Market Outlook

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# Romania

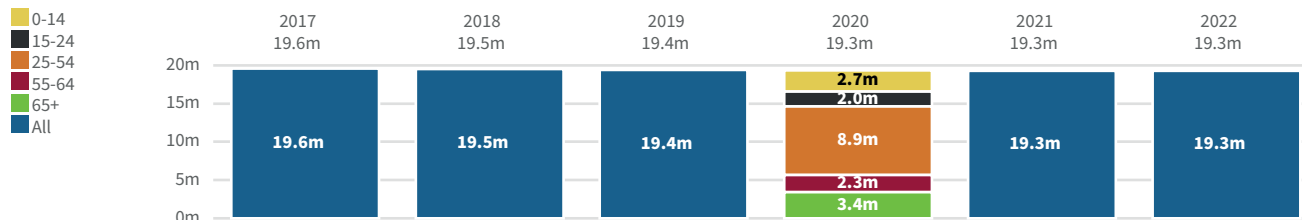
This regional tech leader with a strong rural-urban split sees lower levels of ecommerce than might be expected

With a population of 19.3m and a GDP per capita exactly tracking the global average, **Romania is a relatively high-income country, with a highly skilled workforce**, and is the 14th-strongest economy in the EU.

Over recent years, the country has enjoyed some of the strongest economic growth of all EU countries and, as a result, has been a target for inward investment over the past decade.

Its capital, Bucharest, is now a leading financial centre for Eastern Europe. The country has become one of the

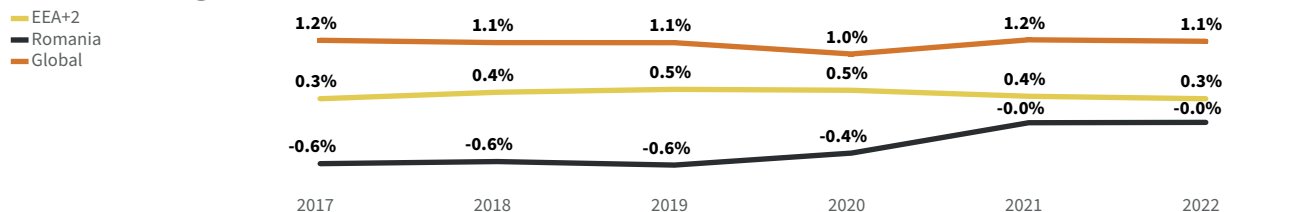
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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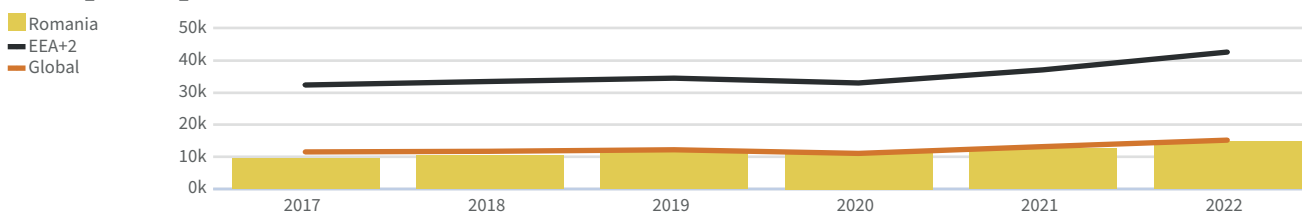
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

### Romania profile

Area: 238,400km<sup>2</sup>

Capital: Bucharest

Currency: Romanian leu (RON)

Official language: Romanian

Government: Semi-presidential republic

VAT: 19% | Reduced VAT: 5%



largest electronics producers in the region and is a **centre of excellence for mobile and IT**. This is reflected to some degree in overall internet uptake in the country, which stands at 88% of the population.

Having seen strong growth across 2019 to 2020, this now sits very much in line with both global and EEA averages. However, this is less reflected in online shopping. Despite steady growth, albeit from a low base of just 26% in 2017, **fewer than half of consumers currently shop online, considerably lower than the EEA average** and very much behind the major EU economies of Western Europe.

This is largely attributable to a technology split between urban centres – chiefly the capital – and the more rural economy of the rest of the country.

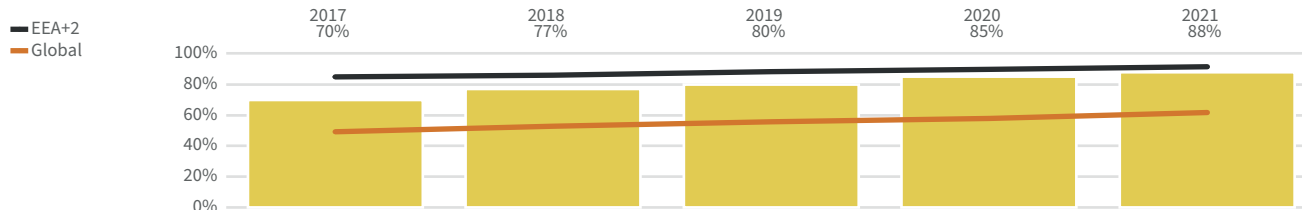
**Much of Romania’s internet access is in cities and towns, while most of the population is in the country.**

As a result of this, almost a tenth of the population claim to not have the necessary skills or means to shop online.

Culturally, too, Romanian consumers still see shopping primarily as a physical task, with **16% saying that there is no need to shop online**, while 39% like to see and feel products they buy as a force of habit.

This may yet change, however, with a growing number of the population falling into **the Millennial, Gen X and Gen**

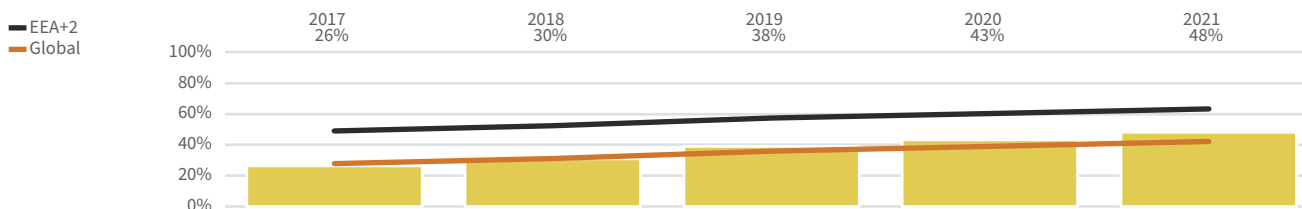
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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### Percentage of internet users who shop online

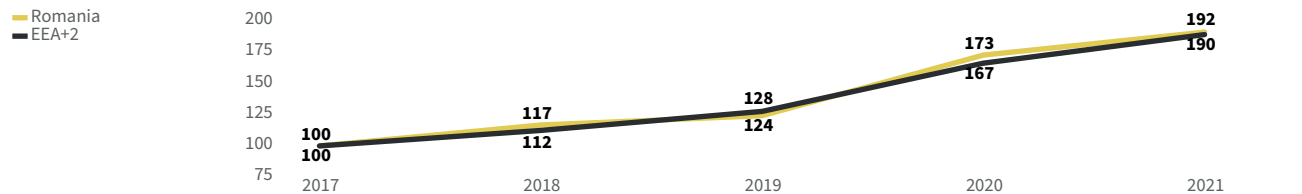


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Indexed total ecommerce spending

Online and mail order retail spending of consumers in Romania



Index, 2017 = 100. Data for EEA+2 include all current EEA members in addition to the UK and Switzerland  
Source: Eurostat

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**Z demographics – those aged 18 to 44 – who already make up nearly two-thirds of the online shopping public.** As these digital natives grow in numbers over the coming years, there will be a shift towards ecommerce which, in turn, will feed into increased uptake of technology across the populace.

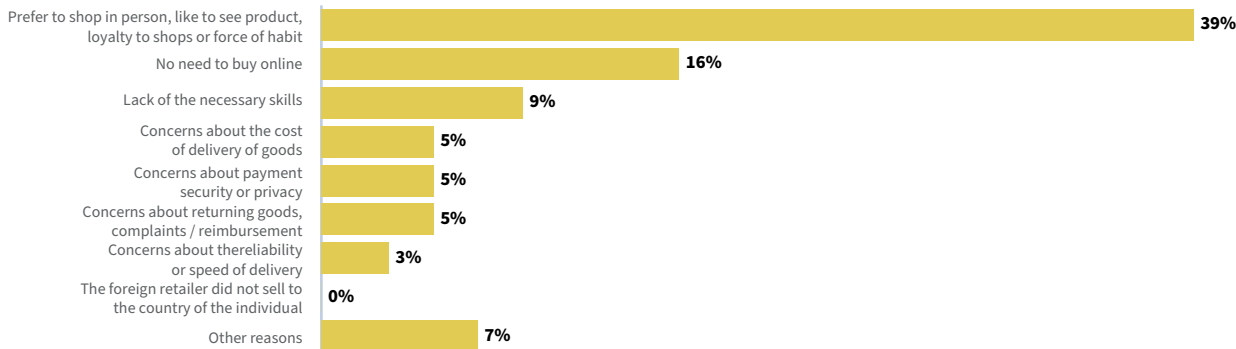
Turning to the sites these shoppers favour, **the bulk of ecommerce traffic goes to multi-sector stores**, chiefly to emag.ro, a Romanian-based multi-department hypermarket, which sells a broad range of goods and which started delivering groceries in late 2021 in Bucharest. The second largest store in Romania is Fashiondays, a fashion site.

**Looking ahead, it will be intriguing to see how conservative social attitudes shift as younger generations come to dominate the economy.** A recent move to outlaw discussion of homosexuality and gender identity in public spaces has been greeted with protests.<sup>[1]</sup>

Despite such legislation, populists have had less of an influence on Romanian politics in recent years than in other former Eastern Bloc countries. That said, the Alliance for the Union of Romanians (AUR), a right-wing nationalist party took 9% of the vote in legislative elections in 2020.

**In the winter of 2021, the country endured a political crisis**, sparked by a dispute surrounding an investment program. This led to the fall of prime minister Florin Cîțu,<sup>[2]</sup>

## Perceived barriers to buying online in Romania, 2021



Reason for not buying via a website or an app in the past 3 months  
Source: Eurostat

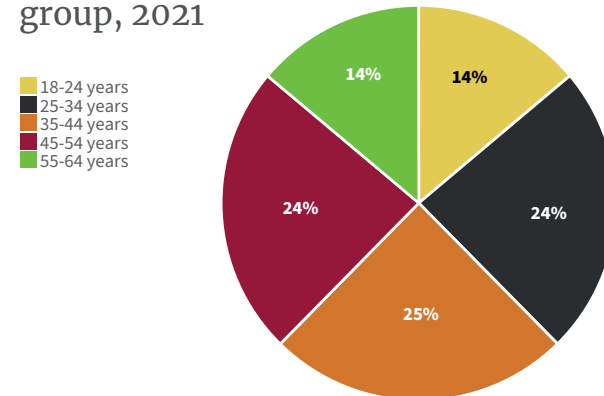
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leader of the National Liberal Party, who was succeeded as PM and party leader by Nicolae Ciucă. All this occurred as the country battled a Covid wave and rising energy prices.

Romania has two borders with Ukraine. **The country has taken in more than 80,000 Ukrainian refugees**<sup>[3]</sup> (although as many as 600,000 have travelled through the country). Nato has been flying patrols over its airspace as part of efforts to reassure Romanians concerned about Russian aggression.

[1] www.aljazeera.com/gallery/2022/7/12/photos-thousands-march-in-romania-as-law-censoring-lgbtq-looms  
[2] www.euractiv.com/section/elections/news/romania-faces-political-crisis-as-mps-collapse-government/  
[2] www.bbc.co.uk/news/world-60555472

## Ecommerce users in Romania, by age group, 2021



Source: Statista Digital Market Outlook

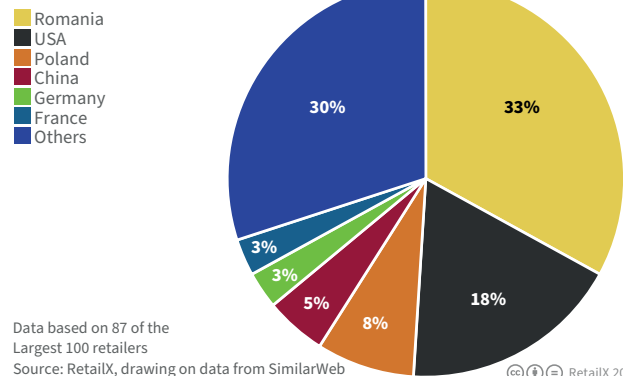
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# The Largest 100

A local market for local people, Romania has yet to be targeted by outside ecommerce players

**The Romanian ecommerce market has a strong domestic presence**, with a third of the Largest 100 retailers in the country locally based. Similarly, traffic to these sites comes predominantly from within Romania, with just fractions of percentages seen from a long tail of other countries, probably driven by Romanian diaspora.

## Where the Romania Largest 100 are based



## Web traffic in Romania, by sector

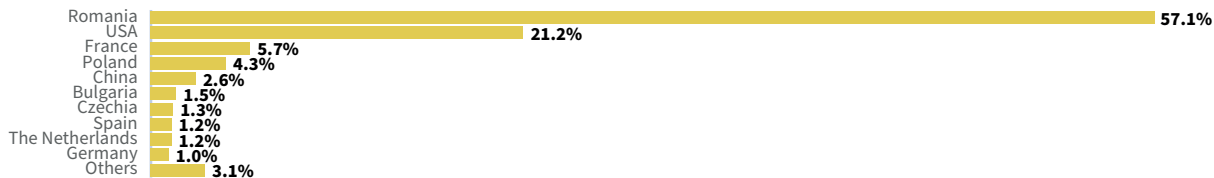
Web visits of local consumers to the Romania Largest 100 retailers



## Web traffic to the largest Romania-based retailers split, by consumer location



## Countries where the Romania Largest 100 retailers are based, along with the traffic they attract



# Serbia

This poor country with a youthful, mobile-first population may turn out to be an ecommerce dark horse

**Serbia is the poorest country in Europe**, with GDP per capita lying below €9,000 and with one out of every four people in the country living below the poverty line. It has a population skewed very much towards those aged between 25 and 54, with an average age of 41.5.

