



Forrester: European Retail Sales To Reach €2.7 Trillion By 2028

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Offline and online retail sales to stabilise at pre-pandemic levels for the first time in 2024

LONDON--(BUSINESS WIRE)--Dec. 6, 2023-- [Forrester](#) (Nasdaq: FORR) forecasts that total retail sales of Europe-5 countries (France, Germany, Italy, Spain, and the UK) will increase from €2.3 trillion in 2023 to reach €2.7 trillion in 2028 at a 2.9% compound annual growth rate (CAGR). Forrester's recently released report, [Europe-5 Online Retail Forecast, 2023 To 2028](#), estimates total retail sales, online retail sales, and online retail penetration across 22 product categories, including fashion, homeware, food and drink, consumer electronics, and media, for each of the Europe-5 economies. Germany holds the largest share of the retail market among these five countries, followed (in order) by the UK and France.

In 2022, offline retail growth outpaced online retail growth for the first time as more consumers shopped in stores, and this momentum continued into 2023, but the fundamental growth drivers of online retail such as greater product selection, round-the-clock availability, and competitive pricing remain strong. As a result, Forrester expects online retail sales growth to rebound to pre-pandemic levels in 2024 and beyond.

Overall, combined online retail sales in Europe-5 countries will increase from €372 billion in 2023 to €579 billion in 2028 at a five-year CAGR of 9.2%. Online sales will represent 22% of total retail sales in these five markets, compared to 16% in 2023.

Country-specific highlights from the report include:

Germany

- In Germany, total retail sales are expected to reach €680 billion by 2028, up from €585 billion in 2023.
- By 2028, online retail sales will represent 22% of total retail sales, compared to 16% in 2023.
- Offline retail sales will reach €527 billion in 2028, up from €490 billion in 2023.

UK

- In 2028, total UK retail sales will reach £544 billion (€624 billion), up from £459 billion (€527 billion) in 2023.
- The UK has the highest online retail penetration among the Europe-5 markets, with online retail sales expected to represent 32% of total retail sales by 2028, up from 27% in 2023.
- Offline retail sales will reach £368 billion (€423 billion) in 2028, up from £336 billion (€385 billion) in 2023.

France

- Total retail sales in France are forecasted to reach €610 billion in 2028, up from €521 billion in 2023.
- By 2028, online retail sales will represent 18% of total retail sales, compared to 14% in 2023.
- Offline retail sales will reach €499 billion in 2028, up from €448 billion in 2023.

"Post-pandemic consumer behaviours, global supply chain issues, and a weak economy are all significant factors that have impacted the European retail market over the past few years," said Jitender Miglani, principal forecast analyst at Forrester. "However, as inflation cools and the economy stabilises, we expect both offline and online retail sales to grow at pre-pandemic levels for the first time in 2024. Online retail sales in particular will perform well, with categories including media, electronic devices, computer software, and video games all expected to make up more than 50% of their respective total retail sales by 2028. To take advantage of this expected growth, European retailers need to focus on enhancing their digital presence, building supply chain resilience, and implementing customer-centric strategies."

Resources:

- Read Forrester's [Europe-5 Online Retail Forecast, 2023 To 2028](#) (client access required).
- Learn more about Forrester's Europe-5 Online Retail Forecast, 2023-2028, in this [blog](#).
- Check out Forrester's 2024 Retail predictions in this [blog](#).

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