



# **Realising Europe's potential: e-commerce and the postal operators**



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## **The European postal market fundamentally supports cross-border e-commerce in the EU.**

We know consumers are increasingly looking online to purchase goods and services – both domestically and across borders. And we know that businesses are expanding their online offerings to capitalise on this trend.



# Executive Summary

**There is no doubt that the future of Europe is embedded in e-commerce.**

The postal operators are an integral part of the overall e-commerce experience. Today we offer a vast range of services to meet the needs of all customers, embracing online and mobile technologies to provide competitive and convenient services across Europe.

We are supporting SMEs to develop their own e-commerce offerings through online platforms and specific web portals and are committed to a business model which is able to help drive the cross-border growth of these companies.

Above all, we offer tailored services at competitive market prices – so that customers may select services based on their unique needs. The postal operators utilise the best available service providers to deliver packages and parcels, partnering with express, courier services and other providers when it is most effective to do so.

While customer needs evolve, we continue to prioritise convenience in order to create innovative solutions for the e-commerce market. Research published by Royal Mail reveals that four out of every five consumers choose to shop online because of the convenience.

When it comes to serving our customers across borders, we understand that different markets have different needs. Our flexible range of products and services is centred on our ability to interconnect with different providers and cater to local preferences - something we understand from our extensive network of 27 EU operators and 1.4 million full time employees, linking over 500 million people everyday. Moreover, the E-parcel group (EPG) has been helping to boost the overall quality of cross-border e-commerce and continued improvements in convenience and innovative products will be at the core of our future business.

Effective postal services are essential for the economic life of the European Union. That is why our interconnected network is at the heart of our ability to support the growth of cross-border e-commerce. Innovation, combined with such growth, benefits consumers and businesses in the EU. We invite you to read our brochure and discover the role of the postal operators in boosting cross-border e-commerce in the EU.

Where does the future of our industry lie?  
In a word: e-commerce.



## Embracing e-commerce

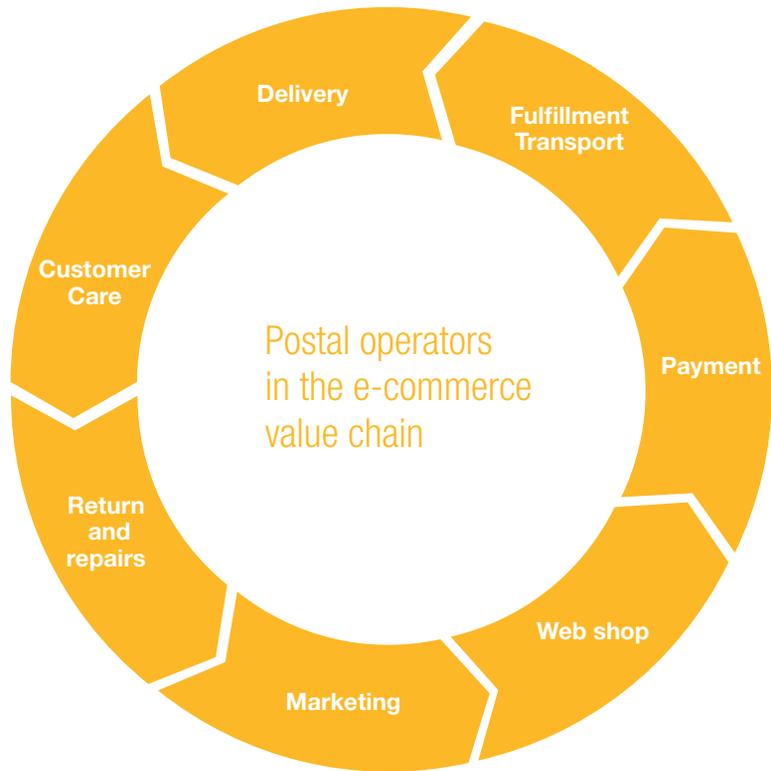
**Internet shopping is accelerating worldwide and customers are now looking beyond their own borders to purchase goods and services. According to research by Forrester, global online retail is estimated to reach \$536 billion by 2012. In Europe alone, online sales have doubled since 2005 and are forecast to grow 65% between 2010 and 2015. As a result businesses are prioritising their online offerings. This change in consumer and business behaviour has presented a significant opportunity for the postal operators to contribute to e-commerce growth and further cross-border trade in Europe.**

European postal operators are already working to support businesses of all sizes through the development of bespoke product solutions and making the most of our ability to connect between the different markets. This is particularly relevant for SMEs looking to capitalise on e-commerce development. Identified as the growth engines of Europe, SMEs are seeking to broaden their online presence and cross-border reach, something the postal operators are helping them realise by offering support beyond the traditional delivery.

