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Europe E-Commerce Logistics Market Report

How has e-commerce evolved in Belgium, France, Germany, Norway, the Netherlands and the UK?

parcelmonitor community

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01 About the Report

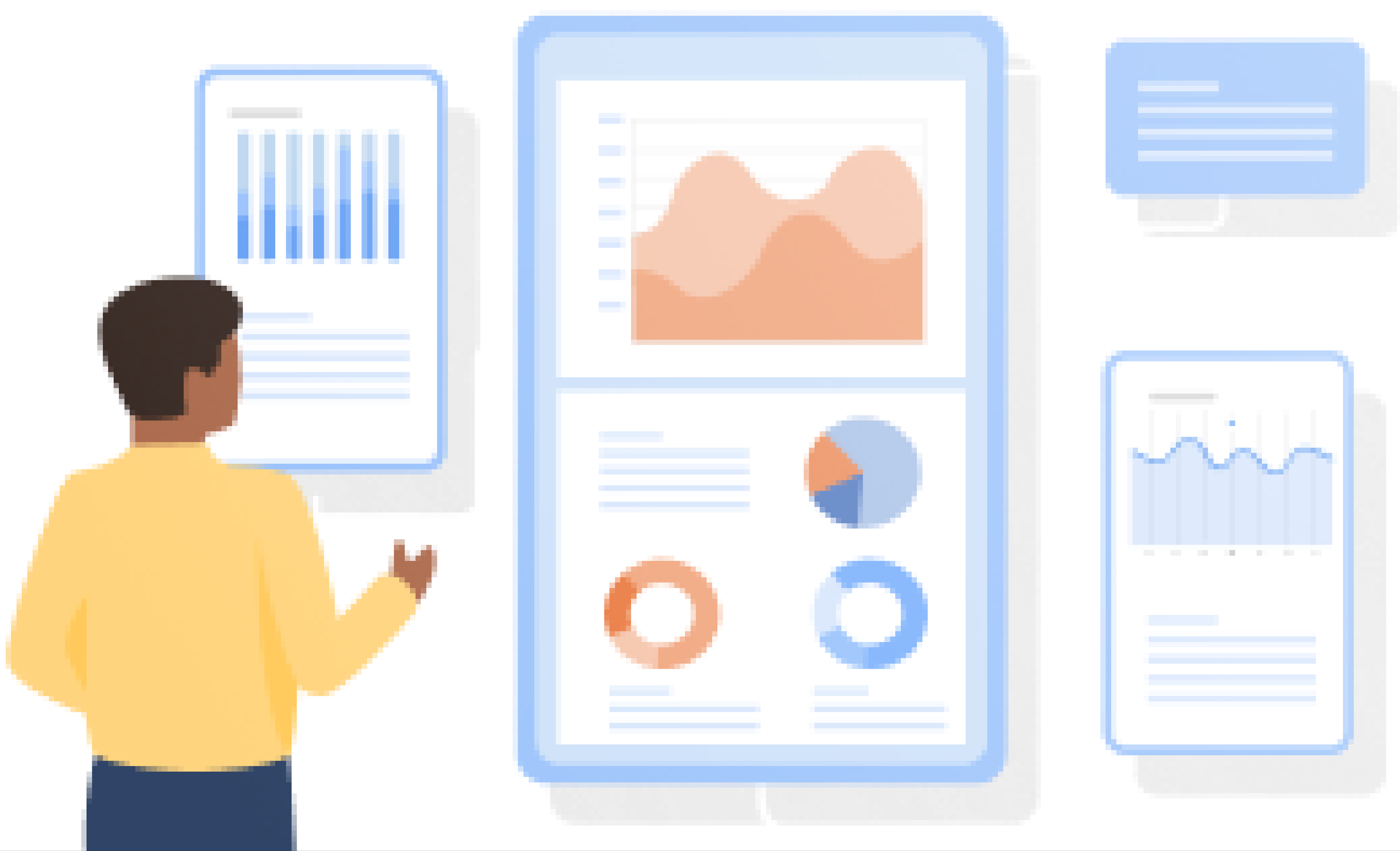
What to Expect

The European e-commerce market has shown remarkable growth in recent years – a trend that is expected to continue in the near future. In 2022, **68% of EU consumers** between the ages of 16 and 74 **purchased or ordered products or services online** in the 12 months preceding the survey, a 1% increase from 2021. With this in mind, let us delve deeper into the state of e-commerce and delivery performance of 6 European countries – **Belgium, France, Germany, Norway, the Netherlands, and the United Kingdom** – in this report.

Data Methodology

Through our benchmarking and carrier performance measurement activities, we collect billions of anonymized data points from **more than 130 countries** each year. Through our tracking page, we collected hundreds of millions of parcels from **over 1500 carriers** to generate our high-quality insights.

In addition, our domestic and international data is analyzed on a “trade lane” level, comparing the same combinations of origin and destination to maintain data representativeness. Benchmark data sets have been compiled with strict minimum requirements for data point quantity and comparability.



