Study for the European Commission DG Internal Market and Services

Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe

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Abbreviations

4G	Fourth-generation of wireless service
ADR	Alternative dispute resolution
API	Application programming interface
AT	Austria
B2B	Business-to-business
B2C	Business-to-consumer
BdKEP	Bundesverband der Kurier-Express-Post-Dienste e.V.
BE	Belgium
bevh	Bundesverband E-Commerce und Versandhandel Deutschland
BG	Bulgaria
BMWI	Bundesministerium für Wirtschaft und Energie [Federal Ministry for Economic Affairs and Energy]
bvh	Bundesverband des Deutschen Versandhandels (since 03.04.2014 bevh)
CAGR	Compounded annual growth rate
CD	Compact disc
CEO	Chief executive officer
CEP	Courier, express and parcel
CH	Switzerland
CHN	China
COD	Collect on delivery (payment method)
CRD	Consumer Rights Directive
CSP	Community Services Programme
CY	Cyprus
CZ	Czech Republic
D+1	Routing time where mail is delivered the first working day after posting
D+1/2	Routing time where mail is delivered the first/second working day after posting
D+2/3	Routing time where mail is delivered the second/third working day after posting
DE	Germany
DG	Directorate-General
DK	Denmark
DVD	Digital video disc
eBSN	European e-Business Support Network for SMEs
E-business	Electronic business

ECC-Net	European Consumer Centres Network
eCIP	eCommerce Interconnect Programme
E-commerce	Electronic commerce
EDI	Electronic data exchange
EE	Estonia
EETT	Hellenic Telecommunications & Post Commission, national regulatory authority of Greece
ELSTAT	Hellenic Statistical Authority
ELTA	Hellenic Post (Greece)
ELTRUN	E-Business Research Center Athens University of Economics and Business
E-mail	Electronic mail
EMOTA	European Multi-channel and Online Trade Association
EMS	Express Mail Service
EMSEVT	EMS item EVenT
EPAM	Greek Association for distant commerce and e-commerce
E-retailer	Electronic retailer
ERP	Enterprise resource planning
ERS	Easy Returns Solution
ES	Spain
E-shop	Electronic shop
E-shopper	Electronic shopper
EU	European Union
EU-27	The European Union with 27 Member States (2007-2013)
EU-28	The European Union after 1 July 2013, with 28 member states
EUBIZZ	European Business Support Network
EUR	Euro
Eurostat	Statistical Office of the European Communities
FI	Finland
FR	France
GDP	Gross domestic product
GFS	Global Freight Solutions
GR	Greece
GRECA	Greek e-commerce association
HDE	Handelsverband Deutschland [Trade association Germany]
HDN	Home Delivery Network
HR	Croatia

HU	Hungary
IE	Ireland
IHK Köln	Industrie- und Handelskammer zu Köln (Cologne Chamber of Commerce and Industry)
IMCO	The Committee on the Internal Market and Consumer Protection of the European Parliament
IMRG	Interactive Media in Retail Group (UK)
IoD	Intimation of Delivery
IPC	International Post Corporation
ISO	International Organization for Standardization
IT	Information technology
IT	Italy
Kbps	Kilobit per second
LI	Liechtenstein
LLP	Lead logistics provider
LT	Lithuania
Ltd.	Limited
LU	Luxembourg
LV	Latvia
Mbps	Megabit per second
Mp3	Audio file format
MPO	Multi Picture Object
MT	Malta
NDS	National Digital Strategy for Ireland
NGO	Non-governmental organization
NL	The Netherlands
NPO	National postal operator
NRA	National regulatory authority
OECD	The Organisation for Economic Co-operation and Development
OJ	Official Journal of the European Union
p.	page
PaaS	Platform as a service
PC	Personal computer
PIM	Product Information Management
PL	Party Logistics
PL	Poland

PLN	Polish zloty
PPP	Purchasing Power Parity
PPP	Public-private-partnership
PT	Portugal
R&D	Research & Development
RFID	Radio-frequency identification
RO	Romania
RTD	Research and Technological Development
RTP	Rural Transport Programme
SaaS	Software-as-a-service
SE	Sweden
SEO	Search Engine Optimization
SI	Slovenia
SK	Slovakia
SMEs	Small and medium-sized enterprises
SMS	short message service
UK	United Kingdom
UKE	Urząd Komunikacji Elektronicznej – Office of Electronic Communications (Poland)
UNEX	UNipost EXternal (system to measure international letter service performance)
UPU	Universal Postal Union
US	United States
USA	United States of America
USO	Universal service obligation
USP	Universal service provider
VAT	Value added tax
zl	Polish zloty

Executive summary

One of the core objectives of EU's Digital Agenda is to promote (cross-border) e-commerce and thus further contribute to achieving the internal market. Various studies and surveys by the Commission identified expensive and unreliable cross-border delivery services as one key challenge in the further development of cross-border e-commerce.

In November 2012 the Commission published a Green Paper on "an integrated parcel delivery market for the growth of e-commerce in the EU" and, after consultation, developed "a roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales" in December 2013. The roadmap addresses challenges related to cross-border delivery, in particular: the lack of transparency and information on delivery services for SME e-retailers, the lack of transparency and appropriate information for consumers, a lack of choice in less advanced or accessible regions and the lack of interoperability between carriers.

The main policy objective of the Roadmap is to "[…] promote e-commerce in the EU by providing e-retailers and consumers with parcel delivery services […] that meet their needs in terms of quality, accessibility and affordability". In order to achieve this objective, in the parcel roadmap, the Commission chose a set of soft measures and an industry driven approach. The Commission has stated that it will facilitate exchange with the sector, monitor progress against the objectives, take stock after 18 months (mid 2015), and then reconsider its approach. Only if the stocktaking exercise would conclude that industry initiatives proposed and implemented fall short of the Commission's expectations, additional (regulatory) measures may be required.

This study supports the Commission's process by analysing and exploring a series of potential initiatives for market improvement and/or government policy. These are :

1. Information platform on delivery services
2. E-commerce scoreboard on delivery and price performance
3. Delivery aspects in e-commerce trust marks
4. Improve parcel services in rural areas
5. Interoperability of cross-border delivery operations
6. Methodology to measure transit time of cross-border parcels in Europe

Four workshops that were organised in spring 2014 in Germany, Greece, Ireland, and Poland, formed a critical element of this study. The intention of these workshops was to understand stakeholder expectations regarding e-commerce and delivery markets in four Member States examined in the study and provided the opportunity to obtain views, comments and positions from stakeholders. Additionally, we conducted interviews with other Community and national stakeholders. Key groups targeted in these interviews

included e-retailers and their associations, intermediaries, carriers and regulatory authorities.

B2C e-commerce delivery markets in the EU

The European B2C e-commerce and delivery markets are very heterogeneous, reflecting the differences among national e-commerce and delivery markets. To date, both e-commerce and delivery markets have been predominantly domestic in nature, but cross-border sales and shipments are gaining importance as cross-border markets grow faster than domestic markets. The in-depth analysis of four selected European countries highlights this heterogeneity.

Germany is a centrally located, large open economy with a long tradition in distance selling. The German e-commerce sales are the second highest in Europe. Estimations about the actual size of revenues in distance selling vary among different sources. Estimations of market revenues for 2013 range from EUR 33.1 billion to EUR 39.1 billion. The market is relatively mature with a substantial number of e-retailers. As Germany is a large economy, e-commerce exports are more important in Germany than e-commerce imports. The proportion of e-shoppers buying online from other countries is relatively low. German e-retailers increasingly seek opportunities for growth in foreign e-commerce markets, by selling to consumers abroad, or setting up foreign operations.

The German B2C delivery market is well-developed and has a broad range of delivery solutions at relatively low prices. All carriers offer tracked and insured standard services for deferred, time-definite and, increasingly, for same-day delivery shipments. Tracking and basic insurance is usually part of the standard service. Delivery options include home delivery and a wide range of click & collect solutions managed by carriers and/or e-retailers. In addition, innovative service providers have emerged that offer solutions for delivery management in a multi-carrier environment and support SMEs in improving their delivery management, and reducing cost of delivery services to SMEs and consumers.

Greece is a small less open economy, located at the southern periphery of the EU. It has little tradition in distance selling. The Greek e-commerce market is small but growing rapidly. Development is constrained by administrative barriers to launching online businesses, limited broadband access and a high proportion of Greeks who do not use online shopping. The preferred payment method is cash on delivery which places an additional burden on transporters and e-retailers (Security, financial risk and high proportion of non-delivered/not accepted shipments). E-commerce exports to other countries are hindered by expensive shipment costs. Volumes are low and Greek carriers have to cooperate with international express carriers. E-commerce imports to Greece is more important than e-commerce exports. Due to the geographic location of Greece, low volumes and expensive local delivery services, e-commerce imports to Greece are relatively expensive.

The Greek delivery market is small and is slowly growing (particularly parcel delivery). Private carriers such as Speedex and ACS are the preferred domestic delivery companies for e-retailers in Greece. Compared to the universal service provider, state-owned ELTA, they provide more reliable tracked delivery services and have better IT integration with their customers' IT systems. This integration facilitates shipping preparation ,data exchange, billing and customer services. International parcel and express operators cooperate with Greek private carriers for final delivery to domestic Greek addresses.

Ireland can be characterised as being a small open, export oriented economy dominated by SMEs. Its demographic profile is dominated by a number of large urban areas but also an evenly but highly dispersed rural population. Use of internet technologies and access to broadband by the Irish population is widespread. Business use of the internet is growing but the major players in e-commerce are large non Irish brands such as Amazon, Argos, Littlewoods, Dabs and others. The value of the Irish B2C e-commerce was EUR 3.7 billion in 2012 with up to 75% of Irish B2C spend being cross-border with UK and US online retailers.

The delivery demand in Ireland is well-serviced by all major international express companies with extensive use of local delivery companies to fulfil the last mile especially in rural or low demand density areas. The Irish postal service (An Post) is the dominant supplier of services (inbound and outbound) across the country especially in rural areas where it is uneconomic for alternative commercial suppliers to provide scheduled or in area service. The growth in unattended delivery options (Parcel Hotel etc), Click and Collect, secure domestic residence pick-up and delivery boxes (An Post) or delivery to local shops form an increasingly important set of added flexibility for servicing urban and rural e-commerce import and export demand. Irish B2C electronic commerce is projected to reach EUR 5.7 billion by 2016 driven by the availability of increased domestic and international online shopping opportunities, the national digital strategy of the Government and incentives to Irish businesses to offer online services to Irish consumers and businesses.

Poland is one of the fastest growing e-commerce markets in Europe with growth rates of more than 25% per year. The proportion of Polish consumers shopping online is continuously growing. Due to the dynamic growth within Poland Polish e-retailers (and e-shoppers) focus more on the national than foreign markets. Rural areas are significantly less developed in terms of broadband access and e-commerce than urban areas.

The Polish delivery market is very competitively structured and offers a wide range of delivery options from home delivery, parcel shops to parcel lockers. Private delivery operators and parcel carriers offer a broad range of tracked parcel services. Poczta Polska is catching up by launching tracked parcel services particularly for e-retailers. Parcel brokers and other intermediaries with a special focus on e-retailers are

emerging. Domestic delivery services are substantially cheaper than cross-border delivery services.

Existing policy initiative, programmes, and projects

This section summarises the research on existing policy initiatives, projects or programmes in the field of e-commerce and delivery in Germany, Greece, Ireland, and Poland, as well as on EU level. The objective of this is to understand the wider context of any initiatives discussed and proposed by this report, to identify possible synergies with existing initiatives, and to avoid duplication. The initiatives identified cover public as well as private programmes, initiatives and business models. The variety of initiatives highlight the dynamic nature of market innovation in e-commerce. They also raise the question of economic viability in the long term.

Initiatives supporting e-commerce can be found in each country. E-retailer associations and policy initiatives look to offer more transparent information by promoting or operating network activities, guidebooks, and information websites.

Initiatives promoting interoperability, e.g. solutions to interconnect information systems and provide open interfaces for data exchange, are emerging in more mature e-commerce markets. These are being driven by existing delivery companies and increasingly by new market entrants (intermediaries who offer information and brokerage services).

Initiatives to improve information transparency, e.g. platforms, websites or other measures that provide product and tariff information for e-retailers or consumers (calculation tools) are also emerging. These are financed either publicly or privately, and exist in several Member States. To date there is no single initiative on a European level that provides transparency on international shipping options for e-retailers. Some initiatives however, in large Member States are expanding their capabilities to some other markets.

Certification schemes and trust marks for e-commerce and delivery have been widely used in many Member States and initiatives for EU-wide trust marks are slowly emerging. A key issue is the many different trust marks, many of which have no legal basis and are highly localized. Consequently, existing and proposed certification initiatives at an EU level seek to establish a set of common criteria of governance and operation in order to harmonise existing and future trust marks.

Innovation in delivery services, especially related to the “last mile” along with internet solutions for matching, package forwarding services, as well as many kinds of mobile or web-based solutions form the majority of initiatives today in the EU and elsewhere. The result of these innovations, where they prove to have market appeal and economic

sustainability, are likely to offer positive service, cost and interoperability benefits to the EU e-commerce market.

Potential Initiatives to improve parcel delivery systems in Europe

The study discussed six potential initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe.

An **information platform on delivery services** would be able to improve transparency on existing delivery solutions particularly for cross-border delivery, and promote options for cross-border shipping. Research findings prove that there is a need for more neutral. open and transparent information on service availability, and service levels in order to support decision making by SME e-retailers who want to use transportation services for national and cross-border trading. Existing query tools either offer poor information or are limited to specific parcel operators, destinations, or product types. Comprehensive Information platforms with up to date information on delivery services would be highly welcomed by e-retailer strategists and business planners.

The objective of an initiative on an **e-commerce scoreboard on delivery and price performance** would be to improve information and transparency on delivery performances and prices across the EU market. This would support EU and Member State authorities to monitor and regularly publish market performance, trends and issues of concern e.g. annually. E-retailers and delivery companies would benefit from more and better information on export and imports to e-commerce markets in the EU and about the dynamics of customer expectations on delivery service levels in foreign countries. These data about e-commerce market and deliver performance are key decision making inputs for supporting e-retailer strategic decisions as to prioritizing which foreign market to enter.

The initiative on **delivery aspects in e-commerce trust marks** is focused on helping to improve e-shoppers' and e-retailers' trust in domestic and cross-border delivery services and returns. Research across all the countries examined shows that there are rather too many trust marks in the e-commerce sector. These are usually provided by national e-commerce associations or private companies. In many of the 28 Member States, more than one trust mark already exists. It emerged from the study that it could be useful to incorporate delivery related elements in existing e-commerce trust marks and/or create or adopt an umbrella certification process such as that being introduced by the European e-retailer / distance seller association (EMOTA). This approach was seen as more beneficial than additional trust marks at an EU level.

Initiatives in low population density areas of the EU are focused on improving the provision of inbound and outbound **parcel services in rural and very rural areas**. National programmes to improve e-commerce use in rural areas will only be sustainable when products can be effectively moved from supplier to consumer in a reliable, timely

and cost effective manner. Increased e-commerce activity, driven by increased broadband and internet access creates demand for delivery services. Competition between transporters and innovative tailored service options (for low density/low demand areas) can reduce the price of delivery, improve network sustainability and increase the effectiveness of last mile delivery to rural consumers. Potential shippers such as local SME retailers would benefit from enhanced delivery service solutions and more service providers to choose from. Establishing a thriving “export” (to national and international consumers) market in rural areas helps adjust imbalances in pick-up and delivery which is a critical consideration in delivery network economics and planning.

Improving the **interoperability of cross-border delivery operations** is necessary to better meet the growing demands from e-retailers and consumers for consistent, end to end, bidirectional, cost-effective (tracked) cross-border delivery and return services. Existing delivery and return solutions do not always meet the needs of the e-retailers and consumers in terms of price and quality of service. There are however some emerging solutions for fully integrated European-wide delivery and return services. In order to promote the development and expansion of end to end delivery management solutions for SME e-retailers, and to reduce technical barriers that undermine co-operation between carriers, easier (mutual) access to systems and information is required. This would look to mutual access between carriers’ and posts IT systems using agreed, standardised data (e.g the data elements related shipments, label production, tracking information). To date, carriers and service providers have invested in mapping tools that allow the translation of shipping and tracking data from their IT systems in a multi-carrier environment. True interoperability between carriers would require the development and use of common data standards to facilitate data exchange and to allow for seamless and cross compatible shipping and tracking solutions.

There is a lack of transparent and comparable statistical evidence on delivery times of cross-border shipments. Gaining **transparency about transit time** is essential to e-retailers making business decisions (markets, product offer, stock basing, pricing, returns management etc) and service commitments to consumers related to domestic and cross-border deliveries. Many SME shippers are affected because they have to rely on standard published service information that usually gives a range of dates rather than a commitment to a delivery date and time that can be contracted to by carriers for large volume shippers. The development of, and open access to, standard information generated using standard measures, definitions and metrics for transit times (domestic and cross-border) would allow SME shippers to better tailor their offers and manage cost and service according to their market needs.

Recommendations

Initiative 1: Information platform on delivery services.

In order to create greater transparency on cross-border delivery services available to e-retailers, the Commission should encourage the development of information platforms on delivery services.

We recommend:

- The Commission should encourage delivery operators to develop a common agreed terminology for describing the operators‘ delivery services to all destinations. This terminology should be published in order to provide guidance to new entrants and guide future developments.
- The Commission should encourage carriers to make these descriptions publicly available and easily accessible („open data format“). This open data would enable intermediaries (e.g. providers of delivery management solutions, parcel brokers) or other interested parties (e.g. e-commerce associations, chambers of commerce) to develop additional information platforms and specific applications for e-retailers (e.g. search or comparison tools). These information platforms would ideally contain and process data, at least, about operators' services and terms, detailed information of origins and destinations offered by an operator, standards and options for collection and delivery, (expected) transit times by origin/destination, restrictions on weight, format, and forbidden goods, and tracking capabilities.
- In case that the market would not develop sufficiently transparent and comparable information about delivery services in the medium term, the Commission could consider legal obligations to ensure open data about service offerings, in particular as regards cross-border delivery services.
- If in specific markets, Member States or regions no relevant applications emerge to service e-retailer needs, public authorities may consider promoting or funding the development of such capabilities. The lack of a market supply to potential needs means that such initiatives, carefully designed, operated and inclusive, would not be distortive and would assist in the achievement of a “Digital Single Market” related to e-commerce and delivery information. Such initiatives could be initiated by public authorities at an EU national or local level.

Initiative 2: E-commerce scoreboard on delivery and price performance.

We recommend:

- Establishing a scoreboard on e-commerce and delivery markets to inform e-retailers of options for delivery, price and services levels, and general e-commerce facts in all Member States, and offer a sound basis for monitoring market developments by policy makers.
- This scoreboard could be developed and published regularly by the Commission and/or European e-commerce associations. The scoreboard could be developed and published separately, or combined with other publications related to the Commission digital agenda. Useful information to be presented in the scoreboard, for all Member States, includes headline data about e-commerce markets (revenues, supply, important products, buyers, relevant of import and export) and delivery markets (revenues, operators, market structure, average price and service levels, comparison tools), habits of online buyers (dominant methods of payment, expected delivery standards, options for delivery, important online marketplaces, return rates), and legal information (VAT, consumer rights, data protection, customs issues).

Initiative 3: Delivery aspects in e-commerce trust marks.

Trust marks for e-retailers have been useful in developing e-commerce markets in some Member States, in particular for small and medium-sized e-retailers. In order to enhance the role of trust marks, the Commission should:

- Analyse and monitor the use, governance and effectiveness of existing e-commerce trust marks in order to facilitate the establishment of managed minimum voluntary standards and an “umbrella trust mark”.
- Moderate a public discourse about integrating delivery aspects to raise awareness among stakeholders (e.g. at e-commerce events or Commission framework programmes).
- Examine the implications, appropriate mechanisms and practicality of stimulating trust mark developments in countries where they are absent.

Initiative 4: Improve parcel services in rural areas.

In all Member States, the postal universal service obligation (USO) guarantees a minimum level of delivery service to even the most remote areas and consumers. This minimum delivery service does not necessarily meet the expectations of e-retailers and consumers fully. In order to promote better and more cost effective service in rural/peripheral areas we recommend:

- The Commission could monitor and analyse innovations, initiative and best demonstrated practices in the Member States for improving the economics and effectiveness of rural transport for the import and export of goods.
- The Commission could study legal and economic aspects of cooperation and sharing of infrastructure for delivering and collecting parcels in rural and other low demand density areas. This study should compare benefits for consumers with downside effects for delivery operators/restraint of service competition, and could identify ideal models for white label shops (preferably organised locally by receivers or administrations).

Initiative 5: Interoperability of cross-border delivery operations.

There is an increasing market demand for tracked cross-border delivery and return services. Existing solutions of express companies are often too expensive for low-value goods. Solutions for high volume lanes exist (direct entry), but not for low volume lanes.

More interoperability between posts and other parcel carriers is needed to promote more cost-effective cross-border deliveries for e-commerce. Progress of industry initiatives on interoperability (national postal operators that cooperate in the IPC's eCommerce Interconnect Programme as well as private parcel networks) is promising, but the current situation is premature to evaluate.

For returns, no market alternatives to posts exist in many Member States ("Easy Return Solution") while in other Member States, there are several networks for collecting returns and co-operation between posts and fulfilment services providers (like B2C Europe) as well as private carriers (like Hermes).

We recommend:

- The Commission should further monitor interoperability of domestic parcel networks.
- The Commission should evaluate, as a part of its stocktaking exercise in 2015, the availability of reliable and cost-efficient cross-border delivery services in the Member States, and interoperability of domestic parcels networks that is needed to provide these services. If progress should fall short of the Commission's expectations, the Commission could consider alternative policies to achieve effective interoperability.

- Where operators are dominant in domestic delivery services or collection of returns, competition authorities should enforce that inter-carrier services are offered at non-discriminatory terms to all interested parties.
- To support the application of competition law to cross-border parcels services, the Commission may consider updating the 1998 notice on the application of the competition rules to the postal sector as regards cross-border cooperation/agreements.

Initiative 6: Methodology to measure cross-border transit time.

Transparency about transit time is essential to build trust and create efficiency gains for e-retailers engaged in or planning cross-border trading.

Where e-retailers use tracked shipments, they have free access to the tracking information of their shipments, and no action is needed from public authorities. However, delivery operators are expected to further improve and standardise their tracking systems. E-retailers, associations, and intermediaries may further improve transparency by benchmarking delivery operators and promoting common definitions.

For untracked shipments, test letters are the only way for measuring transit times but measurements of untracked parcels does not appear to be satisfactory for all destinations/links. However, extending test letter measurement seems very costly. Given the convergence to tracked items in the market, the remaining (small) volumes of untracked parcels do not appear to justify the massive investments needed for transit time measurement of untracked parcels and small packages.

We recommend:

- The Commission should continue to monitor developments in measuring cross-border transit time.

1 Introduction

1.1 Purpose of study

For more than five years e-commerce has proven to be one of the most influential economic trends and has had a great impact on the postal and logistics networks and infrastructure. The e-commerce market is developing at a rapid pace. The association "E-commerce Europe" estimates that today Europe is the world´s largest e-commerce market with an estimated turnover of EUR 312 billion in 2012, followed by North America and the Asia-Pacific.[1] The future development of the e-commerce market has the potential to enhance the prospects of retailers, consumers and the overall economy within the EU.

As a consequence, the "Single Market Act"[2] considers the achievement of the "digital single market", including e-commerce, as one of the levers to boost economic growth and strengthen confidence in the Internal Market. The "Digital Agenda for Europe"[3] lists key actions for achieving the digital single market and defines key performance indicators and targets to measure the implementation progress. One of the most important elements for achieving the digital single market is to promote e-commerce and particularly cross-border e-commerce. The objective for 2015 is that 50% of the population would buy online and 20% would buy online from other Member States.[4]

However, the levels of buying and selling online, domestically as well as cross-border, varies considerably between Member States which indicates different levels of development in distance selling generally and e-commerce particularly.

Against this background the Commission published the Green Paper[5] with the objective of promoting an integrated parcel delivery market to simplify cross-border e-commerce. The major objectives of the Green Paper are:

- Greater convenience and transparency for consumers and e-retailers (convenience and transparency, both for online consumers who want to have access to simple, reliable, improved consumer services and for e-retailers who seek simple, reliable, flexible capabilities);

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1 E-commerce Europe (2013), Europe B2C E-commerce Report 2013, p. 17.

2 Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, *Single Market Act, Twelve levers to boost growth and strengthen confidence "Working together to create new growth*", COM(2011) 206 final, 13.04.2011.

3 Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, *A Digital Agenda for Europe*, COM(2011) 245 final/2, 13.08.2010.

4 See Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, A coherent framework for building trust in the Digital Single Market for e-commerce and online services, COM(2011) 942 final, 11.01.2012

5 Green Paper "An integrated parcel delivery market for the growth of e-commerce in the EU", COM(2012) 698 final, 29 November 2012.

- More cost effective and competitive delivery solutions notably cross-border (prices of cross-border services, which should be sustainable but at the same time competitive and cost efficient);
- Greater level of interoperability between operators along the delivery chain and better coordination between e-retailers and delivery operators (interoperability, which would entail improved interconnected networks and platforms as well as improved partnerships (not only amongst delivery operators but also between delivery operators and e-retailers) to allow for smoother flows of information, products and services domestically and cross-border).

In December 2013, the European Commission published "A roadmap for completing the single market for parcel delivery" (also called the Parcel roadmap).[6] By creating this roadmap the Commission seeks to support the development of e-commerce through a set of actions that improving parcel delivery. A major objective of the commission is to promote cross-border e-commerce by improving the cross-border delivery of parcels.

The European Commission's specific objectives in this policy area include:

- More transparency for consumers and e-retailers,
- Cost effective and competitive delivery solutions across the EU,
- A greater level of interoperability between delivery operators.

Particular emphasis is placed on the needs of SME e-retailers, as well as on delivery aspects for rural areas. It is argued in the roadmap that e-commerce must be accessible to all citizens and to all businesses, regardless of their size and location.

In this context the Commission has assigned WIK-Consult to conduct a study on the "Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe". The study provides an analysis of EU e-commerce and delivery environment and the situation in four selected Member States (Germany, Greece, Ireland, Poland). It also develops suggestions for the design of initiatives to improve e-commerce delivery in the EU.

This report is structured into six major parts:

- Chapter 1 describes the e-commerce delivery value chain, gives relevant definitions for B2C e-commerce and describes delivery logistics for e-commerce as well as delivery options for consumers. It also details the state of cross-border interoperability between parcel carriers.
- In Chapter 2 facts and details on the EU B2C e-commerce delivery markets in Europe, Germany, Greece, Ireland and Poland are outlined.

6 A roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales, COM/2013/0886 final.

- In Chapter 3 describes recent EU policy actions and objectives for e-commerce deliveries and a short description of existing initiatives within the EU and the four chosen Member States.
- In Chapter 4 six potential initiatives to improve parcel delivery systems in Europe are explained.
- Chapter 5 gives the study conclusions and recommendations.
- The appendix presents reports on the four country workshop WIK-Consult and its partners have carried out for this study.

Geographically, the study covers the EU and its Member States with a special focus on Germany, Greece, Ireland, and Poland. These countries were selected for more intense study and they cover the various geographical, economic, social, technical and behavioural groupings of EU Member States with regard to e-commerce related delivery services.

The research for this project was conducted from December 2013 until July 2014.

1.2 Methodology

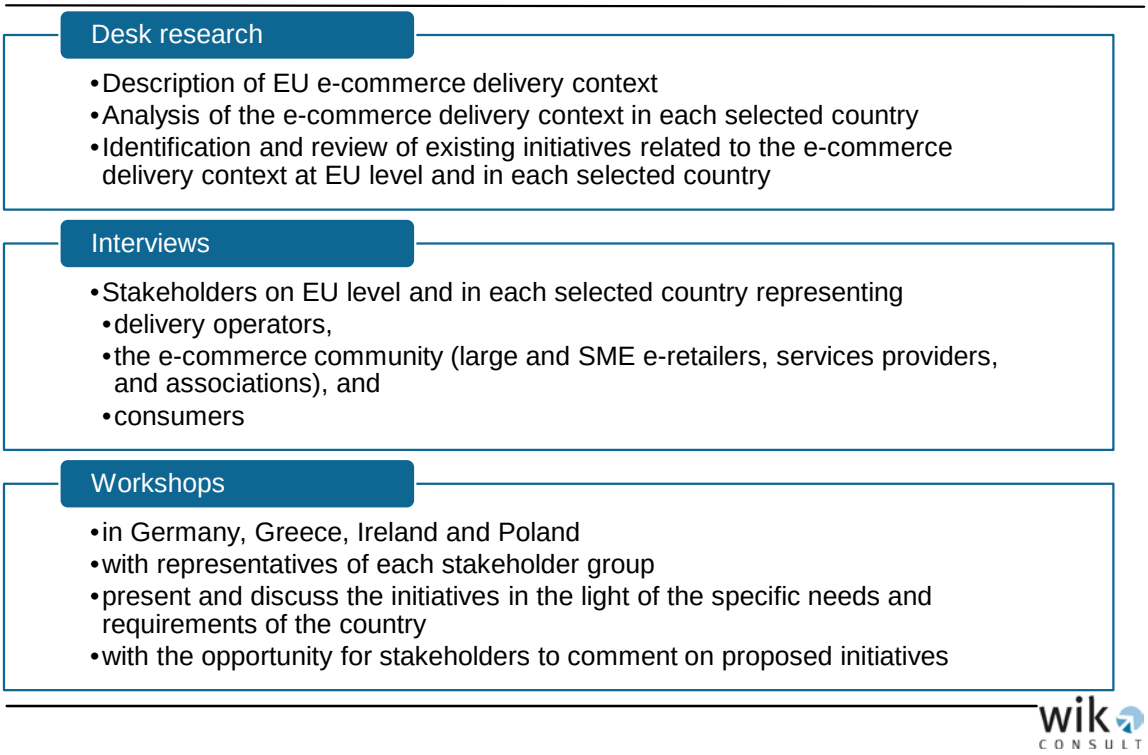
The study was prepared for the European Commission, Directorate General for Internal Market and Services, by Alex Kalevi Dieke (project manager), Antonia Niederprüm and Annette Hillebrand, WIK-Consult, in cooperation with Colum Joyce, an Irish Digital Economy Consultant.

The study team was supported by Spyros Polykalas, Assistant Professor, TEI Technological Educational Institute of Ionian Islands, Athens Office, who prepared, led and summarized the country workshop in Greece. Anna Stolarczyk and Marek Sylwestrzak from the Polish National Telecommunications Institute conducted and summarized the country workshop in Poland. James I. Campbell, Jr., an independent lawyer and consultant based in Washington, D.C., USA, advised the study team on international postal agreements and competition law aspects.

The views and opinions expressed in this study are those of the authors and do not necessarily reflect the position of the European Commission.

This study relies on three methodological approaches: desk research, stakeholder interviews and four stakeholder workshops conducted in Germany, Greece, Ireland and Poland.

Figure 1 Methodology: Three pillars



Desk research

Desk research served several main purposes in this study:

It provided the major source of information on the general description of European e-commerce delivery markets. We evaluated existing studies on e-commerce in the EU, annual reports of postal and express operators, market surveys, and statistical data on e-commerce.

For each selected country, desk research was used to describe and assess the e-commerce activities, domestic and cross-border delivery services in these countries.

Desk research on existing policy initiatives (at EU level and in the four selected countries) helped identify possible role models, identifies duplication of different government action, and identified funding opportunities. Finally, desk research was used to identify stakeholders and interested parties related to the study and its brief.

Interviews

WIK-Consult engaged with representatives of the following stakeholder groups at EU level and in the four countries of focus (Germany, Greece, Ireland, and Poland).

Table 1 Stakeholder groups

Stakeholder group	Description
E-retailers	Online marketplaces Large e-retailers with international focus Small and medium-sized e-retailers Representatives of e-retailers (associations)
Intermediaries	Parcel brokers / resellers Fulfilment logistics providers Providers of delivery management platforms Providers of trust marks
Transporters / carriers	National postal operators Express and parcel carriers
Other stakeholders	Consumer associations National regulatory authorities Research organisations

One important objective of contacting these stakeholders was to understand major attractions and barriers to domestic and cross-border e-commerce activities, use of and satisfaction with delivery services, consumer and e-retailer needs and expectations, and available delivery processes and their performance.

We conducted interviews with representatives (public or private) who had a direct interest in one or more of the initiatives in order to understand existing working models, experiences, objectives, strategies, challenges and sustainability of these models. Interviews or meetings were held with European associations and organisations, e-retailers and national e-commerce associations, intermediaries, delivery operators (posts and private carriers), trust mark suppliers and national regulatory authorities.