- In France, Le Groupe La Poste offers Box e-commerce aimed at assisting SMEs in building a website quickly and easily to begin showcasing their products and services online.
- Royal Mail, in partnership with industry-leading providers, offers Simple Ways to Grow, to offer discounted services to expanding businesses, including SMEs moving into e-commerce.

They can easily buy as one package an e-commerce website, discounts on delivery, marketing data and email and postal advertising.

- bpost has also launched in Belgium the Shipping Manager as a tool for helping SMEs in their checkout process online, thereby helping them to offer additional choice to consumers.
- More and more Nordic consumers are buying products online more frequently. PostNord has therefore established a parcel service – MyPack – which allows SMEs to send parcels to consumers within the entire Nordic region as easily as they do domestically.
- PostNL has launched CheckPay in the Netherlands, a service to protect buyers against fraud. When a seller opts for this service, the pre-payment from the buyer is only released upon satisfactory delivery of the product confirmed via a unique code.



As the market is constantly evolving, so are we. The reality today is that both buyers and sellers expect more from us. Our services are not just about delivering a letter or parcel from one point to another. The digital era of communications has enabled us to develop innovative solutions to deliver efficient and high-quality services. The postal operators have fostered a range of online and mobile options for SMEs to quickly calculate cross-border postage prices and delivery options. They are responding to the specific rise in electronic goods ordered online by providing insurance and 'signature upon delivery' options. Through creative solutions such as these, postal operators have a valuable role in ensuring a positive shopping experience for European consumers.

The advancement of cross-border e-commerce benefits consumers, SMEs, large businesses, and the EU economy as a whole. European postal operators are committed to continuing to support this advancement through convenient, reliable and innovative services.

**CASE STUDY: MeinPaket.de**

**In Germany DHL Paket was the first parcel delivery operator to launch a secure online shopping portal called MeinPaket.de, a one-stop shop combining shopping and trusted shipping services.**

**The benefits of MeinPaket.de are:**

- An innovative marketplace that links different online shops and products from technology, home design, fashion to lifestyle sectors.
- Allowing SMEs to use this platform to feature their products and services. This additional channel enables SMEs to maximise reach and connect with a broader audience than their website alone would do.
- MeinPaket.de actively facilitates cross-border e-commerce by offering European e-retailers a marketplace in Germany to enter the German market without the necessity of building an own local presence.

European postal operators now offer a range of services and delivery options that consumers and SMEs select based on their unique needs or circumstances. Recognising that different customers have different needs, our prices are always tailored to the services provided. This means that a customer selecting a basic delivery option will be charged at a lower rate than a customer requesting tracking or signature upon delivery. That is because of our strong belief that the price should be proportionate and reflect the value of the services rendered.

# A choice of services



Our flexible range of e-commerce shipping options can match customer needs at all levels, from the most basic option to advanced services. Customers can choose to send the same parcel using different services, taking advantage of different features, including speed, tracking, delivery confirmation, insurance options and signature upon delivery.

To further enhance our services, we are able to assess different cost options and recommend the best solution accordingly. We do this by incorporating express, courier services, ICT, logistics operators and other providers into the delivery chain when appropriate. This is made possible through our interconnected approach with other providers so as to provide the highest quality delivery services to consumers and SMEs.

But our job does not finish at the point of delivery. In the event that a customer wishes to return a purchase, postal operators have developed a number of options for simple, quick and low-cost returns both domestically and cross-border. These solutions include a collaborative initiative amongst postal operators called 'Easy Return Solution' (ERS). For sellers and buyers alike, it is a quick and easy way to return purchases.



**In the highly competitive market in which we operate, we aim to distinguish ourselves by prioritising convenience and reliability at prices that reflect the value of our services.**

# Prioritising consumer convenience



Through long-lasting relationships at the local and national level, European postal operators have a solid understanding of evolving consumer preferences and, above all, the need for convenience.



Recent research by Royal Mail indicates that consumers are becoming more demanding not just about what they order, but how the order is shipped:

- 80% of consumers cite convenience as their primary reason for shopping online
- 75% said the following favourable delivery factors would make them continue or increase their usage of an e-retailer:
  - knowing which company would be responsible for delivering
  - clear information about pricing
  - flexible delivery options
- 90% would be more likely to shop again with an e-retailer if they are happy with the delivery of their goods
- 80% prefer to receive updates at every stage of the delivery process

We recognise the importance of anticipating these consumer demands. Our priority is to proactively provide a convenient service that fits in with their daily life, and incorporates online and mobile advances, as well as regional and local preferences - which is precisely the reason operators offer services such as "preferred day" and "preferred place".

