

# Europe's digital migration during COVID-19: Getting past the broad trends and averages

A survey of 20,000 European consumers pinpoints what has changed in which markets, suggesting prompt actions for companies to consider.

*By Santiago Fernandez, Paul Jenkins, and Benjamim Vieira*



**Europe, like much of the world**, has “gone digital” as a result of the lockdowns and social-distancing measures imposed to deal with the COVID-19 pandemic. But despite this broad trend, it’s becoming increasingly clear that there exist significant differences between consumers, countries, and sectors.

To glimpse what is really happening beyond the trends and averages, McKinsey conducted a survey of more than 20,000 European consumers from April 28 to May 20, 2020.<sup>1</sup> We sought to understand the nature of the increased digital activity, including which sectors had benefited in which countries, sales conversion rates, and satisfaction levels. We also asked survey participants whether, as the pandemic recedes, they will continue using online services to the same high degree and whether they will continue using the same provider.

The headline takeaway is that there have been dramatic shifts in digital-customer behavior for which many companies were unprepared. Understanding the detail that lies behind these shifts will help companies respond promptly.

## The findings

### Digital adoption concertinaed from years to months

Digital adoption in Europe jumped from 81 percent to 95 percent as a result of the COVID-19 crisis—a rise that would have taken two to three years in most industries at pre-pandemic growth rates.<sup>2</sup>

This average masks wide geographic differences, however, driven both by the severity of restrictions imposed in different markets on people’s movement and business operations and by the digital maturity of those markets. Germany, the

country with the lowest adoption rate prior to COVID-19 among the countries analyzed, saw the largest uptick (28 percentage points). Nordic countries still show the highest adoption rates, but Finland has replaced Denmark at the top of the league, with a total of 99 percent having used a digital service in the previous six months (Exhibit 1).

Noticeable, too, is the extent to which the pandemic has shrunk the yawning gaps that existed between European countries in terms of online activity. Exhibit 2 maps average adoption rates and the average number of industries accessed online by users in each country before the pandemic and at the end of May. The difference between the countries with the highest and lowest digital adoption rates fell from 32 percentage points to just ten.

### Not all industries are capturing the same share of a larger pie

While COVID-19 has evened out adoption rates by country, the same is not true by industry. As one might expect, given lockdown conditions, social media and grocery saw the most growth (Exhibit 3). In grocery, 51 percent of those surveyed used digital services, compared with 29 percent previously, a growth factor of 1.8.

Low growth in travel during the pandemic comes as no surprise either, given travel bans. But insurance’s performance is harder to explain. It had the lowest digital penetration of all industries surveyed before the lockdown and experienced the second-lowest growth of all industries during the pandemic, trailed only by travel. The fact that insurance in Germany bucked the trend—the number of digital users in the sector almost doubled—suggests that, in many countries, insurance providers may be missing digital opportunities. The same seems true of utilities and the public sector, given country differences.

