In partnership with

European Grocery

How the coronavirus pandemic re-shaped an industry

Part 2: Interviews, insights and in-depth country data

Introduction

Welcome to the second part of the European Grocery report

This report supplements and illuminates the major themes of *European Grocery: How the coronavirus pandemic re-shaped an industry*. It contains three sections:

Interviews These in-depth interviews draw out insights from executives at leading retailers and brands. The interviews consider the challenges the sector faced in 2020, the ways in which the pandemic drove innovation and strategies for growth in the years ahead. These conversations helped shape the main report, and in full they expand on the issues facing grocery retailers, FMCG brands and CP brands. We also hear from smaller challengers, many of which are at the forefront of innovation within the sector.

Pan-European data We highlight the data that underpins developments in the grocery sector across Europe and the challenges businesses faced during the first wave of the pandemic. Data from RetailX underpins an analysis of the web traffic seen by supermarkets and other sectors .

Country profiles We look more deeply at specific countries and regions: the UK, France, Germany, Italy, Switzerland, Spain, Benelux and the Nordics. We analyse these territories' online markets, and their grocery sectors in particular. We contrast the position online before the pandemic and during the first wave of Covid-19.

Thank you to the executives who shared their time, insight and plans for the future direction of their businesses during in-depth interviews with InternetRetailing's report editor Emma Herrod in November and December 2020.

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Interview

Chris Conway, head of ecommerce, Co-op

The pandemic has seen Co-op's five-year plan squashed into a single year, with online operations rolled out to 850 stores

- Trial of Starship autonomous robots expanded to meet immediacy demand
- "We've learnt that we can go at pace"

Convenience retailer Co-op launched online in the UK in March 2019, fulfilling small orders direct from its stores for delivery to customers in the immediate area. The service started operating in a limited number of stores in London and Manchester and, by early 2020, had already rolled out to 50 stores.

Plans were in place to scale to 300 stores by the end of 2020, with shoppers able to buy products online and have their order delivered the same day, if not within a couple of hours. The Covid-19 pandemic has seen a five-year plan squashed into a single year, with online operations rolled out to 850 stores.

When the pandemic hit, the site was, "only coming out of trial," says the retailer's head of ecommerce, Chris Conway. "We took a minimum viable product approach," he explains, adding that plans were in place to take learnings from the initial stores to improve the experience as the service was rolled out further.

The pandemic meant this plan was scrapped and, after a pause to re-evaluate the situation through the initial weeks of stockpiling by consumers and stock issues, a new 12-month strategy for online was launched.

The immediate priority was to increase capacity to make online ordering accessible to as many consumers as possible. Plans to improve customer experience and increase conversion by 1% were no longer seen as important and something that could wait until 2021.

What have you learnt from the accelerated rollout?
"We had lots of plans around the customer experience, search and CRO and the usual things you would talk about in an online world," says Conway. "Suddenly, they were not as important as they once were, since people just wanted access, to be able to shop. The benefit of getting an extra 1% of conversation actually doesn't mean a lot anymore, which has been mind shift for a lot of people."

Up to 100 stores a month were being fitted with the necessary technology, with staff trained to pick and pack orders locally. "90% of the stores have been launched remotely via Microsoft Teams due to the pandemic," he explains, "with staff from a number of stores being talked through the processes and technology, which they will have already received. This was a better way and more efficient. This shift in the way we operate will stay. We've learnt that we can go at pace."

The majority of stores use third parties, including Zoom and Gophr, to deliver customers' orders, with the remainder delivered by Co-op's own fleet. This is in the process of being replaced with electric vehicles. Half of the stores offer click and collect only – a service which proved very popular in the UK as consumers shunned shopping in-store during much of 2020.

Another change from the original plan is the shift in devices used by customers placing online orders. The site was developed mobile first but a quarter of consumers ordering online are from older age groups who tend to use desktop devices or tablets rather than smartphones.

Interview, Chris Conway continued

Alongside the launch of its own online store, Co-op has expanded the number of products available through the Deliveroo app from 300 to 1,200, with orders picked at 500 stores compared with the 200 that worked with the delivery company earlier in 2020. It has also extended the use of Starship autonomous delivery robots to Northampton following successful trials at eight stores in Milton Keynes. 130 robots are used across the two towns delivering "well into the thousands" of orders a week.

During the pandemic, says Conway, Milton Keynes received a three-fold increase in demand, while Northampton has seen take-up "as if we were months in." Co-op will continue to roll out the service to more towns and expects to have 300 robots in use by the end of 2021.

What are your plans for 2021?
Co-op is able to add services to its online operations simply through APIs and is taking "last mover advantage" with a technology stack that's not mired by legacy systems.

The retailer updates local stock data on its own ecommerce site every 24 hours but an API feeds live inventory updates from brick and mortar stores to Deliveroo every 15 minutes. This will be added to the Co-op shop in the future. Another development for 2021 is the incorporation of the Co-op ecommerce store into a new mobile membership app, which launched in 2020. The app can be used as a replacement to the plastic loyalty card and includes a list of offers from which each customer can choose two weekly.

Co-op has seen a 10-fold increase in the volume of orders through the various online channels and has attracted many new customers. "Our five-year plan has been squashed into one year," he says.

130 Starship autonomous delivery robots have been deployed by Co-op

© Co-op

"In 2021, we'll finish the job of making sure everyone in the UK has access to the service. Equally, we need to look at the product roadmap and accelerate some of the enhancements we've already set in motion"
Chris Conway, head of ecommerce, Co-op

Interview

Jonathan Hertog, director digital, ecommerce & CRM, Delhaize

Customers need one good reason to use a loyalty card and while a 0.5% discount isn't it, Delhaize's "disruptive" and "innovative" scheme just might be

- Data relevancy is both a real challenge but a crucial factor
- The time to scale innovations has speeded up, with the gap between initial idea and implementation reduced

Delhaize launched its Super Plus loyalty programme in Belgium during the pandemic. The grocer hailed the scheme as "disruptive" and "innovative" in how it interacts with customers and helps them live a healthier life.

"We used to have a very transactional loyalty programme which was old school in that shoppers earned points for every euro they spent," says Jonathan Hertog, director digital, ecommerce & CRM, Delhaize. "We changed our strategy to one that supports people in eating and living healthier. So, right now, we give people a discount on healthy products with a Nutri-score of A or B. The loyalty scheme is also much more interactive. Customers can exchange their points for vouchers, for products or for vouchers with our non-food partners. In this respect, it's giving more to people and also allowing us to be much more personalised in how we interact with them."

The move follows increasing churn with customers not valuing the old loyalty programme. "It was really not helping our strategy or positioning, so we wanted to do something better that also brought our strategy closer to our customers," explains Hertog.

He recognises that while once consumers blindly signed up for loyalty schemes, retailers today needed to earn customers' trust and add value to interactions. "If you want to have people register, if you want to have people take out a loyalty card, there needs to be a reason for that and a 0.5% discount doesn't make people do that," he says.

"How do you earn the trust and the relevancy to have people interact with you and give something back?"

How have your created a culture of success in 2020?
"I think the reason why we were so successful is because the objective was clear. On 1 October, we would launch this new programme, and we knew that nine months ahead. For ecommerce, we needed to serve our customers in the best possible way and we needed to accommodate higher volumes," he says.

Hertog is proud of the launch, as well as how internal teams pulled together while working from home to deliver results. "I think we can argue that we haven't made a step this big in the last decade, be it on how we serve customers with ecommerce, be it around digital interactions or the loyalty we're working on at the moment," he explains. "I think it's a huge step realised in a not-so-easy period. In that respect, it's not just one project, it's how the different teams have stuck together to get it done."

Management has changed to be more understanding and accepting of individual responsibility, while the 150-year old business has become more customer-focused, better able to listen to what customers want and better able to act upon insight in an innovative way.

Interview, Jonathan Hertog continued

How optimistic are you about 2021?
"While 2021 will be a year of hope, I think there is a similar uncertainty to what we have had in the past six months," Hertog says. "I think there is a kind of light at the end of the tunnel, but we don't know yet exactly what we'll be able to do. I think in that respect, we will continue on the path we're on, but we'll be more flexible in how we handle it." He also notes that the experiences of 2020 mean his team has become used to changing direction at short notice.

The importance of collaborations across both departments and teams to complete individual projects was recognised by Delhaize in 2020. Even more attention will be placed on how people work together during 2021.