These two facts have an impact on internet uptake and ecommerce. **Nevertheless, internet usage sits at 84%, above the global average.** The proportion of online shopping is very low, relative to other parts of the continent, with just over half (52%) of consumers in Serbia

**Serbia**

**Area:** 88,360 km<sup>2</sup>


**Capital:** Belgrade

**Currency:** Serbian dinar (RSD)

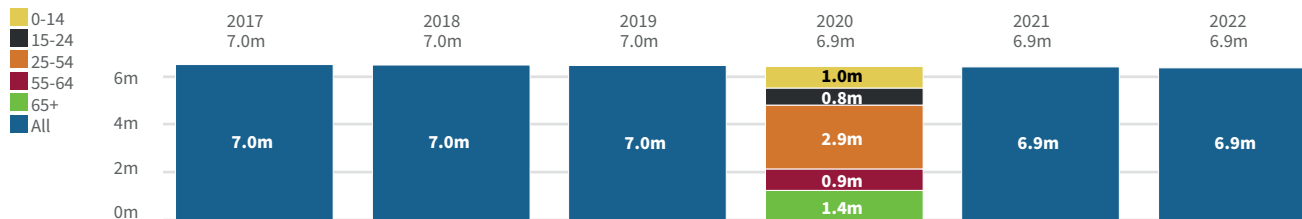
**Official language:** Serbian

**Government:**  
Parliamentary republic

**VAT:** 20% | **Reduced VAT:** 10%



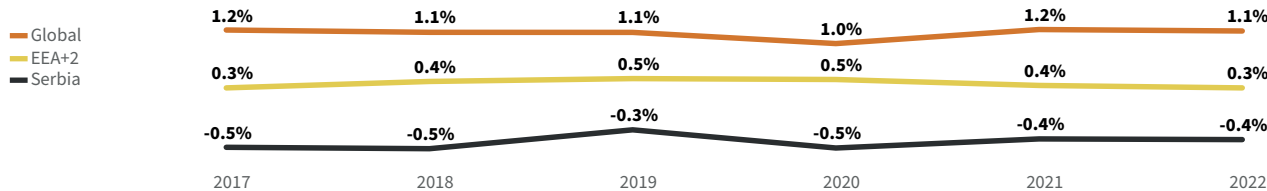
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook



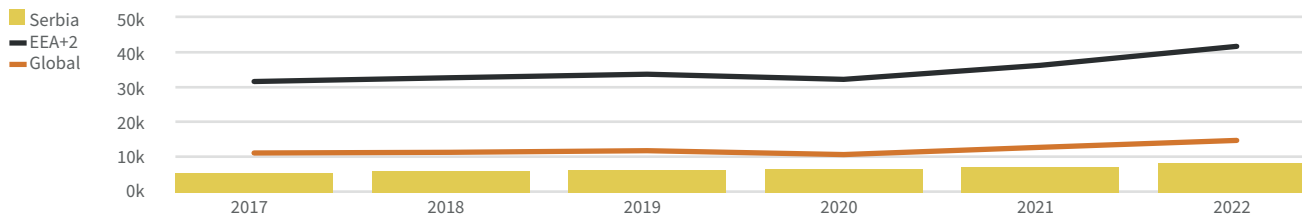
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



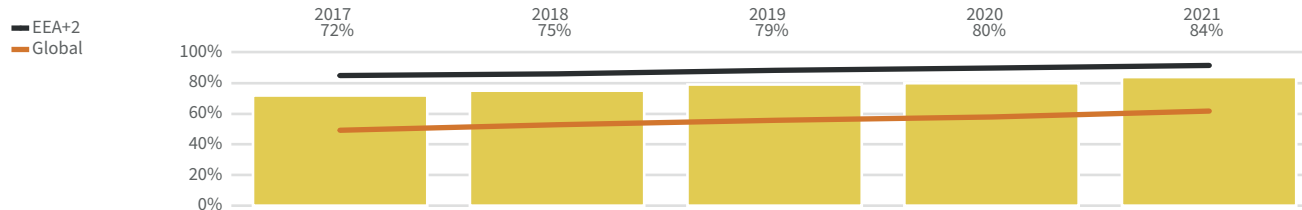
shopping online in 2021. However, the relative youth of the population means that **72% of all online shoppers fall into the 25 to 54 age range that makes up the bulk of the population.** This indicates the ecommerce market is likely to grow as it matures.

While the pandemic has driven some growth in Serbian ecommerce, it is more likely that these Millennial and Gen X consumers are likely to be the driving force behind expansion of both internet and ecommerce growth. This is born out by the **extremely high level of mobile phone use (98%) in the country,** most typically among these age groupings. This too is set to help drive slow but steady growth in ecommerce.

Of the sectors that Serbians buy online, **toys, hobbies and DIY account for 28% of spend.** Fashion hits 24%, furniture 18% and, interestingly, food and personal care are at 17%. Unlike most other markets, electronics come way down the list of online purchases, accounting for just 13% of ecommerce spend.

**The leading retailer in Serbia's nascent ecommerce market is gigatron.rs,** with revenues of \$44m in 2021. It is joined by tehnomanija.rs and zara.com as the second and third-largest stores, with \$40m and \$20m, respectively. Together, these three stores account for 20% of online revenue in Serbia.

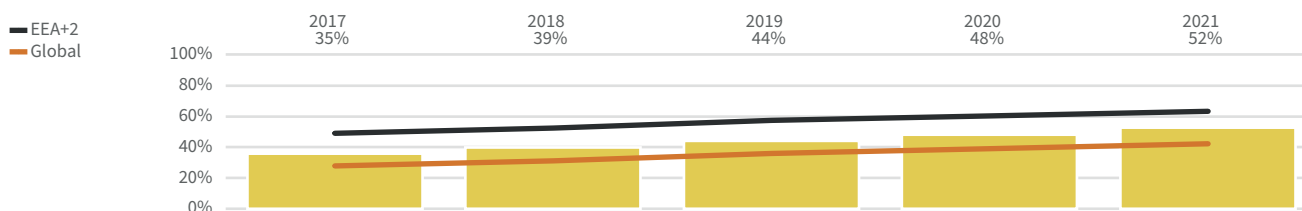
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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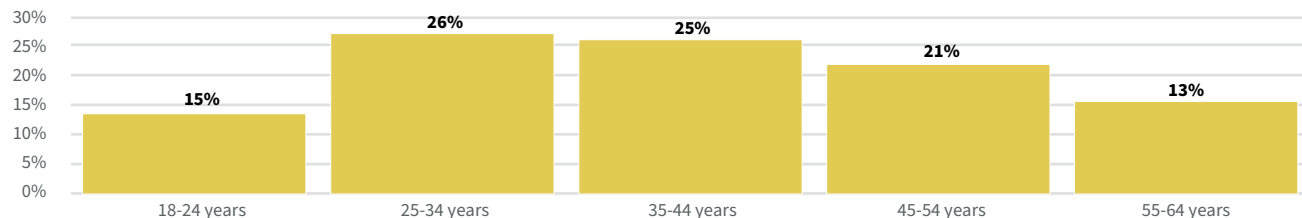
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Ecommerce users by age group in Serbia, 2021



Source: Statista Digital Market Outlook

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# Ukraine

Prior to being invaded, this was a country with great ecommerce potential. Now, its future is clouded in uncertainty

Until recently, the bread basket of Europe was famous for its endless fields of wheat and fine summers – an image of which shown on its golden yellow and bright blue flag. **This flag has now become synonymous with war**, following the invasion of the nation by Russia in February 2022.

Prior to fighting for its existence, Ukraine had been a relatively stable country of 41.5m people, albeit one with a low GDP per capita that sat well below the global average and far from that of the EEA as a whole.

**Ukraine**

**Area:** 603,550 km<sup>2</sup>

**Capital:** Kyiv

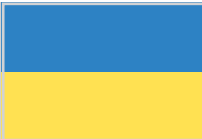
**Currency:** Ukrainian hryvnia (UAH)

**Official language:** Ukrainian

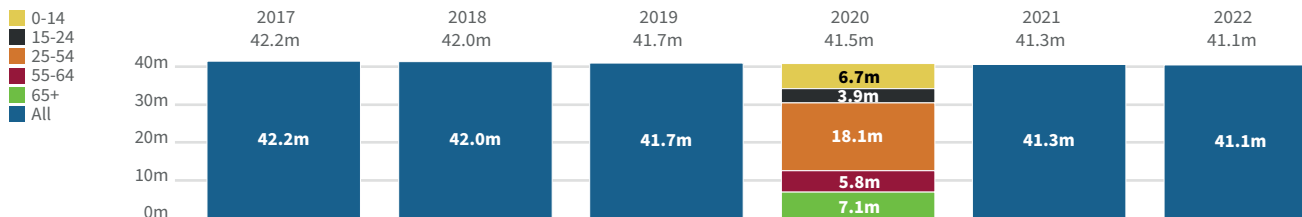
**Foreign languages spoken:** Russian

**Government:** Semi-presidential republic

**VAT:** 20% | **Reduced VAT:** 7%



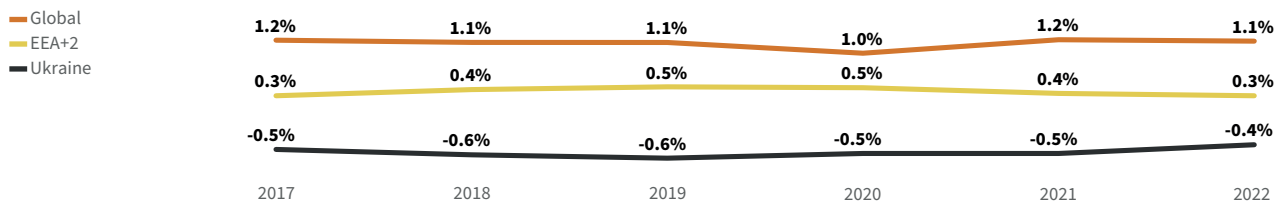
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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## Population growth

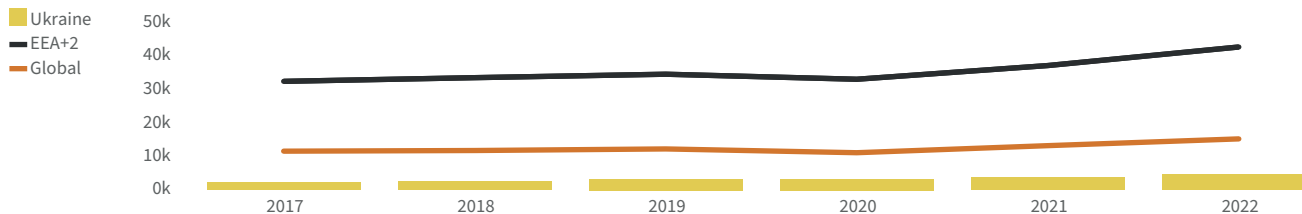


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

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## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland

Source: RetailX, drawing on data from IMF

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Internet uptake, at 75% of the population in 2021, was relatively low and, as a result, ecommerce was growing slowly after failing to gather much momentum. **Just 43% of the population shopped online in 2021.**

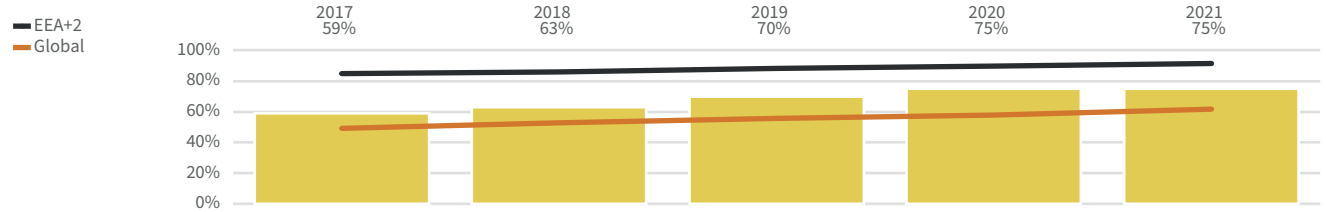
Of those shopping online in Ukraine in 2021, around a third (33%) were using ecommerce to buy electronic. Fashion accounted for 27% of sales and food an impressive 16%.

**Much of the ecommerce traffic from Ukraine (67.6%) heads to US companies**, with 11% and 8% heading to domestic Ukrainian businesses and those in China, respectively. **Pre-invasion, 10% of the Largest 100 retailers in Ukraine were based in Russia.**

Russia’s devastating invasion has had a large impact on domestic Ukrainian retail and ecommerce, as well as impacting the rest of the world. **In Ukraine, the need to monitor news of the situation has inspired greater use of the internet – especially on mobile** – among the whole population. Disruption to manufacture and supply chains are likely to see ecommerce in the country drop in 2022. **Many regional brands and suppliers have also been forced to suspend sales in the country.**

Where Ukraine’s ecommerce market will head in the coming years is impossible to predict, since so much depends on the duration and outcome of the war.

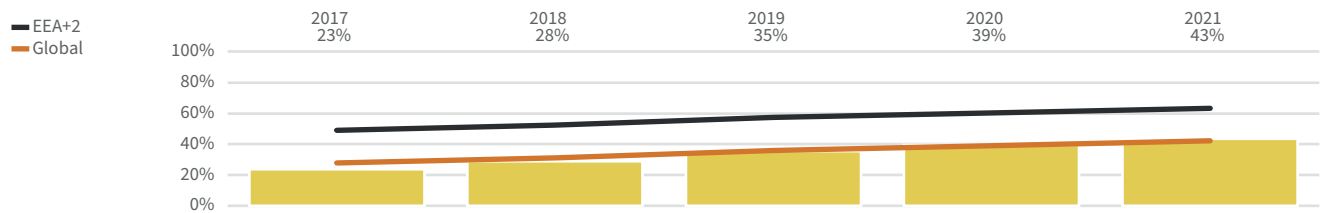
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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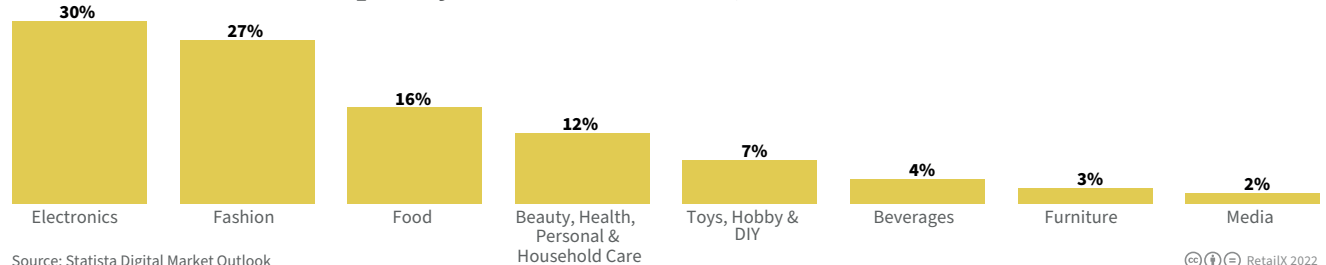
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Ecommerce revenue split by sector in Ukraine, 2021



Source: Statista Digital Market Outlook

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# Southern Europe

The return of tourism to Mediterranean resorts is bolstering the Southern European economies

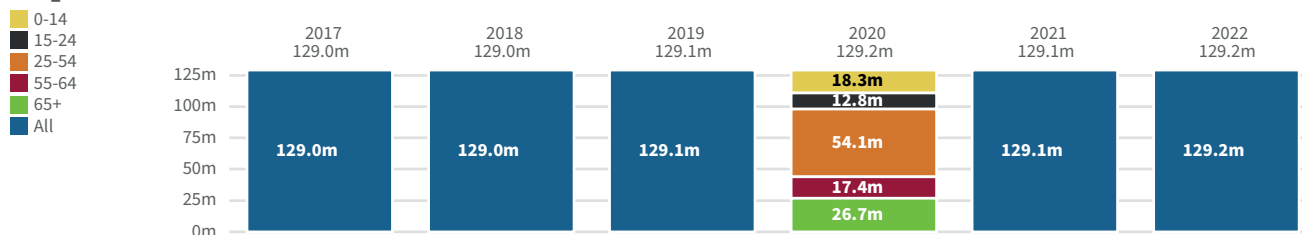
With a population of 129.2m in 2022, **the Mediterranean countries of the Southern Europe region together form the second-largest market in Europe** in terms of people. Yet GDP per capita within this region is just two-thirds of the EEA+2 average and has only grown beyond 2019 levels this year after two years of reduced GDP.

The pandemic decimated the region’s all-important tourism market in 2020, which only partly recovered in 2021. This year, the tourism market fully rebounded as **Western and Northern Europeans rushed to take advantage of the removal of travel restrictions.**

This reliance on tourism, coupled with a generally weak industrial sector and geographical distance from Russia and Ukraine, means that **the economy in Southern Europe is expected to outperform other European regions in 2022**, but the outlook still isn’t entirely rosy.

