



RetailX

France ecommerce country report

2023

In partnership with:

The logo for ASENDIA, consisting of the word 'ASENDIA' in bold black letters on a yellow background, with 'BY LA POSTE & SWISS POST' in smaller black letters below it.

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Introduction



Welcome to the 2023 RetailX France Ecommerce Country Report

France is the world's seventh-largest economy and Europe's third-largest after Germany and the UK. It's always going to be a destination of interest for retailers eyeing growth and of interest to us in a research capacity.

Pension reform strikes have impacted the country's transport and energy and economic activity is subdued but the outlook for 2024 is good.

Despite facing the same challenging times as the rest of Europe, French consumers are optimistic. They're spending more online than the average European shopper and they're keen users of social commerce. They like saving time and they're happier if they know they're buying from a fair company.

As always, we present the following pages as a guide for those seeking to expand their business in France. We appreciate any feedback you may have on its effectiveness and areas for improvement.

Ian Jindal, CEO, RetailX

Featured

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Andrey Popov/
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Spend is on the increase – particularly in fashion – for the digitally-savvy French consumer

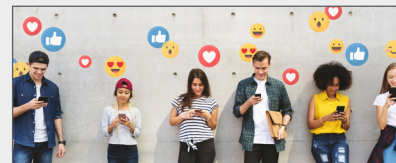
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French shoppers are happy to accept new ways to pay

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Social media is popular but scam influencers have received a formal warning

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Country profile

An ageing, urban population with higher-than-average GDP per capita

The French are renowned for living the good life and the country remains a strong market for ecommerce thanks to its long association of consumption with pleasure.

France is the world's seventh largest economy and the third biggest in Europe, behind Germany and the UK. Tourism is a major industry thanks to its position as the world's leading tourist destination – accounting for 8% of gross domestic product (GDP).

The country has a mixed economy, with many private and semi-private companies across a diverse range of sectors. However, the French government remains heavily involved in certain key industries such as power generation, public transport and defence.

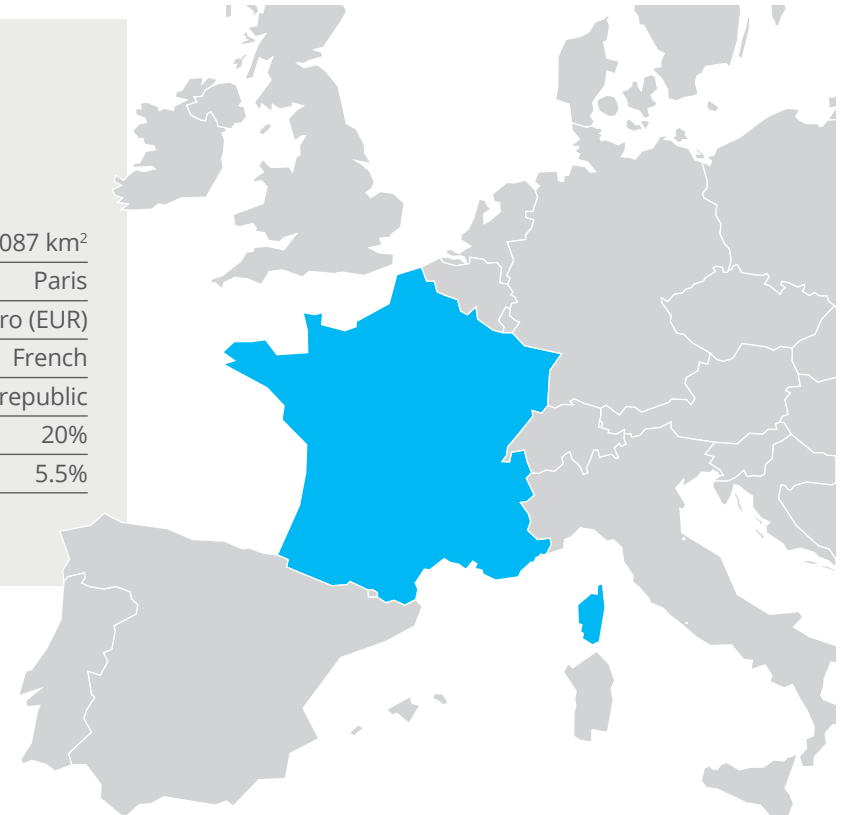
The government's economic intervention in support of social equality does on occasion present some challenges for the wider economy, including a rigid labour market and a large public debt – which was nearing €3tn at the end of 2022 – compared to other advanced economies.

There can be political ramifications too. 2022 saw Emmanuel Macron re-elected president, but his government lost its parliamentary majority. Policy-making has since required compromises with



France

Area:	549,087 km ²
Capital:	Paris
Currency:	Euro (EUR)
Official language:	French
Government type:	Semi-presidential republic
VAT:	20%
Reduced rate:	5.5%



opposition parties and passing some bills by decree, the latter of which proved particularly controversial with Macron's pension reforms, sparking social unrest across the country.

The issue has proved particularly potent among an ageing population. France's population is nearing 66m, with Baby Boomers (those born between 1946-1964) the largest age group accounting for up to 14.2mn people – followed by Gen X (1965-1980), accounting for 13.5mn. This means that at least four in 10 people in France are above the age of 40.

Between 2.7mn and 3.7mn people are expected to become dependent in the coming years and Macron argues that the raising of the pension age from 62 to 64 is necessary to guarantee everyone's pension.

Population growth has stayed relatively stable in recent years, at around 0.3%, which is just higher than the European average and lower than the global one of just under 1.0%.

More than two-thirds of the French population live in urban areas (particularly in Paris and its suburbs), and the level of education is high and getting higher. The majority work in office jobs, while tradespeople and entrepreneurs make up 6.4% and farmers just 1.5%.

GDP per capita in 2022 was just over €40,000, a figure that has remained steady since 2018, despite a slight dip during the pandemic. That's higher than the European average and almost double the global one. Rising inflation and higher energy costs are making a consumers increasingly look at their spending.

The majority of people have internet access. France has a high internet penetration rate of about 86%, consistent with both European and global averages. Similarly, the percentage of internet users who shop online has been rising slowly but steadily in recent years – although remains marginally higher in France compared to elsewhere in the world.

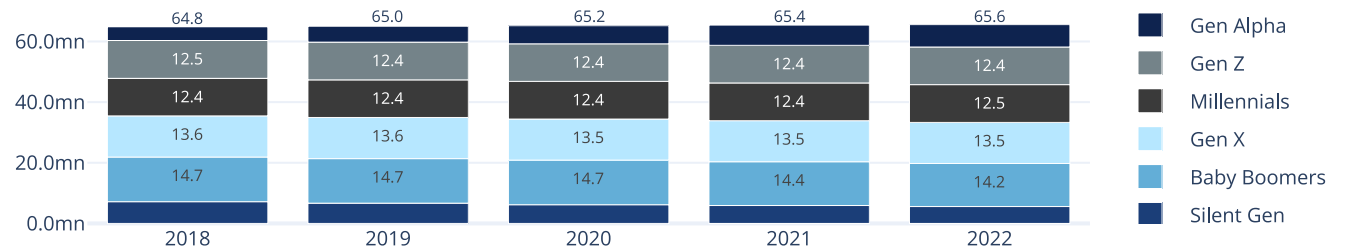
However, ecommerce revenue growth (indexed) has dropped slightly in France since 2021, as is consistent across Europe after pandemic restrictions eased – although it remains slightly lower than the European average and considerably lower than the global one, which itself has stayed relatively stable in terms of growth over the past year.

The French are becoming more socially and environmentally conscious when it comes to parting with their hard-earned cash, due to both external pressures such as the war in Ukraine and changes in consumer behaviour. Many are trying to adopt more responsible consumption habits in terms of environmental impact, authenticity and traceability. Food, in particular, has seen an increased focus on quality over quantity in recent years.

With a renewed focus on sustainability post-COVID, both in France and across the world, its a trend only likely to continue.