---

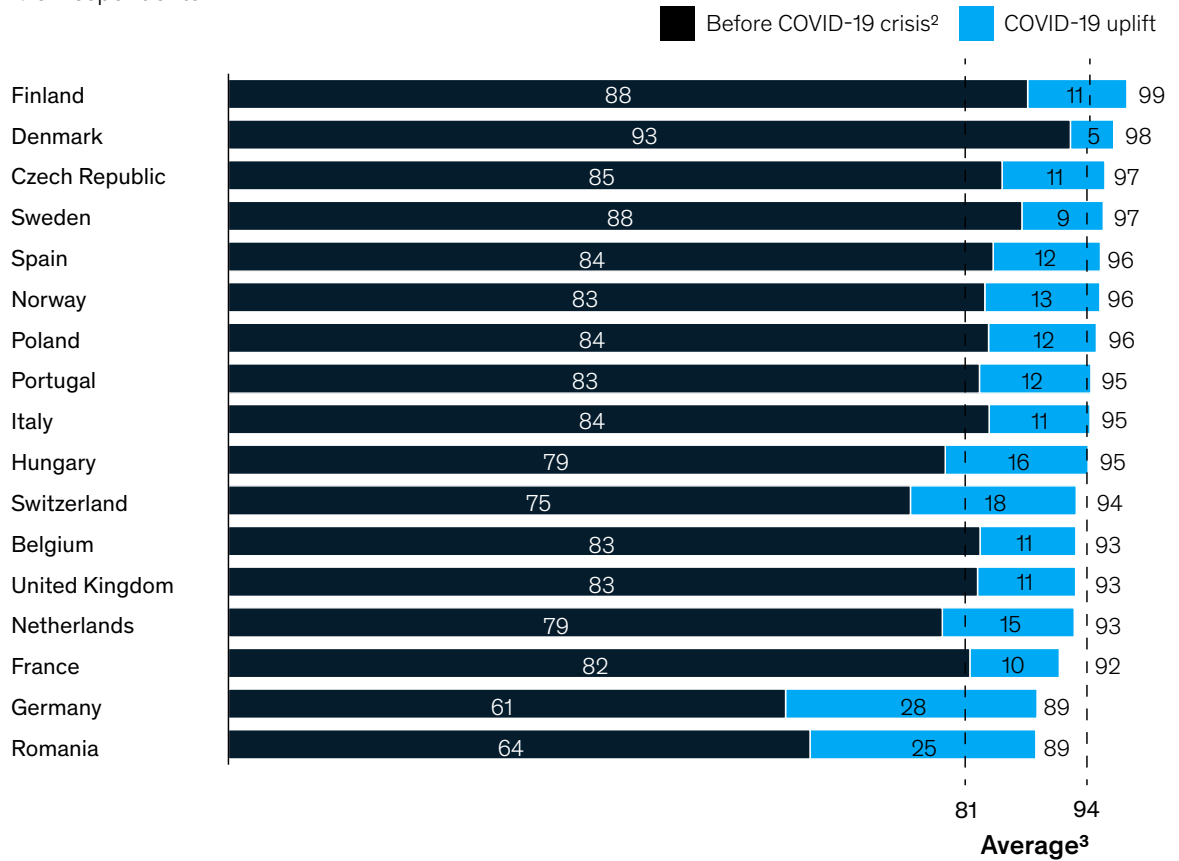
<sup>1</sup>The survey was conducted across 17 European countries (Belgium, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, Switzerland, and the United Kingdom), asking consumers about their online activity in ten different industries: banking, insurance, grocery, apparel, entertainment, social media, travel, telecommunications, utilities, and the public sector.

<sup>2</sup>Calculated by asking all survey respondents whether they had used at least one digital service in at least one of the ten industries in the previous six months. This gives the current adoption rate. We also asked respondents which of these services they had only started to use during the COVID-19 crisis. Subtracting the latter from the former gives the pre-COVID-19 adoption rate.

Exhibit 1

**Average digital adoption rate jumped from 81 percent to 94 percent during the pandemic.**

**Digital adoption<sup>1</sup>**  
% of respondents



Q: Which of these digital channels have you used in the past 6 months? Of these, which did you start using for the first time during COVID-19?

<sup>1</sup>Percentage of respondents using at least 1 digital service in at least 1 industry in the 6 months ending May 2020. Industries include: banking, insurance, grocery, apparel, entertainment, social media, travel, telecommunications, utilities, and public sector. Note that figures may not sum to their totals, because of rounding.

<sup>2</sup>Percentage of respondents using at least 1 digital service in the 6 months ending May 2020 in at least 1 of 10 industries, excluding those who used digital services for the first time during the COVID-19 crisis.

