E-commerce in France

Key figures

FRENCH E-COMMERCE
FEDERATION (FEVAD)

2016/2017

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E-commerce

Business to Consumer

Growth in e-commerce sales kept sustained in 2016. This was largely due to increases in the range of products on offer and purchasing frequency. This growth also benefited from the boom of sales via mobile devices.

E-COMMERCE TURNOVER

Globally speaking sales on the internet progressed by almost 15% over the year. The share of internet sales made via mobile devices continued to increase significantly, by more than 60%. This now represents more than 15% of the total turnover of all e-commerce sites, and more than 25% for the market leaders.

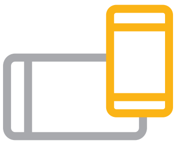
€72 billion

source : Fevad iCE

+ 14,6 % compared to 2015.

1,029 **billion online transactions in 2016 | + 23 % compared to 2015**

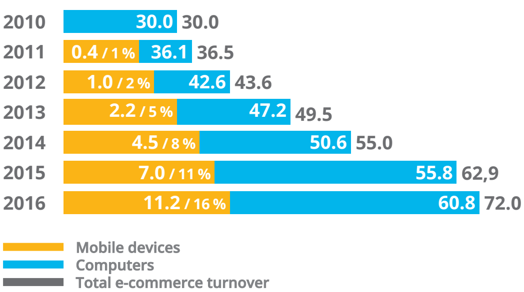
source : Fevad iCE.



16 % via mobile devices

source : Fevad iCE

e-commerce Turnover (in €billions)



source : Fevad iCE iCM.

E-BUYERS, M-BUYERS

In 2016 the number of internet users who make online purchases passed the 80% threshold, this was partly due to the widespread presence of new internet devices, and partly due to an increase in the number of retail web-sites and the broadening of the range of services/products on offer.

36,6 million **82,7 % of internet users French people made online purchases**

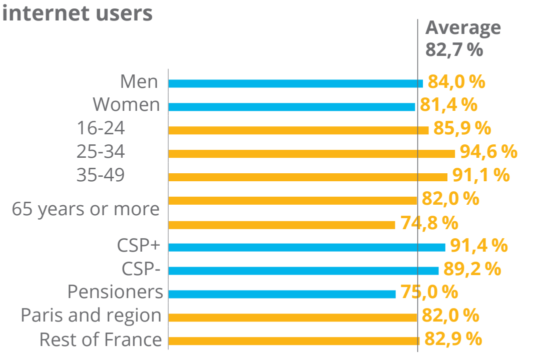
source: Médiamétrie - Observatoire des Usages Internet, 1st Quarter 2017

9.3 Million **have already used their mobile device to make a purchase**

25 % of French mobile internet users

source: Médiamétrie - Observatoire des Usages Internet (Internet Use Monitoring Organisation), 1st Quarter 2017, based on individuals aged 11 and over

E-buyer penetration amongst internet users



source: Médiamétrie - Observatoire des Usages Internet (Internet Use Monitoring Organisation), 1st Quarter 2017 - All connection locations

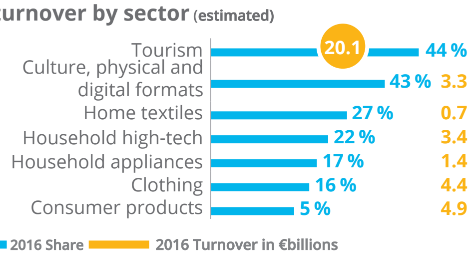
E-COMMERCE MARKET SHARE

E-commerce continues to increase by 1% in market share per year. Its share of all retail sales (tangible goods) in 2016 is now estimated at 8%

8 % % of retail commerce

source : Fevad - INSEE.

E-commerce Market share and turnover by sector (estimated)



sources: Fevad with GfK, IFM, Nielsen, PhocusWright/L'Echo touristique.

E-COMMERCE AND EMPLOYMENT

E-commerce is a very dynamic sector in terms of employment. Job creation prospects for 2017 remain very positive.

Leading web-sites

54 % of web sites have increased their staff levels in 2016

48 % intend to increase their staff numbers in 2017

source: Fevad barometer/LSA of leading web-sites - March 2017.