02 E-Commerce Landscape in Europe

E-commerce has experienced significant growth and evolution throughout Europe in recent years, driven by a combination of factors including increased internet penetration, mobile usage, and changing consumer behaviors. Moreover, **cross-border e-commerce** has also been on the rise in Europe, with the market poised to **grow by $55.47 billion during 2022-2026, accelerating at a compound annual growth rate (CAGR) of 11.71%**.

After the peak of the COVID-19 pandemic, e-commerce has become even more firmly anchored in the European economy and society. Overall, two trends can be identified. On one hand, there is the **normalization and stabilization of online sales** as compared to the exceptional 2021. During Black Friday and Cyber Monday (BFCM) 2022, **e-commerce parcel volumes only increased by 64.2**%, which is notably lower than the **69.7% growth observed the year before**. This **7.89% decline in growth** is consistent with the projections made in our forecasting report, in which we anticipated a dip in Europe's parcel volume growth ranging from 5.3% to 20.1% during peak season 2022.

On the other hand, consumers are adopting a **cautious approach to their expenditures** due to the impact of various factors such as the war in Ukraine, and a prevailing sense of uncertainty. However, despite this trend, the digital commerce sector has demonstrated remarkable resilience as e-commerce sales have only shown a minor decline. Furthermore, the online services industry, including e-tourism, events, and ticketing, has displayed a consistent recovery over the past year.

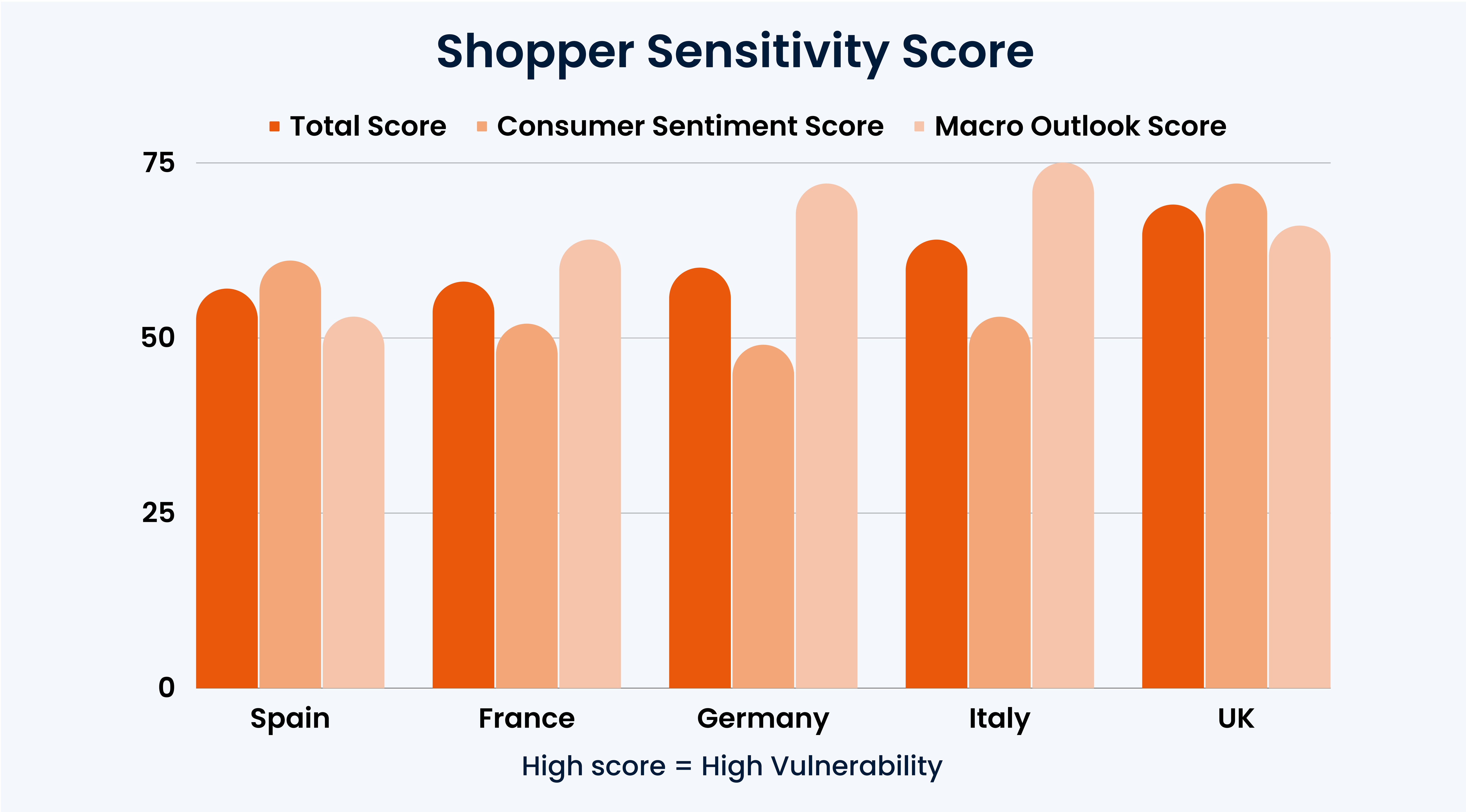
References:
"Global Cross border eCommerce Logistics Market 2022-2026," TechNavio 2022
"2022 European E-commerce Report," Ecommerce Europe 2022
"Peak Season 2022: How Did E-Commerce in Europe and the US Fare?", Parcel Monitor 2023
"How Peak Season 2022 in Europe Might Look Like," Parcel Monitor 2022

