

## PRESS RELEASE

### Corona pandemic causes loss of sales in e-commerce

Berlin 06.04.2020 | **In March 2020, e-commerce turnover fell by almost 20 percent compared to the same period of the previous year. Only those products categories that were also in strong demand in retail trade have partly seen a significant increase: food, drugstore goods, medicines and do-it-yourself and construction market supplies. This means that almost all the growth that e-commerce had achieved in January and February was wiped out.**

E-commerce almost stagnated between January and March with a slight increase of 1.5 percent compared to the first quarter of 2019, which means that growth in the first quarter of this year was significantly below the strong prior-year figure of 11.2 percent. Between January and March 2020, customers purchased goods online worth EUR 16,482 million incl. VAT (Q1 2019: EUR 16,244 million incl. VAT). In the first quarter of 2020, the turnover in the product category 'food' grew by 28.1 percent compared to the previous year and generated online sales worth EUR 361 million incl. VAT (Q1 2019: EUR 282 million incl. VAT). In the month of March alone, the increase was at 55.8 percent. Medicines were purchased in the first quarter of 2020 worth EUR 227 million incl. VAT (first quarter 2019: EUR 171 million incl. VAT). Here, sales rose by 88.2 percent in the month of March. In absolute growth, this small product group was thus the front-runner.

In January and February, e-commerce revenues still grew by 8.8 percent to EUR 12,856 million including VAT. After years of growth, numerous product categories continued to unabatedly show a plus of 10 percent. The large categories of clothing (+9.5 percent), consumer electronics (+8.9 percent) and computer/accessories (+9.6 percent) continued to show a very dynamic development. In March, sales across all categories slumped by 18.1 percent. The clothing segment even plunged by more than 35 percent. Consumer electronics showed a minus of 20.9 percent, while computers and accessories recorded a 22.7 percent decline despite consumer spending on home office solutions.

„E-commerce is a normal shopping channel today. This is why such a crisis in consumer sentiment has a full impact on our industry. The assertion that e-commerce would emerge as the 'winner' from the Corona pandemic is simply wrong", says Gero Furchheim, President of bevh and Spokesman of the Board of Cairo AG. "What is true, however, is that the opportunities of e-commerce for supplying customers and the business models of retail trade are being experienced in a new way.“

In addition to the consumer information collected on a weekly basis, bevh has regularly asked its members about the business situation since the beginning of March. Only in the last few days of March, which could not be included in the consumer survey, demand has picked up, but it is far from making up for the accumulated loss in sales.

"Demand is picking up, and this positive signal must also be fed back into the stationary trade. This is why harmonised authorisations are now needed for contactless "Click & Collect" - the contactless and secure handover of goods ordered by telephone or over the Internet. This concept could now, in addition to e-commerce, contribute to the security of supply of the population and the livelihood of stationary retailers and must be an essential part of a future exit strategy. Stores are full of goods and in the short term, seasonal items are at risk of a decline in value."

**Product Group Cluster „Leisure“ (DIY/Flowers, Toys, Car/Motorbike/Accessories, Hobby/Leisure articles)**

Total online sales in the product group cluster rose by a total of 1.5 percent to EUR 1,889 million incl. VAT in the 1st quarter of 2020 (1st quarter 2019: EUR 1,861 million incl. VAT).

#### **Product Group Cluster „Furnishing“ (Furniture/Lamps/Decoration, Hometextiles, Household goods and appliances)**

In the 1st quarter of 2020, online sales rose to a total of EUR 2,623 million including VAT (Q1 2019: EUR 2 542 million including VAT). This represents a growth of 3.2 percent in the first quarter.

#### **Product Group Cluster „Clothing incl. Shoes“**

Clothing was sold online in the 1st quarter of 2020 worth EUR 3,046 million incl. VAT (1st quarter 2019: EUR 3,132 million incl. VAT). Sales were thus down by 2.7 percent compared to the previous year. The shoes segment generated online sales of EUR 1,022 million including VAT (Q1 2019: EUR 1,049 million including VAT). Here too, the change was minus 2.7 percent compared to the previous year.

#### **Product Group Cluster „Entertainment“ (Books/eBooks/audiobooks, Computer/ Accessoires/Games/Software incl. downloads, electronics /Telecommunication)**

Revenues for computers, accessories and games only grew by 0.8 percent in the first quarter of 2020 and amounted to EUR 1,376 million incl. VAT (Q1 2019: EUR 1,366 million incl. VAT). Online sales of books and e-books amounted to EUR 942 million including VAT (first quarter 2019: EUR 944 million including VAT) and fell by 0.2 percent.

#### **Product Group Cluster „Daily Needs“ (Food, Drugstore goods, Pet supplies)**

The total volume of the "Daily Needs" product group cluster rose by a total of 17.3 percent with total sales of EUR 1,231 million including VAT (Q1 2019: EUR 1,050 million including VAT). Sales in the drugstore segment alone increased by 17.2 percent compared to the previous year.

#### **Services**

Services sold online, which are characterised in particular by online bookings for travel, events or flight, bus and train tickets, suffered dramatic losses. In March alone, they plunged by more than 75 percent in sales compared to the same period last year. In the first quarter of 2020 as a whole, they generated revenues of EUR 3,886 million including VAT - 13.4 percent less than in 2019 (EUR 4,489 million including VAT).