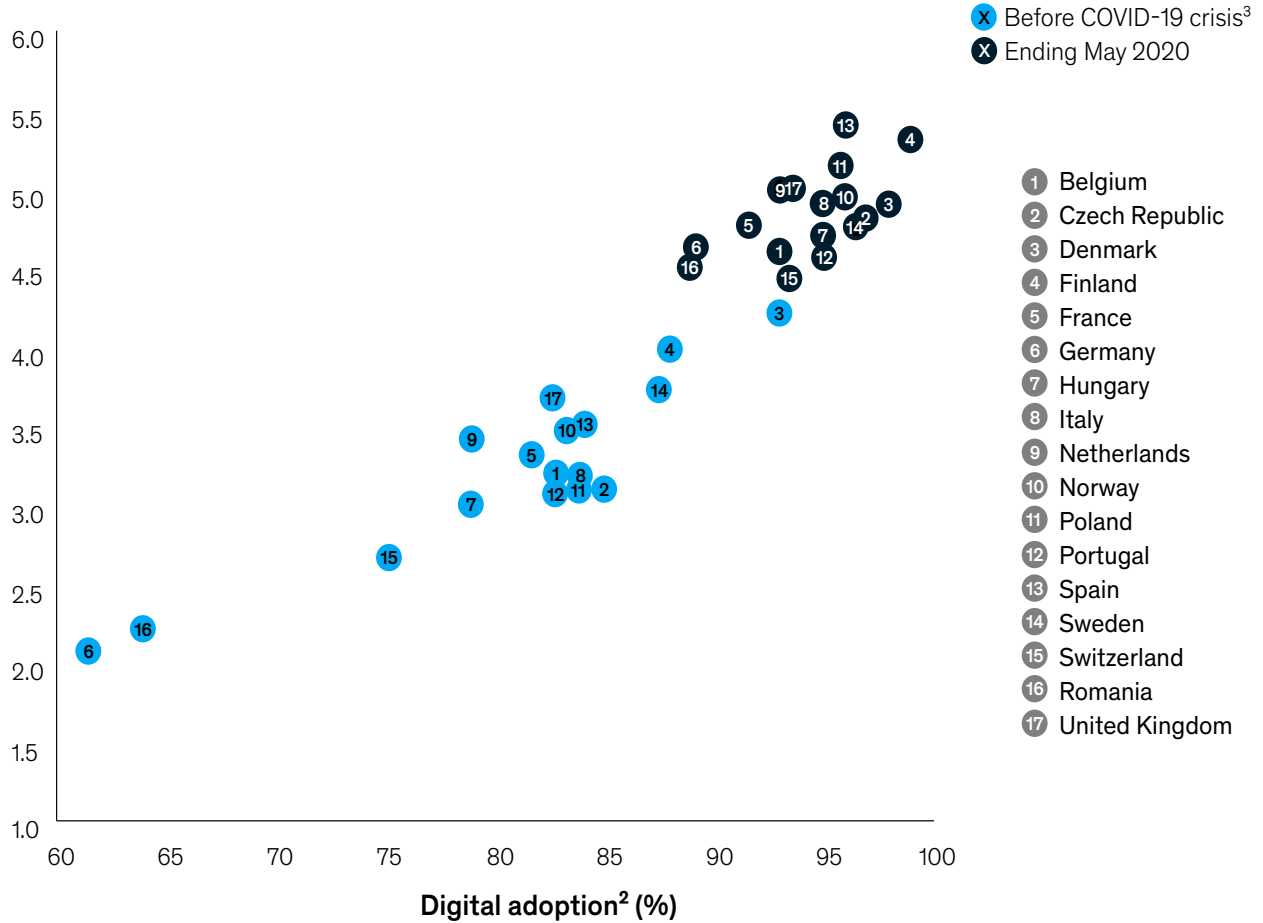
<sup>3</sup>Equal weight for all countries.

Source: McKinsey & Company COVID-19 digital sentiment insights survey

Exhibit 2

**COVID-19 has shrunk the digital gap between countries.**

**Number of industries accessed digitally<sup>1</sup>**



<sup>1</sup>Average number of industries accessed digitally by respondents, from a choice of 10, in the 6 months ending May 2020. Industries include: banking, insurance, grocery, apparel, entertainment, social media, travel, telecommunications, utilities, and public sector.

<sup>2</sup>Percentage of respondents using at least 1 digital service in at least 1 of 10 industries in the 6 months ending May 2020.