France: Population analysis

Population structure by age group (mn)

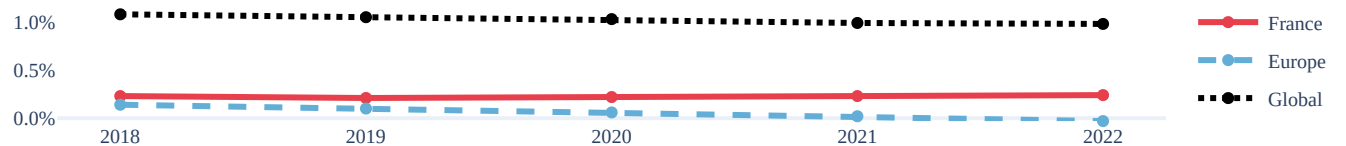


Age groups (year of birth): Silent Gen (1922-1945), Baby Boomers (1946-1964), Gen X (1965-1980), Millennials (1981-1996), Gen Z (1997-2012), Gen Alpha (2013-present)

Source: RetailX, drawing on data from the UN Population Division

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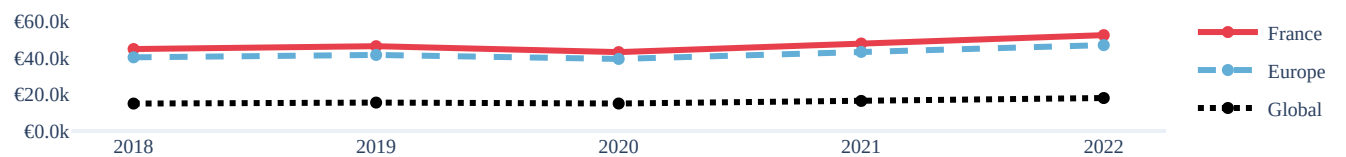
Population growth



Source: RetailX, drawing on data from the UN Population Division

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GDP per capita (k EUR)



Source: RetailX, drawing on data from the IMF and the UN Population Division

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Market context

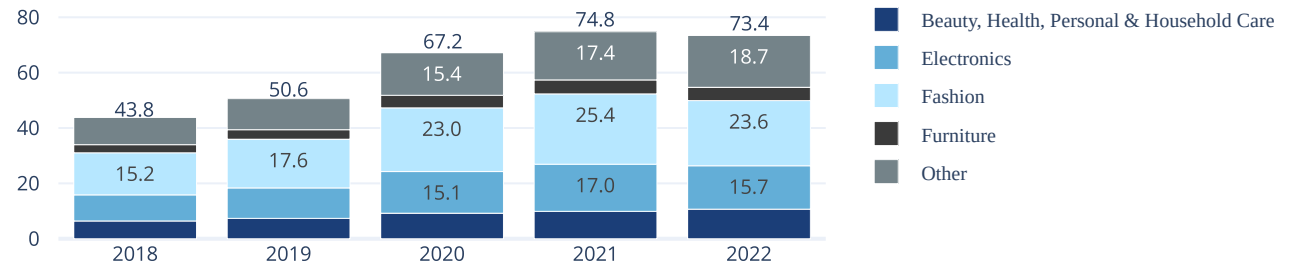
France is already one of the world's biggest ecommerce markets – the seventh globally and third in Europe behind the UK and Germany – and online sales are only expected to grow

France is the second-biggest economy in the eurozone and has the highest level of government spending. However, as elsewhere, its economy is still suffering from the after-effects of the Covid-19 pandemic and ramifications of the war in Ukraine. As such, economic activity is forecast to stay subdued in 2023, with 0.7% annual growth, but expected to gain momentum and reach 1.4% in 2024. Government intervention has helped keep inflation relatively controlled in France, where it remains one of the lowest in the EU. Nevertheless, its inflation rate rose to 5.9% in 2022 and is expected to stay around 5.5% in 2023, before dropping to 2.5% in 2024.

The French have long associated purchases with pleasure and are renowned for having a high and diversified level of mass consumption – with culture, entertainment, and sports products important to many consumers. However, consumers are becoming increasingly price conscious and cutting back on food, clothing and leisure as inflation pushes prices up. When they do spend, most buy from mass retailers and large companies, even though consumers put significantly more trust in small shops and craftsmen.

The electronics and fashion sectors lead ecommerce in France

Annual revenue for the ecommerce market (bn EUR), France, 2018-22

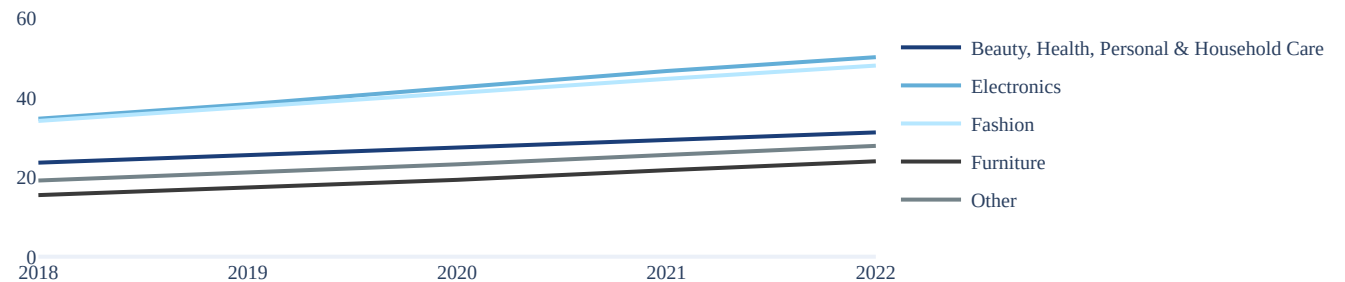


Source: Statista Digital Market Insights

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Electronics and fashion online shopping growing faster than other sectors

Percentage of ecommerce e-shoppers, France, 2018-22



Source: Statista Digital Market Insights

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Eight in 10 (79%) consumers put importance on 'Made in France' products as they see French goods as a symbol of quality and buying them as supporting the local and national economy.

Online purchases made up about 12.5% of all retail sales in France in 2022, down from 14.1% a year earlier. The country has a high internet penetration rate of nearly 93% and revenue in the ecommerce market is forecast to reach US\$91.65bn in 2023 and show an annual growth rate of 8.48% to 2027, when it has a projected market volume of US\$126.90bn.

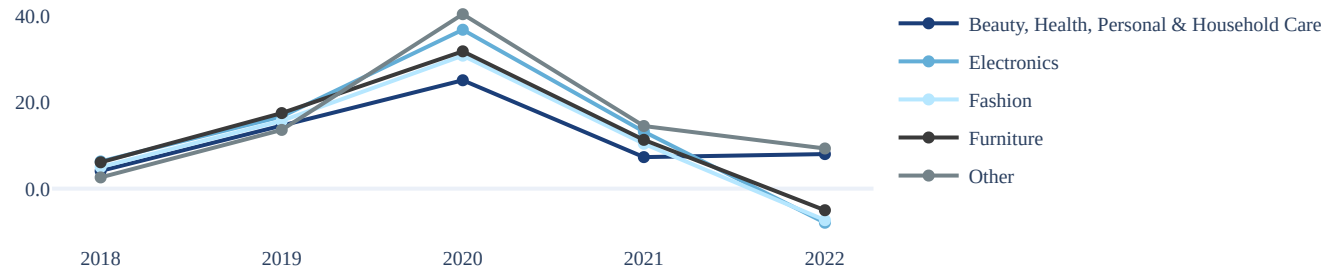
Fashion is France's leading ecommerce sector, accounting for €23.6bn in annual revenue in 2022. This figure marks a significant rise on pre-pandemic levels when it accounted for just €17.6bn, perhaps indicating that French fashion lovers are tightening their belts amid higher inflation and a return to bricks and mortar stores. Electronics was the next biggest sector for online shopping, making €15.7bn in annual revenue in 2022. Beauty, health, personal and household care and furniture were also popular online purchases. However, while fashion and electronics are growing faster than other ecommerce sectors, both saw a dip in annual revenue on 2021, €1.8bn and €1.3bn respectively, reflecting the slowing growth of online shopping.

France remains fertile ground for ecommerce – as shoppers look for discounts and with less time to spare due to returning to the office – with the number of ecommerce users expected to hit nearly 53mn by 2027.^[1]

[1] <https://www.statista.com/outlook/dmo/ecommerce/france>

Revenue is down in electronics and fashion

Annual change in revenue for the online ecommerce market (%), France, 2018-22

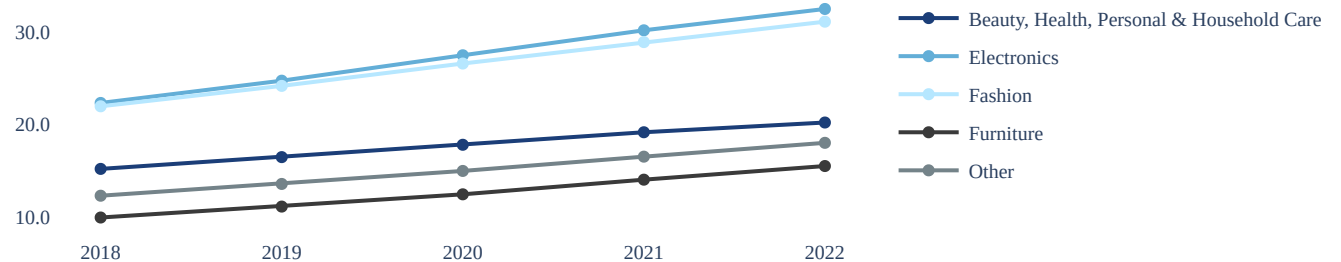


Source: Statista Digital Market Insights

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Online shopping growth slows in 2022

Number of ecommerce users (in millions), France, 2018-22



Source: Statista Digital Market Insights

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Expert insight

Cost, sustainability and convenience are the main challenges in the French market

Bénédicte Denni, Senior Product Manager for France at Asendia



What are the main ecommerce trends in France?