Workshops

Four workshops were organised in Germany, Greece, Ireland, and Poland. These, formed a critical element of this study. The objective of the workshops was to gain an understanding of the experiences and expectations related to e-commerce and delivery markets in the four countries. In addition they provided views, comments and input from the country stakeholders. At each workshop, four potential policy initiatives were presented and discussed:

Initiative 1: Information platform on delivery services

Initiative 2: E-commerce scoreboard on delivery and price performance

Initiative 3: Delivery aspects in e-commerce trust marks

Initiative 4: Improve parcel services in rural areas

Around 20 stakeholders participating in each workshop had the opportunity to comment and provide input on the initiatives that the European Commission wished to have discussed. The results of the workshop contributed greatly to the outcome of WIK-Consult's study.

Participants included "e-retailers", like SME e-retailers, online market places, SME e-retailers associations/retailers associations; "facilitators", e.g. providers of fulfilment software/fulfillment logistics ("facilitators"), trust mark providers, resellers and parcel brokers, corresponding associations in these fields, "parcel operators" (postal, parcel and express operators) and "public institutions", e.g. public authorities (e.g. national regulatory authority), research institutes, other associations (e.g. in the field of consumers, regional development etc.).

The country workshops in Germany, Greece, Ireland and Poland took place on the following dates:

- Germany: 7 April 2014, Chamber of Commerce (IHK), Cologne
- Greece: 27 March 2014, Corallia Conference Centre, Athens
- Poland: 8 April 2014, National Institute of Telecommunications, Warsaw
- Ireland: 9 April, Dublin Chamber of Commerce, Dublin

Finally, WIK-Consult gave a briefing to the Postal User Forum in March 2014, presented the objectives of the study and its initial findings in public workshops hosted by the European Commission in Brussels in April 2014 (Workshop on Parcel Roadmap) and also to the Postal Directive Committee in June 2014 and to a Postal Expert Workshop on the Parcel Roadmap in July 2014.

Acknowledgements

WIK-Consult and the individuals in our project team gratefully acknowledge the constructive assistance provided by the Unit E.3 team (On-line and Postal Services) within DG Internal Market and Services of the European Commission. In particular, we want to thank Kristin Hentschel and Sofia Margariti (who managed this project) and Werner Stengg (Head of Unit) for clear guidance, constructive comments and support, and fruitful discussions throughout the project.

We are also deeply indebted to the many stakeholders who generously contributed their time and expertise in responding to our extensive interview questions. Special thanks go to the participants of the country workshops in Athens, Cologne, Dublin, and Warsaw who offered their time and knowledge during the open and lively discussions.

While gladly acknowledging the assistance of all, WIK-Consult is, of course, solely responsible for the final report, including any errors it may contain.

1.3 The e-commerce delivery value chain

1.3.1 Relevant definitions for B2C e-commerce

This study focusses on e-commerce, more specifically on B2C e-commerce. Eurostat defines e-commerce[7]

> "as the sale or purchase of goods or services, whether between businesses, households, individuals or private organizations, through electronic transactions conducted via the internet or other computer-mediated (online communication) networks".

E-commerce Europe defines B2C e-commerce as follows:[8]

> "B2C (Business-to-Consumer) e-commerce is the Internet-facilitated activity that involves transactions between businesses and consumers via either a multichannel approach using a combination of channels such as shop, catalogue, Internet, e-mail, telephone or an online-only (pure play) approach by companies that originated – and do business – purely using the Internet as a medium without a physical (brick-and-mortar) store. B2C e-commerce transactions include goods as well as services […]."

Copenhagen Economics defines B2C e-commerce more narrowly:[9]

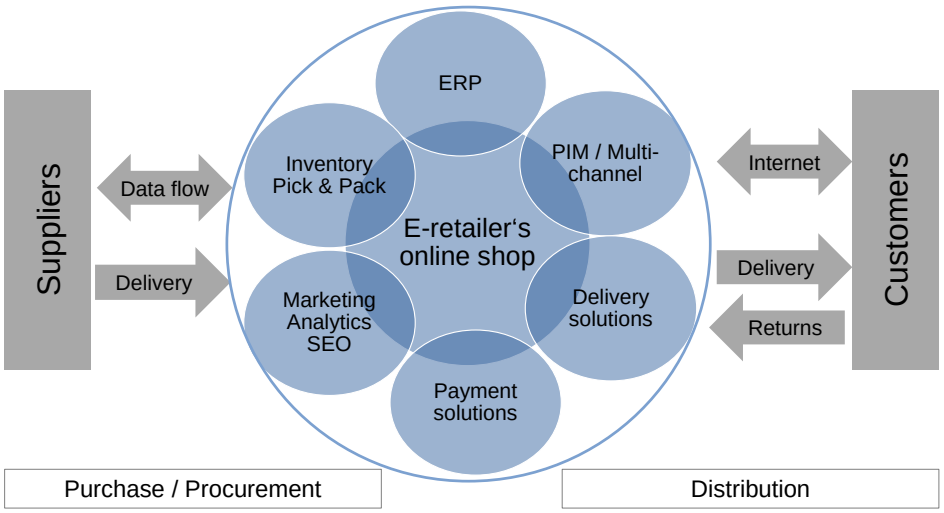
> "B2C sale of goods requiring physical delivery to the buyer, conducted via the internet, excluding orders via manually typed e-mails."

As this study only deals with B2C e-commerce and its associated delivery aspects we used the E-commerce Europe definition and focused only on those transactions that require physical delivery. This involves goods but also tickets, photos and other documents that can be purchased online and are required a physical delivery service.

7 Eurostat, Glossary E-commerce, download 11 February 2014. http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:E-commerce.
8 E-commerce Europe (2013), Europe B2C E-commerce Report 2013, p. 48.
9 Copenhagen Economics (2013), E-commerce and Delivery, p. 35.

1.3.2 E-retailer supply chain

Figure 2 An e-retailer's stylized supply chain



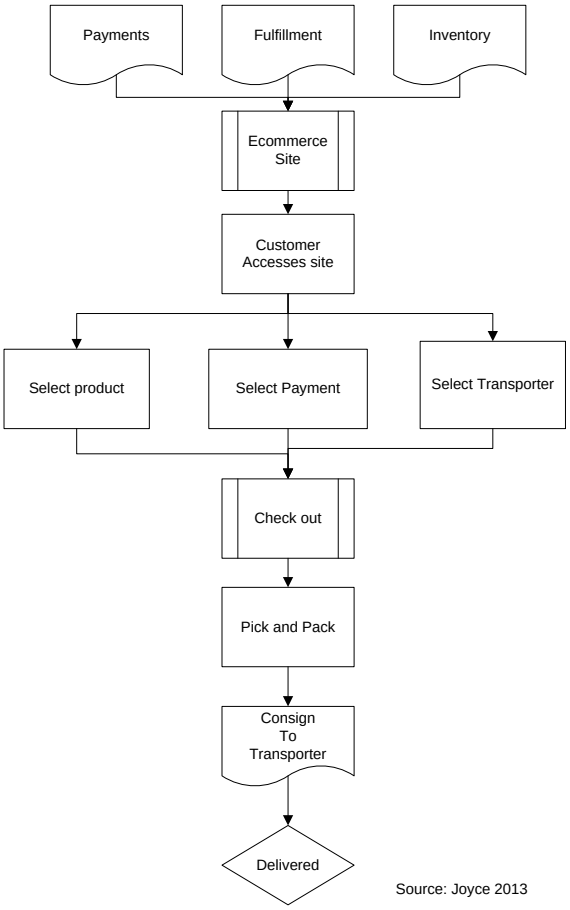
Source: WIK-Consult

Notes: ERP: Enterprise Resource Planning (backend systems including inventory management, accounting, marketing & sales, shipping, payment)
PIM: Product Information Management
SEO: Search Engine Optimization

Figure 2 illustrates a simplified overview of an e-retailer's supply chain. The figure shows the different activities and related IT solutions e-retailers need to run an online shop. However, e-retailers are very different in size and skill levels. To what extent these enterprises use sophisticated IT solutions for setting up and operating an optimized online shop depends greatly on the size and the resources of the enterprise. The majority of e-retailers are small and medium-sized enterprises. Most of them do not have IT-based ERP systems because of their size, the investment is too costly and/or the knowledge on such systems is limited. In this case many processes are done "manually" and they are more appropriate and expensive in time and resources. More skilled and better resources e-retailers set up their businesses and rely more heavily on integrated processes that reduce costs and provide greater operational efficiencies . These integrated systems are used throughout the order lifecycle from initial web sites through to fulfilment, billing, customer service and after sales support.

The commercial requirement to provide effective and efficient delivery to consumers and the legal requirements under EU law to provide for the return of goods define the basic environment under which e-commerce transportation mechanisms exist and operate. For the fulfilment of customer orders there are well established and highly efficient mechanisms of managing the process and information flows. A top level diagram of the process of e-commerce ordering and fulfilment is shown below.

Figure 3 E-commerce ordering process

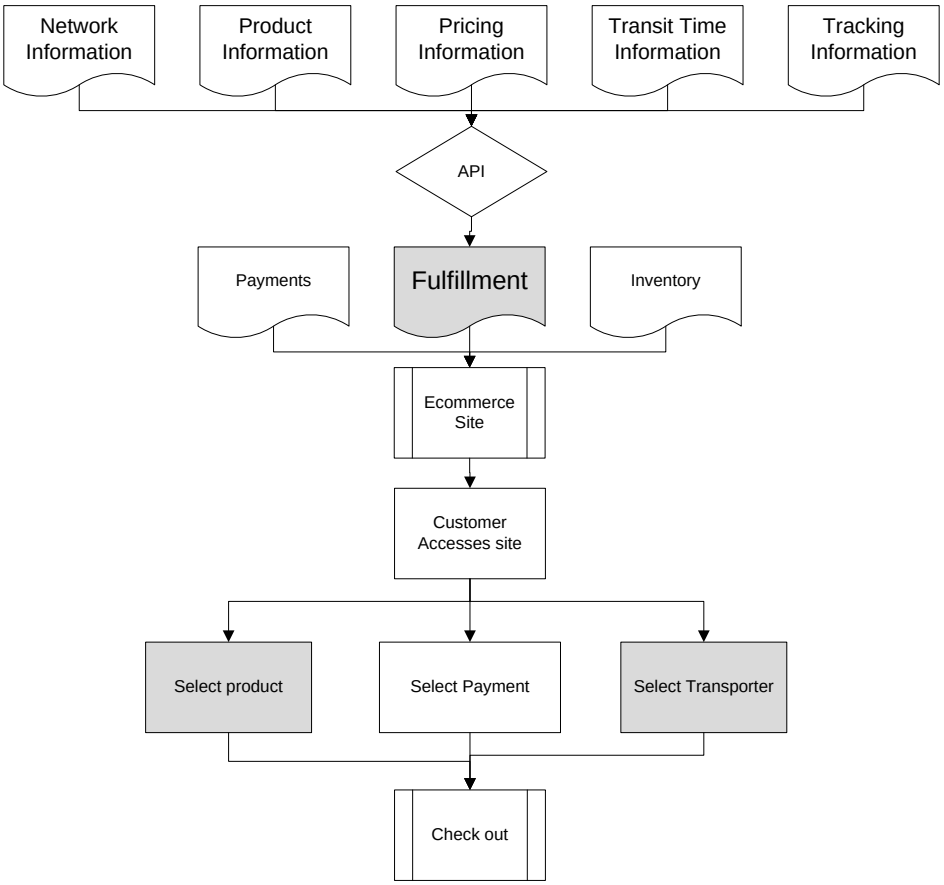


Source: Joyce 2013

Note: API (Application Programming Interface): A language and message format used by an application program to communicate with the operating system or some other control program. It basically allows two computer programs to interact.

The process of taking a customer order is supported using processes, information and data supplied by the suppliers of services such as payments and fulfilment. These data and information support mechanisms are usually integrated to the site using pre-published capabilities and tools that are both downloaded and coded into a bespoke site or are an integrated part of template built e-commerce sites. As such there is little or no visibility on the contents of the data or information supplied in support of fulfilment. The e-commerce site presents a set of predefined options (usually based on product, geography, price and transit time) and the customer chooses one. The simplified diagram below illustrated an overview of the transporter support information supply to the e retailer.

Figure 4 Transporter support information supply to the e-retailer



Source: Joyce 2013

In some cases the transaction does not end with the successful delivery and payment of the ordered good. Where the consumer is unsatisfied with the good it comes to a return. Returns are a growing issue for e-retailers. In the United States for example, the levels of returns is reported at around 8% of all e-commerce goods[10] and is rising as more and more e-retailers offer free shipping which encourages shoppers to buy more. It also encourages ordering to try, "wardrobing", especially in clothing and accessories.[11] This, according to UPS was projected to drive a 15% rise in returns during 2013.[12]

The importance of returns to customers was clearly illustrated by Copenhagen Economics[13] that showed online purchasers in Poland, Germany, Sweden, Estonia, Ireland and Spain placed a very high importance on some form of returns policy being

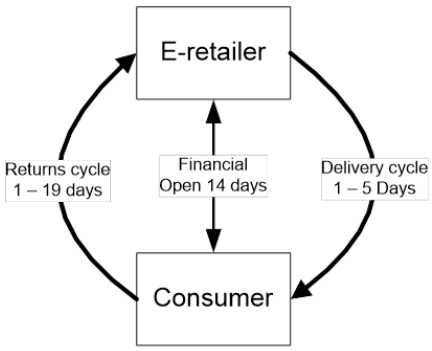
10 http://www.slideshare.net/joshyang/e-commerce-landscape-2012, slide 7.
11 "Wardrobing" means in this context: buying a product, using it and then return it claiming it is defective.
12 See Wall Street Journal, Rampant Returns Plague E-Retailers, 24 December 2013 (see http://www.thepassivevoice.com/12/2013/rampant-returns-plague-e-retailers).
13 See Copenhagen Economics (2013), E-commerce and Delivery, p. 78.

available. Sweden was the lowest with 78%, Poland was the highest at over 90%. The attractiveness of options varies with Swedish consumers preferring to return to a post office or collection point whilst Polish consumers preferred to return directly at the time of delivery (which is not surprising because the preferred payment method in Poland is cash on delivery).

For the retailer the availability of free returns can have a major impact on future purchasing behaviour by consumers. Research released in 2012, carried out over a 49 month period by the Washington and Lee University's Williams School of Commerce, Economics, and Politics found that when consumers received free shipping on returns, their purchases over the next two years increased between 58 percent and 357 percent. When forced to pay for return shipping, subsequent purchases declined between 74 percent and 100 percent.[14]

As such returns are a significant cost for e-retailers and managing them effectively is critical to their businesses profitability. This requires and integrated and coordinated approach to online orders. On the other hand returns create a big business for transporters. An stylized model of a fully integrated and coordinated order and return system is shown below.

Figure 5 Stylized model of a fully integrated order and return system



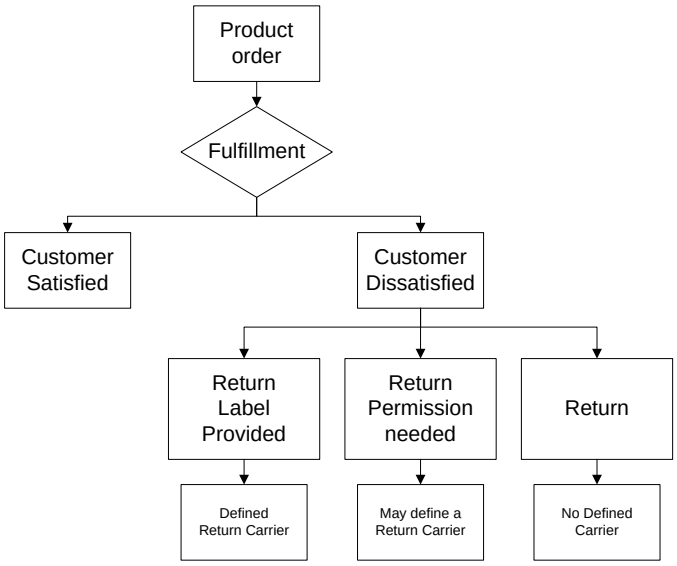
Source: Joyce 2013

Such a model allows for effective delivery whilst providing the ability for e-commerce traders to comply with EU consumer protection legislation regarding return of goods. It also provides for a clear linkage between the original order and the return of any goods. This level of integration is important for e-retailers as it allows them to manage stock levels, stock reintegration, customer services, quality control, accounting, business strategy and tactics.

14 See Retailwire, Study finds wide benefit to free online returns, published 8 October 2012 (http://www.retailwire.com/discussion/16320/study-finds-wide-benefit-to-free-online-returns).

Such integration can be achieved using mechanisms as simple as linking the original order to a return label / process to establish a “potential return” when the order is taken which can be activated, online, by a consumer should they be dissatisfied with the goods received. Some e-retailers do already include a return label in shipments whilst others require consumers to contact them to get “permission” to return goods (Consumers have a dislike of getting approval to make a return).

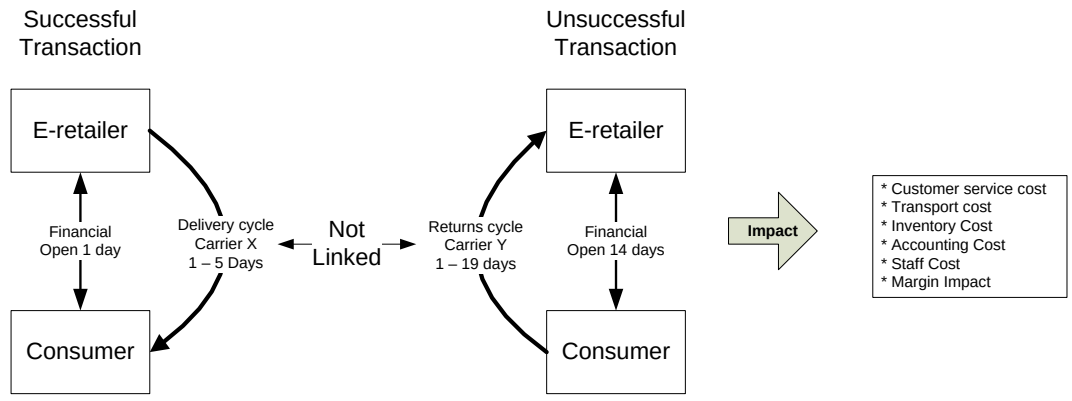
Figure 6 Major return options



Source: Joyce 2013

However, in most cases returns are less integrated and efficient. This is because many delivery and returns cycles are not coordinated or integrated. The diagram below illustrates the common disconnect and business impact of uncoordinated order and the return cycles of e-retailers.

Figure 7 Impact of uncoordinated order and return cycles



Source: Joyce 2013

The diagrams above represent top level view of the processes that lead to a delivery or a return service use and management. How these services are provided to e-commerce retailers is many and varied. The e-retailer is in most cases unaware of the processes, interconnections and outsourcing that are used by the transporter that they choose. They get a service, a price and a set of value added elements (tracking, reporting, customer support etc.) that the transporter contractually agrees to deliver. The e-retailer then represents this offer to their customers on their web site as a shipping option.

1.3.3 Delivery logistics for e-commerce

The different models of how to organise the supply chain, and more specifically the distribution of goods is the main topic of supply chain logistics that has its origins in the B2B segment (i.e. how to best organise the logistics among manufacturers, between manufacturers and wholesalers, between wholesalers and retailers). B2C logistics is mainly a re-use of B2B capabilities but with tailored elements necessary to support individual consumer needs and e-retailer value-added requirements. Moreover, growing parcel volumes (due to e-commerce) drives additional investments in sorting capacities.

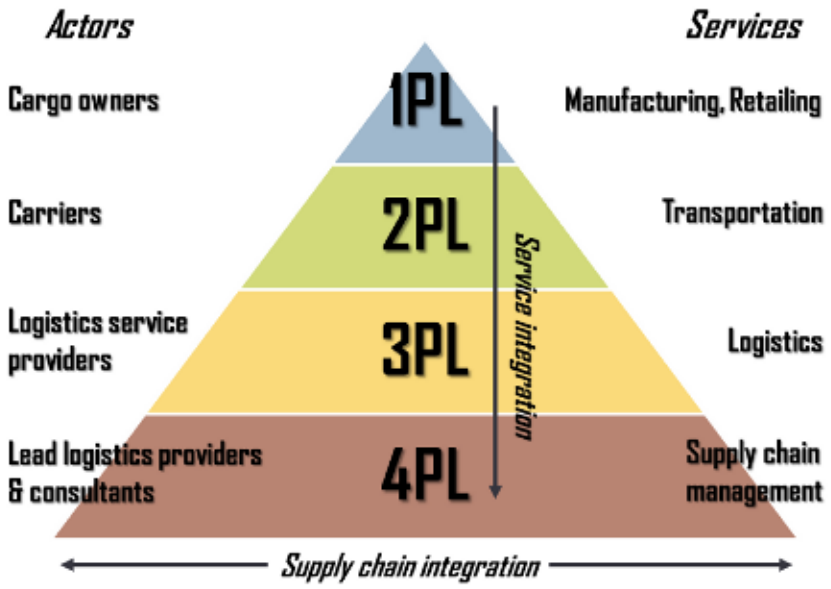
The next diagram (Figure 8) illustrates the different layers of supply chain logistics depending on the number of intermediates involved: One to Fourth Party Logistics (1-4PL). The different layers illustrate the degree of outsourcing of supply chain activities.

“1PL” means that the shippers (e.g. manufacturers or wholesalers) organise the transportation by its own transport fleet. In case of “2PL” the shipper outsources the

transportation to independent carriers or transporters. These can be freight companies but also courier, parcel and express companies. A “3PL” company is defined as[15]

> “A firm [that] provides multiple logistics services for use by customers. Preferably, these services are integrated, or "bundled" together, by the provider. […] Among the services 3PLs provide are transportation, warehousing, cross-docking, inventory management, packaging, and freight forwarding."

Figure 8 Layers of logistics in the supply chain



Source: http://cerasis.com/2013/08/08/3pl-vs-4pl/

Fourth Party Logistics (4PL) or Lead Logistics Provider (LLP)[16]

> “differs from third party logistics in the following ways; 1) 4PL organization is often a separate entity established as a joint venture or long-term contract between a primary client and one or more partners; 2) 4PL organization acts as a single interface between the client and multiple logistics service providers; 3) All aspects (ideally) of the client’s supply chain are managed by the 4PL organization; and, 4) It is possible for a major third-party logistics provider to form a 4PL organization within its existing structure.”

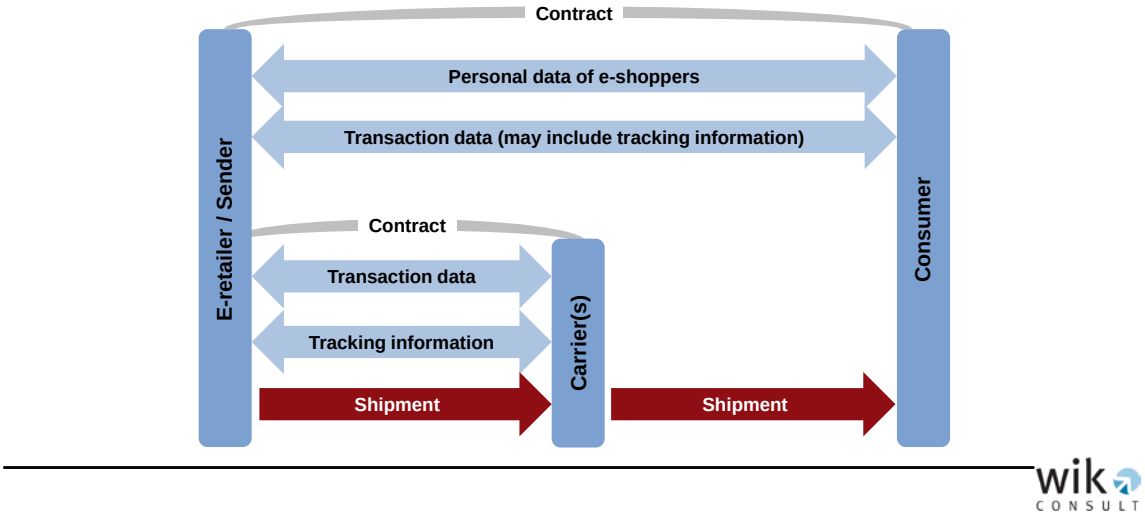
An emerging sub sector is the 5PL firm attributed to logistics service providers who plan, organise and implement logistics solutions on behalf of a contracting by exploiting the appropriate technologies (“e-business”).

15 See Supply Chain Management Terms and Glossary (August 2013), p. 195 (http://cscmp.org/sites/default/files/user_uploads/resources/downloads/glossary-2013.pdf.

16 See Supply Chain Management Terms and Glossary (August 2013), p. 86.

In the next paragraphs we discuss available options of e-retailers to organise the delivery process.

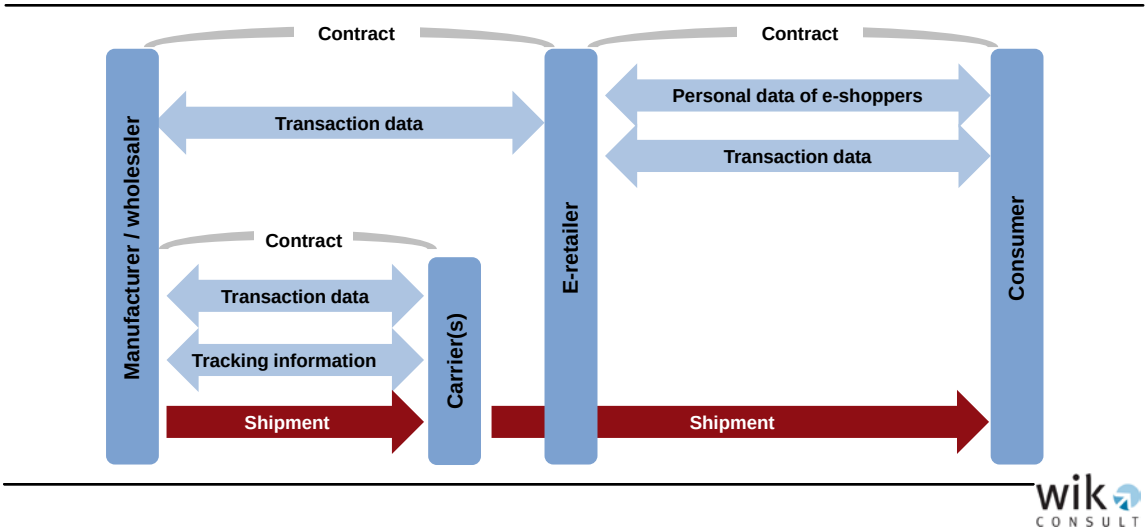
Figure 9 Option 1: Delivery by dedicated carriers



Source: WIK-Consult

The standard delivery process illustrated in Figure 9 is typical for small e-retailers with less than 50-100 shipments per month and corresponds to the “2PL” approach. E-retailers with more shipments have usually access to more sophisticated delivery solutions (depending on the country of origin).

Figure 10 Option 2: Drop shipping



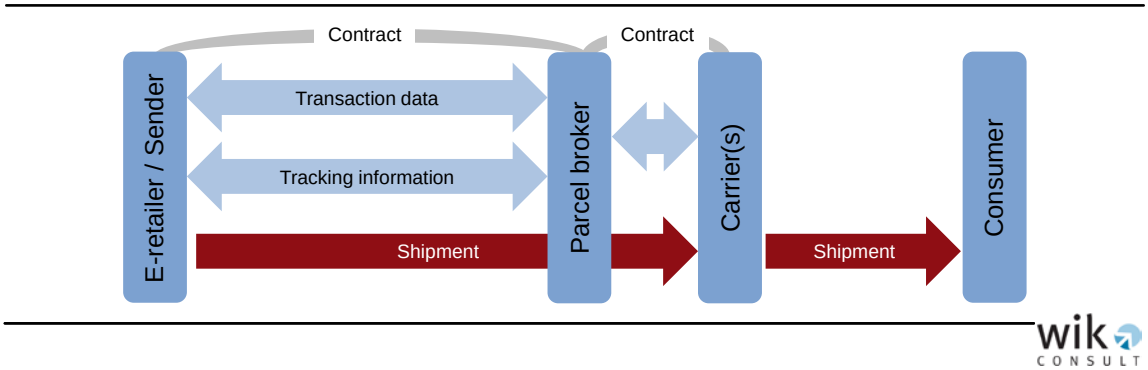
Source: WIK-Consult

A cost-efficient alternative for e-retailers to organise delivery is the so-called “drop shipping”. This is a fulfilment method where the e-retailer doesn't keep the products he

sells in stock. Instead, when he sells a product, he purchases the item from a third party (the manufacturer or a wholesaler) and has it shipped directly to the customer. As a result, the e-retailer never sees or handles the product.

In the following diagrams we focus on the process flow between the e-retailer, a potential third party and a consumer to illustrate a variety of delivery options.

Figure 11 Option 3: Parcel broker

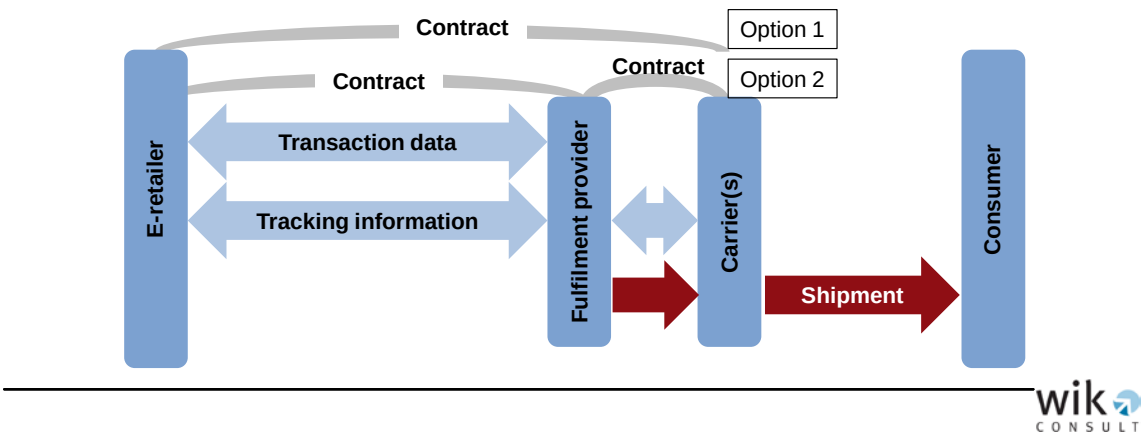


Source: WIK-Consult

The parcel broker has individual framework agreements with several transporters so that he can resell the delivery solutions at lower prices than list prices. He “virtually” consolidates shipments and allows e-retailers to achieve lower shipment costs. His target group are usually small and medium-sized enterprises with a low number of shipments per month. Additional to lower shipment costs parcel brokers often provide additional services to its customers e.g. production of parcel labels, better customer service (one contact person to tackle complaints in contrast to a carrier’s call center), one invoice per month etc.

There are two types of parcel brokers or resellers: The first type of parcel broker offers a bundle of delivery solutions by different carriers (including service characteristics and prices) and the sender determines the carrier based on an informed price and service comparison. The second type of parcel broker sells delivery solutions under his own brand. In this case e-retailers do not have a choice of transporters.

Figure 12 Option 4: Fulfilment service provider (3PL/4PL)

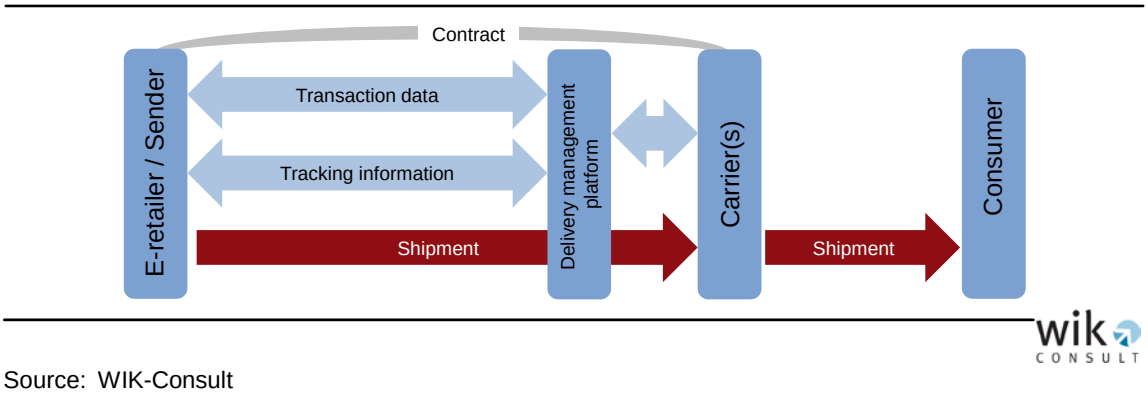


Source: WIK-Consult

Medium-sized e-retailers may decide to outsource the fulfilment of the transaction to a third party, the fulfilment service provider (or Third Party Logistics provider, 3PL). Depending on the model these service providers manage the inventory, the pick & pack as well as the delivery organization, the payments and the returns on behalf of the e-retailer. It is up to the e-retailer to decide the scope of the service package.

