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BCG x Foxintelligence Online growth during COVID-19 crisis – France

The view after lockdown

Last data update: 11th of September 2020

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Objective of this document & scope

The COVID-19 outbreak has impacted consumers behaviors in multiple ways: what they buy, where, in what quantity & frequency. Pure store activities have been limited to Grocery only and online has been the only way to sell for other markets. This document clarifies several points about what happened online in France specifically.

Leveraging Foxintelligence data, BCG has conducted a detailed review of French online business, in both GSA (food-dominant retailers) & non-GSA retailers, for every key digital channels (Home delivery & Web to store) and business models (Ecom & Market places).

Foxintelligence data is based on billions of real transactions derived from systematic analysis of e-receipts from a panel of 200,000+ consumers in France. The study is based on a fixed panel from January 2020 to August 2020 to ensure consistency. Note that Ali express data is not captured.

The current document will include analyses over three main periods: 2020 baseline (13/01/20 → 08/03/20), during lockdown (16/03/20 → 10/05/20) and post-lockdown (11/05/20→ 06/09/20). The week preceding the lockdown was excluded from the analysis to have a clean 2020 baseline.

Detailed analysis is available only to BCG & Foxintelligence clients.

Executive summary

Post lockdown, despite the reopening of the physical retail, e-commerce weekly sales stayed almost as high as during lockdown (+27% and +29% respectively vs. 2020 baseline) with Food slowing down and Non-Food accelerating vs. lockdown.

- Food – almost back to pre-crisis level in July and August – is showing +29% vs. 2020 baseline in the last weeks. Food skyrocketing during lockdown at +102% vs. 2020 baseline and declining through post-lockdown, shows a clear rebound in the last weeks – likely the effect of return from vacations but also an increased consumer appetite for e-grocery. GSA, representing majority of Food e-commerce, showed the same trend, with +106% vs. 2020 baseline during the lockdown and +25% post-lockdown, decrease due to lower average spend and # of customers in post-lockdown than in lockdown. Drive confirmed itself as preferred delivery type and gained share as the result of the crisis. All GSA players have benefited from post-lockdown period, with a few outstanding performers.

- Non-Food, despite its spiky weekly performance, have grown both during and post lockdown. Increase in # customers was partially sustained post-lockdown and average spend continued increasing. Home & DIY emerged as the biggest winner of the crisis. Categories lagging behind in the beginning of the lockdown (Fashion and Automotive) caught up, and so did major C2C players. Omnichannel has been confirmed as a solid competitive advantage.

- "Very big spenders" is the fastest growing non-Food customer segment online. Share of "Very big" (above 300€ monthly) spenders grew in # to 24% post-lockdown representing now 71% of online sales. Around half of these customers were in lower spending segments at the beginning of 2020 and moved up increasing the share of Consumer Electronics and Home & DIY.

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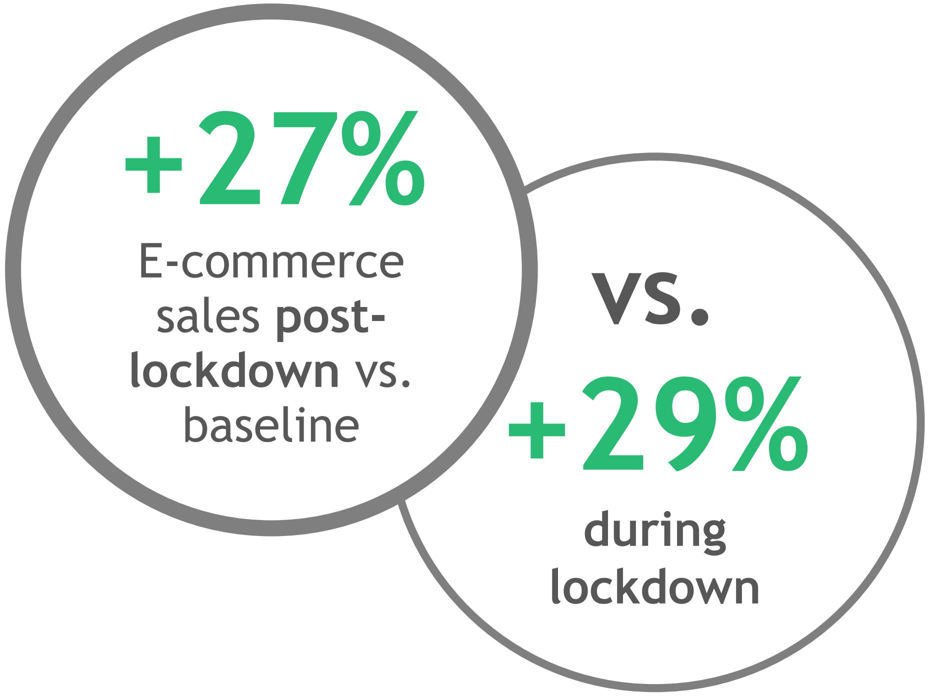
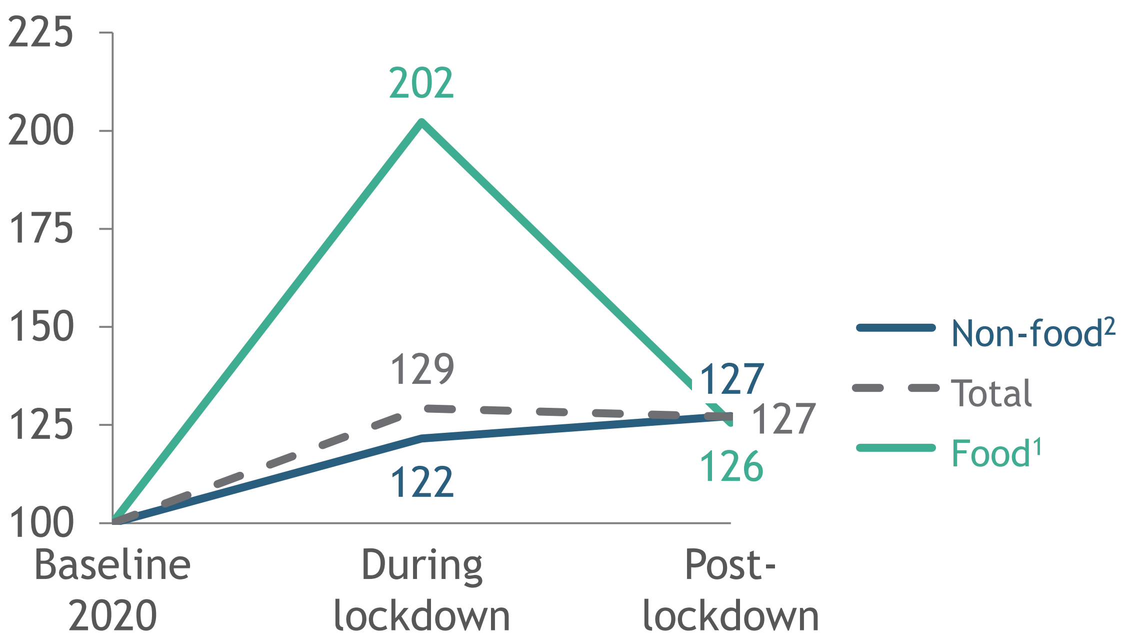
E-commerce sales stay high in post-lockdown vs. 2020 baseline, with Food e-commerce slowing down and non-Food accelerating vs. lockdown