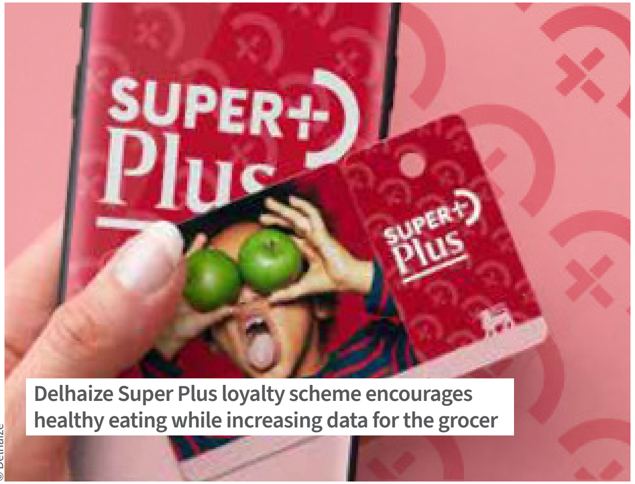
Roadmapping has changed, with shorter cycles than pre-pandemic days enabling the company to flex and perform, even when under external pressure. Hertog says the company has a "very exciting" roadmap ahead, with additional digital services to offer customers.

"In everything we do, we continue to reflect on how we can do what we do even better, how we interact with our customers and how we can better support the strategy of healthier or better eating," he explains. "I think, for 2021, transparency on buying habits, transparency on ingredients and things like that will be really crucial for us. We will continue to make healthier eating affordable for all our customers."

He adds that this will extend to working with brands and own-label partners in order to be able to suggest healthier product swaps to customers.

While the project is data led, finding relevancy for individual customers among the quantity of data that Delhaize holds will be a challenge, albeit one that Hertog is looking forward to. "There's a lot of data so we need to find the right relevancy for people," he says.

He adds that they will be looking at how the company continues to interact digitally with customers and how it will be able to use all the data that it has to support its customers even better. In conclusion, he says that Delhaize aims to be more relevant for customers and add something to deserve their trust, or to deserve the way they interact and shop with the company.



Delhaize Super Plus loyalty scheme encourages healthy eating while increasing data for the grocer

© Delhaize

"Suggesting healthier crisps with less salt is straightforward. The question is, what use cases can we find that are relevant for people and how do we get them done? How do we know whether the data belongs to you or your wife who does the shopping? The relevancy for me is crucial and that's something that's a real challenge"

Jonathan Hertog, director digital, ecommerce & CRM, Delhaize

Interview

Hervé Beck, general manager France, Benelux & EMEA, Kind

One of the benefits of the pandemic has been the strengthening of relationships between retailers and manufacturers

- Products have to earn their place on retailers' shelves quickly
- Social media is the new customer insight department

France has seen a shift towards click and collect, drive and collect, ecommerce and direct to consumer. These are some of the distribution models that are now winning, says Hervé Beck, general manager France, Benelux & EMEA, Kind.

Mars, which owns the brand, is seeing a dramatic increase in online ordering through retailers, as well as through its own D2C channels further confirming the shift to digital and new consumer behaviour. Although, says Beck, "retailers' distribution models have to evolve."

One of the consequences is the impact on supply chains. "The way we work with retailers to anticipate stock inventory is different," he says, explaining how businesses were surprised by the first wave of Covid-19. Supply was better managed for the second wave because everyone had a better idea of what was working, so adjusting inventory levels between retailers and manufacturers for different locations and channels was easier.

This has resulted in stronger retail supply chains. "One of the benefits of the pandemic has been the relationship between retailer and manufacturer has been made stronger," he says, since both parties had to communicate better because demand was changing at such a rapid pace.

How is customer experience changing?
"Shopping is one of the most predictable and repeatable processes that you can do in your life. The pandemic questions even more the experience that retailers and brands want to offer in-store," he says.

The pandemic has accelerated, and even amplified, the conversation about how brands want to tell a story when customers are in-store, "especially when consumers prefer not to go into a store and use drive, click and collect, D2C or ecommerce as an alternative way to shop".

The adoption of technologies such as AI is gathering pace but, as Beck points out, "You cannot let technology drive the conversation [with consumers]. You need to personalise your company. You have to keep a balance between technology and your proximity to your customer."

Doing what Trader Joe's does with customer service and sampling in-store, combined with technology for omnichannel services is, he believes, a winning model.

Where is your focus over the next 12-24 months?
Beck says Kind's focus will be on gathering closer insight from consumers while growing its market position. With retailers becoming pickier about the brands they list, products have to prove themselves very quickly or they will be delisted.

Therefore, brands need to know further ahead in the development process what retailers and consumers want. "We are using Facebook and Instagram to get feedback from consumers about new recipes and what people would like to buy. In a way, this is becoming a bit like the new customer marketing insight department," he explains. Where brands used to go to an agency which would ask retailers about the trends and analyse customer shopping habits – a process that's still valid – everyone

Interview, Hervé Beck continued

can now go direct to social media. Having thousands of followers means that brands can start a dialogue by asking customers about future flavours and recipes.

"Leveraging social media or a D2C website becomes a way to collect data, enter a dialogue with your fan base and better anticipate what you need to do instead of guessing or making a lot of marketing stories," he says. "This direct dialogue saves money when it's done well by speeding things up in terms of product development. It can sometimes give you very direct and pragmatic answers to the question that you have."

Is D2C a sales channel or a marketing channel?
It depends on whether you're a big or small company, according to Beck. "For the multinationals, D2C is definitely not a sales channel compared to the traditional channels," he explains.

"I view it as a fantastic data collection system where you can get to know your customers better, but it's not really efficient in terms of sales as you do not have the scale.

"The big corporations will treat D2C as a data collection channel. Small brands will necessarily need D2C as a sales channel. If not, they cannot survive."

Kind embraces social and D2C to gain insight into possible future products

© Kind

"The pandemic has accelerated and even amplified the conversation about how you want to tell a story to customers when they are in-store, especially when consumers prefer not to go into a store and use drive, click and collect, D2C and ecommerce as an alternative way of shopping"

Hervé Beck, general manager France, Benelux & EMEA, Kind

Interview

Theadora Alexander, founder, Mighty Small

The businesses that have fared best are those that can be agile and responsive

- Big businesses are switching away from their own R&D towards M&A
- Challenger brands show the way

Mighty Small launched in 2020 to give small challenger brands a platform on which to sell their products. It quickly moved away from being a traditional supermarket to a gifting site through which shoppers could buy bundles for friends and employees – such as food and drinks for a movie night – as well as sign up for a subscription service enabling the recipient to discover new brands.

While changing consumer behaviour has been a challenge, "the businesses that have fared best are those that can be agile and responsive to the uncertainty," says Theadora Alexander, founder, Mighty Small. "The one thing that has cut through for the brands that we represent is that they are used to dealing in adversity every single day. So when the pandemic came along, the brands that we work with were able to adapt a hundred times quicker. Decisions were made within minutes and I genuinely believe that mentality will have led to the survival of a lot more businesses than would otherwise have been the case."

What long-term trends are you seeing?
Wellness trends have been accelerated by the pandemic with an increase in 'free-from' and 'meat-free' ranges as well as immunity-boosting foods and drinks with healthy supplements. "This was always on the path but it will be amplified in 2021," she says.

This increase in wellness products goes hand-in-hand with the rise of the conscious consumer and shoppers buying from brands that are doing good for the world, as well as for the people that grow and make their products.

How has the grocery sector changed permanently?
The shift to online is here to stay, Alexander believes. Now that more businesses have trialled online, the shopper has to come first, not real estate, margin or profit. She says that retailers, "will only win and gain market share if they put their customer needs ahead of everything else. For the large grocers, it is range and shopper experience that will put them ahead."

Post-pandemic, there won't be many brands launching in FMCG that aren't thinking about an omnichannel approach. She does warn, though, that as Amazon grows in the grocery sector, consumer choice will become more of an Amazon choice. Therefore, brands need to be prepared for this with a clear Amazon strategy.

"The macro trends that were getting behind challenger brands for the past ten years have never been stronger. Their agility, their closeness to the consumer and their connections with the consumer, their ability to deliver flexibility, differentiation, distinctiveness. All of these things have never been more powerful"

Theadora Alexander,
founder, Mighty Small

mighty small
SUPERMARKET OF SMALL BRANDS

Interview

Nick Steel, growth strategy & insight director, Nomad Foods

Retailers and Nomad Foods both continue to benefit from sharing category insights as consumers look for trusted brands when buying online

- Data analysis equals insight into new digital customers
- Insight leads to plant-based innovation

Nomad Foods, whose brands include Birds Eye, GoodFella's, Aunt Bessie's, Iglo and Findus, gained many new customers during the pandemic and saw the company's profit and grocery market share increase, particularly online. It reported RSV growth in ecommerce of 60% in September 2020 for the year to date, compared with the previous year. This is above the 50.5% reported for the frozen food sector overall in the UK.