■ In Germany, people can choose to collect parcels 24/7 from one of approximately 2,500 automated Deutsche Post Packstations and receive SMS / email notification. They can also send parcels using a touchscreen automated process. About 90% of Germans can reach a Packstation in 10 minutes.

■ A number of other operators have developed similar automated postal pick-up solutions, including bpost, Cyprus Post, PostNord (Denmark), Eesti Post and Le Groupe La Poste.



**SMS notification is a fast way for customers to choose when and where to collect a letter or parcel, learn when it has been delivered and at what time it is ready for pick-up. Likewise the sender can be alerted by SMS as soon as a mailing has been collected. Other options include the SMS being sent to a third party and concurrent email notification.**



**What information will the SMS contain?**

- information about the sender
- where to collect the mailing
- a unique collection code
- when an item is due for delivery/has been delivered
- any useful reminders e.g. "Don't forget to bring your identification!"

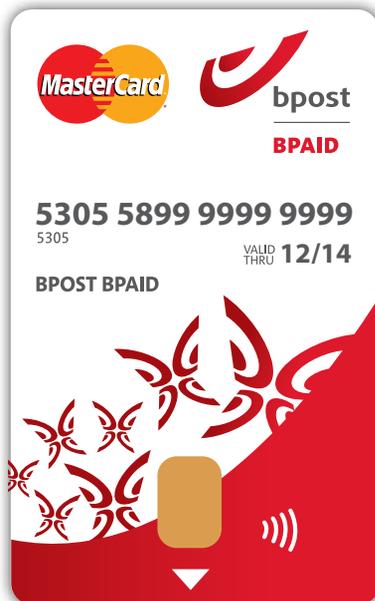
■ Austrian Post has introduced 'Drop-Off Box' for 24/7 returns, and 'Parcel Box' – parcels are placed in a secure box at select apartment buildings and a private access code is given with a notification card, which can be dropped in the one's personal Mailbox, to enjoy the service at their address.

The bpaid card is also widely used for purchases in shops and ATM cash withdrawals.

■ Through its "So Colissimo" offering Le Groupe La Poste in France offers a number of innovative IT solutions to e-retailers to help them expand consumer choice when it comes to e-commerce, including selection of delivery methods and pick up locations.

■ In the UK, Royal Mail has trialled a 'delivery to neighbour' initiative where a neighbour can receive a parcel if the intended recipient is not at home. Initial trials revealed a 92% satisfaction rate.

■ In Belgium, bpost offers bpaid, a prepaid payment card which provides a payment option to consumers for online shopping. This is especially helpful for those reluctant to use their existing cards for online purchases. The service also helps consumers to closely monitor and control their budget spending, thereby facilitating responsible spending and online trade.



■ Nordic consumers often prefer parcels to be delivered to a designated service point rather than the home, therefore PostNord created "MyPack". This service provides inter alia delivery to 4,450 local service points within the Nordic countries, longer operating hours, accurate tracking along the entire delivery chain and SMS notification.



A seamless

# cross-border

service

**Our aim is to facilitate a seamless cross-border e-commerce service experience for consumers and businesses.**

Postal operators are present in all of the EU 27 Member States. This network overcomes differences in languages, currencies and cultures to ensure e-commerce can flourish. Interoperability is the key to our entire cross-border operation.

To boost overall 'quality' (the reliability, speed and tracking) of cross-border e-commerce, postal operators have developed a number of solutions, including the E-Parcel Group (EPG). This network of postal operators attains high delivery performance standards through innovative initiatives, such as the track-and-trace system and continual monitoring to assess performance outcomes against agreed targets.

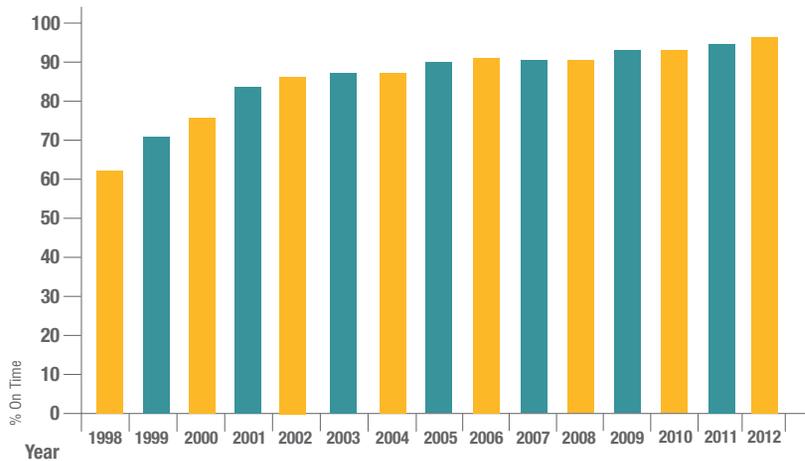
Enhanced performance through collaboration:

- On-time delivery of the parcels through the EPG network in Europe has improved from 63% in 1998 to 95.6% in 2012.
- In terms of reliability, in 2011, over 99.9% of the parcels sent through the EPG network in Europe were delivered. For the tiny fractions of parcels which were reported lost or damaged, customers were compensated.
- EPG also focuses on improving customer service and has devised a web-based customer services system linking call centres of all the EPG operators, resulting in speedy handling of customer queries around a set of performance targets.