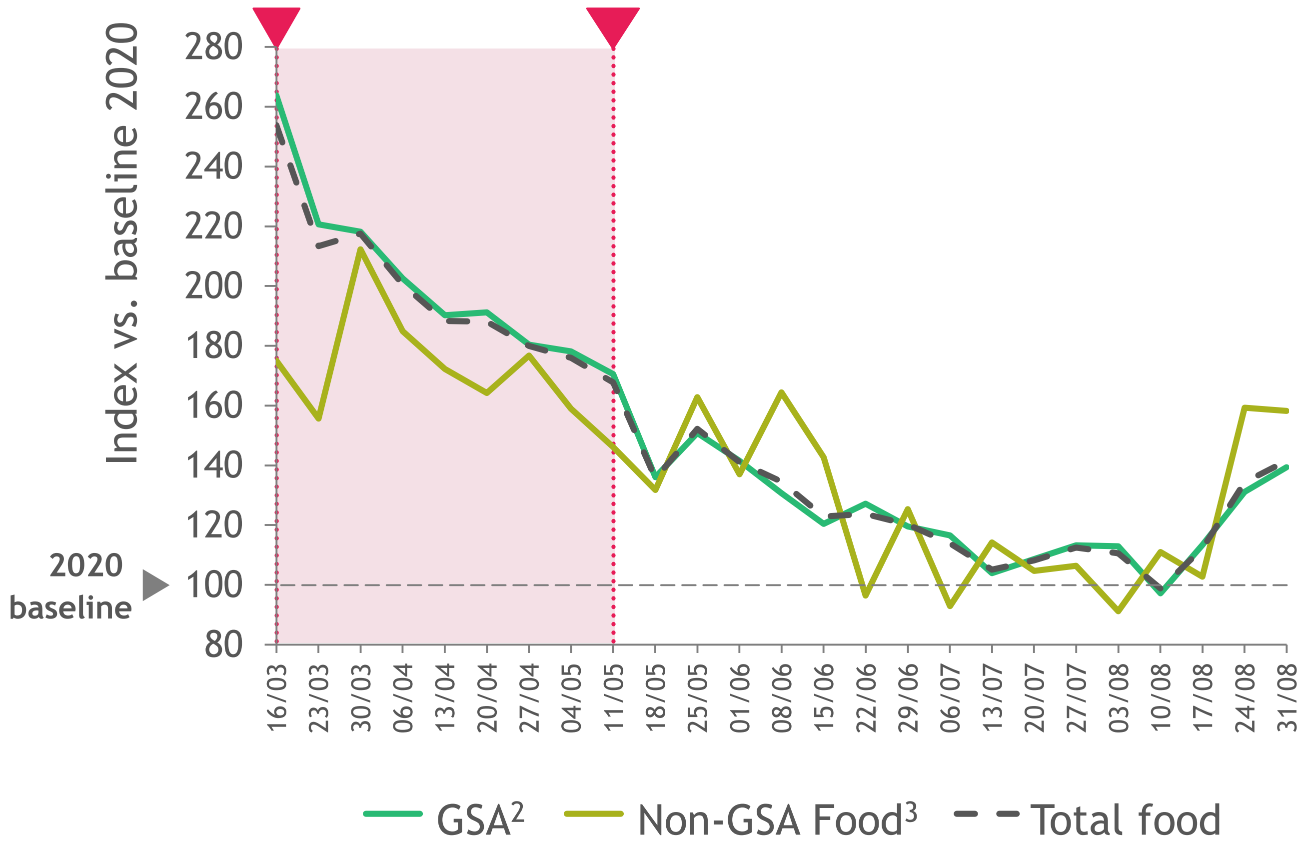


1. Includes GSA, major pure players and other e-commerce groceries; 2. Include all other non-food e-commerce
Note: Excluding E. Leclerc & Ali Express
Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

Overview
Food

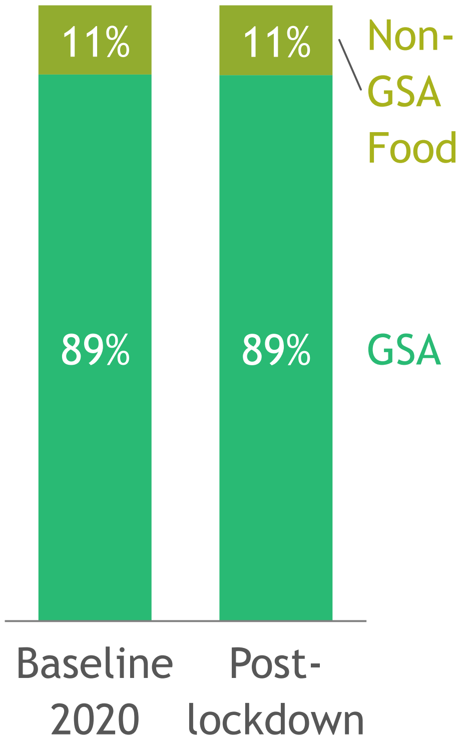
Food – almost back to pre-crisis level in July-August – is showing +29% vs. 2020 baseline in the last weeks

Sales evolution[1] for Food e-commerce



During vs. 2020 baseline	Post vs. 2020 baseline	Focus last 3 weeks
+75%	+26%	+40%
+106%	+25%	+28%
+102%	+26%	+29%

Market shares



1. Indexed on 2020 baseline weekly average sales 2. Includes main large retailers in France; Leclerc not included (no data) 3. Major pure players and other e-commerce actors, principally coffee related or private sales
2. Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