This increased demand came with the challenge of understanding changing buying patterns during the pandemic. Nick Steel, growth strategy & insight director, Nomad Foods, says that both it and grocers had a desire to, "keep the consumers supplied with products that they want and to get the right products and ranges on the shelf. This has continued throughout the pandemic, albeit in slightly different ways, since we've had to supply more and different things as required."

Ecommerce and digital communications played an increasing role in consumer communication for Nomad Foods before the pandemic, when the company was looking into where to increase budget in digital campaigns, as well as how it could grow ecommerce channels as the pandemic approached.

Highlighting the importance of data and the insight that can be gained from an accurate image of the existing customers and how they shop, Nomad Foods is now able to react better and talk with customers sooner. It has also enabled the brands to be more precise about what consumers want, which has led to product innovation.

However, this has also meant increased data management internally, as well as using resources and technology differently, since it went from handling 10 or 15 different suppliers and data sources to the complexity of each of those suppliers having its own data and analysis tools.

How does insight translate into action?

The company can share the insights it gains into the growth of frozen foods with grocers to ensure it is on trend.

It also means that insight into emerging consumer trends translates into product development. The increasing consumer awareness of the environment and their own health is translating into the production of a wider range of plant-based meals. It is also being seen as marketing of local provenance and consumers wanting to lead a healthier life. The rise of meal kits is enabling people to create and cook with their families.

"What we are doing is telling the category growth story with different and longer-term insights so we can be more accurate about what we know is going to happen in the future. This helps retailers manage and structure the category accordingly to deliver the best for their shoppers"

Nick Steel, growth strategy & insight director, Nomad Foods

Interview

Richard Martin, chief customer officer, Premier Foods

Premier Foods maximised merchandising foundations to grow online 112% with market share up by 260bps

- There are still the same number of high level variables at play, but more is known now about each of the variables
- Premier Foods is taking a multi-format, multichannel approach

Premier Foods set up an online team three years ago after realising that it was underperforming online. It put in place a strategy that meant within 12 months, it was outperforming the market and its overall share of online was in-line with its other channels. Through insights and its active strategy, Premier Foods' goal is to capitalise on whatever opportunities offer themselves into the market, whether that means selling on Amazon or via recipe boxes such as Gousto or Hello Fresh.

"We are always scanning the market and making sure that we have the capability in place to be able to capitalise on the opportunity," says Richard Martin, chief customer officer, Premier Foods.

"When the pandemic arrived and online grocery shopping significantly accelerated, we were very well positioned to capitalise on that because we had the fundamental building blocks in place."

This has seen Premier Foods grow its online sales by 112%, while its market share is up by 260 basis points.

What are the foundations of your online strategy?
The company's three-pronged strategy started with getting the basics right around product image optimisation so shoppers could see all the information about flavour, number of servings and so on that they needed to make a purchase.

The next level saw the company putting the same level of care and focus into how its products appear online as it does to how they appear in-store. This includes ensuring that products appear in search and in the right categories on retailers' websites. Martin explains that this requires "understanding how the algorithms which drive the search function on any retailers' website work and then making sure that our product descriptions are correct and mention the right keywords so that our products come up when shoppers search for them."

As consumer habits change and trends emerge, the team puts in place a strategy for trading the online channel.

"Online, consumers tend to buy brands they recognise because in the online channel, it's more difficult to browse products in the same way that you do in-store," he says.

How did your strategy change during the pandemic?
During the pandemic, consumers became bored of eating the same meals at home and were looking for inspiration. The online channel allows brands to showcase their innovation through meal solution ideas. "Bundling brands or recipe suggestions is much easier to execute in an online environment than it is in a store environment... and we can get things live pretty quickly," says Martin. "Doing the same thing in 500 stores takes a lot more planning and a lot more effort in terms of the execution. Online gives you the opportunity to trade the channel and be more agile in terms of getting things live pretty quickly."

Interview, Richard Martin continued

He explains that 75% of online basket additions are made either through shoppers searching for a product or adding items from their list of favourites. Premier Foods has been carrying out a lot of work to identify how to interrupt that path to purchase. For example, if someone searches for pasta, a banner advert for its Batchelors range of products will appear.

Where is your focus for future investment and growth?
"We have a multi-format, multichannel approach and we are focused on making sure we create the right execution for our brands, whatever the channel is," says Martin.

"Over the next 12 to 24 months, one of the key questions is to what extent this growth in online will be sustained on an ongoing basis and to what extent does it take sales away from stores? From our point of view, all of the activations we do, whether they are online or in-store, require investment. As suppliers, we will need to look at how we allocate our investment in-store and towards online."

Premier Foods expects the growth in online to be sustained with its own plans based on selling through grocers. It recognises that the economics of relatively low-cost products that form part of the repertoire of a grocery shop "perhaps don't lend themselves that well to a D2C offer".

How is the growth of meal kits impacting ongoing product development?
The rise of meal kits and other models requires brands to be agile about pack size and product packaging. Meal kits, for example, require portion size packs and "that's absolutely something that we have to deliver," says Martin.

The business has "well developed innovation pipelines" for all of its categories, ensuring that it is continuously monitoring whether developments are more or less relevant and whether it should accelerate or pause launch plans. "We have to take the insight from around how consumers are shopping and consuming in their homes and be certain that our products in the pipeline are spot on for the environment that we're in," says Martin.

He gives the example of baking kits under the Cadbury and Mr Kipling brands. These have been launched in the past 12 months and include items such as chocolate brownies and cookies. "We have really accelerated and expanded our range of home baking products since the pandemic started, since we saw products we already had in market selling really well. We quickly brought to market some new products and innovations to really capitalise on that trend."

Premier Foods gained from merchandising its well known brands online

"We're still having to react very fast. There is still the same amount of high-level variables at play, but we know a lot more about each of the variables"

Richard Martin, chief customer officer, Premier Foods

Interview

Greg Duce, area ecommerce director – Europe and ANZ, Reckitt Benckiser

Things that have been talked about in the past as "nice to have" are now priorities as the online channel has taken on more importance

- Years of progress have been made in a matter of months
- Retailers need brands to have category strategies that work omnichannel

Many of Reckitt Benckiser's brands – such as Dettol – were in high demand in 2020 from consumers, and also from new retail channels away from its traditional grocery and pharmacy retail partners. The pandemic created a fast and dynamic year for the company, and one in which it worked hard to keep product on shelves.

How has 2020 accelerated your omnichannel plans?
The pandemic has accelerated the company's omnichannel plans with what Greg Duce, area ecommerce director – Europe and ANZ, describes as "years of progress in a matter of months". Things that had been talked about as "nice to have" became priorities as the online channel took on more importance.

"The increase in capacity and focus for online has always been there and been very important, but it has become more than a channel structure," says Duce. "It is literally retailer and supplier strategy, and that has brought with it loads of close collaborations." This includes holding meetings with in-store and online colleagues and retail buyers to ensure that inventory is available for all channels.

New partnerships have been formed with the on-demand apps, including Deliveroo and Uber Eats, as consumer behaviour changed. "There's a new proxy for how consumers find products," says Duce. "That's become a big change for us".

Closer collaboration extends to data sharing
The company has made investments in its IT and data infrastructure, enabling the company and its brands to analyse data better to ensure its actions are consumer centric. He says that retailers have also become more willing to share online and store data and have been actively looking at ways to explore data with suppliers.

"We've seen an acceleration in the data they are willing to share," he explains. "We've also seen performance marketing and ways we can then actively target and segment consumers to make sure they are seeing the most appropriate products from us."

Omnichannel brands take lessons from pureplays
Omnichannel retailers are increasingly adopting capabilities that are more common amongst pureplay grocers. One is marketplaces, which enable grocers to offer a wider selection rather than a closed, fixed-inventory, grocery website. There is also an increasing focus on specific capabilities such as performance marketing. Duce cites Sainsbury's Nectar 360 platform as a way that retailers are enabling brands to use real-time advertising based on systems and data.

That will translate into staffing and skills requirements at Reckitt Benckiser. "Performance marketing and marketplaces are both capabilities that we will need," he says. "They allow us to bring the skills that we've learnt

Interview, Greg Duce continued

from the pureplay world into an omnichannel world, and this is where we'll need to know how to balance these capabilities as and when omnichannel retailers start to adopt them."

When it comes to category management, explains Duce, it's about getting the balance where the same consumer sees the same propositions, but how they behave is different. For example, a consumer going into a store and spending £20 is very different to one spending £100 online.

"What we are having to do is balance the needs of what consumers want in-store and online... For us, it's the evolution of ensuring that we are constantly thinking about the consumer channels and touchpoints when going through the category," he explains. He adds that you can't just copy and paste to online since that's not how consumers behave. "That's the challenge for all of us that we have to get right."

