



Forrester: European E-Commerce Sales to Surpass €565 Billion by 2029

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Reversing the post-pandemic trend of in-store buying, e-commerce sales are predicted to grow 7.8% annually as offline retail growth slows down

LONDON--(BUSINESS WIRE)--Feb. 3, 2025-- [Forrester](#) (Nasdaq: FORR) forecasts that e-commerce sales across the Europe-5 economies — France, Germany, Italy, Spain and the UK — will grow at a compound annual growth rate (CAGR) of 7.8% over the next five years, increasing from €389 billion in 2024 to €565 billion in 2029. Online sales will account for nearly 21% of all retail sales across these five markets by 2029, up from 16% in 2024. Factors including a stronger economy, increasing adoption of omnichannel strategies, better price transparency, and cross-border marketplace expansion will drive this growth.

According to Forrester's [Europe-5 Online Retail Forecast, 2024 To 2029](#), which examines total retail sales for both e-commerce and offline channels, the growth of offline retail (e.g., in stores) is expected to slow significantly, compared to the immediate post-pandemic years when consumers showed a stronger preference for in-store shopping. By 2029, offline retail sales are forecasted to grow at a CAGR of just 1.7%, compared to 8.9% in 2022 and 4.1% in 2023.

Highlights from the report include:

Total Retail Sales

- **Germany leads total retail sales in the Europe-5 region with retail sales forecasted to reach €693 billion by 2029** In the UK, retail sales will reach £552 billion (€649 billion) in 2029, and in France it will reach €616 billion.

E-Commerce Sales

- **The UK dominates online retail with projected sales of £176 billion (€207 billion) by 2029.** That compares to £130 billion (€152 billion) in 2024. In Germany, online retail sales are predicted to reach €146 billion by 2029, up from €97 billion in 2024. In France, online sales are forecasted at €106 billion in 2029, up from €73 billion in 2024.
- **By 2029, e-commerce will account for a significant portion of retail sales across Europe-5.** The UK is projected to lead among the five markets, with e-commerce making up 32% of total retail sales in 2029, up from 27% in 2024. Germany will see an increase from 16% of retail sales in 2024 to 21% in 2029, while France is expected to grow from 14% to 17% over the same period.

E-Commerce Trends And Drivers

- **Non-essential retail sales will rebound with declining inflation and improved economic conditions.** Categories including fashion and consumer electronics are expected to see renewed online growth as price-conscious consumers regain purchasing power.
- **Emerging online shoppers and cross-border e-commerce platforms will further fuel digitisation.** With platforms including AliExpress, SHEIN, and Temu increasing their presence, the Europe-5 region is becoming a global hub for marketplace-driven growth.

"The growth of online sales is reshaping the retail landscape, giving businesses opportunities to expand their customer base by offering more convenience and delivering tailored shopping experiences," said Jitender Miglani, principal forecast analyst at Forrester. "European retailers should consider investing in advanced digital platforms to adopt omnichannel strategies to meet growing demand online. Getting customer experience right in both online and offline realms will dictate market dominance in the next decade."

Resources:

- Read Forrester's report, [Europe-5 Online Retail Forecast, 2024 To 2029](#) (client access required).
- Learn more about Forrester's Europe-5 online retail forecast for 2024 to 2029, in this [blog](#).

About Forrester

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