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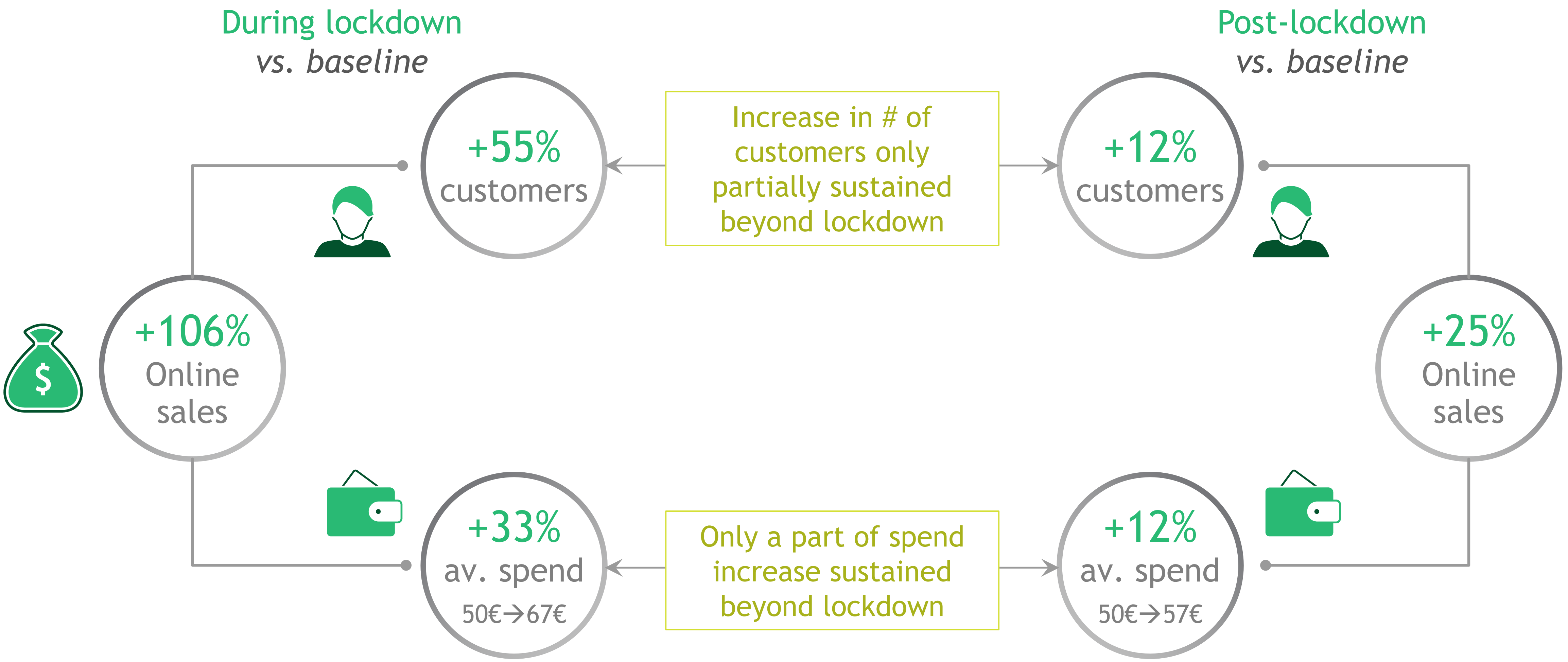
GSA sustains less than one forth of the increase in # weekly customers (+12% vs. +55%) and less than a half of the spend increase (+12% vs. +33%)

Scope: GSA[1] only



1. Includes main large retailers in France; Leclerc not included (no data)

Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

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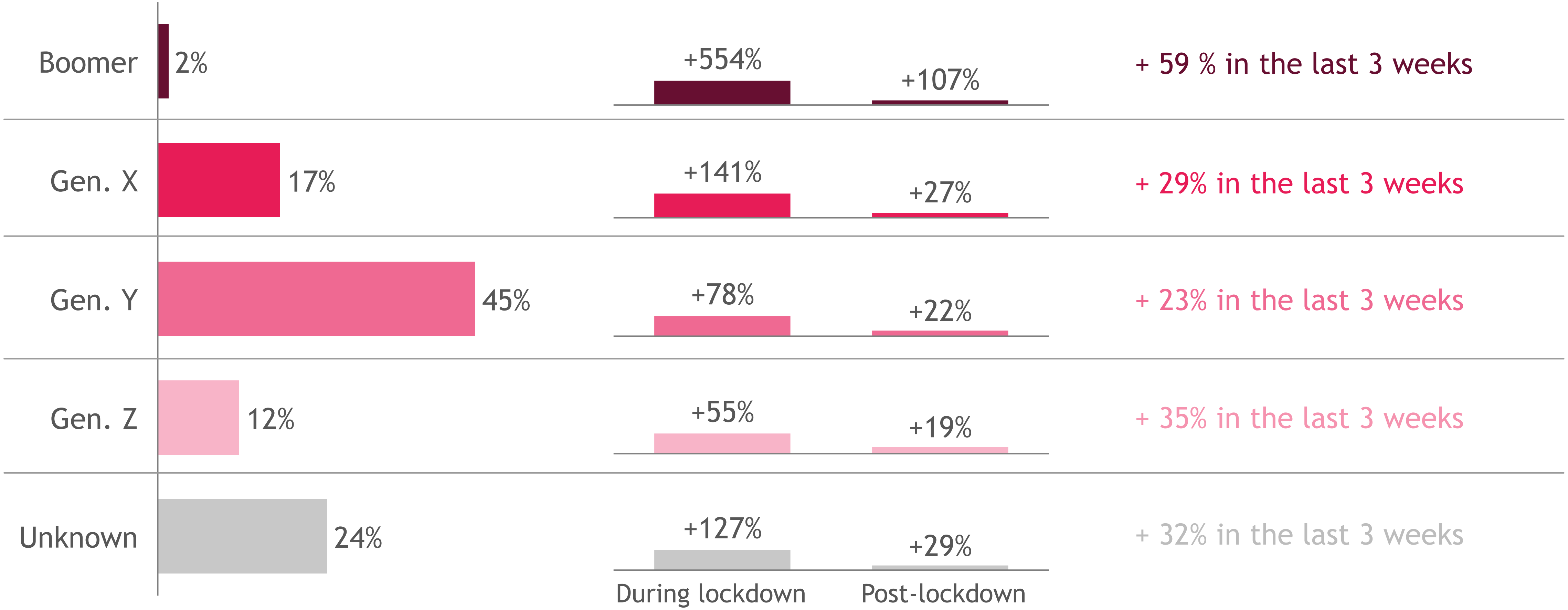
Boomers and Gen X with highest relative increase

Scope: GSA[2] only

Split[1] of online sales in GSA[2] by generation[3] *based on the panel[4]*

Online sales increase by generation vs. baseline 2020



1. As per sales in 2020 baseline 2. Includes main large retailers in France; Leclerc not included (no data) 3. Year of birth per generation - Boomer : 1940 - 1959; Gen X : 1960 - 1979; Gen Y: 1980 - 1994; Gen Z : 1995 - 2010 4. People under 40 and / or living in urban areas over-represented in Foxintelligence data
Source: Foxintelligence data

