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# E-commerce Barometer 2020

BELGIUM

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# 1 Introduction

A person is shown from the side, gesturing with their right hand while sitting at a desk. On the desk, there is a laptop displaying a webpage, a smartphone, and some papers. The entire image has a blue overlay.

# How changing consumer habits and sustainability are shaping e-commerce



We asked **Tobias Tousseyn**, Country Manager Benelux at Veepee, to describe the state of Belgian e-commerce.



"2020 was a challenging year for many. The pandemic has accentuated the trend towards sales growth through Belgian e-commerce websites and the creation of numerous online stores. Consumers have made the greatest shift to online shopping but their changes in behavior have reshaped consumer decision journeys and webshops will need to adapt quickly. **Online shoppers are increasingly aware of the environmental impact of their shopping habits.** At Veepee, we help brands to grow online in a strategic and relevant way, and support customers to play their part in achieving a more sustainable way of living thanks to our unique B2B2C approach."

Veepee, which acquired Vente-Exclusive.com in the Benelux in 2016, is the European online flash sales leader. Veepee's strategy has always been to be extremely **transparent about deliveries and returns**, particularly regarding their costs: there is no such thing as a free lunch. Someone has to pay for it: either the company through lower margins or most often, the consumer, either in a transparent way or included in the sales price.

**High quality images** along with **exhaustive information prevent a high return rate**. Innovation is also key: Veepee continuously invests in solutions and **technologies aimed at improving the online shopping experience**, especially in the retail fashion sector where until now, no one has cracked the "right fitting" problem yet.

"We recently developed a new project, **Re-turn**, which promotes a circular economy: it is an exchange service between members that aims to intelligently manage the return issue. The platform (that only exists in France for now) allows Veepee members to resell items they do not wish to keep to other Veepee members, rather than returning them to us. We also launched the first **Re-cycle** event on our website, to recycle or revalue a brand's old products. People return the items they no longer use to us via a free label and we manage the logistics aspect to either upcycle the items, or coordinate donations to charity organizations. To thank members for their return, the brand offers a voucher that is valid on its collections. We believe that by **embedding sustainability** into a relevant development strategy for brands, and by **offering a seamless shopping experience** to customers, e-commerce businesses will benefit from their investments and also create a **distinctive competitive advantage**."

**Tobias Tousseyn**  
Country Manager Benelux at Veepee

# Telling the story of Belgian e-commerce from a merchant's perspective, using online transaction data and sector leaders' expertise



## Payment Service Providers (PSPs) provide online transaction data

PSPs are companies that manage the transactions of online merchants. They provide a secure environment in which consumers make their payments and allow merchants to accept a wide range of payment methods.

We received online transaction data from all the PSPs mentioned below. The transactions took place on Belgium-based webshops in 2020 and were made by both Belgian and foreign consumers.



## Merchants and experts share trends, tips and tricks

Throughout the report, you will find:



the summary and link to podcasts where e-commerce experts share their vision, trends and tips.



a concrete case study resolving e-commerce challenges



## We make the magic happen

For the 5th consecutive year, our E-commerce Barometer depicts the Belgian e-commerce landscape. Unlike other reports, we analyze the merchants' perspectives.

As a group of marketing consultancy experts active in various sectors in Europe, The House of Marketing brings knowledge and helps clients create tangible impact.

At SafeShops.be, the Belgian e-commerce association, the mission is to increase the confidence consumers, companies and governments have in e-commerce.



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SafeShops.be



## **2 State of e-commerce in Belgium**

# 2020: e-commerce in Belgium is still growing



## On average, 52 new webshops were created every day in 2020

The lockdown forced an unprecedented number of companies to go online. More than **20,000 new webshops** were created in 2020.

New webshops were created in all segments, confirming the trend that the Belgian **e-commerce market is maturing**. Currently **1,200 Belgian webshops (less than 3%) drive 83% of the total online revenue**.

Having a clear e-commerce strategy, strong value propositions and offering a seamless customer experience are key to win.

## E-commerce in Belgium is still growing and COVID-19 has definitely shaken things up

**Online purchases have increased by 7.5% in 2020**, reaching a €8.8 billion turnover. For the first time in many years, growth is **single-digit\*** due to, among other things, a declining growth in sectors that have been strongly affected by **COVID-19**.

The digital transformation has been accelerated to adjust to the 'new normal' and meet the growing demand for online shopping. This has led to a substantial growth in the **number of transactions (+26%), with almost 108 million transactions**.

The number of transactions grew faster than the transaction value. This resulted in a lower average basket value of €81.6 (-15%).

\* +17% in 2019, +20% in 2018.

## Cross-border e-commerce slowed down but the most impressive online Black Friday ever

Due to uncertainties related to border closure and an increased consciousness about local shopping, **cross-border e-commerce collapsed by 31%** in 2020, reaching a **turnover of €1.4 billion**.

At the end of November, **Black Friday** online sales generated over **7 transactions per second**, while the average amounts to 3.4. This popularity can be explained by the (temporary) closure of some brick-and-mortar businesses due to COVID-19 but also, by a greater adoption of this type of commercial actions.