Small to Medium Businesses

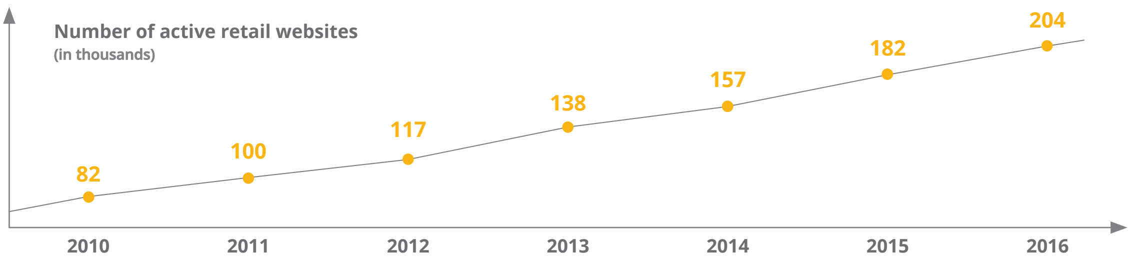
17 % of e-commerce SMEs recruited at least one member of staff in 2016

28 % intend to recruit at least one staff-member in 2017

source: Specific SME e-merchant profile, Oxatis/ Kpmg - January 2017.

E-MERCHANTS

The number of active retail web-sites continued to increase, at the end of 2016 their number was more than 200,000, representing an annual increase of 22,000 new sites per year.



source : Fevad iCE.

Top 5 most visited e-commerce websites and apps in France (Global Internet)

The new "Global Internet" audience measurement standard provides a league table of e-commerce web-sites and apps covering all devices (computers, mobile phones, tablets) taking into account multi-channel and multi-device consumer behaviour.

Rank	Website	Average number of individual visitors per month	Average monthly coverage (in % of the French population)	Average number of individual visitors per day
1	Amazon	23,499,000	45,1 %	3,726,000
2	Cdiscount	16,659,000	32 %	1,712 ,000
3	Fnac	13,267,000	25,5 %	997,000
4	Voyage SNCF	12 124 000	23,3 %	1,030,000
5	Vente-privee	11,867,000	22,8 %	2,693,000

Average number of individual visitors per month
Average monthly coverage (in % of the French population)
Average number of individual visitors per day

source : Médiamétrie//NetRatings - Average 1st quarter 2017 France.

Distribution of e-commerce business by size of e-merchant

E-commerce turnover remains relatively concentrated: 84 % of turnover is generated by 4.5 % of retail web-sites (9,000 websites).

Tranches de chiffred'a ffairesannueldessites*

Less than €1 million	From €1 to 10 million	More than €10 million

95.5 % of websites	**4 %** of websites	**0.5 %** of websites
16 % of market turnover	**23 % of market turnover**	**61 %** of market turnover

*direct or for a third party. source: Fevad iCE.

MARKET PLACES

Market places are taking up an increasingly large part of e-commerce business. The business volume generated via market places now represents 28% of the total business volume of the websites that host them.

27 % of SME online retailers used market places to sell their products in 2016

source: Specific SME e-merchant profile, Oxatis/Kpmg - January 2017.

Business volume for market places

on the iPM Fevad panel

+ 18% compared to 2015.

= 28 % of the total website buisiness volume

source : Fevad iCE.

PURCHASING FREQUENCY, PRODUCTS AND SERVICES PURCHASED

Purchasing frequency on the internet continues to increase: 53 % of internet users made online purchases over the last month, this figure represents an increase of 6.4% over a year (source: Médiamétrie).
The average transaction value continues to fall, every year it gets closer to the average purchase values for other retail methods. The increasing offer, competition development and new logistical approaches of the last two years have significantly contributed to this phenomenon.

70 € average transaction value

- 7 % compared to 2015.

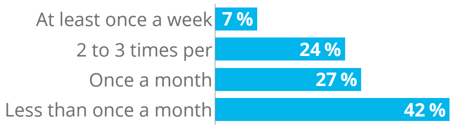
source : Fevad iCE.

A yearly average of 28 online transactions

and almost 2,000 € per buyer in 2016

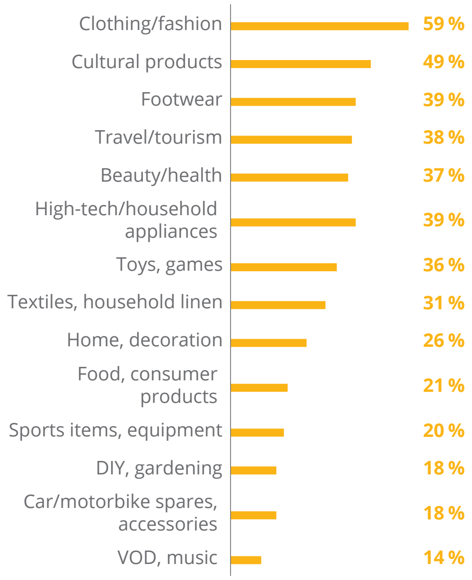
source : Fevad-Médiamétrie//NetRatings.

online purchase frequency



source: Baromètre Fevad/CSA - January 2017, as a % of e-buyers.