02 E-Commerce Landscape in Europe

2023 is the year when many advanced economies are facing what one would call as an "economic tipping point". Global consumer confidence has taken a huge blow due to the confluence of **soaring inflation, escalating geopolitical tensions, and rapidly rising interest rates**. Households worldwide are experiencing a severe strain on personal finances, and are being forced to make widespread cutbacks across all areas of their spending.

According to Retail Economics, Europe will be among the regions most affected by a consumer downturn in 2023. The **growth prospects are particularly bleak in the United Kingdom and Germany**, as evidenced by their relatively high scores in the Shopper Sensitivity Scorecard – a ranking of key developed markets based on a combination of consumer sentiment, and official economic benchmarks.

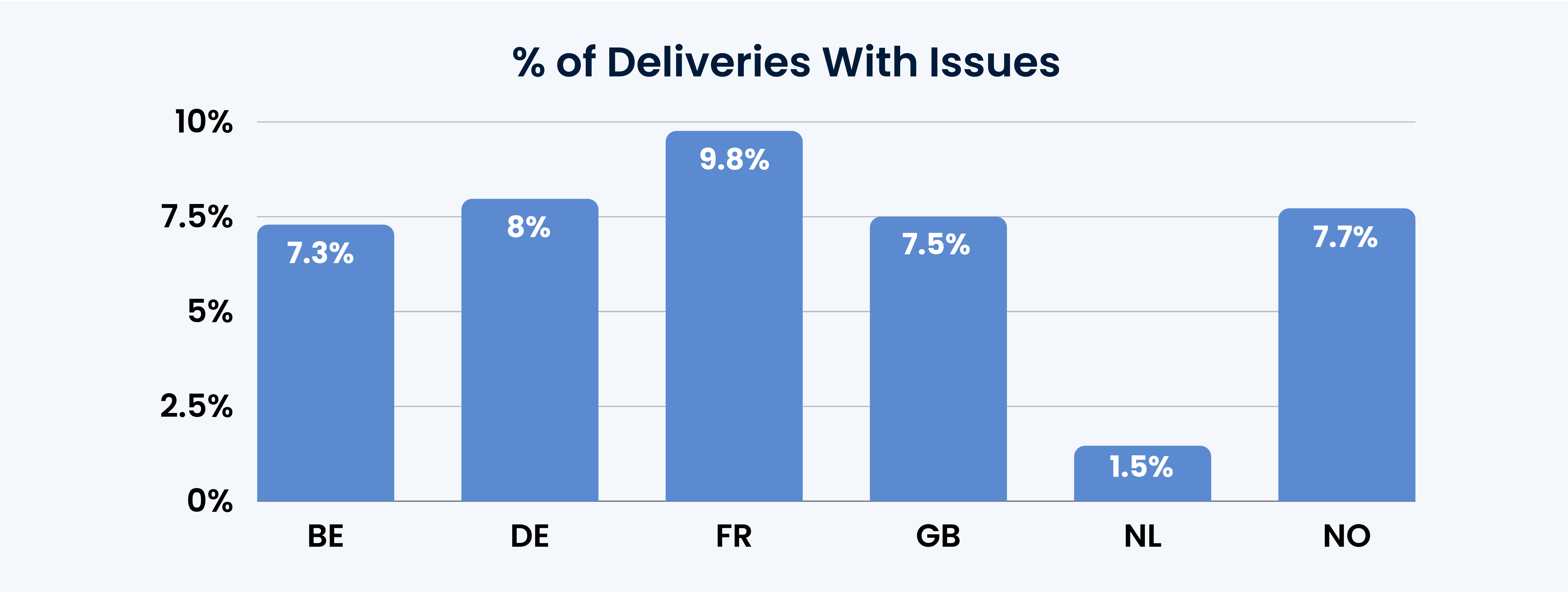
Despite the economic slowdown and grim overall outlook, **about 57% of European merchants are expecting the same or better trading conditions in 2023** than in 2022. Meanwhile, retail businesses across the region are also investing in innovative technologies to offer personalized shopping experiences and improved delivery options, as part of their efforts to succeed in this highly competitive market.