STATE OF E-COMMERCE IN BELGIUM

2.1

# Key numbers and evolutions



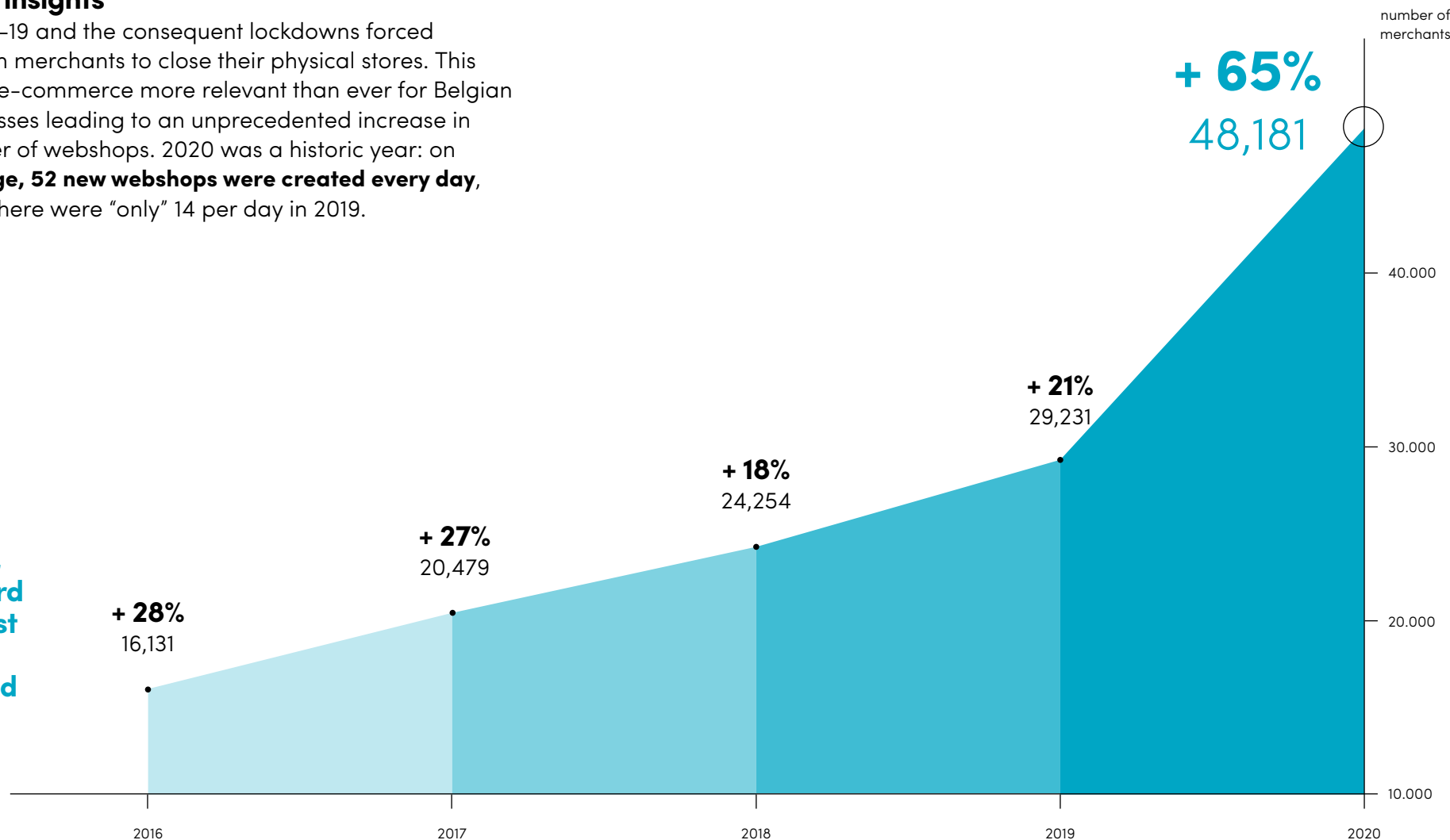
# 4 in 10 Belgian online merchants started their businesses in 2020

## More insights

COVID-19 and the consequent lockdowns forced Belgian merchants to close their physical stores. This made e-commerce more relevant than ever for Belgian businesses leading to an unprecedented increase in number of webshops. 2020 was a historic year: on **average, 52 new webshops were created every day**, while there were “only” 14 per day in 2019.