There are two options regarding the contractual agreement between the e-retailer, the fulfilment service provider and the transporter. (1) The e-retailer has an individual contract with one or more transporters. In this case the fulfilment provider only manages the delivery process with the respective carrier. (2) The e-retailer agrees with the fulfilment provider a full service package. In this case the fulfilment provider has an individual contract with one or more carriers (like a parcel broker). Moreover, he may act as a (physical) consolidator by bundling shipments of several e-retailers.

Figure 13 Option 5: Delivery management platform

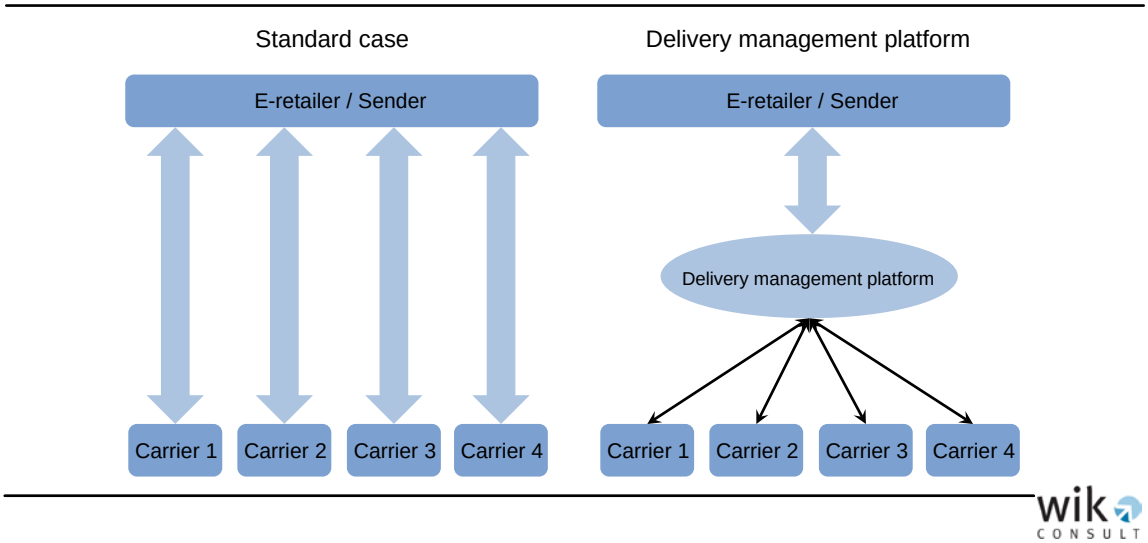


Source: WIK-Consult

In contrast to a parcel broker a delivery management platform “only” manages the information flow between the sender and the carriers. It is particularly useful in a multi-

carrier environment and simplifies the e-retailer's information flow supporting the delivery process (It may be a 4PL or even 5PL solution).

Figure 14 Function of a delivery management platform



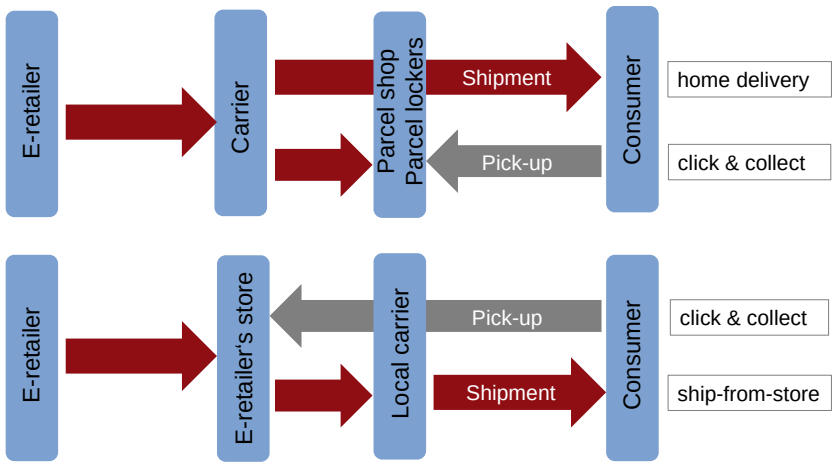
Source: WIK-Consult

This is illustrated in Figure 14. In the standard case the e-retailer has to manage the data flow and the production of labels etc. for each carrier separately. As the electronic interfaces among the carriers are not standardised this may require substantial investment in IT interfaces and time. The e-retailer has to make the same investment for each carrier. The delivery management platform option provides one standardised interface for the e-retailer and manages the different interfaces to each carrier. The company Metapack, located in the UK, is an example for such a delivery management platform that manages domestic and international delivery solutions. The company focuses on medium-sized and large e-retailers with international activities.

1.3.4 Delivery options for consumers

Home delivery to consumers is at present the most common e-commerce delivery method. However, first time successful delivery of shipments continue to be a challenge due to consumers not being at home when the delivery is attempted . To address this a variety of alternative delivery options have emerged, partly created by the carriers (to save costs), partly demanded by the e-retailers and their customers (to improve convenience in parcel delivery). There are two basic delivery options: (1) the transporter delivers the shipment to the customer or (2) the customer has to pick up the shipment at a specific location.

Figure 15 Delivery options for consumers



Source: WIK-Consult

The different delivery options are illustrated in Figure 2. The first option is the most common delivery method in all European countries. As long as the shipment fits in the letter box (and no confirmation of delivery by the recipient is required) first attempt delivery is always successful. If the shipment does not fit it has to be handed over to the addressee and in case of absence to another person, e.g. the neighbour, or the addressee and the carrier have agreed a safe location where parcels can be stored. Alternatively, the shipment can be delivered to another address, e.g. to the workplace of the recipient. Moreover, carriers increasingly offer a specific delivery time window (e.g. DPD Flextime delivery) and/or to alert the recipient by SMS about when the shipment will be delivered or issues with deliveries.

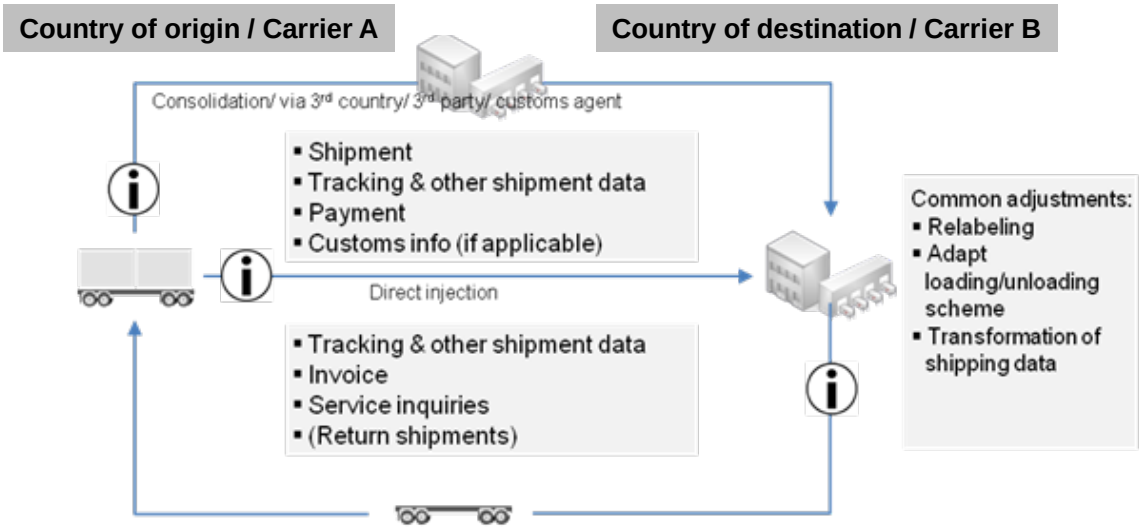
A second option includes the delivery of shipments to parcel shops and / or parcel lockers. These pick-up points can be managed by carriers (usually based on exclusive agreements) or by e-retailers or by an independent third party (e.g. Kiala, in France and the Benelux before being acquired by UPS who rebrands Kiala into UPS Access Points). Additionally, e-retailers with a bricks and mortar store increasingly use these to offer a click & collect option that uses their stores as pick up points (and return channel). A variation is the use of a local courier service to deliver the online purchased goods from the store to the customer (“ship-from-store”).

1.3.5 Cross-border interoperability between parcel carriers

In case of cross-border transactions that require the physical delivery of goods the process becomes more complex, particularly if more than one transporter is involved. Consumers look for convenient, affordable and reliable delivery solutions. To provide this transporters must address the challenges of managing the transport process

between one or more countries. Throughout our study work, interoperability has frequently been brought up by stakeholders as a major issue in cross-border courier, express and parcel (CEP) business. In particular, loose cross-border cooperation/agent arrangements, pose e-retailers and other businesses with challenges in ensuring consistent quality of service, process control and customer services across border

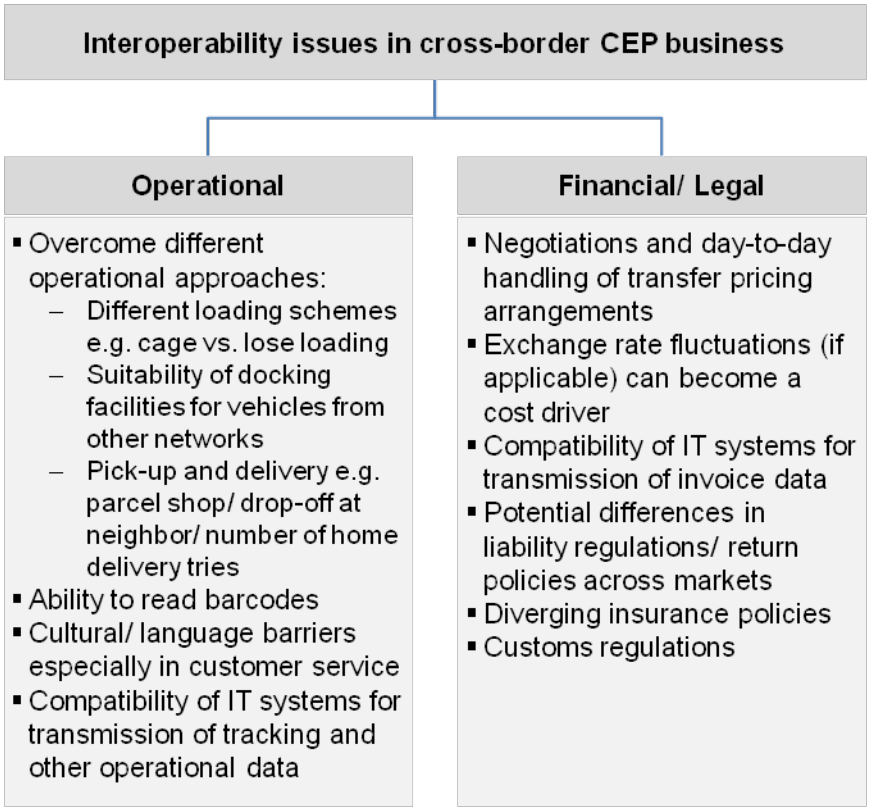
Figure 16 Illustration of cross-border parcel transactions



Source: ITA Consulting

Difficulties can arise related to the compatibility of operational processes and the financial/ legal framework as is summarised in Figure 17 below. A frequent issue encountered is the incompatibility of barcodes used by CEP operators providing access to all relevant shipment information such as consignee/ consignor, address and tracking information. Where the barcode is not readable by a delivery partner, the shipment has to be relabeled in order to ensure the information flow across the transport chain is maintained. Differing labelling and shipment information practices (such as manual vs. automatic processing, scope and detail of recorded information) can lead to shipment delays, data loss and errors in manual data transcription from one system to another. Also, different loading approaches (e.g. loose vs. cage/pallet loading) and transport devices (swap body vs. trailer) can lead to difficulties in docking and shipment processing at partner locations and can lead to time consuming adjustment of processes and facility lay outs.

Figure 17 Interoperability issues in cross-border parcel business



Source: ITA Consulting

Between carriers, differences are found in quality standards (such as punctuality, friendliness, general reliability) that can cause, if not addressed, disruptions in operational process and can negatively impact the consumers experience of the service. Other challenges include differing liability and insurance policies/regulations in case of delayed, damaged, lost shipments. Other interoperability issues include the handling of returns, transfer pricing, cultural/language issues. Thus a clear contractually defined description and accountability for operational agreements and standards is therefore critical for successful, cost effective and manageable interoperability between carriers.

Cross-border cooperation between operators takes different forms usually differentiated by the depth of the cooperation and systems compatibility. In general it can be argued that the delivery quality and efficiency increases with increasing levels of cooperation. Examples of cooperation models are shown below in ascending degrees of cooperation:

- **Direct Injection**: The direct injection or direct entry of shipments in postal and/or other operator networks depending on geographical coverage and compatibility of service levels (“vendor conveyance”). Non-exclusive arrangement.
- **Principal-Agent relationship**: A loose agreement between carriers to mutually/ or one-sidedly delivery shipments for the principal in the relevant country. Usually very limited harmonization of processes and information flow. Mostly non-exclusive.
- **Partnership/Strategic Cooperation**: Usually a contractual relationship governed by service level agreements describing minimum service levels, roles, accountability and responsibilities.
- **Franchise**: Clear system of rules and responsibilities that look to guarantee compatible operations, service and information flows between franchisees.
- **Intercompany**: Transport between two country organizations of the same company. Highly coordinated and integrated to companywide standards of process, information formats and accountability.

Direct injection is often linked to parcel consolidation services. A fulfilment service or a delivery service provider collects shipments from different senders in a central hub or warehouse they manage in the country of origin. They bundle the parcels depending on the country of destination and commissions a transport company to forward the shipments by truck or air to the country of destination where the shipments are handed over to a domestic carrier. In this case cross-border shipments are “transformed" into domestic shipments for delivery by the carrier in the destination country.

2 The EU B2C e-commerce delivery markets

In this and the following sections of chapter 2 we present data and information on the cross-border e-commerce market in Europe (section 2.1), the delivery markets in Europe (section 2.2) and a more detailed description of the national e-commerce and delivery markets and the role of cross-border e-commerce in the selected four countries Germany (section 2.3), Greece (section 2.4), Ireland (section 2.5) and Poland (section 2.6).

2.1 Cross-border e-commerce in Europe

E-commerce Europe estimates that Europe is the world's largest e-commerce market with an estimated turnover of EUR 312 billion in 2012, followed by North America and the Asia-Pacific, with an estimated turnover of EUR 294, respectively EUR 228 billion in 2012.[17] EUR 277 billion or nearly 90% of revenues from e-commerce in Europe come from transactions within the European Union (EU-28).[18] In 2012 the EU B2C e-commerce sales grew by 18%. B2C e-commerce includes online sales of goods and services. E-commerce Europe estimates that in most European countries physical goods requiring delivery services account for 50-65% of e-commerce sales while services account for 35-50%.[19] The European e-commerce landscape varies widely in size and maturity. In 2012, the bulk of the EU e-commerce revenues were generated in the United Kingdom, France and Germany. These three countries represent nearly 70% of the EU-28 market.[20]

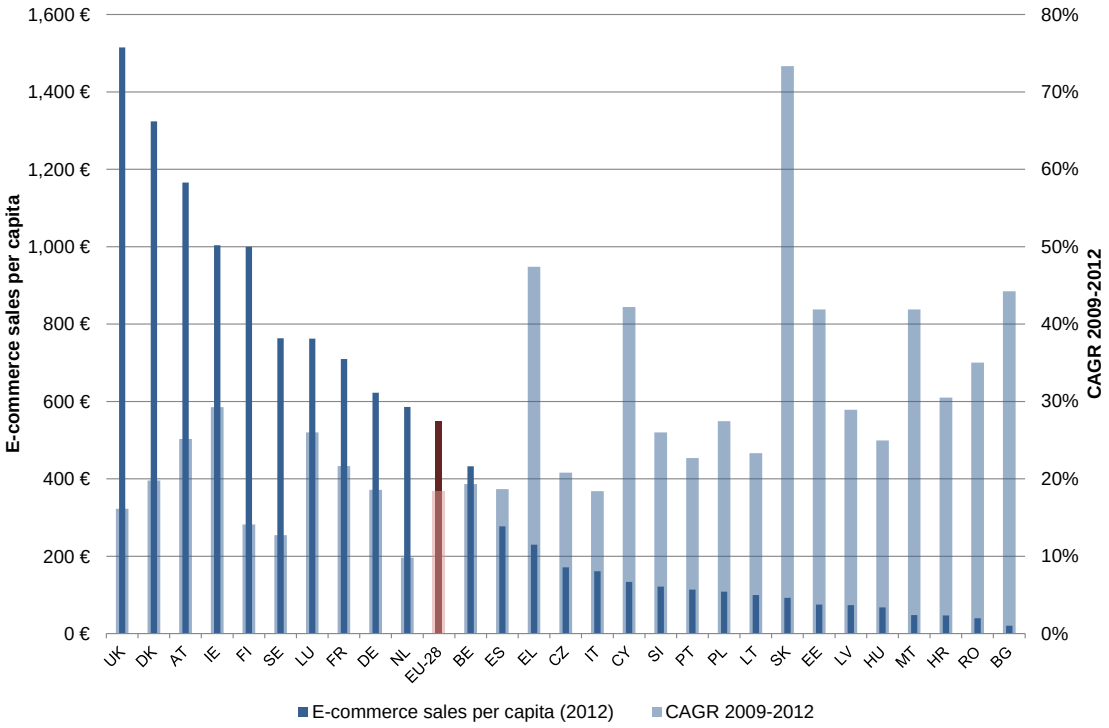
17 See E-commerce Europe (2013), Europe B2C E-commerce Report 2013, p. 17. Other studies come to different estimates, see for example UPS (2013), UPS Pulse of the Online Shopper (Global Study), p. 5. This study reports the highest share in 2012 B2C e-commerce sales for North America (34%), followed by Europe and Asia-Pacific, both with a stake of 31%. The study estimates that Asia-Pacific will overturn North America and Europe in 2013.

18 See E-commerce Europe (2013), Europe B2C E-commerce Report 2013, p. 9.

19 See E-commerce Europe (2013), Europe B2C E-commerce Report 2013, p. 14.

20 See E-commerce Europe (2013), Europe B2C E-commerce Report 2013, p. 9.

Figure 18 B2C e-commerce sales per capita in the EU (2012)



Sources: Based on E-commerce Europe (2013), Europe B2C E-commerce Report 2013, and Eurostat (population statistics).

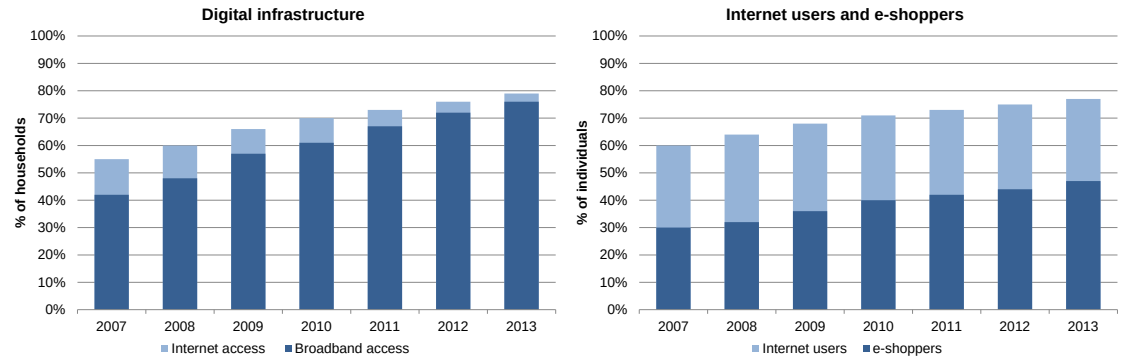
B2C e-commerce sales have grown consistently throughout Europe even during the recession. E-commerce Europe estimates that the e-commerce turnover of products and services had a value of EUR 312 billion in 2012, 19% more than in 2011. Figure 18 presents the B2C e-commerce sales per capita of EU Member States in 2012 and highlights the compound average growth rate (CAGR) between 2009 and 2012.

There are substantial differences in the level of e-commerce sales between the countries. Distance selling was already an established sales channel in most Western and Northern countries before e-commerce emerged as an alternative channel to existing distance selling mechanisms. This partially explains the higher e-commerce sales per capita in countries like the Nordics, France, Germany and the United kingdom when compared to the Southern and Eastern Member States.

This being said the growth rates are slowing in the more mature markets above but the growth rates in e-commerce sales remain high in many Eastern and Southern countries, notably in Greece and Slovakia. Average growth rates of the Western and Northern Member States range between 10% (NL) and 30% (IE) whilst in Eastern and Southern Member States they range from nearly 20% (ES and IT) to more than 40%.

The true size of cross-border B2C e-commerce transactions is presently unknown. Copenhagen Economics highlighted in their report that cross-border e-commerce orders does not necessarily imply cross-border delivery as well as domestic e-commerce orders does not necessarily result in domestic shipments.[21] Large e-retailers as well as facilitators (fulfilment and delivery service providers) with international scope may use warehouses in more than one country in order to gain efficiencies of scale and performance. If a German consumer orders an English-written book in the UK, and if this book is available in the German warehouse of the e-retailer then it is delivered domestically. It is also possible that a German consumer orders an English-written book in a German online shop which is then imported from the UK. For this reason consumers are not usually aware when they order a good online, whether it will be fulfilled from domestic or international sticks. For them the receipt of the goods in a timely manner is all that is important not the structure or mechanics of the stock holding and fulfilment network.

Figure 19 Digital infrastructure and internet usage in EU-28 (2004-2013)



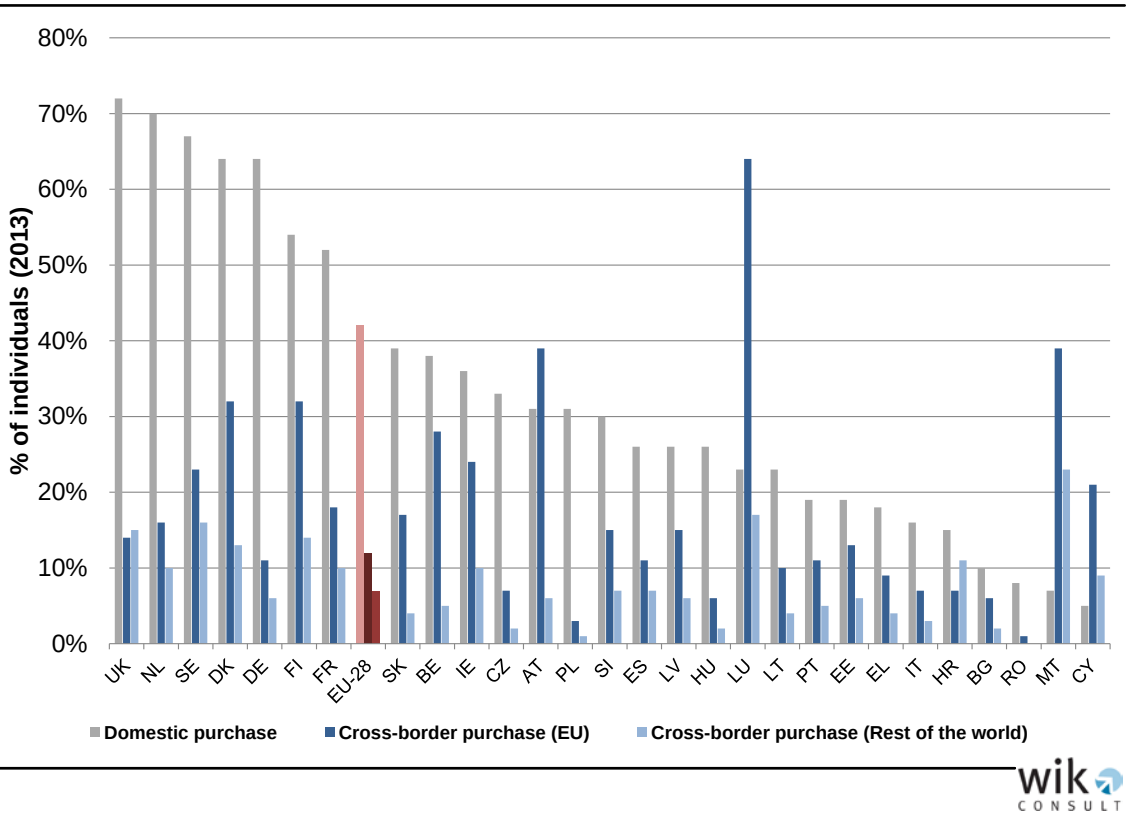
Source: Eurostat

E-commerce growth is driven by a number of key factors. First, the number of e-shoppers is continuously growing (see Figure 19). Second, the number of e-retailers is also increasing. Additionally “pure players” are facing competition from traditional “bricks and mortar” retailers (multi- or omni-channel sales strategy) who are increasingly selling their goods online. In addition to these two core e-retail types producers and brands are using online sales to service consumers directly. This allows them to build direct relationships with consumers, increase their margins and in some cases reduce the cost of products and services. Finally, growth in B2C e-commerce sales is also being fueled by the increasing frequency of purchases and higher spending per transaction by e-shoppers.

21 See Copenhagen Economics (2013), E-commerce and Delivery, p. 36.

With regard to the online purchasing behaviour in terms of national and cross-border sales, Figure 20 confirms the differences across markets in Europe. In the Eastern and Southern European countries e-commerce is comparatively (to the Nordics and the Big 3 countries) underdeveloped and secondly more domestic (exceptions are the Baltic countries and the islands Malta and Cyprus) These are small economies that have limited relative choices of goods and services which makes cross-border e-commerce an attractive way to access items not available in their home market. In contrast, the Nordic countries, Ireland and UK as well as most continental European countries make online purchases in their own country but also significant cross-border purchases also.

Figure 20 Domestic and cross-border online purchase in other countries (2013)



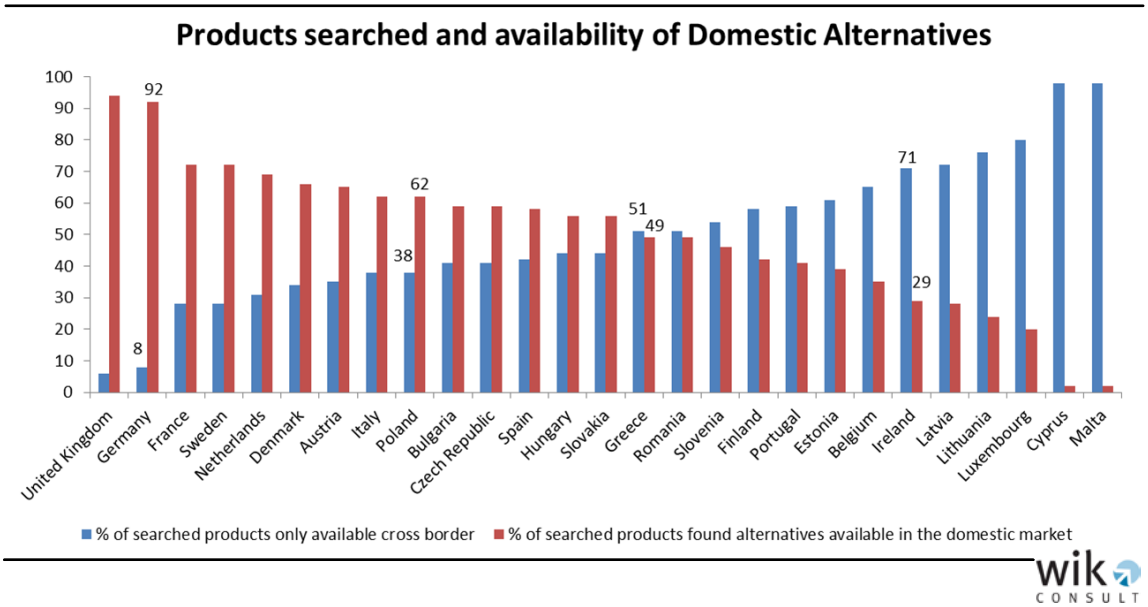
Source: Eurostat (Percentage of individuals who ordered goods or services over the internet from sellers from national sellers and from other EU countries respectively in the last 12 months).

E-commerce activity tend to be higher in countries with low product availability in the home market (i.e. in countries with relatively small product markets). This is impressively confirmed by the examples Luxembourg, Malta, Cyprus and Austria in Figure 20. Moreover, Europeans tend to buy from websites in countries with similar cultural or linguistic ties. Examples include Belgians buying from French or Dutch

websites, Austrians purchasing from German suppliers, or Danish consumers from Swedish websites (and vice versa).[22]

The product availability characteristics of smaller open economies is clearly illustrated in the following diagram.

Figure 21 Products searched and availability of domestic alternatives (2009)



Source: YouGov Psychonomics (2009), Mystery Shopping Evaluation of Cross-Border E-Commerce in the EU.

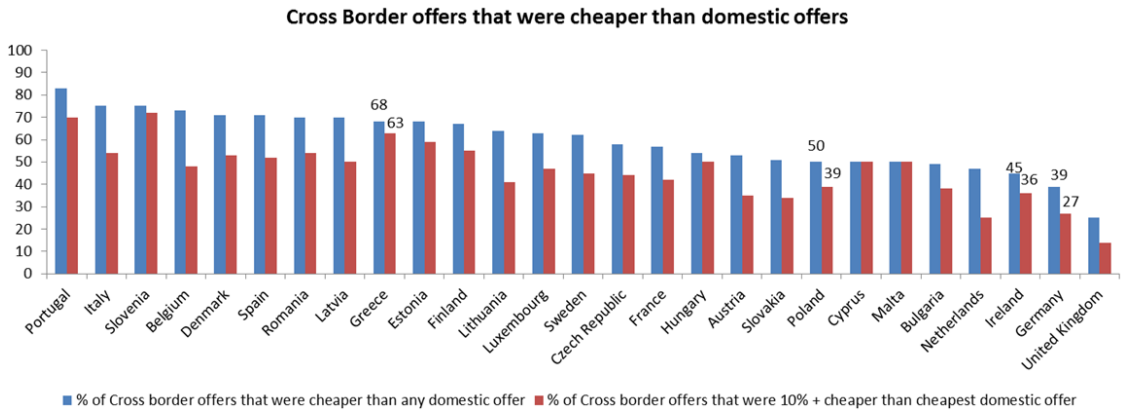
The influence of migration has never been measured in relation to demand for cross-border items from the origin countries of migrants nor has the “market making” role of cross-border e-commerce. This is where online cross-border demand reaches a level where volumes make it attractive for high street retailers to begin to supply such goods with a consequent negative impact on levels of cross-border e-commerce.

Price difference is a key driver of cross-border e-commerce. Significant pricing differences are found using search tools. Use of such search tools involves a lot of effort for consumers as few if any comprehensive cross-border price comparison sites are available. This is due to manufacturer and retailer business models and also due to issues with providing a fully allocated comparison (transport costs, currency conversions, access restrictions, taxes, handling feeds, additional charges, language and returns policies) between different markets.

The following diagram illustrates the differences in prices across the EU markets.

22 See Civic Consulting (2011), Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, p. 35.

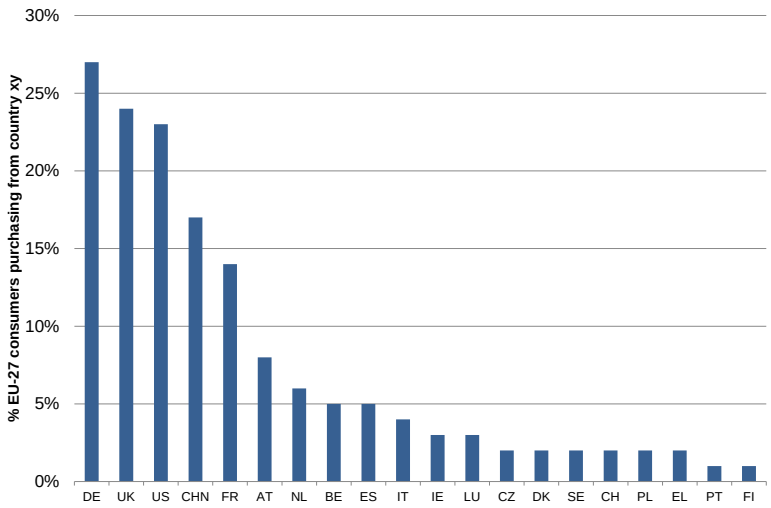
Figure 22 Cross-border offers that were cheaper than domestic offers (2009)



Source: YouGov Psychonomics (2009), Mystery Shopping Evaluation of Cross-Border E-Commerce in the EU.

In only five of the EU-27 were less than 50% of all cross-border products searched found to be less more expensive than the domestic equivalent. This would indicate that greater visibility on these less expensive offers could drive cross-border e-commerce until the pressure on local pricing is such that prices begin to harmonise across the EU and the price incentive is reduced or eliminated.