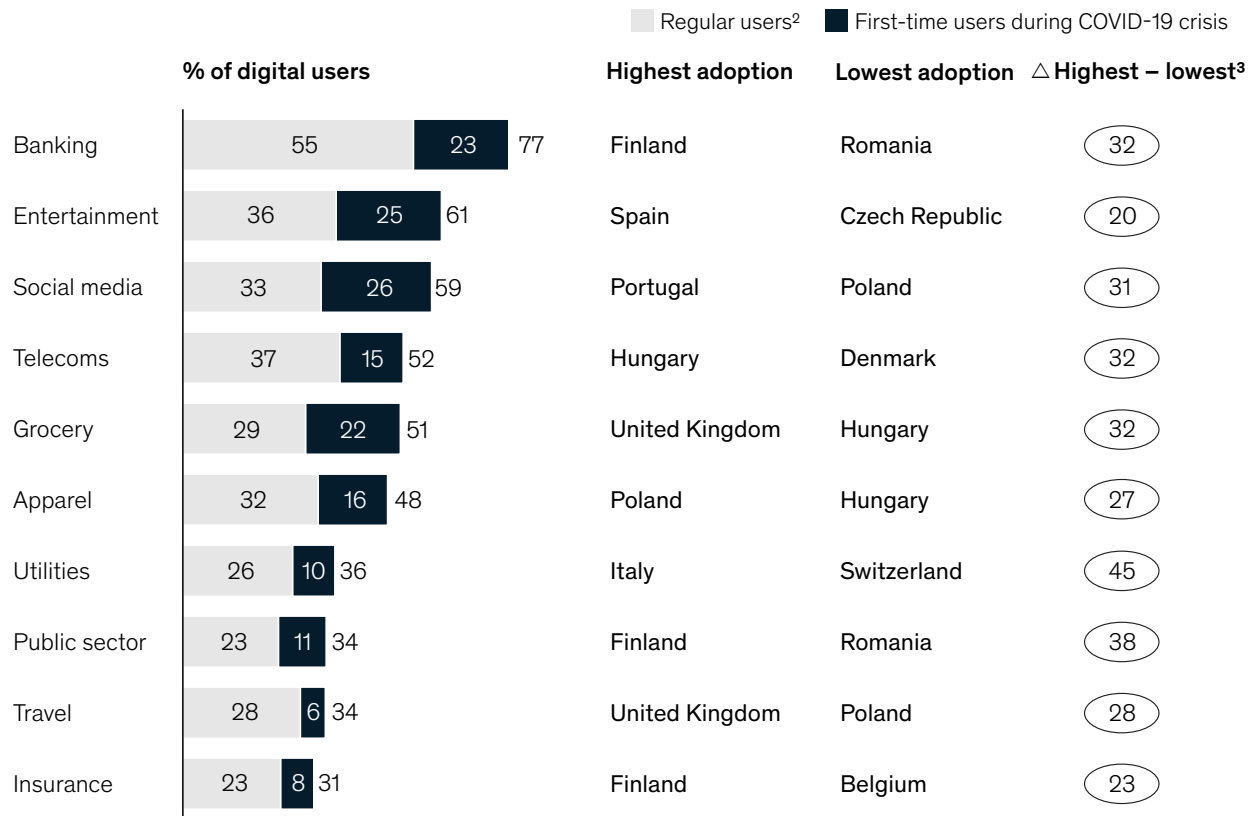
<sup>3</sup>Average number of industries accessed digitally by respondents in the 6 months ending May 2020, excluding those accessed for the first time during the COVID-19 crisis; percentage of respondents using at least 1 digital service in at least 1 of 10 industries in the 6 months ending May 2020, excluding those who used digital services for the first time during the COVID-19 crisis.

Source: McKinsey & Company COVID-19 digital sentiment insights survey

Exhibit 3

**Grocery and social media saw the strongest growth during COVID-19, travel and insurance the lowest.**

**Digital adoption rate, by industry<sup>1</sup>**



Q: Which of the following industries have you used/visited digitally over the past 6 months? Of these, which did you start to use during the COVID-19 crisis?

<sup>1</sup>Percentage of respondents using at least 1 digital service in the industry in the 6 months ending 2020. Note that figures may not sum to their totals, because of rounding.

<sup>2</sup>Percentage of respondents using at least 1 digital service in the industry in the 6 months ending May 2020, excluding those who used digital services for the first time during the COVID-19 crisis.

<sup>3</sup>Difference in percentage points between the countries with highest and lowest adoption per industry.

Source: McKinsey & Company COVID-19 digital sentiment insights survey

In utilities, there is a 45-percentage-point gap between the countries with the highest and lowest adoption rates, namely Italy and Switzerland.

**Don't mistake traffic for sales**

Despite all the extra traffic, on average only 12 percent of those surveyed performed more than two different actions in any given industry category. More often than not, they were looking for information, advice, or a recommendation. With the exception of grocery and apparel, respondents

seldom made a purchase. In those two industries, however, 73 percent made a purchase (Exhibit 4).

