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 + 14.6% compared to 2015.

source: Fevad ICE

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

source: Fevad ICE.

16% via mobile devices

source: Fevad ICE

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

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>84.0%</td>
</tr>
<tr>
<td>Women</td>
<td>81.4%</td>
</tr>
<tr>
<td>16-24</td>
<td>85.9%</td>
</tr>
<tr>
<td>25-34</td>
<td>94.6%</td>
</tr>
<tr>
<td>35-49</td>
<td>91.1%</td>
</tr>
<tr>
<td>40+</td>
<td>82.0%</td>
</tr>
<tr>
<td>65 years or more</td>
<td>74.8%</td>
</tr>
<tr>
<td>CSP+</td>
<td>91.4%</td>
</tr>
<tr>
<td>CSP-</td>
<td>89.2%</td>
</tr>
<tr>
<td>Pensioners</td>
<td>75.0%</td>
</tr>
<tr>
<td>Paris and region</td>
<td>82.0%</td>
</tr>
<tr>
<td>Rest of France</td>
<td>82.9%</td>
</tr>
</tbody>
</table>

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)

<table>
<thead>
<tr>
<th>Sector</th>
<th>2016 Share</th>
<th>2016 Turnover In billions</th>
<th>2016 Turnover % of total</th>
<th>2016 Turnover In billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism</td>
<td>20.1</td>
<td>44%</td>
<td>43%</td>
<td>3.3</td>
</tr>
<tr>
<td>Culture, physical and digital formats</td>
<td>27%</td>
<td>0.7</td>
<td>17%</td>
<td>4.4</td>
</tr>
<tr>
<td>Home textiles</td>
<td>22%</td>
<td>3.4</td>
<td>17%</td>
<td>4.4</td>
</tr>
<tr>
<td>Household high-tech</td>
<td>16%</td>
<td>4.9</td>
<td>16%</td>
<td>4.4</td>
</tr>
<tr>
<td>Household appliances</td>
<td>5%</td>
<td>0.9</td>
<td>5%</td>
<td>0.9</td>
</tr>
</tbody>
</table>

sources: Fevad with GfK, IFM, Nielsen, PhocusWright/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 websites
- 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 websites - 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, Oxalis/KPMG - January 2017.

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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.

![Image of number of active retail websites](image)

**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 websites and apps covering all devices (computers, mobile phones, tablets) taking into account multi-channel and multi-device consumer behaviour.

<table>
<thead>
<tr>
<th>Website</th>
<th>Average number of individual visitors per month</th>
<th>Average monthly coverage (in % of the French population)</th>
<th>Average number of individual visitors per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>23,499,000</td>
<td>45.1%</td>
<td>7121</td>
</tr>
<tr>
<td>Cdiscount</td>
<td>16,659,000</td>
<td>32%</td>
<td>1091</td>
</tr>
<tr>
<td>Fnac</td>
<td>13,267,000</td>
<td>25.5%</td>
<td>3712</td>
</tr>
<tr>
<td>Voyage SNCF</td>
<td>12,124,000</td>
<td>23.3%</td>
<td>3712</td>
</tr>
<tr>
<td>Vente-privee</td>
<td>11,867,000</td>
<td>22.8%</td>
<td>3712</td>
</tr>
</tbody>
</table>

**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 chiffre d'affaires annuels**
  - **Less than €1 million:** 95.5% of websites, 16% of market turnover
  - **From €1 to 10 million:** 4% of websites, 23% of market turnover
  - **More than €10 million:** 0.5% of websites, 61% of market turnover

*Direct or for a third party, source: Fevad ICE.

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Key figures for 2017
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.

\[ \text{Business volume for market places} \]
\[ +18\% \quad \text{= 28\% of the total website business volume} \]
\[ \text{source: Fevad ICE.} \]

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.

\[ \text{average transaction value} \]
\[ 70\text{€} - 7\% \quad \text{compared to 2015.} \]
\[ \text{source: Fevad ICE.} \]

A yearly average of 28 online transactions and almost 2,000 € per buyer in 2016
\[ \text{source: Fevad-Médiamétrie/NetRatings.} \]

online purchase frequency
\[ \begin{align*}
\text{At least once a week} & : 7\% \\
2 \text{to 3 times per month} & : 24\% \\
\text{Once a month} & : 27\% \\
\text{Less than once a month} & : 42\%
\end{align*} \]
\[ \text{source: Baromètre Fevad/CSA - January 2017, as a % of e-buyers.} \]

Products and services purchased via the internet
\[ \begin{align*}
\text{Clothing/fashion} & : 59\% \\
\text{Cultural products} & : 49\% \\
\text{Footwear} & : 39\% \\
\text{Travel/tourism} & : 38\% \\
\text{Beauty/health} & : 37\% \\
\text{High-tech/household appliances} & : 39\% \\
\text{Toys, games} & : 36\% \\
\text{Textiles, household linen} & : 31\% \\
\text{Home, decoration} & : 26\% \\
\text{Food, consumer products} & : 21\% \\
\text{Sports items, equipment} & : 20\% \\
\text{DIY, gardening} & : 18\% \\
\text{Car/motorbike spare parts, accessories} & : 18\% \\
\text{VOD, music} & : 14\%
\end{align*} \]
\[ \text{As a % of e-buyers} \]
\[ \text{source: Baromètre Fevad/CSA - January 2017.} \]
The French are increasingly attracted to collaborative consumption: more than one in two e-buyers use it.