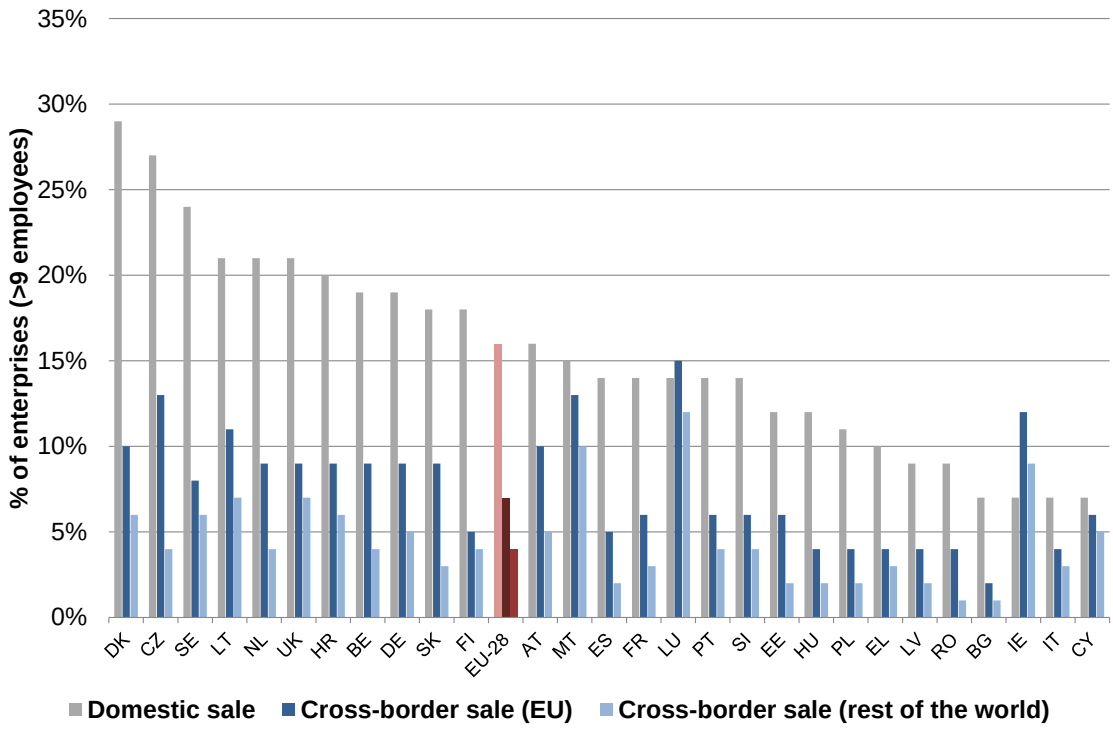
Figure 23 EU-27 consumers purchasing from e-retailers of other EU and non-EU countries (2011)



Source: Based on Civic Consulting (2011), Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, p. 35.

Germany and the UK are the most important European export countries in terms of cross-border online shopping. The United States and China are the most important non-European export countries (see Figure 23).

Figure 24 Enterprises selling online (2013)

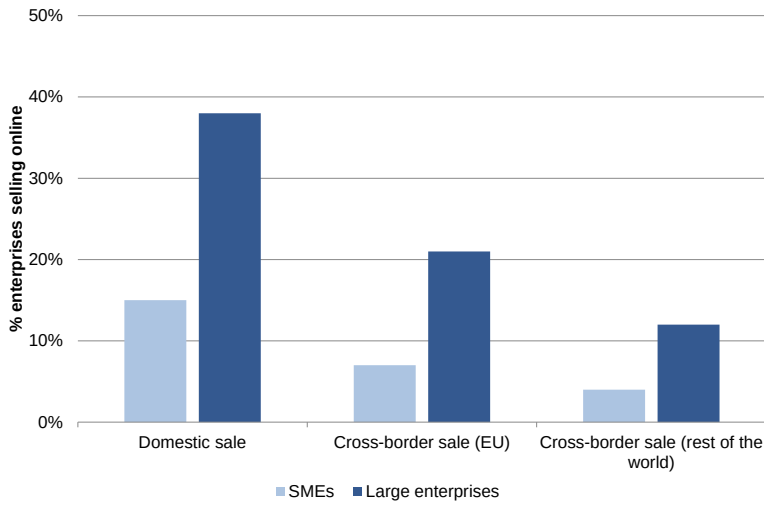


Source: Eurostat, Percentage of enterprises having done electronic sales to the own country, to other EU countries and to the rest of the world in the last calendar year.

Note: DE – 2011 data

The share of enterprises selling online continues to grow slowly. On average 16% of enterprises said that they have done electronic sales domestically in the last calendar year. 7% of the enterprises did so to other EU countries and 4% to the rest of the world. The online activities of enterprises substantially varies among EU Member States. In the group of countries with an share above EU average is dominated by the Western and Northern countries, but in some Eastern countries (CZ, LT, SK and HR) enterprises appear to be very active in online selling. The Southern and many Eastern countries but also France are characterised by relatively low proportions of enterprises selling online.

Figure 25 SMEs and large enterprises selling online (EU-28 average, 2013)

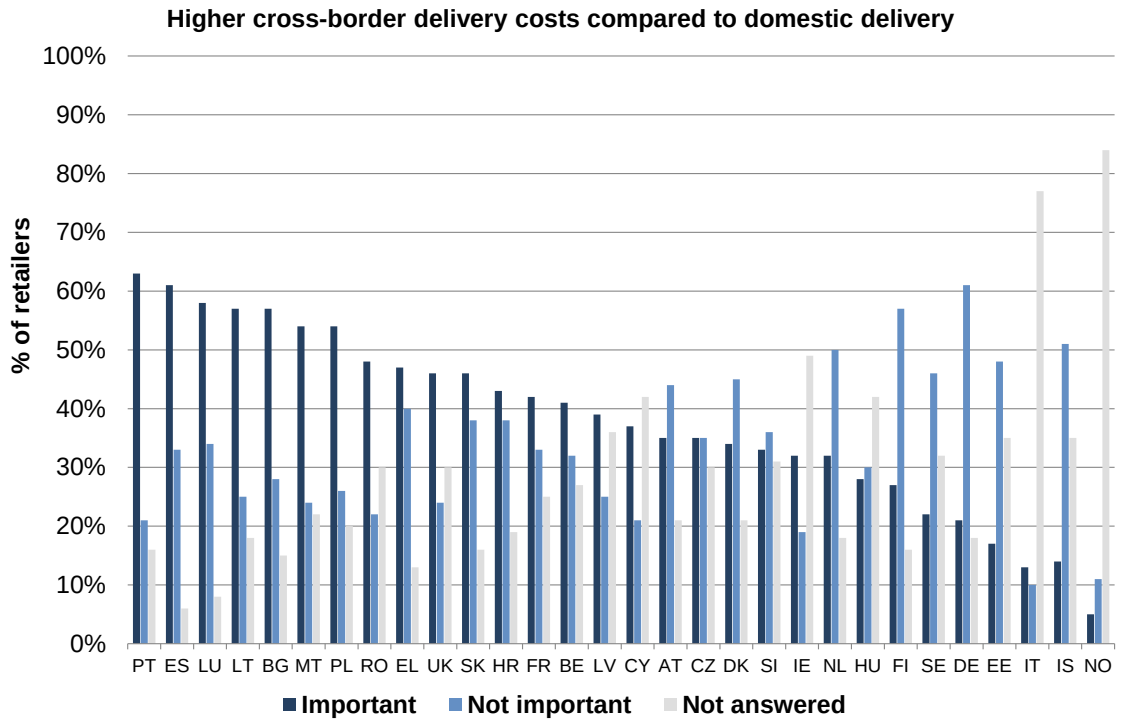


Source: Eurostat

Note: Small and medium-sized companies: 10-249 employees
Large enterprises: >250 employees

Generally, large enterprises with more than 250 employees are more active in on online selling than small- and medium-sized companies (see Figure 25). Nearly 40% (EU-28 average) of the large enterprises sell online domestically but less than 15% of the SMEs do so. It should be noted that these enterprises are also active in the B2C or in the B2B e-commerce segments or both.

Figure 26 Retailers' perception on role of delivery costs in cross-border distance selling



Source: Flash Eurobarometer EB 359, Retailers' attitudes towards cross-border trade and consumer protection, p. 33.

More than one third of e-retailers consider higher costs of cross-border delivery compared to domestic delivery as an obstacle incross-border online trade (Rank 5 among 10 potential obstacles).

2.2 Delivery markets in Europe

The European delivery market is highly fragmented. A key reason for this fragmentation is that few if any transporter has a network that can fulfil all possible delivery options at all possible price points with all possible value-added services to all geographic destinations in Europe and worldwide. It is for this reason that transporter networks cross-contract each in other to offer market competitive capabilities in terms of geographic spread, pricing, weights and transit times. This supplies e-retailers with delivery solutions that generally meet their customers' needs.

In 2011 the European postal sector had a the total size of EUR 91 billion, comprising of letter post and parcel & express services. Parcel and express services account for more than half the revenues generated.[23]

The proportion of cross-border shipments is difficult to estimate for both, letter post and parcels, because of the variety of transport opportunities. The B2C related delivery segment is unknown because it consists of many delivery services including domestic and cross-border letter post, parcel, express and even courier services.

Despite of full liberalization of letter post services (the last wave of market opening took place per January 1st 2013) the European letter post segment (domestic and cross-border) is still dominated by the national postal operators with market shares between 85 and more than 99 percent in the domestic markets.[24] The European parcel & express segment is a more competitive landscape with a wide variety of domestic and cross-border delivery options on offer. The role of national postal operators in this segment depends on their individual strategies and their commercial strategies.

Europe does not lack for choice in transport networks, services or coverage. Domestic and cross-border delivery to consumers is provided by several groups of transport suppliers in Europe:[25]

- The big four international integrators DHL, FedEx, UPS and TNT Express operate on a global scale and have full ownership or, at least, full operational control on all transportation assets, including dedicated air networks. . They also have integrated IT networks for data handling in place that allow for the detailed tracking of shipments domestically and across borders. These integrators are able to provide international end-to-end deliveries within their own network and can provide highly reliable, time definite domestic and cross-border delivery services.
- The second group are the pan-European road-based parcel networks. These are La Poste's subsidiary Geopost (under the DPD branding) and Royal Mail's ground network GLS. Both, DPD and GLS provide domestic as well as cross-border parcel services in most European countries and used to focus on B2B shipments. Unlike the integrators the delivery partners in the respective countries are not necessarily owned by DPD or GLS but are either franchisees or partners by contract. For this reason the various IT networks are not fully integrated among the delivery partners. This leads to disconnects and discontinuities in data and information flows between partners and consequently e-retailers and their customers.
- The third group consists of regional parcel and logistics networks with focus on B2B and B2C delivery launched by some national postal operators. E.g. Posten

23 See WIK-Consult (2013), The main developments in the European postal sector (2010-2013), p. 163.
24 See WIK-Consult (2013), The main developments in the European postal sector (2010-2013).
25 See WIK-Consult (2013), The main developments in the European postal sector (2010-2013).

Logistik (the Swedish parcel and logistics division of PostNord) offers domestic B2C services under the branding 'MyPack' in Denmark, Finland, Norway and Sweden. Other examples are PostNL that offers domestic parcel services in Belgium and the Netherlands (both, B2B and B2C) and Eesti Post that extended its parcel operations to its Baltic neighbours and actively promotes B2C delivery.

- In addition national postal operators organise cross-border mail and parcel services by international agreements (e.g. E-Parcel Group, UPU) in addition to their individual international strategies (if any).
- There are many other transporters in addition to the four integrators and national postal operators that are small and medium-sized parcel, express and courier companies with focus on domestic B2B shipments but increasingly deliver parcels also to consumers. Examples are MRW in Spain, Nightline in Ireland and Siodemka in Poland.
- In large countries with traditional mail order business (before e-commerce started its success story), i.e. in France, Germany and the UK, large mail order companies launched delivery companies with focus on B2C delivery. These are for example Yodel (UK, formerly Home Delivery Network HDN, sister company to Shop Direct Group, formerly Littlewoods), Hermes (Germany, launched by the Otto group), and Mondial Relay (France, launched by 3 Suisses/Otto group). More recently, Amazon cooperates with CollectPlus and launched "Amazon Locker" as additional service to pick up or return parcels and in the UK.[26] In Spain Amazon partnered with Kiala to offer a click & collect solution for Spanish e-retailers.[27]
- Retailers such as Otto via its subsidiary Hermes are building up an international network of B2C delivery and return services in close cooperation with subsidiaries (Hermes UK), sister companies (e.g. Mondial Relay in France) and cooperation partners (national postal operators e.g. PostNL in the Netherlands or other private carriers, e.g. DPD in Poland).
- In some countries competing mail operators (e.g. Unipost in Spain, PIN in Germany, Sandd in the Netherlands and InPost in Poland) have recognised the growth potential of e-commerce driven deliveries and extend their operations to B2C deliveries (at least for light-weight packages).
- Cross-border specialists allied with national postal operators are already well established in cross-border letter post services like Spring, DHL Global Mail and the recently founded joint venture between Swiss Post and La Poste, Asendia. They increasingly focus on cross-border B2C deliveries and provide cross-border delivery and return solutions for parcels.

26 See CEP Research, Amazon delivers in Britain via CollectPlus outlets, 21 August 2012. See also WIK-Consult (2013), Main developments in the European postal market 2010-2013, Case study 3-18.

27 See CEP Research, Amazon delivers to 1,200 UPS Kiala pick-up points in Spain, 21 March 2014.

- Solution providers for cross-border delivery are emerging. Examples are Borderlinx headquartered in Belgium, wnDirect (headquartered in the UK), B2C Europe headquartered in the Netherlands (independent fulfilment service provider and consolidator).
- Intermediaries to better manage the variety of cross-border delivery solutions are for example Metapack, a company with focus on large e-retailers, and start-ups like Goshippo (a German start-up) who facilitates cross-border delivery management for small and medium-sized e-retailers.

This non-exhaustive list highlights the variety of existing suppliers in the European delivery market. Moreover, it illustrates the trend in the European market where large e-retailers are building their own delivery infrastructure. This trend is also now appearing in the United States where WalMart and Amazon are increasingly providing in-house fulfilment services in order to have a more complete control of their entire supply chain, fulfilment processes and financials (revenue and cost).

The selection of domestic or cross-border carrier(s) depends on a bundle of e-retailer requirements (additional to the shipment costs) and are also driven by the needs of the e-retailers' customers.

Table 2 Criteria for B2C delivery solutions

Criteria	Specification
Number of shipments	Impact on shipment costs and carrier's customer service (status as business customer or key account related to options for IT integration between e-retailer and carrier)
Shipment characteristics	Size Weight Value Fragility Temperature sensitivity
Origin country	Domestic Intra-EU Rest of the world
Destination country	Domestic Intra-EU Rest of the world
Urgency of delivery	Deferred / standard parcel delivery (Transit time varies among carriers and depends on the destination country) Express Time-definite Same-day
Tracking	Non-tracked services with/without COD Tracked services with/without COD
Delivery options	Home delivery or delivery to alternative addresses (e.g. workplace) Click & collect: Pick-up points (e-retailer stores, shops and parcel lockers)
Shipment costs	Depends on the specified delivery solution

Table 2 provides a (non-exhaustive) survey on criteria e-retailers have to consider when they look for appropriate delivery solutions. The listed carriers provide only some of the possible delivery solutions. From an e-retailers' view the variety of options combined with the variety of carriers complicates their decision on what delivery options to offer to their customers. This is due to a lack of access to up-to-date, transparent, easily understandable, comparable, and consistent domestic and cross-border delivery and return information to assist in their decision process.

As seen in section 1.3.5 there are different ways to organise the delivery of cross-border shipments. Large e-retailers, fulfilment service providers and consolidators (independent from any carrier or national postal operator) increasingly use direct injection in the country of destination. Transport is organised by trucks across the border and the shipments are then handed over to a carrier or national postal operator for final delivery. For local statistical purposes these shipments are accounted for as domestic shipments. Due to the elimination of customs duties the administrative burden is relatively low for shipments within the European Union. The shipments must be prepared in a way (addressing, labelling, format and weight requirements) so that the local carrier can transport and (potentially) track the parcels within its system.

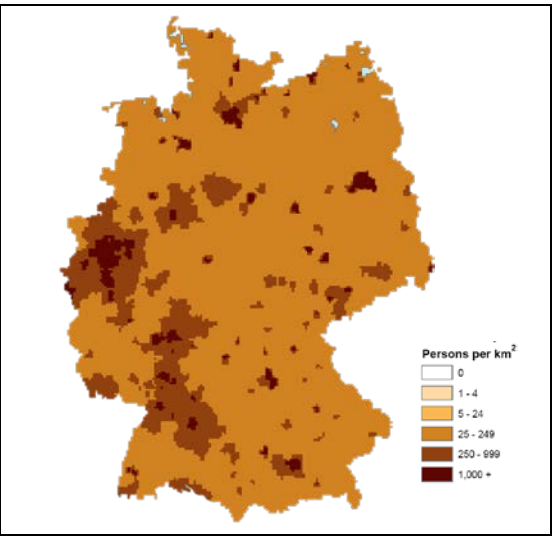
Transporters are increasingly focused on small and medium-sized e-retailers. The now also have to compete with new internationally active fulfilment service providers like Amazon who offer cross-border logistics to SMEs. The competitive landscape will continue to remain fluid for the foreseeable future with new entrants, incumbents and national postal operators battling for market dominance. Such competition is healthy for e-commerce delivery costs where there are multiple offers available. However a market with fewer competitors could be very damaging for the long term growth and competitive capabilities of EU e-retailers.

2.3 Germany

2.3.1 E-commerce in Germany

Table 3 Key facts about Germany

Country size	348,570 km²
Population (2013)	80.5m
Population density (2013)	231 inhabitants per km²
Urbanisation rate (2012)	74%
GDP (market prices, 2013) Real GDP growth rate (2013)	EUR 2,737,600m 0.7%
GDP per capita in PPP (2012) Index	EUR 31,500 123 (EU-28=100)

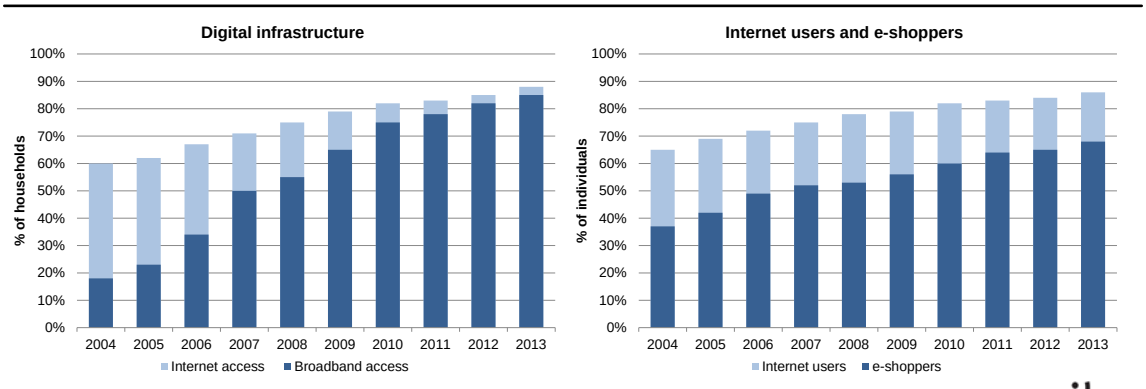


Sources: Eurostat, Worldbank (urbanisation rate)

Notes: GDP – Gross Domestic Product
PPP – Purchasing Power Parity

Germany is the biggest economy in Europe with a population of 80.5 million people. 77% or more than 62 million people use the internet.

Figure 27 Digital infrastructure and internet usage in Germany (2004-2013)

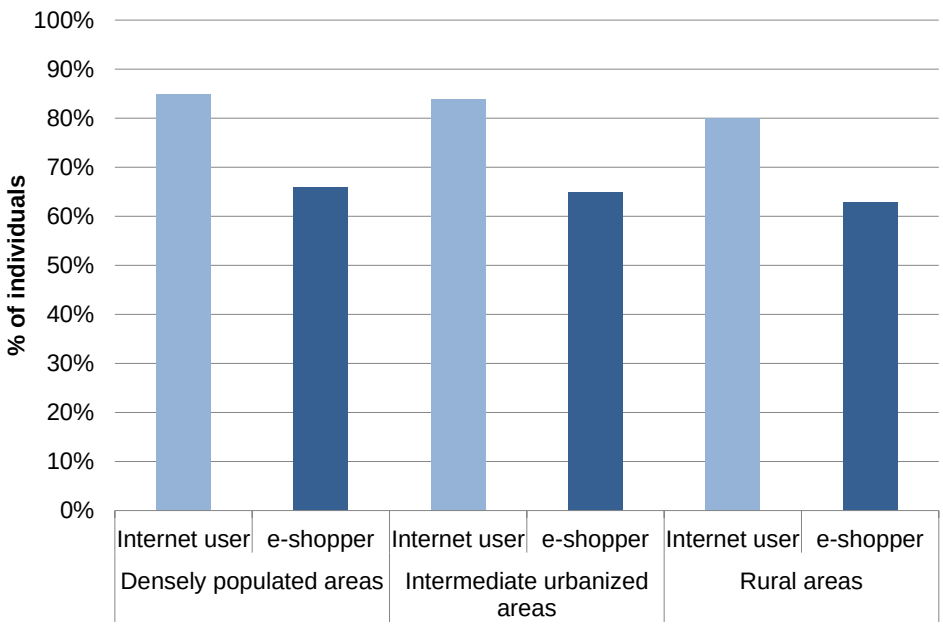


Source: Eurostat

More than 90% of German households have access to the internet; most of them via broadband access (see Figure 27). More than 95% of people aged between 14 and 39 years use the internet. 40% of the over 60 year old demographic are also online.

In Germany online shopping is popular. According to Eurostat nearly 80% of internet users or nearly 55 million people shopped online at least occasionally in 2013. 44% of consumers shopped online once per month and 6% once per week.[28]

Figure 28 Internet users and e-shoppers versus population density in Germany (2012)



Source: Eurostat

Notes: Densely populated area: >500 inhabitants/km²
Intermediate urbanized area: 100-499 inhabitants/km²
Rural area: <100 inhabitants/km²

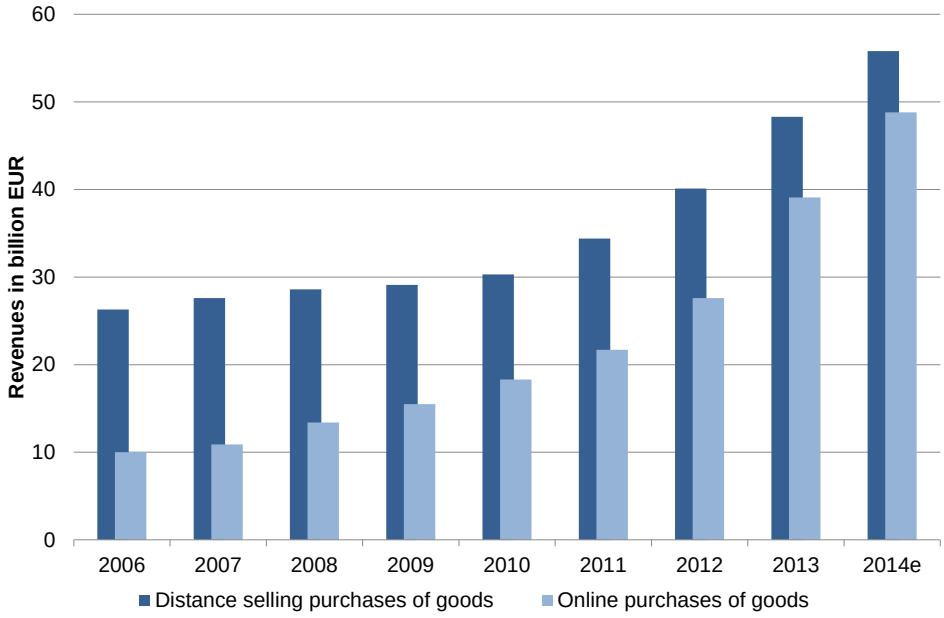
Households living in rural areas purchase online nearly at the same level as households living in urban areas (see Figure 28).

German e-commerce sales are the second highest in Europe. Estimates of the actual size of revenues in distance selling vary across different sources. 2013 estimates range from EUR 33.1 billion (HDE)[29] to EUR 39.1 billion (bevh)[30]. According to bevh total revenues of distance selling of physical goods (including traditional sales channels in

28 See ARD ZDF Onlinestudie 2013, http://www.ard-zdf-onlinestudie.de.
29 See Handelsverband Deutschland (HDE) (2014), Jahrespressekonferenz, p. 13.
30 See bevh (2014), Interaktiver Handel in Deutschland, bvh-Jahrespressekonferenz 2014, p. 3. Bvh changed the methodology in estimating revenues in distance selling. For this reason the 2012 figures are not comparable to the 2013/2014 estimations.

distance selling by post or phone) were higher at EUR 48.3 billion in 2013. Online sales account for more than 80% of total of distance selling. Total online sales (including services and goods) were nearly EUR 50 billion in 2013 according to bevh estimates. Services accounted for 20% and goods for 80% of total online sales.[31] In Germany e-commerce revenues are growing at a double-digit rate each year. For 2014 growth in online sales of goods is expected to continue: HDE estimates online sales will grow to EUR 38.7 billion[32] and the German association for distance sellers and e-retailers bevh even expects EUR 48.8 billion.[33]

Figure 29 Distance selling and online sales in Germany



Source: bevh

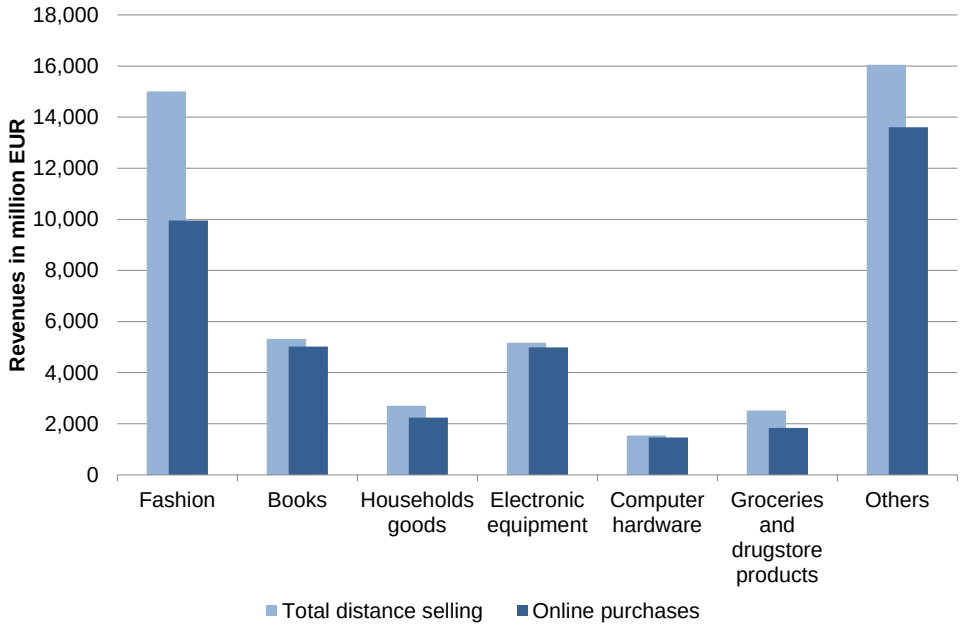
Germany has a long history in the mail ordering or distance selling. Before the Internet goods were mainly offered by catalogues and consumers ordered by post or by phone. Today, the online channel is by far the most important sales channel in distance selling (see Figure 29).

According to bevh , total distance selling accounted for about 11% of total retail sales in 2013.[34] Consumers mainly order long cycle goods (e.g electronic items, clothes, books

31 E-commerce Europe estimated that 2012 online sales in Germany were EUR 50 billion in total, half for services and half for goods (see E-commerce Europe (2013), Central Europe B2C E-commerce Report 2013, light version, p. 25).
32 See Handelsverband Deutschland (HDE) (2014), Jahrespressekonferenz, p. 13.
33 See bvh (2014), Interaktiver Handel in Deutschland, bvh-Jahrespressekonferenz 2014, p. 4.
34 Total retail sales were EUR 433.2 billion in 2013 (HDE (2014), Jahrespressekonferenz, p. 11).

etc.) while purchases of groceries, beverage, cosmetics and products for personal hygiene account fo less than 5% of online sales.[35]

Figure 30 Online shopping vs. goods classes in Germany



Source: Based on bvh (2014), Interaktiver Handel in Deutschland, bvh Jahrespressekonferenz 2014.

Clothes and shoes account for about 25% of total online sales (in goods).[36] Purchases of books amounts to another 12%.

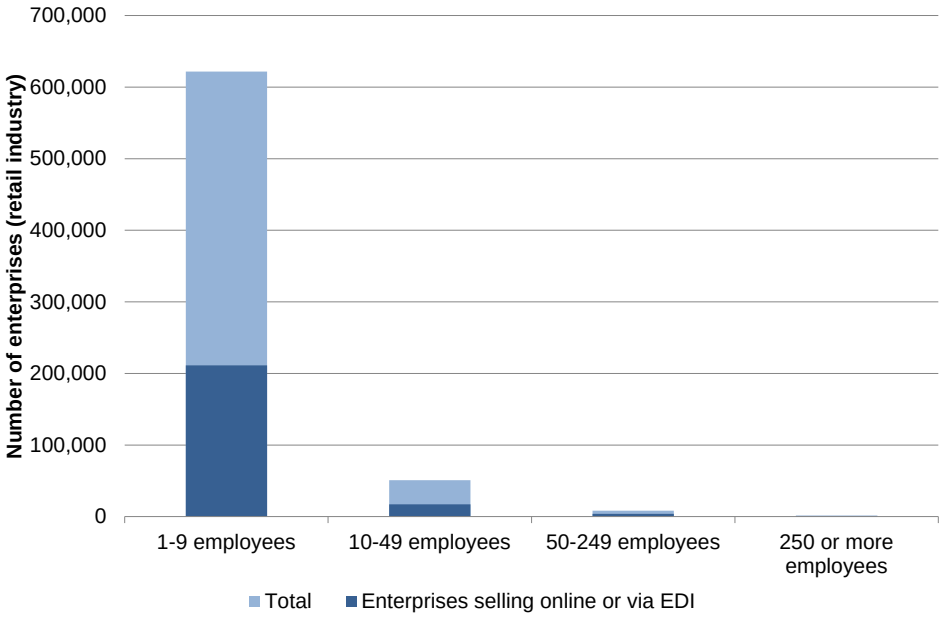
Germans are European leaders in returning goods to e-retailers. Researchers by the University Regensburg estimate that German consumers generate about 300 million return shipments per year.[37] In a survey among e-retailers more than 40% reported to have return rates above 10%. The highest rate has the fashion segment where more than 50% of the fashion e-retailers reported return rates above 25%.[38] Free returns are common practice of many German e-retailers, particularly of the large ones. In the German consumer protection legislation distance sellers have to accept free of charge returns for shipments worth more than EUR 40. Due to the new European Consumer Rights Directive this obligation will be abolished in mid-2014. Small enterprises plan to make the consumer pay for the delivery costs of the return. This is less an issue for medium-sized and large e-retailers.[39] It is expected that the introduction of return

35 See bvh (2014), Interaktiver Handel in Deutschland, bvh-Jahrespressekonferenz 2014, p. 12.
36 See bvh (2014), Interaktiver Handel in Deutschland, bvh-Jahrespressekonferenz 2014, p. 13.
37 See Asdecker (2014), Statistiken Retouren Deutschland - Definition, (http://www.retourenforschung.de/definition_statistiken-retouren-deutschland.html, downloaded 13 February 2014).
38 See Ibi research (2013), Retourenmanagement im Online-Handel – Das Beste daraus machen.
39 See Ibi research (2013), Retourenmanagement im Online-Handel – Das Beste daraus machen, p. 48.

charges will harm the e-retailers due to the impact of new return charges on consumer buying behavior.[40]

The German B2C e-commerce market is highly concentrated. According to EHI figures the TOP 1000 online shops achieved revenues of EUR 29.5 billion in 2012. The three biggest online shops were Amazon, Otto and Zalando. The TOP 10 online shops account for 32% of TOP 1000 revenues, the TOP 100 even for 63%.[41] The most important online market places are Amazon and eBbay. The total number of German online shops is unknown. Experts estimate there to be multiple hundreds of thousands of online shops in Germany, mostly small and medium-sized enterprises.[42]

Figure 31 Retail and wholesale industry: SMEs and large enterprises selling online in Germany (2012)



Source: WIK-Consult based on Destatis (2013), Unternehmen und Arbeitsstätten, Nutzung von Informations- und Kommunikations-technologien in Unternehmen, p. 20 and Destatis, Unternehmensregister, https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/UnternehmenHandwerk/Unternehmensregister/Tabellen/UnternehmenBeschaeftigteUmsatzWZ08.html, download 20 March 2014.