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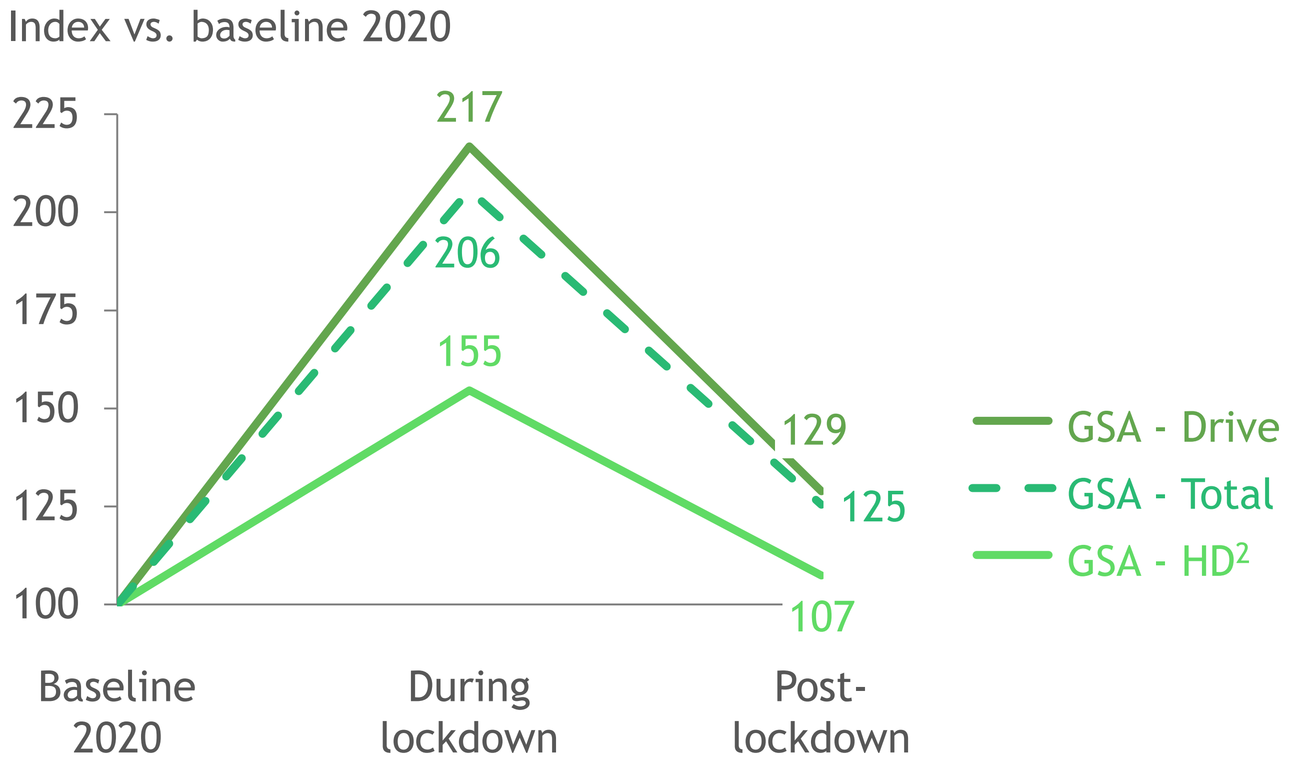
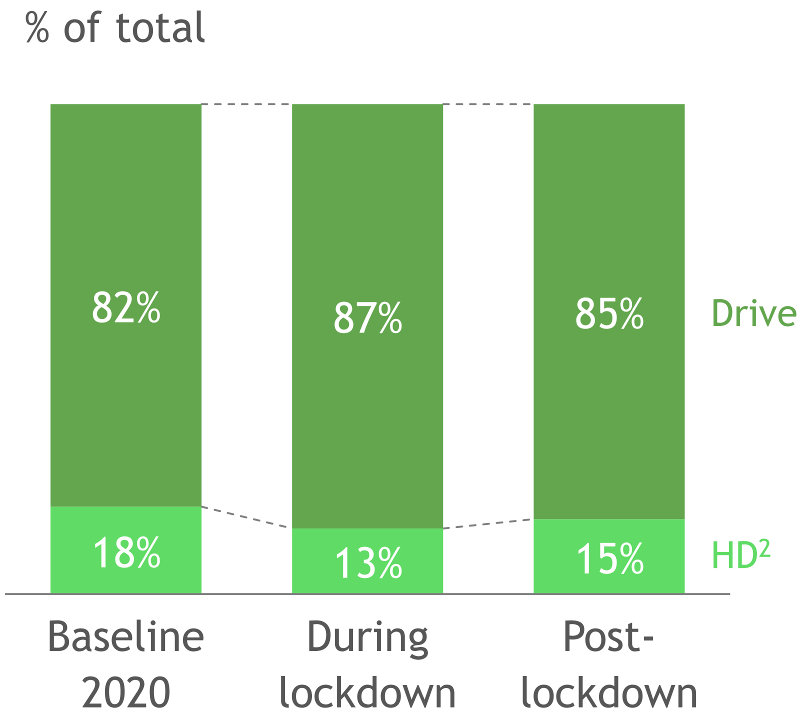
Drive remained preferred delivery type that gained share following lockdown

Scope: GSA[1] only

GSA[1] online sales evolution by delivery type



Evolution of GSA[1] delivery type shares



1. Includes main large retailers in France; Leclerc not included (no data) 2. Home Delivery Note: Not GSA online sales representing <1% of shares redistributed between Drive & HD
Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

Overview Non-Food

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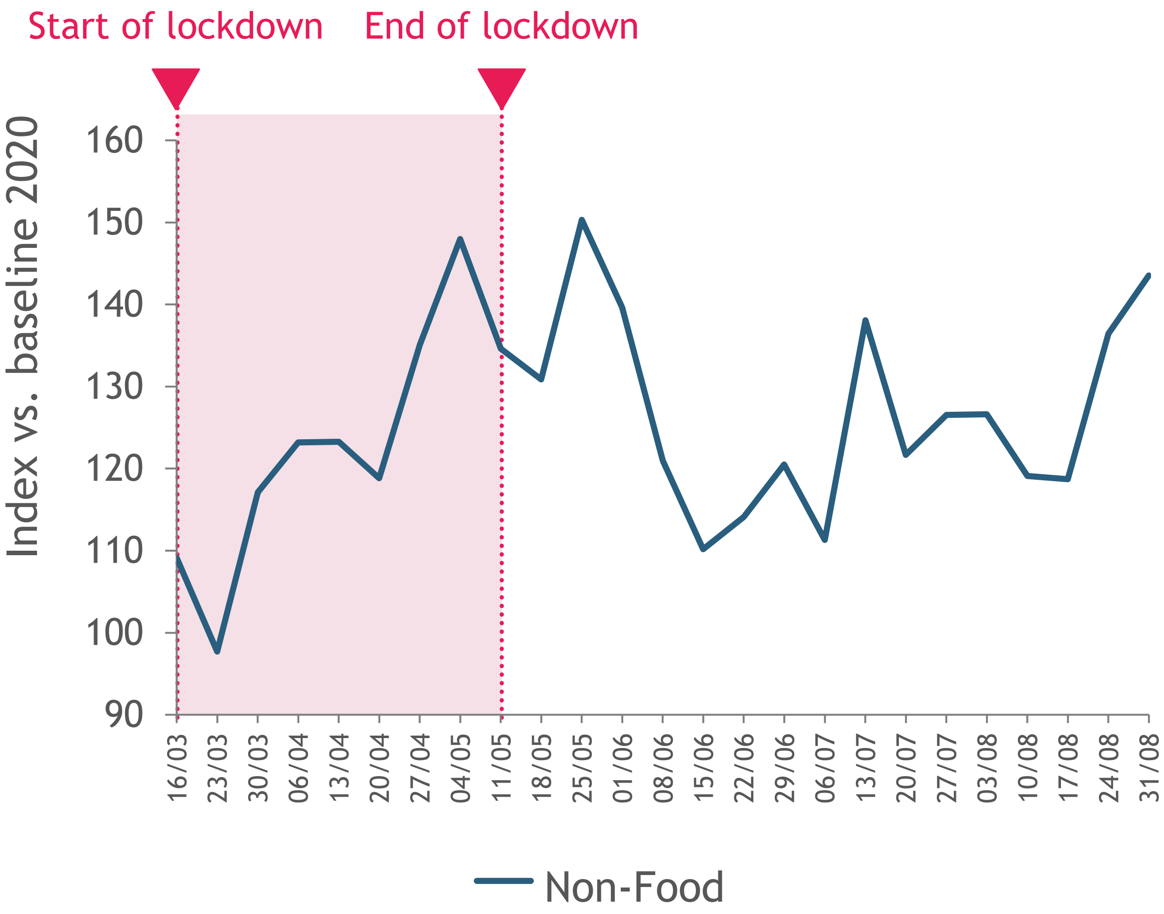
Non-food e-commerce increased during lockdown and continued growing on average post-lockdown despite its spiky trend