In Spain, for instance, while the central bank still expects the economy to grow by 4% in 2022, this is lower than

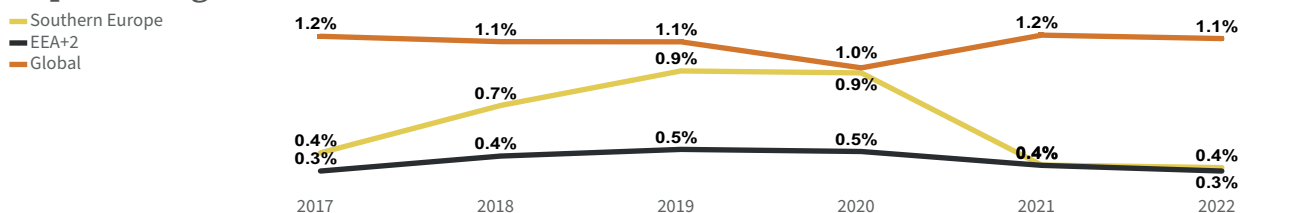
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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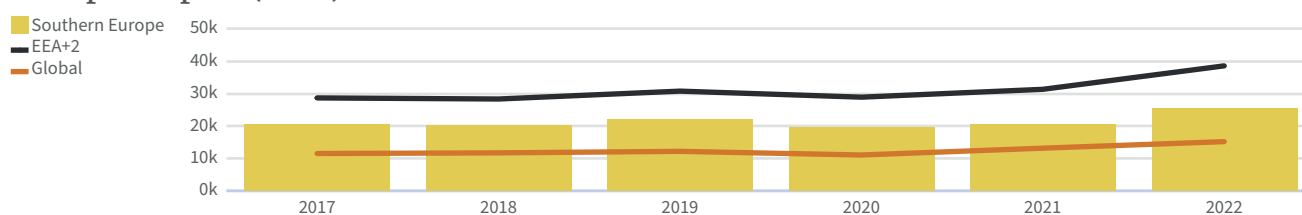
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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originally forecast. Inflation has hit 7.5%, international trade has slowed and consumer confidence has fallen.

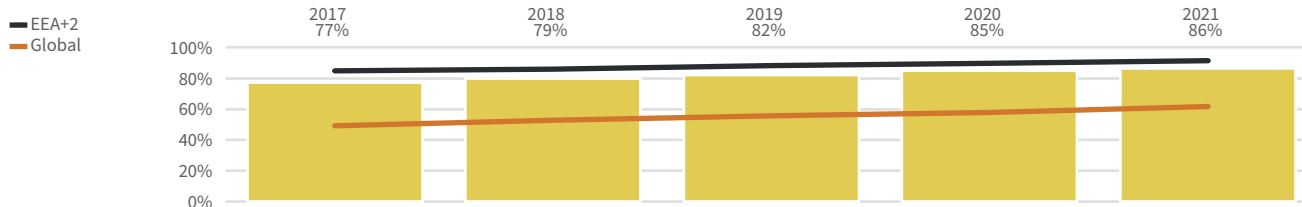
**Of all Southern Europe’s countries, Italy has been the most severely impacted by the war in Ukraine.**

The economy rebounded sharply in 2021, with growth of 6.6%, but the country’s high reliance on gas for home and industry means that Italy is now facing both rising inflation and a reduction in consumer confidence.

**Some 86% of the citizens of Cyprus, Greece, Italy, Malta, Portugal and Spain were online in 2021,** just below the European average and up from 82% pre-pandemic in 2019 and 77% in 2017. However, **only 56% of the region’s internet users shopped online in 2021** – up from 53% in 2020, 51% in pre-pandemic 2019, 46% in 2018, and 42% in 2017. Despite this relatively low ecommerce adoption rate, indexed total ecommerce spending is only slightly below the EEA+2 average of 190, at 182.

**Multi-sector merchants dominate the online shopping market,** with 83.6% of the region’s visits to Southern Europe’s Largest 100 retailers going to this category. Fashion accounts for just 1.5%, software for 5.3% and consumer electronics for 6.7%. Greece is home to the largest number of local leading retailers (20%), although **US retailers continue to dominate in terms of traffic,** with over seven out of every 10 visits to a Largest 100 retailer going to a US-headquartered merchant.

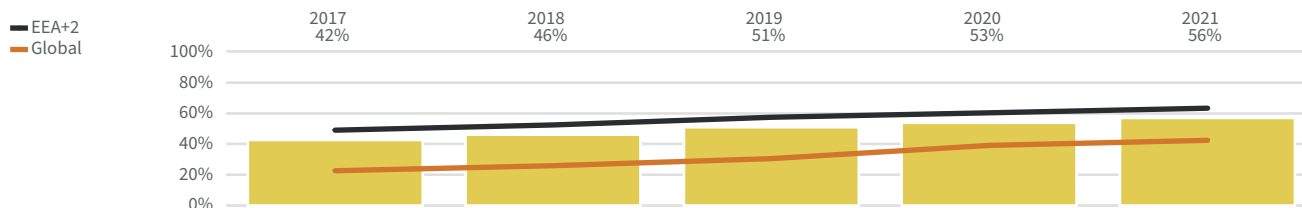
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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### Percentage of internet users who shop online

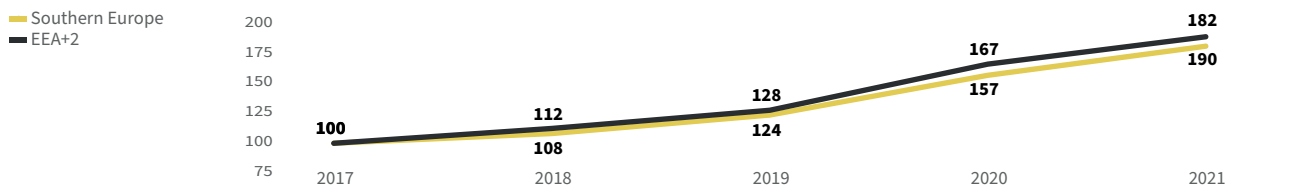


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Indexed total ecommerce spending

Online and mail-order retail spending of consumers



Index = 100 for 2017. Data for EEA+2 include all current EEA members in addition to the UK and Switzerland  
Source: Eurostat

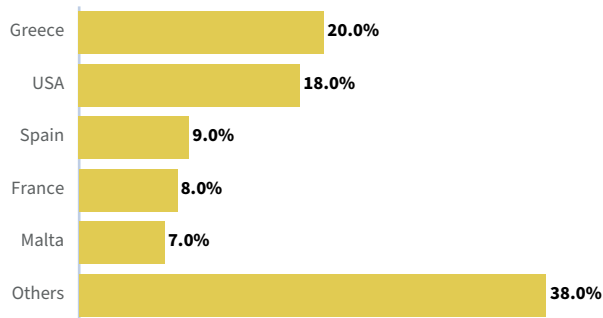
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# The Largest 100

Greek and Spanish consumers dominate visits to the region's online retailers

**Greek consumers represent the largest group of visitors to Southern Europe's Largest 100 local retailers**, accounting for 20.7% of traffic, followed by Spanish consumers, at 14.2%. Consumers located in America (9.2%) and Britain (5.4%) are the next largest group, suggesting a strong inclination by expats and diaspora to buy from merchants based 'back home'.

## Where the Southern Europe Largest 100 are based



Data based on 93 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

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## Web traffic by sector in Southern Europe

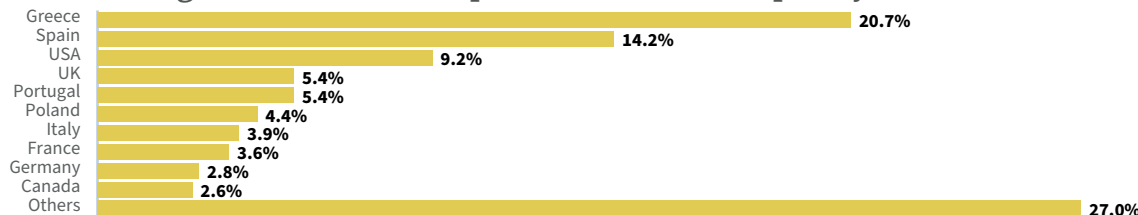
Web visits of local consumers to the Southern Europe Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 43 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

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## Web traffic to the largest Southern Europe-based retailers split by consumer location



Data from 93 retailers are used. These are all the Southern Europe-based retailers that belong to the Southern Europe Largest 100  
Source: RetailX, drawing on data from SimilarWeb

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## Countries where the Southern Europe Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

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# Cyprus

Ecommerce is now growing strongly on the island, as both shoppers and retailers finally embrace online shopping

The number of customers shopping online has exploded in Cyprus since the pandemic, due to businesses and shoppers being forced online. Between 2017 and 2019, ecommerce usage rose from 41% to 53% and carried on growing once the pandemic hit – up to 57% in 2020 and 61% in 2022.

Traditionally, although the number of those using the internet has been high, those shopping online have been a lot lower since Cypriots have taken longer to warm to the idea, while retailers also had it as less of a priority.

**Cyprus**

**Area:** 9,250 km<sup>2</sup>

**Capital:** Nicosia

**Currency:** euro (EUR)


**Official language:** Greek, Turkish

**Other languages spoken:**

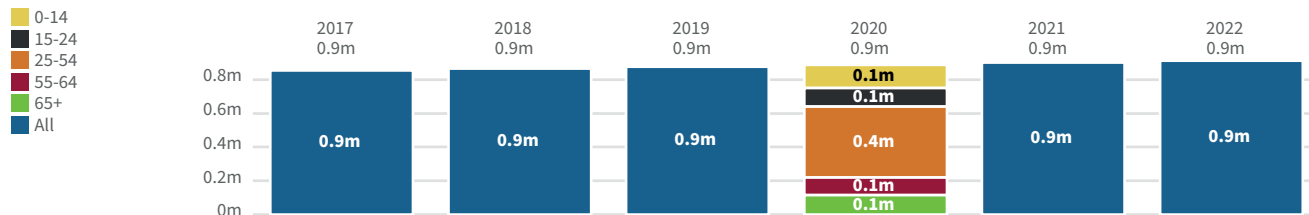
**Nationality:** Cypriot

**Government:** Presidential republic

**VAT:** 19% | **Reduced VAT:** 5%



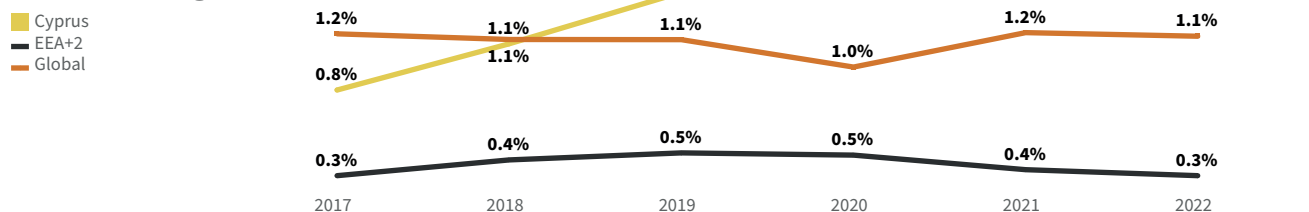
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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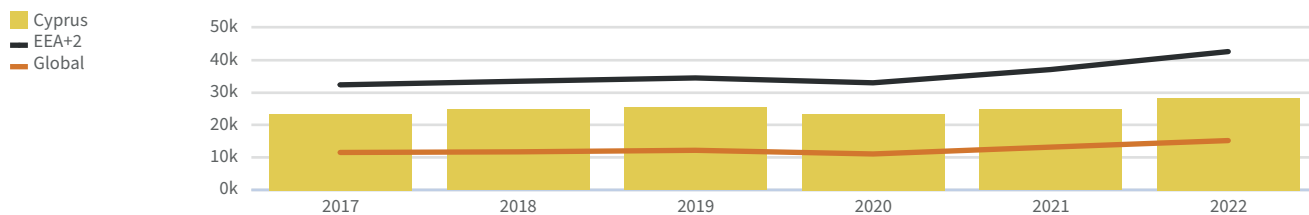
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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That's now changing. The growth of ecommerce trade is being supported by The Republic of Cyprus, which is working to expand digital skills and expand ecommerce use. **The Cyprus Telecommunication Authority (Cyta) is rolling out faster internet connectivity, reportedly years ahead of schedule.** By 2021, the number of companies with digital operations had increased by more than 200% in five years.

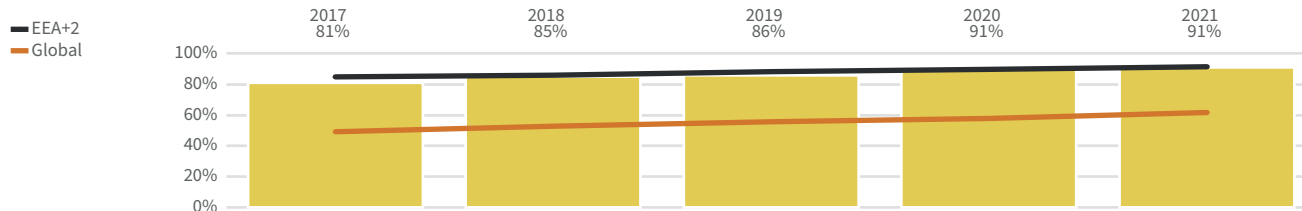
Meanwhile, the number of businesses for whom ecommerce accounted for more than a quarter of their turnover saw an even bigger rise. **Cyprus is also working hard to attract external investment** as well as supporting existing businesses to go digital.

The figures are encouraging for **an economy that was hard hit by the pandemic, due to aviation and tourism being responsible for more than 20% of the country's GDP.** However, in June, Cyprus reported that tourist levels were approaching pre-pandemic levels once more.

**Fashion and electronics dominate what Cypriot shoppers are buying online, with a 27% and 25% share respectively.** Other sectors, such as toys, hobby and DIY or furniture have a share of less than half that at 11%.

Population levels are now on the rise again after a period of relatively flat growth, which could push adoption further.

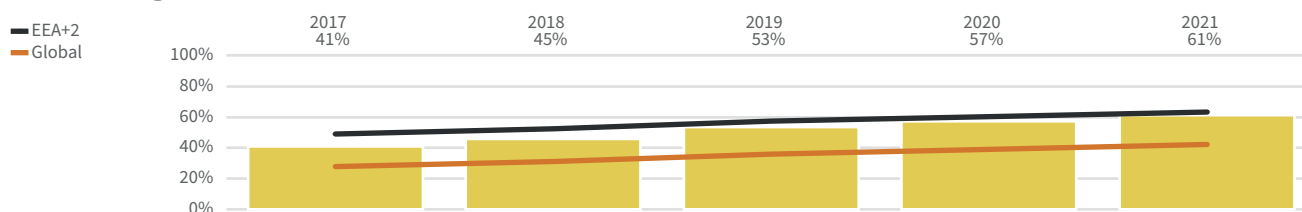
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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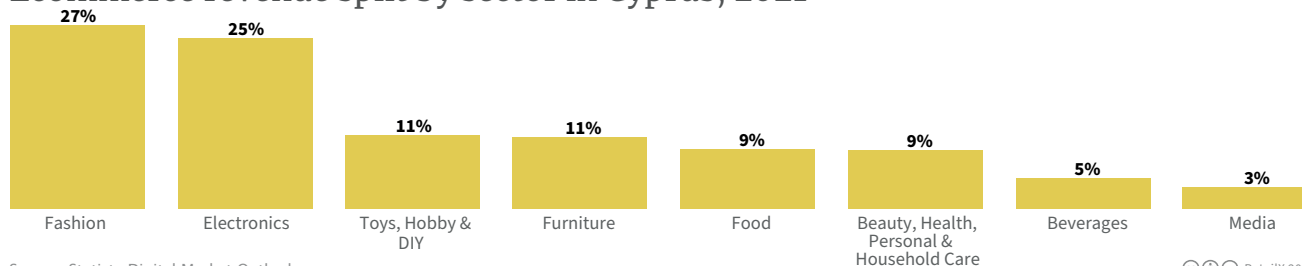
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Ecommerce revenue split by sector in Cyprus, 2021



Source: Statista Digital Market Outlook


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# Greece

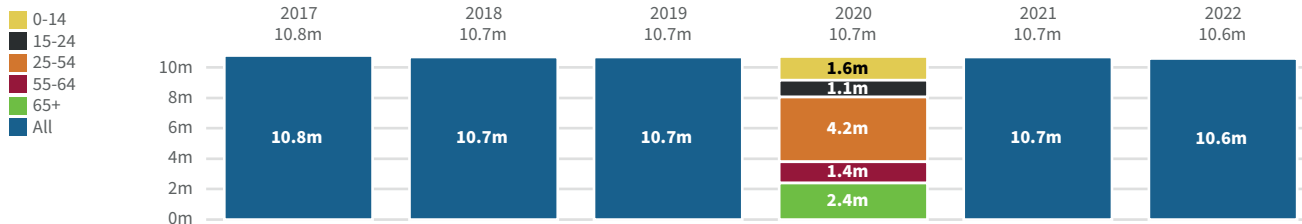
Although a largely domestic market, Greece is working hard to increase its ecommerce adoption

While many countries have seen a significant ramping up of ecommerce shopping behaviour since the pandemic, Greece's growth remains slow. It's gone up only 3pp since 2020 and 7pp since 2019, to 53% in 2022. This is partly because **the country's internet usage, at 79%, is lower than average for Europe.**

The Greek Ecommerce Association (GRECA)<sup>[1]</sup> represents the ecommerce market in the country, which it says comprises more than 15,000 businesses operating in Greece. It has 550 members.