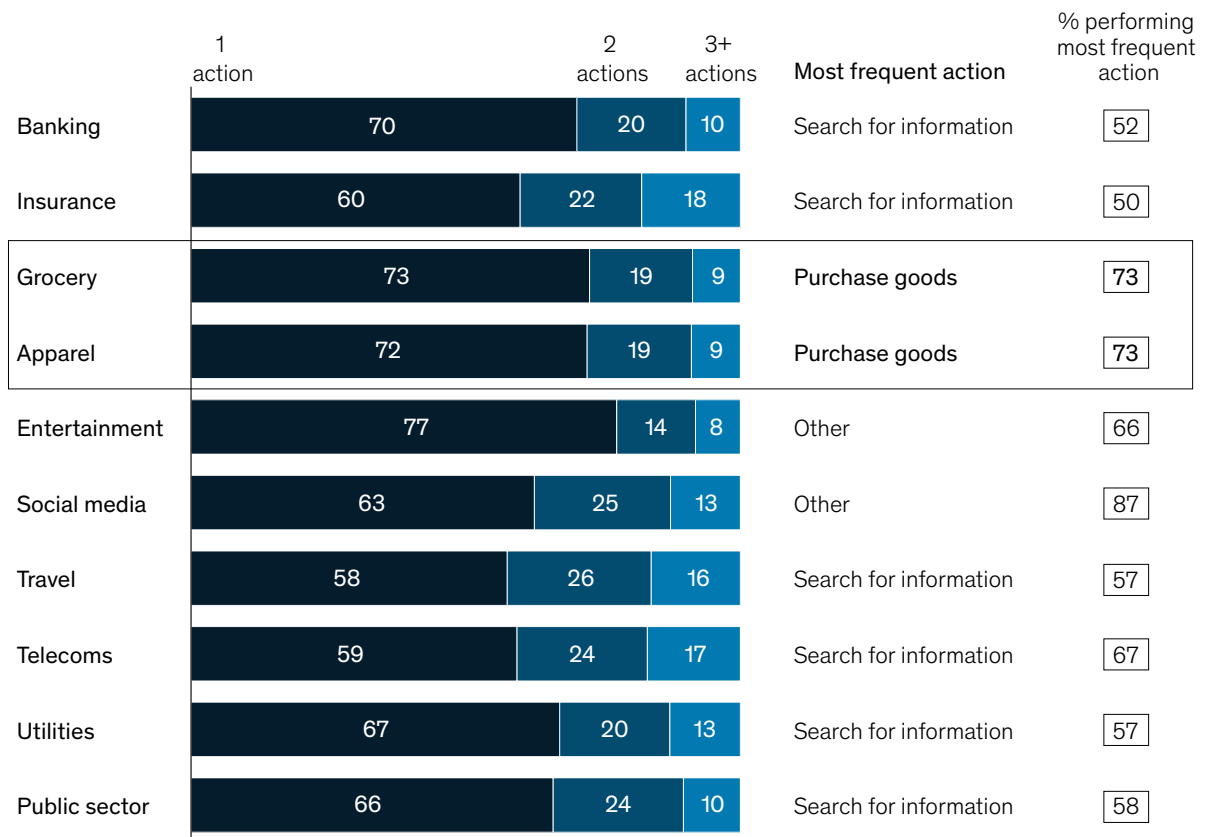
**Engagement and satisfaction: A lot to play for**

The survey makes clear that the surge in the adoption of online services is no temporary phenomena: over 70 percent of respondents said they expected to continue using digital services with the same frequency as they do now or even more often. But here, too, industry performance differs (Exhibit 5).

Exhibit 4

**Most respondents only look for information online; they don't buy. Grocery and apparel are standout exceptions.**

**Number of digital actions performed, by industry<sup>1</sup>**  
% of respondents



Q: Which of these actions have you performed? Possible answers: search for information, purchase goods, enjoy the product digitally, communicate with friends, other.

<sup>1</sup> Figures may not sum to 100%, because of rounding.

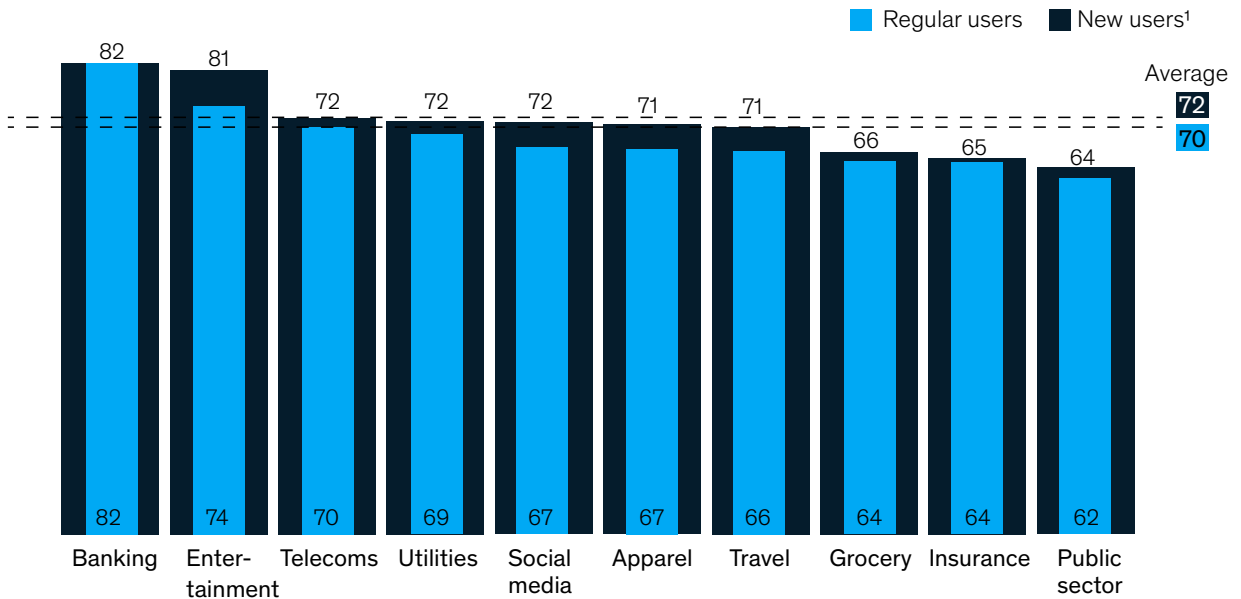
Source: McKinsey & Company COVID-19 digital sentiment insights survey