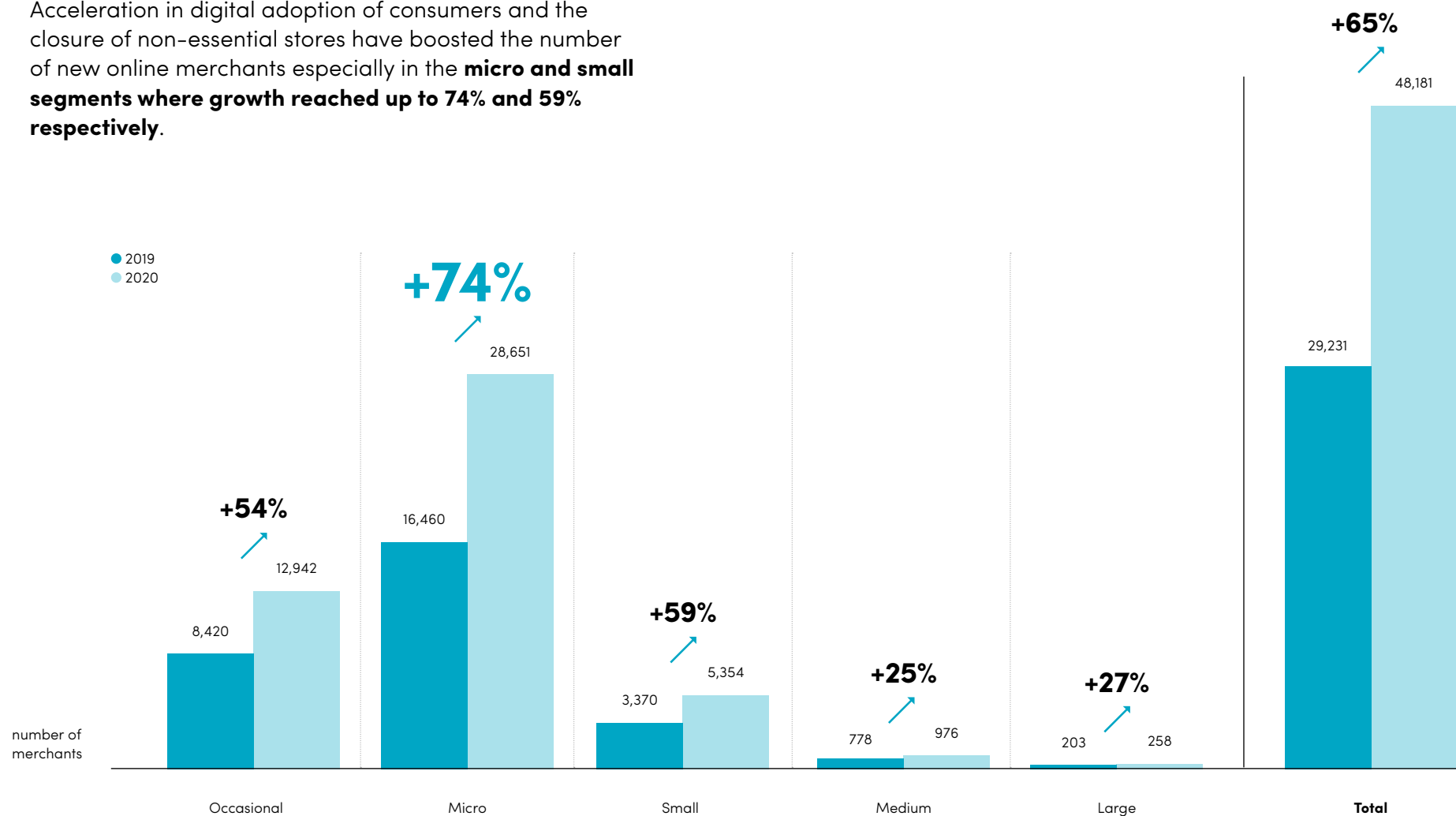
**20,094 new webshops were created in 2020, reaching a record number of almost 50,000 online merchants based in Belgium.**



# A surge of new webshops in the micro and small segments, forced to go online

## More insights

Acceleration in digital adoption of consumers and the closure of non-essential stores have boosted the number of new online merchants especially in the **micro and small segments where growth reached up to 74% and 59% respectively.**



# Focusing on the essentials and building an e-shop in 30 days, from the initial idea to the first order

## Chef Basket

**Pierre Degreef**

founder of Chef Basket

Chef Basket is a webshop that delivers groceries the next day for any order placed before 9 PM.



Pierre Degreef (Chef Basket) and Stephanie Tang (The House of Marketing)



**After each newsletter, we see a 50% increase in orders. Newsletters are old-school but they work well for us!**



Chef Basket is one the **20,000 e-shops created in 2020**. Pierre Degreef saw the impact of the horeca shutdown and decided to bring professional grade produce to consumers. **From the initial idea to the first order, only 30 days went by.**

What was supposed to be a temporary project has now become a permanent one. In less than 6 months, Chef Basket has created a solid and recurring customer base, has increased the average basket value from €55 to €70 and has gone from 20 orders per month to 25 per day.

The secrets of Chef Basket's growth? First of all, **providing an excellent customer experience**, both online and offline. Then, a well-executed **influencer marketing strategy**. And lastly, **creating a habit amongst customers**: a Chef Basket customer becomes a recurrent one after the 3rd order so it is about closely following up on the first orders, interacting with customers and asking for feedback.