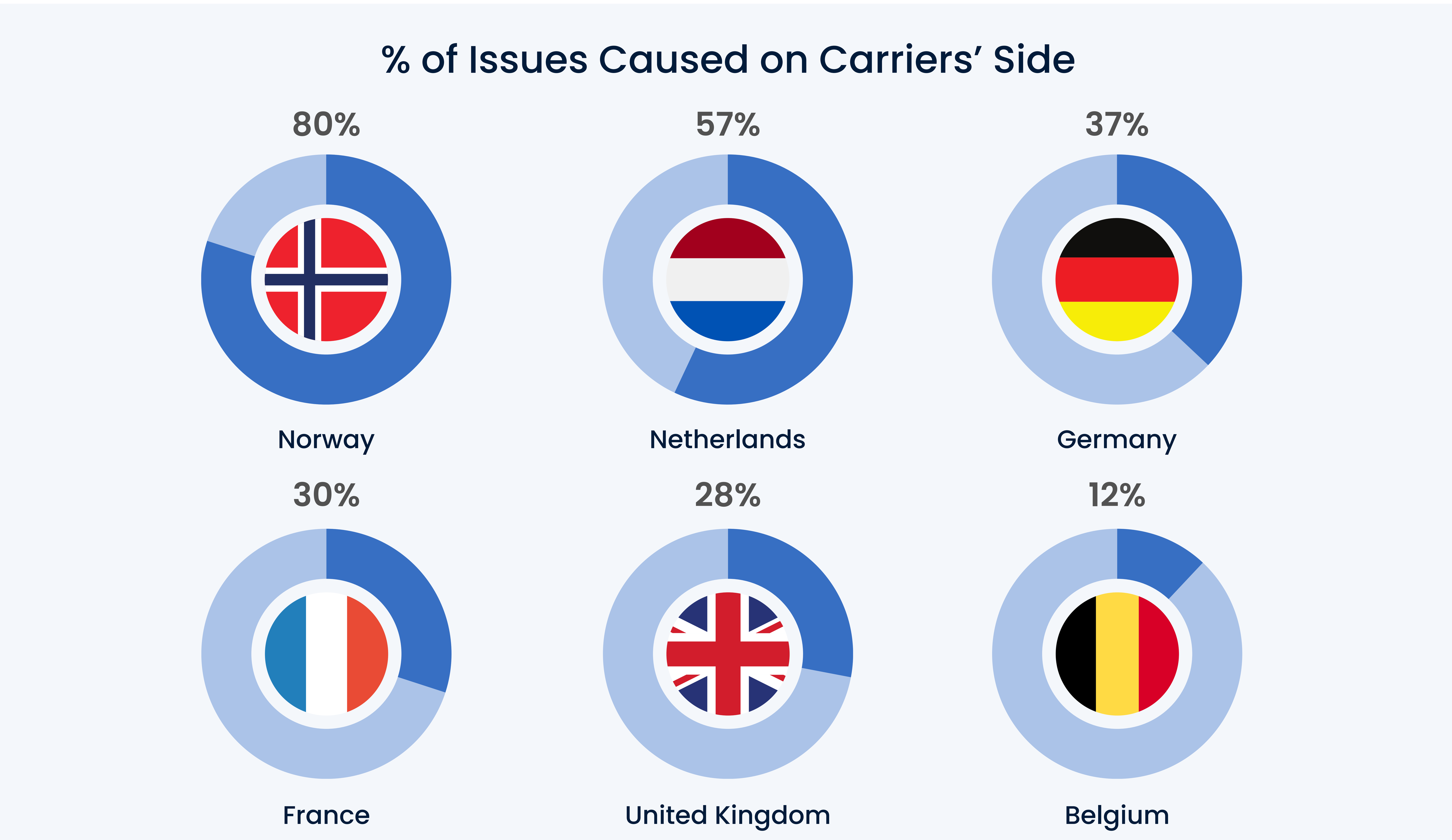
References:

"Ecommerce Delivery Benchmark Report 2023," Retail Economics 2023

03 Issues in Delivery Performance



Delivery issues typically fall into two categories: on the recipient's side (e.g. not being present to receive the package) or on the carrier's side (e.g. not providing timely notifications about the package's whereabouts). In 2022, **carrier-related factors were responsible for 80% of the delivery issues in Norway, 57% in the Netherlands, 37% in Germany, 30% in France, 28% in the United Kingdom, and 12% in Belgium.**