Exhibit 5

**On average, some 70 percent of respondents plan to use digital services to the same degree or more after the COVID-19 crisis, but there are wide differences.**

**Digital-channel attachment**

% of respondents planning to continue using digital services to the same degree or more



Q: Which of these digital services do you plan to continue using after the COVID-19 crisis? Possible answers: banking, insurance, grocery, apparel, entertainment, social media, travel, telecommunications, utilities, public sector, and none.  
<sup>1</sup> Respondents who used digital services for the first time during the COVID-19 crisis.  
 Source: McKinsey & Company COVID-19 digital sentiment insights survey

Banking has the most engaged users as measured by future intentions: 82 percent of those surveyed say they will continue using online banking services to the same degree or more. Insurance, the public sector, and grocery look more vulnerable, and not just among first-time users. More than 30 percent of previously regular users of these services said they would not use them to the same degree as they have recently, once the COVID-19 crisis is over.

Satisfaction levels may help explain the different levels of engagement. Average satisfaction across industries is moderately good. But there are wide differences between industries (Exhibit 6).

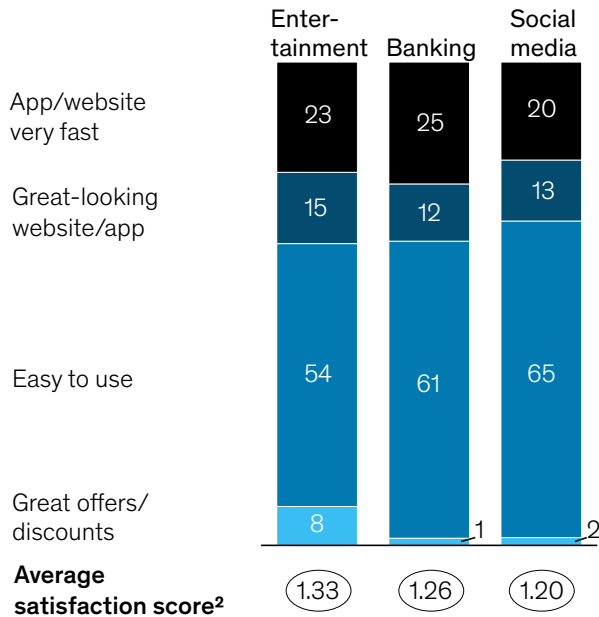
Entertainment and banking have the highest satisfaction scores, the public sector, grocery, and travel the lowest. Poor user experience—be it a slow website or app, one that is hard to use, or lack of product availability—were the major causes of low satisfaction. In the public sector, a slow or difficult-to-use site or app was the main complaint of nearly 80 percent of those who said they were dissatisfied. An inability to cancel or rebook flights online was the main problem in travel. In grocery, lack of product availability was the primary cause of complaint for 54 percent of those who said they were dissatisfied.

Exhibit 6

**Entertainment and banking have the highest satisfaction scores, the public sector the lowest.**

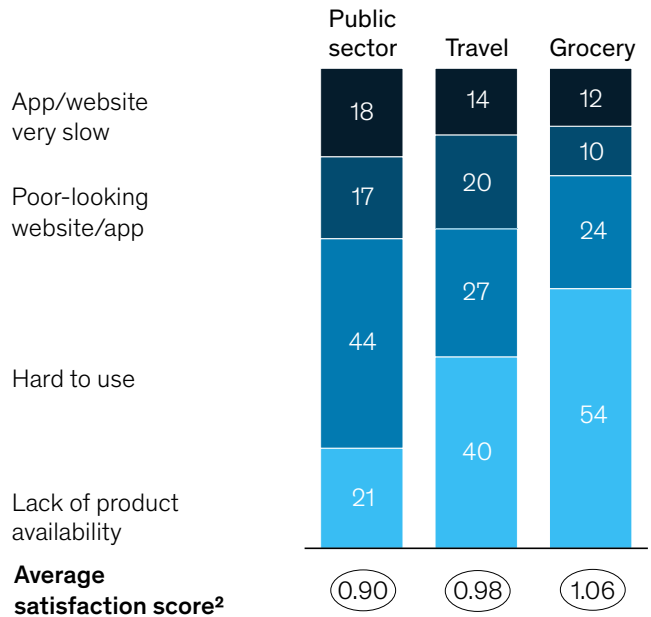
**Industries with highest satisfaction scores**