Following a massive rise off the back of the Covid-19 pandemic, last year saw a slight deceleration of ecommerce growth in France. The good news is that trends have now returned to pre-pandemic levels and seem likely to keep going, especially with Paris Olympics ahead in 2024.

The French market has solid foundations to build on. Trust in digital platforms is at its highest level in a decade and m-commerce is developing at fast pace. France is reported to be the third largest ecommerce market in Europe with appetite of e-shoppers for marketplaces and social commerce. With high

inflation, 63% of French shoppers buy online to find cheaper prices. Many shoppers are prioritising the purchase of necessities over transactions that can be postponed. The economic situation is also fuelling alternative payment methods, such as buy-now, pay-later. However, new EU regulations on credit could make this trend unsustainable.

How important is sustainability for French consumers?

French consumers show a strong interest in corporate social responsibility (CSR) and the importance of sustainability has grown significantly in recent years. Companies are responding by making sustainability a key strategic priority, helping to promote the circular economy and its benefits to a wider audience and optimising supply chain to last mile delivery. Embracing sustainability may be evident in the rise of C2C platforms. Indeed, some proactive retailers have already launched their own second-hand platforms. The second-hand clothing market is even projected to be more than twice the size of the fast fashion market by 2030. La Poste group has a lot of initiatives in its different branches (Colissimo, DPD, etc.) to compensate and reduce CO2 emissions. Asendia is proud to be 100% carbon neutral as we offset the entire delivery and returns journey of a parcel.

What are the main drivers of French consumers and how retailers approach them?

Convenience is central to the appeal of ecommerce, which is why 85% French consumers show a massive preference for home deliveries and 61% of French online retailers prefer using La Poste services. However, made more popular during the Covid-19

pandemic, out of home (OOH) solutions are a viable alternative for some. Ultimately, French shoppers will choose the option that suits them best. To meet the needs of the broadest range of shoppers, retailers should offer flexible delivery options at checkout. Besides convenience, speed of delivery is another important factor. Slow lead-times can lead consumers to shop elsewhere. One in ten say they often pay extra to receive their products more quickly. French consumers expect most of all clear predictive timeframes and reliability. They are also keen to avoid hidden fees for delivery and returns. The ultimate competitive differentiator is to offer free and fast delivery.

Meeting the expectations of French consumers can be a challenge. Savvy retailers are adapting accordingly, and those who offer positive delivery experiences and easy returns solutions are likely to be rewarded with loyalty from their customers.

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www.asendia.com

The French consumer

The digitally savvy and increasingly sustainable French consumer's spend looks set to increase

France has been an advanced digital economy for some years, with a diverse consumer market. However, French shoppers have long preferred to buy locally and have a tendency to favour quality over quantity, being willing to invest in higher-priced products if they are French-made (as evidenced by the popularity of the effective Made In France campaign).

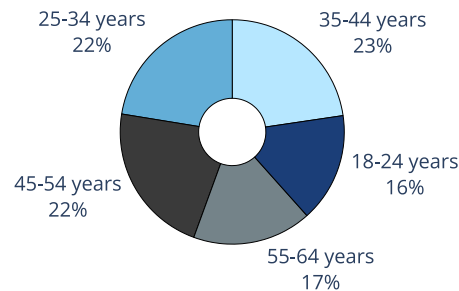
The French consumer also places importance on the shopping experience, traditionally preferring physical stores and personalised assistance. The digital shopper is a savvy but hard-won consumer.

Nonetheless, many French shoppers embrace online shopping and are increasingly seeking convenience and competitive pricing. To manage this, many retail businesses are adapting to omnichannel strategies and mobile shopping – and accept that social media's influence on purchasing decisions is also gaining momentum.

The majority of online shoppers in France are in the 25 to 44 age bracket, with 55 to 64 making up just 17%. Women are slightly more (at 52%) likely to shop online than men and the use of ecommerce

Almost half of ecommerce shoppers in France are aged 25 to 44

Age distribution of ecommerce e-shoppers, France, 2021



Source: Statista Digital Market Insights

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is more or less the same across all income groups, with middle-income shoppers doing just a bit more at 34%.

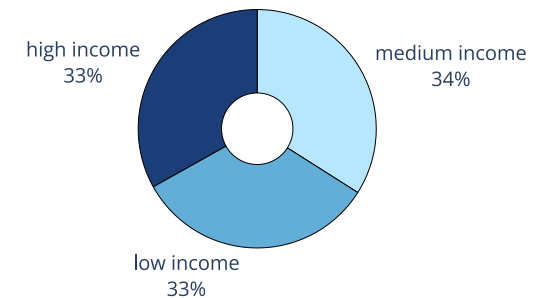
More than 20% of these online consumers say they expect to spend more next year across key sectors and this is most marked in clothes and fashion, followed by homewares. Some 34% say they will spend less on consumer electronics, compared with 28% on homeware products.

Sustainability is on the rise

In France there is a move towards sustainability, reducing environmental impact and promoting eco-friendly products. Organic food and ethical fashion are gaining popularity.

The use of ecommerce in France is equal among all income groups

Income status split of ecommerce e-shoppers, France, 2021

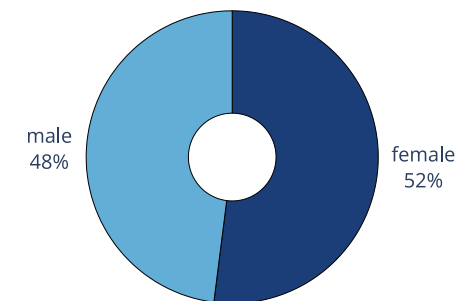


Source: Statista Digital Market Insights

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French women are slightly more inclined to use ecommerce

Gender split of ecommerce e-shoppers, France, 2021



Source: Statista Digital Market Insights

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Around 38% of French shoppers say it is important to them that brands and retailers act in an environmentally sustainable way and some 22% claim they actively seek brands that demonstrate ethical and sustainable practices.

In 2022 some of the key ecommerce websites signed a Charter of Engagement, committing to reducing the environmental impact of their online operations, with particular reference to “last-mile delivery,” responsible for the largest amount of ecommerce carbon emissions.

The French consumer has always cared about fairness, as ongoing protests attest. In 2021 fair trade milk brand C’est qui le Patron?!, launched with the aim of paying farmers a fair rate for their produce, became the biggest-selling milk brand in the country.

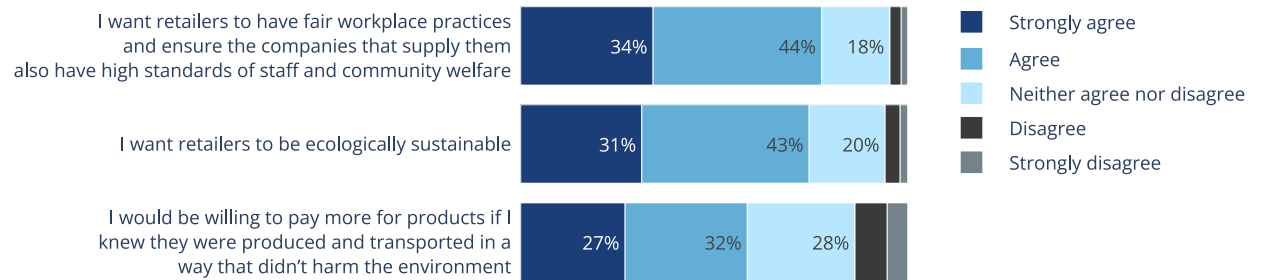
Subsequent products from the company (eggs, chocolate, orange juice, tomatoes) have been guided by consumer-members voting on what ingredients to include and the fairest way to produce them.

Our research showed that retailers operating a fair workplace is the most prized sustainability aspect, with 34% strongly agreeing that it is more important than ecological sustainability and environmental impact. This is unsurprising from a country where working on a weekend is decidedly frowned upon.

Still, some 27% of French consumers in our research said they would pay more for items produced and transported in a way that doesn't harm the environment.