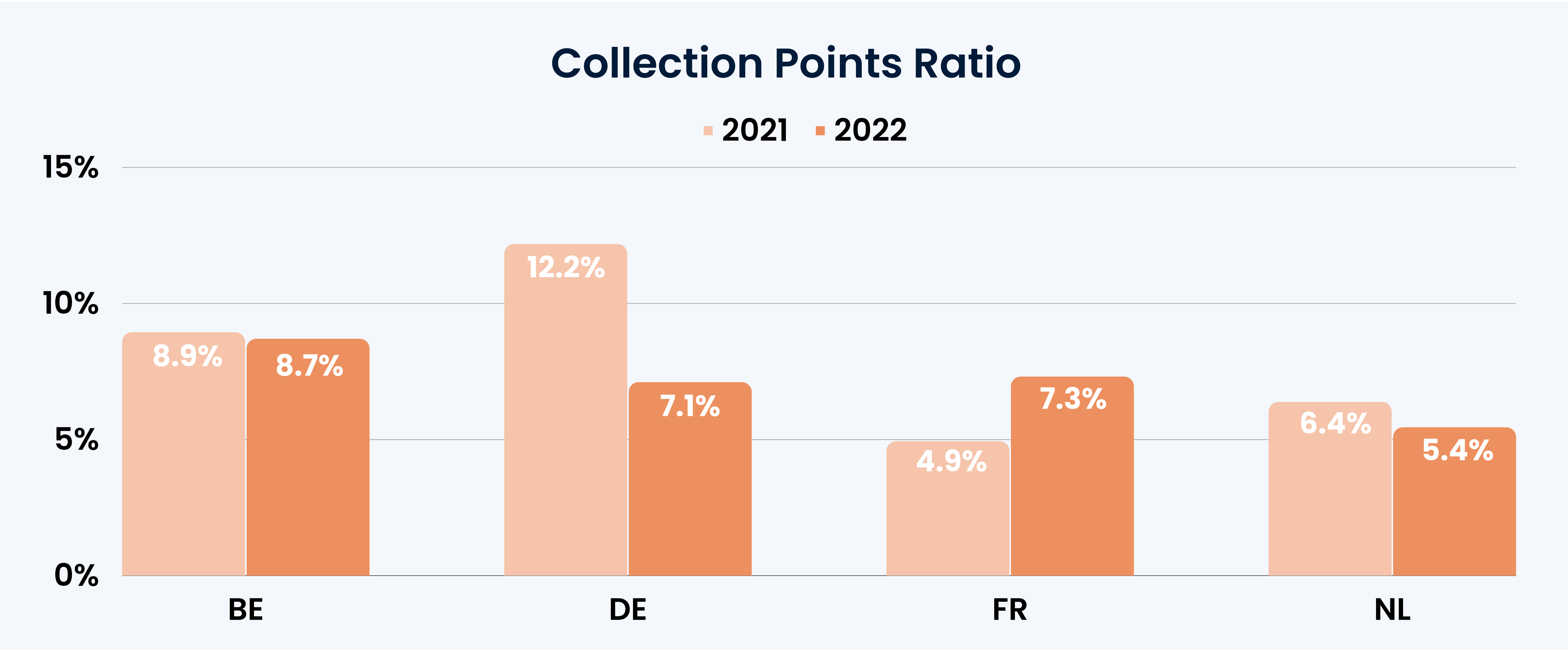


04 Collection Points in Europe

The pandemic-induced e-commerce boom, coupled with the ever-changing expectations of modern customers, has prompted several European retailers to explore unconventional delivery methods in fulfilling their e-commerce orders. According to Last Mile Experts, there are more than **336,000 PUDO locations** available throughout Europe, of which **43,000 are automated parcel machines (APMs)**. Research also shows that there has been a **40% growth in PUDO points in the European Union and the United Kingdom since mid-2019**.

In 2022, Belgium **had the highest collection points (CP) usage of 8.7%**, followed by **France (7.3%), Germany (7.1%), and the Netherlands (5.4%)**. With reference to our past data, CP usage decreased in all of the aforementioned markets except France. The **biggest dip,** however, **was observed in Germany** where the proportion of parcels delivered to collection points **declined by a whopping 41.7%** from 12.2% in 2021 to 7.1% in 2022. The downward trend was also observed in the neighboring **Belgium and the Netherlands** where the **CP usage decreased by 2.69% and 14.6%** respectively.

Meanwhile, **in France, there was a rise in CP usage by 14.6%**, which corresponds with La Poste Groupe's plans to roll out 50 smart lockers in 45 underground and RER regional train stations in Paris by the end of the first quarter of 2022.



References:
"40% growth in pick-up/drop-off points in Europe," Ecommerce News - Europe 2021
"Out-of-home delivery in Europe 2021", Last Mile Experts & UPIDO 2021
"Pickup to enhance the customer experience for commuters in Paris," Post & Parcel 2021

05 Delivery Performance in Belgium

Belgium's State of E-Commerce in Numbers

1.06
days in average transit time

93%
first attempt success rate

7.3%
issue ratio (12% on carriers' end)

8.7%
deliveries sent to collection points

47%
packages retrieved from CPs in 24h

Even as the world leaves the pandemic behind, working from home remains the norm in several European cities including Belgium. A recent survey revealed that **46% of Belgians are allowed to work from home**, with the ideal arrangement being 2.5 days of working from home every week. With the population staying at home for the majority of the year, it is no surprise that the **first-delivery success rate in Belgium was** as high as **93.2% in 2022**.