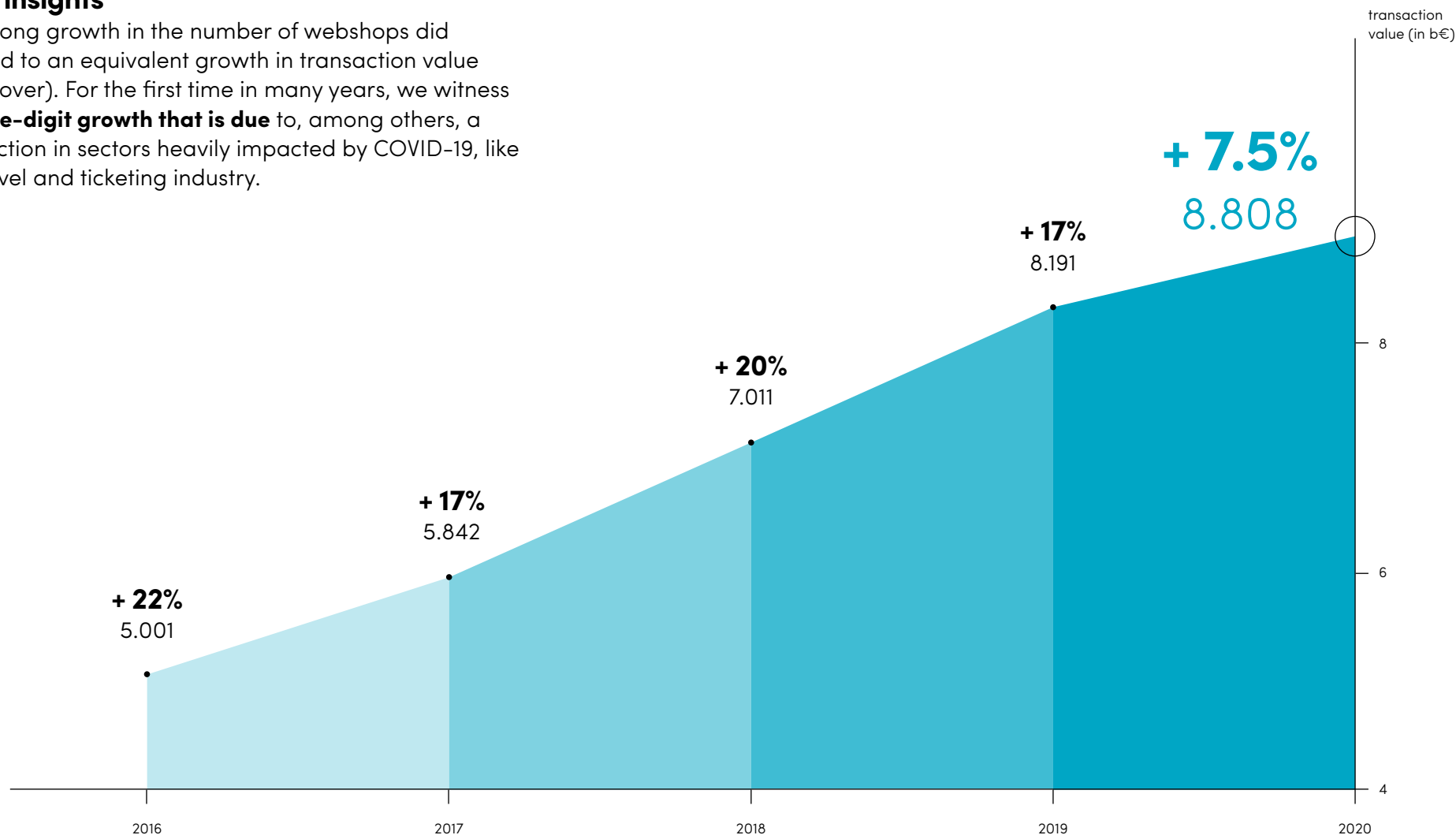


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# The Belgian e-commerce market grew by 7.5%, reaching 8.8 billion euros

## More insights

The strong growth in the number of webshops did not lead to an equivalent growth in transaction value (= turnover). For the first time in many years, we witness a **single-digit growth that is due** to, among others, a contraction in sectors heavily impacted by COVID-19, like the travel and ticketing industry.





# The growth in transaction value was driven by small and medium merchants while large merchants saw a slight decrease

## More insights

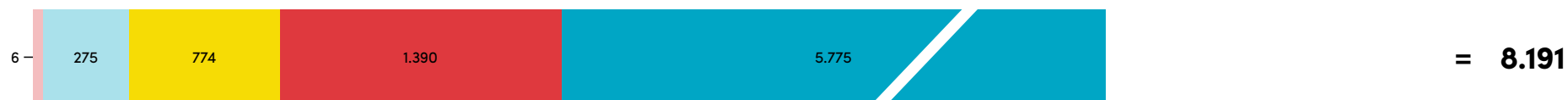
The growth in online transaction value was **driven by the smaller and medium segments**, adding up more than €735 million. Due to a **decline in the large segment**, representing 64% of the total online transaction value, the total **growth was limited to 7.5%**.

On the one hand, the transaction value in the micro segment grew by 68%, in line with the growth in number of new webshops. On the other hand, sectors that traditionally have high online revenues were heavily impacted by COVID-19 and saw their revenues drop.

2020 transaction value (in b€)



2019 transaction value (in b€)



● Occasional **(+42%)**
● Micro **(+68%)**
● Small **(+40%)**
● Medium **(+18%)**
● Large **(-2%)**

# Have dedicated teams to create unique user experience for both parties in a marketplace

## Too Good To Go

**Franco Prontera**

Country Manager

**Kenny Defrijn**

Head of Marketing

Too Good To Go is a social impact company that fights food waste via a marketplace app that connects consumers with businesses facing surplus food.



Kenny Defrijn (Too Good To Go), Franco Prontera (Too Good To Go) and Stephanie Tang (The House of Marketing)



**In our customer contacts, we are very focused on saving food waste. The food waste movement is the red thread. Next to this, it is also in our DNA to be friendly, positive and educating.**



Too Good To Go connects consumers with businesses facing surplus food through a marketplace application and measures its impact on the number of meals saved from the bin. But what happened once **all of a sudden COVID-19 hit and created an imbalance in the demand and supply equation?** Franco Prontera and Kenny Defrijn talk about the opportunities and threats they came across when food businesses were suddenly forced to close down.

In a marketplace, it is important to **maintain an excellent user experience for both parties**; for Too Good To Go these are food businesses and consumers. To do so, the company has dedicated teams to roll out adapted strategies for both target groups. The main objective of Too Good To Go is to raise awareness around food waste.