The proportion of small and medium-sized enterprises selling online is smaller than that of large enterprises. In the German retail and wholesale industry 35% or about 240,000 enterprises sell goods or services online or via electronic data exchange (EDI): 34% of

40 See ECC (2013), Online-Shopper: Retouren am liebsten kostenfrei, press release 8 August 2013.
41 See EHI Retail Institute / Statista (2013), E-commerce Deutschland 2013.
42 See Groß, Olaf (2010), E-commerce in Deutschland: Rund 400,000 Unternehmen sind aktiv, http://www.shopbetreiber-blog.de/2010/03/10/e-commerce-in-deutschland-rund-400000-unternehmen-sind-aktiv/.

very small enterprises with less than 10 employees and of small enterprises (10-49 employees), 48% of medium-sized retail enterprises (50-249 employees) and 69% of large enterprises (more than 250 employees).[43] These enterprises service B2C ,B2B or both e-commerce segments. More than 200,000 retail enterprises selling online or via EDI are very small enterprises with less than 10 employees.

2.3.2 Delivery markets

The German delivery market including mail and parcel services was estimated at EUR 26.4 billion for 2012; the courier, express and parcel (CEP) segment accounted for EUR 11.4 billion and letter post for EUR 8.7 billion. Around 16.7 billion letter post items and about 2.4 billion parcels were transported in Germany in 2012. While the letter post segment is still dominated by Deutsche Post (89% in terms of revenues and volume), the CEP market is more competitive. The TOP 8 transporters of the CEP segment service 70% of the total market. The most important carriers are Deutsche Post (around 30% market share) followed by Hermes, DPD, GLS Germany, TNT Express, trans-o-flex and UPS Germany.[44]

E-commerce is driving growth in the B2C delivery market . Delivery of goods ordered online by consumers includes several delivery market segments. Goods ordered online vary in size, weight, value and as such require different delivery solutions such as mail, parcel, express or courier services . Mail operators (including Deutsche Post) deliver lightweight packets to consumers. However, information on the proportion of B2C e-commerce deliveries on total letter post is not available. A substantial proportion the B2C shipments are delivered by parcel carriers. The German association BIEK estimates that half of parcel revenues, in total EUR 8 billion, account for B2C shipments in 2012.[45]

In 2012 the average price for standard parcel services was around EUR 3.20 with an upward trend. The average price for domestic express shipments was about EUR 9.40.[46] Both, shipping costs for express and for courier services are under pressure as next-day delivery of parcels becomes more and more a standard service offer. Carriers are also under price pressure from traditional competitors and new entrants such as large customers like Amazon.[47]

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43 See Destatis (2013), Unternehmen und Arbeitsstätten, Nutzung von Informations- und Kommunikations-technologien in Unternehmen, p. 20 and Destatis, Unternehmensregister (2011), https://www.destatis.de/DE/ZahlenFakten/GesamtwirtschaftUmwelt/UnternehmenHandwerk/Unternehmensregister/Tabellen/UnternehmenBeschaeftigteUmsatzWZ08.html, download 20 March 2014.

44 See Bundesnetzagentur (2014), Tätigkeitsbericht Post 2012/2013.

45 See BIEK (2013), KEP-Studie 2013: Die Kurier- Express- und Paketbranche in Deutschland -Motor für Wirtschaftswachstum und Beschäftigung, p.8.

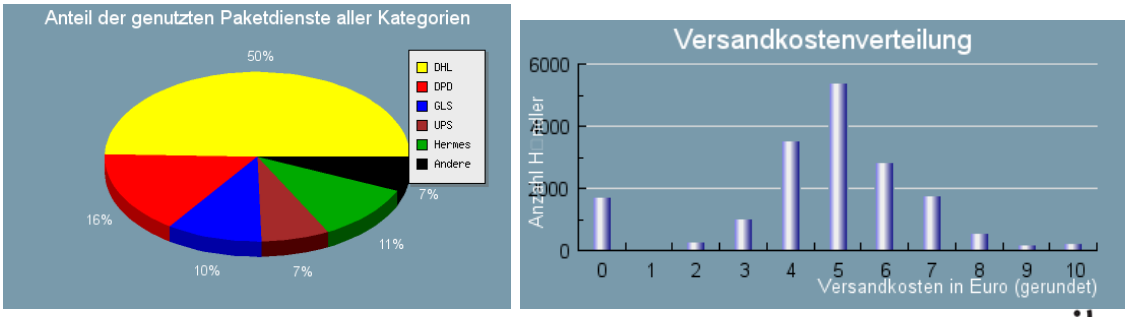
46 See WIK (2013), Postmarkterhebung 2013 - Nicht lizenzpflichtige Postdienstleistungen und postnahe Beförderungsleistungen, p.10-12.

47 See CEP-Research, Exclusive Briefing by Paul Needham: German parcel firms look to B2C future, 28 February 2014.

Shipment costs charged for transport and the price charged to consumers by e-retailers are often different. This is because e-retailers can manage how they pass on shipping costs to consumers. There are three options for e-retailers when dealing with shipment costs: (1) delivery is free of charge, (2) delivery is free of charge if the cart value exceeds a certain threshold, (3) the e-retailer always charges shipment costs (that may be higher than the actually cost to the e-retailer). Additionally, large e-retailers (e.g. Otto, Tchibo, Conrad and Baur) offer their customers an annual flat rate for shipping costs (e.g. Amazon Prime) which may be linked to or include other value-added services (e.g. guaranteed next-day delivery).[48]

A German web portal that provides information on shipping costs charged by e-retailers (mainly small & medium-sized e-retailers) publishes statistics on the level of shipments costs charged by e-retailers and which carriers they use for delivery.

Figure 32 Preferred carriers and shipping costs charged by German e-retailers



Source: www.versandkosten.info (27 March 2014), n=7,918

The majority of the e-retailers charge shipment costs below EUR 6, and a substantial proportion of e-retailers deliver goods free of charge. The diagram does not show the proportion of e-retailers that offer free shipping with a cart value threshold which is the option that is popular with many e-retailers.

The next table provides a selected list of services provided by major German parcel, express and courier companies.

48 See n-tv, Der Lockruf der Online-Shops – Ein Jahr ohne Versandkosten, 7 June 2010 (http://www.n-tv.de/ratgeber/Der-Lockruf-der-Online-Shops-article909709.html, download 17 March 2014).

Table 4 Important carriers in German B2C delivery market

Name of supplier	Service description
Deutsche Post DHL	• Parcel & express carrier (domestic and cross-border delivery solutions) • Services: o Letter post services ▪ Maxibrief (large letters up to 2kg), D+1 ▪ Warensendung (for merchandise up to 500g), D+4 ▪ Büchersendung (for books up to 1kg), D+4 ▪ Einschreiben (registered letters up to 2kg), D+1 ▪ DHL Päckchen (packets up to 2kg), D+1 o Parcel services ▪ DHL Paket (parcels up to 31.5 kg), D+1 ▪ DHL Maxitransport / Sperrgut (for bulky freight, up to 31.5 kg) o Express services: DHL Express Brief (up to 2kg) and DHL Express Paket (up to 31.5kg), D+1 (time definite: pre 9:00, 10:00 or 12:00) • Delivery options: o Home delivery o Delivery at the workplace o Parcel shops (~13,500) o Parcel lockers (~2,500 “Packstation”) o Parcel delivery boxes (pilot) • Service elements: o Tracking for registered letters, deferred parcels and bulky items and all express and same day services o Insurance up to 25€ for registered letters and up to 500€ for deferred parcels, bulky items and all time definite and same day products; option for higher insurance (2,500€ or 25,000€) o Online labelling: Lower tariffs for packets and parcels with online labels o One delivery attempt (parcel services if home delivery), if failed pick up at the next parcel shop • Special services for business customers: o IT interface for business customers with at least 300 shipments per year o MyDHL: Online platform for small & medium-sized business customers
Hermes	• Parcel carrier (national and international delivery services) • Owned by the leading German mail order and e-commerce company Otto • Services: o Parcel services: ▪ Päckchen (small packets up to 25 kg), D+2 ▪ Paket (parcels up to 31.5 kg), D+2 ▪ Sperrgut (for bulky items up to 31,5 kg) ▪ Gepäck und Fahrrad (for luggage or bicycles up to 31,5kg) • Delivery options: o Home delivery o Delivery at workplace, o Parcel shops (~14,000) • Service elements: o Tracking & tracing (without extra charge) o Insurance (without extra charge) 50€ for packets, 500€ for parcels and 1,000€ for delivery of luggage or bicycles o Online labelling: Lower tariffs for packets and parcels with online labels o Up to four delivery attempts (home delivery)

Name of supplier	Service description
	• Special services for business customers: o IT interface for business customers with at least 300 items p.a. o Individual shipping solutions (e.g. delivery time window) for mail order companies and e-retailers with more than 25,000 items p.a.
DPD	• Parcel & express carrier (national and international delivery services) • Owned by Geopost/La Poste • Services: o Letter post services: DPD Mail (documents up to 2 kg), D+2/3 o Parcel services: DPD Classic (parcels up to 31.5 kg), D+1/2 o Express services: DPD Express (up to 31.5kg) D+1 (time definite: pre 8:30, 10:00, 12:00 or 18:00) o Courier services: via Tiramizoo o Special transport services, e.g. wine logistics • Delivery options: o Home delivery, o Delivery at workplace, o Parcel shops (~5.000) o DPD Predict: Individual determination of delivery day and delivery time window (1-3 hours) for receivers • Service elements: o Tracking & tracing of parcel and express shipments (without extra charge) o Insurance (without extra charge) 520€ for parcel and express shipments o Online labelling for parcels (DPD Classic), rebates for online payment/labelling o Up to three delivery attempts • Special services for business customers: o MyDPD: Online platform for small & medium business customers
GLS	• Parcel & express carrier (national and international delivery services) • Owned by Royal Mail • Services: o Parcel services: o GLS Business Small Parcel (small packages up to 2kg), D+1 o GLS Business Parcel (parcels up to 40kg), D+1 o Express services: GLS Express (shipments up to 40kg), D+1, before 12:00 noon, or time definite (pre 8:00, 9:00 or 10:00) • Delivery options: o Home delivery o Delivery at workplace, o Parcel shop (~5.000) o FlexDelivery: Individual determination of date and point of delivery • Service elements: o Tracking & tracing (without extra charge) o Insurance (without extra charge) up to 750€ for parcel and express shipments o Online labelling for parcels (GLS Paket), no rebates o Two delivery attempts to businesses o One delivery attempt to consumers, if failed delivery to the next GLS parcel shop

Name of supplier	Service description
	• Special services for business customers: o Uni-Connect: Interfacing with GLS IT systems for customers with at least 30 parcels per day o Uni-Box: Fully automatic data communication with GLS for customers with at least 100 parcels per day o Uni-Ship: Independent dispatch preparation for customers with at least 200 parcels per day
UPS	• Independent parcel & express carrier (national and international delivery services) • Services: o Parcel services: UPS Standard (parcels up to 70kg), D+1/2 o Express service: UPS Express (parcels up to 70kg), D+1 before 12:00 noon, or time definite (pre 9:00 or 10:30) • Delivery options: o Home delivery, o Parcel shops (under construction, 4,500 UPS parcel shops in Germany planned) • Service elements: o Tracking & tracing (without extra charge) o One delivery attempt for consumers in some areas (if failed pick up at the next UPS parcel shop) o Money-back guarantee for express services

Sources: Company websites

In the more mature e-commerce markets like the UK and Germany same-day delivery becomes more and more an issue. Same-day delivery is considered as premium service and usually not offered free of charge for the e-shopper. To deliver an online order the same day requires that the stock is located within a practical distance from the consumer. The “ship-from-store” option (e.g. for urgently needed, high value goods or groceries) is emerging as a key strategy for adding same day delivery capabilities by retailers. However, the price of same day delivery is a disincentive for German consumers as has been shown by German survey results.[49] Table 5 shows same-day delivery services that have emerged in the German delivery market since 2010.

49 See Ibi Research (2014), Erfolgsfaktor Versandabwicklung [Success factor delivery management]. Only one quarter of the respondents would be willing to pay for this extra service.

Table 5 Carriers for same-day delivery in the German B2C delivery market

Name of supplier	Service description
DHL Deutsche Post	DHL Kurier: “Wunschzeit” (D+1, evening delivery), “Taggleich” (same day, evening delivery), “Direkt” (collection within 60-90 minutes, delivery by courier)
Tiramizoo	• Service provider for same-day delivery that cooperates with local courier companies (local delivery service in 18 cities) • Offered services: o Express service: Express delivery (documents and parcels up to 40kg), evening delivery or D+1 with time-window (2 hours) o Same-day delivery service (items up to 40kg) • Service characteristics: o Special service offer for stores and web shops o same-day delivery or time definite delivery o Tracking for all express and same-day services o Insurance up to 500€ for transport services; option for higher insurance (1.000€ or 10.000€) o IT interface for all customers
MyLorry	• Service provider for local delivery services (start-up that cooperates with local delivery services in four cities: Berlin, München, Hamburg and Düsseldorf) • Services: o Same-day and time definite delivery o Transport of bulky shipments o Temperature-controlled shipments • Service characteristics: o Live-tracking via GPS for all services o MyLorry app for direct contact to the next driver o Insurance up to EUR 2,000 for all transport services
myTaxi Delivery	• Same-day delivery Service by taxi via online marketplace • Delivery of urgent and perishable goods by taxi • Intra-city transport • shipping option for e-retailers and local retailers

Sources: Company websites

In addition to the parcel, express and courier carriers shown in the table above, there are a a wide range of service providers that act as facilitators for the management of parcel, express or courier (same-day delivery) services. The following table lists some examples.

Table 6 Selected parcel brokers and intermediaries in Germany

Name of supplier	Service description
LetMeShip	• Independent provider of a web-based delivery management solution for national and international parcel and express shipments (focus B2B shipments) • Services: o Compares services and prices of co-operating parcel and express carriers o Senders can book the desired service directly via the online platform o Discounts for regular senders (depending on their shipping profile) o Electronic tracking of all bookings o Bundled invoice (monthly) o One contact person to handle complaints and problems in the delivery process
Packlink	• Online platform for processing shipments • National and international shipping • Compares services and prices of various parcel and express carriers • Senders can book the desired service directly via the online platform • Discounts (up to 70 percent) are granted • Electronic tracking for all bookings • Bundled invoice by the parcel broker one contact person
Sendeasy	• Shipping portal for business customers for all types of shipments (packages, pallets, bulk) • Subsidiary of Neopost • National and international shipping • Compares services and prices of various parcel and express carriers (e.g. GLS, Hermes, UPS and FedEx) • Senders can book the desired service directly via the online platform • Discounts (up to 70 percent) are granted • Electronic tracking for all bookings • Bundled invoice by the parcel broker one contact person • Processing of returns possible
shipcloud	• Delivery management platform (cloud solution) • Domestic and cross-border parcel & express services • Simple and consistent interface (RESTful API) to all major shipping providers, that senders can integrate the solution easily into their shipping processes and their shop software • Integrated carriers: DHL, Hermes, GLS, DPD, DPD iloxx and UPS • Bundled invoice and one contact person to handle complaints and problems in the delivery process
Metapack	• Delivery management platform

Sources: Company websites

Some German (e-)retailers have decided to developed their own delivery solutions.[50] They offer click & collect services to consumers who order goods online and use their

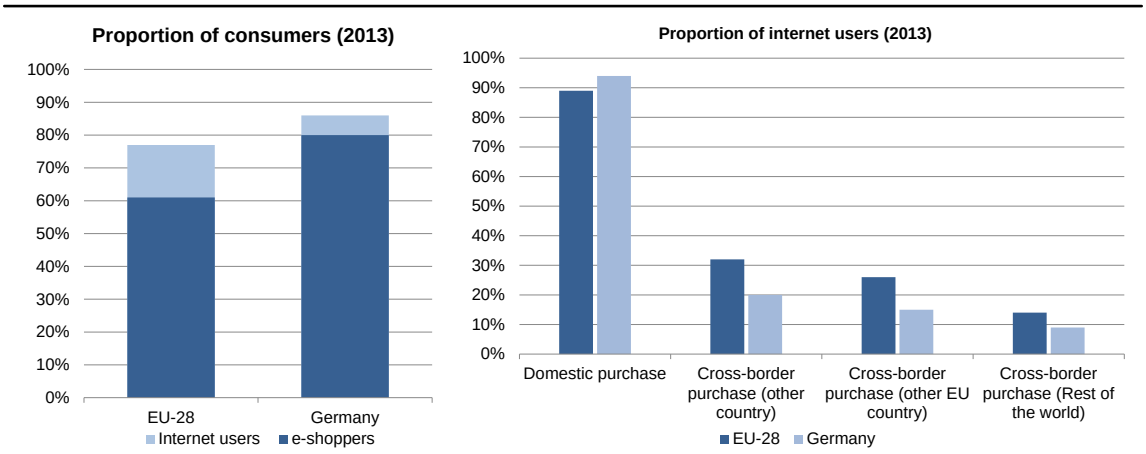
50 See EHI Retail Institute / Fraunhofer IML (2014), Handelslogistik 2014 – Multichannel-Logistik im Blick.

stores as pick up points, for examples Saturn[51] and Media Markt[52], both multi-channel retailers for electronic articles.

The German B2C delivery market is well-developed with a broad variety of delivery solutions at cost-based prices. All carriers offer tracked and insured standard services for deferred, time-definite and, some, even for same-day delivery shipments. Tracking and basic insurance (usually up to 500 EUR) is part of the standard service and offered free of charge. Delivery options include home delivery and a high variety of click & collect solutions managed by carriers and/or e-retailers are also found in the market. Innovative service providers have also emerged. These focus on small and medium-sized e-retailers that facilitate delivery management especially in a multi-carrier environments and allow SMEs to access lower-priced delivery services.

2.3.3 Relevance of cross-border sales and shipments

Figure 33 German consumers purchasing online (2013)



Source: Eurostat

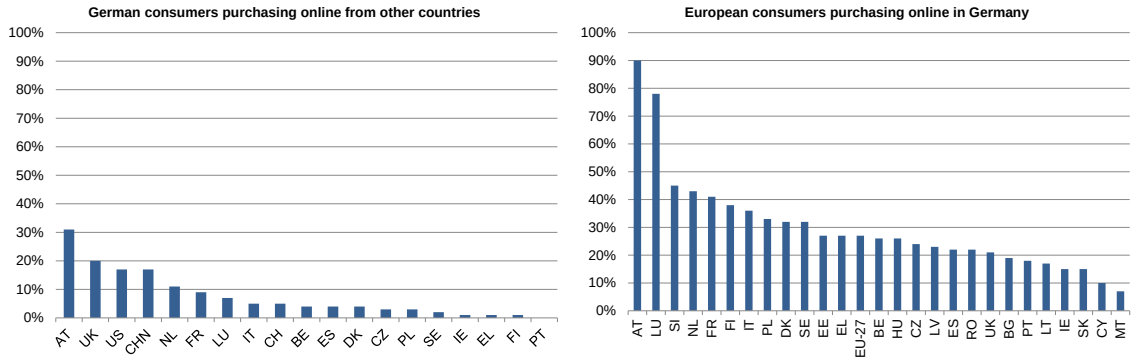
The proportion of German consumers buying online from other EU and non-EU countries is lower than the EU-28 average but has increased steadily in recent years. Many German consumers are still reluctant or see no need to make cross-border purchases. b A key reason is that many products are already available in the domestic German retail market: 92% of searched products were available on a German website

51 See http://www.saturn.de/?langId=-3.
52 See http://www.mediamarkt.de/?langId=-3.

while 8% were only available cross-border[53] and less than one third of cross-border offers found were more than 10% cheaper than domestic offers.[54]

Germany is a B2Cexport country much more than an import country because of the well provisioned and price competitive domestic retail market in terms of the "B2C e-commerce" trade balance the OC&C estimates that there is a German surplus of EUR 35 million in 2013, mainly accounted for by fashion items.[55]

Figure 34 Consumer preferences: Import and export relations for Germany (2011)



Source: Based on Civic Consulting (2011), Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, p. 35

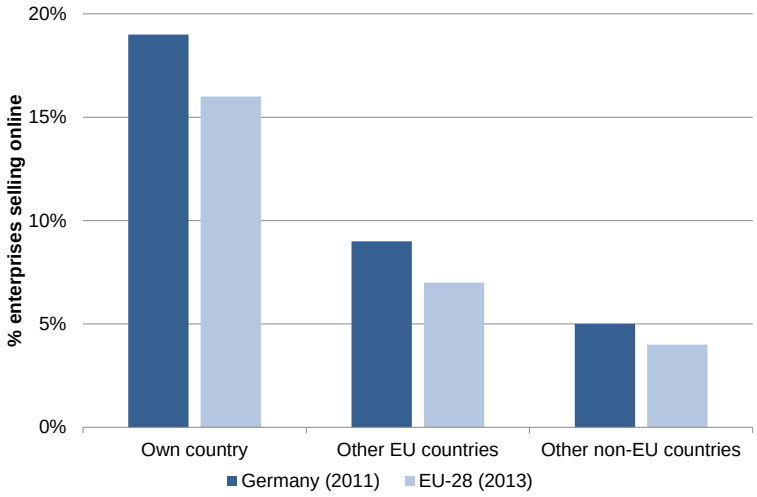
In Germany, there is little specific research done on cross-border e-commerce. However, it appears that the cross-border segment is a likely focus for established online stores seeking non domestic growth opportunities.

53 See YouGov Psychonomics (2009), Mystery Shopping Evaluation of Cross-Border E-Commerce in the EU. See also Figure 35 in section 2.2.

54 See YouGov Psychonomics (2009), Mystery Shopping Evaluation of Cross-Border E-Commerce in the EU. See also Figure 22 in section 2.2.

55 See OC&C (2014), The Global Retail e-mpire, p. 5.

Figure 35 German enterprises selling online abroad (2011)



Source: Eurostat

The proportion of German enterprises selling online to other countries is higher than the EU average (see Figure 35). A survey among the members of the German distance selling association "bevh" showed that nearly two thirds of the 150 respondents are actively sell online in other countries.[56] The most popular countries are German-speaking countries such as Austria and Switzerland, followed by near neighbor countries such as France, Belgium, the Netherlands and the UK. Some enterprises are active in the Nordic countries, Poland, Spain and Italy.[57]

Another survey looked at cross-border online selling by German e-retailers in early 2012. This showed that more than 50% of the 270 respondents are active with own websites in other countries and an additional 25% said they accept online orders from outside Germany.[58] The five most important reasons given for not selling abroad were (1) legal uncertainty (66%), (2) language problems in customer service (40%), (3) uncertainty in the handling of payments (39%), (4) complex handling of shipments (35%), (5) difficulties to file a claim (34%).[59]

56 The members of the association represent the upper tier of e-retailers and distance sellers in terms of revenues. More than 370 companies (i.a. distance sellers (online and by catalogue), pure e-retailers, eBay power sellers) are member of the association accounting for about EUR 25 billion B2C revenue according to bvh figures.

57 See bvh / Deutsche Post (2014), Aktuelle Ergebnisse der bvh-Händlerstudie zum Thema Retouren, p. 11.

58 See Ibi research (2012), Geschäfte ohne Grenzen E-Commerce international 2012, p. 10.

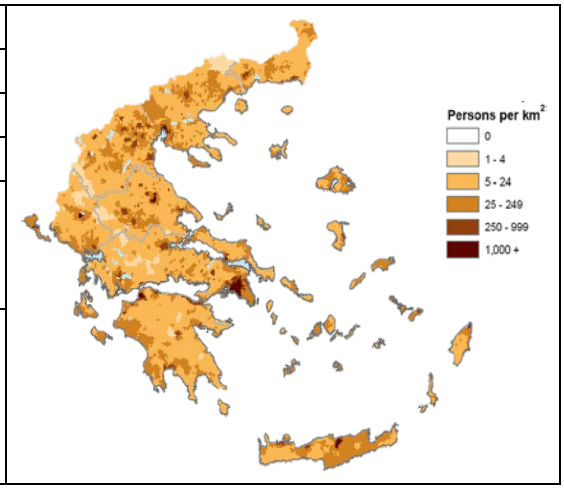
59 See Ibi research (2012), Geschäfte ohne Grenzen E-Commerce international 2012, p. 12.

2.4 Greece

2.4.1 E-commerce in Greece

Table 7 Key facts about Greece

Country size	131.957km²
Population (2013)	11.062m
Population density (2013)	84 inhabitants per km²
Urbanisation rate (2012)	62%
GDP (2013) Real GDP growth rate (2013)	EUR 182,054m -3.9%
GDP per capita in PPP (2012) Index	EUR 19,500 75 (EU-28=100)

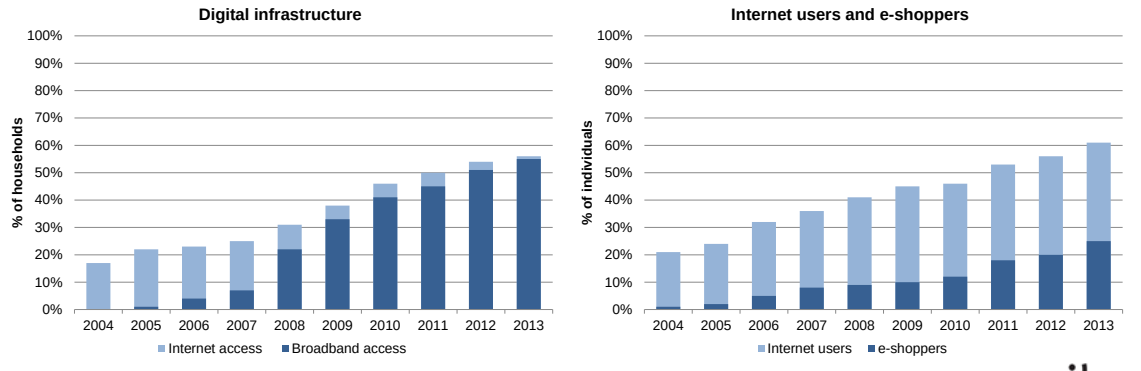


Sources: Eurostat, Worldbank (urbanisation rate)

Notes: GDP – Gross Domestic Product
PPP – Purchasing Power Parity

Greece is a medium-sized economy with a population of 11 million people. Following the financial crisis in 2008 and the ongoing debt crisis of the Greek state the Greek economy (gross domestic product) shrank by more than 20% since 2008. 61% or more than 6.7 million people use the internet. Around 2.2 million people or one third of internet users shop online at least occasionally.[60]

Figure 36 Digital infrastructure and internet usage in Greece (2004-2013)

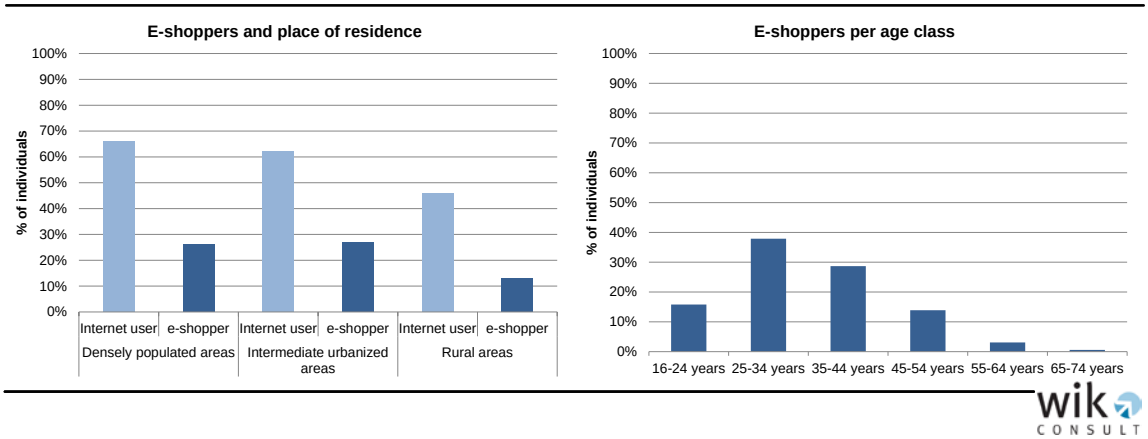


Source: Eurostat

60 Based on Eurostat.

The proportion of consumers purchasing online is growing in Greece. Between 2008 and 2013 the proportion of internet users shopping online more than doubled from less 10% to more than 20% (see Figure 36). The proportion of internet users who have never shopped online fell from 71% in 2010 to 62% in 2012.[61]

Figure 37 Internet users and e-shoppers versus population density and age class in Greece (2012)



Source: Eurostat (place of residence), EL.STAT (age classes)

Notes: Densely populated area: >500 inhabitants/km²
Intermediate urbanized area: 100-499 inhabitants/km²
Rural area: <100 inhabitants/km²

The proportion of e-shoppers living in densely or intermediate urbanized areas is more than double of those living in rural areas (see Figure 37). Younger people (24 to 44 years old) are more active in online shopping than people over 45 years old.

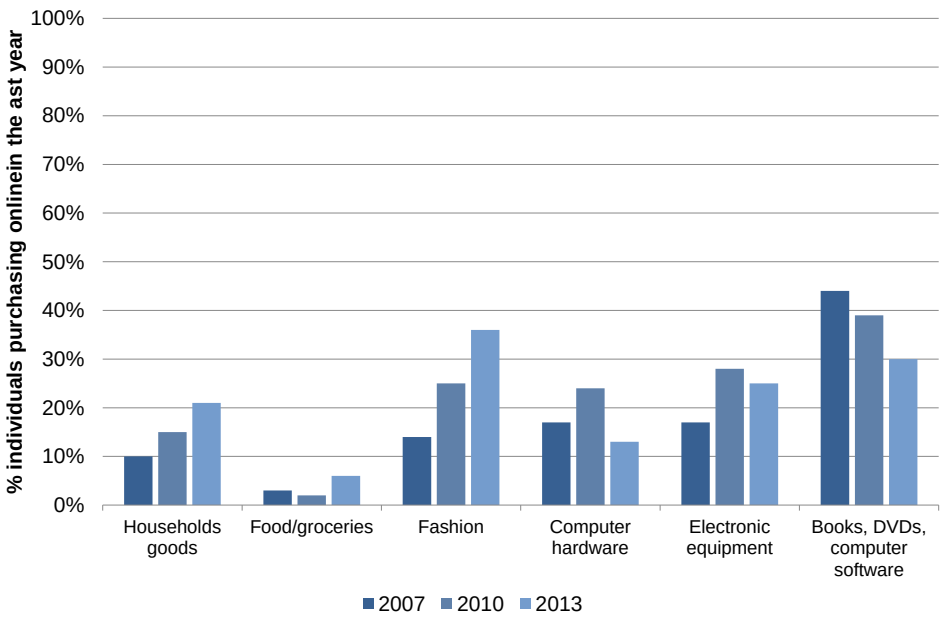
Despite the ongoing economic recession e-commerce sales are growing. E-commerce Europe reports that e-commerce sales increased by more than 40% between 2011 and 2012. They estimated that the total e-commerce sales were EUR 2.56 billion in 2012.[62] In 2013, B2C e-commerce grew by 25% to EUR 3.2 billion.[63]

61 See EL.STAT (2013), ΕΡΕΥΝΑ ΧΡΗΣΗΣ ΤΕΧΝΟΛΟΓΙΝ ΠΛΗΡΟΦΟΡΗΣΗΣ ΚΑΙ ΕΠΙΚΟΙΝΝΙΑΣ ΑΠΟ ΤΑ ΝΟΙΚΟΚΥΡΙΑ: Έτος 2012, Press release 22 March 2013.

62 See E-commerce Europe (2013), Southern Europe B2C E-commerce Report 2013 – Light version, p. 15.

63 See Eltrun (2014), Σε ρυθμούς ανάπτυξης 25% το Ηλεκτρονικό Εμπόριο Β-C το 2013 στην Ελλάδα [Greek B2C e-commerce grew by 25% in 2013].

Figure 38 Online shopping per goods classes in Greece



Source: Eurostat

According to a Greek e-commerce expert Greek consumers, unlike others in Europe, mainly order more services than physical goods online. Platforms like Groupon encourage online purchasing by Greek.[64] The impact of this and the recession can be seen in the increasing proportion of e-shoppers buying fashion and household goods, whilst demand for travel services and accommodation has declined.[65] However, in terms of revenue , online sales of services are much more important than those of physical goods.[66]

64 See Intzeidis Consulting, Interview 21 March 2014.
65 See EL.STAT (2013), ΕΡΕΥΝΑ ΧΡΗΣΗΣ ΤΕΧΝΟΛΟΓΙΝ ΠΛΗΡΟΦΟΡΗΣΗΣ ΚΑΙ ΕΠΙΚΟΙΝΝΙΑΣ ΑΠΟ ΤΑ ΝΟΙΚΟΚΥΡΙΑ: Έτος 2012 [ICT usage of households 2012], Press release 22 March 2013.
66 See Eltrun (2014), Σε ρυθμούς ανάπτυξης 25% το Ηλεκτρονικό Εμπόριο B-C το 2013 στην Ελλάδα [Greek B2C e-commerce grew by 25% in 2013].