Reason for satisfaction,<sup>1</sup>%



**Industries with lowest satisfaction scores**

Reason for dissatisfaction,<sup>1</sup>%



Percentage of respondents choosing a specific reason for satisfaction/dissatisfaction. Note that figures may not sum to 100%, because of rounding.  
<sup>2</sup>Weighted as "very dissatisfied" = -2, "dissatisfied" = -1, "mixed feelings" = 0, "satisfied" = 1, "very satisfied" = 2.  
 Source: McKinsey & Company COVID-19 digital sentiment insights survey

**New providers wanted**

Just because people say they will continue using an online service does not mean they will continue using the same provider. Indeed, the crisis has generated strong views about individual service providers. Some 23 percent of respondents said they were considering changing providers (Exhibit 7). Travel and insurance, the industries with the lowest growth in digital adoption during the pandemic, also have the least loyal users, with about a third considering switching providers. The grocery industry looks vulnerable, too, with 28 percent saying they would consider a switch. In all industries surveyed, better offers were the most common reason for considering a switch, followed by dissatisfaction with the provider's response to the crisis.

**The response**

The survey highlights how the COVID-19 crisis has pushed the fast-forward button on online consumer behavior and sentiment. There are five immediate actions companies might take to keep pace:

**Shift the focus from digital marketing to personalization.**

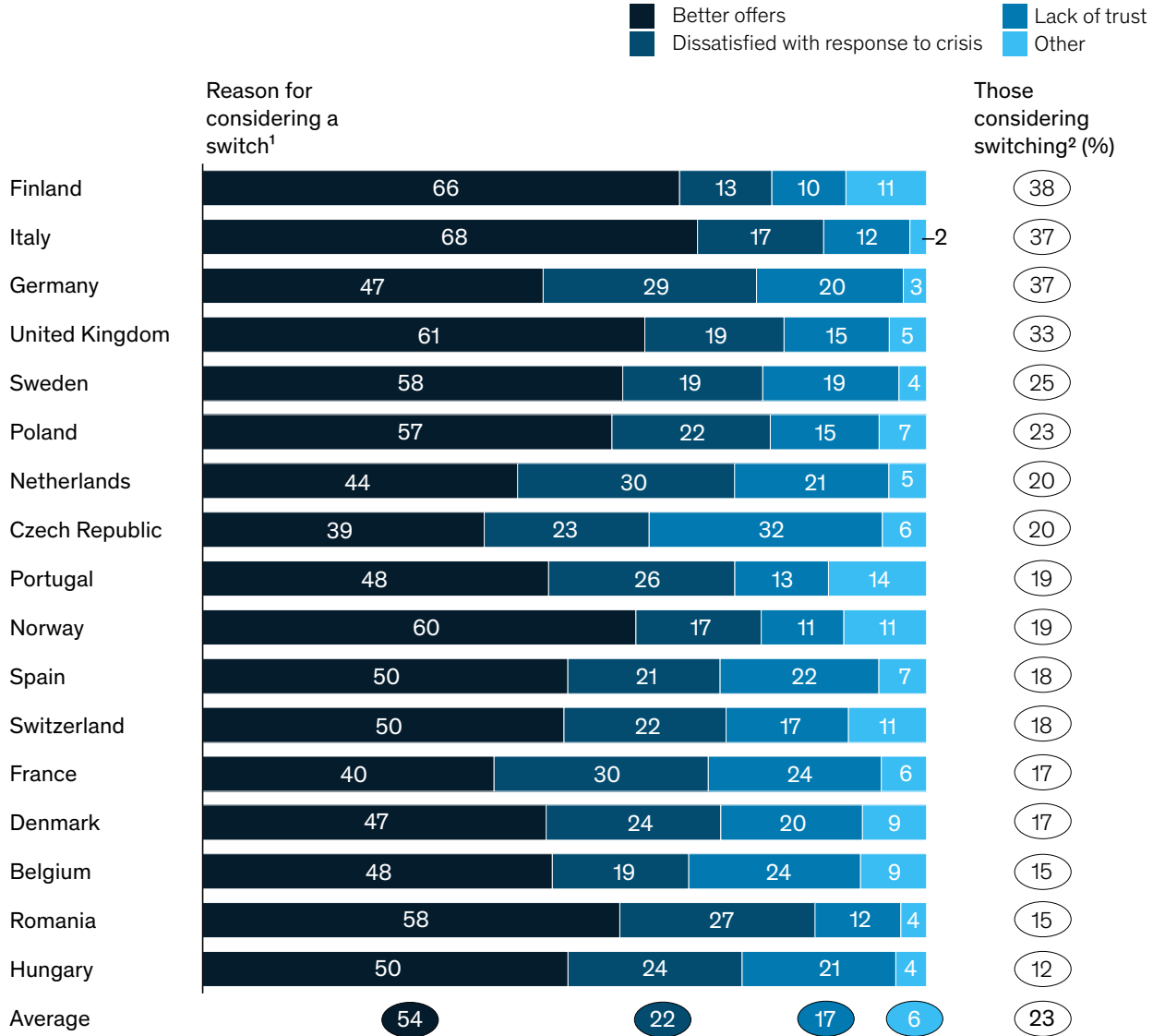
Many companies have seen organic traffic to their sites grow fivefold during the pandemic. As a result, some are slashing their digital-marketing budgets, recognizing they do not need to spend heavily to attract visitors to their sites. Instead, they are investing to improve consumer engagement, encourage self-service transactions, and convert site visits to sales. This means learning to offer personalization