<b>Country</b>	
<b>Area:</b> 131,960 km <sup>2</sup>	
<b>Capital:</b> Athens	
<b>Currency:</b> euro (EUR)	
<b>Official language:</b> Greek	
<b>Government:</b> Parliamentary republic	
<b>VAT:</b> 24%   <b>Reduced VAT:</b> 6%	

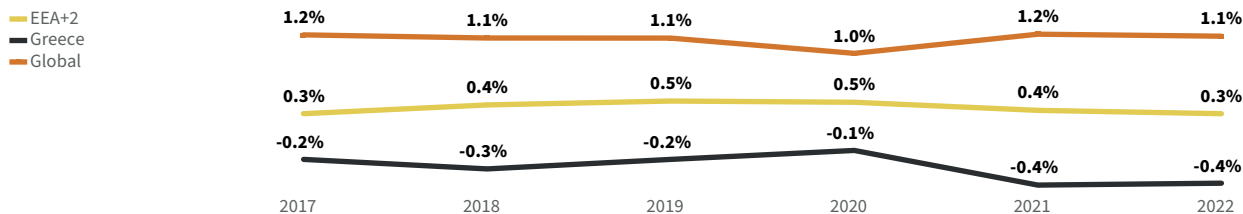
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

RetailX 2022

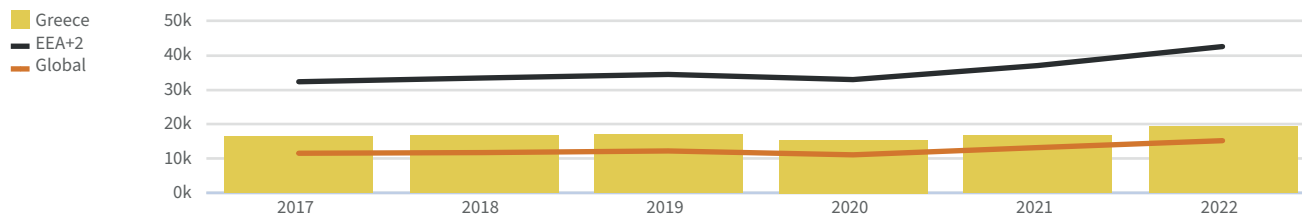
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

RetailX 2022

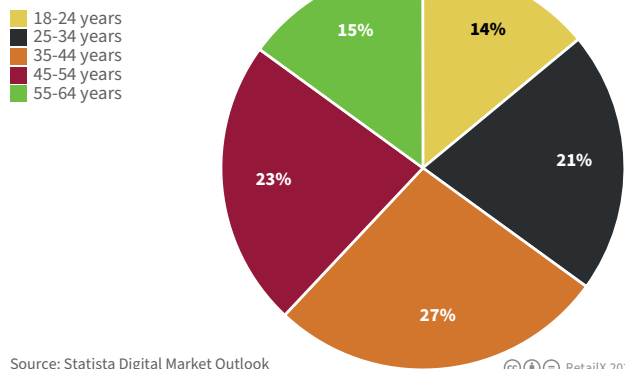


Since 2013, GRECA has been holding a Greek ecommerce week to celebrate the industry. Its most recent event, in April 2022, gave shoppers extra incentives to shop online by showing them the advantages of ecommerce, as well as dispelling any worries that may prevent them from doing so.

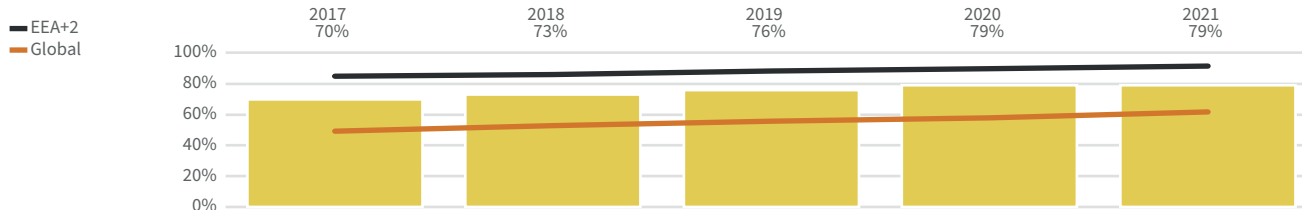
Elsewhere, the Ministry of Digital Governance<sup>[2]</sup> updated its digital strategy during the pandemic, while **several funding schemes have been introduced by the Hellenic Development Bank to help smaller SMEs go digital.**

Increasing internet adoption, with further digitisation, will see more shoppers adopt ecommerce. Until then, **Greek shoppers are more likely to research online than buy,**

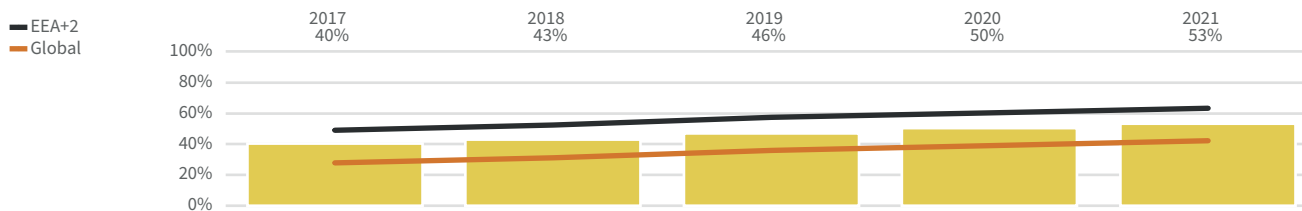
### Ecommerce users by age group in Greece, 2021 (in %)



### Percentage of internet users

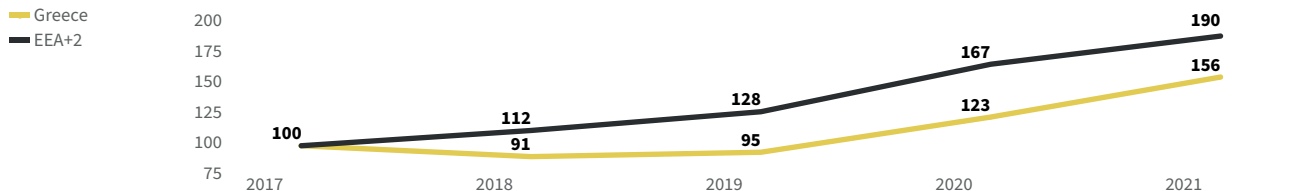


### Percentage of internet users who shop online



### Indexed total ecommerce spending

Online and mail-order retail spending of consumers in Greece



showing there's still a wider market to convert. Currently, **older customers make up the largest share of ecommerce shoppers**, with 27% aged between 35 and 44 years and 23% aged between 45 and 54.

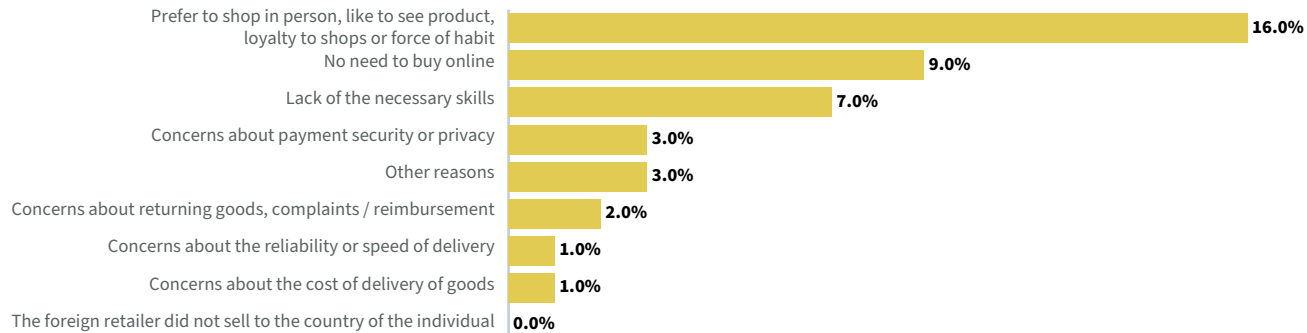
The country's GDP is around half the European average and **only 2% of Greece's ecommerce revenue comes from cross-border trade**. Only one in four (24%) of Greek businesses<sup>[3]</sup> are said to offer their goods for international shipping. The insular nature of the market is further represented by the fact that **97.6% of shoppers that visit the Greece-based Largest 100 are from Greece itself**, with shoppers often put off by shipping and customs fees.

Marketplaces are popular in the country, including the likes of Skrutz and Kotsovolos.gr.

Politically, the country has often been turbulent in recent years, in great part because its economy was so badly affected by the 2008 global financial crisis. **While the country is more stable than it was, the pandemic affected its tourism industry badly**. More recently, there are new signs of tension between Greece and near-neighbour Turkey. In May, the Turkish president, Recep Tayyip Erdoğan, said he would cut ties with the Greek prime minister, Kyriakos Mitsotakis, accusing him of being "dishonourable"<sup>[4]</sup>.

[1] www.greekecommerce.gr/  
 [2] www.trade.gov/country-commercial-guides/greece-ecommerce  
 [3] www.trade.gov/country-commercial-guides/greece-ecommerce  
 [4] www.theguardian.com/world/2022/may/24/erdogan-says-he-will-cut-all-ties-with-greece-dashing-hopes-of-talks

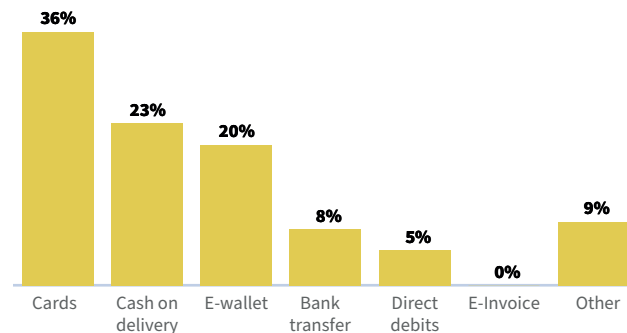
### Perceived barriers to buying online in Greece, 2021 (%)



Reason for not buying via a website or an app in the past three months  
 Source: Eurostat

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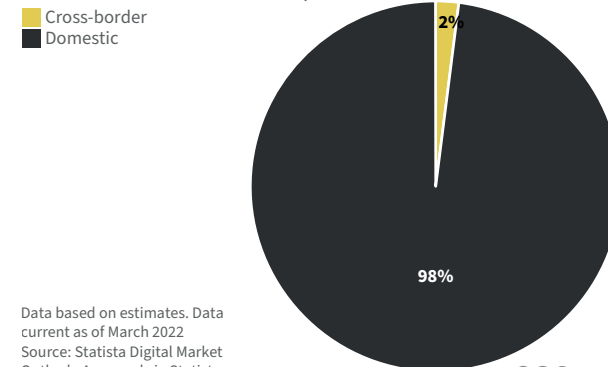
### Payment methods in Greece, 2021 (%)



Source: Statista Digital Market Outlook

© RetailX 2022

### Share of cross-border retail ecommerce revenue in Greece, 2022



Data based on estimates. Data current as of March 2022  
 Source: Statista Digital Market Outlook. Accessed via Statista

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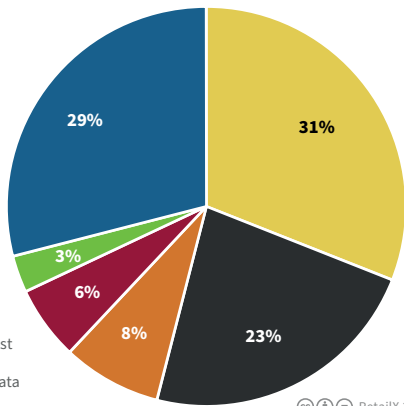
# The Largest 100

While Greece largely supports its own ecommerce, US vendors are also popular

Just under a third of Greece's Largest 100 retailers are based in the country. That's followed by shoppers from 'others' (29%) and USA, at 23%. **Almost two-thirds (61%) of web visits to Greece's Largest 100 retailers from Greek consumers are to multi-sector retailers.** Just over a third (39.3%) of Greek web traffic to the Greece Largest 100 retailers is to retailers with headquarters in Greece and 36.1% for the USA.

## Where the Greece Largest 100 are based

- Greece
- USA
- China
- Spain
- UK
- Others



Data based on 83 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

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## Web traffic by sector in Greece

Web visits of local consumers to the Greece Largest 100 retailers (%)



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 77 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic to the largest Greece-based retailers split by consumer location (%)



Data from 83 retailers are used. These are all the Greece-based retailers that belong to the Greece Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Greece Largest 100 retailers are based, along with the traffic they attract (%)



Source: RetailX, drawing on data from SimilarWeb


© RetailX 2022

# Italy

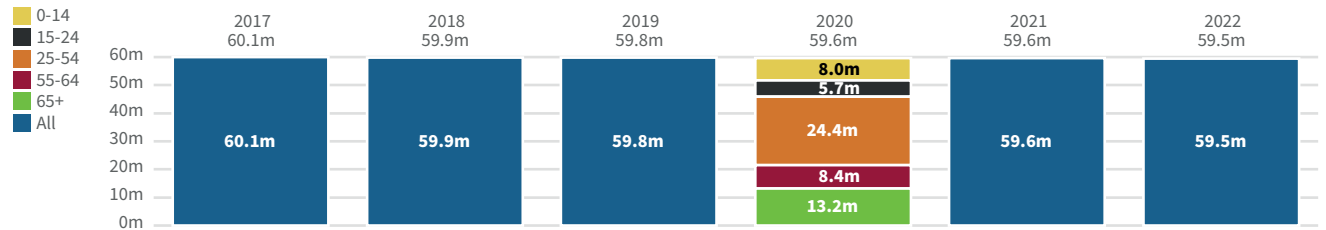
The economy of G7 member Italy is recovering well after Covid-19 but the Ukraine war may slow growth

**Italy was a founding member of the European Union (EU) and is a member of both the G7 group of leading economies and of NATO.** It borders France, Switzerland, Austria and Slovenia. Key industries include tourism, agriculture and the manufacturing of goods including precision machinery, cars, chemicals, pharmaceuticals, electricals, textiles and fashion.

It's a highly educated nation. **English is the most popular second language taught in schools<sup>[1]</sup>, with 99.6% of students learning it**, followed by French (16.2%).