How will insight translate into strategy in 2021?
Reckitt Benckiser's plans for 2021 will continue with the evolution of consumer behaviour and the increased metrics being measured. "Retailers need us to have strategies that work omnichannel and that's the biggest single thing, not channel strategies for store and for online, but things that work for our consumers knowing that each person has certain needs at certain points. That, for us, is going to be the single biggest change because the growth and investment in ecommerce will continue at strength. But it's that focus on how you integrate that, and how you ensure that it adds value to the partner and also the consumer," he says.

Delivering that value requires one voice, yet the company also has to ensure each retailer has the product to match consumer need and their mission, whether it's 700 wet wipes or a small, £1 packet.

New consumer behaviour is sticking and it can be measured. Duce believes the industry needs to do a better job of supplying what is wanted, especially around consumers' changed expectations of convenience. "We need to rise to hit that challenge, whether that's a product proposition, a service or just having the product on shelf for them to buy," he says.

"We are getting much better levels of communication and progress, and retailers and suppliers realise that they have to do this together. There is just one person we are all trying to get to and that is the consumer."

Dettol expanded to new retail partners as demand grew

© Reckitt Benckiser

"A huge part of the collaboration has come from data and a huge part of it will continue to come from there. The challenge for suppliers is to make sure we are coming back with the right consumer-centric plans and category strategies for our partners"

Greg Duce, area ecommerce director – Europe and ANZ, Reckitt Benckiser

Reckitt Benckiser

Country/region profiles

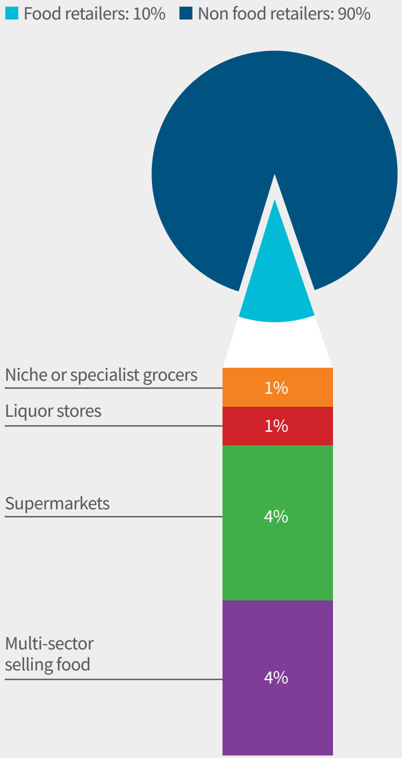
The pan-European and country-specific data on the following pages examine the overall dynamics of the digital landscape. It is sliced further to highlight challenges of the grocery sector, the performance of supermarkets and key markets within Europe. Data is broken out for the UK, France, Germany, Italy, Switzerland, Spain, Benelux and the Nordics.

Much of the data is provided by RetailX and is based on the EU Top1000 compiled from tracking 144,000 retailers over the last six years.

The charts

Food retailers in the Europe Top1000

This chart shows the sub-categories of food and drink retailers, which together account for 10% of the RetailX Europe Top1000



Source: SimilarWeb, RetailX

The rise of online

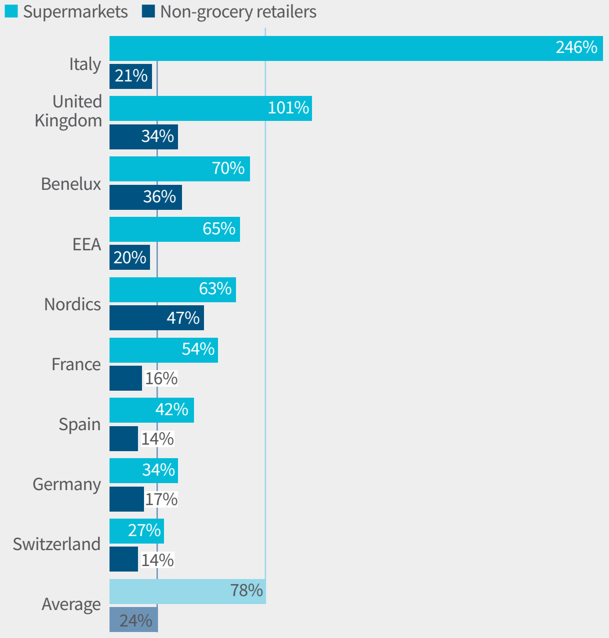
Supermarkets across Europe reported a rise in traffic to their websites during the first wave of the Covid-19 pandemic. As the charts show, traffic increased by an average of 78% in the second quarter of 2020 – which covers the period from 1 April to 30 June – when compared to the same quarter in 2019.

Italy and the UK both saw traffic rise above this average.

While the absolute number of new visits to food retailers is small in comparison to other sectors, food and drink retailers experienced the biggest relative increase. For example, the percentage change experienced by supermarkets was 65%.

YOY increase in web traffic to supermarkets compared to non-food retailers

This chart shows the year-on-year increase in web traffic in Q2 2020 as a fraction of the traffic the same companies received in Q2 2019

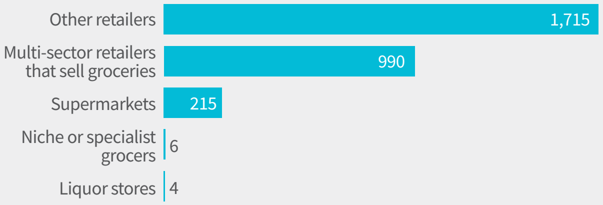


Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)

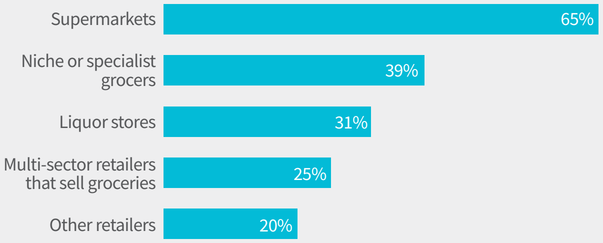


The absolute number of new visits to food retailers is small compared to other sectors. However, food and drink retailers experienced the biggest relative increase (see below)

Source: SimilarWeb, RetailX

New traffic in Q2 2020 as a fraction of traffic in Q2 2019

% Change



The dates for Q2 (1 April to 30 June) include the first wave of Covid-19

Source: SimilarWeb, RetailX

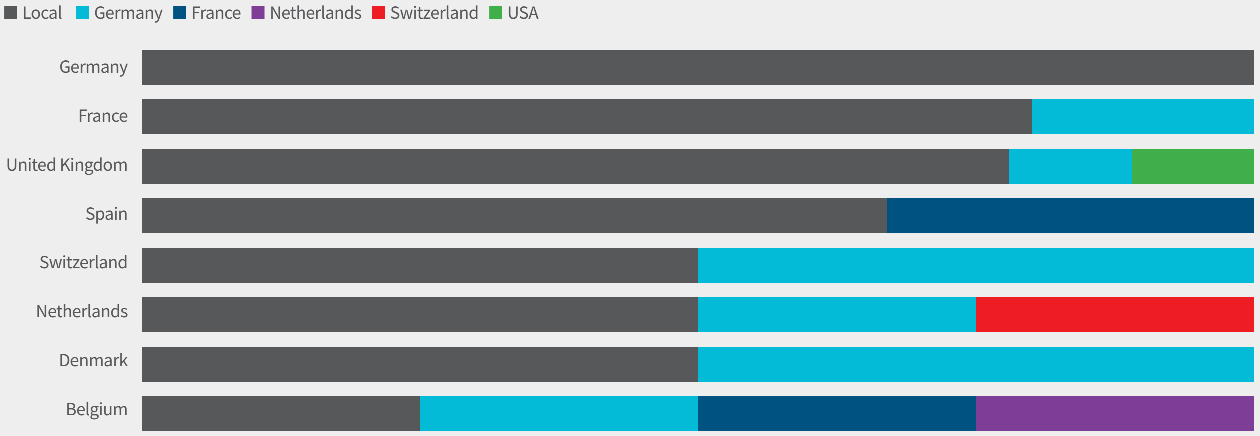
Availability of local grocers

Looking at the RetailX Top1000 retailers across Europe, the majority of companies with a grocery offering are classified as multi-sector retailers that sell groceries. This gives consumers the choice of completing all their shopping with one retailer, or purchasing some items from other speciality stores.

As the chart shows, domestic retailers dominate the more mature online markets. This is despite a number of grocery retail brands operating in multiple countries.