By intentionally communicating high-value non-commercial messages to customers, Too Good To Go **creates a very authentic brand**. This is a sustainable way to win the fight against food waste in the long term.



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## A large share of (new) small merchants still generated a limited share of revenue



**42%**

of all Belgian webshops  
started in 2020



**86%**

of Belgian webshops generated  
less than €100K turnover



**3%**

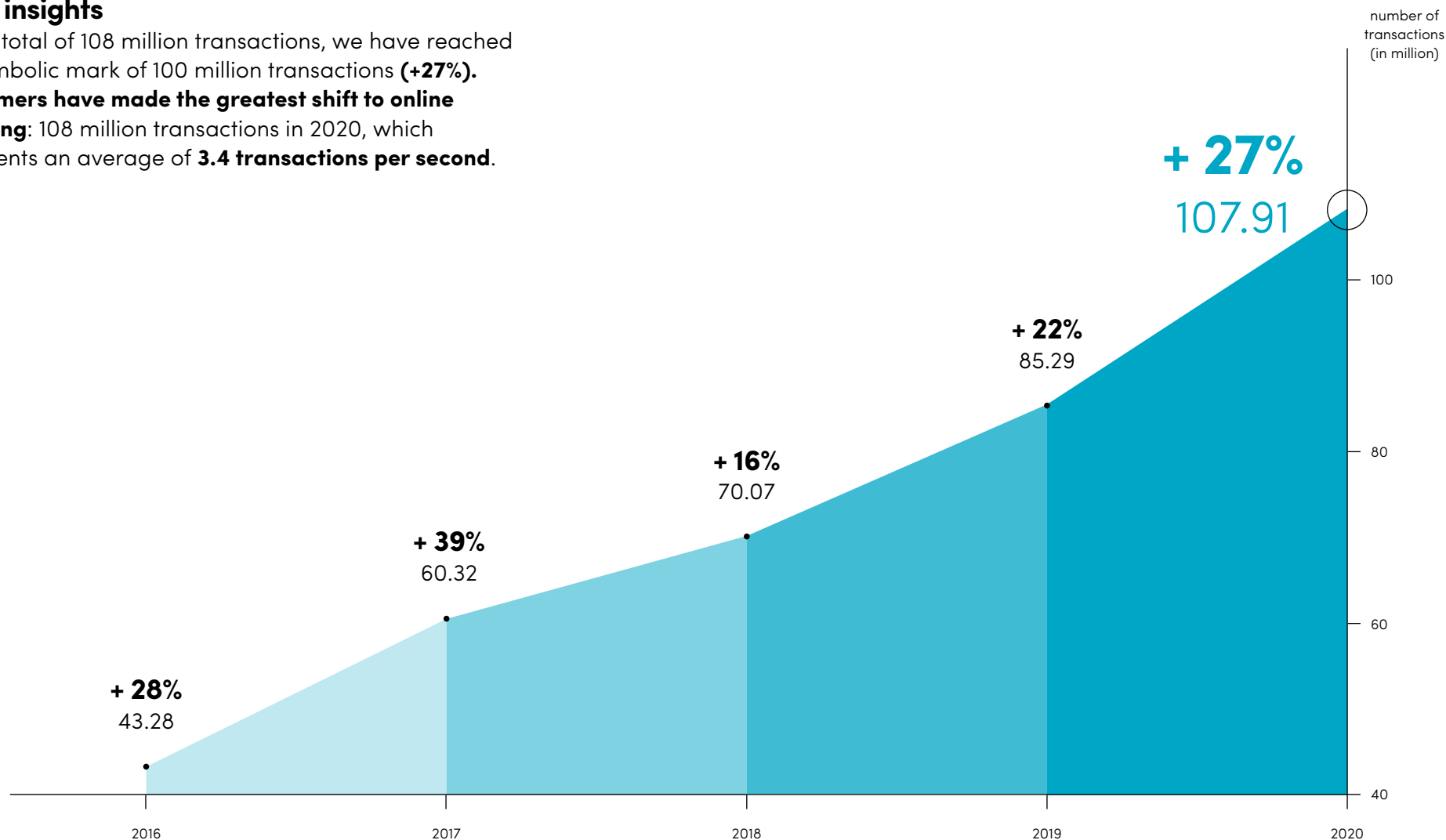
of all Belgian webshops  
generated 83% of the total  
transaction value

# 108 million transactions: a symbolic milestone was reached

## More insights

With a total of 108 million transactions, we have reached the symbolic mark of 100 million transactions **(+27%)**.

**Consumers have made the greatest shift to online shopping:** 108 million transactions in 2020, which represents an average of **3.4 transactions per second**.