<b>Italy</b>	
<b>Area:</b> 302,070 km <sup>2</sup>	
<b>Capital:</b> Rome	
<b>Currency:</b> euro (EUR)	
<b>Official language:</b> Italian	
<b>Foreign languages spoken:</b> English, French	
<b>Government:</b> Parliamentary republic	
<b>VAT:</b> 22%   <b>Reduced VAT:</b> 4%	

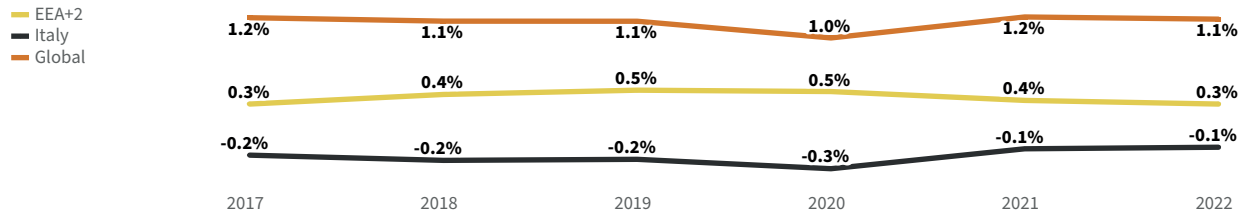
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

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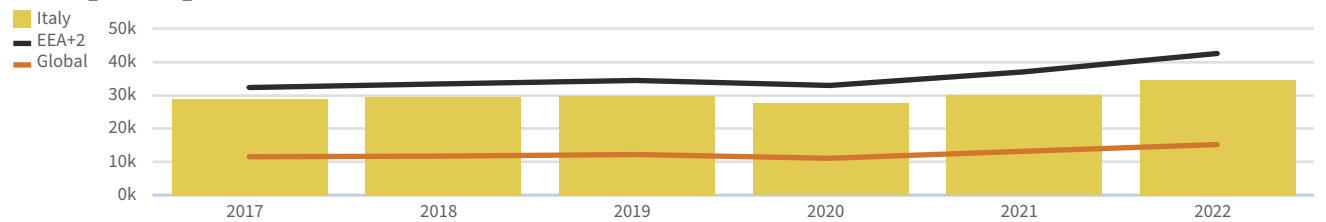
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

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## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

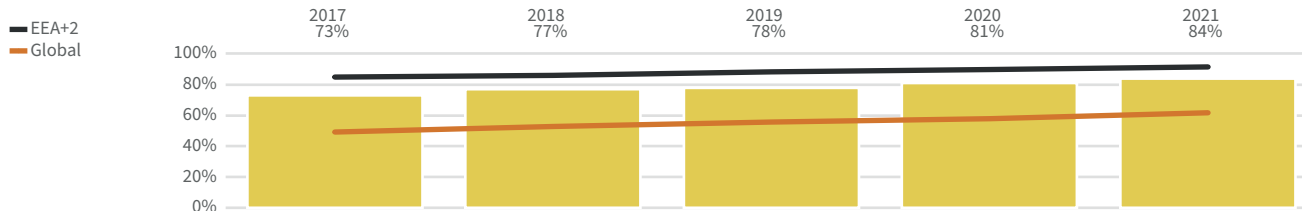
© RetailX 2022

Italy abolished its monarchy via a referendum in 1946 and became a democracy in 1948. In the 74 years since then, Italy has had 64 governments<sup>[2]</sup>. **Italy currently has a government of national unity, set up in February 2021 during the Covid-19 pandemic** and led by prime minister Mario Draghi, an academic economist as well as a former governor of the Bank of Italy and president of the European Central Bank. However, Draghi resigned as this report went to press, sending shock waves through the financial markets, while a snap election had been announced for 25 September in a bid to restore stability.

**Italy was the first country in Europe to be hit by the coronavirus pandemic.** Its economy suffered a sharp downturn in 2020 before recovering in 2021 as disposable income grew and confidence improved, according to Banca d'Italia figures<sup>[3]</sup>. This year, the bank has warned that **war in Ukraine increases the risks to financial stability** through a slowdown in economic activity and rising interest rates. Italy is now looking to reduce its dependence on gas imported from Russia<sup>[4]</sup>.

Consumer spending dropped by 10.6% in 2020<sup>[5]</sup>, grew in 2021 (+5.2%) but dipped again in the final quarter of the year (-0.1%), while GDP also dipped in the first quarter of 2022 (-0.2%), having risen in 2021 (+6.6%) following a sharp fall in 2020 (-9%). **The outgoing government had targeted 2.4% growth for 2023, down from a predicted 2.8%.** The average wage in Italy fell to €27,997 in 2020,

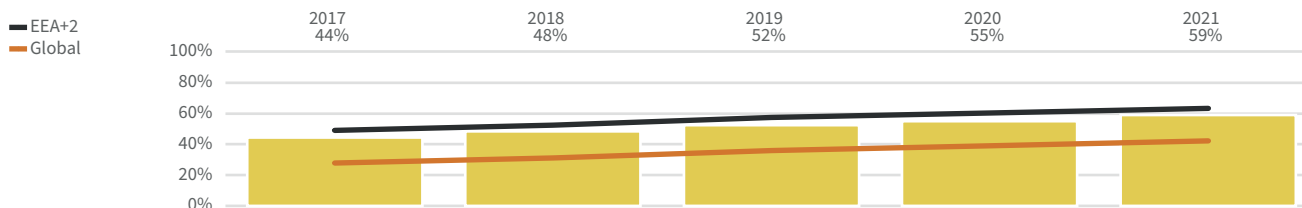
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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### Percentage of internet users who shop online

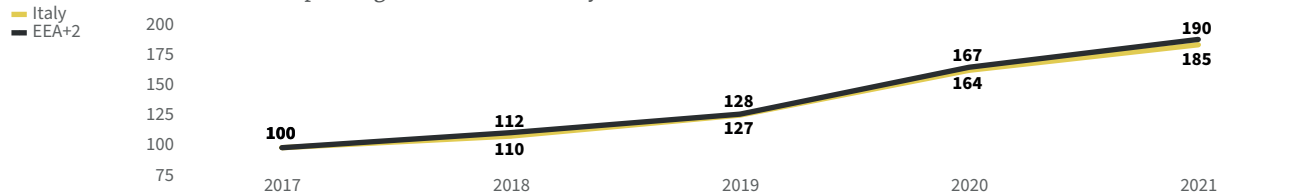


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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### Indexed total ecommerce spending

Online and mail-order retail spending of consumers in Italy



Index, 2017 = 100. Data for EEA+2 include all current EEA members in addition to the UK and Switzerland  
Source: Eurostat

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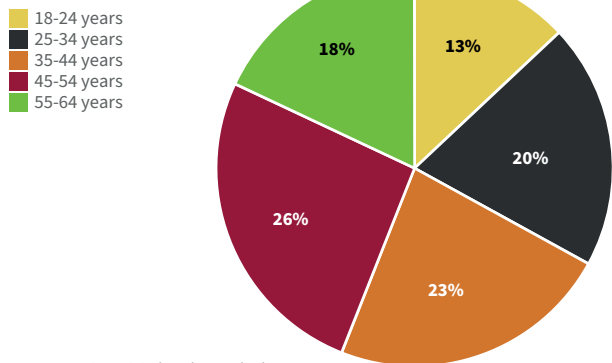
from €29,828 in 2019<sup>[6]</sup>, with wages higher in the north and lower in the south<sup>[7]</sup>. There is no minimum wage, although collective bargaining sets wages in many industries.

Italy's population is 59.5m, following a long-term decline. A growing proportion is aged 65 and over (23%, 2020) while a diminishing share is aged 14 and younger (13%, 2020).

**In 2021, births dropped below 400,000 for the first time ever<sup>[8]</sup>** in a year that Italy had the eighth-highest number of Covid-19 deaths in the world<sup>[9]</sup>.

One unusual feature of the Italian market is the number of older shoppers. World Bank figures show that over the last decade, the proportion of over 65s in the country has

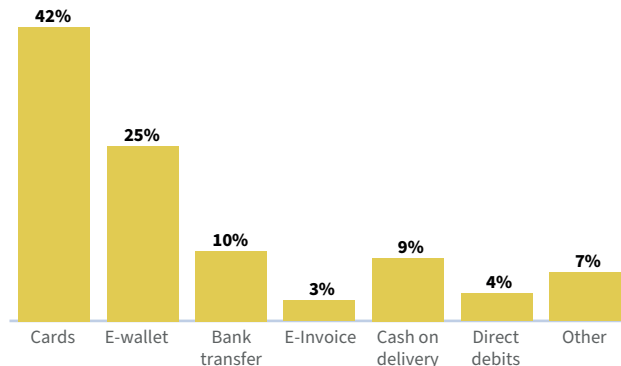
### Ecommerce users by age group in Italy, 2021



Source: Statista Digital Market Outlook



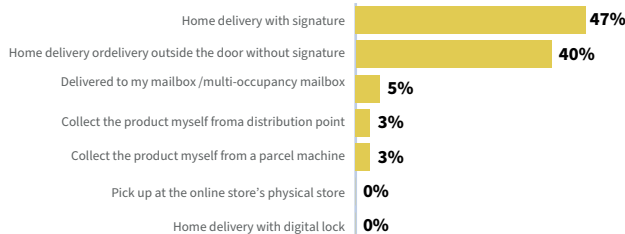
### Payment methods in Italy in 2021



Source: Statista Market Outlook



### When you order a product online, how do you prefer to have it delivered? (France, 2021)



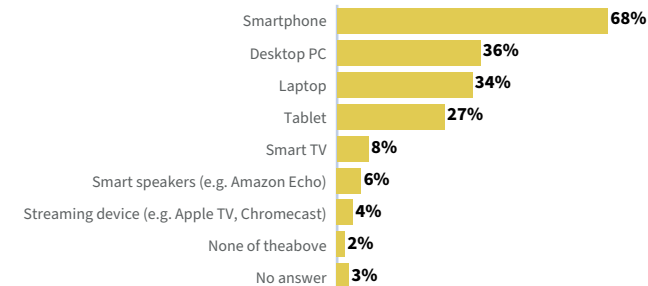
Online survey conducted in 2020 and 2021. Results include 1,000 interviews with ecommerce consumers in France. The interviews were conducted with representative nationwide samples of individuals aged 15-79 years

Source: PostNord



### Devices used to shop online in Italy, 2022

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

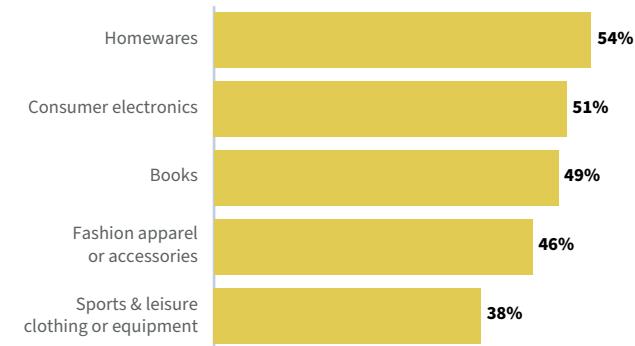


Survey conducted in between April 2021 and March 2022 of 2,035 18-64 years old Italy residents. Multiple answers were possible

Source: Statista Global Consumer Survey (GCS)



### What do you shop for online? (Italy, 2021)



Note: Survey conducted in November 2021, includes 717 Italian e-shoppers

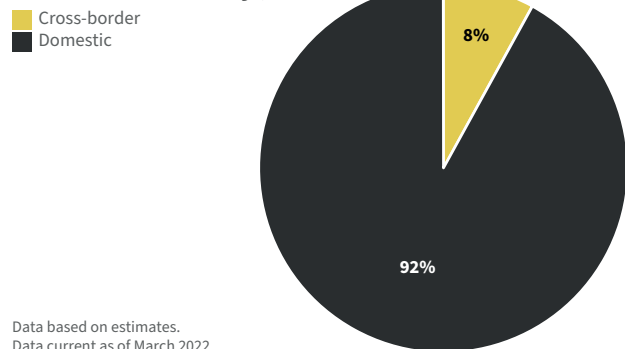
Source: RetailX



steadily increased, from 20% in 2010 to 23% in 2020. By contrast, 19.1% of Europeans were 65 or older in 2021, according to Indexamundi figures. At the same time, the proportion of younger people has declined, from 14% aged 14 and under in 2010 to 13% in 2020 (Europe: 15.5%). **Since this demographic is both ageing and shrinking, it makes sense for retailers to target older shoppers online.** Ecommerce seems more popular with older Italians than with their British peers, as measured by Amazon purchases.

[1] [www.statista.com/statistics/1080527/high-school-students-learning-foreign-languages-in-italy/](http://www.statista.com/statistics/1080527/high-school-students-learning-foreign-languages-in-italy/)  
 [2] [www.governo.it/it/i-governi-dal-1943-ad-oggi/xviii-legislatura-dal-23-marzo-2018/governo-draghi/16211](http://www.governo.it/it/i-governi-dal-1943-ad-oggi/xviii-legislatura-dal-23-marzo-2018/governo-draghi/16211)  
 [3] [www.bancaditalia.it/media/notizia/financial-stability-report-no-1-2022/](http://www.bancaditalia.it/media/notizia/financial-stability-report-no-1-2022/)  
 [4] [www.reuters.com/world/europe/italy-become-almost-independent-russian-gas-h2-2023-paper-2022-04-21/](http://www.reuters.com/world/europe/italy-become-almost-independent-russian-gas-h2-2023-paper-2022-04-21/)  
 [5] [www.bancaditalia.it/publicazioni/economia-italiana-in-breve/2022/eib\\_Maggio\\_2022\\_it.pdf](http://www.bancaditalia.it/publicazioni/economia-italiana-in-breve/2022/eib_Maggio_2022_it.pdf)  
 [6] [www.statista.com/statistics/416213/average-annual-wages-italy-y-on-y-in-euros](http://www.statista.com/statistics/416213/average-annual-wages-italy-y-on-y-in-euros)  
 [7] [www.statista.com/statistics/708972/average-annual-nominal-wages-of-employees-italy-by-region/](http://www.statista.com/statistics/708972/average-annual-nominal-wages-of-employees-italy-by-region/)  
 [8] [www.reuters.com/world/europe/italy-slashes-growth-outlook-ukraine-weighs-confirms-deficit-goal-draft-2022-04-06/](http://www.reuters.com/world/europe/italy-slashes-growth-outlook-ukraine-weighs-confirms-deficit-goal-draft-2022-04-06/)  
 [9] [www.reuters.com/world/europe/births-italy-hit-record-low-2021-population-shrinks-2022-03-14/](http://www.reuters.com/world/europe/births-italy-hit-record-low-2021-population-shrinks-2022-03-14/)

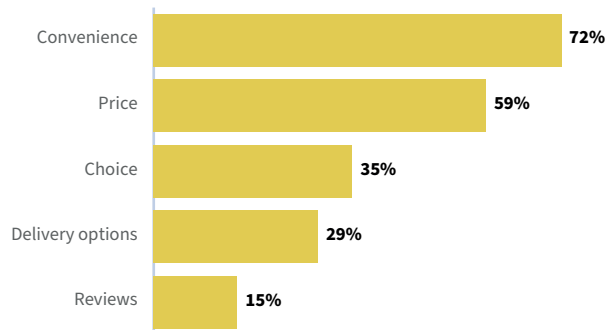
### Share of cross-border retail ecommerce revenue in Italy, 2022



Data based on estimates.  
 Data current as of March 2022  
 Source: Statista Digital Market Outlook. Accessed via Statista



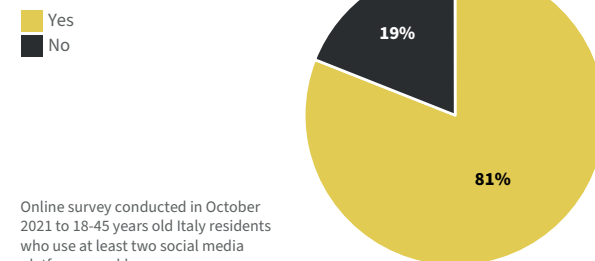
### Why do you shop online? (Italy, 2021)



Survey conducted in November 2021, includes 717 Italy e-shoppers  
 Source: RetailX



### Have you ever purchased a product or service after seeing it advertised or reviewed on social media platforms? (Italy, 2021)