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

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

- Expansion of catchment zone: **41 %**
- Increase to high-street shop turnover: **40 %**
- Better informed customer base: **35 %**
- Increased visits: **29 %**

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

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

- Accept geo-location requests from shops: **37 %**
- Find way around the shop, compare prices, see customer feedback, etc.: **37 %**
- Interact via social media when making a purchase: **37 %**

(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

- Discover new retail sites and products: **45 %**
- Get community feedback on retailers and products: **41 %**
- Contact the customer services department of a retail web-site: **25 %**
- Purchase a product/service via the internet: **24 %**

(source: Baromètre Fevad/CSA - 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)
**Retail e-commerce**

**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 service (source: Baromètre Fedvad/CSA - January 2017).
- Delivery to home/place of work: 85%
- Delivery to pick-up point: 85%
- Delivery to retail outlet (click and collect): 36%
- Consigned deliveries: 11%

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

**460 million parcels in 2016** + 14% compared to 2015
(source: Fevd 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


**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).

**Top 6 European countries**

<table>
<thead>
<tr>
<th>Country</th>
<th>en 2016</th>
<th>en 2017 (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 United Kingdom</td>
<td>174.0</td>
<td>197.4</td>
</tr>
<tr>
<td>2 Germany</td>
<td>77.9</td>
<td>85.6</td>
</tr>
<tr>
<td>3 France</td>
<td>72.0</td>
<td>81.7</td>
</tr>
<tr>
<td>4 Spain</td>
<td>23.9</td>
<td>28.0</td>
</tr>
<tr>
<td>5 Netherlands</td>
<td>20.2</td>
<td>24.2</td>
</tr>
<tr>
<td>6 Italy</td>
<td>19.9</td>
<td>23.1</td>
</tr>
</tbody>
</table>

B to C e-commerce turnover in €billion (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 have ordered goods or services from foreign retailers (inside or outside of the EU) over the last twelve months (source: Eurostat, 2016).
- 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).

**International sales:**

- 68% of leading retail sites make international sales (source: Fevd barometer/LSA of leading websites - March 2017).

**The top 5 countries in which Fevd businesses operate**

<table>
<thead>
<tr>
<th>Country</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Belgium</td>
<td>83%</td>
</tr>
<tr>
<td>2 Spain</td>
<td>66%</td>
</tr>
<tr>
<td>3 Germany</td>
<td>66%</td>
</tr>
<tr>
<td>4 Italy</td>
<td>57%</td>
</tr>
<tr>
<td>5 United Kingdom</td>
<td>52%</td>
</tr>
</tbody>
</table>

(source: Fevd barometer/LSA of leading websites - 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.

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**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

<table>
<thead>
<tr>
<th>Sector</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel, transport</td>
<td>53%</td>
</tr>
<tr>
<td>Office supplies/equipment</td>
<td>33%</td>
</tr>
<tr>
<td>IT equipment</td>
<td>30%</td>
</tr>
<tr>
<td>Medical supplies/equipment</td>
<td>25%</td>
</tr>
<tr>
<td>Tyres</td>
<td>25%</td>
</tr>
<tr>
<td>Supplies and equipment</td>
<td>21%</td>
</tr>
<tr>
<td>Industrial/commercial/services</td>
<td>13%</td>
</tr>
<tr>
<td>Car parts and accessories</td>
<td>9%</td>
</tr>
<tr>
<td>Equipment and supplies/HORECA</td>
<td>5%</td>
</tr>
<tr>
<td>Construction supplies/equipment</td>
<td>2%</td>
</tr>
</tbody>
</table>

**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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total of B2B sales</th>
<th>Excluding business travel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>13%</td>
<td>8%</td>
</tr>
<tr>
<td>2015</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>2020</td>
<td>24%</td>
<td>16%</td>
</tr>
</tbody>
</table>

**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%).

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**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:

- Internet sales: €86 billion
- EDI sales: €340 billion

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>53%</td>
</tr>
<tr>
<td>From 10 to 19</td>
<td>51%</td>
</tr>
<tr>
<td>From 20 to 49</td>
<td>55%</td>
</tr>
<tr>
<td>From 50 to 249</td>
<td>59%</td>
</tr>
<tr>
<td>250 employees or more</td>
<td>63%</td>
</tr>
</tbody>
</table>

**Chiffres clés 2017**