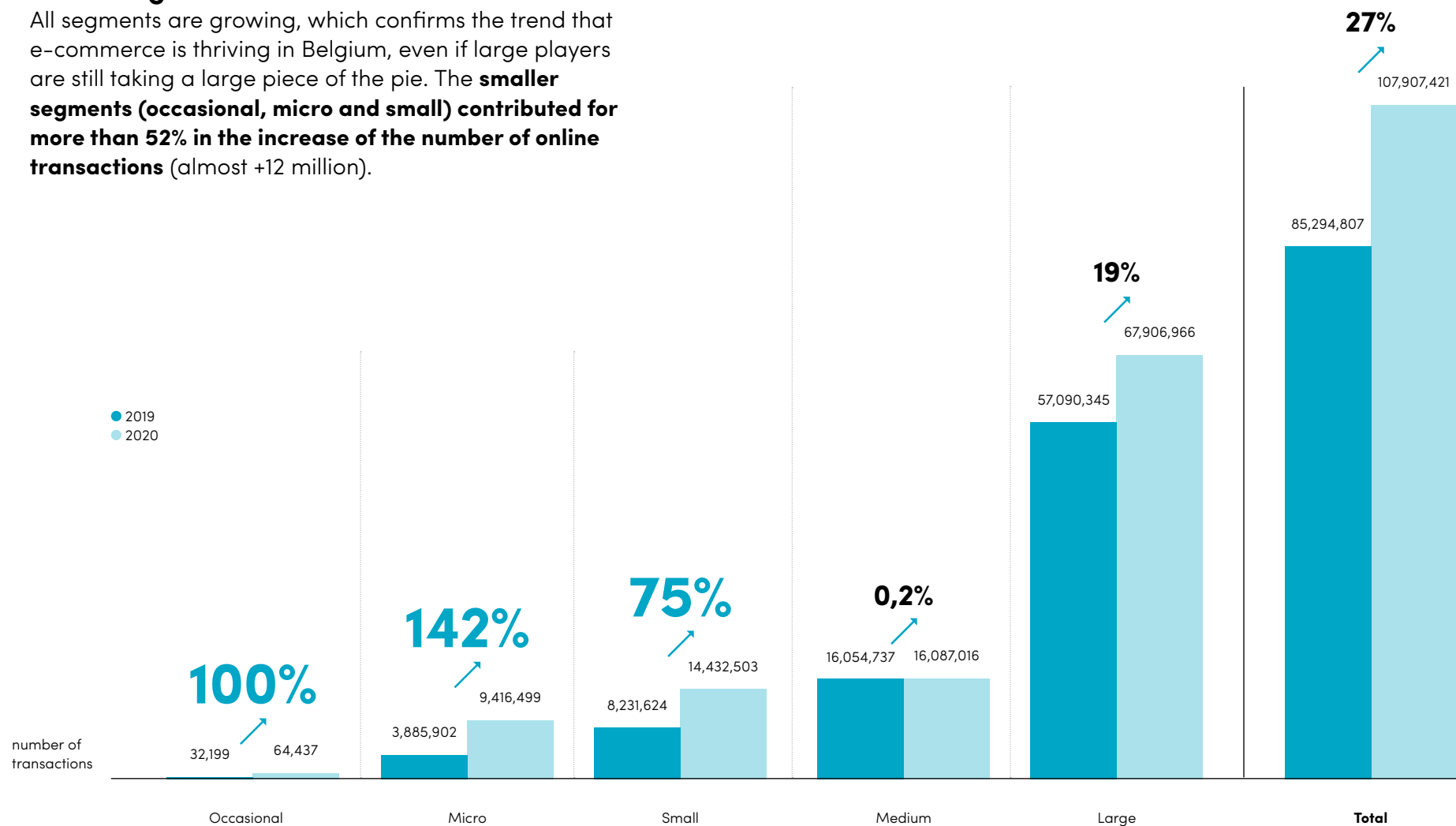




# Smaller merchants have contributed greatly to the increase of number of transactions

## More insights

All segments are growing, which confirms the trend that e-commerce is thriving in Belgium, even if large players are still taking a large piece of the pie. The **smaller segments (occasional, micro and small) contributed for more than 52% in the increase of the number of online transactions** (almost +12 million).



# The average basket value at Belgian webshops kept decreasing

## More insights

Increases in the number of transactions and webshops, but a smaller increase in volume have led to a **negative impact on the average basket value**. All segments, except the medium segment, witnessed a decrease. The rise of e-commerce in the commodity market, the generalization of free delivery, the removal or the decrease of the minimum order amount to get a free delivery, etc. have removed barriers to shop online more often.

**This decreasing trend started in 2019** but was limited (-4%). In 2020, the decrease was more important (-15%) and emphasized by the impact on historically high basket value industries.



€96.04

2019

€81.62

2020

# Using data and technology to create a personalized shopping experience

## Veepee

### Tobias Tousseyn

Country Manager Benelux at Veepee

Veepee connects brands and consumers (B2B2C) through its online flash sales platform. The company is active in 10 countries.



Tobias Tousseyn (Veepee) and Stephanie Tang (The House of Marketing)



Consumers have many more choices and expectations, but our philosophy has never been to pit online against offline – for Veepee, it's all about commerce: our ambition is to offer the best shopping experience to consumers and be a key partner for brands.



As an online flash sales platform that connects 72 million members to 7,000 brands, **personalization is key for Veepee.**

Using data and technology, the company strives to offer a **seamless and personalized experience for every member.** Veepee also illustrates the paradox of selling discounted products while offering a high-end and exceptionally creative digital environment.

In the podcast, Tobias Tousseyn also shares what boosting conversion means. It is about constantly improving the customer journey and removing hurdles: have a quick add-to-cart button, avoid unnecessary buttons, store payment preferences, etc.



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2.2

# Cross-border e-commerce



# 15.94%

**of the e-commerce sales  
in Belgium were made by  
foreign consumers**

## More insights

**€1.4 billion of the online sales were exported abroad**, this is a decrease of 31%, compared to 2019.

Uncertainties and logistical challenges related to COVID-19 slowed down the cross-border expansion, mostly for large merchants.