Exhibit 7

**On average, more than 20 percent of respondents are considering switching providers.**

**Inclination to change provider and the reason why**  
% of respondents



<sup>1</sup>Note that figures may not sum to 100%, because of rounding.

<sup>2</sup>Average for each country.

Source: McKinsey & Company COVID-19 digital sentiment insights survey

at scale, which in turn means raising their understanding of the needs and expectations of digital consumers to the same high level as their understanding of those of offline consumers. Data science, marketing, sales, and consumer-experience teams will need to work together with a revamped IT stack if they are going to give customers what they want.

**Rethink services and processes.** The sudden surge in online activity quickly revealed the limitations of many companies' sales, distribution, and customer-care models. In retail and grocery, for example, most delivery processes were unable to cope with the sudden surge in online demand, frustrating customers. Advanced apps that allow customers to track their orders and deliveries in real time, combined with more efficient IoT-enabled supply chains, could be part of the solution here. In banking, basic activities, such as onboarding new clients or agreeing to loans, could not be conducted because they required a visit to a bank branch. Fast adoption of user-authentication processes that leverage artificial intelligence will help address the problem. And in the hotel and travel industries, customers were annoyed when they were unable to alter bookings online and could not get through to call centers. Here, companies may have to break with the past and make online bookings more flexible.

**Don't ditch call centers.** Across industries, 48 percent of those who said they were not currently using digital channels said they preferred call centers. That means phone or other assisted

channels will still play an important role, even as companies look to expand their digital services. Some companies that initially struggled to offer all their services or products online during the pandemic set up phone hotlines instead, and they intend to keep them (and improve them) for the time being. Moreover, sectors such as insurance and telecommunications still depend on sales agents to a large extent, so many sales agents who were once on the road are now operating from call centers.

**Build cybersecurity culture: the stakes have risen.** More digital sales, fulfillment, and consumer engagement mean more cybersecurity risk, and 18 percent of the consumers surveyed said they do not use digital channels because they don't trust them. A cybersecurity breach could stoke those fears and halt a company's e-commerce growth trajectory. A cybersecurity strategy can no longer depend upon IT-driven protocols. It has to be at the center of the corporate culture, intertwined with product design, and led by the CEO.

**Organize for speed.** The pandemic has demonstrated how important it is to be able to react fast. Flatter organizations that adopt agile principles are the ones best equipped to adapt to change. These agile-team models are well positioned to support productive remote work, keeping teams focused on priorities and making sure progress is monitored. With the future so uncertain, organizing in a way that facilitates fast adaptation remains a priority.

**Santiago Fernandez** and **Benjamim Vieira** are partners in McKinsey's Madrid office, and **Paul Jenkins** is a senior partner in the Oslo office.

The authors wish to thank Pablo Aguilar, Marta Carmena, Pau Comas, Ignacio Ferrero, Ana Goenechea, Hiltrud Ludwig, David Morales, Ignacio Munguía, Carlos Sánchez, and Cliff Voetelink for their contributions to this article.

Copyright © 2020 McKinsey & Company. All rights reserved.