The location of supermarkets across Europe

The fraction of major online chain supermarkets headquartered in their countries of operation. Six out of a total of 40 supermarkets operate in multiple markets



Note: supermarkets sell a wide variety of household goods including fresh produce

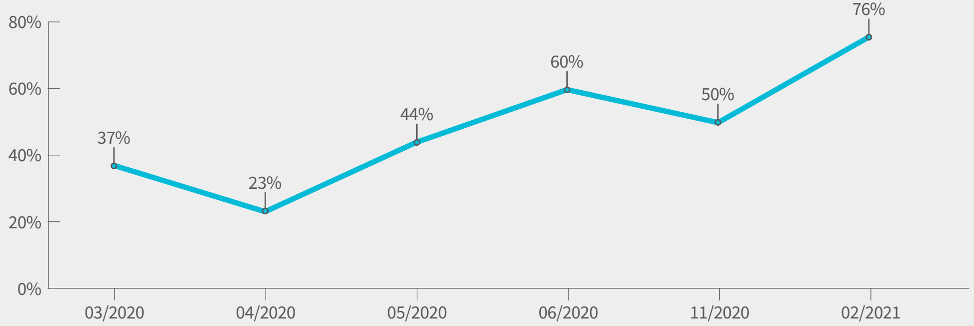
Source: RetailX

Availability of delivery and collection slots provides a cushion for increased demand

Prior to the pandemic, grocers who operated online had a certain level of delivery slots that were unused. These were at times when their customer base was either away from home – so not able to receive their delivery – or the time was not compatible with their lifestyle.

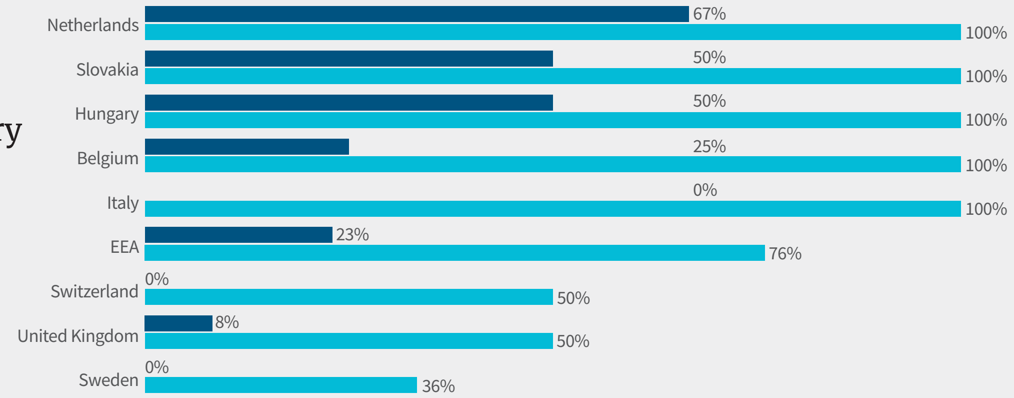
These previously unused slots worked as a cushion for retailers during the first wave of Covid-19, since consumer demand for online deliveries meant they were booked up quickly by consumers suddenly locked down in their homes. Grocers could then concentrate on expanding fulfilment capacity and planning for the November/December peak, along with the second wave restrictions.

The fraction of supermarkets with >40% available delivery slots over the next two weeks



Source: RetailX

The fraction of supermarkets with >40% available delivery slots over the next two weeks



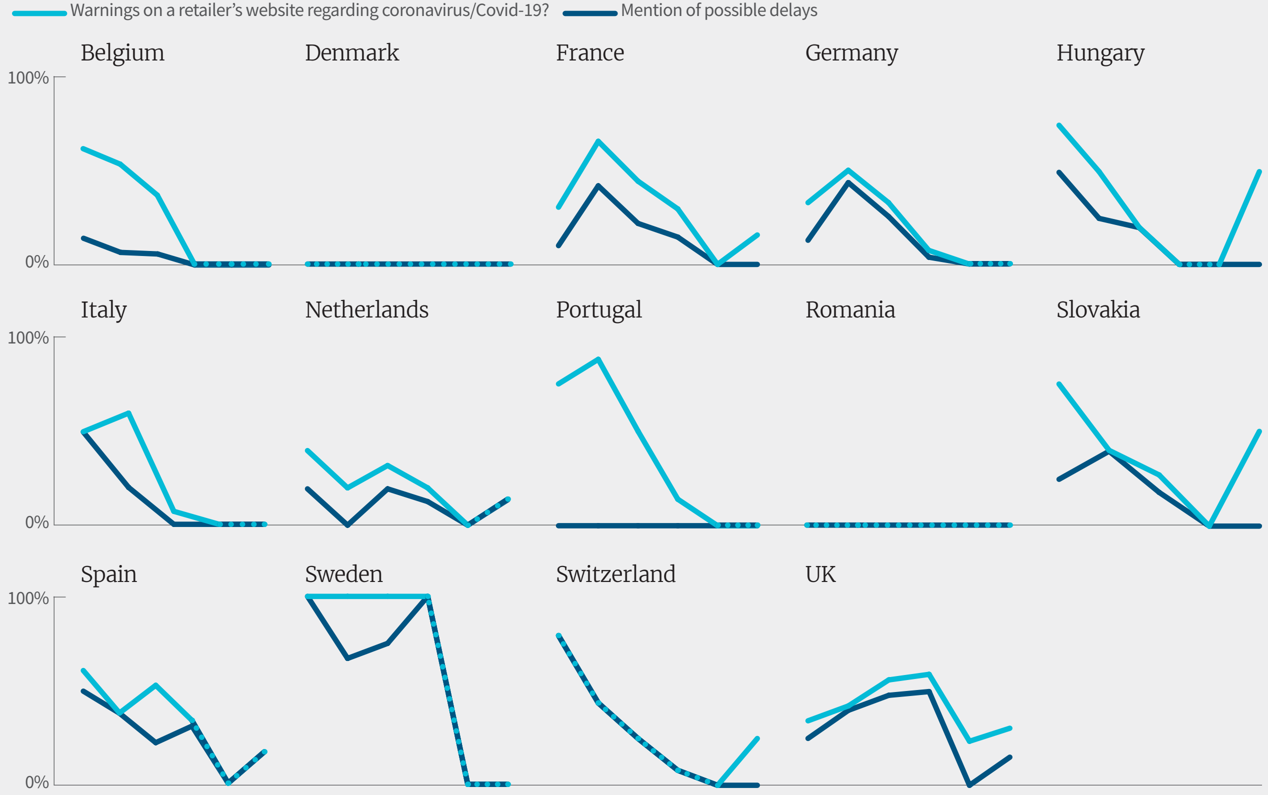
Source: RetailX

Grocers communicated clearly with customers

Keeping staff and customers safe was paramount for retailers. This resulted in prominent messaging in stores and on websites.

As the charts show, online grocery stores across Europe carried warnings regarding the coronavirus/Covid-19 as well as telling customers about possible delays.

The increase in demand for online groceries caused a scarcity of certain products and delivery slots (all measured from 20 March, 2020 through 4 February, 2021).



Source: RetailX

Grocers were quick to add messaging online about the pandemic and possible delivery delays

"Due to the current situation, our delivery dates are quickly booked out. But we add new ones every day. It is best to prepare your shopping cart now."

"To keep our customers and colleagues safe when shopping in our stores, you must wear a mask or visor unless you have a medical exemption. Security guards will support our colleagues at the front of store and will challenge customers who are not wearing masks."

"We will make every effort to dispatch your order as soon as possible, but please be kind and expect delays to your parcel. We are currently expecting delays of more than seven working days in addition to our regular schedule for new orders. We apologise for any inconvenience."

"We have been rigorously following recommendations set by the Government, Public Health England & World Health Organisation over the past couple of weeks. Any staff members with the slightest illness or high temperature have been self-isolating, new cleaning procedures and rotas are in place, hand sanitiser has been supplied to all staff, and we have stopped all non-essential visits to our offices and warehouse."

"Skärpta hygienregler för personalen och utökat städ- och rengöringsrutinerna i butikerna och på våra lager. Vi följer säkerhetsåtgärder för vår personal enligt Folkhälsomyndigheten och UDs rekommendation gällande för resor till de drabbade områdena. Handla online. Vid vissa tidpunkter får vi extra mycket kunder i butiken på coop.se, det kan göra att vår sajt tidvis kan upplevas som långsam."

"En EROSKI somos conscientes de la preocupación general ante la situación que estamos viviendo por el coronavirus, y por ello queremos compartir las acciones que estamos llevando a cabo en nuestras tiendas para preservar tanto la salud de nuestro equipo y clientes, como para garantizar la actividad y calidad de nuestro papel de suministradores de artículos de primera necesidad."

"Covid-19: Nejčastější otázky k nakupování v dm."