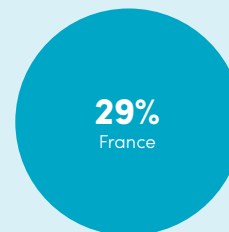
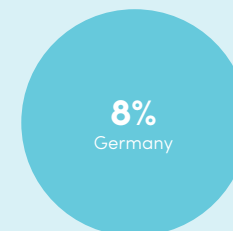
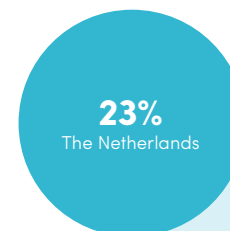
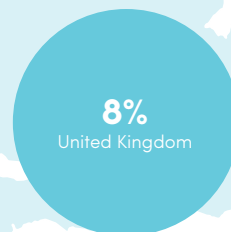
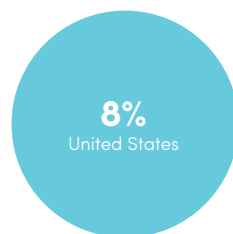
## Over 50% of cross-border transaction value comes from French and Dutch consumers

### More insights

Despite the slowdown this year, **cross-border e-commerce remains attractive**, as the average basket value is higher (€145) than the domestic basket (€82). American and Canadian consumers spent, on average, €376 and €340 respectively.



Having a well-executed strategy is key for success: from understanding local consumer behavior to securing product-market fit and adopting a “test and learn” mindset, there are many factors to consider before entering a new market.



# Take baby steps when going cross-border: test, measure and adapt

## Kazidomi

### Marine Rozet

Retention & Partnerships  
Manager at Kazidomi

Kazidomi is an online personalized food market with a focus on healthy and organic products.



**The combination of a highly personalized shopping experience, a better customer journey and adding more references to our shop has positively affected the basket value by 8% in 2020.**



Stephanie Tang (The House of Marketing) and Marine Rozet (Kazidomi)



In 2020, **Kazidomi's revenues almost tripled**. The company saw the surge of new customer segments and a higher purchase frequency. Commodities have been bestsellers during the COVID-19 crisis, but Kazidomi also observed a higher demand for healthier products and supplements as **consumers are making more conscious choices**.

In order to maintain a **positive customer experience** in an e-commerce business model, Kazidomi heavily invests in **technologies like marketing automation, personalization and voice technology**. A positive customer experience leads to **repeat purchases and higher basket value**. Unlike the trend in the Belgian e-commerce landscape (-15%), the basket value at Kazidomi increased by 8% from 2019 to 2020.

And what about going cross-border? Kazidomi's current target markets are Belgium, France and The Netherlands, although the company delivers in a total of 14 European countries. **Expanding cross-border requires a well-thought strategy**. Logistics are obviously a challenge but product offering and pricing should also be adapted to local flavors in order to be successful.



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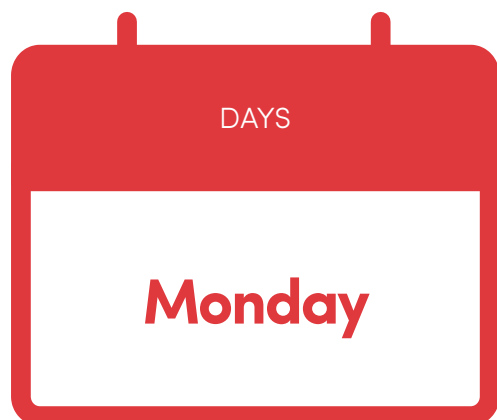
**2.3**

# **Peak moments**



# Peak and down moments in e-commerce: new highs for Black Friday

Every industry is different. Understanding a brand's and industry peak moments is key to prepare a marketing plan.



- Monday was the day when most transactions took place
- Saturday and Sunday were the least busy days



- November was the busiest month in terms of transactions
- March was the calmest month in terms of transactions



- Black Friday was the busiest day online, with more than 7 transactions per second
- March 15th, 2021 (first lockdown weekend in Belgium) was the calmest day with less than 2 transactions per second



**Black Friday generated twice as many transactions than a regular Friday.**

# Build a great omnichannel experience through 'co-co': collaborate and coordinate

## Overstock

### Thomas Vaarten

Marketing & Digital Director at Overstock Home, Overstock Garden and Exterioo

Overstock focuses on a broad and modular furniture assortment, offering contemporary design at a great value for money proposition.



Thomas Vaarten (Overstock) and Stephanie Tang (The House of Marketing)



**Customer experience across the journey is the most important aspect of your business: you can have beautiful stores, qualitative products, friendly salespeople but if the last mile isn't perfect as well, your customers might remember you just for that.**

Overstock garden

Overstock home

exterioo  
TUINMEUBELEN

For Thomas Vaarten, it is not per se **omnichannel** that is important for a customer, it is about having a **seamless and consistent experience throughout the customer journey**. To achieve that, he recommends thinking “**customer first**” and speaking with one voice to the customer. Break the silos and start to “**co-co**”: **collaborate and coordinate**, by organizing for example cross-team stand-up meetings.

In March 2020, when all non-essential stores had to close temporarily, the company didn't stand still and **saw this as an opportunity to build its e-commerce business even further**. In-store teams **improved product content** on the website and **assisted customers via virtual tours**, just to name a few examples of great resilience.

