Retail e-commerce has maintained its progress, carried forward by increases in consumer numbers and purchase frequencies, the development of new offers and new customer services. This growth has also been influenced by the continued progression of purchases using mobile devices.

E-COMMERCE

Turnover

Growth in internet sales turnover has continued to be expressed in 2 figures. The € 100 billion mark should be reached by 2019. Purchases using mobile devices continue to grow. This has now reached a 22% share of e-commerce sales turnover and represents 35% for the leading websites (a 5 point increase over the year).

€92.6 billion | +13.4% compare to 2017

1,505 billion online transactions in 2018 | +20.7% compared to 2017.

22% using mobile devices

Source: Fevad ICE.

E-Buyers, M-Buyers

For all device types, almost 9 out of 10 internet users now make purchases via the internet. This represents 1 million new consumers in the space of a year, notably concerning under 35s with the increasing use of smartphones but also over 65s, of whom 8 out of 10 now make purchases via the internet.

38 million French people make purchases on the internet

87.5% of internet-users


Dent 13.8 millions

French people have already made purchases using their mobile device

33% of which were “last month” mobile device users

Source: Médiamétrie - Observatoire des Usages Internet (Internet Use Observatory) – 1st Quarter 2018.

DISTRIBUTION OF E-BUYERS BY INTERNET-USER TARGET GROUP

Market Share and Turnover

E-commerce continues to gain new market sectors and reached 9.1% for the whole retail sector in 2018.

9.1% of the retail sector*

* Excluding fuel, pharmaceuticals, medical and orthopaedic items

Source: Fevad with the INSEE.
E-COMMERCE AND EMPLOYMENT

The sector’s company managements have a high degree of confidence in their futures; many of them have increased staff levels in 2018 and expect to continue to do so in 2019.

LEADING WEB-SITES

51% web-sites which have increased staff levels in 2018
49% plan to increase their staff in 2019

source: Baromètre Fevad/LSA concerning leading web-sites - February 2019.

SMALL TO MEDIUM SIZE ENTERPRISES

16% of small to medium e-commerce companies recruited at least one employee in 2018
23% plan to recruit at least one employee in 2019

source: Specific small to medium E-commerce business profile, Oxatis/Ernst&Young - January 2019.

E-MERCHANTS

180,000 ACTIVE MERCHANT WEB-SITES

source: Fevad iCE - 1st Quarter 2019.

THE TOP 5 GLOBAL E-COMMERCE WEBSITES AND APPS VISITED BY FRENCH USERS

The audiences of the most visited E-commerce websites continue to grow. This growth has been accompanied by an increase in visits via mobile devices: more than 50% of visitors to Top 5 sites used their mobile device.

DISTRIBUTION OF E-COMMERCE SALES BY E-MERCHANT SIZE

Three quarters of web-sites generate an annual turnover of less than € 100,000 per year. E-commerce turnover remains concentrated: 90% of turnover generated by 5.5% of merchant sites (10,000 web-sites).

Share of businesses that make e-commerce sales by size

<table>
<thead>
<tr>
<th>Size</th>
<th>Overall</th>
<th>250 employees or more</th>
<th>50 to 249 employees</th>
<th>20 to 49 employees</th>
<th>10 to 19 employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>14%</td>
<td>20%</td>
<td>30%</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>source: INSEE, TIC 2018 survey, companies with 10 or more employees.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Share of businesses that make e-commerce sales by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Overall</th>
<th>Services</th>
<th>Retail</th>
<th>Industry and construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>14%</td>
<td>14%</td>
<td>24%</td>
<td>6%</td>
</tr>
<tr>
<td>source: INSEE, TIC 2018 survey, companies with 10 or more employees.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Médiamétrie//NetRatings - Average – 1st Quarter 2019 France - Internet audience for all devices.
MARKET PLACES

Of all businesses with ten or more businesses that make online sales; 38% of them make sales on market places; this figure increases to 47% for businesses with 10 to 19 employees.