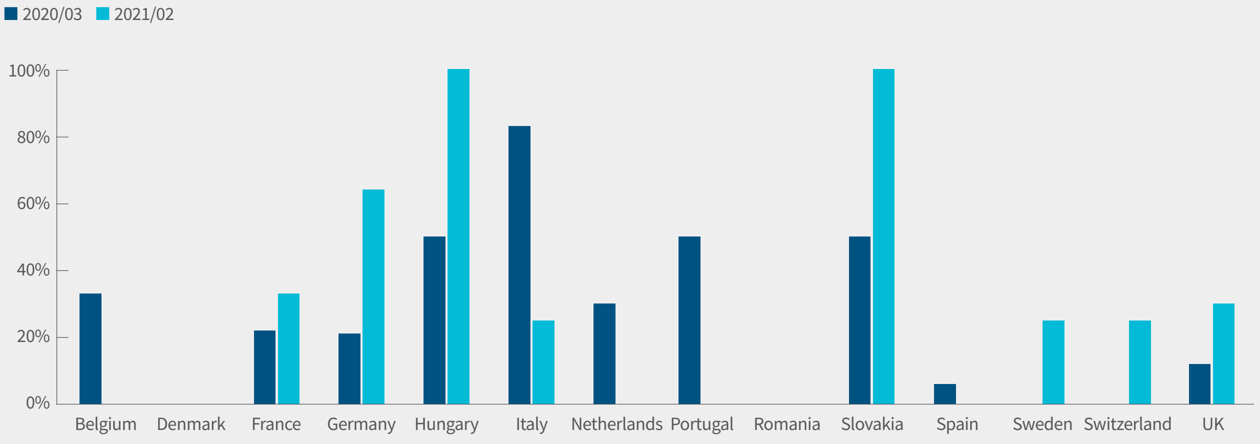
"Suite à un pic exceptionnel de commandes, les créneaux de livraison à domicile et de retrait en magasin diminuent rapidement. Nous faisons tout pour vous garantir un service optimal."

Product availability fluctuated as consumer demand increased

The pandemic highlighted the necessity to secure supply chains as demand for certain products outstripped supply. As can be seen in the chart, grocers still had to restrict the sale of some goods in early 2021.

Consumers have been able to buy only a certain number of toilet rolls and packets of medicines at various times over the last year, while the sale of canned items and frozen food have seen restrictions as well. Bread and milk are other products that have also been impacted.

Grocers limiting quantities of poducts year-on-year



Source: RetailX

UK

UK country profile

Capital: London

Currency: Pound (GBP)

Ethnicity: British

Government: Constitutional monarchy and commonwealth realm

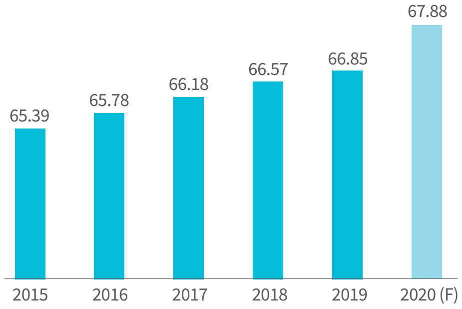
Official/national Language(s): English

Size in Square Kilometers: 244.820 km²

VAT: 20%

Population

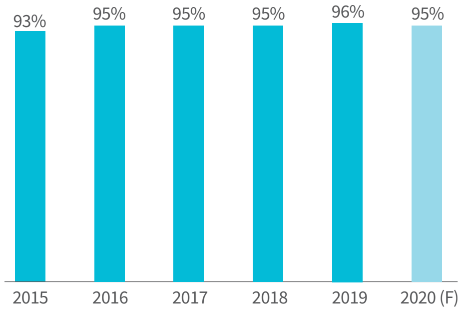
In millions, by year, including 2020 forecast



Source: World Bank, Worldometers

Internet penetration

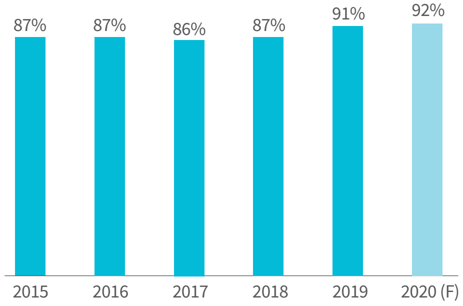
% of population online



Source: Eurostat

E-shopper penetration

% of online population shopping online



Source: Isabela Favero, Ludovica Quaglieri, Eurostat

Leading online grocers by web traffic (alphabetical order)

Iceland
https://www.iceland.co.uk/

Ocado
https://www.ocado.com/

Sainsbury's
https://www.sainsburys.co.uk/

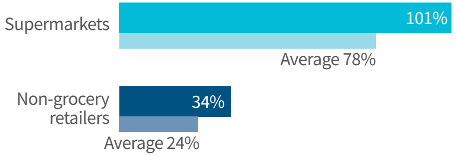
Tesco
https://www.tesco.com/

Waitrose & Partners
https://www.waitrose.com/

Source: SimilarWeb, RetailX

YOY increase in web traffic to supermarkets compared to non-food retailers

This chart shows the year-on-year increase in web traffic in Q2 2020 as a fraction of the traffic the same companies received in Q2 2019, and compared to the European average

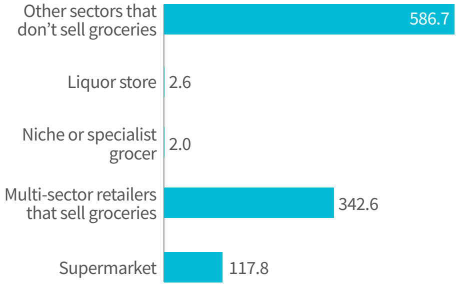


Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)



Source: SimilarWeb, RetailX

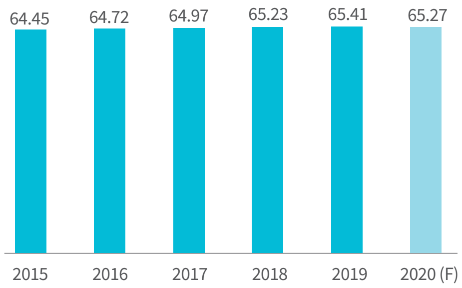
France

France country profile

Capital: Paris
Currency: Euro
Ethnicity: French
Government: Republic
Official/national Language(s): French
Size in Square Kilometers: 551.695 km²
VAT: 20%

Population

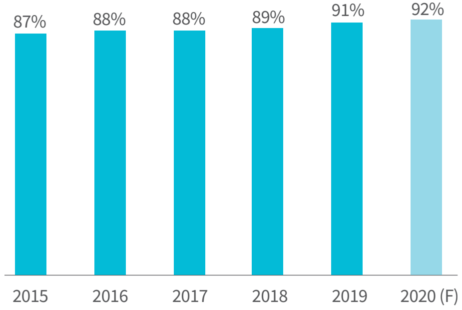
In millions, by year, including 2020 forecast



Source: World Bank, Worldometers

Internet penetration

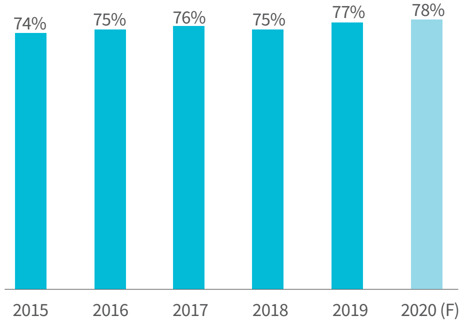
% of population online



Source: Eurostat

E-shopper penetration

% of online population shopping online



Source: Isabela Favero, Ludovica Quaglieri, Eurostat

Leading online grocers by web traffic (alphabetical order)

Auchan
https://www.auchan.fr/courses

Carrefour
https://www.carrefour.fr/

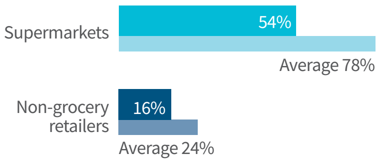
E.Leclerc
https://www.e.leclerc/

Intermarché
https://www.intermarche.com/

Source: SimilarWeb, RetailX

YOY increase in web traffic to supermarkets compared to non-food retailers

This chart shows the year-on-year increase in web traffic in Q2 2020 as a fraction of the traffic the same companies received in Q2 2019, and compared to the European average



Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)