**Implementing new technologies** is interesting when it really **improves the shopping experience**. **Chatbots** can help productivity and the expertise level of the customer service department, **augmented reality (AR)** can improve the in-store and online experience to increase conversion.



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# 3 Conclusions

# Some recommendations on how to optimize your e-commerce growth

Many companies have completed a **shift to digital and online sales** in response to the COVID-19 crisis. To make that **shift sustainable** there are a few boxes to check: a clear vision, a well-executed strategy, a seamless customer experience, the right use of technology, etc.

## Commit to serving your customers

- Changes in behavior have **reshaped consumer decision journeys**: understand the customers and their habits, focus on the details of what they really do and want, and **layer in data** to complete the picture.
- **Customer experience doesn't end with payment**. Good delivery is also key. Use customer service to stand out, going from outstanding onboarding communications from the order to the delivery. Use a trusted partner to ensure good delivery quality and timings.
- **Look at the broader picture**: how does your e-commerce strategy fit in your omnichannel strategy? Break the silos and start the "co-co" approach.

## Embed learning and technology

- **Adopt a test-and-learn mindset**: innovate constantly to make the shopping experience as seamless and personalized as possible.
- **Invest in technologies aimed at improving the shopping experience and satisfaction**. In the end, this will lead to a more sustainable growth (boost conversion, reduce return, increase loyalty, etc.)
- **Embed sustainability into a relevant brand strategy**. Doing so, you will benefit from your investments and create a distinct competitive advantage.

## Cross the borders and be ready for peak sales

- You don't have to be big to **expand cross-border**.
- Logistics are obviously a challenge, but **product offering and pricing** should also be adapted to **local flavors** in order to be successful.
- Define clear **go-to-market strategies**.
- Build your **peak sales calendar**: take the peak moments of your sector and the markets in which you are active into consideration.
- **Go step by step** and explore different channels: marketplaces, partnerships with e-retailers, social media, etc.

# How Spadel got concrete and evidence-based advice on their long-term e-commerce strategy to follow



**The House of Marketing helped us map the potential size of the e-channels to allow a full overview of recommended actions.**

## The challenge

Spadel is a well-known Belgian company with, among others, Spa and Bru in their portfolio, making them market leader for natural mineral waters in the Benelux. They asked The House of Marketing to help them with a strategic and exciting e-commerce challenge: how to be **successful in e-commerce in the next 5 years**.

## The approach

A project team at The House of Marketing, consisting out of 2 expert consultants and 1 sector specialist deep dove into the subject. They defined a **5-step approach**, moving from “Where to play?” to defining “How to win?” and “What to do?”. Regular client presentations, feedback moments, and trainings were held with Spadel to maximize alignment and synergies.

This led to defining and investigating the total e-commerce market, using 5 relevant clusters:

- 1 E-retailers
- 2 Marketplaces
- 3 Deal websites
- 4 Meal delivery
- 5 Direct-to-consumer initiatives

## The journey

In only 12 weeks, extensive research and analysis were done, consisting out of consumer interviews, partner interviews, a quantitative e-retailer scoring report, quick scans of potential players, and many more. Intermediate alignment meetings and deep e-commerce and sector expertise led to very tangible results.



## Result

Spadel received extensive, well-founded and evidence-based advice on the long-term e-commerce strategy to follow. The advice given was based on 5 practical and relevant deliverables:

- ☑ a landscape assessment
- ☑ a consumer insights report
- ☑ an online value proposition
- ☑ an e-commerce strategy report, including business potential analysis
- ☑ a go-to-market action plan

This concrete advice could be quickly implemented in Spadel's internal processes.



**Tamara Daumerie**  
Digital Marketing  
Manager Benelux  
at Spadel



A person wearing a white lab coat is holding a cardboard box. The box has a label on it with some text and a checkmark. The background is a solid blue color.

# **4 Appendix**



# Glossary



## Merchant size

### Occasional merchant

#### Online revenue

Any

#### Online transactions

< 12/year

### Micro merchant

#### Online revenue

≤ €100,000

### Small merchant

#### Online revenue

€ 100,001 – € 1,000,000

### Medium merchant

#### Online revenue

€ 1,000,001 – € 10,000,000

### Large merchant

#### Online revenue

> € 10,000,000

### Belgian online merchant

A company with a Belgian VAT number that sells products or services via the internet (including mobile). It also has a PSP contract enabling it to accept remote electronic financial transactions.

### Online transaction value

The value of the transactions generated from the sale of goods or services or any other use of capital or assets, associated with the main operations of online merchants before any costs or expenses are deducted. These values may include refunds and chargebacks.

### Online financial transaction

Transfer of money between clients and merchants, including refunds and chargebacks.

### Cross-border transaction value

The value of the transactions generated from cross-border sale of goods or services or any other use of capital or assets, associated with the main operations of online merchants before any costs or expenses are deducted. These values may include refunds and chargebacks.

## Questions about the report or need advice to boost your e-commerce? Let's have a (virtual) coffee!



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**Katrien Mooijaart**

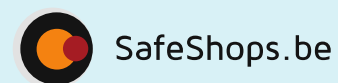
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The House of Marketing is a marketing consultancy office active in various sectors in Europe bringing knowledge and helping clients create tangible growth and impact.



SafeShops.be is a fast-growing e-commerce association which promotes online shopping in Belgium.



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