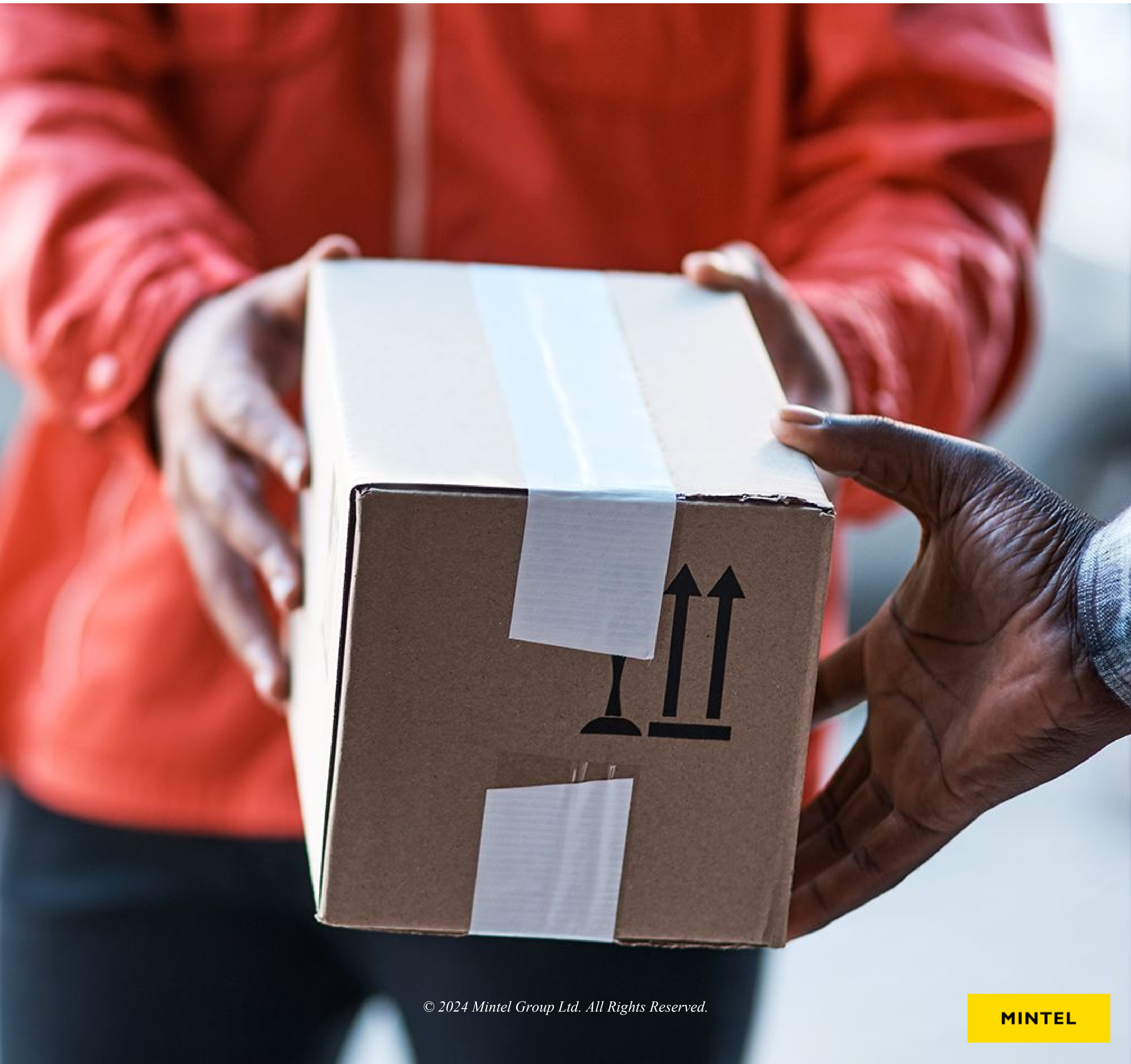
ONLINE RETAILING: HOME DELIVERY, COLLECTION AND RETURNS – GERMANY – 2023

The online channel has a strong value perception which drives demand, but retailers need to step up their sustainability efforts to cater to eco-conscious consumers.

A Mintel Analyst, Global Analyst



Online Retailing: Home Delivery, Collection And Returns - Germany - 2023

This report looks at the following areas:

- The impact of the cost-of-living crisis on online purchases, deliveries and returns
- Online channel usage and products purchased
- Preferred way of receiving online purchases
- Preferred mode of collecting online purchases and ways to increase the use of click-and-collect
- Issues experienced when receiving, collecting and returning online purchases
- Interest in convenient GPS-based delivery and longer return periods
- Behaviour towards sustainable delivery methods
- Reactions to delivery and return charges and the chances that arise for delivery passes

> The online channel has a strong value perception which drives demand, but retailers need to step up their sustainability efforts to cater to eco-conscious consumers.

Overview

High inflation is taking a toll on the budgets of online shoppers, resulting in falling sales for online retailers in 2023. Despite less demand, the **market will remain** stronger than before the pandemic **and will continue to attract price-sensitive consumers.**

While only 29% of German online shoppers use click-and-collect services, they are likely to become more popular due to cost-efficiencies and being more sustainable than last-mile deliveries. Long wait times and restricted collection hours are the main issues experienced, revealing the **need to boost flexibility and speed.**

Charges for postal returns make **returning in-store** more appealing for 45% of German online shoppers, allowing multichannel retailers to benefit from reintroducing fees. But pure online players need to be aware that 35% of online shoppers believe that **ordering extra products and returning the excess** is a good way to meet free online shopping delivery limits, demonstrating the lengths consumers will go to avoid fees.

60% of Gen Z prefer ordering from retailers offering sustainable delivery options, stressing the need to reduce the carbon footprint of deliveries. As 54% of male online shoppers aged 16-24 would pay more to **get online purchases delivered to their GPS coordinates, uber-convenient delivery methods** could be introduced as a premium service.

Report Content

EXECUTIVE SUMMARY

Key issues covered in this Report

- Overview
- The five year outlook for online retailing: home delivery, collections and returns

Market context

- The online channel is affected by poor consumer sentiment but benefits from strong value perception
- Income squeeze dampens online retail sales

  - Graph 1: development of online retail turnover in €bn (incl VAT), 2018-23
- Legislative regulation demands online retailers to rethink packaging

Mintel predicts

- Consumers' eco-ambitions call for the green transformation of online retailing

Opportunities

- Capitalise on delivery passes
- Speed up click-and-collect services
- Expand click-and-collect services to increase convenience
- Demonstrate sustainable efforts with eco-packaging and delivery
- Transform returns into new purchase opportunities

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The German economy

- Economic recovery to follow the slowdown in 2023

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Online market

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  - Graph 5: development of online retail turnover in €bn (incl VAT), 2018-23
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  - Graph 19: online purchases by collection, by net monthly household income, 2023
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- Amazon expands electric fleet in Germany
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- ...and opts for size-optimised paper packaging where needed
- Amazon promotes shipments in product packaging
- To reduce emissions, DHL invests in rail transport...
- ...and trials transport via solar-powered ships in Berlin
- DHL promotes rail transport as green way of freight transport
- H&M introduces return fees for club members

APPENDIX

Appendix – products covered, abbreviations and consumer research methodology and language usage

- Products covered in this Report
- Abbreviations
- Consumer research methodology

Appendix – repertoire analysis methodology

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