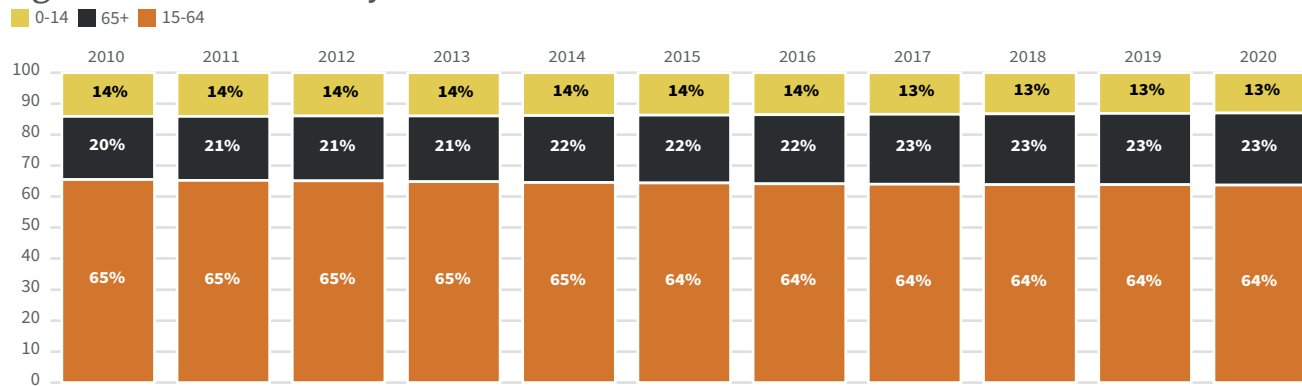


Online survey conducted in October 2021 to 18-45 years old Italy residents who use at least two social media platforms weekly

Source: TikTok for Business, WARC, Publicis Accessed via Statista



### Age distribution in Italy 2010-2020



Source: World Bank

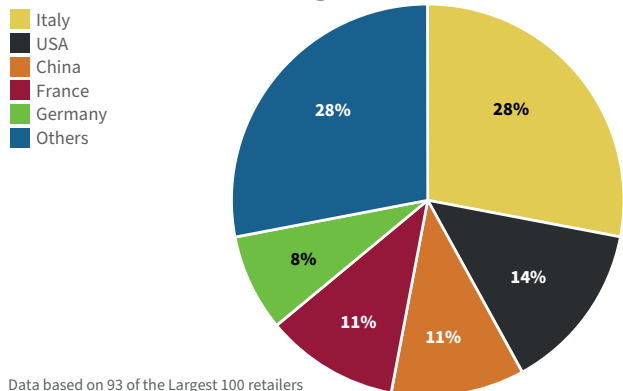


# The Largest 100

## Italian consumers favour multi-sector retailers when shopping online

While Italian consumers clearly favour Italian brands, with 28% of the Largest 100 based in Italy, they also prefer to shop with multi-sector retailers. It's therefore not surprising that **American and Chinese retailers attract a large percentage of traffic from Italian e-shoppers.** This fits with a pattern of traffic going to both marketplaces and large retailers, most notably Amazon.

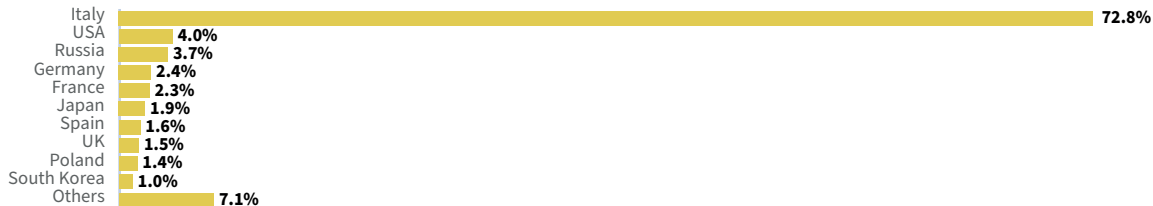
## Where the Italy Largest 100 are based



Data based on 93 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic to the largest Italy-based retailers split by consumer location



Data from 93 retailers are used. These are all the Italy-based retailers that belong to the Italy Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

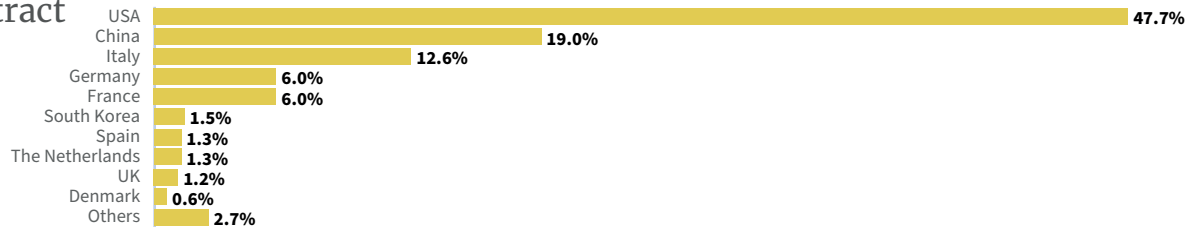
## Web traffic by sector in Italy



Note: For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 90 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Italy Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

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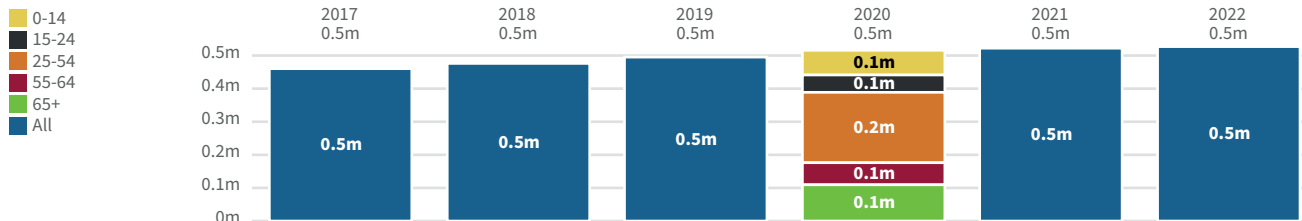


# Malta

Malta's ecommerce adoption remains limited with low appetite amongst consumers and retailers

Malta's extremely small size – it's an island covering just 320km<sup>2</sup> – results in no economies of scale, meaning that its consumers face higher prices than elsewhere in Europe. As with many other markets, **the assumption was that Malta would slowly move towards ecommerce over many years**, but then the Covid-19 pandemic hit. Almost overnight, the island's retailers who'd assumed they had plenty of time to make plans had to put together online retail propositions that worked almost overnight.

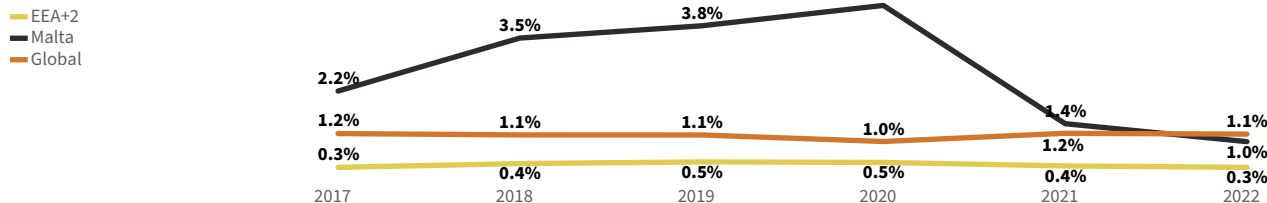
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook



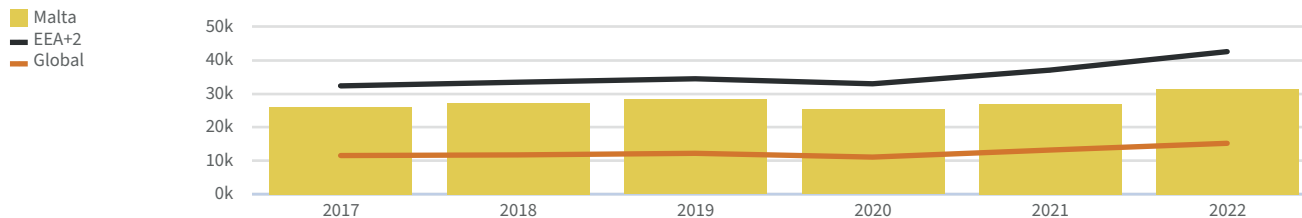
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF



**Malta**

**Area:** 320 km<sup>2</sup>

**Capital:** Valletta

**Currency:** euro (EUR)

**Official language:** Maltese

**Government:** Parliamentary republic

**VAT:** 18% | **Reduced VAT:** 5%

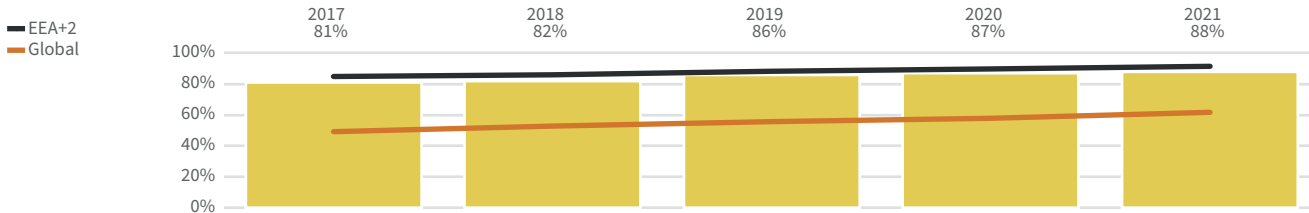
They've faced a steep learning curve ever since, with **one of the only consolations being that Malta already had a strong logistics structure in place** relative to the size of its market. It is 69/160 for the Logistics Performance Index and 69/170 for the Integrated Index for Postal Development.

One Maltese business is eCabs<sup>[1]</sup>, which is aiming to become the island's leading last-mile player. **Last year, eCabs announced increased investment in its FastDrop platform, offering delivery services for even the smallest ecommerce retailers on the island.**

Growth is still limited, however. According to a survey by the Malta Communications Authority<sup>[2]</sup> last year, **23% of businesses are offering products or services through their corporate ecommerce website** and/or local or foreign marketplaces. Although low compared to other markets, the figure is double that of an earlier study and, when factoring in other channels, the figure rises to 38%. However, the study suggested 39% of businesses have no intention of investing in ecommerce.

As a result, ecommerce levels remain low, despite 88% of the population using the internet. **In 2021, only 52% of the population were shopping online** – although that figure had increased from 36% in 2017. Fashion dominates the buying habits of Maltese ecommerce customers, with 31% of purchases – a level twice that of furniture, at 15%. Electronics has a 26% share of spend. Electronics has a 26% share of spend.

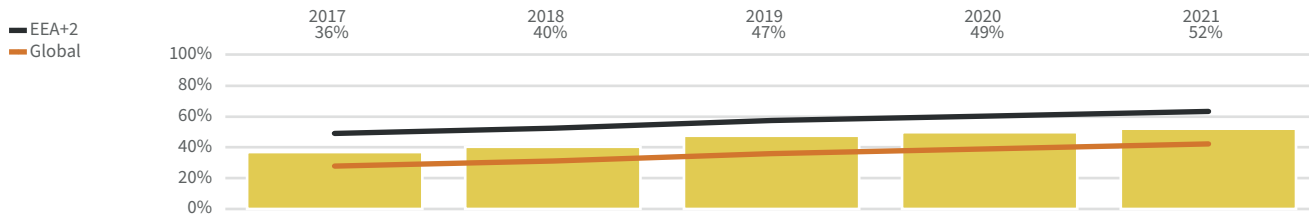
### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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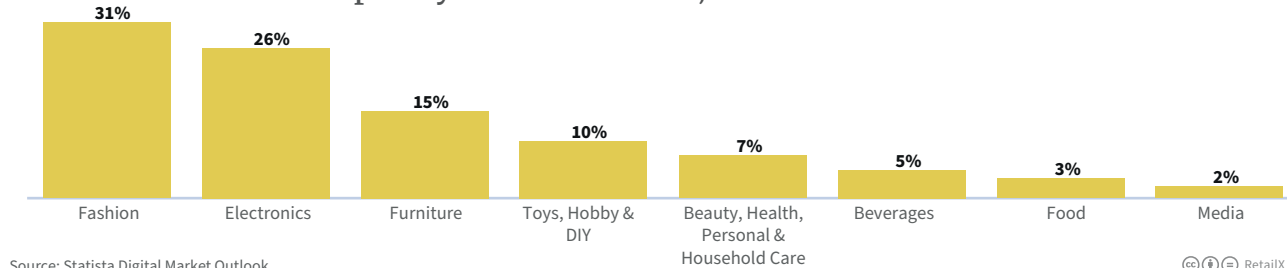
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

© RetailX 2022

### Ecommerce revenue split by sector in Malta, 2021



Source: Statista Digital Market Outlook

© RetailX 2022

# Portugal

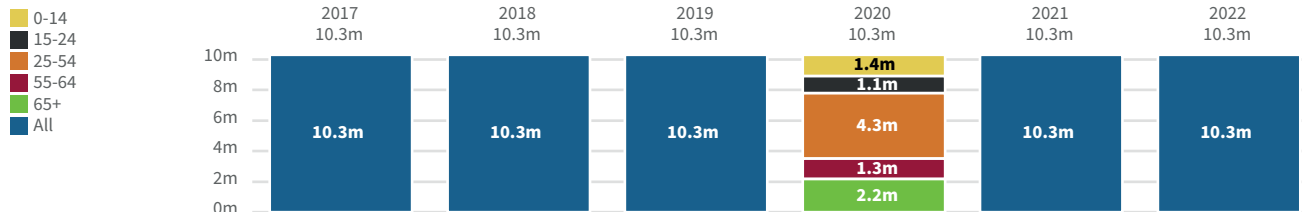
## Traditional behaviour and retailer reluctance have hindered ecommerce

Portugal has seen ecommerce grow as more users adopt it, up from 41% in 2017 to more than half (52%) in 2021. But **that still leaves plenty of scope to encourage more shoppers to spend online.**

The age range of ecommerce shoppers in the country is evenly split. 22% of Portuguese ecommerce shoppers are aged between 25 and 34 years, 26% are between 35 and 44, while 23% are aged 45 to 54.

**The country is one of the smallest European ecommerce markets** in terms of size, with an ecommerce revenue of €8.51bn in 2021. Part of this is due to a reluctance by the retailers themselves to engage with

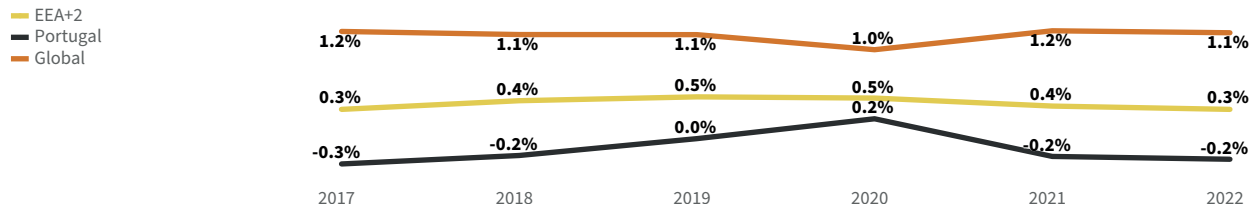
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

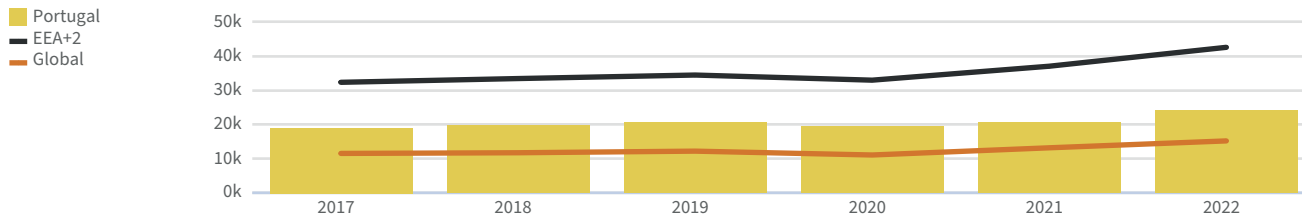
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

**Country**

**Area:** 92,226 km<sup>2</sup>

**Capital:** Lisbon

**Currency:** euro (EUR)

**Official language:** Portuguese

**Government:** Semi-presidential republic

**VAT:** 23% | **Reduced VAT:** 6%

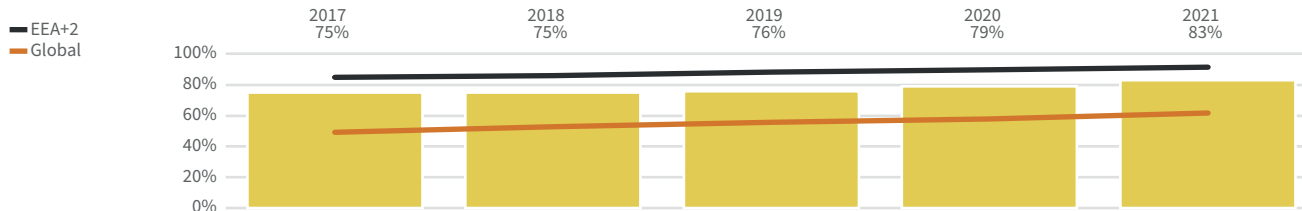
ecommerce. **The country is said to have a low number of businesses with ecommerce-enabled websites** – just 8% of companies compared to 20% across the euro area. **Far more retailers have a presence on online marketplaces**, which are more relevant since the market is largely made up of small businesses rather than larger players.