Table 8 TOP 10 Online shops in Greece (Alexa ranking)

Rank	Online shop	Description
1	e-shop.gr	Electronic equipment and household goods
2	plaisio.gr	Electronic equipment and household goods
3	kotsovolos.gr	Electronic equipment and household goods
4	ebw.gr	Electronic equipment and household goods
5	myshoe.gr	Fashion
6	you.gr	Electronic equipment and household goods
7	brandsgalaxy.gr	Fashion
8	melinamay.com	Fashion
9	e-germanos.gr	Electronic equipment and household goods
10	plus4u.gr	Generalist

Source: Alexa ranking, http://www.korinthorama.gr/topgr/index.php?category=7, download 21 March 2014.

The TOP 10 online shops listed in the Alexa ranking[67] are dominated by shops with focus on electronic and household goods followed by fashion online shops.

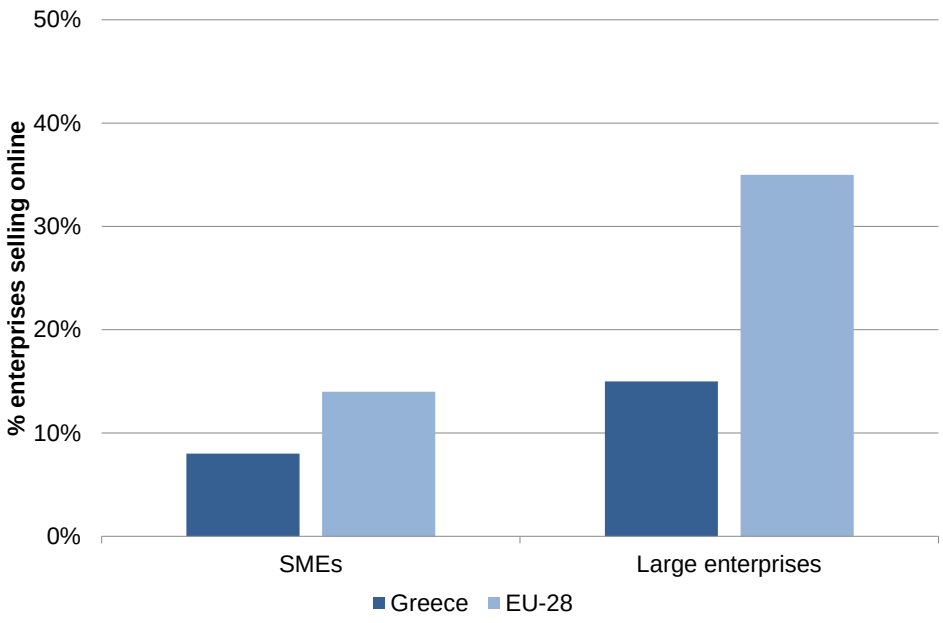
e-shop.gr is the biggest online retailer in Greece. It was found in 1998 and started online retailing of books. Due to rigid book price regulations, the company shifted to the sale of electronic articles. In 2012, the company had a fleet of 50 trucks to make deliveries and collect cash. The preferred payment method for Greek e-shoppers is cash on delivery But other payment channels such a credit cards and PayPal are growing in popularity.[68] e-shop had a network of 52 physical shops not to hold stock but to provide another channel for accepting payment and avoid the cost of shipping to a customer's house. The example of e-shop shows that "Greece is tough terrain for online shopping".[69]

67 See http://www.korinthorama.gr/topgr/index.php?category=7, download 21 March 2014. Alexa is a service provider that collects and analyses the number of website visits and is owned by Amazon.

68 See „E-Commerce in Griechenland: 480 Prozent Wachstum in fünf Jahren", 18 December 2012 (http://www.ptext.de/nachrichten/e-commerce-griechenland-480-prozent-wachstum-fuenf-jahren-486227).

69 Economist (2012), E-commerce in Greece: The right side of the Styx?, 18 December 2012 (http://www.economist.com/blogs/schumpeter/2012/12/e-commerce-greece).

Figure 39 SMEs and large enterprises selling online in Greece (2013)



Source: Eurostat

Regulatory and administrative burdens along with geography and consumer preferences help account for the lower proportion of Greek enterprises selling online than the EU-28 average.

Case study 1 Anecdotal evidence: "A Tale of Greek Enterprise and Olive Oil, Smothered in Red Tape" – OliveShop.com[70]

In early spring 2011, Fotis I. Antonopoulos, a successful Web program designer, decided he wanted to open an e-business selling olive products. It took him 10 months — crisscrossing the city to collect dozens of forms and stamps of approval, including proof that he was up to date on his pension contributions — before he could get started. But even that was not enough. In perhaps the strangest twist of all, his board members were required by the Health Department to submit lung X-rays — and stool samples — since this was a food company.

E-commerce is still relatively new in Greece, though growing. But Internet businesses with international sales are so rare that when Mr. Antonopoulos sought help with processing payments, three different Greek banks seemed incapable of grasping the concept. Before the banks would agree to act as clearinghouses for credit cards, they insisted that portions of the Olive Shop Web site — including the company's marketing and privacy policies — be written exclusively in Greek, even though Mr. Antonopoulos tried to explain that his customers would not understand Greek. In the end, he turned to PayPal and had what he needed to get started in less than 10 minutes, he said.

70 Shortened version of an article appeared in print on March 19, 2012, on page A1 of the New York edition with the headline: A Tale of Greek Enterprise and Olive Oil, Smothered in Red Tape, see, http://www.nytimes.com/2012/03/19/world/europe/in-greece-business-rules-can-puzzle-entrepreneurs.html?pagewanted=all&_r=0.

In marketing olive oils, olive wood and olive-based cosmetics, OliveShop.com is focusing on a product category that many experts say Greece could do a lot more with. The McKinsey report, for instance, said that Greece was the third-largest producer of olive oil in the world but exported 60 percent of its output to Italy in bulk. This allows Italy to capture an extra 50 percent premium on the price of the final product.

But Mr. Antonopoulos's entrance into e-business ran into trouble almost from the start. Finding prize-winning olive oil was not hard, he said. Nor was convincing farmers that they needed to find prettier bottles. But getting a small warehouse in Athens was a nightmare. No warehouses are allowed in the city. Instead, he had to settle on a storefront and cover up the windows. And there were permits and certificates to be obtained from the tax office, the pension office, the Chamber of Commerce, the Health Department, the Building Department, the Fire Department and more.

Even so, Mr. Antonopoulos said that his story did eventually have a happy ending. His company, up and running for just five months, has already shipped goods to the United States, Argentina, Australia, Japan and even Mongolia, and it is covering its costs. Mr. Antonopoulos believes that technology and the Internet can be "a gateway from misery to success" for Greece. He hoped that OliveShop.com would provide a case study, showing young Greeks, particularly those comfortable with computers, that they did not have to leave the country to find work.

2.4.2 Delivery markets

The Greek delivery market including mail and parcel services was estimated at EUR 573 million for 2012; the parcel, express and courier (CEP) segment accounted for EUR 250 million. Around 470 million letter post items and about 47 million consignments (delivered by CEP companies) were transported across Greece in 2012. The Greek national postal operator ELTA is market dominant in the delivery of letter post item (within the universal service area) but plays a small role in e-commerce B2C delivery.

In the CEP segment more than 450 operators are active on the market. Due to the ongoing economic recession the number of delivered items has substantially declined, letter post (minus 13% 2011/12) much more than parcels (minus 2%).[71] Revenues declined more than volumes in both segments indicating that the prices are under pressure particularly in the more competitive courier segment.

The TOP 8 transporters in the CEP segment account for 88% of the total segment.[72] The most important carrier is ACS Courier with a market share of around 25% in the CEP segment, followed by Geniki Tahidromiki, Speedex and Tahimetafores ELTA (the express subsidiary of ELTA) and other smaller courier companies.[73]

71 See EETT (2013), Postal market survey 2012 (Greek version), p. 22.
72 See EETT (2013), Postal market survey 2012 (Greek version), p. 36.
73 See CEP Research (2010), Interview - Leading Greek parcel operator ACS grows despite economic slowdown, 11 November 2010.

Table 9 Shipment costs of courier companies in Greece

	2008	2009	2010	2011	2012
Domestic letters	3.50 €	3.57 €	3.60 €	3.47 €	4.10 €
Domestic parcels	7.10 €	8.87 €	7.28 €	6.40 €	
Cross-border letters	13.50 €	23.09 €	23.29 €	24.47 €	31.15 €
Cross-border parcels	42.80€	56.50 €	38.37 €	35.99 €	

Source: EETT, Postal market surveys 2010, 2011 and 2012 (Greek versions). Domestic letters include documents and small packages up to 2kg.

The average revenues for domestic and cross-border shipments have declined (see Table 9). Cross-border shipments are far more expensive than domestic shipments. In 2012 the average cross-border shipments cost 7.5 times more than an average domestic shipment.

Greek geography, plays a role in this difference in price. The more difficult to access (e.g. a remote island) the more expensive and the more time-consuming is the shipment by a courier company. Delivery in rural areas is not helped by the lack of street names and numbers.

The current postal code system managed by ELTA is only related to geographic areas and not granulated enough to identify single buildings. This increases delivery costs by reducing network efficiencies. EETT envisions the launch of a new postal code system that would provide for the numbering of buildings to address the present problem of missing street and house numbers.[74]

Table 10 ACS Courier: Delivery time of domestic express services

Basic Express Services Next Day	Delivery Time*
Within the Same City	1
Within the Same Region	1-2
To Land Destinations	1-2
To Island Destinations	1-3
To "Difficult to Access Areas"	1-5

Source: Website ACS Courier

74 Interview EETT (28 May 2014).

The following table gives an overview of services provided by some major Greek carriers (including ELTA who does not yet play a major role in B2C e-commerce deliveries).

Table 11 List of major carriers in Greece

Name of supplier	Service description
Hellenic Post (ELTA)	• National postal operator (national and international delivery services) • State owned • Services: o Letter post services: ▪ Letter services (up to 2kg), D+1 ▪ Insured mail (up to 2kg), D+1 o Parcel services ▪ Standard parcel post (up to 35kg), D+3 ▪ Insured parcel (up to 35kg), D+3 ▪ Fragile and oversized parcels o Express services: Express mail (up to 2kg), D+1 guaranteed o Courier service: ELTA Courier: Porta Porta (up to 35kg), same day for intra-city transport and D+1 for national shipments • Delivery options: o Home delivery (standard for letters, optional for parcels), o Postal outlet (standard for parcels) • Service elements: o Tracking only for insured shipments o Insurance for insured mail and insured parcels between 36€ and 30.000€
ACS Courier	• Independent express carrier (national and international delivery services) • Owned by Quest Holdings (since 1999) • Services: o Express next day (Door-to-Door, Point-to-Door or Point-to-Point), D+1 o Next day delivery service in remote areas (difficult to access) o Morning delivery service (pre 10:00) o Time-definite time service (delivery-window: 2 hours) • Delivery options: o Home delivery, o Parcel shops (~300 in Greece) • Service elements: o Tracking o Insurance up to 70€ for documents and up to 220€ for objects, option for higher insurance (up to 5,000€) o 3 delivery attempts
Speedex	• Courier & express services (national and international delivery services) • Owned by Fourlis Group (retail and wholesale commerce) (since 2000) and Sfakianakis (car importer) (since 2002) • Services: o Express services: ▪ D+1 within the city and to 14,000 destinations across Greece ▪ Morning delivery service (pre 10:00)

Name of supplier	Service description
	▪ Time-definite delivery service (delivery-window: 3 hours) ▪ Saturday Delivery and Pickup o Courier Service: Same day delivery within the city and between main cities • Delivery options: o Home delivery o Parcel shops (~200 in Greece) • Service elements: o Tracking for all express and courier services o Reception: Lower tariffs for personal delivery / receipt of the item in a parcel shop o Insurance up to 50€ for documents and 100€ for packages, option for higher insurance (up to 3,000€) o Web applications for faster tracking of shipments and label printing
Geniki Taxydromiki	• Courier service (national and international delivery services) • Geniki Taxydromiki is an organization of 195 local enterprises established in 1994 • Offered services: o Express services: ▪ D+1 within the city ▪ D+2/3 to specific island and remote destinations ▪ Morning delivery (pre 11:00) ▪ Guaranteed delivery at a requested time period o Courier service: ▪ Same day within the city (1-3 hours) and between main cities ▪ D+1 to specific island and remote destinations • Delivery options: o Home delivery • Service elements: o Tracking for all express and courier services o Insurance up to 70€ for documents and up to 400€ for objects; option for higher insurance (up to 3,000€)

We found no indication that parcel brokers or other intermediaries offer domestic parcel & express services in Greece. None of the international parcel and express players have created a last mile delivery infrastructure in Greece. This indicates that the Greek delivery market remains unattractive to international players.

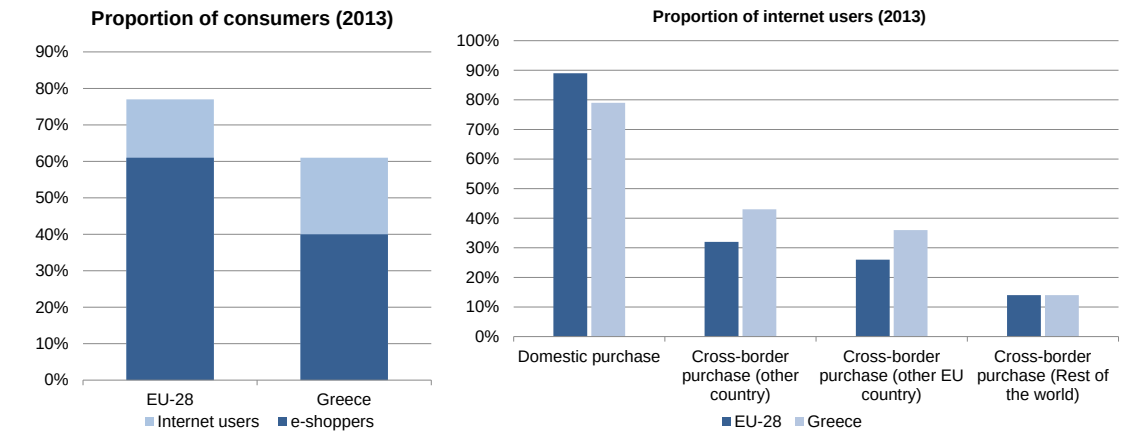
Players like GLS and DPD co-operates with ACS for the last mile because ACS meets the technical standards for providing reliable and tracked delivery services.[75] According to the Greek distance selling association EPAM the Greek national postal operator ELTA only plays a minor role in the B2C delivery market because the company does not offer tracked delivery services and has not yet implemented the required IT technology and processes that would allow for electronic data exchange and web based interaction between the e-retailer and ELTA. E-retailers therefore prefer to use the

75 Interview ACS (20 May 2014) and CEP Research (2010), Interview - Leading Greek parcel operator ACS grows despite economic slowdown, 11 November 2010.

services of the private parcel and express carriers, like ACS, Speedex or Geniki Taxydromiki.[76]

2.4.3 Relevance of cross-border sales and shipments

Figure 40 Greek consumers purchasing online (2013)



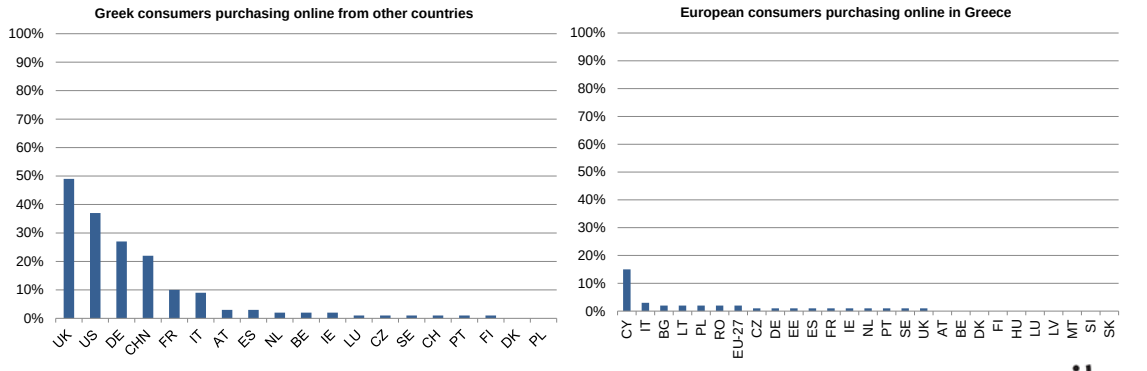
Source: Eurostat

A high proportion of Greek consumers are neither familiar with the internet (nearly 40%) nor with online shopping (about 60%). The proportions are substantially below the EU-28 average.

Greek consumers are experienced cross-border shoppers. More than 40% have shopped cross-border which is significantly higher than the EU-28 average. This reflects the limited availability of goods in the Greek market[77] and the fact that goods are often cheaper cross-border.[78] These findings are also supported by a study conducted by PayPal.[79] Customs and duty charges (for imports from outside the EU), VAT and expensive shipping costs have a negative effect on cross-border shopping.

76 Interview EPAM (16 May 2014).
77 See Figure 21 in Section 2.1.
78 See Figure 22.
79 See Ethnos.gr, Οι Ελληνες ψωνίζουν φθηνά σε ξένα e-shops [Greek e-shops More Expensive than Foreign Ones], 8 March 2014 (http://www.ethnos.gr/article.asp?catid=22768&subid=2&pubid=63974243).

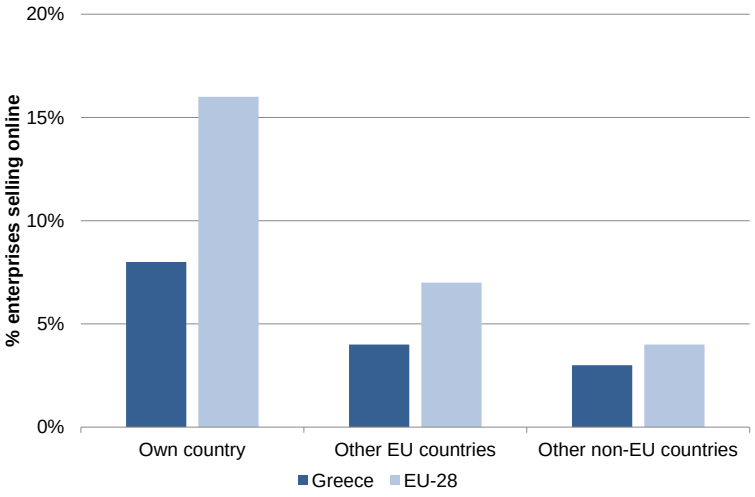
Figure 41 Consumer preferences: Import and export relations for Greece (2011)



Source: Based on Civic Consulting (2011), Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, p. 35.

Greek cross-border e-shoppers order goods mainly from the UK, the United States, Germany and China while Cypriots order goods from Greece. The data suggests that e-commerce imports are more important than e-commerce exports.

Figure 42 Greek enterprises selling online (2013)

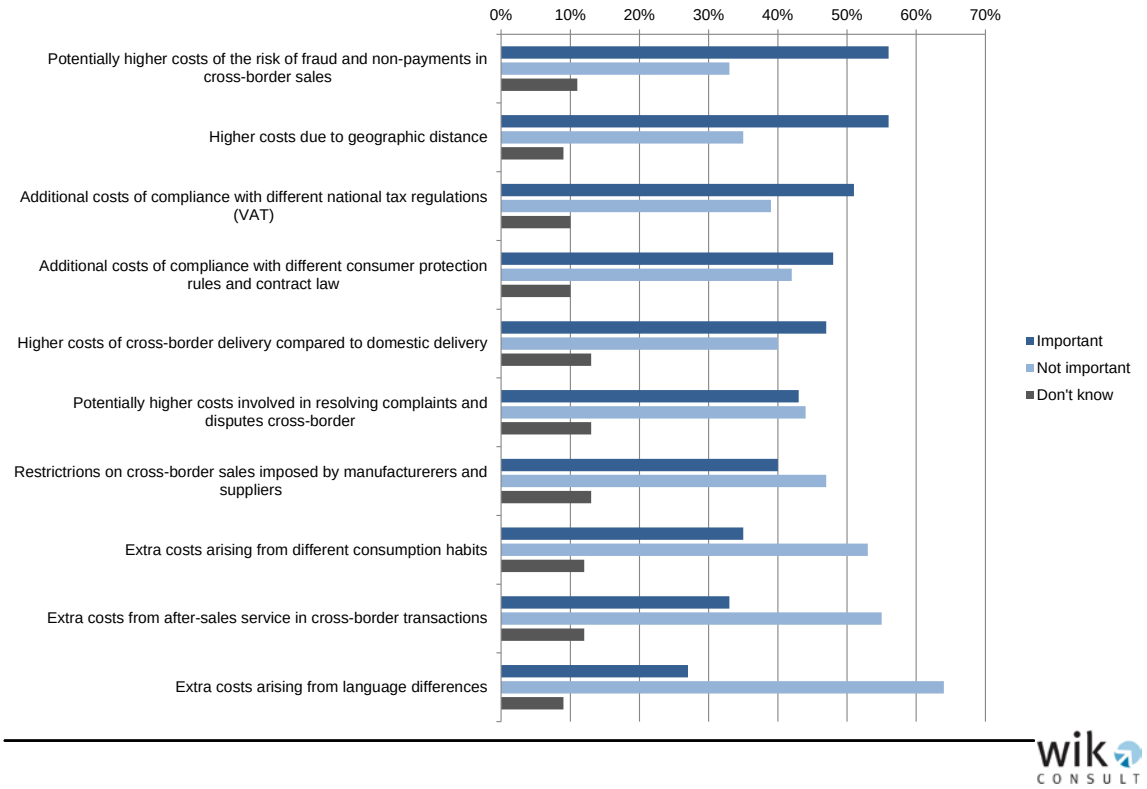


Source: Eurostat

Only 8% of Greek companies sell online which is far below the EU-28 average of more than 15%. Greek e-retailers are one of the leaders in taking cross-border transactions: 25% sell goods to more than four other countries, around 40% to at least one other

country. Between 2012 and 2013 the proportion of cross-border e-retailers has grown by 10 percentage points.[80]

Figure 43 Obstacles to the development in cross-border sales (2013)



Source: Flash Eurobarometer EB 359 (2013)

Note: Proportion of e-retailers selling online abroad: 40%

Greek e-retailers consider higher costs due to the geographic distance more problematic than higher costs of cross-border delivery compared to domestic delivery.

Service providers have emerged that facilitate the import of goods to Greece, e.g. transport2greece.[81] This helps explain why import shipment costs are lower than export shipment costs.

80 See Flash Eurobarometer EB 359 (2013), Retailers' attitudes towards cross-border trade and consumer protection, p. 22-24.

81 See http://www.transport-to-greece.gr.

Table 12 Transport2greece

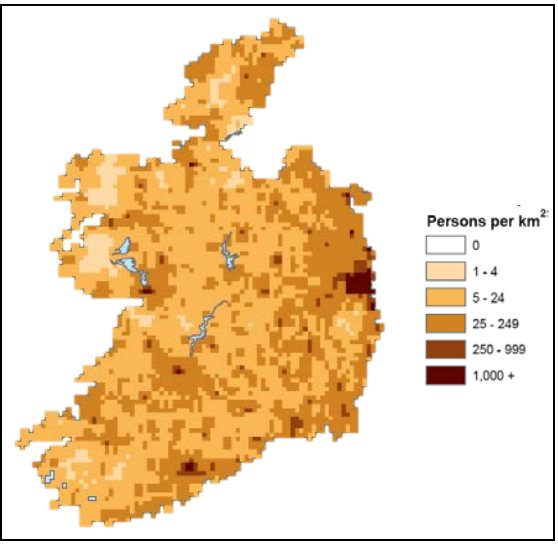
Packet forwarding service (from Europe to delivery in Greece) • for consumers and businesses in Greece • order in your favorite online shops in Central and Western Europe and indicating the address of the warehouse of Transport2greece in Germany as the delivery address • Transport2greece receives the goods, transport it to Greece and deliver directly to the door Service characteristics: • Direct contact in Greece • Insurance up to 500€; option for higher insurance

2.5 Ireland

2.5.1 E-commerce in Ireland

Table 13 Key facts about Ireland

Country size	84,421km²
Population (2013)	4.592m
Population density (2013)	54 inhabitants per km²
Urbanisation rate (2012)	63%
GDP (market prices, 2012) Real GDP growth rate (2012)	EUR 163,938m 0.2%
GDP per capita in PPP (2012) Index	EUR 32,900 129 (EU-28=100)

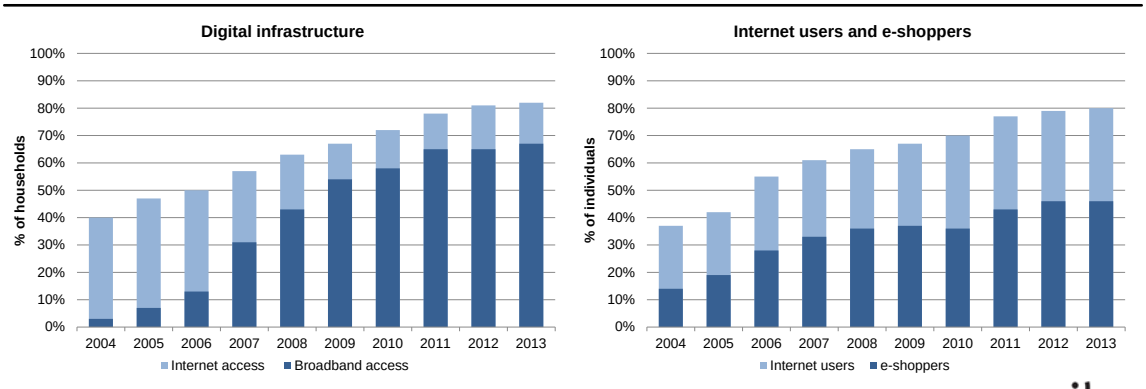


Sources: Eurostat, Worldbank (urbanisation rate)

Notes: GDP – Gross Domestic Product
PPP – Purchasing Power Parity

Ireland is a small country with more than 4.5 million people. Between 2006 and 2011 the population grew in all the 26 counties that comprise the Republic of Ireland. The overall growth in population was 8.1%. Population density varies from 1,381 per km² in Dublin County to 19.9 per km² in County Letrim.[82]

Figure 44 Digital infrastructure and internet usage in Ireland (2004-2013)



Source: Eurostat

82 See CSO (2013), Irish Census 2006 / 2011 (www.cso.ie).

Ireland has rapidly adopted the Internet and by the beginning of 2013 65% of Irish households had a broadband connection compared to an EU average of 67%. However there are significant differences between the availability of high speed broadband in Ireland. In cities the availability of 100+ MBS fiber service is being driven by the cable TV companies. In rural areas (due to copper wire infrastructure and other non-fiber links) the speeds available to consumers can vary from a high of 3 Mbps to a low of 300 Kbps.

The availability of 4G mobile data services is likely to improve the service and increase the cost to rural areas as it rolls out nationally in the 20014 – 2016 period. Over 50% of mobile phones in Ireland are now smart phones with urban residents averaging 61% and rural residents 50%. Equally the 2014 change to Irish legislative restrictions on electricity supplier to string fiber on the grid and supply Internet services will add competition and a cheaper option for fiber to the home supply to all areas of Ireland.

Ireland also has a National Digital Strategy that is ambitious and adequately funded to achieve its goals in the time scales it has set.[83] It also has increasing numbers of incentives to drive the online activities of Irish businesses.[84]

Ireland therefore has a population and technical profile that is ideally suited to the wide exploitation and use of e-commerce by businesses and consumers. How they have taken up e-commerce is problematic for Irish businesses and the state exchequer.

The Irish e-commerce market has been grossly underestimated up until the release of the UPC on Irelands Digital Future at the end of 2012.[85] This report found that the actual size of the Irish e-commerce market (domestic and cross-border purchases) was actually worth EUR 3.7 billion and is projected to grow to EUR 5.7 billion by 2016 (total Internet contribution to the Irish economy in 2016 is projected to be €11.6 billion).

The age groups between 25 and 45 accounted for over 47% of Irish online shoppers in 2012. These are the highest earners and also key user groups of Internet technologies. They accounted for 44.8% of the Irish e-commerce spend. However the 55+ the group represent 14.2% of the online shoppers but a 20.3% share of online spending This age group tend to travel more and spend online to source hobby / lifestyle related goods that are home delivered and consequently more convenient that shop purchases.

83 See http://www.dcenr.gov.ie/Communications/NDS.
84 See http://www.dcenr.gov.ie/Communications/Knowledge+Society/NDS+Trading+Online+Voucher+Scheme.htm).
85 See http://www.upc.ie/pdf/upcdigitalindex.pdf.

Table 14 Online shoppers per age class in Ireland

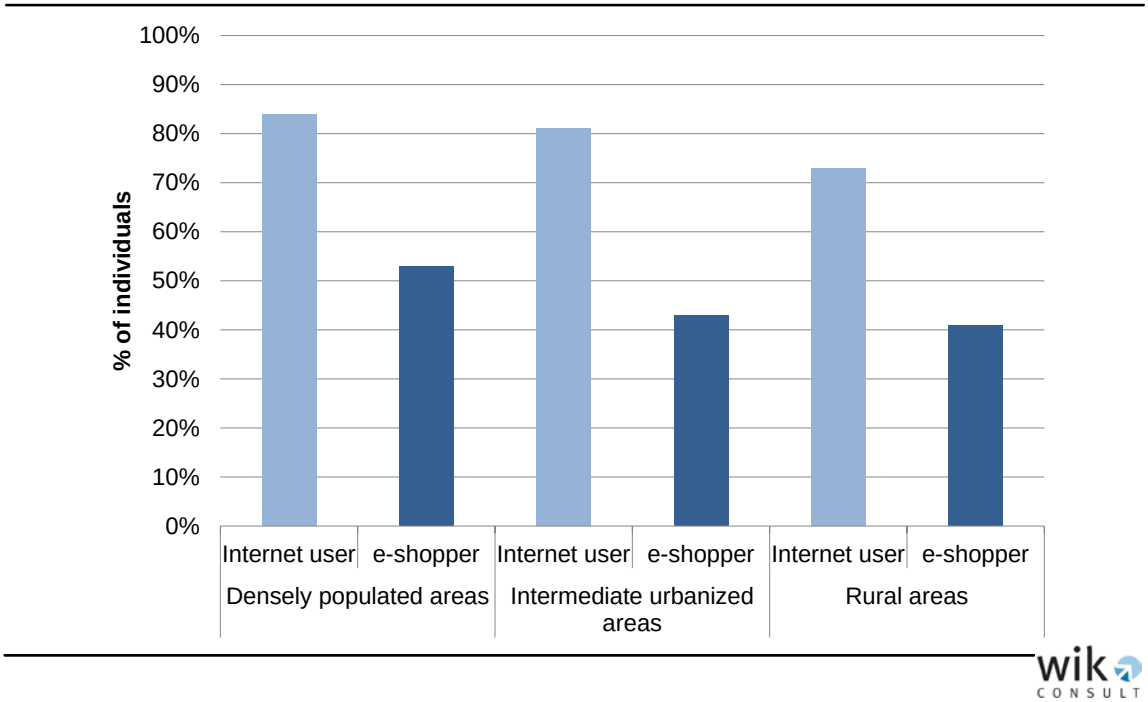
Age Group	Population 000s 2012*	Internet Shoppers 000s 2012**	Online expenditure €m 2012***	Share of adult population	Share of Internet Shoppers	Share of online spending
15-24	553.4	509.1	€371.8	15.4%	19.8%	10.1%
25-34	733.5	669.0	€926.5	20.4%	25.1%	25.2%
35-44	700.0	604.8	€721.6	19.5%	22.5%	19.6%
45-54	586.3	418.9	€622.9	16.3%	15.9%	16.9%
55+	1,017.8	369.2	€746.1	28.3%	14.2%	20.3%
Total	3,591.0	2632.9	€3,680.5	100.0%	100.0%	100.0%

* QNHS CSO ** Amárach Survey *** Amárach Calculations

Source: UPC Irelands Digital Future 2012

Where people live in Ireland has a large impact on their levels of spending and also on the growth rates of e-commerce. When population density is mapped to online shopping rates the diagram below emerges.

Figure 45 Internet users and e-shoppers versus population density in Ireland (2012)



Source: Eurostat

Notes: Densely populated area: >500 inhabitants/km²
Intermediate urbanized area: 100-499 inhabitants/km²
Rural area: <100 inhabitants/km²

Households living in rural areas purchase online at close to the level found in urban households. However the growth in rural e-commerce in Europe has been faster with a

doubling between 2006 and 2013 from 20% to over 40%.[86] Urban growth in annual e-commerce use has grown from 37% to 53% (30% growth) in the same period whilst intermediate population density areas have seen a growth from 27% to 42%. (36% growth).[87] The rapid growth in rural online purchasing is mainly explained by the availability of broadband, Wifi in domestic homes, increasing use of connected devices, increased visibility on online offer, increased trust in online shopping and the increasing willingness of e-retailers to provide home delivery service to remote areas. The emergence of the first Internet enabled younger generation of employed is also a factor.