Sales evolution[1] for Non-food e-commerce



+22% During vs. 2020 baseline

+27% Post vs. 2020 baseline

+33% Focus last 3 weeks

1. Indexed on 2020 baseline weekly average sales
Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

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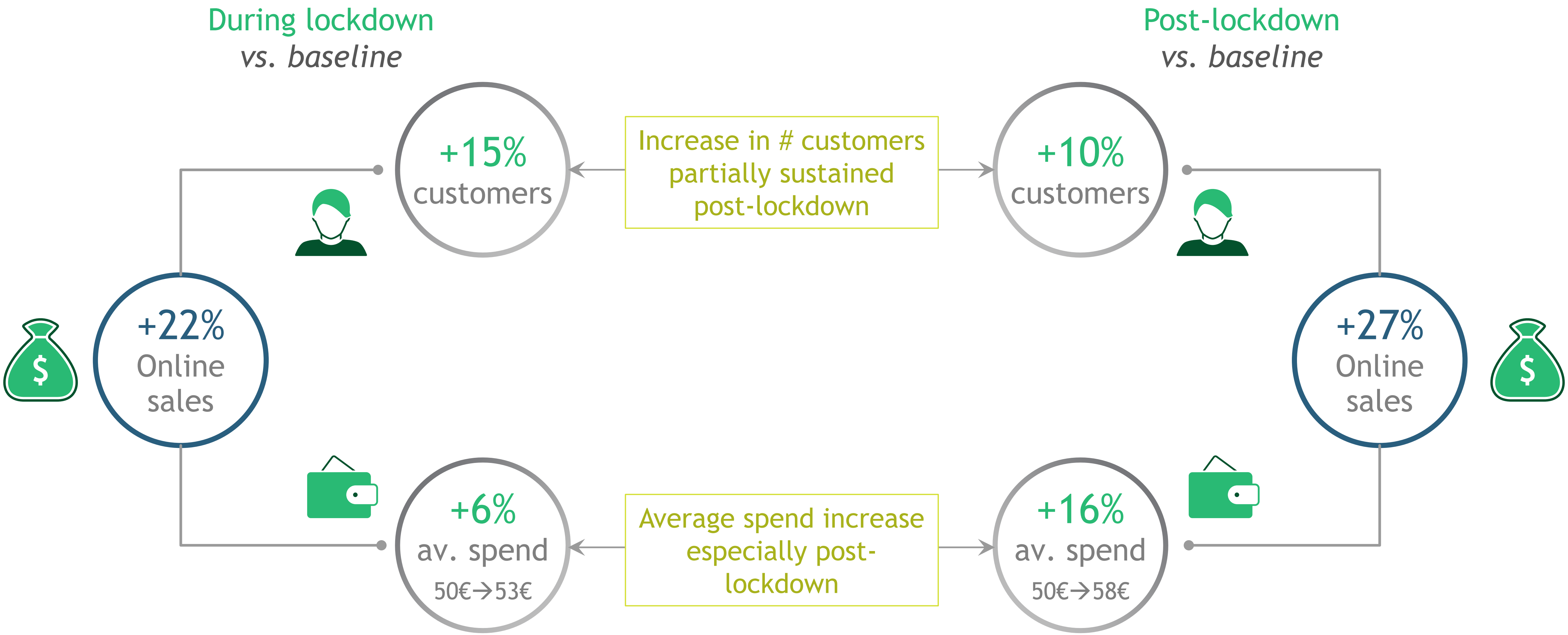
In non-food, increase in # weekly customers was largely sustained post lockdown, and average spend augmented especially post-lockdown



Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

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Three types of trends in non-food e-commerce but overall all categories are winning in post-lockdown and penetration is increasing

		Online sales level vs. 2020 baseline		Share of online sales[1] (%Total)	Source: Banque de France Total market (incl. offline) level[2]	
		During lockdown	Post-lockdown		March-April	May-August
High increase vs. baseline during lockdown and after	DIY & Home	+34%	+38%	23%	-76%[3] / -45%[4]	-7%[3] / +50%[4]
	Beauty	+32%	+9%	3%	-76%[5]	-5%[5]
	Cons. elec.	+29%	+20%	29%	-51%[6]	-10%[6]
Modest increase in lockdown and after	Pet care	+17%	+17%	2%	n/a.	n/a.
	Baby	+3%	+17%	1%	n/a.	n/a.
V-shaped recovery	Fashion	-7%	+23%	19%	-77%[7]	-2%[7]
	Automotive	-24%	+40%	3%	-41%[8]	+30%[8]

1. As per sales in 2020 baseline, Others category not showed, representing 20% (incl .Home appliance, Hygiene, Health, Games etc.) 2. Monthly national retail survey (May, June, July & August and March & April vs. Jan & Feb 2020) 3. " *Meubles*" 4. " *Bricolage* " 5. "*Parfumerie et produits de beauté*" 6. "*Matériels audio et vidéo*" & "*Appareils électroménagers*" 7. "*Habillement*" & "*Chaussures*" 8. "*Equipements automobiles*"

Note: observation period and scope differ slightly between Foxintelligence and Banque de France surveys (BdF periods are: May, June, July & August and March & April vs. Jan & Feb 2020)

Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data), Banque de France

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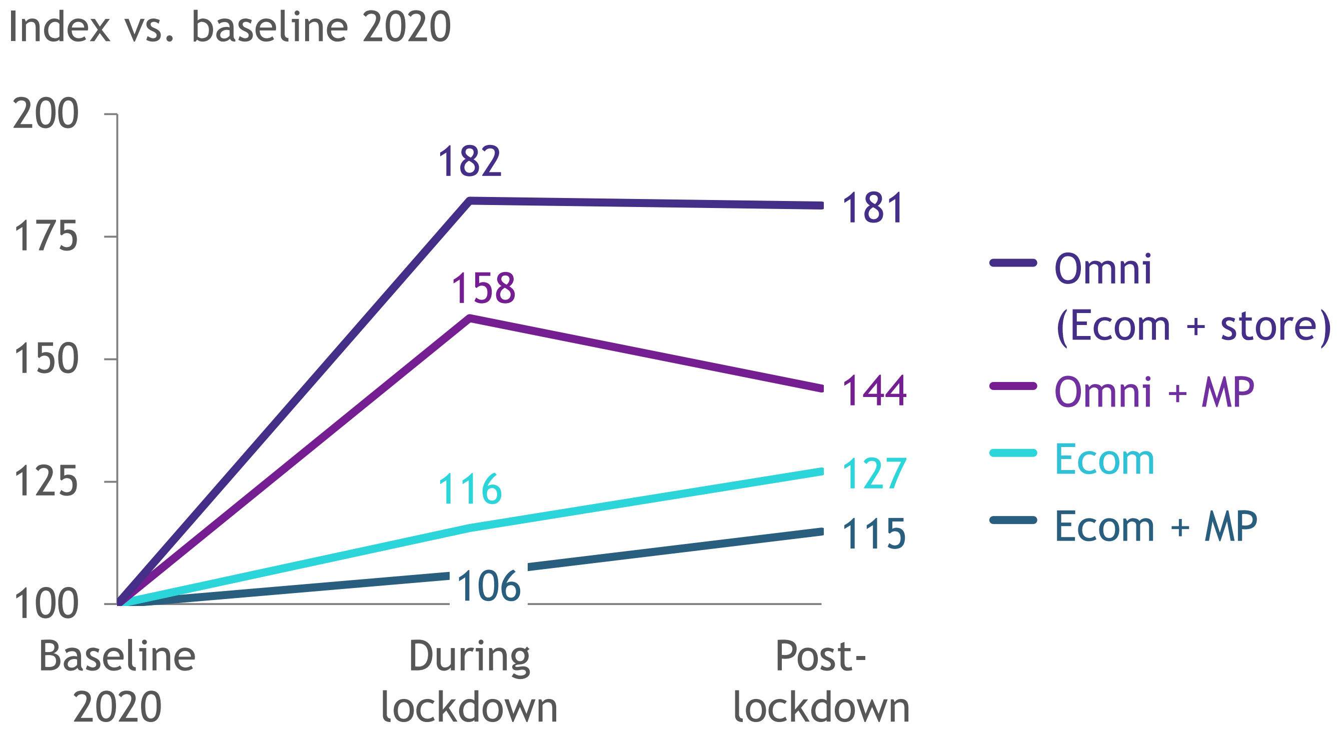
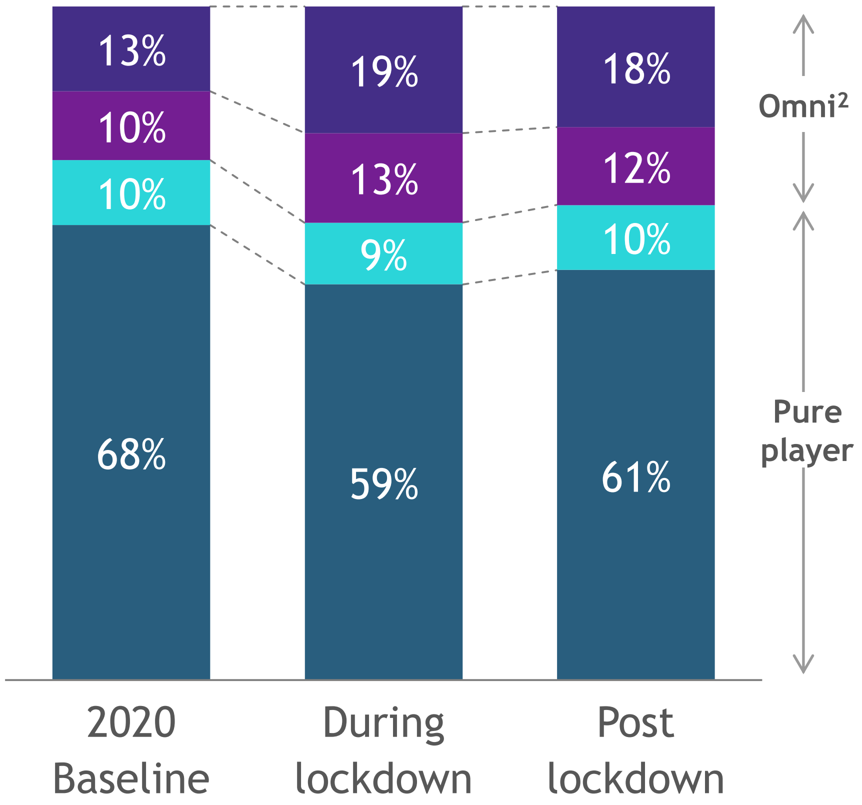
The omnichannel model thrived during the lockdown, however pure players already dominant and accelerating – risking to gain back their share

Non-food online sales evolution by player type



Market shares by player type



1. Indexed on average 2020 baseline weekly sales 2. Omni channel models include Ecom/ Drive + offline stores with or without Market Places
Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)
Note: E-Commerce websites are operated by a specific brand to sell its products ; Market places are intermediaries between brands and customers, which take a commission on the sales