**A truly seamless service across borders requires more than simple delivery of a letter or parcel. It requires, among other tasks, coordination between transport operators, synchronised pick-up and drop-off, and effective 'last mile at home' delivery. To achieve this, the postal operators work together on a close and constant basis to provide efficient cross-border services.**

**EPG data on time delivery**

Note results for 2012 only include results up to July 2012  
Source: IPC



**So how are we building on this?**

European postal operators are committed partners supporting the growth of e-commerce. Their services range from facilitating the selling of goods, to offering innovative payment options. Ensuring a quality delivery and return service and creating market-specific solutions to customer needs are also top priorities. At all stages of the value chain, our extensive network provides essential services for e-commerce in Europe and beyond.

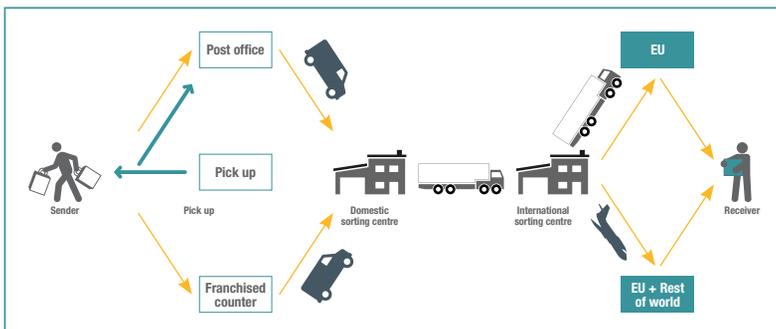
Whether you are a seller or a buyer, there is no service provider that is better connected to your community and individual needs – this is what European postal operators are offering today and what we are committed to offering tomorrow.

As mobile technologies evolve and access to high-speed internet expands, the Digital Internal Market will continue to grow and our offering is developing with this trend. Therefore the European Union's commitment to renewed,

sustainable, smart and inclusive growth is aligned with our own commitment to providing competitive and convenient services across Europe.

**Export of cross-border postal parcels**

Source: PostEurop



**Did you know...**

**...that postal operators:**

- Are present in all 27 EU markets and beyond
- Have over 1.4 million full time employees
- Offer more than 258 million delivery points
- Collect from 720,000 postal boxes in the street
- Provide more than 90,000 retail outlets



International **Post**  
Corporation

International Post Corporation is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. Over the past two decades IPC has provided industry leadership by driving service quality and interoperability, supporting its members to ensure the high performance of international mail services and developing the IT infrastructure required to achieve this. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms for member post CEOs and senior management to exchange best practices and discuss strategy, and gives its members an authoritative, independent and collective voice. IPC also manages the system for incentive-based payments between postal operators. With members delivering some 80% of global postal mail, IPC represents the majority of the world's mail volume. For more information please visit our website

[www.IPC.be](http://www.IPC.be)



**POST**  **EUROPE**

PostEurop is the industry trade association which represents the interest of European public postal operators committed to supporting and developing a sustainable and competitive European postal communication market accessible to all customers and ensuring a modern and affordable universal service. PostEurop promotes cooperation, communication and innovation by providing members with interconnectivity, common development initiatives and opportunity to share best practices bringing added value to the European postal industry. PostEurop is also an officially recognized Restricted Union of the Universal Postal Union (UPU). Established in 1993, the 51 PostEurop members collectively operate 175,000 retail counters, employ 2.1 million employees across Europe and link 800 million customers daily. For more information please visit our website

[www.posteurop.org](http://www.posteurop.org)



International **Post**  
Corporation

**International Post Corporation**

Avenue du Bourget 44  
1130 Brussels, Belgium  
T +32 (0) 2 724 7211  
F +32 (0) 2 724 7232

[www.ipc.be](http://www.ipc.be)  
[info@ipc.be](mailto:info@ipc.be)

**POST**  **EUROP**

**PostEurop**

Boulevard de la Woluwe 34  
1200 Brussels, Belgium  
T : +32 (0) 2 761 9650  
F : +32 (0) 2 771 4858

[www.posteurop.org](http://www.posteurop.org)  
[info@posteurop.org](mailto:info@posteurop.org)