



# Online Retail In Germany Has A New Challenger

WITH ONLINE RETAIL STILL IN ITS INFANCY IN GERMANY, **FABIAN NOVAKOVICS** EXAMINES HOW AMAZON IS LOOKING TO POSITION ITSELF AT THE FRONT OF THE QUEUE.

**G**erman citizens still prefer to shop for their groceries in store, due to the lack of online services offered by big retailers. In England or France, however, buying groceries online is no longer only a trend, with young people, in particular, preferring to purchase their food and drink with only a few clicks.

With this in mind, e-commerce giant Amazon is thought to be positioning itself go on the offensive in the German market, with AmazonFresh.

## Attitudes Towards Online

According to a study by Bitkom, the main reasons that Germans do not buy their groceries online are: the time spent waiting for a delivery (60%), doubts about the freshness of the products (59%), delivery fees (32%) and problems with the protection of personal data (7%). Only 0.8% of the total German grocery market is accounted for by e-commerce, says the German Handelskraft.

A big advantage that AmazonFresh might have over other German retailers'

online services is the already established presence of Amazon Pantry, in the marketplace since 2015, which offers non-perishable products. Due to Amazon Pantry's same-day delivery in 14 German cities, unlike its retailing rivals, AmazonFresh already has a path on which to walk.

Although there has been no official confirmation from Amazon, there is mounting speculation that a German launch of AmazonFresh is on the cards for this year.

## Established Markets

Other markets have offered varying responses to AmazonFresh. In Italy, customers can get their online order delivered in one- or two-hour windows, from 8am to midnight. The service is available seven days a week in Milan and 34 municipalities in the surrounding area, receiving a positive response from users.

In the UK, however, where AmazonFresh has also been established, it is not seen as a threat to local retailers – at least not yet. The delivery costs are simply too high. In the UK, customers have to pay a monthly fee of £6.99, on top of the £79-a-year Prime service. Similarly, the density of grocery stores in the UK is higher than in many European countries – a trait also found in Germany, where many stores are in walking distance, right throughout the country.

If Amazon is serious about launching AmazonFresh in Germany, it could either prove a game-changer or an 'optional extra' that the majority of consumers will choose to ignore. Time will tell. ■



Delivered To Your Door Amazon's Dash service enables users to stock up