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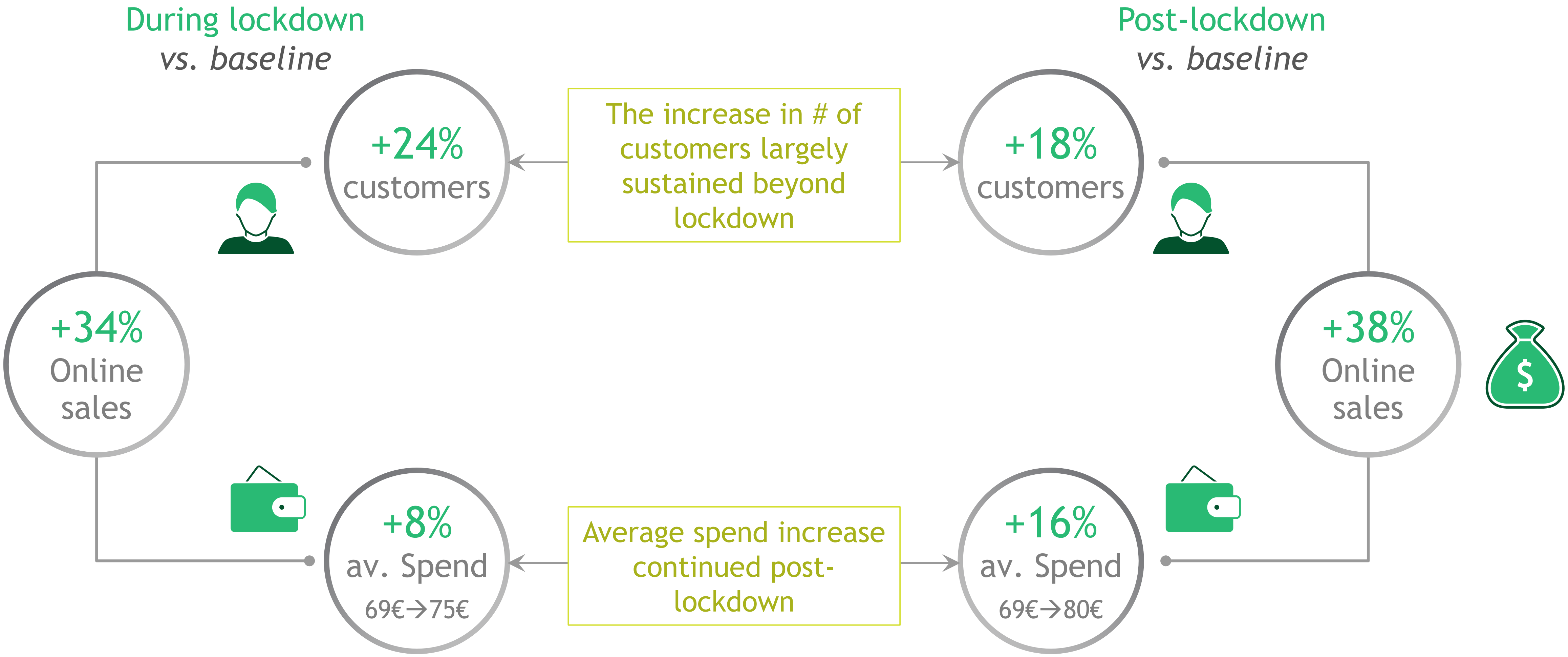
Focus DIY & Home: lockdown growth in # of customers largely sustained, complemented by continuing av. spend increase post-lockdown



Note: DIY Includes Bricolage, Garden, Home, Kitchen & Lights
Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)


Customer
overview
(Non-Food)

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Four customer segments identified based on the spend amount – 71% of online sales coming from only 24% of "Very big" spenders in Non-Food

"Post-lockdown" till 05/07

	Very small spender	Small spender	Big spender	Very big spender
Category definition: monthly spend (€)	< 50	50 - 150	150 - 300	> 300
Share in online sales (Post-lockdown[1])	3%	11%	15%	71%
Share in # customers (Post-lockdown[1])	27%	30%	19%	24%

1. Only first 8 weeks after the lockdown end considered
Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

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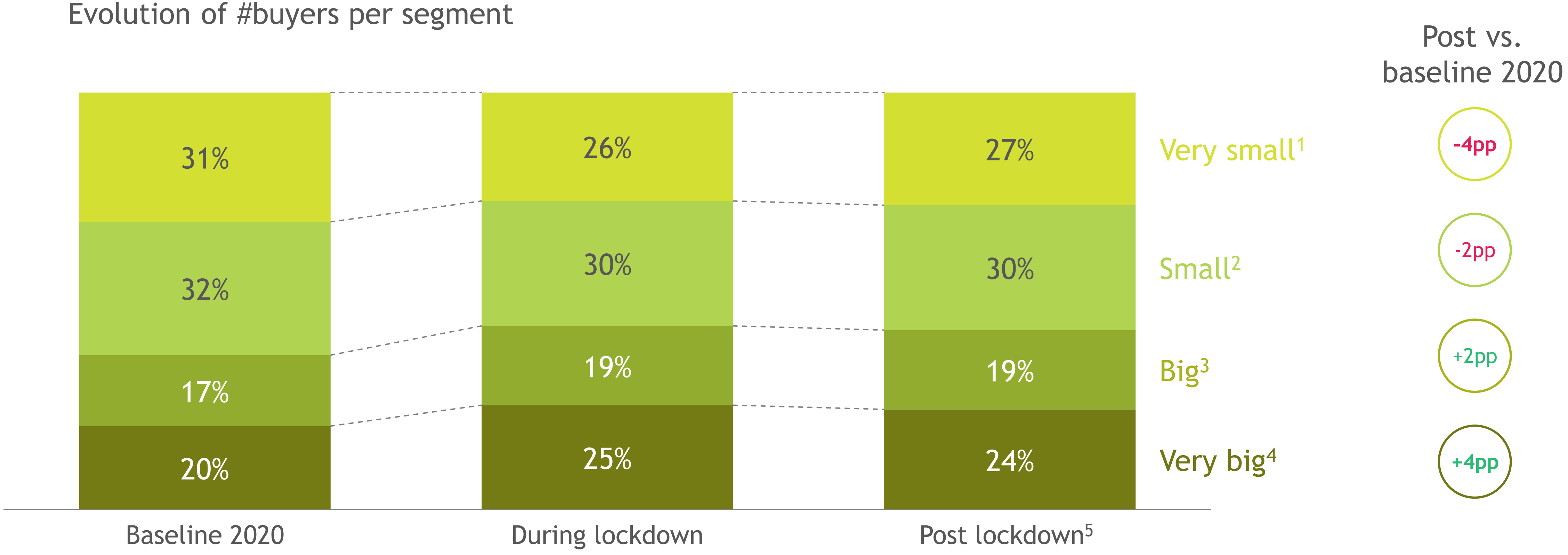
"Very big" segment grew the most in crisis, gaining share over other segments – in line with average spend increase across customers

"Post-lockdown" till 05/07

Evolution of #buyers per segment



1. < 50€/month ; 2. 50€ < 150€/month ; 3. 150€ < 300€/month ; 4. > 300€/month 5. Only first 8 weeks after the lockdown end considered
Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