Retailers and their suppliers being a fair workplace is the sustainable aspect most expected by French e-shoppers

Agreement with sustainability statements, France, 2022



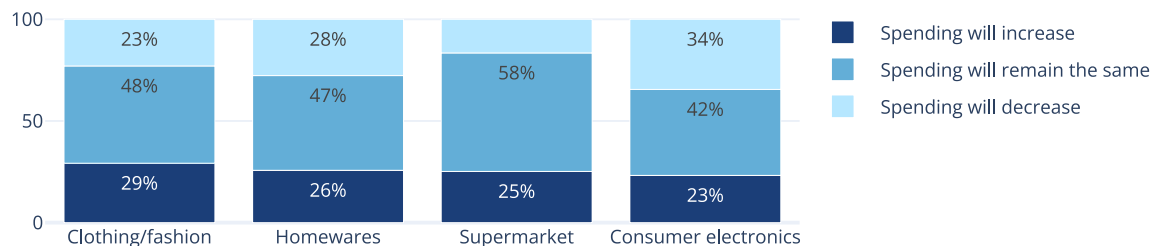
Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "To what extent do you agree or disagree with the following statements?"

Source: RetailX Consumer Observatory

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Over 20% of French consumers expect to spend significantly more next year across key sectors

Predicted change in spending, by sector, France, 2022



Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "When thinking about your future purchases over the next 12 months, which of the following is most likely to happen?"

Source: RetailX Consumer Observatory

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E-shoppers

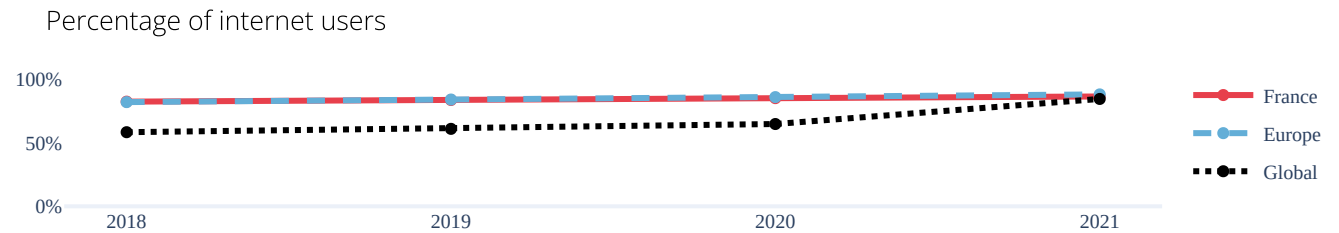
France boasts above-average online shopping rates and high smartphone usage but reduced spend

Internet use in France is high, with 86.1% of the population online, above the global average and in line with the rest of Europe. The country announced a high-speed internet plan nearly a decade ago and aims to have fast connection for everyone, even in rural areas, by 2025.

Nearly one in five French households is still lacking a high-speed internet connection

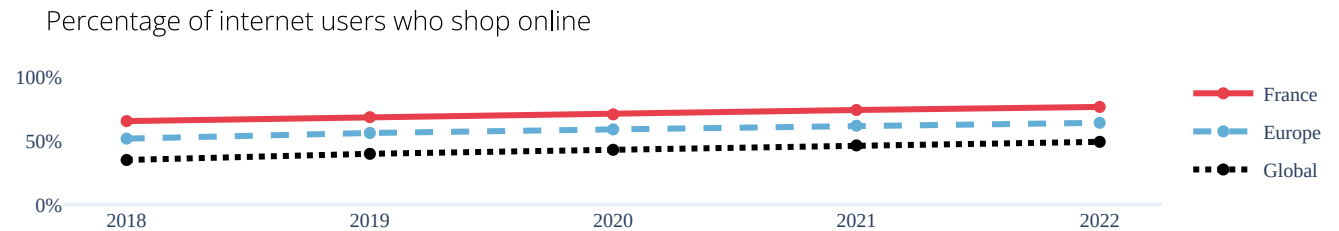
However, according to research from French consumers group UFC- Que Choisir^[1], nearly one in five French households is still lacking a high-speed internet connection, and those most affected tend to be in rural areas. The organisation is calling for an “enforceable right” to high quality internet access in the country. Of these shoppers with decent internet access, the percentage of those who shop online is well above the European and global average – and rising. In the last ten years, the number of active French ecommerce websites has more than doubled. However, ecommerce growth has slowed since 2021 and is lower than the European and global average.

France: Internet user analysis



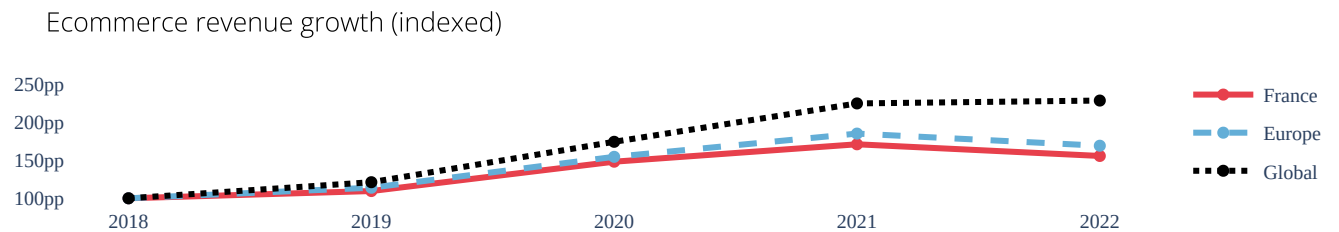
Source: RetailX, drawing on data from the International Telecommunication Union (ITU)

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Source: RetailX, drawing on data from Statista

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Source: RetailX, drawing on data from Statista

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Rising costs impact spending

French shoppers spent less in 2022 than in previous years and some 60% of surveyed consumers said the leading obstacle impacting their shopping habits was the rising cost of everyday groceries. Fashion spend was down in 2022, along with electronics and furniture. However, spend on beauty, health, personal and social care was slightly up.

Moreover, the online to offline ratio of ecommerce revenue decreased for the first time in France in 2022 for multichannel shoppers.

Digitally forward

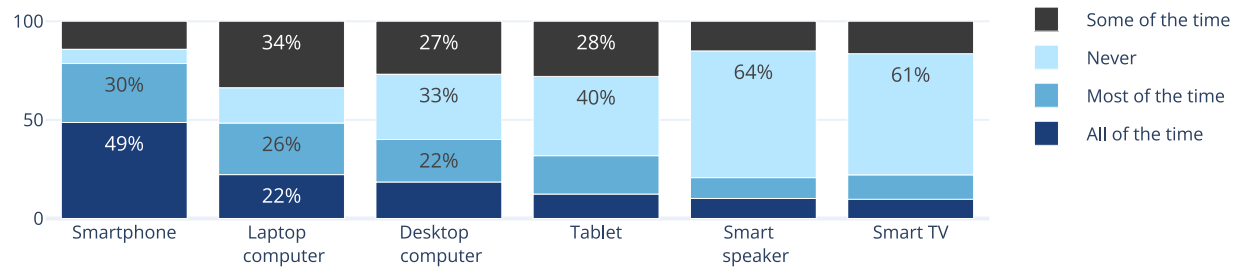
French consumers have long been digitally forward and smartphone usage has witnessed significant growth over the last few years, making it one of the leading countries in terms of mobile adoption. Platforms such as Facebook, Instagram, WhatsApp and Snapchat have become integral parts of the daily lives of most French consumers. Efforts to expand 4G and 5G networks across the more rural parts of the country make this more likely to increase.

58% of French consumers say that online customer reviews are helpful and 54% do their research online before buying

French shoppers spend a lot of time on their phones and cite smartphones as the most popular device for ecommerce, with 49% using them all the time and 30% most of the time. Laptops follow at 26%, with desktop usage at 22%.

Smartphones are the most preferred device for shopping online in France

Device preference for online shopping, France, 2022



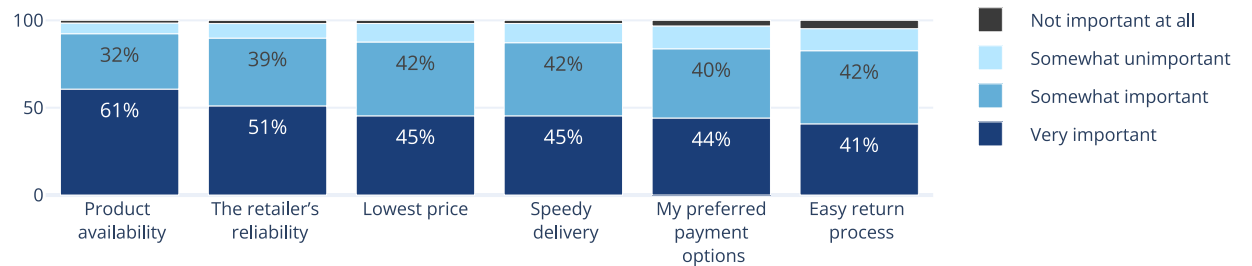
Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Thinking about your online purchases in the last 12 months, how frequently on average did you use the following devices for online shopping?"