In terms of delivery speed, Belgium saw **a deterioration in the average transit time** of domestic parcels, as indicated by the increase from **1 day in 2021 to 1.06 days in 2022**. As for delivery issues, **12% of them were caused on carriers' end**. This is considered relatively high, given that carrier-related factors were responsible for only 3.11% of the total delivery problems in all of Europe during peak season 2022.

Last but not least, **Belgium's collection point usage stood at 8.7% in 2022** and out of these parcels, **47% of them were retrieved within the first 24h** of being delivered to the collection points, which is one of the lowest in the region.

References:
"Working from home very popular among Belgians, particularly on Fridays," The Brussels Times 2022

05 Delivery Performance in France

France's State of E-Commerce in Numbers

1.91
days in average transit time

91%
first attempt success rate

9.8%
issue ratio (30% on carriers' end)

7.3%
deliveries sent to collection points

49%
packages retrieved from CPs in 24h

First and foremost, France had an average **parcel transit time of 1.91 days**, with close to **91% first-attempt success rate** and a **9.8% issue ratio**. The relatively high transit time could be associated with the multiple strikes taking place throughout the year. In November 2022, for instance, over 60% of postal workers participated in the postal strikes in Southwestern France to protest the job cuts, salaries, and undesirable working conditions in the country. As a result, parcel deliveries in and around Bordeaux were delayed for a couple of days.

While **France retained one of the top spots in collection point usage at 7.3%**, there has been a decline since 2021. This could perhaps be linked to the new Strong Customer Authentication (SCA) regulations that have caused frustration and dissatisfaction among 46% of French consumers. With the reduced online shopping activities in France, it would make sense that collection point usage across the country also went down in 2022. Upon further analysis, we also found that France had one of the longest dwell times in the region, with only **49% of parcels being retrieved from collection points in the first 24 hours**.

References:
"Postal strike in southwest France enters second day," The Connexion 2022
"Survey Finds Shoppers in France Are Frustrated With SCA and Merchants Are Missing Out," Business Wire 2022

05 Delivery Performance in Germany

Germany's State of E-Commerce in Numbers

1.22
days in average transit time

95%
first attempt success rate

8%
issue ratio (30% on carriers' end)

7.1%
deliveries sent to collection points

52%
packages retrieved from CPs in 24h

As opposed to France, Germany experienced **an improvement in its parcel transit time from 1.3 days in 2021 to 1.22 days in 2022**. This has been, in part, due to the concerted efforts of third-party logistics (3PL) companies in building more warehouses across the country, which has helped reduce the shipping distance and time taken to get goods to consumers.

Next, there was negligible change in the **first-attempt success ratio** over the past two years; 94.5% in 2021 and **94.9% in 2022**. Germany's **collection point usage**, on the other hand, saw a decline from **12.2% in 2021 to 7.1% in 2022**. When it comes to last-mile delivery, German consumers show a high preference for home delivery with a signature required. According to RetailX, 52% of the population favors this method as it can provide them with certainty and proof of delivery. Meanwhile, less conventional methods like click-and-collect and collection points are not as popular, with just 6% of German consumers opting for the former in 2021. In fact, **only 25% of the top 500 German online stores offer click-and-collect as a shipping service to their customers.**

References:
"Germany 2021," RetailX 2021
"What does Click & Collect mean for German eCommerce?," Shalion 2021
"State of E-Commerce in Germany 2021", Parcel Monitor 2022

05 Delivery Performance in Netherlands

The Netherlands' State of E-Commerce in Numbers

1.5%
issue ratio (57% on carriers' end)

5.4%
deliveries sent to collection points

99%
first attempt success rate

First-time delivery success rates are so crucial for those in retail and e-commerce as they can help enhance the customer experience, which in turn leads to greater customer satisfaction and more importantly, higher customer retention. Among the 6 European markets that we studied, **the Netherlands had the highest first-attempt delivery success rate of 98.9% in 2022.**

In line with the growing popularity of collection points around the world, PostNL has increased the number of parcel pick-up and drop-off (PUDO) locations in recent years. The company is looking to invest approximately 450 million euros to set up **1500 PUDO points by 2024**, allowing more customers to send off and receive their parcels at their own convenience. It was hence surprising to find that only **5.4% of parcels in the Netherlands were delivered to collection points in 2022** – one of the lowest in the region.

In the meantime, the Netherlands' delivery issue ratio was on the lower end at 1.5%, with **57% of the problems caused by carrier-related factors** like the lack of delivery status updates and shortage of manpower.

