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E-COMMERCE DEVELOPMENT IN FRANCE

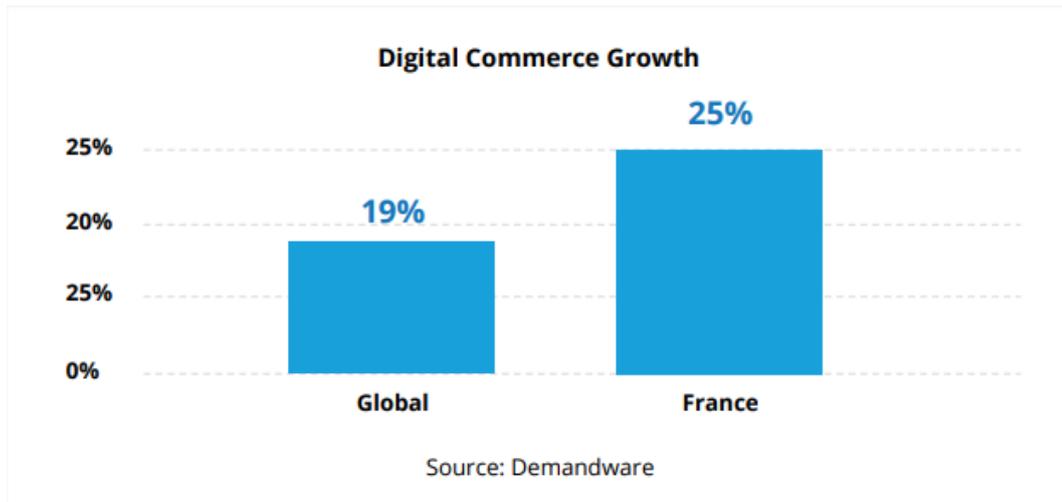
E-commerce has changed not merely how consumers shop, but also the range of providers from which consumers can buy products and services. The growth of e-commerce has the potential to increase competition within retail markets, to greatly enhance consumer choice, and to prompt and facilitate innovation in product distribution.

However, recent enforcement and advocacy work of a number of competition authorities has showed potential for anti-competitive behaviour to occur within the online environment. Fears regarding potential market segmentation are therefore a notable concern within a number of agencies which have examined the issue of competition within the e-commerce sector. Other questions are also often raised with regards to the market definition in the e-commerce sphere, vertical and horizontal restrictions, unilateral conduct with the internet of things and merger controls.

France is the third largest ecommerce market in the EU and 6th in the world. It can be characterized by high internet penetration, a large and diverse consumer base, growing mobile services, a modern delivery structure and plenty of opportunities for online sellers.

In general, the French marketplace can be characterized by high Internet penetration, growing mobile services and a modern delivery structure. The market is relatively mature, but still full of opportunities for online sellers. Among other things, it can boast a large and diverse consumer base, high purchasing power, reliable payment methods, great location and the widespread use of the French language. At the moment French ecommerce mostly consists of either large retailers or small merchants, which contrasts with the UK or Germany where mid-sized sellers are more common.

Online sales are rising quickly in France, but physical stores still play an important role in retail. Thus, many online retailers have physical shops, which is helping them develop multi-channel strategies.



Two-thirds of the French population shopped online in the last 12 months (as of 2018). Online spending typically rises at the end of the year, with around 20% of the country's total digital retail sales attributed to holiday shopping.

Price is a key factor for many French buyers, especially since the global economic downturn. According to Euromonitor, 80% of French consumers compare prices before buying non-grocery products. This has helped to fuel the growth of flash sales. In fact, France's vente-privee.com is the world's biggest flash sale site.

New logistics approaches, e.g. free delivery and returns, unlimited delivery subscriptions or pick-up lockers, contribute to ecommerce growth in France. This is encouraging for cross-border retailers thinking of entering the French market. However, the French are demanding when it comes to delivery and they expect it to be utmost convenient. Thus, retailers should prioritize consumer convenience when providing delivery options. Offering a choice is crucial here, along with reliability and speed.

In France, credit and debit cards (57%) are the most popular payment method for online purchases. They are followed by PayPal (25%) and bank transfer (9%). Over 50% of all online customers in France use Cartes Bancaires (payment cards).

French consumers are comfortable using mobile devices, yet compared to other market leaders, they seem to lag a bit behind. Currently, relatively few retailers offer multi-channel purchasing solutions.

It may seem surprising that although France is the third ecommerce market in Europe, it ranks in sixth place when it comes to shopping on mobile. This does not mean, however, that online sellers can cut some slack when it comes to mobile optimization. Quite the contrary, the overall trend indicates a significant increase in the use of mobiles for shopping purposes. Thus, retailers must make shopping smart on mobile devices if they do not want to lose a big proportion of potential buyers.

France is Europe's third market in value, just behind the UK and Germany. With a turnover of more than 65 billion euros, France has a strong online retail position. The growing popularity of ecommerce is opening the country up to more competition, increasing opportunities for international retailers.

There are a large variety of marketplaces in France, e.g. Cdiscount, RueDuCommerce (Carrefour), fnac.fr, Spartoo (shoes), PriceMinister (Rakuten) and many more. These marketplaces are a good way to promote your products at a relatively low marketing cost. There is also a wide range of products that can be offered to French shoppers, e.g. in fashion, furniture, travel, electronics or high-tech categories.

France's location is beneficial with regard to (international) trade. It's located in the heart of Europe and is also a natural crossroads for European and global trade. France has one of the best designed and most efficient transport networks in the world. Future shopping may offer some potential for all online sellers who want to make creativity one of their unique selling points. There is a lot of research and experimentation.

References

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