Products and services purchased via the internet



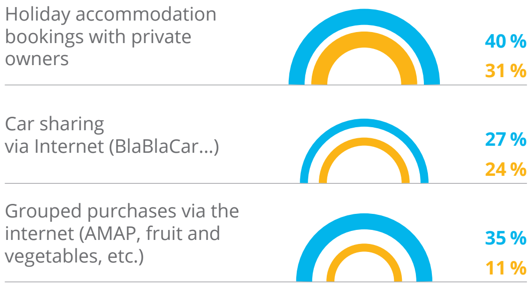
As a % of e-buyers
source: Baromètre Fevad/CSA - January 2017.

SOCIAL COMMERCE

The French are increasingly attracted to collaborative consumption: more than one in two e-buyers use it.

60 % intend to use it again 2017

60 %
of e-buyers have used collaborative consumption websites in 2016

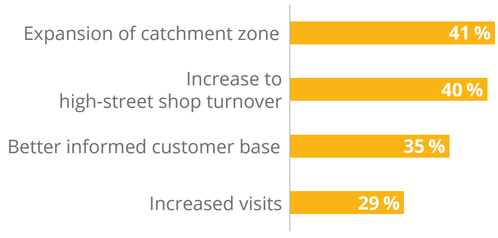


Usage in 2016
Expected for 2017
As a % of e-buyers
source: Baromètre Fevad/CSA - January 2017.

CONNECTED COMMERCE, MOBILITY AND SOCIAL MEDIA

The complementarity between the internet and the high street is increasingly present at all stages of the purchase process, this has been reinforced by an ever increasing use of mobile devices throughout the purchasing process. The use of social media in commercial relations is another growing trend.

The impact of web-sites on SME high-street shops



source: Specific SME e-merchant profile, Oxatis/Kpmg - January 2017.

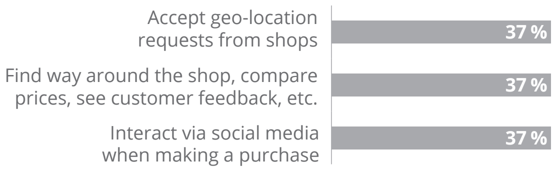
29 % **of e-buyers have made other purchases when picking up an order from a relay point or high-street shop**

source: Baromètre Fevad/CSA - January 2017.

29 % **of e-buyers have used click & reserve services**

source: Baromètre Fevad/CSA - January 2017.

Proposed commercial use of mobile devices in high street shops for 2017

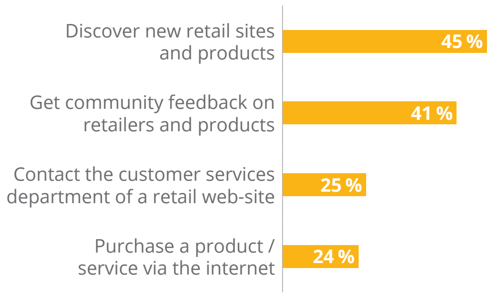


As a % of e-buyers with mobile devices
source: Baromètre Fevad/CSA - January 2017.

22 % **of e-buyers have already visited a high-street shop, restaurant or cinema after receiving a targeted geo-located commercial offer via their mobile device**

source: Baromètre Fevad/CSA - January 2017.

Use of social media and commercial relations



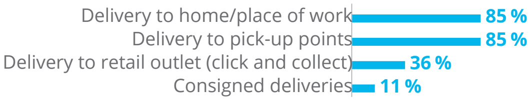
As a % of e-buyers who are connected to social media sites
source: Baromètre Fevad/CSA - January 2017.

DELIVERY

Delivery options continue to multiply offering an increasingly wide range of services to e-buyers.

21 % **of e-buyers are subscribed to a delivery servicen**

source: Baromètre Fevad/CSA - January 2017.



As a % of e-buyers. source: Baromètre Fevad/CSA - January 2017.

460 **+ 14 % compared to 2015**
million parcels in 2016

source: Fevad estimation for 2017, B to C parcels including C to B and C to

PAYMENT

A very large proportion of sales generating e-commerce turnover are paid with credit/debit cards.

85 % credit/debit cards

9 % online wallets

1 % by cheque

1 % by gift voucher, bank transfer/ direct debit, COD

3% private payment cards and other payment methods

As a % of e-commerce turnover generated by sales of products in 2016 source: Fevad survey - January 2017.

E-COMMERCE IN EUROPE

On a European scale, 84% of European consumers use the internet and 55% make purchases on the internet (in France these figures are 88% and 66% respectively).

530 **+ 15 % compared to 2015.**
billion in 2016

source: Ecommerce Foundation

Top 6 European countries

		en 2016	en 2017 (p)
1	United Kingdom	174.0	197.4
2	Germany	77.9	85.6
3	France	72.0	81.7
4	Spain	23.9	28.0
5	Netherlands	20.2	24.2
6	Italy	19.9	23.1

B to C e-commerce turnover in €billions - (forecast) : Forecast - source: Ecommerce Foundation.