References:
"PostNL wants to build 1,500 parcel pick-up points by 2024 due to rise in e-commerce," NL Times 2021
"H1 2021: E-Commerce Logistics in the Netherlands", Parcel Monitor 2022

05 Delivery Performance in Norway

Norway's State of E-Commerce in Numbers

2.08
days in average transit time

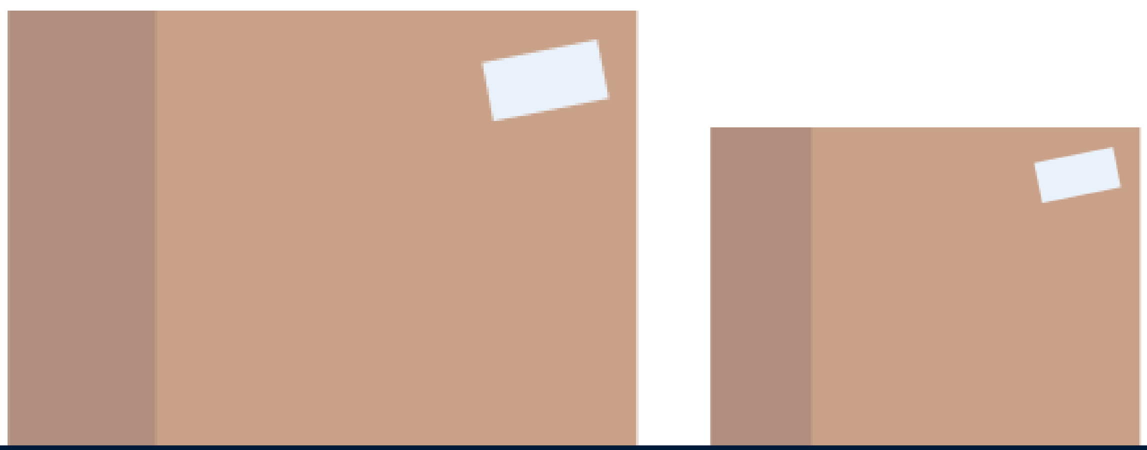
7.7%
issue ratio (80% on carriers' end)

89%
first attempt success rate

Norway is home to the 30th largest e-commerce market in the world, with a forecast **revenue of US$10,656.6 million by the end of 2023.** According to eCommerceDB, Norwegian e-commerce is projected to grow at a **compound annual growth rate (CAGR) of 9.5% between 2023 and 2027**, resulting in a **market volume of US$15,295.1 million by 2027.**

Based on our in-house data, Norway had one of the longest **average parcel transit times of 2.08 days in 2022**. In comparison, **Belgium, France, and Germany** had transit times of **1.06 days, 1.91 days, and 1.22 days** respectively. There are several possible reasons why it takes a relatively long time for parcels to reach consumers in Norway, including but not limited to: remote residential addresses that are hard to find, delays caused by harsh weather conditions, and the lack of a well-developed transportation network. Having said that, it is also important to acknowledge the recent efforts made by Post Norway to support e-commerce growth and enhance the quality of postal service. For starters, it has been ramping up investments in an RFID-based hardware and software infrastructure in the last couple of years to meet the ever-growing needs of customers.

Meanwhile, the **first-attempt delivery success rate in Norway** was on the higher end at **88.9% in 2022** and the delivery issue ratio was similar to those of its Southern neighbors' at 7.7%, with **80% of the problems stemming from carriers' end.**



References:
"eCommerce - Norway," eCommerceDB 2023
"Post Norway invest in key national infrastructure to support e-commerce growth and secure quality of service," Lyngsoe Systems 2022

05 Delivery Performance in United Kingdom

The United Kingdom's State of E-Commerce in Numbers

71%
packages retrieved from CPs in 24h

7.5%
issue ratio (28% on carriers' end)

94%
first attempt success rate

Last year, a large proportion of parcel collections in Europe were completed in the first 24 hours, with **the United Kingdom (UK) having the highest rate at 71%**, followed by Germany (52%), France (49%), and then Belgium (47%). The comparatively short dwell time in the UK is hardly surprising considering how most of the collection points across the country are set up in easy-to-access locations that people frequent during the course of their day.

Our analysis also revealed that the **majority of parcels (94.5%) in the UK were successfully delivered to end-consumers on the very first attempt**, placing it third in the region, not far behind the Netherlands (98.9%) and Germany (94.9%). In a recent Statista survey, **61% of respondents voted DPD as their preferred parcel delivery provider** among all the different couriers in the UK. It was also interesting to note that Royal Mail was not the most commonly used courier by retailers despite its popularity with local customers; 95% of shoppers said they were satisfied with their past experience with Royal Mail.

Last but not least, there were **problems with approximately 7.5% of all deliveries** made in 2022, with around **28% of these issues linked to carriers.** Knowing the root causes of delivery failures allow retailers to manage expectations which can in turn enhance the customer experience. Since most issues in the UK are from the recipients' end, retailers can consider providing more alternate delivery options such as "leave at safe place", "leave at doorstep", etc.

References:
"Best parcel delivery providers in the United Kingdom in 2022," Statista 2023
"Why Logistics Data Matters in Retail", Parcel Monitor 2022

05 About Parcel Monitor

An E-Commerce Logistics Community

Initiated by e-commerce logistics enthusiasts at Parcel Perform, Parcel Monitor is a community that aims to inspire the e-commerce logistics ecosystem to create a better delivery experience for everyone.