Even physical shopping habits are very traditional. According to *Rough Guides*, while most large towns have an out-of-town shopping centre, **most consumers do their shopping in traditional stores and markets**. However, the infrastructure needed to change this is already in place. The country falls within the top quartile for both the Logistics Performance Index (23/160) and the Integrated Index for Postal Development (22/170).

**Retailers need to work hard if they are to cement behaviour change.** A third of Portuguese consumers say they prefer to buy instore, while 28% say they have no need to buy online. For others, worries about payment security or privacy (27%) or returning goods (24%) deter them from ever shopping online.

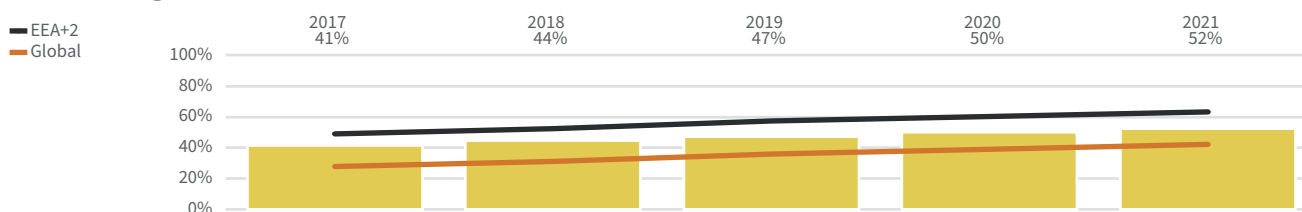
For those that do buy online, **fashion drives the strongest sales in the country, with a 34% share compared to 26% for electronics**. Food has only a 2% share. For payments, cash on delivery still dominates, with a 65% share, the biggest of any in Europe. By contrast, cards account for just 15%.

### Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

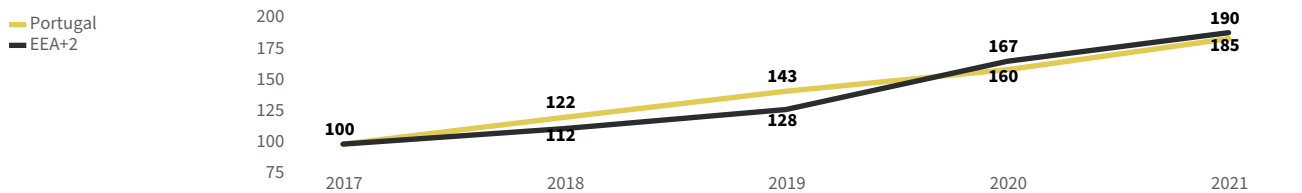
### Percentage of internet users who shop online



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

### Indexed total ecommerce spending

Online and mail-order retail spending of consumers in Portugal



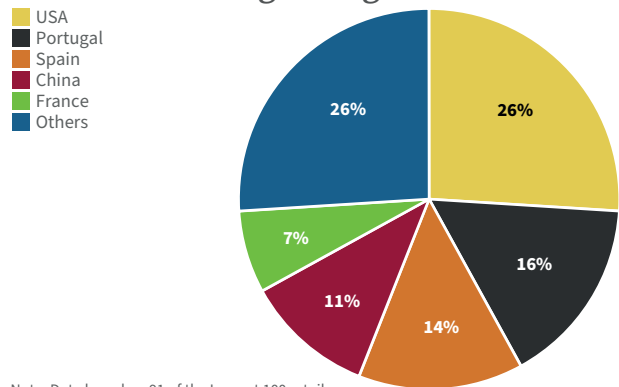
Index, 2017 = 100. Data for EEA+2 include all current EEA members in addition to the UK and Switzerland  
Source: Eurostat

# The Largest 100

Portugal is a largely domestic market according to the Largest 100

Of the Portugal Largest 100 retailers, 16% are based in Portugal itself and 14% in neighbouring Spain. However, **the highest concentration is in the USA, where 26% of the Portugal Largest 100 are based.** Web traffic is largely domestic, with 83% of traffic to the Portugal-based retailers within the Portugal Largest 100 ranking coming from consumers based within Portugal itself.

## Where the Portugal Largest 100 are based



Note: Data based on 91 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic by sector in Portugal

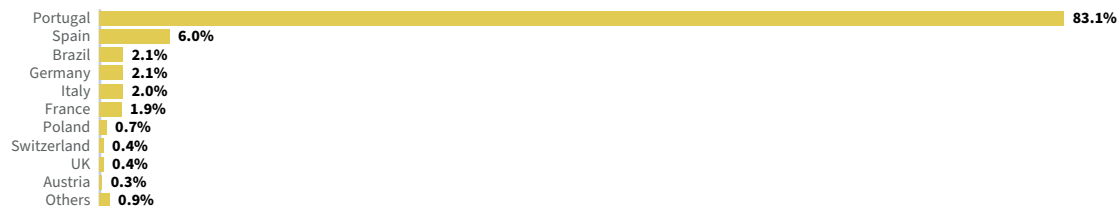
Web visits of local consumers to the Portugal Largest 100 retailers (%)



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 82 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

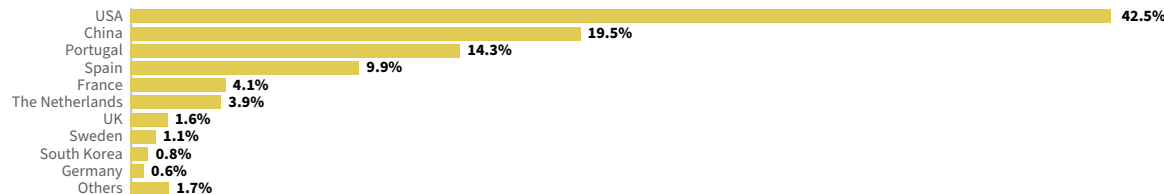
## Web traffic to the largest Portugal-based retailers split by consumer location (%)



Data from 91 retailers are used These are all the Portugal-based retailers that belong to the Portugal Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Countries where the Portugal Largest 100 retailers are based, along with the traffic they attract (%)



Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

# Spain

Inflation is a huge concern for Spain's predominantly urban population but it's yet to stop them buying online

Spain's economy was hit hard by the pandemic, with the *RetailX Spain 2021 Ecommerce Country Report* noting "an 11% decline in GDP and its first increase in unemployment since 2013".

The country was expected to bounce back with the help of €140bn from the EU coronavirus recovery fund. In December 2021, OECD predicted the country's GDP would grow 5.5% in 2022. International visitors are returning to the country, with numbers around 30% down on 2019's figures in March 2022.

**Spain**

**Area:** 505,957 km<sup>2</sup>

**Capital:** Madrid


**Currency:** euro (EUR)

**Official language:** Castilian Spanish

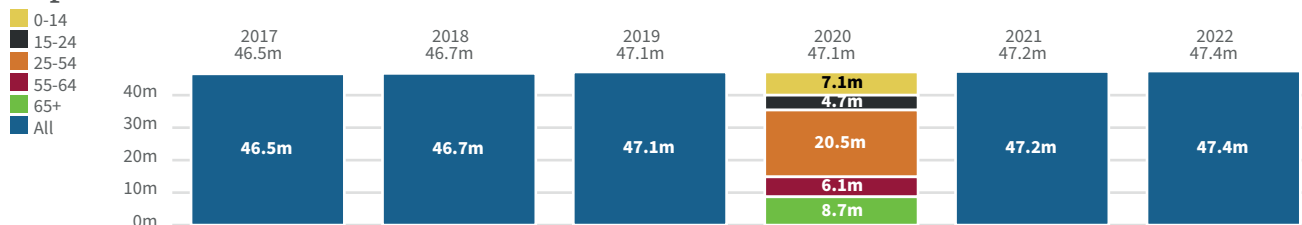
**Other languages spoken:** Catalan

**Government:** Parliamentary constitutional monarchy

**VAT:** 21% | **Reduced VAT:** 4%



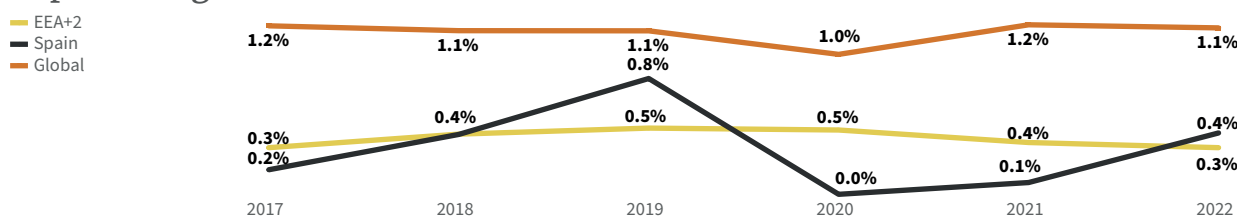
## Population structure



Source: RetailX, drawing on data from IMF and The World Factbook

© RetailX 2022

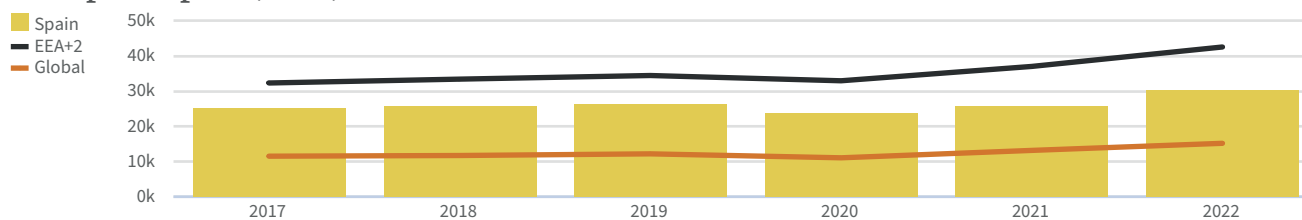
## Population growth



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

## GDP per capita (EUR)



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from IMF

© RetailX 2022

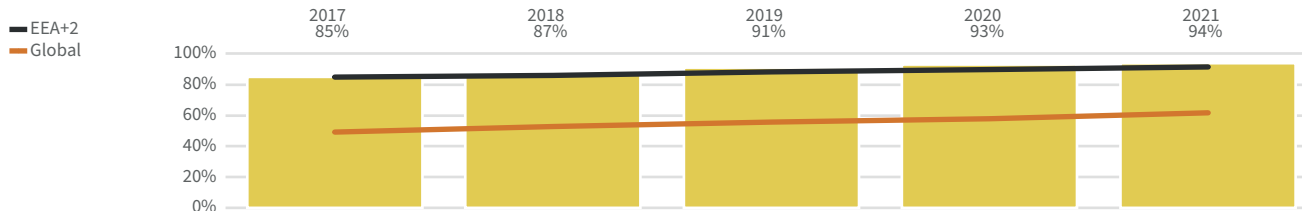
However, **the war in Ukraine has affected economies across Europe and Spain is no exception.** OECD forecasts in June 2022 revised down Spain's GDP prediction but it is still expected to reach 4% growth this year. The economic situation is expected to continue into 2023, with GDP growth forecast at the lower level of 2.2%<sup>[1]</sup>.

**Spain is not as reliant on Russian oil as some other countries in the EU** but that doesn't make it immune from the effects of the war. It has invested in renewable energy, including solar and liquefied natural gas (LNG).

Inflation is rising and consumers in Spain are concerned about price increases. Inflation hit 8.7% in May 2022 and OECD predicts it will level out at 8.1% for the year. Government measures, including **a subsidy on fuel prices, an increase in the minimum wage and financial support for lorry drivers and farmers, have gone some way to allay fears.** Yet these moves haven't been enough to persuade the population to support the prime minister and Pedro Sanchez's socialist party has been defeated in three consecutive regional elections. After the main conservative opposition Popular Party won in Andalusia in June, Madrid in May 2021 and Castilla y Leon in February, a national vote is expected to be called for the end of 2023<sup>[2]</sup>.

**Spain's population has been rising slowly in recent years to reach 47.4m in 2022.** This is a relatively small number when considered against the vast scale of the

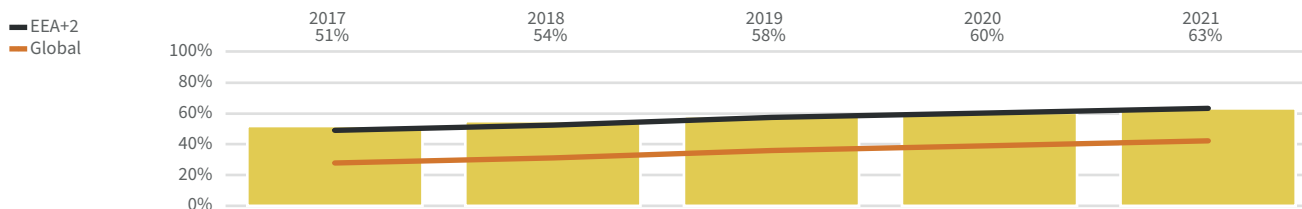
## Percentage of internet users



Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Eurostat and DataReportal

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## Percentage of internet users who shop online

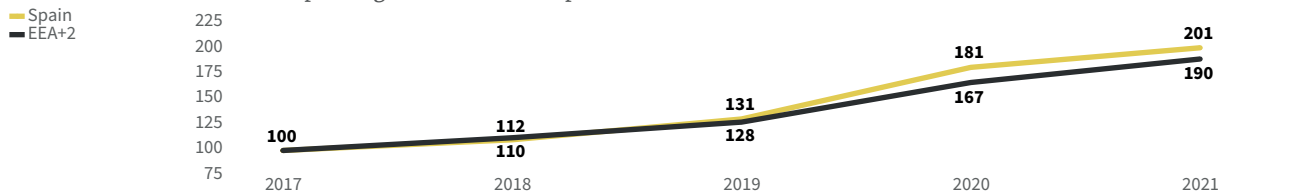


Data for EEA+2 includes all current EEA members in addition to the UK and Switzerland  
Source: RetailX, drawing on data from Statista

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## Indexed total ecommerce spending

Online and mail-order retail spending of consumers in Spain



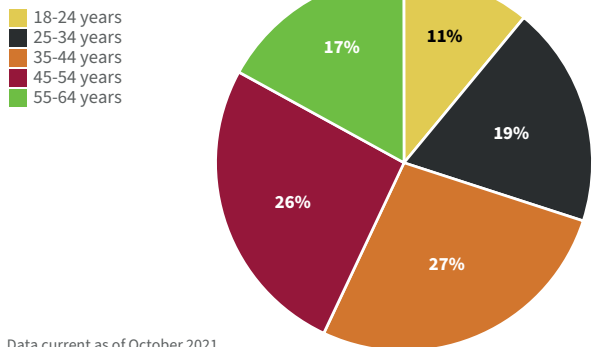
Index, 2017 = 100. Data for EEA+2 include all current EEA members in addition to the UK and Switzerland  
Source: Eurostat

© RetailX 2022

country. Mathematically, just 93 people live in each square kilometre, so it would not be unreasonable to think that Spain is a sparsely populated country.