It is highly likely that the falling levels of unemployed, improving personal earnings and an accelerating economic recovery will maintain e-commerce growth between 15% and 22% per annum through to 2018 when the market will begin to mature due to saturation.[88]

The Irish have an interesting profile in relation to what they prefer to purchase online.

Table 15 Purchasing profile of Irish consumers

	Prefer to buy online	Prefer to buy in a shop	Doesn't matter or no preference
Travel/hotel related services	87%	2%	11%
Music/CDs/mp3 tracks (e.g. iTunes)	67%	12%	21%
Medical and health related (e.g. insurance, equipment)	60%	14%	26%
Movies/DVDs/film rentals (e.g.iTunes)	59%	16%	25%
Electronic goods (e.g. iPad)	48%	19%	33%
Flowers	48%	19%	33%
Books	42%	28%	30%
Electrical goods (e.g. toaster)	40%	37%	23%
Perfumes and cosmetics	35%	33%	32%
Toys/baby products	30%	30%	40%
Clothing/footwear	19%	55%	26%
Furniture	19%	53%	28%
Groceries, food or alcohol	16%	55%	29%

Source: UPC Irelands Digital Future 2012

Unlike more mature e-commerce markets the Irish have a reluctance to purchase food, clothing and furniture online. All these are goods that are highly personal and are considered the need to be physically examined before purchasing the goods.

86 Eurostat.
87 Eurostat.
88 Discussions with Irish Internet Association and An Post (March 2014).

Travel, as in many other countries, is the biggest online purchase category. This is explained by the availability of good online process, easy access to travel sites (airlines holidays etc.) and the rapid disappearance of travel agents from the Irish high street.

The importance of online purchases of medical products is another unusual feature of the Irish e-commerce landscape. This is due to the very high price of all medical products in Ireland (30 Aspirin in Ireland are EUR 18, in Belgium EUR 3.4, in Northern Ireland EUR 2.4).

There are also distinct differences in purchasing behavior between the major categories of population density in Ireland. Rural and intermediate density areas outstrip urban areas in all the product categories examined by Eurostat.[89] This is explained by the lack of product availability from local shops and also the lack of transactional web sites from most rural and intermediate density retailers and SMEs. There is also the issue (for non-urban and also National e-retailers) of being able to maintain a price competitiveness and also stock that is current in relation to the latest trends (taste, technology, capability) that are visible and available from Irish urban and non-Irish e-retailers such as Amazon, Pixmania etc.

Case study 2 Connemara e-commerce survey

Connemara is a 1,870 km² region located in County Galway on the west coast of Ireland. It is a highly rural area of Ireland and has a density of 16.6 people per km². The closest large urban centers are more than 50km away and it has an average broadband speed of 1.2 megabytes.

In 2013 the Connemara Programme (a business support and area development organization based in Connemara) carried out an e-commerce survey of consumers in the area.478 requests were sent to Connemara consumers. 137 completed replies were received which gave a 28.6% response rate. Some of the findings related to online shopping preferences are shown in the following tables.

The key findings are that the lack of products in local shops is a key driver of online purchasing for 83.7% of the respondents. Most shopping is done after 18.00 at night and 36% have made a purchase of over €1000 online. However online shopping is relatively infrequent for a large number of consumers . Over 65% shop once a month or less. Another interesting finding is that non online forms of distance selling are used in parallel to online shopping by 43% of the respondents. It was also found that 89% of the respondents had never used one of the 50+ local online e-retailer. The main reason for this is that they cater to tourists and sell products that are not of daily or life necessity.

89 Eurostat.

Table 16 Connemara survey: Results

Who responded: Age?	
18 — 24years	12.5 %
25 — 34years	22.1 %
35 — 44years	16.3 %
45 — 54years	24.0 %
55— 64 years	15.4 %
65+years	09.7 %

What do they buy most ?	
Travel /Accommodation	71.6 %
Clothes and shoes	47.5 %
Office supplies	29.2 %
Books / Magazines	29.0 %
Gifts for family	24.0 %
Music / Video	23.5 %

What do they never buy ?	
Food and drink	86.2 %
Washing machines etc	84.8 %
Mobile Phones	79.8 %
Jewellery / accessories	64.6 %
Business supplies	64.3 %
CDs / DVD etc	59.8 %

Why do they buy online ?	
Goods not in local shop	83.7 %
Shop when I want	71.4 %
Lower prices	77.7 %
More choice	64.2 %
Convenience	58.0 %
Faster to shop	49.5 %

When do they buy online ?	
Daily	01.9 %
Weekly	19.2 %
Monthly	42.3 %
Quarterly	23.1 %
Every 6 months	07.7 %
Once a year	05.8 %

When: Time of Day	
Morning	03.8 %
Afternoon	19.2 %
After 18.00	51.0 %
It varies	34.6 %

How much is spent yearly?	
€101—€ 500	26.9 %
€501—€ 700	31.7 %
€751—€ 1000	17.3 %
€1001—€ 1500	10.6 %
€1501—€ 2000	02.9 %
€2000 +	10.6 %

Tools used to buy Online	
PC	50.5 %
Laptop	75.5 %
Tablet Computer	37.3 %
Smartphone	26.7 %
Interactive TV	01.2 %
(Catalogue, Phone, paper Forms	43.0 %)

Biggest single spend?	
€1— €200	22.0 %
€201—€ 500	32.0 %
€501—€ 750	16.0 %
€751—€ 1000	06.0 %
€1001—€1500	13.0 %
€1501 +	21.0 %

Source: Connemara E-commerce Survey 2013: Connemara Programme (http://www.connemaraprogramme.com/Connemara%20E-commerce%20Study%202013%20Summary.pdf)

When asked what would attract them to shop with a Connemara based e-retailer the following reasons were cited as major potential reasons:

- If prices are competitive 75.5 %
- If returns are easier 62.6 %
- If delivery is faster 58.2 %
- If I know the retailer 54.6 %
- Support local business 7.6 %
- If it stocked local goods 27.3%

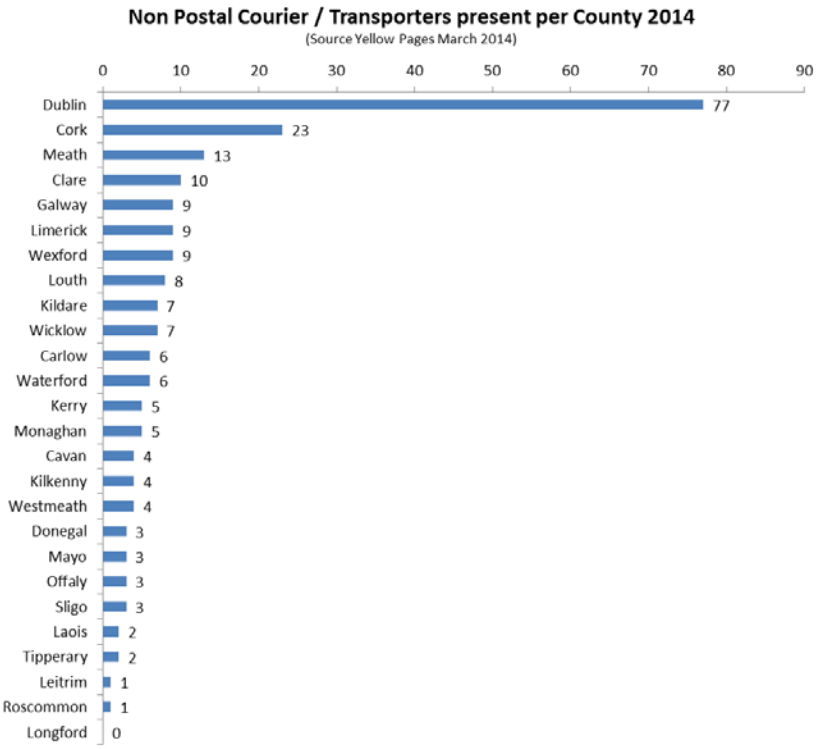
The first three reasons are commonly found in all e-commerce surveys of motivations to begin to use / change an e-retailer. The last three reasons point heavily to issues of trust. Loyalty and demand for localised products or services.

2.5.2 Delivery markets

Ireland is relatively well serviced by couriers, transporters and other local delivery suppliers, in addition to An Post. The big international express courier services (DHL, FedEx, UPS and TNT) are all present in the Irish market. The vast majority of Irish delivery suppliers are small national / local suppliers of service.

224 suppliers of various types of vehicle based delivery services were located by analysing company categories in the Irish Yellow pages. The geographic distribution of the presence of these by county.[90] The number of transport suppliers in each county is shown in the chart below.

Figure 46 Couriers/transporters present in Ireland, per county (2014)



Source: http://www.goldenpages.ie/courier/

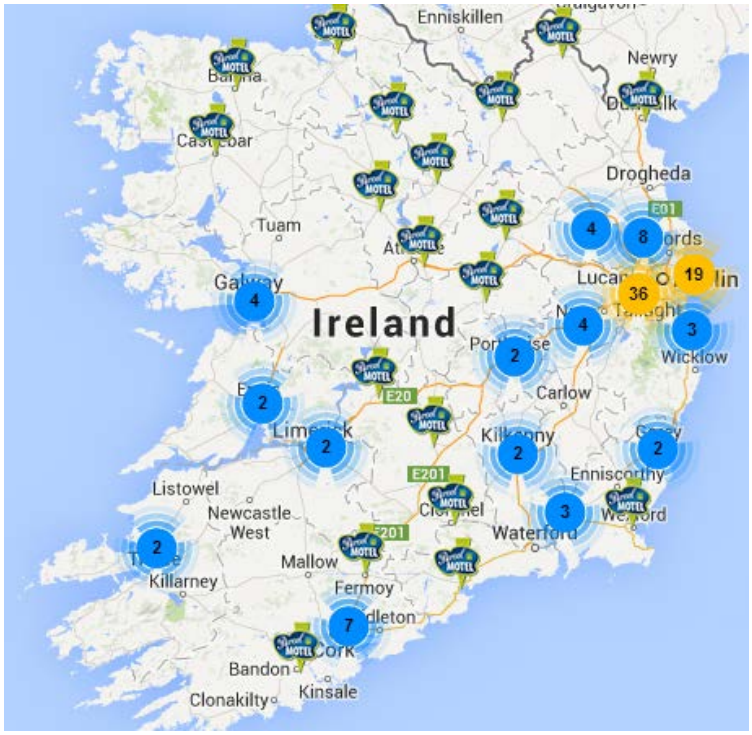
Dublin as the key population and economic centre of Ireland has the highest number of delivery related businesses (all classes). Cork, Clare, Galway and Limerick are also important industrial and business activity centres that are well populated with delivery related businesses.

90 Only the 26 counties of the republic of Ireland were analysed.

This analysis does not capture the very local delivery related businesses who do not have entries in the yellow pages. Many of these tend to be “hybrid” businesses for whom delivery is an add on to their main businesses. Taxi companies, bus and coach businesses and local “couriers” are important but highly localised players in the Irish market especially outside the major urban centres.

In addition there are businesses such as Parcel Motel who have an increasing presence in the Irish market. The 112 (as of March 2014) unattended drop off / pick up boxes are a cost effective way of providing a secure delivery service without the cost of “last mile” in low density / low demand environments. The travel cost of collecting or depositing (mainly returns to e-retailers) is borne by the consumer.

Figure 47 Parcel Motels in Ireland



Source:http://www.parcelmotel.com/locations.html

In addition Ireland also has an extensive network of post offices that provide delivery and drop off services to Irish businesses and consumers.

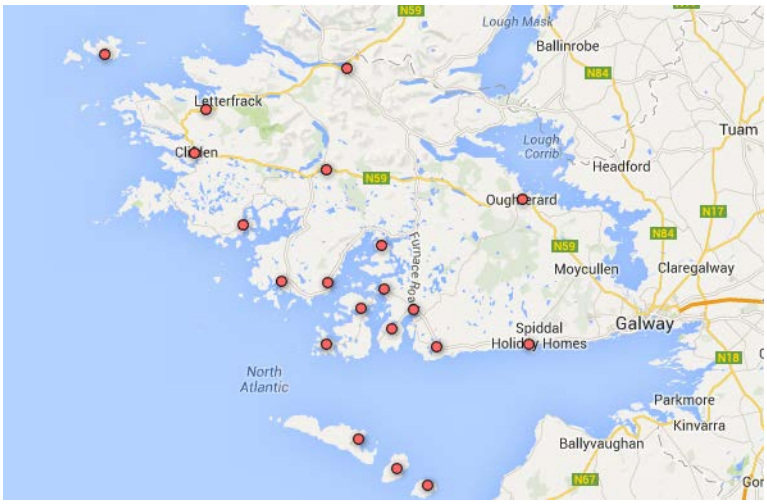
Figure 48 Irish post offices (2006-2012)

Source: http://www.grantthornton.ie/db/Attachments/Irish-Postmasters-Union-Final-for-circulation.pdf / An Post annual report 2012

The number of post offices has been reducing as is illustrated from the chat above which covers the period 2006 – 2013. This network contraction is likely to continue in the coming years.

The importance of the postal network, especially in rural areas, is illustrated by the number of post offices that service an area like Connemara which has a population of just over 31,000 dispersed over 1,870 km² of territory. Most are sub post offices and offer a wide range of additional services other than mail and parcel services.

Figure 49 Post offices in Connemara



Source: Connemara Programme 2014 (see http://www.geodirectories.ie)

Table 17 Parcel carriers in Ireland and pricing

	Business Type	Delivery Days Domestic	Lowest € price (x VAT) Domestic	Pick Up	Tracking	Free Insurance	Max Weight / shipment (kg)	Max Length / Shipment (m)	Returns Service	Cross Border	Cross border Service Brand
An Post	Transporter	1 - 5	Varies	Yes	Yes	None	20	1,5	Yes	Yes	An Post
TNT	Transporter	1 - 2	10,35	0.800 -18.00	Yes	Yes (€ 50)	50	2,4	Yes	Yes	TNT
Fedex	Transporter	No Service	None	None	None	None	None	None	None	Yes	Fedex
UPS	Transporter	1 - 4	36	0.800 -18.00	No	None	30	2	Yes	Yes	UPS
Fast Way	Transporter	1 - 2	6,21	0.800 -18.00	Yes	Yes (€ 50)	30	2,1	Yes	Yes	Fast Way
GLS Ireland	Transporter	1 - 2	9,95	10.00 - 18.00	Yes	Yes (€ 50)	30	2	Yes	Yes	GLS Ireland
NightLine	Transporter	1 - 4	18	0.800 -18.00	Yes	None	25	1,25	Yes	Yes	NightLine
DPD	Transporter	1 - 2	10,5	0.800 -18.00	Yes	None	100	3	Yes	Yes	DPD
Parcel Motel	Transporter	Collection	3.5 receipt. 4.5 shipping	none	Yes	None	35+	0,64	Yes	Yes	Nightline
Argos (Own)	Large Store general	Collect / 10 - 28	17,95	None	Yes	None	None	None	Yes	No	None
Littlewoods (Own)	Large Store general	Collect / 3 - 28	Free	None	Yes	None	None	None	Free	No	None
Arnotts (Post)	Large Store general	Collect / 3 -21	5 (free over €50)	None	Yes	None	None	None	Pre paid label	Yes (Post)	An Post
Supervalu (Inhouse)	Large Store general	Same day	free	None	None	None	None	None	None	None	Supervalu
Easons (DHL)	Large Store books	3 - 5	3.5 (free over €10)	None	Yes	None	None	None	(on Approval) Post	Yes	DHL
Kilkenny Shop (GLS)	Large fashion /design	3-5	5.99 (free over €40)	None	Yes	None	30	2	Yes	Yes	GLS
Connemara Smokehouse (DPD)	Small Specialist Food	3 - 5	12	None	Yes	None	100	3	None	Yes	DPD / Post / UPS
Connemara Blue (Post / Own)	Small Glass (Craft)	Varies	15 (free local delivery)	None	No	None	None	None	Post	Yes	Post

Source: Company websites

Table 17 provides an overview on the transporters and a random selection of large and small users in Ireland. An Post is a major supplier to most businesses in Ireland especially medium and small enterprises.

The large global integrators (DHL, FedEx, UPS, TNT) have a large presence in Ireland but are primarily focused on B2B with B2C services supplied by all except FedEx. Use of the large integrators by SMEs is rare except where specialist transport and speed are important for the delivery of time sensitive goods such as food or commissions from artisans.

The offer characteristics of the transporters tend to cluster around delivery in the domestic market of between 1 – 2 days and 1 – 4/5 days. The non-post pricing ranges from €6.21 to €36 as the lowest list price published. Free insurance by transporters is offered by 3 out of the 9 major transporters. Maximum length for shipments varies 1.25 M to 3 M whilst shipment weight maxima range from 20 Kg to 100 Kg. All major transporters examined offer cross-border shipping. All but FedEx have some form of domestic service in Ireland. Pick up times for transporters with that service range between 08.00 and 18.00 but in low density areas there may be earlier pick-ups depending on the distance to the network entry depot for the shipment

The services offered by transporters to their customers are all based on standard network processes eg pick up, track and trace, billing, customer service etc. These are common on all offers by individual transporters because they are part of common infrastructure and processes and rely on volume / process throughput to establish economy of scale / cost effectiveness for the processes / services involved.

Import and export processes for e-commerce shipments are the same as for any other type of B2C shipments. The only difference is that the shipment order was generated electronically (via the Internet).

B2B bespoke services and processes are very rare unless there are significant volumes or price premiums available from a customer. None were identified in the Irish market outside the offers of “Premium Services” that are part of the normal offers made by transporters.

The difference between the listed prices for transporters and those offered by e-retailers to their customers represents the impact of contracts based on volume. In general the higher the volume the lower the price per shipment for the e-retailer.

As such contracts are commercially sensitive and vary with each retailer is difficult to arrive at a single model of pricing for e-commerce shipments in the Irish market. However it is possible to identify some strategies that are being used in relation to the price being presented to consumers for shipments they generate from e-retailers.

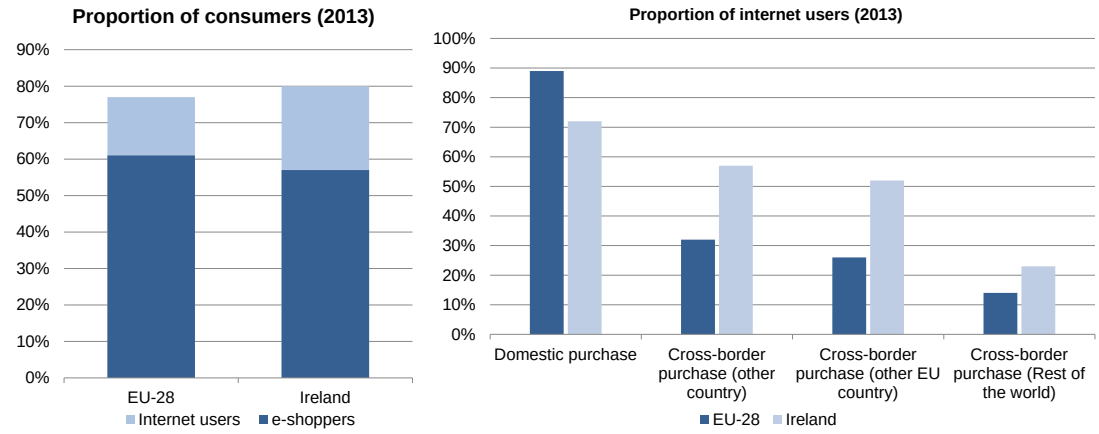
Often the price presented to the consumer may not however be the cost of transport to the e-retailer. E-retailers commonly round up prices they present to consumers. This they do to improve profitability. Another transport pricing strategy used is to manage the cost across entire weight bands and destinations in order to simplify the selection of transport offers made to consumers. This also has the added benefit of encouraging “up buying” by consumers who look to get the best value for the transport cost by purchasing one or more items in addition to their original choice. In addition to the offer of “free shipping” above a certain level of purchase value is sometimes managed by adding to the cost of shipping for orders that are not eligible for free shipping.

It also appears that the baseline against which e-retailers measure their transport costs / offer is against their competitors not the prices that the transporters charge. This is because the price of transport is an important influencer of a consumers decision to complete a purchase. This influence comes from consumers engaging in price comparison behaviour by using comparison sites or by testing the various offers. This testing usually takes the form of starting a purchase process and taking it all the way to the point of payment. At this stage they note the overall cost and abandon the purchase if it is not the one they consider the best value for money.

Value for money is highly personal and purchase specific. It is influenced by the product type, urgency, distance, need and uniqueness. It is also impacted by the value added elements that are provided in addition to simple transport such as free insurance, delivery to alternative addresses, redelivery options, push notifications of transit information, company reputation, prior experiences and customer reviews. As transport price is only one of the considerations taken into account by consumers. These additional variables can, where made available to e-retailers as free or paid for value added services provide a significant competitive advantage to them.

2.5.3 Relevance of cross-border sales and shipments

Figure 50 Irish consumers purchasing online (2013)



Source: Eurostat

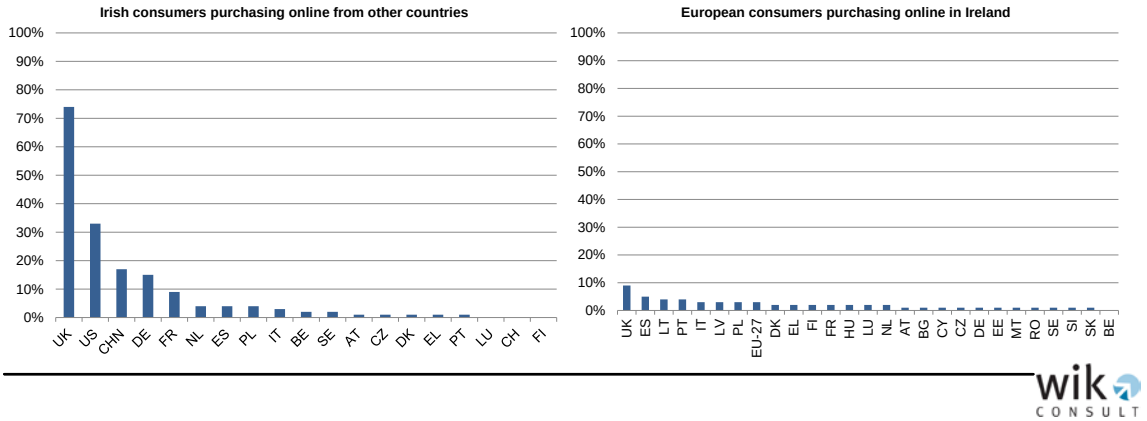
Irish consumers have a long tradition of either purchasing or receiving goods from retailers or family living abroad. Today 75% of all online shopping is done with non-Irish e-commerce sites.[91]

As a small but open economy the supply of goods and services to Irish consumers is mainly driven by demand for goods and prices that are not available from local or national online or high street retailers. Less than one third of searched products were found available within Ireland.[92] Product demand is also influenced by the desire for the latest trend items, new technologies and other products of high peer differentiation value or personal value to consumers in markets that are not part of the first cycle of product releases by manufacturers.

Price difference is a key driver of cross-border e-commerce, too. Significant pricing differences are found using search tools. Use of such search tools involves a lot of effort for consumers as few if any comprehensive cross-border price comparison sites are available. This is due to manufacturer and retailer business models and also due to issues with providing a fully allocated comparison (transport costs, currency conversions, access restrictions, taxes, handling feeds, additional charges, language and returns policies) between different markets.

91 See UPC Irelands Digital Future 2012.
92 See YouGov Psychonomics (2009), Mystery Shopping Evaluation of Cross-Border E-Commerce in the EU. See also Figure 21 in section 2.1.

Figure 51 Consumer preferences: Import and export relations for Ireland (2011)



Source: Based on Civic Consulting (2011), Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, p. 35.

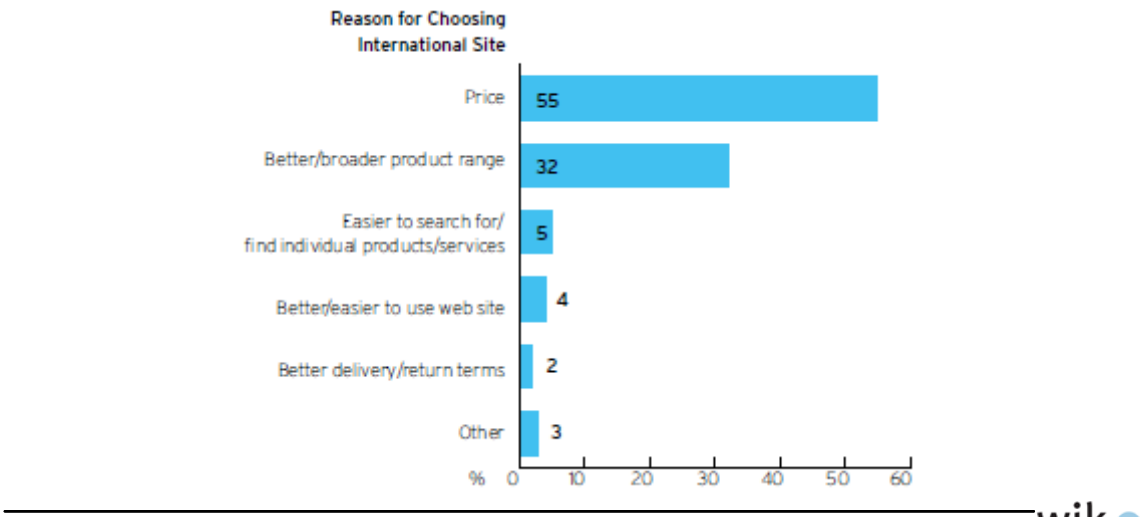
Irish cross-border e-commerce tends to concentrate heavily on buying from the United Kingdom and the United States. There are traditional links with these markets and many of the brands sourced there have an Irish physical market presence.[93]

The presence of "unusual" countries of cross-border products (Spain, Poland, Netherlands and Czech republic) tends to support the idea that non Irish residents shop across border for "national" goods not available in the Irish market.

In looking at the motivations for Irish consumers to trade across border the importance of price and product range are strongest to Irish consumers as was found in the UPC report Irelands Digital Future issued in 2012.

93 There is also the practice of purchasing of items and having them delivered to relatives (in the UK and US) for them to send on to Irish consumers is not uncommon where restrictions on purchasing in Ireland are found.

Figure 52 Irish consumers' reasons for choosing international sites

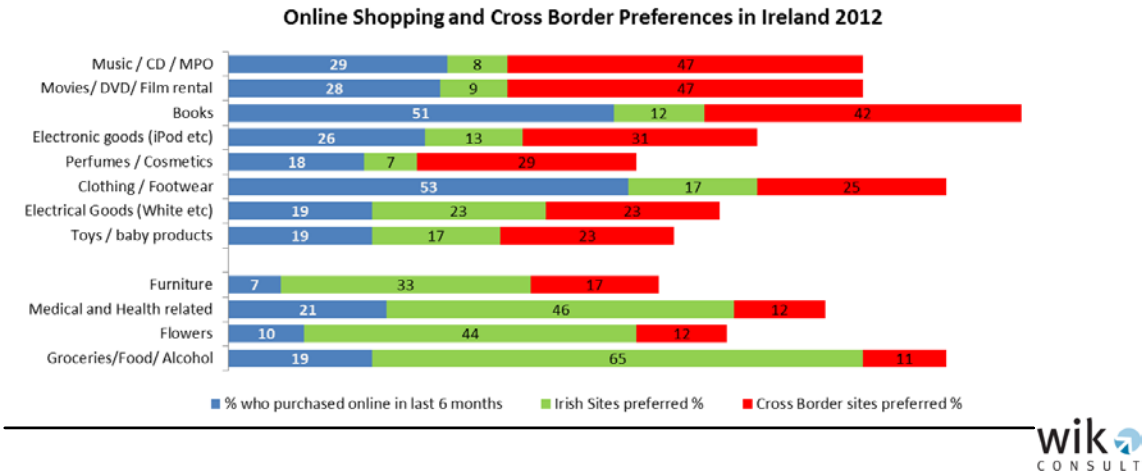


Source: UPC Irelands Digital Future 2012

These significantly out perform any other criteria as a reason to shop cross-border. Interestingly these are the only two criteria that are not technology or process based.

The product range that Irish consumers access cross-border is quite extensive.

Figure 53 Online shopping and cross-border preferences in Ireland (2012)



Source: UPC Irelands Digital Future 2012.

In eight out of twelve categories examined there is a preference for sourcing from cross-border sites rather than Irish ones. However many of these categories are "discretionary" in nature.

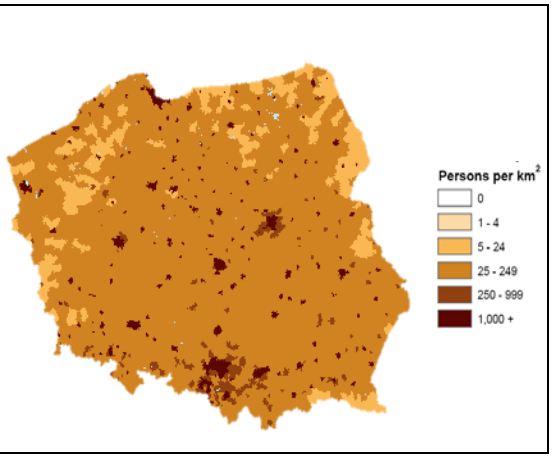
In four of the categories there is a high preference for Irish sites. These four categories are characterised by being perishable (food and flowers), need to be reputable (health / medical) or “touchable” (furniture). White goods (domestic non personal electrical goods) are evenly balanced in preference between Irish and Cross-border sites.

It is interesting that the categories preferred for cross-border include all the major retail categories that form the core of the high street trade in small and medium sized urban areas in Ireland. As such retailers in these categories face an “invisible” competitor that they cannot quantify because they are traded with at home and often outside normal shopping hours.

2.6 Poland

2.6.1 E-commerce in Poland

Table 18 Key facts about Poland

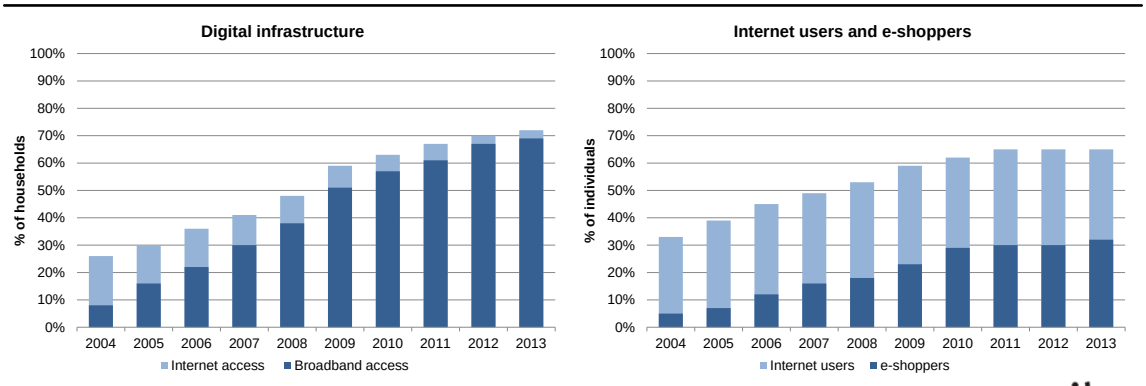
Country size	312.679km²	
Population (2013)	38.5m	
Population density (2013)	123 inhabitants per km²	
Urbanisation rate (2012)	61%	
GDP (market prices, 2013) Real GDP growth rate (2013)	EUR 388,746m 1.6%	
GDP per capita in PPP (2012) Index	EUR 17.100 67 (EU-28=100)	

Sources: Eurostat, Worldbank (urbanisation rate)

Notes: GDP – Gross Domestic Product
PPP – Purchasing Power Parity

Poland is a large country geographically with a population of 38.5 million people. 65% or more than 25 million people use the internet. Nearly 50% of the internet users or more than 12 million people shopped online during the last 12 months.