Source: SimilarWeb, RetailX

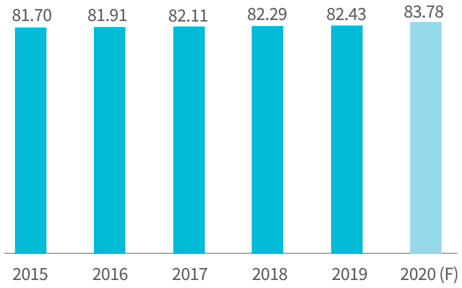
Germany

Germany country profile

Capital: Berlin
Currency: Euro (EUR)
Ethnicity: Germans
Government: Federal republic
Official/national Language(s): German
Size in Square Kilometers: 357.022 km²
VAT: 19%

Population

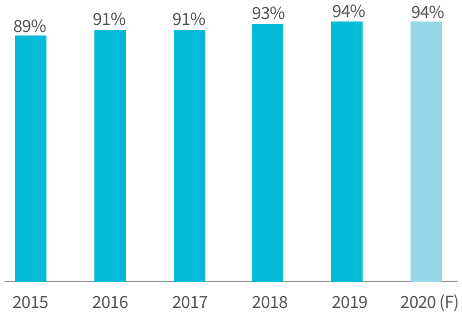
In millions, by year, including 2020 forecast



Source: World Bank, Worldometers

Internet penetration

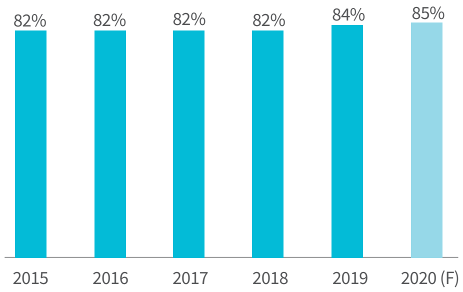
% of population online



Source: Eurostat

E-shopper penetration

% of online population shopping online



Source: Isabela Favero, Ludovica Quaglieri, Eurostat

Leading online grocers by web traffic (alphabetical order)

Edeka
https://www.edeka24.de/

Netto
https://www.netto-online.de/

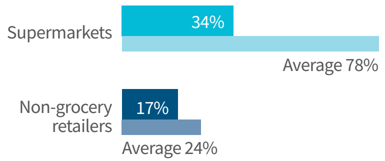
Real
https://www.real.de/

Rewe
https://www.rewe.de/

Source: SimilarWeb, RetailX

YOY increase in web traffic to supermarkets compared to non-food retailers

This chart shows the year-on-year increase in web traffic in Q2 2020 as a fraction of the traffic the same companies received in Q2 2019, and compared to the European average

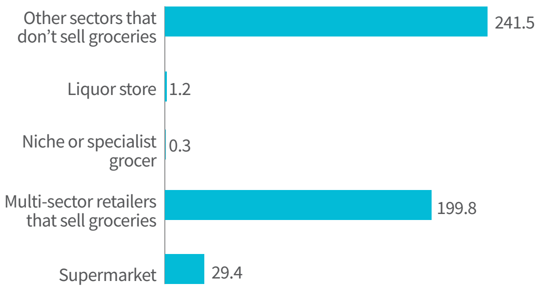


Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)



Source: SimilarWeb, RetailX

Italy

Italy country profile

Capital: Rome
Currency: Euro (EUR)
Ethnicity: Italians
Government: Republic
Official/national Language(s): Italian
Size in Square Kilometers: 301.318 km²
VAT: 22%

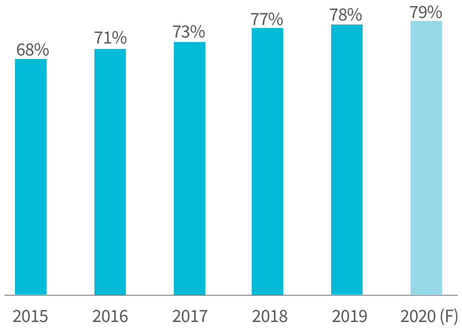
Population

In millions, by year, including 2020 forecast

Source: World Bank, Worldometers

Internet penetration

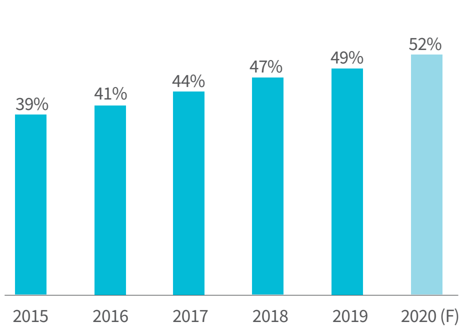
% of population online



Source: Eurostat

E-shopper penetration

% of online population shopping online



Source: Isabela Favero, Ludovica Quaglieri, Eurostat

Leading online grocers by web traffic (alphabetical order)

Carrefour
https://www.carrefour.it/

Conad
https://altuoservizio.conad.it/

Esselunga
https://www.esselungaacasa.it/

Source: SimilarWeb, RetailX

YOY increase in web traffic to supermarkets compared to non-food retailers

This chart shows the year-on-year increase in web traffic in Q2 2020 as a fraction of the traffic the same companies received in Q2 2019, and compared to the European average

Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)

Source: SimilarWeb, RetailX

Spain

Spain country profile

Capital: Madrid

Currency: Euro (EUR)

Ethnicity: Spaniards

Government: Parliamentary Monarchy

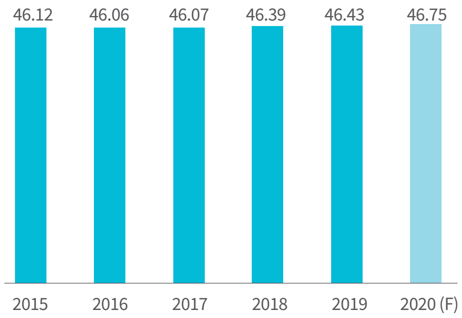
Official/national Language(s): Basque, Catalan, Galician, Spanish

Size in Square Kilometers: 505.992 km²

VAT: 21%

Population

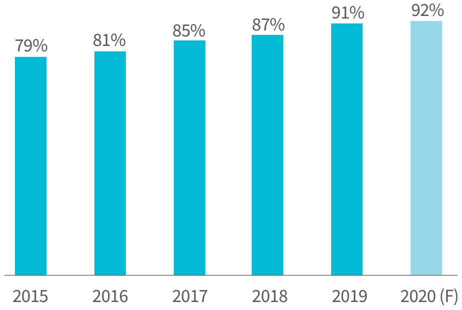
In millions, by year, including 2020 forecast



Source: World Bank, Worldometers

Internet penetration

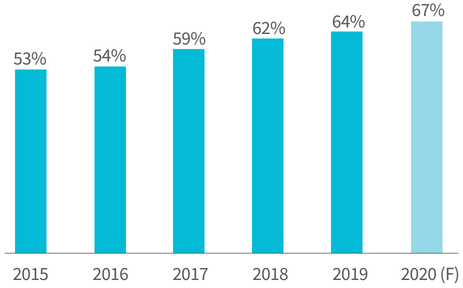
% of population online



Source: Eurostat

E-shopper penetration

% of online population shopping online



Source: Isabela Favero, Ludovica Quaglieri, Eurostat

Leading online grocers by web traffic (alphabetical order)

Alcampo.es
https://www.alcampo.es/

Carrefour
https://www.carrefour.es/

Dia
https://www.dia.es/

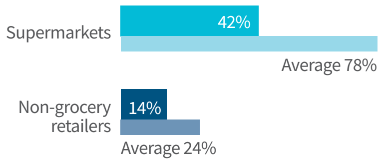
Eroski
https://eroski.es/

Mercadona
https://www.mercadona.es/

Source: SimilarWeb, RetailX

YOY increase in web traffic to supermarkets compared to non-food retailers

This chart shows the year-on-year increase in web traffic in Q2 2020 as a fraction of the traffic the same companies received in Q2 2019, and compared to the European average



Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)

Source: SimilarWeb, RetailX

Switzerland

Switzerland country profile

Capital: Bern

Currency: Swiss Franc

Ethnicity: Swiss

Government: Semi-direct democratic federal republic

Official/national Language(s): German, French, Italian

Size in Square Kilometers: 41,285 km²

VAT: 7.70%

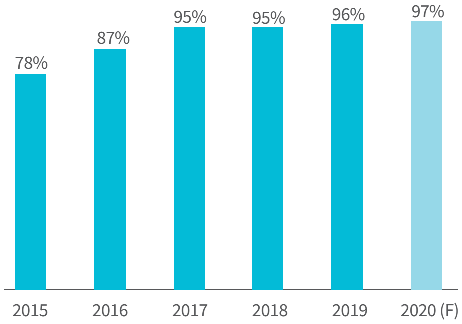
Population

In millions, by year, including 2020 forecast

Source: World Bank, Worldometers

Internet penetration

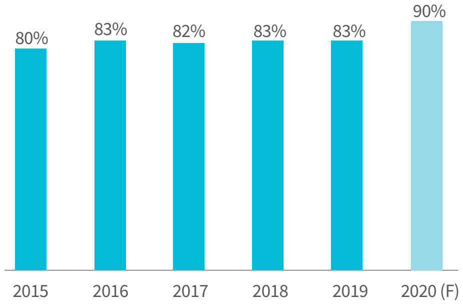
% of population online



Source: Eurostat

E-shopper penetration

% of online population shopping online



Source: Isabela Favero, Ludovica Quaglieri, Eurostat

Leading online grocers by web traffic (alphabetical order)