However, **the majority of people live in urban areas, making parts of Spain the most densely populated areas in Europe.** This is particularly true of Barcelona and Madrid, which makes Spain an interesting and unusual retail and ecommerce market. While many countries saw the growth of their ecommerce market radiating out from a single capital city, Spain's ecommerce has grown from urban conurbations around the country, with its largest cities, Barcelona and Madrid, leading the way. This is due to the political and historical autonomous set up of its

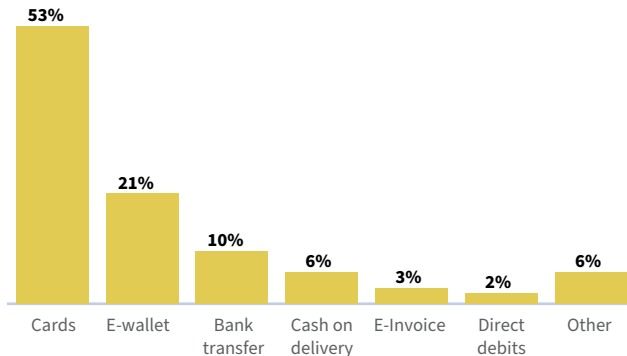
### Ecommerce users by age group in Spain, 2021



Data current as of October 2021  
Source: Statista Digital Market Outlook



### Payment methods in 2021

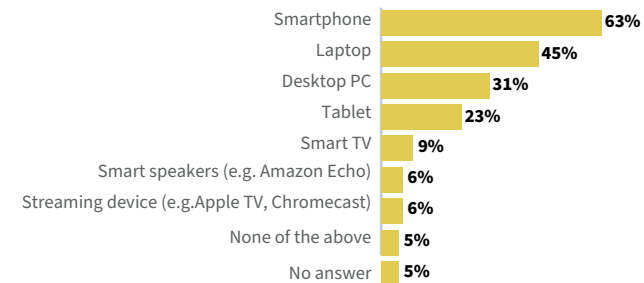


Source: Statista Digital Market Outlook



### Devices used to shop online in Spain, 2022

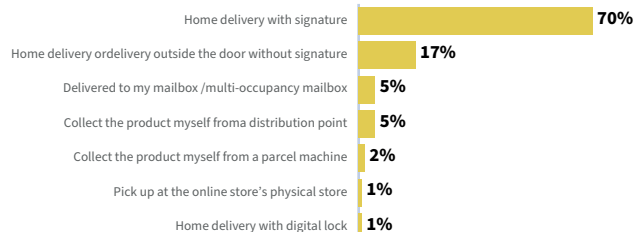
Which of the following devices have you used for online shopping in the past 12 months?



Survey conducted between April 2021 and March 2022 of 2,035 18-64 years old Spain residents. Multiple answers were possible  
Source: Statista Global Consumer Survey (GCS)



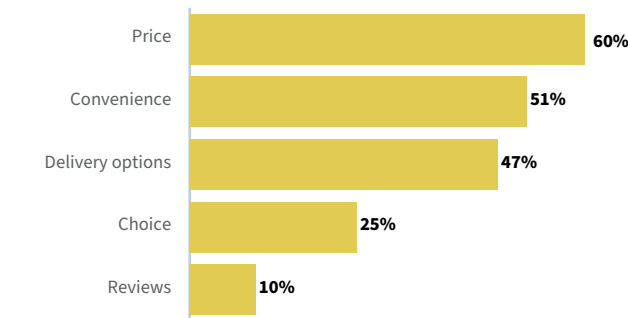
### When you order a product online, how do you prefer to have it delivered? (Spain, 2021)



Online survey conducted in 2020 and 2021. Results include 1,000 interviews with ecommerce consumers in Spain. The interviews were conducted with representative nationwide samples of individuals aged 15-79 years  
Source: PostNord



### Why do you shop online? (Spain, 2021)



Survey conducted in November 2021, includes 722 Spanish e-shoppers  
Source: RetailX



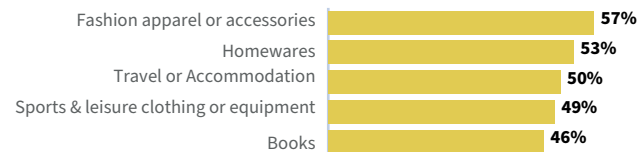


governance, which differs from other countries. **Spain is a single unitary state with decision making decentralised to 17 distinct regions.**

The boundaries of some – including Catalonia, Galicia and the Basque Country – are based on their historical and cultural past. **Each region has its own capital and it's from these that retailers have grown to become leaders in their own geographic area.** Other retailers are known country-wide while some, such as Zara, have become global brands.

Where once, young Spaniards left to work abroad, the country's cities are now buzzing. Ecommerce is growing and innovation thriving as ideas and habits from overseas are recreated in Spanish cities alongside homegrown developments. **The pandemic gave Spain's ecommerce sector a major boost,** with many people shopping online for the first

### What do you shop for online? (Spain, 2021)



Survey conducted in November 2021, includes 722 Spanish e-shoppers  
Source: RetailX



### Have you ever purchased a product or service after seeing it advertised or reviewed on social media platforms? (Spain, 2021)

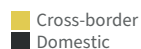


Online survey conducted in October 2021 to 18-45 years old Spain residents who use at least two social media platforms weekly

Source: TikTok for Business, WARC, Publicis Accessed via Statista



### Share of cross-border retail ecommerce revenue in Spain, 2022



Data based on estimates. Data current as of March 2022

Source: Statista Digital Market Outlook. Accessed via Statista



time as others increased the number of times they bought from ecommerce sites as well as the amount they spent online. While internet usage at 94% of the population is slightly above the European average, the percentage who shop online has been relatively low against the continental average. This has now changed.

In 2019, just 58% of internet users shopped online. By the end of 2021 this had risen to 63%. Many of the people shopping online for the first time were from older generations who had previously seen no reason to change their shopping habits.

**The percentage of people shopping online has not declined since the pandemic** and many people continue to buy from ecommerce sites alongside shopping in bricks-and-mortar stores. Interestingly, **the number of internet users buying online is still rising in 2022.** It may stand as high as 68% currently, slightly above the average for the EEA plus the UK and Switzerland as a whole.

Subsequently, online's share of the total retail market has risen dramatically in recent years. **In 2014, online held a market share of just 3%. This only grew to 5% in 2018.** Online really took off in 2019, when it rose to take an 8% share of total retail spend. It again increased in 2020, this time to 10%, and now accounts for 11% of total consumer retail spend.

[1] [www.oecd.org/economic-outlook/](http://www.oecd.org/economic-outlook/)

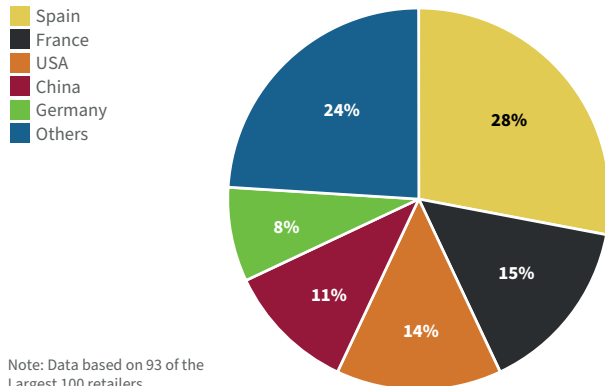
[2] [www.expat.com/es/general/spanish-pm-thrashed-in-andalusia-regional-election-189759/](http://www.expat.com/es/general/spanish-pm-thrashed-in-andalusia-regional-election-189759/)

# The Largest 100

## Multi-sector retailers dominate the Spanish market

While multi-sector retailers such as Amazon command market share globally, their dominance in Spain is still exceptional. **More than 90% of traffic to the Largest 100 from Spanish consumers goes to multi-sector retailers.** 28% of retailers in the Spain Largest 100 are domestically based. Companies such as Zara have shown that Spanish-based retailers can expand successfully internationally.

## Where the Spain Largest 100 are based



Note: Data based on 93 of the Largest 100 retailers

Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic to the largest Spain-based retailers split by consumer location



Data from 93 retailers are used. These are all the Spain-based retailers that belong to the Spain Largest 100  
Source: RetailX, drawing on data from SimilarWeb

© RetailX 2022

## Web traffic by sector in Spain

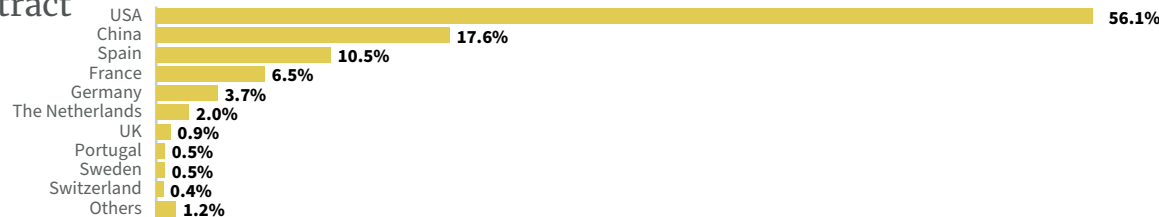
Web visits of local consumers to the Spain Largest 100 retailers



For each sector, the number of retailers is shown in parentheses. A retailer can belong to multiple sectors. Data based on 87 of the Largest 100 retailers  
Source: RetailX, drawing on data from SimilarWeb

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## Countries where the Spain Largest 100 retailers are based, along with the traffic they attract



Source: RetailX, drawing on data from SimilarWeb

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# The year ahead

We revisit our predictions from the summer of 2021. We also look ahead as we identify potential key issues that businesses should be looking at through the rest of 2022 and into 2023

Looking back over our Year Ahead feature in the 2021 *RetailX Europe Ecommerce Region Report*, the overriding impression is that we were looking forward to something more like business as usual as the pandemic ended. Seen from the perspective of July 2022, this now seems ironic, a lesson perhaps in the importance of looking outside your own sector when assessing the business landscape.

We began last year by considering the effects of Covid-19 on retail. The pandemic, we noted, had not had such a transformative effect on ecommerce sector as we had initially predicted. Rather: “What we have seen over the past year is Covid deepening and accelerating existing market developments. Broadly, ecommerce is becoming part of everyday life for more and more people, and this has been true for a while.”

For all that has happened since, this assessment broadly still holds true. However, it is only part of the story.



© boohoo

Fast fashion retailer Boohoo has decided to begin charging UK customers for returns

Ecommerce has changed in the past year in that **trading conditions are challenging retailers’ ideas about what constitutes best practice.**

## TIME TO RETHINK RETURNS?

Over the past year, for example, more and more retailers have begun to reassess the idea of offering free returns. In July, Boohoo decided to charge £1.99 for returns from its UK customers.<sup>[1]</sup> It was by no means the first retailer to do this and what’s interesting is that it’s an idea that has, as

far as we can tell, been met with little consumer resistance. That’s primarily because consumers are realistic. **There had long been an underlying sense that the idea of ordering cheap clothes and returning lots of items was too good to be true.** So it has proved in an era of inflation eating margins. Consumers will adapt their behaviour, and shopping centres and high streets may benefit as a result.

Take a step back from this immediate development and what’s most intriguing is how an idea that was **a piece of ecommerce received wisdom – customers must be offered free returns – has not survived an era of inflation and tightening margins.**

For those looking to understand what has happened, one way to frame it is to think about the British department store sector a few years back. Difficult to imagine now, but the sector appeared to be well set to transition into an era of multichannel retail. Except customers, having gained access to specialist online retailers, brands’ own websites, marketplaces and the endless aisles of Amazon, had not got the memo. **Many department stores, and we could mention mid-market chains here too, were actually poorly prepared for the multichannel era.**

The wider point here is that, yes, ecommerce is becoming integral to everyday life, but that doesn’t mean that ecommerce and multichannel retailers who have been successful to date will continue to lead the way. Brands and

retailers should be mindful for even small changes in the market, because these can sometimes be more important than they first appear.

### SUSTAINABILITY REMAINS ON THE AGENDA

Another reason customers have grown uncomfortable with the idea of ordering more than they need is that there is something *gratuitous* about it. Especially at a time when it seems as if global heating is starting to bite. This summer during the July heatwave, Britain recorded its hottest day ever when a temperature of 40.3°C was recorded at Coningsby, Lincolnshire.<sup>[2]</sup> Across Europe, wildfires burnt.

Citizens are noticing. Last year we noted that: “Issues around sustainability have come even more to the fore [than in 2019-20] because so many people have reassessed their lives during the pandemic.” Whether the pandemic continues to ease or not, that reassessment is continuing.

It is also worth challenging the idea that, somehow, consumers worried about the state of the economy and losing purchasing power to inflation will cease to care about the environment. Not true. **Consumers may not have as much money to make purchases that reflect ethical considerations, but that is not the same thing as not caring.** And even when money is tight, people still want to make positive choices about how they spend their cash. Even small initiatives by retailers may well help win business.

Plus, at the risk of sounding like an inexperienced teacher faced with an unruly class of teenagers, sustainability can be fun. According to the 2022 *ThredUp Resale Report*, **the global secondhand apparel market will grow 127% by 2026, or three times faster than the overall apparel market.** A percentage of that growth will come from those who have to buy what we used to call secondhand clothes out of necessity, but a stroll down the upmarket Notting Hill end of London’s Portobello Road, now home to a vintage shops targeting trend-setting young Londoners, makes it clear that’s by no means the whole story.<sup>[4]</sup>

### TOWARDS DIGITAL RETAIL 3.0

Last year, in a discussion of “customer-centric retail [and the] multichannel customer”, we reasserted an old idea within retail: “Customers should be at the centre of all that businesses do.” We added: “Increasingly, we are multichannel creatures. With every interaction, we want a great experience. Shopping with a large retailer, a great experience may be one that is fast and efficient. With a smaller retailer, we may want expertise from an informed shop assistant, or time to browse. From brands, we may want the novelty and marketing pizzazz so often associated with landmark stores, retail as theatre.”

Nothing that happened through 2021 and 2022 has made us change our assessment of the increasing importance of offering personalised retail experiences. A caveat here, though: **we are moving to a time when consumers are**

**more and more aware of the potential value of their personal information.** Moreover, General Data Protection Regulation (GDPR) regulation<sup>[5]</sup> is making it tougher to business for those companies that don’t take privacy seriously when designing personalised experiences.

But again, things do not stand still. Over the past year, the digital retail sector has shown signs of once again morphing. If Digital Retail 1.0 was the world of online catalogue shopping, and Digital Retail 2.0 ushered in multichannel and mobile-first retail, **Digital Retail 3.0 will come about because of the collision of livestreaming, hyper-specific opt-in personalisation, the metaverse, gamification and pop-up shops – all coexisting with more efficient ways to get hold of boring stuff that nevertheless has to be purchased.** It will be playful and experiential. Our high streets and shopping centres will change as a result of its advent.

So let’s end on an upbeat note and make ourselves hostages to fortune: the shape of Digital Retail 3.0 will start to come into focus in earnest over the coming year.

[1] [www.theguardian.com/business/2022/jul/13/boohoo-starts-charging-shoppers-to-return-items](http://www.theguardian.com/business/2022/jul/13/boohoo-starts-charging-shoppers-to-return-items)

[2] [www.metoffice.gov.uk/about-us/press-office/news/weather-and-climate/2022/july-heat-review](http://www.metoffice.gov.uk/about-us/press-office/news/weather-and-climate/2022/july-heat-review)

[3] [www.thredup.com/resale/#size-and-impact](http://www.thredup.com/resale/#size-and-impact)

[4] [www.portobelloroad.co.uk](http://www.portobelloroad.co.uk)

[5] <https://gdpr.eu/what-is-gdpr/>

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# Conclusion

The annual *RetailX Europe Region Report* is one of our most important publications of the year. We hope that you have found our research and analysis to be of interest and commercial value.

We would be very pleased to hear from you with questions, suggestions or comments, and in particular we would like to hear about any areas you think we should include in the 2023 report.

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