#### **Distribution Channels in e-Commerce**

In the 1st quarter, the online pharmacy companies moved ahead. This category grew by 25 per cent compared to the previous year and achieved online revenues of EUR 200 million including VAT (1st quarter 2019: EUR 160 m including VAT). The biggest losses were recorded by the online shops of stationary retailers, which fell by 9.5 per cent to EUR 2,047 billion including VAT (Q1 2019: EUR 2,263 billion including VAT). The online marketplaces generated growth of 4.9 per cent on the previous year and revenue of EUR 8,011 million including VAT (1Q 2019: EUR 7,639 million including VAT). In percentage terms, the Internet pure players were on a par with the previous year, also with a plus of 4.9 percent and revenues of EUR 2,395 million including VAT (first quarter 2019: EUR 2,283 million including VAT).

In interactive commerce (online and traditional mail order), German consumers bought goods worth EUR 16,785 million incl. VAT (Q1 2019: EUR 16,740 million including VAT) in the 1st quarter of 2020. E-commerce accounted for 98.2 percent of this figure and increased its share by 1.2 percentage points compared to the prior-year quarter.

The following table shows the **development in January/February 2020 compared to March 2020 (always without the last 7 days) in e-commerce**, as well as the development **of the entire first quarter** by individual product groups:

	1.Quarter 20	Comparison Q1/19	January / February 19	January / February 20	Change	March 2019	March 2020	Change
Clothing	3.046	-2,70%	2.277	2.494	9,50%	854	552	-35,40%
Home textiles	329	4,10%	230	252	9,50%	86	77	-10,40%
Shoes	1.022	-2,70%	763	824	8,00%	286	197	-31,10%
Books / eBooks / audiobooks	942	-0,20%	686	720	4,90%	257	222	-13,90%
Image & sound carrier / video & music downloads	674	2,70%	477	528	10,60%	179	146	-18,40%
Electronics & Telecommunication	2.825	0,80%	2.038	2.220	8,90%	764	604	-20,90%
Computer/accessories/games/ software incl. downloads	1.376	0,80%	993	1.089	9,60%	372	288	-22,70%
Hobby & leisure	648	-2,60%	483	525	8,60%	181	122	-32,50%
DIY & Flowers	468	3,80%	328	335	2,20%	123	133	8,00%
Furniture, lamps & decoration	1.189	2,00%	848	960	13,20%	318	230	-27,80%
Household goods & appliances	1.105	4,20%	771	827	7,30%	289	278	-4,00%
Drugstore goods	484	17,20%	301	339	12,60%	113	146	29,20%
Food	361	28,10%	205	241	17,70%	77	120	55,80%
Jewellery & watches	252	-7,20%	197	216	9,50%	74	36	-51,60%
Car & motorbike/ accessories	454	3,90%	318	330	4,00%	119	124	3,70%
Toys	320	3,60%	225	250	11,20%	84	70	-16,80%
Office supplies	162	-2,10%	120	131	8,50%	45	32	-30,10%
Medicines	227	32,70%	124	139	11,80%	47	88	88,20%
Pet supplies	386	8,90%	258	285	10,80%	97	100	3,70%
Other	215	-8,80%	172	151	-11,80%	64	64	-0,80%
E-Commerce in goods	16.482	1,50%	11.814	12.856	8,80%	4.430	3.627	-18,10%
Digital services	3.886	-13,40%	3.264	3.600	10,30%	1.224	287	-76,60%

One out of three online shoppers orders now several times a week on the Internet. This and a significant increase in the volume of orders placed via mobile devices have driven gross sales of e-commerce goods to EUR 72.6 billion including VAT in 2019. This is an increase of 11.6 percent compared to the previous year's figure of EUR 65.1 billion including VAT. Total sales of goods and services in interactive retail, which includes online sales as well as mail and telephone orders, reached EUR 94 billion including VAT.

**About the study:**

The German E-Commerce and Mail Order Association (bevh) is conducting the consumer survey "Interactive Commerce in Germany" for the sixth time in a row - since 2018 with the new partner BEYONDATA GmbH. In the study, 40,000 private individuals from Germany aged 14 years and older are surveyed from January to December about their spending behaviour in online and mail order retail and their consumption of digital services (e.g. travel or ticketing). The final result of the study will be published at the beginning of 2021 after the completion of the survey. The figures presented today are based on the evaluation of the months January to March 2020.

**About bevh**

The German E-Commerce and Distance Selling Trade Association (bevh) is the industry association of interactive retailers (i.e. online and mail order companies). Besides e-commerce businesses, there are also reputable service providers affiliated to bevh. Following mergers with the Federal Association of Online Groceries and the Federal Association of German Mail Order Booksellers, bevh represents the small and large players and more than 75 percent of the industry's turnover in the end customer business in Germany. bevh represents the industry's interests vis-à-vis the legislator and institutional bodies. Furthermore, the association's tasks include informing its members about current developments and trends, organising the mutual exchange of experience and providing professional advice.

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