Coop (CH)
https://www.coop.ch/

Migros
https://www.migros.ch/

Source: SimilarWeb, RetailX

YOY increase in web traffic to supermarkets compared to non-food retailers

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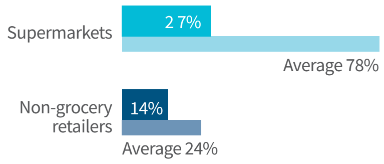
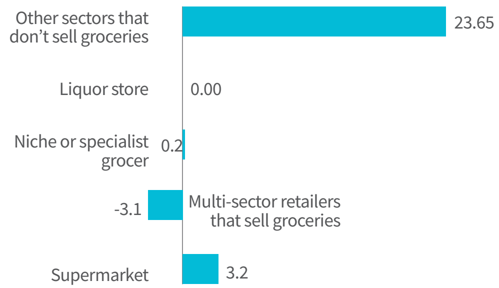


Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)



Source: SimilarWeb, RetailX

Benelux

Benelux region profile

Countries: Belgium, Luxembourg, The Netherlands

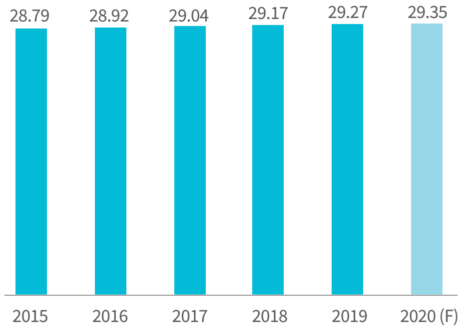
Currency: Euro (EUR)

Official/national Language(s):
Belgium: Dutch, French, German
Luxembourg: Luxembourgish, French, German
The Netherlands: Dutch

VAT: Belgium & The Netherlands: 21%, Luxembourg: 17%

Population

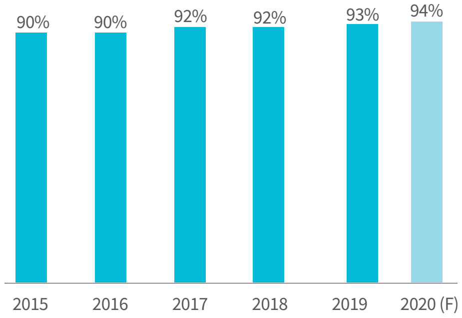
In millions, by year, including 2020 forecast



Source: World Bank, Worldometers

Internet penetration

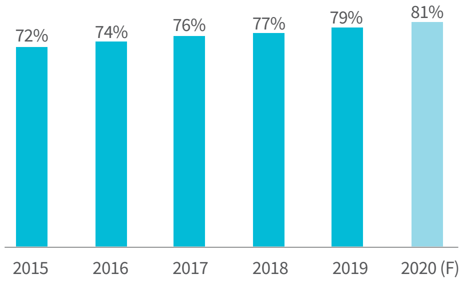
% of population online



Source: Eurostat

E-shopper penetration

% of online population shopping online



Source: Isabela Favero, Ludovica Quaglieri, Eurostat

Leading online grocers by web traffic (alphabetical order)

Albert Heijn
https://www.ah.nl/

Carrefour
https://www.carrefour.eu/

Coop (NL)
https://www.coop.nl/home

Delhaize.be
https://www.delhaize.be/

Plus
https://www.plus.nl/

Source: SimilarWeb, RetailX

YOY increase in web traffic to supermarkets compared to non-food retailers

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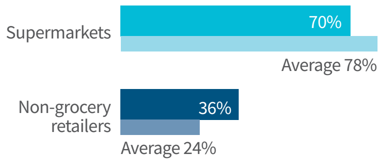
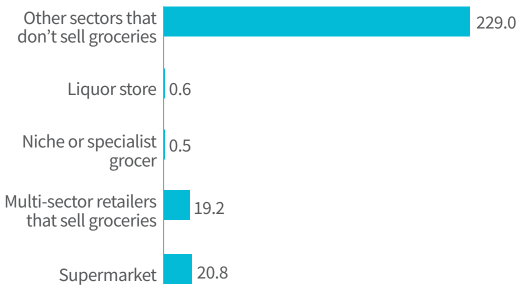


Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)



Source: SimilarWeb, RetailX

Nordics

Nordic countries: Denmark, Finland, Iceland, Norway, Sweden

Currency: Danish Krone, Euro, Icelandic króna, Norwegian krone, Swedish krona

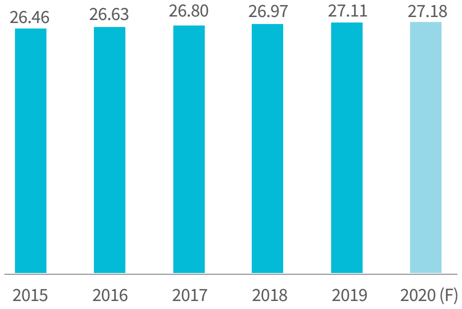
Official/national Language(s): Denmark: Danish; Finland: Finnish Iceland: Icelandic; Sweden: Swedish Norway: Norwegian

VAT: Denmark, Sweden, Norway 25%

Finland, Iceland 24%

Population

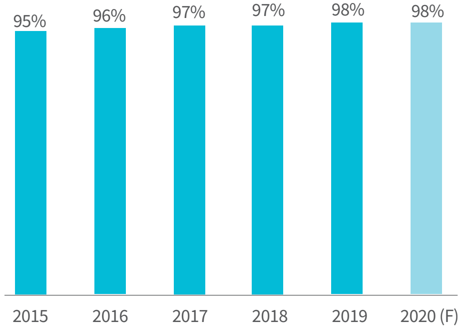
In millions, by year, including 2020 forecast



Source: World Bank, Worldometers

Internet penetration

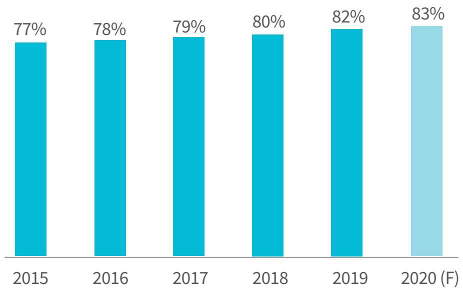
% of population online



Source: Eurostat

E-shopper penetration

% of online population shopping online



Source: Isabela Favero, Ludovica Quaglieri, Eurostat

Leading online grocers by web traffic (alphabetical order)

Bilka
https://www.bilka.dk/

Coop (Sweden)
https://www.coop.se/

Coop Norge (Norway)
https://coop.no/

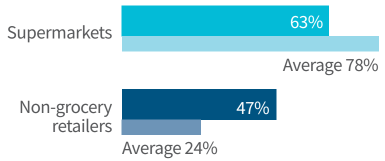
ICA
https://www.ica.se/

Kolonial
https://kolonial.no/

Source: SimilarWeb, RetailX

YOY increase in web traffic to supermarkets compared to non-food retailers

This chart shows the year-on-year increase in web traffic in Q2 2020 as a fraction of the traffic the same companies received in Q2 2019, and compared to the European average

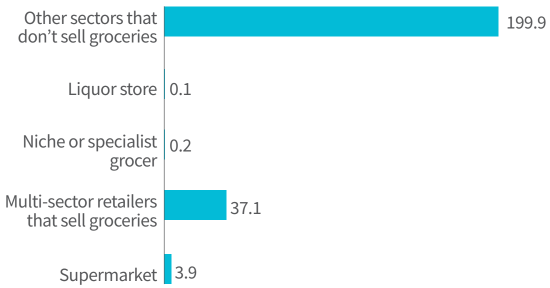


Note: Q2 runs from 1 April to 30 June

Source: SimilarWeb, RetailX

Growth in web traffic in Q2 2020 in absolute figures

Number of new visits (millions)



Source: SimilarWeb, RetailX

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B2C Commerce Toolkit for Grocery

Create your digital storefront using prebuilt components to maximise customer convenience at your brick and mortar grocery stores. The full-featured implementation lets customers shop online and purchase groceries for store pickup at a time they select.

https://developer.commercecloud.com/s/article/B2C-Commerce-Toolkit-for-Grocery

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