MERCHANDS ON THE MARKET PLACES

<table>
<thead>
<tr>
<th>Overall</th>
<th>62</th>
<th>25</th>
<th>13</th>
<th>38%</th>
</tr>
</thead>
<tbody>
<tr>
<td>250+ employees</td>
<td>68</td>
<td>23</td>
<td>9</td>
<td>32%</td>
</tr>
<tr>
<td>50 to 249 employees</td>
<td>72</td>
<td>19</td>
<td>9</td>
<td>28%</td>
</tr>
<tr>
<td>10 to 49 employees</td>
<td>58</td>
<td>27</td>
<td>15</td>
<td>42%</td>
</tr>
</tbody>
</table>

BUSINESS VOLUME FOR MARKET PLACES (as listed by the iPM Fevad)

30% of overall turnover for sites on the iPM Fevad listing
+16% compared to 2017

source: Fevad iCE.

29% of small to medium merchant web-sell on market places

source: Specific small to medium size E-commerce business profile, Oxatis/Ernst&Young - January 2019.

PURCHASE FREQUENCY,

PRODUCTS AND SERVICES PURCHASED

Internet purchase frequency continues to grow as the average transaction total decreases. These developments are a reflection of new trends in internet purchasing behaviour as purchases come to involve more and more everyday items.

61,5€ |

-6% compared to 2017.

source: Fevad iCE.

39 average online transactions
and 2420 € per buyer in 2018

source: Fevad Médiamétrie / NetRatings.

55,5% of internet users had made purchases during the previous month.

In the 1st quarter of 2019

source: Médiamétrie - Observatoire des Usages Internet - T1 2019. (Internet Use Observatory) – 1st

PRODUCTS AND SERVICES PURCHASED ON THE INTERNET

| Clothing/fashion        | 58% |
| Cultural products       | 50% |
| Travel/tourism          | 40% |
| Games, toys             | 39% |
| Footwear                | 39% |
| High-tech products / household appliances | 38% |
| Beauty/health           | 34% |
| Home, decoration        | 32% |
| Textiles                | 28% |
| Sporting items and equipment | 24% |
| Food, consumer products | 20% |
| VOD, music              | 19% |
| Gift vouchers for use in shops or online | 19% |
| Online music subscription fees | 18% |
| DIY, gardening          | 17% |
| Car/motorbike spare parts, accessories | 17% |

Second-hand or reconditioned good: 17%
Online film subscriptions: 15%
Flowers: 13%
Box subscriptions: 12%
Meals: 12%
Collective money-saving services (private car hire, car sharing, private accommodation rentals, etc.): 12%
Non-prescription medicines: 10%
subscriptions (home, healthcare, sport, etc.): 10%
Wine: 10%
School supplies: 9%
Online course enrolments (MOOC): 8%
Glasses, contact lenses: 7%
Glasses, contact lenses private lessons, babysitting, DIY gardening, etc.: 7%

As a % of e-buyers
CONNECTED COMMERCE AND MOBILITY

Purchasers increasingly associate e-commerce, physical shops and mobile devices throughout their buying experience. More and more businesses are declaring that such combinations are successful.

THE IMPACT OF WEB-SITES ON PHYSICAL RETAIL OUTLETS

80% of e-merchants have observed that their web-site has an effect on their shops:

- **79%** increase in visits to physical shops
- **63%** increase in physical shop turnover
- **42%** broader catchment area

source: Specific small to medium size E-commerce business profile, Oxatis/Ernst&Young - January 2019

**28%** of e-buyers have picked up an online order from a dedicated pick-up point or high-street shop in order to purchase other items in the dedicated pick-up point or high-street shop.

As a % of e-buyers that have used dedicated pick-up point or high-street shop delivery options. source: Baromètre Fevad/CSA - January 2019.

MOBILE, PURCHASE DRIVER

E-buyers with mobile phones use their mobile phone to:

- **56%** to research before purchasing a product or service
- **56%** to trace their internet purchases
- **52%** to search and locate shops
- **38%** to find their way around a shop, compare prices, consult consumer reviews, consult product information, etc.


DELIVERY

There is an increasing number of delivery options proposing more and more services to e-buyers.

- **36%** of e-buyers are subscribed to a delivery service


DELIVERY OPTIONS USED

- **86%** Direct to home
- **83%** To a dedicated pick up point
  - **38%** To a high-street shop (click and collect)
  - **24%** With payment on collection (e-reservation)
  - **13%** At a place of work
  - **9%** At a deposit box

As a % of e-buyers.


