

Amazon threatens to disrupt the French grocery market

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THE NEWS THAT AMAZON is now selling groceries in France presents a new route to market for the big FMCG players.

Although in beta form for now, Amazon's grocery offer encompasses 30,000 items, with around 4,000 beers, wines and spirits.

While it might take time for Amazon to build a grocery range to compete with local supermarkets Auchan or Carrefour, there is a more immediate threat.

If Amazon Prime members, or regular Amazon shoppers, start adding grocery items to their frequently purchased bulky cupboard essentials, or health and beauty products, it is sure to take a bite out of the grocers' share of wallet.

A fresh food offer, however, is likely to be some way off at Amazon France, with the UK and Germany more of a priority for now.

Speculation about a launch of Amazon Fresh in London have been circulating for some time, with a launch in Germany, the retailer's largest market outside of the US, also seeming increasingly likely.

The online giant is reportedly in talks with several German suppliers of fresh groceries and German Amazon managers have been preoccupied with researching legis-

tical processes for such categories as of late.

According to industry sources any launch in the market would be unlikely to happen before autumn 2016.

In France, Amazon is, as in other markets, building an ecosystem that caters for all aspects of shoppers' lives and their shopping missions.

For big brands, it is now a case of being where the customer is, not where they want them to be. It is this that will attract the likes of Unilever and P&G to sell through Amazon.

As there is virtually no volume growth on offer in the French grocery market, and the competitive environment is nearing overcapacity, any newcomer is unwelcome.

Sales generated by Amazon's new grocery offer can only come at the expense of other players.

The convenience, speed, ease of shop and fulfilment capabilities provided by Amazon is changing the way consumers shop their favourite brands. Those in France are no exception.

That poses a huge opportunity for brands, but places established retailers under ever unwelcome competitive pressures.

30,000

Number of products available as part of Amazon France's grocery offer