CROSS-BORDER

More and more Europeans are making international online purchases each year (inside or outside of Europe). In France, more than half of retail websites of all sizes register international sales.

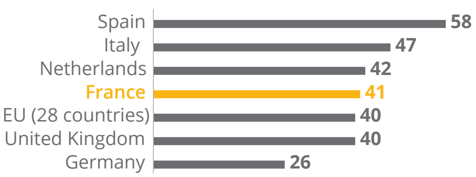
International purchases:

41 % **of French e-buyers**

40 % **of European e-buyers**

have ordered goods or services from foreign retailers (inside or outside of the EU) over the last twelve months

source: Eurostat, 2016.



source: Eurostat, 2016, as a % of e-buyers.

International sales:

68 % **of leading retail sites make international sales**

source: Fevad barometer/LSA of leading web-sites - March 2017.

The top 5 countries in which Fevad businesses operate

1	Belgium	83 %
2	Spain	66 %
3	Germany	66 %
4	Italy	57 %
5	United Kingdom	52 %

source: Fevad barometer/LSA of leading web-sites - March 2017.

55 % **of SME e-commerce sites make international sales**

source: Specific SME e-merchant profile, Oxatis/Kpmg - January 2017.

E-commerce

Business to Business

Considering its impact on the competitiveness of economic players, B2B commerce represents an essential stake in the future of e-commerce, and for the French economy in general.

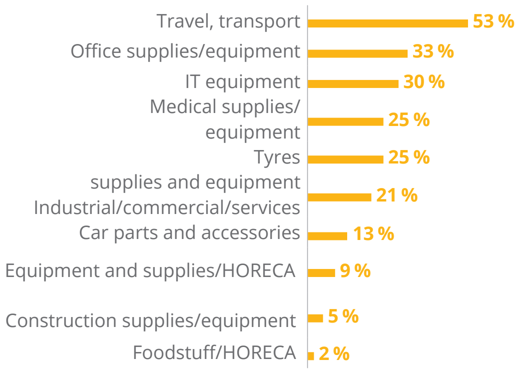
MARKET SHARE OF B2B E-COMMERCE SALES FOR 8 BUSINESS SECTORS

B2B electronic commerce already represents 18% of all professional sales. Excluding business travel, e-commerce represents 11% of all sales.

18 % of all B2B sales in 2015

- **7 % from e-commerce web-sites**
- **11 % from e-purchasing solutions**

Market share for B2B e-commerce sales by sector



sources: Fevad/DGE survey on digital transition & B2B commerce made by Next Content in collaboration with the Crédoc - October 2015.

B 2B E-COMMERCE TURNOVER

The Insee estimated that the B2B electronic sales and EDI sales markets had a total value of €426 billion in 2015. Given the estimated growth of 8% per year for the period 2015-2020, the market is evaluated at €460 billion for 2016.

Total value of B2B electronic sales :
(for 2015 in €)

86 billion Internet sales

340 billion EDI sales

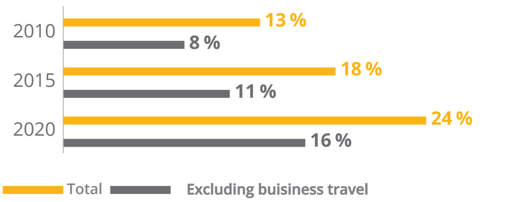
source: Insee, TIC survey 2016.

FORECASTS FOR THE PERIOD UP TO 2020

B2B electronic transactions (from e-commerce web-sites or specific digital solutions) could generate as much as a quarter of all sales by 2020.

+ 32 % growth

24 % of the total value of B2B sales

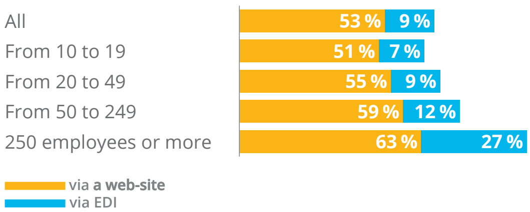


source : Estimation Next Content - Crédoc pour la Fevad et la DGE. Sur le champs des 8 secteurs étudiés, hors télécoms et pharmacies.

THE E-BUYERS

According to the Insee (French national institute of statistics and economic studies), more than half of all companies with more than 10 members of staff used an e-commerce website to make purchases in 2015. Purchases via EDI are regularly made by 9% of businesses, notably the larger companies (27%).

53 % of businesses with more than 10 members of staff made purchases via an e-commerce web-site



source: Insee, TIC survey 2016 – purchases of goods or services in 2015.

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