PAYMENT

Bank cards continue to dominate for online payments, accompanied by a growth in 3 or 4 instalment payment plans (+1 percentage point compared to 2017). Another trend is the growing use of electronic wallet payments (an increase of almost 2 percentage points compared to 2017).

PAYMENT METHODS USED

- **80.1%** Bank cards
- **11.5%** Online electronic wallets
  - **3.9%** Consumer loans
  - **0.9%** Bank transfers/direct debit
  - **3.7%** Other payment methods (private cards, cheques, gift vouchers, COD, shop/agency payments, cash mandates, cheque letters, etc.)

E-COMMERCE IN EUROPE AND THE REST OF THE WORLD

Europe currently represents 30% of global e-commerce turnover. France is the 2nd largest e-commerce market in Europe, after the United Kingdom. Taking population size into account, the United Kingdom is the world’s leading market.

E-COMMERCE IN EUROPE

547 billion in 2018
€ 1,346 per buyer for 2018
+ 11.9% compared to 2017.

Source: Ecommerce Foundation.

E-COMMERCE IN THE REST OF THE WORLD

2,131 $billions in 2018 (f)
(f): forecast
+ 14.3% compared to 2017.

Top 3 des pays dans le monde

1. China: 56% of the total market
   56% population
   1420
2. US: 39% of the total market
   89% population
   522
3. UK: 196
   96% population

Top 4 countries

1. United Kingdom: 174.9
2. France: 92.6
3. Spain: 28.0
4. Italy: 27.4

Source: Ecommerce Foundation

INTERNATIONAL PURCHASES

<table>
<thead>
<tr>
<th>% of buyers making international purchases</th>
<th>France</th>
<th>United Kingdom</th>
<th>EU (28 countries)</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>From retailers in other countries (EU or outside of EU)</td>
<td>50%</td>
<td>49%</td>
<td>46%</td>
<td>43%</td>
</tr>
<tr>
<td>From retailers in other EU countries</td>
<td>34%</td>
<td>36%</td>
<td>34%</td>
<td>36%</td>
</tr>
<tr>
<td>From international retailers (outside of the EU)</td>
<td>29%</td>
<td>24%</td>
<td>36%</td>
<td>26%</td>
</tr>
</tbody>
</table>

INTERNATIONAL SALES

66% of leading web-sites make international sales
Source: Baromètre Fevad/LSA concerning leading web-sites - February 2019.

Top 5 countries in which Fevad businesses are active

1. Belgium: 90%
2. Spain: 72%
3. Germany: 65%
4. Italy: 63%
5. United Kingdom: 50%

as a percentage of websites that make international sales
Source: Baromètre Fevad/LSA concerning leading web-sites - February 2019.

57% of small to medium size e-merchants sell internationally
Source: Specific small to medium size e-commerce business profile, Oxatis/Ernst&Young - January 2019
E-COMMERCE TO PROFESSIONALS

In 2017 inter-company electronic transactions completed either using EDI messaging or e-commerce sites represent 19% of total turnover for businesses with 10 or more employees based in France, this represents a 4 percentage point increase over 2015. This had already increased by 3 percentage points between 2011 and 2015.

B2B E-COMMERCE SALES

Over the last two years B2B sales via web-sites increased significantly, by almost 50%. Total turnover for 2017 came to almost €150 billion, €126 billion of which concerned businesses with ten or more employees and more than €15 by businesses with less than ten employees (INSEE TIC-TPE 2016 survey).

THE SHARE OF ELECTRONIC B2B SALES IN THE TOTAL TURNOVER OF BUSINESSES

![Chart showing the share of electronic B2B sales in the total turnover of businesses from 2007 to 2017.]

By business sector in 2017

![Chart showing the share of electronic B2B sales by business sector in 2017.]

VALUE OF B2B ELECTRONIC SALES

![Table showing the value of B2B electronic sales in billions for 2015 and 2017.]

DISTRIBUTION OF ELECTRONIC B2B SALES

Sales via e-commerce web-sites represent 22% of all electronic B2B sales, 31% for businesses with between 10 and 49 employees.

As a percentage of the total of electronic B2B sales

![Chart showing the distribution of electronic B2B sales by employee size.]

B2b Sales on B2b web sites are 150 billions € in 2017