Source: RetailX Consumer Observatory

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Availability and reliability are top considerations for the French e-shopper

Importance of factors as drivers of purchase, France, 2022



Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "How important to you are the following factors when purchasing an item online?-Easy return process"

Source: RetailX Consumer Observatory

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More than half of French online consumers say they use the internet to check for product reviews and to research major purchases. Some 58% say that online customer reviews are helpful and 54% do their research online before buying. Some 44% of these are doing this research on their phones and 31% are making and managing regular orders on their phone.

The Consumer Code explicitly bans fraudulent consumer reviews and places responsibilities on digital marketplaces to ensure that people leaving reviews have genuinely purchased the product or service

These shoppers can do so with some security as the country has been ahead of the curve when it comes to online safety. In 2016, the French Digital Republic Act introduced Article L111-7-2 of the Consumer Code. This article explicitly bans fraudulent consumer reviews and places responsibilities on digital marketplaces to ensure that individuals leaving reviews have genuinely purchased the product or service.

Convenience trumps cost

The French consumer prioritises convenience – considering availability and reliability the top reasons for e-shopping, beating price and speed of delivery.

Some 61% say that availability is very important and retailer reliability is very important for 51% of

The physical store experience is the top barrier against online shopping among French consumers

Reasons for not shopping online, France, 2022



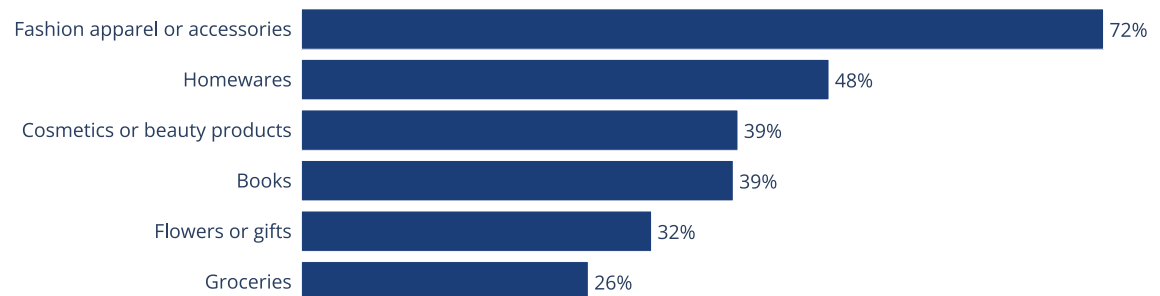
Based on 37 individuals in France, aged 16-97, who do not shop online, Jun 2022. Question: "What is the key reason for you not shopping online?"

Source: RetailX Consumer Observatory

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Fashion and homeware products lead online purchases in France

Consumer online purchases, by sector, France, 2022



Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "What have you shopped for online in the past 12 months?"

Source: RetailX Consumer Observatory

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consumers. The presence of preferred payment options is only very important to 44% of consumers.

Express shipping is still not a huge priority for French e-shoppers (just 33% of them), who prize other attributes first. Just 18% want to hold an item on the same day as purchase and 23% want to see an item in real life before buying it online.

Fashion leads the way

Fashion apparel and homewares are the top things bought online in France, with 72% saying they'd bought fashion online in the last 12 months. Homewares was significantly behind at 48%.

Groceries are still not yet as successful online as they are in other parts of Europe, with the culinary adept French e-shopper still preferring the instore experience when it comes to food. Most French supermarkets have bakery sections, butcheries, fishmongers, cheese counters, and delicatessens instore and the French buyer prefers to see them before purchasing.

However, food spending was down 10% in April 2023, the lowest it has been since 2009, so this could have an impact on the ratio of offline to online food shopping in the coming months and years.

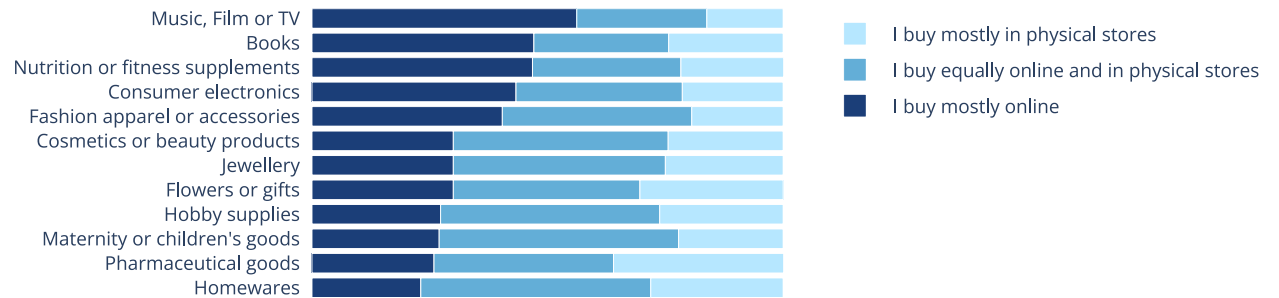
The instore experience is still paramount

Despite being digitally savvy, some 38% of French e-shoppers consider the instore experience the biggest barrier to shopping online.

Another 19% say they feel safer making their purchases from physical stores. Of the happy

Music, films and books are the products most likely to be purchased online by French e-shoppers

Purchase channel, by category, France, 2022



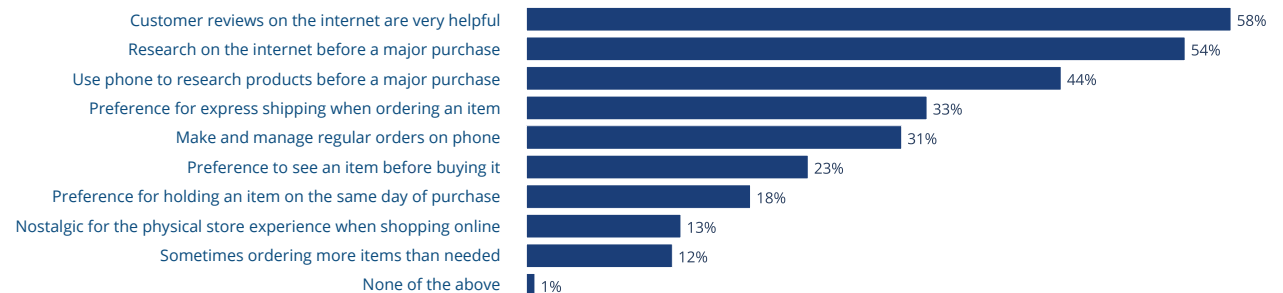
Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Which of the following best describes your purchase behaviour in each category?"

Source: RetailX Consumer Observatory

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Over half of French online consumers use the internet to check for product reviews and to research major purchases

Attitude towards online shopping, France, 2022



Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Which of the following statements do you agree with?"

Source: RetailX Consumer Observatory

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e-shoppers, 12% say they feel nostalgic for the physical experience when they're buying online.

French retailers are traditionally good at reacting to consumer behaviour. Supermarkets, for example, have pioneered the hypermarket model, placed a focus on fresh produce, added click-and-collect options and invested in loyalty schemes.

12% of online shoppers are nostalgic for the physical experience and 19% feel safer purchasing from physical stores

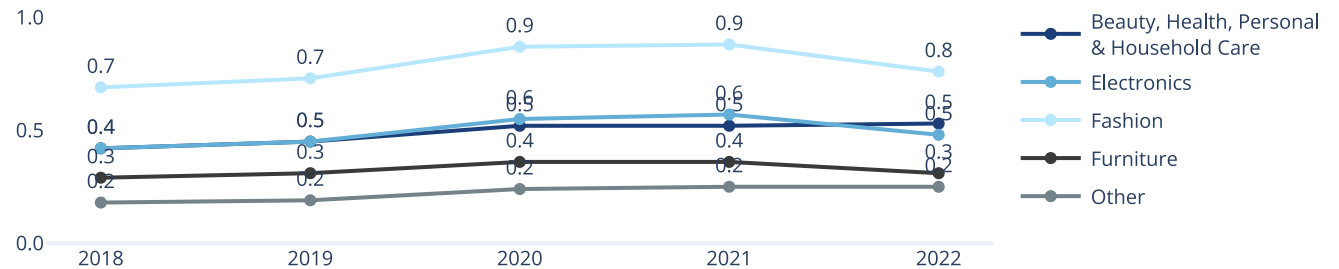
Back in 2021, Carrefour launched a new online grocery 'personal shopper' experience called Ok Market!, which enables the shopper to chat to the personal shopper during the buying process and add items they've forgotten after ordering.