For Industry Professionals

E-commerce logistics professionals leverage our data and resources to derive market insights while forming meaningful collaborations across the entire industry.

For Consumers

Millions of consumers rely on Parcel Monitor's free parcel tracking to monitor the status of their parcels across 950+ carriers globally on a single platform.

Our Story

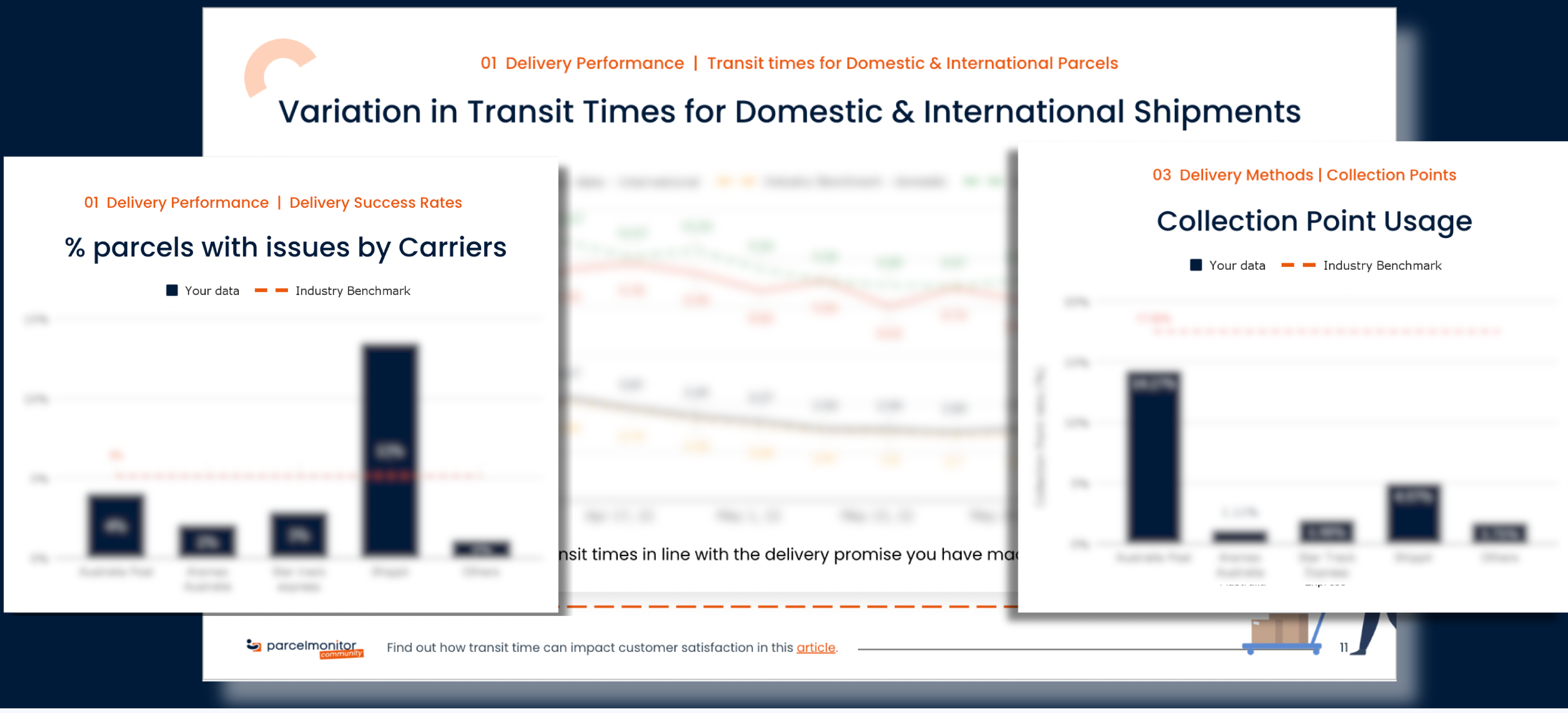
Parcel Monitor was launched in 2016 as a free parcel tracking platform out of our belief that everyone deserves an outstanding delivery experience. We capture consumer trends, provide market visibility, and derive data insights while fostering collaboration across the entire e-commerce logistics industry.

Whether you are a retailer seeking inspiration from fellow e-commerce businesses, or a professional wanting to pursue in-depth knowledge on specific topics (e.g. cutting-edge retail & logistics technologies and top customer retention strategies), Parcel Monitor has something for everyone.

06 Improve Your Logistics Experience with Us

Parcel Monitor's Benchmarking Report measures your end-to-end logistics experience and compares it with 1,015+ carriers globally and billions of parcel tracking updates.

With these industry benchmarks, discover the performance of the top players in your market for the busiest trade routes and optimise your logistics processes with our insights.



What's in your customized report?

Make data-driven decisions and discover growth opportunities with:

- ✔ Peak season performance benchmark
- ✔ Shipment transit times
- ✔ Delivery success rates
- ✔ Delivery issues
- ✔ Collection point usage...and more!

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