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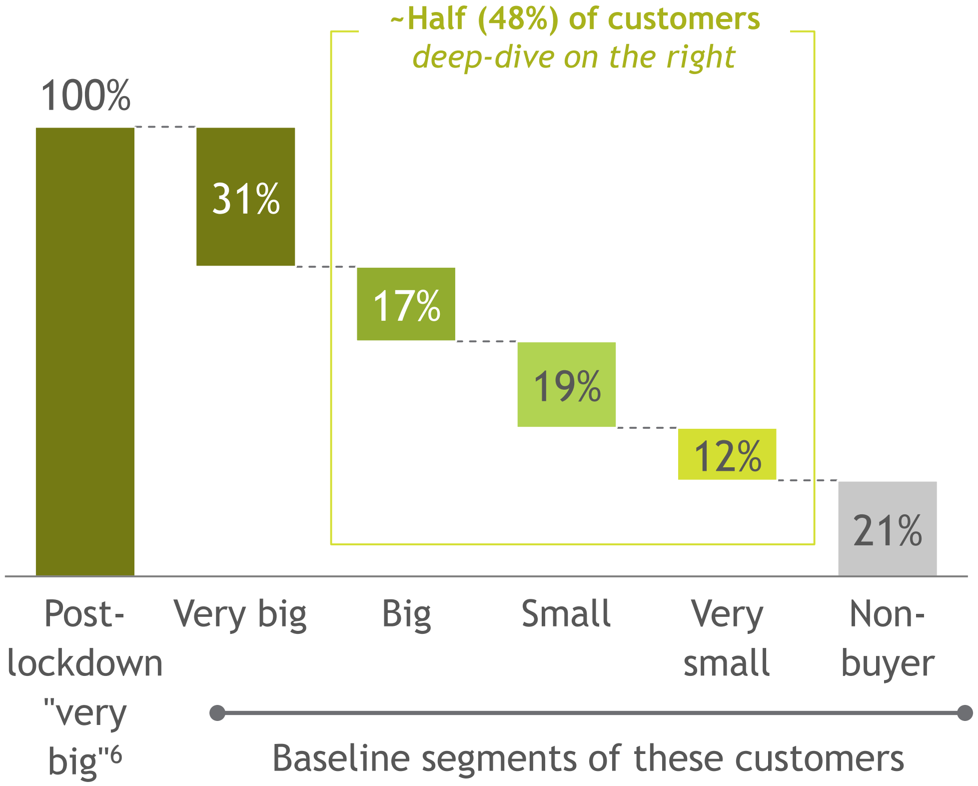
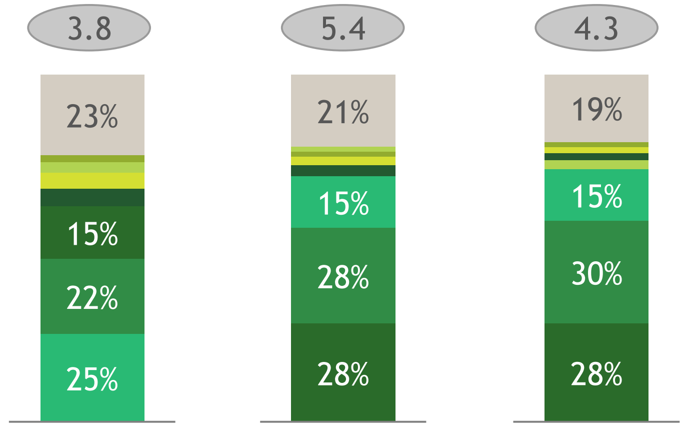
Around half of post-lockdown "Very big" spenders grew from smaller spend categories, expanding share of Consumer electronics and DIY & Home

"Post-lockdown" till 05/07

Previous category of new "very big" spenders



Deep-dive on new "very big" spenders, previously segmented as "very small"/ "small"/ "big"



Rank	Baseline 2020	Lockdown	Post lockdown
1st	Fashion	Cons. Elec.	Consumer electronics
2nd	DIY & Home	DIY & Home	DIY & Home
3rd	Cons. Elec.	Fashion	Fashion
4th	Beauty	Beauty	Automotive
5th	Pet Care	Pet Care	Beauty
6th	Automotive	Baby	Pet Care
7th	Baby	Automotive	Baby
	Others	Others	Others

1. < 50€/month 2. 50€ < 150€/month 3. 150€ < 300€/month 4. > 300€/month 5. Ranked by online sales within the customer group 6 . Only first 8 weeks after the lockdown end considered
Source: Foxintelligence data (note: people under 40 and / or living in urban areas over-represented in Foxintelligence data)

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If you need more details feel free to contact us

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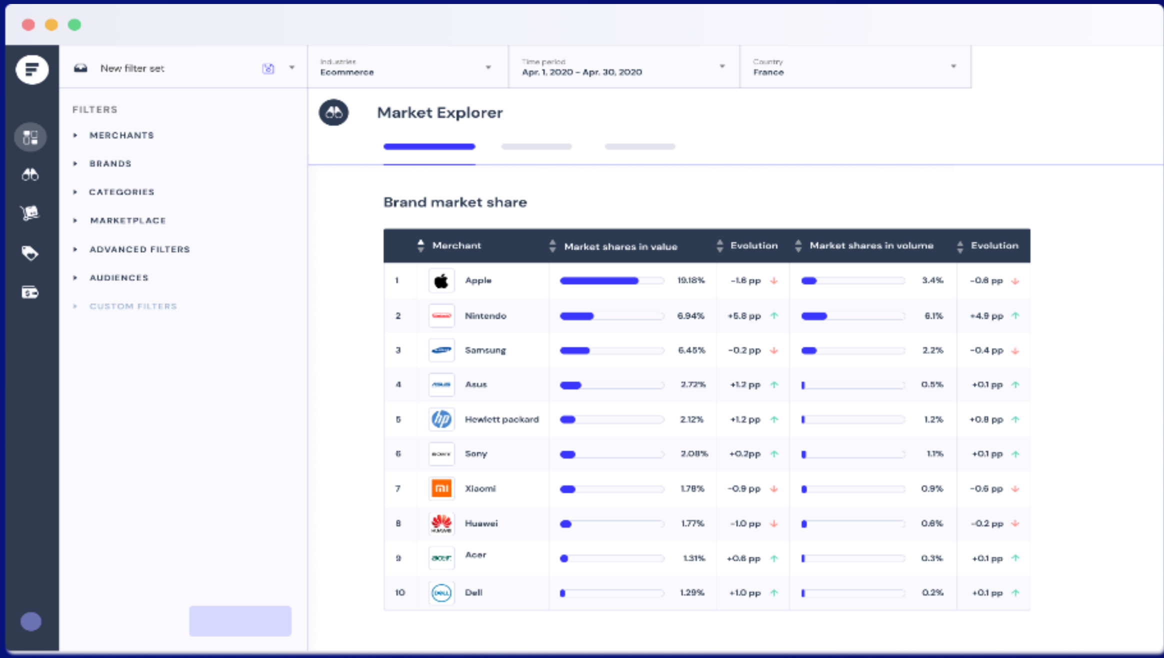
About Foxintelligence

Foxintelligence is the publisher of Foxwatch, the #1 consumer intelligence platform for eCommerce, powered by the first tech-based consumer panel of 500,000+ real consumers. Foxwatch measures the activity of eCommerce companies based on billions of real transactions derived from systematic analysis of e-receipts from consumers' mailboxes.

Data is obtained with the explicit consent of the users and is completely anonymized.

Foxintelligence supports leading eCommerce companies in their strategy by providing their teams with the best competitive information. Thanks to the fast, accurate and exhaustive understanding of their digital consumers, our clients make better strategic and operational decisions on a daily basis.



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COVID-19 Disclaimer

The situation surrounding COVID-19 is dynamic and rapidly evolving, on a daily basis. Although we have taken great care prior to producing this presentation, it represents BCG's view at a particular point in time. This presentation is not intended to: (i) constitute medical or safety advice, nor be a substitute for the same; nor (ii) be seen as a formal endorsement or recommendation of a particular response. As such you are advised to make your own assessment as to the appropriate course of action to take, using this presentation as guidance. Please carefully consider local laws and guidance in your area, particularly the most recent advice issued by your local (and national) health authorities, before making any decision.

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