These same retailers are now addressing the offline versus online concerns by upping their instore tech game and investing in a more personalised shopping experience. In May this year, French retail group Auchan Retail launched a new, 100% autonomous grocery shop, Go Store. The Trigo-powered store allows shoppers to tap their credit or debit card at the entrance gate. The retailer has long been a pioneer in this area, launching computer vision for automating image-based tasks to aid shelf management back in 2021.

[1] <https://www.quechoisir.org/>

French e-shoppers spent less in 2022

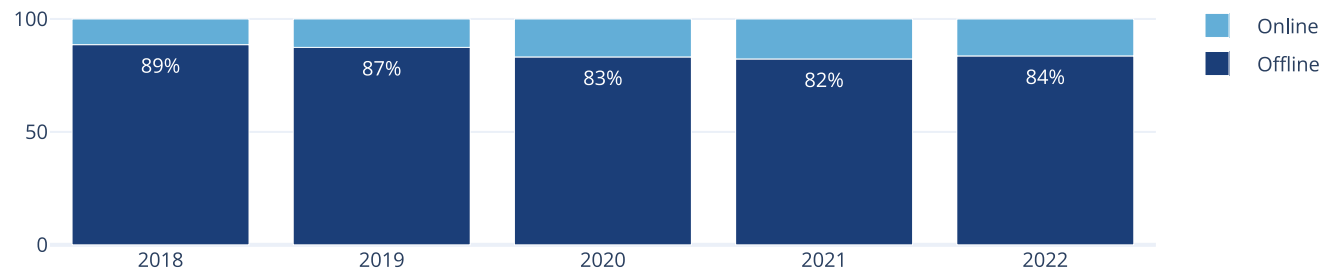
Average spending of the ecommerce e-shopper (thousand EUR), France, 2018-22



Source: Statista Digital Market Insights

The online to offline ratio of ecommerce revenue decreased for the first time in France in 2022

Preferred shopping channel for ecommerce multichannel shoppers (%), France, 2018-22



Source: Statista Digital Market Insights

Payment methods

Subscriptions and e-wallets gaining traction, and cards still lead the way

Subscriptions are on the rise everywhere, with one in five global retailers offering a subscription service. And more than half of French e-shoppers are happy to pay a retail subscription.

For the French consumer the appeal of subscription payments is free delivery (69%) and speedy delivery (68%). Again, delivery of groceries and drinks fall far down the list of priorities.

Payment pioneers

France has pioneered payment technologies and its shoppers are happy to accept new ways to pay.

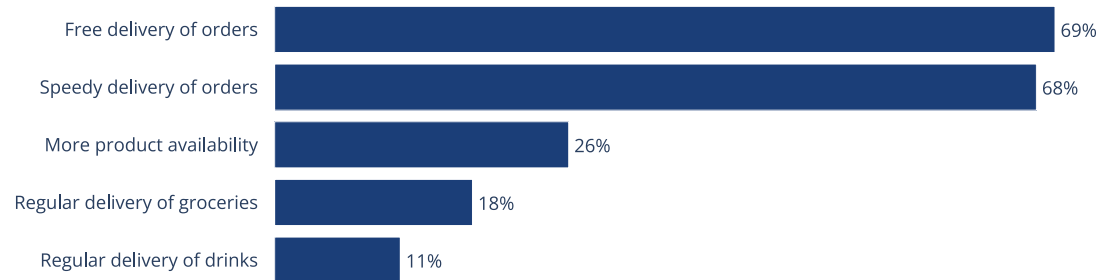
Back in the 1990s France was an early adopter of smartcard technology, and earlier this year payments company Ingenico partnered with cryptocurrency exchange Binance to allow crypto payments in French stores, piloting a scheme to enable merchants to accept crypto payments at catering store Le Carlie and retail store Miss Opéra.

Card is king

However, in terms of how people pay for goods online, debit and credit cards are still most popular (73%) and the card most widely used is the Carte Bancaire, or CB, the country's local debit card system.

Free and fast delivery are the most common perceived benefits from retailer-specific subscriptions by French e-shoppers

Perceived benefits of retailer-specific subscriptions, France, 2022



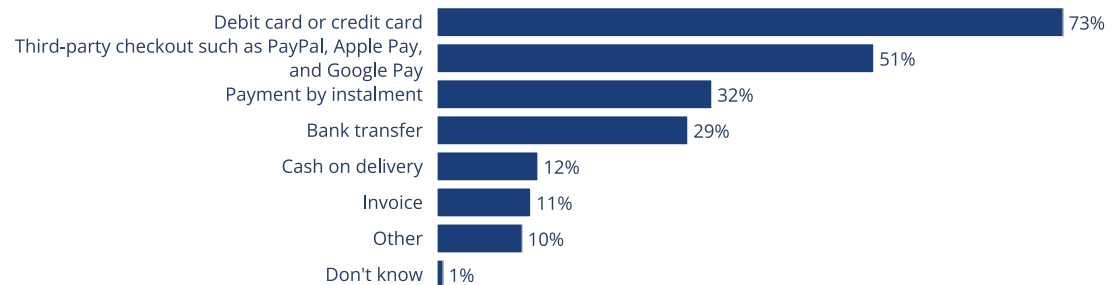
Based on 422 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "What benefits do you receive from your paid subscription(s)?"

Source: RetailX Consumer Observatory

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Debit and credit cards and third-party checkouts are the most used methods of payment among French shoppers online

Usage of online payment methods, France, 2022



Based on 717 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Which online payment methods have you used in the past 12 months?"

Source: RetailX Consumer Observatory

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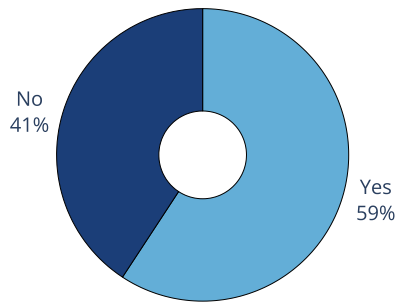
PayPal preference

Of the third-party checkout services used in France, comfortably leading the pack at 92% is PayPal, which introduced its buy-now-pay-later scheme in 2020. This is followed far behind by Apple Pay (30%), which is used as much as Amazon Pay (15%) and Google Pay (15%) combined.

In addition, e-wallet options are gaining traction in France, up from 19% in 2021 to 21% in 2022. Card payments continue to dominate with 52% in 2022, but this figure is down on the 61% recorded in 2018.

Over half of e-shoppers in France use a retailer-specific subscription service

Usage of retailer-specific subscription services, France, 2022



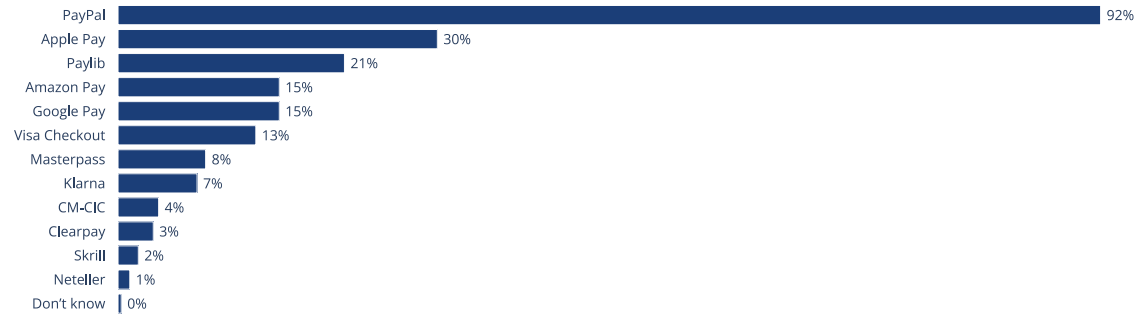
Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Do you have any paid subscriptions to any online shopping premium services that provide free or cheap delivery or some other benefit from a specific retailer?"

Source: RetailX Consumer Observatory

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Paypal is the most widely used payment service among French consumers online

Usage of online payment services, France, 2022



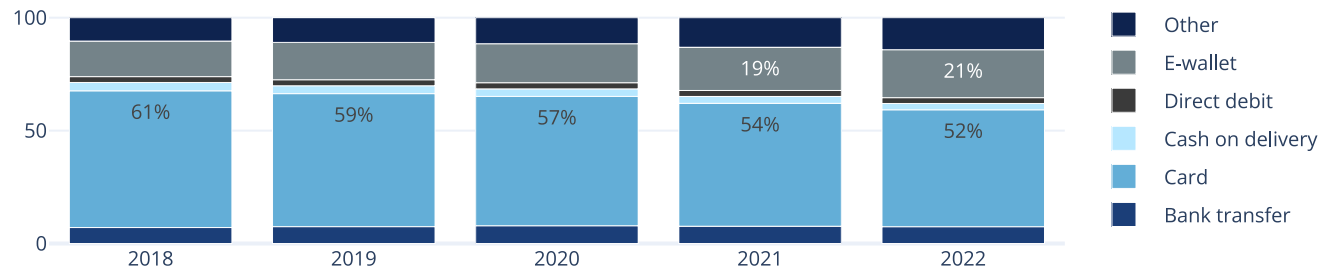
Based on 364 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Which online payment services have you used in the past 12 months?"

Source: RetailX Consumer Observatory

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E-wallet payment options keep taking ground in France

Preferred payment type for online shopping (%), France, 2018-22



Source: Statista Digital Market Insights

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Social media

French shoppers are happy social clickers but influencers beware

The French are avid social media users and this has led to a boom in influencer marketing, widely used by brands, appealing to a consumer that trusts other consumers. In fact, ad spending in the influencer advertising market is projected^[1] to reach US\$449.00mn in 2023, and the French government estimates around 150,000 influencers are creating content on social media aimed at a French audience. Some 43% of French online shoppers say they have purchased items through social media, compared with 39% in the rest of Europe. This high usage and dependency on influencers has led the government to become the first in Europe to regulate the influencer market. New legislation makes it illegal for influencers to create paid content promoting cosmetic surgeries, online sports betting sites or financial products such as cryptocurrencies. Influencers are also required to label all paid content with additional disclaimers if content has been filtered or edited.

Our research finds Instagram and Facebook lead social commerce in France (at 62% and 49% respectively). Additional research^[2] finds that in the fourth quarter of 2022, 7% of visits to ecommerce websites in France came from social media referrals, slightly lower than the global average.

[1] www.statista.com/outlook/amo/advertising/influencer-advertising/france

[2] www.statista.com/statistics/1293986/leading-e-commerce-referrers-france-by-device/

Social commerce usage rate in France is higher than the European average

Social media commerce usage, France, 2022



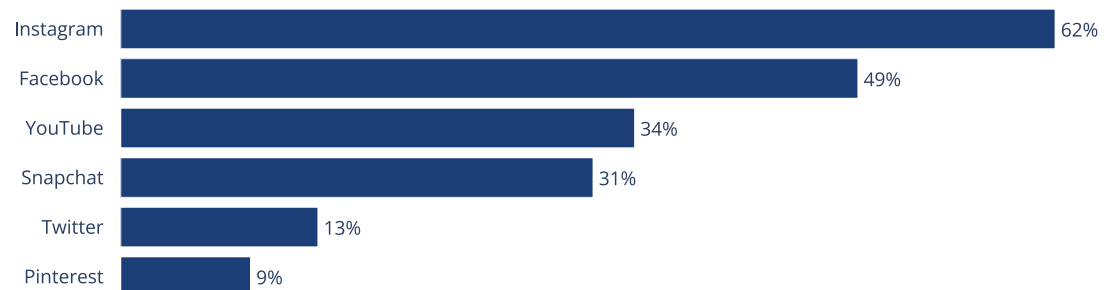
Based on 719 respondents in France and 8941 respondents in Europe, aged 16-97, who shop online, Jun 2022. Question: "Over the past 12 months, have you purchased items through social media sites (such as Facebook, Instagram, Snapchat, etc)? Note: this means you actually click 'purchase' on the social media website and is not the same as browsing products on a social network that you then buy on a retailer's website."

Source: RetailX Consumer Observatory

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Instagram and Facebook platforms lead social commerce in France

Social media commerce usage, by platform, France, 2022



Based on 292 individuals in France, aged 16-97, who shop through social media, Jun 2022. Question: "Which social media sites did you shop on?"

Source: RetailX Consumer Observatory

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Delivery and returns

French consumers are still unwilling to pay more for faster delivery

French shoppers have long preferred shopping instore but home delivery is increasing in importance, particularly after Covid-19. In 2021, Polish parcel firm InPost^[1] acquired Mondial Relay and earlier in 2023 the company announced it now has 3,000 parcel lockers operating in France. At the same time La Poste announced a move to three-days-a-week postal deliveries.

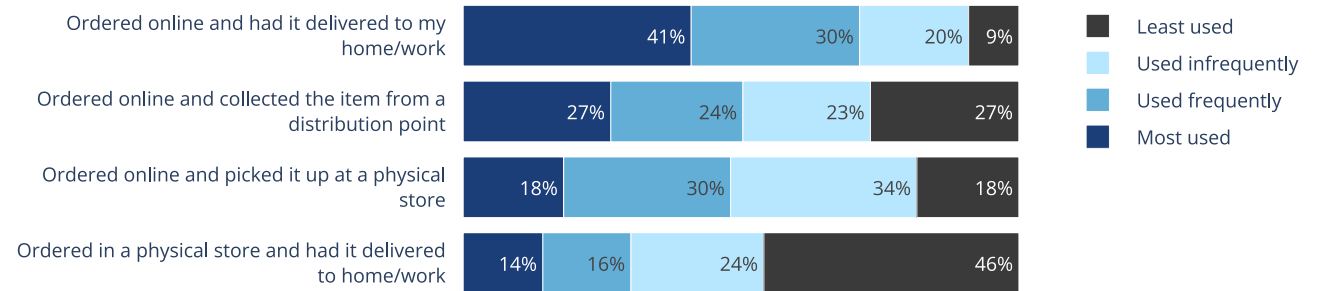
Ordering online for home/workplace delivery, compared with collecting from a distribution point, is the most used delivery option (41%) among French online shoppers. Just 14% order in a physical store and have it delivered afterwards and 18% will order online and collect in a physical store. However, the share of parcels delivered to collection points increased in 2022, up from 5% to 7%.

And it seems the system is working well, with the number of carrier-related package delivery issues nearly halving in France in 2022. Now, 91% of packages are delivered on the first attempt (the same amount as 2021 and an improvement on 2020).

By March 2022, more than half of French online retailers reported already offering eco-responsible and/or recyclable packaging for their ecommerce

French e-shoppers favour ordering online and having items delivered to the home or office

Usage of delivery services, by frequency of use, France, 2022



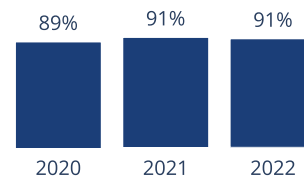
Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Please rank the following purchase practices, based on the frequency of using each in the last 12 months. Please select only those that apply to you."

Source: RetailX Consumer Observatory

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Nine out of ten packages are delivered on the first attempt in France

Success ratio for first delivery attempt, France, 2020-2022



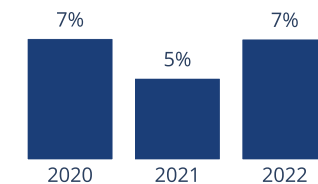
First attempt success ratio = Percentage of parcels successfully delivered to the end-consumer at the first attempt

Source: Parcel Monitor

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The share of parcels delivered to collection points increased in 2022 in France

CP ratio, France, 2020-2022



CP ratio = Collection Point ratio refers to percentage of parcels delivered to collection points over total parcels in a period of time

Source: Parcel Monitor

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deliveries. Some 30% of them were planning to offer it soon. In a 2023 study^[2], French shoppers were the most mindful of the environmental friendliness of parcel deliveries.

Next day delivery is important to most

French consumers have historically eschewed quick delivery in favour of quality or cost-saving and, still, our research shows that quick delivery is not considered worth paying extra for. Just 10% say they routinely pay extra for faster delivery but still 38% say they never do.

Nonetheless, more than half say that next-day delivery is important for most or all of their purchases.

For nearly 70% of shoppers, the maximum delivery time of a product should be between three and five days but it also seems that patience might be decreasing. Some 49% of parcels are collected on the same day, compared with 43% last year. Luckily, for these patient shoppers, average transit time for parcels is hovering around the two-day mark, similar to last year.

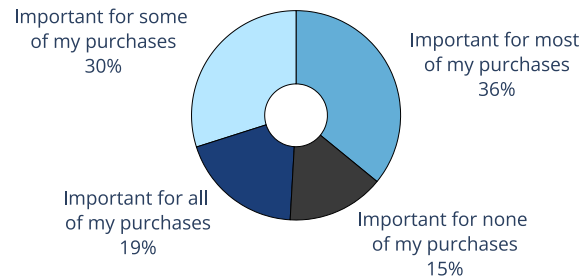
When it comes to returns, some 52% of consumers are happy to return something they bought online, compared with 48% returning something bought instore. A satisfied 28% say they have never returned something bought online.

[1] <https://trans.info/last-mile-brief-07-04-2023-inpost-group-s-mondial-relay-reaches-3-000-parcel-locker-mark-in-france-335264>

[2] <https://www.statista.com/statistics/1379606/online-shoppers-considering-sustainable-deliveries/>

In France, more than half of e-shoppers consider next day delivery relevant for most or all of their purchases

Importance of next day delivery, France, 2022



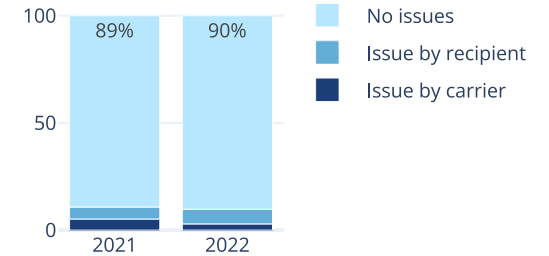
Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Considering your purchases in the last 12 months, was next-day delivery important to you?"

Source: RetailX Consumer Observatory

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The number of issues with package delivery related to carriers nearly halved in 2022 in France

Issue ratio, by source of issue, France, 2021-2022



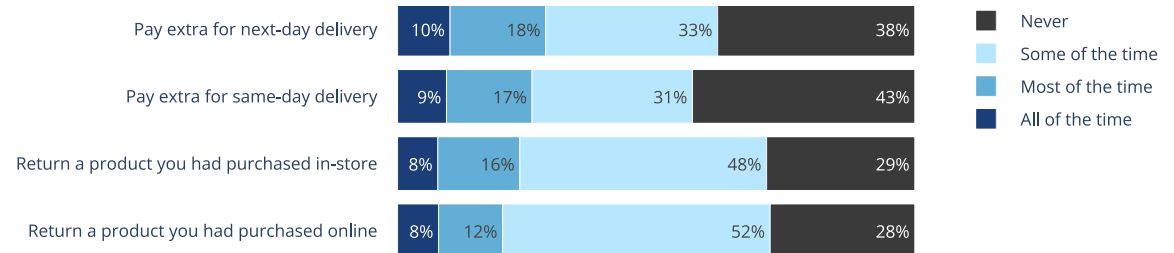
Issue ratio = Issue ratio refers to the number of parcels that have issues over total parcels shipped in a period of time. Issues by carrier include customs delay, shipment on hold, transport delay or pick-up error among others and issues by recipient include Not at home, shipment not collected, wrong address or shipment rejected among others

Source: Parcel Monitor

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One in ten French e-shoppers routinely pay extra for faster delivery

Usage of delivery and return services, by frequency of use, France, 2022



Based on 719 individuals in France, aged 16-97, who shop online, Jun 2022. Question: "Excluding the delivery of takeaway (ready-made) food and considering purchases in the last 12 months only, how frequently did you:"

Source: RetailX Consumer Observatory

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Key indices

Accessible and relevant but could be a little bit happier

France ranks fourth on the overall Inclusive Internet Index, up from sixth last year.

Compiled by the Economist Intelligence Unit, the index “seeks to measure the extent to which the internet is not only accessible and affordable, but also relevant to all, allowing usage that enables positive social and economic outcomes at the individual and group level”.^[1]

The country continues to perform well – in the top quartile – across all of the categories. However, happiness ranks at 6.6 out of 10, placing France in the second quartile.

The cost of access to digital services is still relatively low, compared with other nations, though this is still down (from three to 10) on last year.

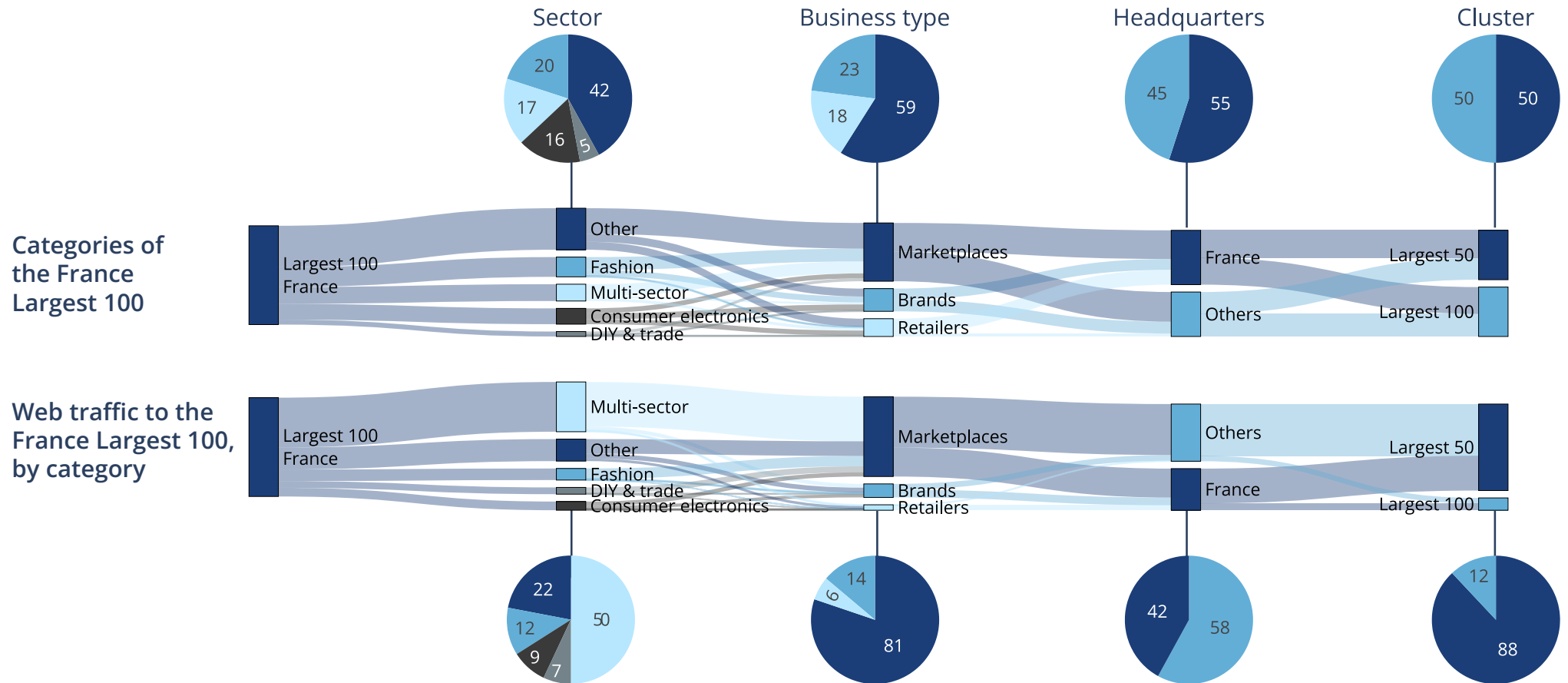
Quality and breadth of available infrastructure required for access and levels of internet usage is up on last year (from 19/120 to 9/120), along with relevance (from 15 to 7). This could be in part attributable to the French National Plan for Digital Inclusion, launched in 2018, which aims to provide digital skills and improve infrastructure.

[1] <https://impact.economist.com/projects/inclusive-internet-index/>

Indices	Definition	Global rank
Happiness Index	0 (unhappy) to 10 (happy)	6.6/10
E-Government Development Index	The E-Government Development Index measures the willingness and capacity of national administrations to use information and communication technologies in order to deliver public services	19/193
Integrated Index for Postal Development (21PD)	21PD is a comparative indicator of postal development around the world which is built on four pillars: Reliability, Reach, Relevance and Resilience	4/172
Internet Inclusivity sub-indices		
Availability	Quality and breadth of available infrastructure required for access and levels of internet usage	9/120
Affordability	Cost of access relative to income and the level of competition in the internet marketplace	10/120
Relevance	Existence and extent of local language content and relevant content	7/120
Readiness	Capacity to access the internet, including skills, cultural acceptance, and supporting policy	29/120
Overall Internet Inclusive Index		4/120

KEY: ■ Top quartile ■ Second quartile ■ Third quartile ■ Fourth quartile

Category analysis of the France Largest 100



Top sankey chart: The percentage of France Largest 100 retailers in a category. Bottom sankey chart: The percentage of French consumer web traffic directed at France Largest 100 retailers' websites by category. All figures are expressed as percentages

Source: RetailX

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Conclusion

France is of particular interest to anyone wanting to expand their ecommerce operations. GDP per capita is higher than the European average but rising inflation and higher energy costs are taking their toll on spending habits.

Despite the many challenges of the last few years, French consumers are still willing to pay for quality and are still prioritising this and convenience over speed of delivery. They are also not afraid to take a stand against companies (such as Amazon) that jeopardise the status quo and they are fiercely loyal to local sellers.

However, as with other regions, consumer confidence has taken a hit and any company expanding into this territory needs to be mindful of all of these factors.

We hope this report has helped to provide you with an updated insight into the country. As ever, we welcome your feedback on what we can improve or include next time.

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