Figure 54 Digital infrastructure and internet usage in Poland (2004-2013)

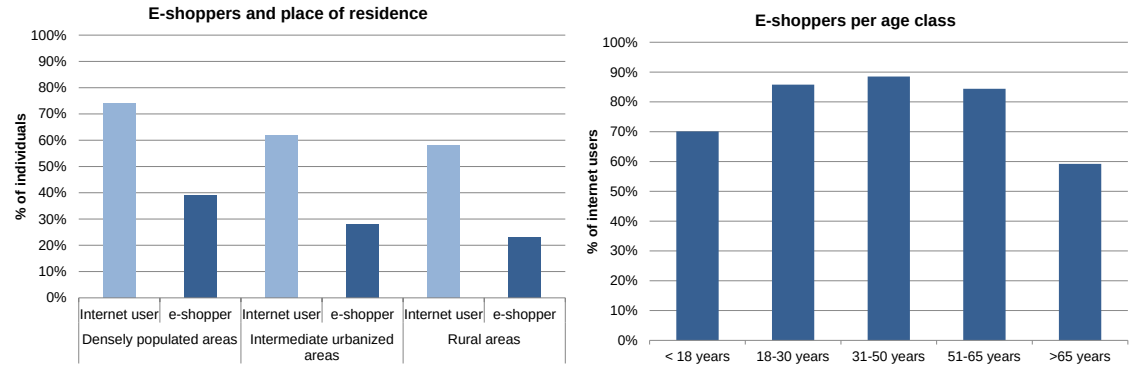


Source: Eurostat

More than 70% of Polish households have access to the internet; most of them via broadband access (see Figure 27). According to Eurostat data around 50% of internet users shopped online during the last 12 months. A Polish survey of online shopping

revealed a much higher proportion of internet users shopping online: with 72% of internet users having shopped online at least occasionally in 2012.[94] 20% of the e-shoppers shop online several times a month. Around 66% of e-shoppers have shopped online for 2 years or more.[95]

Figure 55 Internet users and e-shoppers versus population density in Poland (2012)



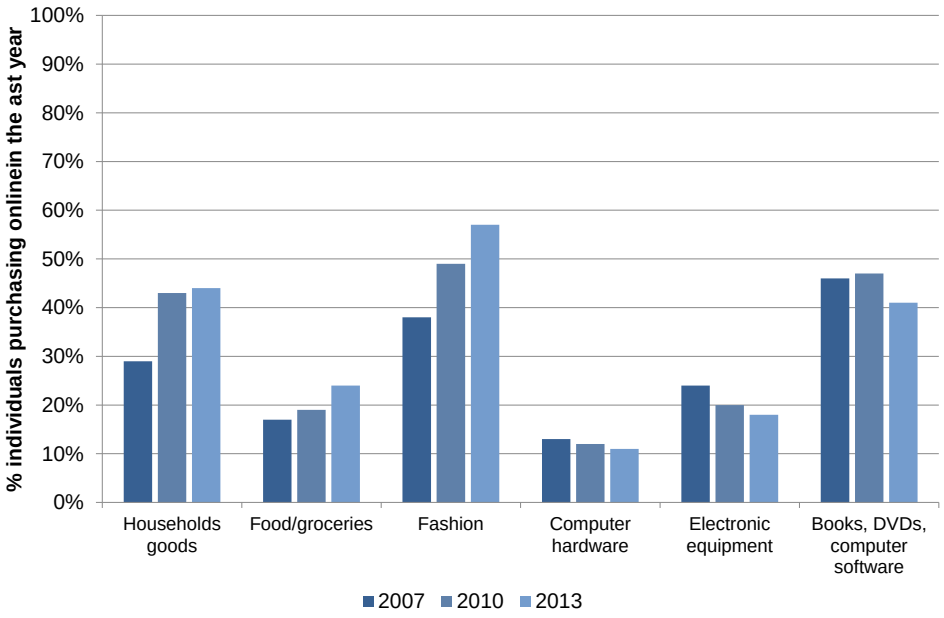
Source: Eurostat (place of residence)
dotcom river (2014), e-commerce Poland 2013, p. 6 (e-shoppers per age class)

Notes: Densely populated area: >500 inhabitants/km²
Intermediate urbanized area: 100-499 inhabitants/km²
Rural area: <100 inhabitants/km²

There is still a substantial rural / Urban difference in the use of the internet and online shopping. People living in rural areas shop less online (around 20%) compared to people living in urban areas (nearly 40%). This difference can partly be explained by a lower proportion of households with broadband access in Polish rural areas and a higher proportion of elder people. These factors combined with lower online shopping means that rural areas delivery solutions are less effective than those in urban areas.[96]

94 See E-Commerce Polska / Gemius (2013), e-Commerce w Polsce 2012 w oczach internautów, p. 27.
95 Ibid, p. 31.
96 See Country Workshop Poland, Interview Sheepla (30 May 2014).

Figure 56 Online shopping vs. goods classes in Poland



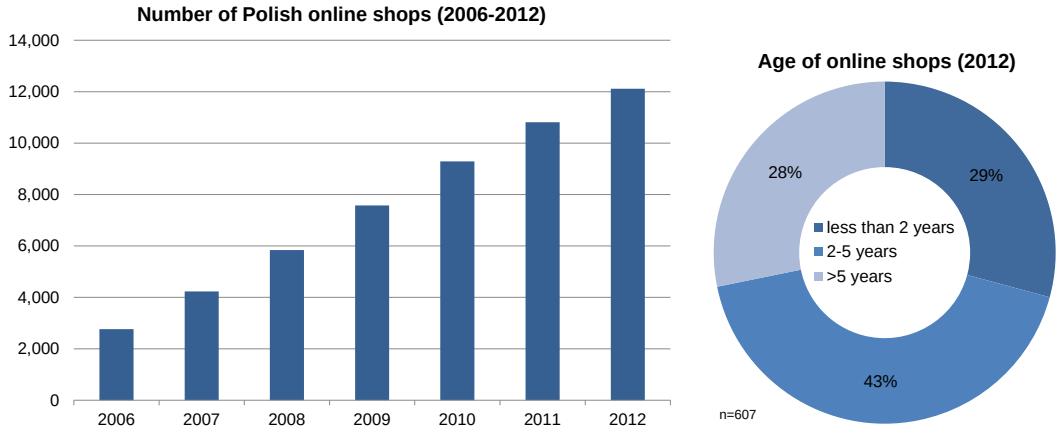
Source: Eurostat

Most online shoppers do so either through specific online shops or online auctions. As in other countries Polish online shoppers buy mainly books, household goods and fashion articles. They fashion and grocery sectors increasingly attractive to Polish online shoppers. Due to the increasing rates of returns of fashion items e-retailers are looking for more sophisticated return solutions. In respect of returns services the Polish e-commerce market still lags behind the more mature e-commerce markets.[97]

Poland is one of the fastest growing e-commerce markets in Europe with growth rates of more than 25% per year.[98] Estimates of the size of the Polish B2C e-commerce market ranged from EUR 4.1 billion[99] to EUR 5.1 billion[100] in 2012.

97 Country Workshop Poland, interview Sheepla (30 May 2014).
98 See E-commerce Europe (2013), B2C E-commerce Report 2013, p. 34.
99 See E-commerce Europe (2013), Central Europe B2C E-commerce Report 2013 – Light version.
100 See Dotcom River (2014), e-commerce Poland 2013, p. 11.

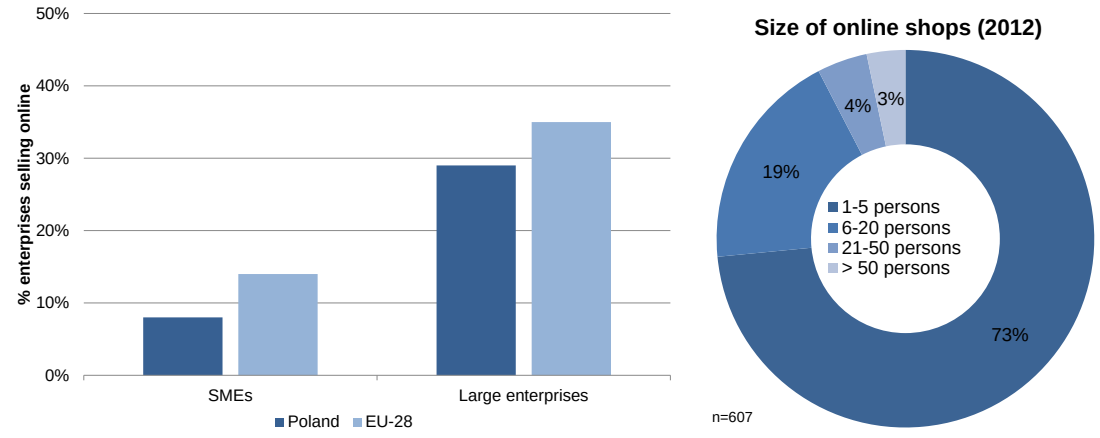
Figure 57 Number and age structure of Polish online shops



Source: Sklepy24.pl (2013), eHandel Polska 2012

The rapid development of the Polish B2C e-commerce segment is highlighted by the survey results published by sklepy24.pl / dotcom river (see Figure 57). They estimated the total number of Polish e-retailers to more than 12,000. That number has tripled between 2007 and 2012. Around 30% of online shops have been created since 2010.

Figure 58 SMEs and large enterprises selling online in Poland (2013)



Source: Eurostat (SMEs and large enterprises selling online)
Sklepy24.pl (2013), eHandel Polska 2012 (size of online shops (n=607)

Nearly three quarter of the e-retailers surveyed in 2012 were very small companies that employed less than 6 staff.

Polish e-shoppers like online auctions/market places. The most popular shopping site in Poland is that of Allegro.pl. In 2012, more than 50% of the Polish internet users visited

this site. In contrast, the auction site eBay.pl attracted less than 3% of Polish online shoppers.[101] Allegro has a brand awareness of 88%.[102] None of the other online shops have the brand popularity or traffic volumes of Allegro.

Table 19 TOP 10 Online shops (2012) in Poland

Rank	Online shop	Description	% of internet users
1	Euro.com.pl	Electronic equipment and household goods	9.4%
2	Zalando.pl	Fashion	8.8%
3	Empik.pl	Fashion	7.9%
4	Zlotewyprzedaze.pl	Fashion	7.7%
5	Merlin.pl	Generalist	7.5%
6	Doz.pl	Pharmaceuticals	5.0%
7	66prozent.pl		4.7%
8	Bonprix.pl	Generalist	4.5%
9	Saturn.pl	Electronic equipment and household goods	4.1%
10	Tchibo.pl	Generalist	4.1%

Source: E-Commerce Polska / Gemius (2013), e-Commerce w Polsce 2012 w oczach internautów, p. 125.

2.6.2 Delivery markets

The Polish regulator UKE reported that the Polish delivery market including mail and parcel services was estimated at PLN 5.6 billion (EUR 1.3 billion) for 2012; the CEP segment accounted for PLN 1.6 billion (EUR 380 million) and letter post for PLN 4 billion (EUR 960 million).

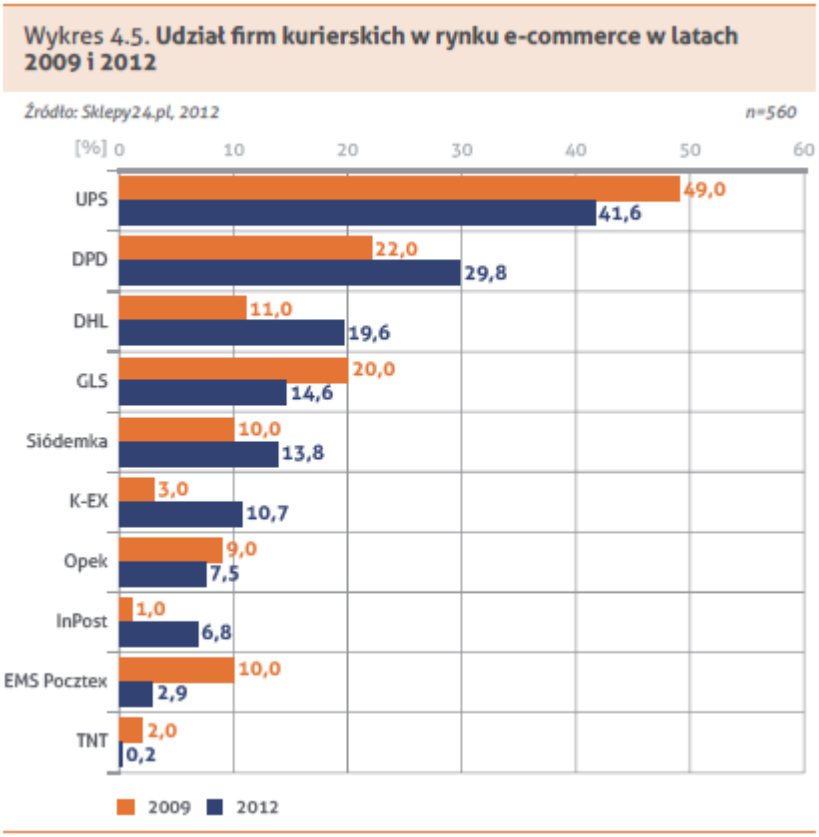
Around 1.9 billion letter post items and about 84 million parcels were transported across Poland in 2012. The regulator claims that the size of the parcel & express segment is substantially underestimated with the result that the market proportion of the Polish national postal operator in this segment is overestimated (in terms of revenues and volume).[103] AT Kearney estimated the size of Polish parcel & express segment to be more than EUR 1 billion in 2011.[104] A market participant estimates the total volume of B2C shipments to be around 120 million, around half sent by letter post (i.e. mainly by Poczta Polska).[105]

101 See E-Commerce Polska / Gemius (2013), e-Commerce w Polsce 2012 w oczach internautów, p. 126.
102 See E-commerce Europe (2013), Central Europe B2C E-commerce Report 2013 – Light version, p. 80.
103 See Office of Electronic Communications UKE (2013), Report on the state of the postal market in 2012, p. 42.
104 See ATKearney (2012), Europe's CEP market: Growth on new terms, p. 4.
105 Interview Sheepla (30 May 2014).

More than 260 companies are registered in the Polish postal market (excluding Polish Post).[106] Around 50% of the companies provide domestic delivery services nationwide and more than 33% offer cross-border services. The remaining companies (41%) mainly offer local delivery services.[107]

In 2012 the TOP 10 companies (excluding delivery of unaddressed items) in terms of revenues were TNT Express Worldwide (Poland), General Logistics Systems Poland, Opek (acquired by FedEx in 2012), InPost, K-EX, DHL Express (Poland), UPS Polska, Federal Express Poland, Polska Grupa Pocztowa and PZ Polamer. The TOP 15 transporters account for around 95% of the revenues of all the 260 registered companies.[108]

Figure 59 Carriers selected by Polish e-retailers



Source: Sklepy24.pl (2013), Raport eHandel Polska 2012, p. 54.

A 2012 survey among e-retailers revealed that they prefer private carriers for parcel delivery services (see Figure 59). EMS Pocztex, the express subsidiary of Polish Post is

106 See UKE (2013), Report on the state of the postal market in 2012, p.14.
107 See UKE (2013), Report on the state of the postal market in 2012, p.18.
108 See UKE (2013), Report on the state of the postal market in 2012, p.30.

selected by less than 3% of e-retailers. The TOP 5 selected were UPS, DPD, DHL, GLS and Siodemka. The survey results confirm the regulator's view that the parcel & express segment is underestimated. It shows that the national postal operator does not play an important role in the e-commerce B2C delivery market.

The following table illustrates the delivery services offered by a selection of Polish parcel, express and courier companies provide to businesses.

Table 20 List of selected parcel, express and courier carriers in Poland

Name of supplier	Service description
Poczta Polska	• Letter & parcel carrier (national and international delivery services) • Services: o Letter services: ▪ List zwykły (large letters up to 2kg), D+1 and D+3 (optional) ▪ List polecony (registered letters up to 2kg), D+1 (pre 15:00) and D+3 ▪ List wartościowy (valuable letters up to 2kg), D+1 and D+3 (optional) o Parcel services: ▪ PACZKA MINI (packets up to 2kg), D+1 (pre 15:00) and D+3 ▪ PACZKA POCZTOWA (parcels up to 10kg), D+1 and D+3 ▪ PACZKA24, PACZKA48 and EKSTRA24 (parcels up to 30kg), D+1 and D+2 (shop delivery optional) • Service characteristics: o Home delivery o Parcel shops (~8.500) o Tracking included for registered and insured items (letters, packets and parcels) and for PACZKA24/48 and EKSTRA24. o Insurance up to 100zł for PACZKA MINI, up to 1,000zł for PACZKA24/48 and EKSTRA24 and up to 70,000zł for insured items; option for higher insurance for packets and parcels
UPS Polska	• Independent parcel & express carrier (national and international delivery services) • Services: o Parcel services: UPS Standard (parcels up to 70kg), D+1/2 o Express service: UPS Express (parcels up to 70kg), D+1 before 12:00 noon, or time definite (pre 9:00 or 10:30) • Service elements: o Home delivery o Tracking & tracing (without extra charge) o Insurance (without extra charge) up to 323zł o Mój UPS: Online platform for business customers
DPD Polska	• Parcel & express carrier (national and international delivery services) • Formerly Masterlink Express, acquired by Geopost (La Poste) in 2004 • Services: o Parcel services: DPD Classic (parcels up to 31.5 kg), D+1 o Express services: ▪ DPD Express (up to 31.5kg) D+1 (time definite: pre 9:30 or 12:00) ▪ DPD ON TIME (up to 31.5kg) D+1 (on a previously set time: 10:30-16:00 or 18:00-08:00) o DPD Consumer Premium solution for e-commerce entrepreneurs (possibility of precise delivery time intervals and evening delivery

Name of supplier	Service description
	• Service elements: o Home delivery o Parcel shops (~450) o Tracking & tracing (without extra charge) o Insurance (without extra charge) up to 5,000zł for DPD Classic o Two delivery attempts o Web client application for business customers
DHL EXPRESS (Poland)	• Parcel & express carrier (national and international delivery services) • Formerly Servisco, acquired by Deutsche Post DHL in 2002 • Services: o Express service: ▪ Day definite (guaranteed D+1, documents and parcels up to ▪ Time definite (time-critical delivery pre 9:00 or 12:00, documents and parcels up to 31,5kg) o Same-day service: DHL Sprintline (direct courier) • Service elements: o Home delivery o Parcel shops (DHL Service Points; ~50 own branches) o Tracking of all shipments (without extra charge) o Insurance (without extra charge) up to 500zł is standard; option for higher insurance o MyDHL: Online platform for small, medium and large companies
GLS	• Parcel & express carrier (national and international delivery services) • Owned by Royal Mail • Services: o Parcel services: GLS Business Parcel (parcels up to 40kg), D+1 o Express services: GLS Express (shipments up to 40kg), D+1, before 12:00 noon • Delivery options: o Home delivery o Parcel shops (~800) o FlexDelivery: Individual determination of date and point of delivery • Service elements: o Tracking & tracing (without extra charge) o Insurance (without extra charge) up to 6,000zł for parcel and express shipments o Online labelling for parcels (GLS Paket), no rebates o Two delivery attempts to businesses o One delivery attempt to consumers, if failed delivery to the next GLS parcel shop o Pick up services for business customers (ParcelVan) • Special services for business customers (IT interfaces for delivery management) o Your GLS (online dispatching): ~5 parcels /day o ADE-Plus (web application): 50-2,000 parcels/month o GLSI-Plus (desktop application): 500-3,000 parcels/month o Uni-Box: Fully automatic data communication with GLS for customers with at least 100 parcels per day

Name of supplier	Service description
Siódemka	• Parcel, express and courier carrier (national delivery services) • Owned by private equity fund Abris Capital Partners, sold to Geopost/DPD in April 2014.[109] • Services: o Parcel services: 7 Standard (up to 30kg), D+1 o Express services: ▪ 7 Next Day (up to 31,5kg): Time definite delivery pre 10:00 or 12:00 or delivery time window (3-4 hours) or overnight delivery ▪ WebPack7 (up to 30kg): Pre-paid packages, D+1 pre 16:00 o Same day services (up to 20kg): Delivery within one or two hours in urban areas and within four hours in suburban areas o 7 EURO PALET (parcels up to 800kg) • Delivery options: o Home delivery o Parcels shops (~1,200) o Delivery to retail stores • Service elements: o Tracking & tracing (without extra charge) o Insurance (without extra charge) up to 1,000zł for all services and up to 5,000zł for WebPack7; option for higher insurance for all services (up to 100,000zł) • Special services for business customers: o Pick up service o WebMobile7 (web application) for 7 Internet Shipping o Discounts for the conclusion of a customer contract (24 or 48 months): 20-50 parcels a month
K-EX	• Independent express carrier (national delivery services) • Services: o Express parcels (up to 30kg), D+1, national and local o Express parcels Plus (up to 30kg), guaranteed delivery D+1 o LTL (parcels up to 800kg), D+1 • Delivery options o Home delivery • Service elements: o Tracking & tracing (without extra charge) o Insurance is optional for all services (up to 100,000zł)
Opek/FedEx	• Parcel, express and courier carrier (national delivery services, international services by FedEx) • Owned by FedEx (since 2012)[110] • Services: o Parcel services: Standardowe paczki (parcels up to 30kg) and Palety (parcels up to 1,000kg), D+1 o Express service (up to 30kg): ▪ Time definite delivery pre 10:00 or 12:00 or delivery time window between 17:00-19:00 or 19:00-22:00, only in urban and suburban areas ▪ BED service for nationwide delivery

109 See CEP Research (2014), DPD to buy leading Polish courier company Siodemka, 16 April 2014. The acquisition is still pending at the competition authority because the merger substantially increases the market share of DPD in the Polish parcel market (particularly in the B2C segment).

110 See CEP Research (2014), DPD to buy leading Polish courier company Siodemka, 16 April 2014.

Name of supplier	Service description
	o Same day service (up to 30kg): Delivery within two hours in urban and suburban areas • Delivery options: o Home delivery o Delivery to retail stores • Service elements: o Tracking & tracing (without extra charge) o Insurance (without extra charge) up to 50zł for all services; option for higher insurance for all services (up to 50,000zł) o Up to two delivery attempts o Online platform for business customers
InPost	• Letter & parcel carrier (national delivery services) • Owned by Integer.pl • Services: o Letter post services: Large letter (up to 2kg), D+4 or D+3 (local destination) o Parcel services (only available for business customers): limited to small Parcels (up to 5kg), D+3, if delivered to parcel lockers D+2 o Express services for letters, registered letters and small parcels, D+2 • Delivery options: o Home delivery o Parcel shops (~1,000) o Parcel locker (Paczkomaty InPost, ~800), lower tariff if delivered to the parcel locker (special offer to e-retailers) • Service elements: o Tracking only for registered letters and express parcels o Insurance is optional for all letter and parcel services (500zł or 1,000zł)
EMS Pocztex	• Courier carrier (national delivery services) • Owned by Poczta Polska • Services: o Pocztex Kurier Miejski (guaranteed delivery on same day, intra city: 3-4 hours, up to 50kg) o Pocztex Kurier Krajowy (guaranteed delivery on same day, national, up to 10kg) o Pocztex Kurier Bezpośredni (direct delivery up to 100kg) o Pocztex Kurier48 (delivery to a parcel shop of Poczta Polska) • Service elements: o Tracking for all courier services o Insurance up to 5,000zł

The substantial number of carriers in Poland suggests that facilitators (fulfilment service providers, consolidators, parcel brokers) with focus on e-commerce driven by B2C deliveries have emerged in Poland.

One example for parcel broker with focus on e-retailers is the Allegro-owned sendit.pl. The company was found as first parcel broker in 2007 named courier-online.pl and

acquired by Allegro in 2012.[111] The broker resells delivery services provided by DPD, UPS and InPost to offer different service qualities and delivery options. Other examples are AlleKurier (delivery partners are UPS, DPD, K-EX, DHL)[112] and Kuriernet (delivery partners are UPS, DPD and K-EX)[113]

Most brokers started their businesses during the financial crisis. In order not to lose too much business, carriers have to date cooperated with parcel brokers. Market participants expect that parcel brokers will become less important over time in the Polish delivery market due to strategic and tactical changes by the carriers themselves.[114]

Due to intense competition in the Polish parcel & express market the costs for domestic shipments are significantly lower than those of a cross-border shipment. A market participant estimates that – depending on the country of destination – cross-border shipments costs are 7 to 15 times the domestic shipment costs.[115]

Figure 60 Overview on parcel brokers and intermediaries in Poland

Source: kurierem.pl

111 Sendit.pl.
112 Allekurier.pl.
113 Kuriernet.pl.
114 Interview Sheepla (30 May 2014).
115 Interview Sheepla (30 May 2014).

Table 21 Selected parcel brokers in Poland

Name of supplier	Service description
sendit.pl	• Online platform for processing shipments • Owned by Allegro • Focus on parcel services (national and international) • Integrated carriers: DPD, UPS and InPost • Senders can book the desired service directly via the online platform • Small discounts are granted without signing a contract • Higher discounts (up to 70 percent) are granted depending on the number of packages • Electronic tracking of all bookings • Insurance up to 5000zł included • Bundled invoice by the parcel broker one contact person • Processing of returns possible • SenditAPI: Simple and consistent interface, that senders can integrate easily into their shipping processes • iStore: Integration of online shops
AlleKurier	• Shipping portal for all types of shipments (letters, parcels, pallets) • National and international shipping • Specialised on imports from China • Compares services and prices of parcel carriers • Integrated carriers: UPS, DPD, K-EX, DHL • Senders can book the desired service directly via the shipping portal • Discounts are granted (depending on the number of packages) • Electronic tracking for all bookings • No contracts and commitments • Individual service offers for higher shipment volume
Kuriernet	• Online platform for processing shipments • National and EU shipping • Compares services and prices of parcel carriers • Integrated carriers: UPS, DPD and K-EX • Senders can book the desired service directly via the online platform • Discounts are granted within a subscription (BUSINESS LINE) for 30, 90, 180 or 360 days. • Electronic tracking for all bookings
apaczka.pl	• Shipping portal for processing e-commerce shipments • National and international shipping • Specialised on e-retailers and the integration in various e-commerce platforms (Home.pl, Shoper, RedCart, PrestaShop, Opencart, Magento, Sote, sStore.pl, VirtueMart, GoShop, Shoplo) • Integrated carriers: UPS, DHL, InPost, K-EX • Senders have to register at the website • Discounts are granted (depending on the number of packages) • Simple and consistent interface (API), that senders can integrate easily into their shipping processes • Electronic tracking for all bookings • No contracts and commitments • Simple and consistent interface (API), that senders can integrate easily into their shipping processes

Name of supplier	Service description
eurohermes.pl	• Shipping portal for processing e-commerce shipments • National and international shipping • Specialised on e-commerce shipping's between Poland and Germany • Integrated carriers: GLS, K-EX • Senders can book the desired service directly via the online platform • Discounts are granted (depending on the number of packages) • Electronic tracking of all bookings • Insurance up to 2000zł included • Processing of returns possible • Individual service offers for higher shipment volume

Sources: Company websites

The rapidly growing Polish B2C e-commerce segment is serviced by many delivery service providers and facilitators. The Polish delivery market also services B2C delivery needs through parcel shops, e.g. DPD, GLS and InPost, as well as parcel lockers (InPost) that offer click & collect solutions to e-retailers.

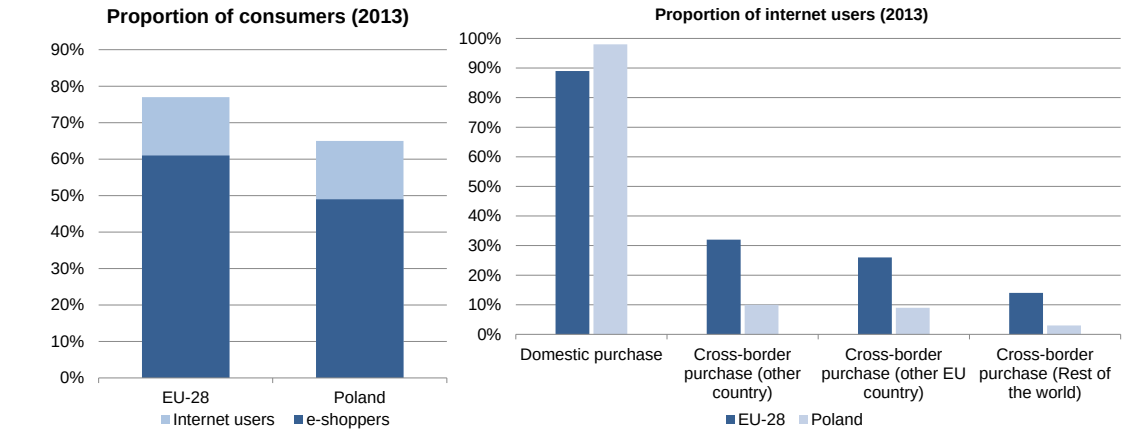
Allegro, the major Polish e-commerce trading platform, has agreements for the delivery of e-commerce purchases to pick-up stations with DHL (delivery to DHL Service Points), Poczta Polska (~8,500 service points) Paczka w Ruchu (delivery to ~2,500 kiosks) and InPost (delivery to ~800 parcel lockers) since 2010.[116]

The Polish delivery market is very competitively structured and offers a variety of delivery options from home delivery, parcel shops to parcel lockers. Private delivery operators and parcel carriers usually offer a tracked parcel service. Poczta Polska is launching a tracked parcel service that is specifically focused on e-retailers. Parcel brokers and facilitators that target e-retailers are emerging.

116 See http://media.allegro.pl/pr/168874/odbior-w-punkcie-wkrotce-na-allegro, http://www.dhl.com.pl/en/express/shipping/find_dhl_locations.html, Office of Electronic Communications UKE (2013), Report on the state of the postal market in 2012, p. 45, http://paczkawruchu.pl/znajdz-kiosk and http://paczkomaty.pl/en/for-you/find-your-parcel-locker.

2.6.3 Relevance of cross-border sales and shipments

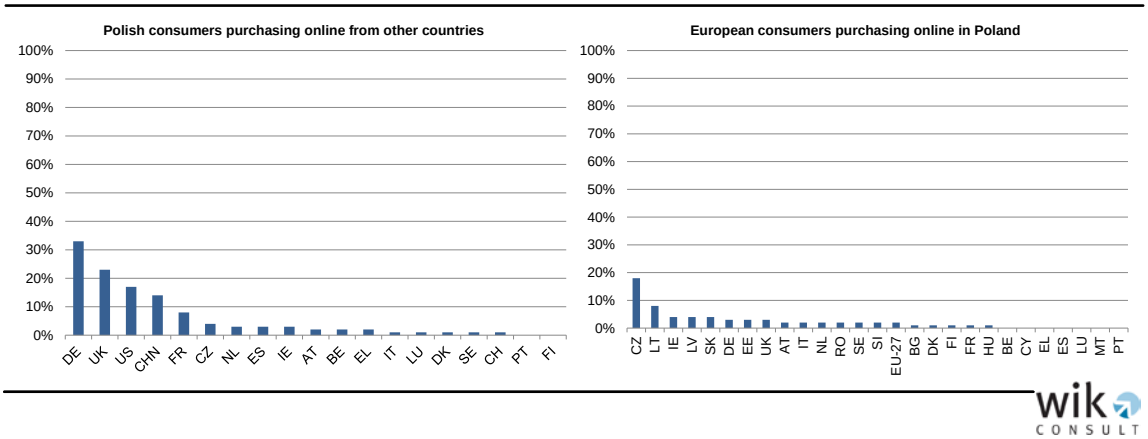
Figure 61 Polish consumers purchasing online (2013)



Source: Eurostat

Eurostat data suggests that Polish consumers prefer Polish websites for online shopping. Almost all consumers purchase domestically while the proportion of e-shoppers buying cross-border is at 10%, substantially lower than the EU average of more than 30 percent.

Figure 62 Consumer preferences: Import and export relations for Poland (2011)

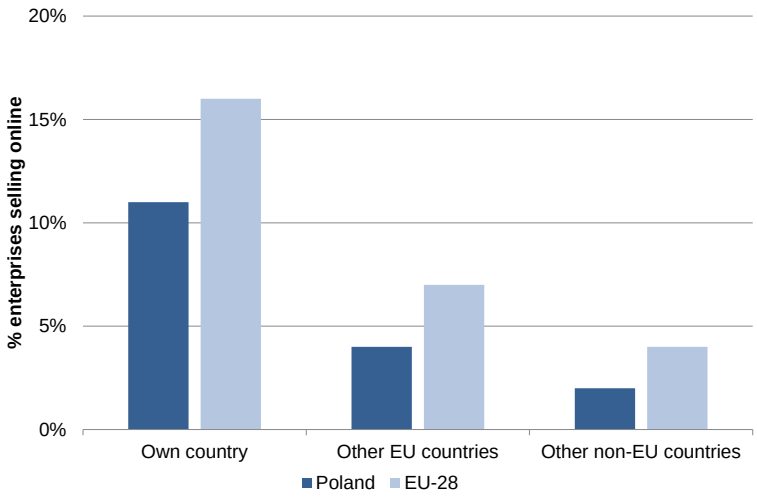


Source: Based on Civic Consulting (2011), Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, p. 35.

In terms of e-commerce imports and exports we assume that Poland faces more import transactions than export transactions. Popular countries for cross-border purchases are Germany and UK followed by the United States and China.

Polish sites are popular online shoppers in the Czech Republic and Lithuania. Polish emigrants (e.g. in Ireland or the UK) also contribute to Polish e-commerce exports.

Figure 63 Polish enterprises selling online (2013)



Source: Eurostat

The domestic focus of Polish online sales is also reflected in the sales behaviour of Polish e-retailers.

The proportion of Polish companies selling online is 11% which is substantially below the EU average of 16%. Only 4% of Polish companies sell online in other EU countries and 2% to the rest of the world.

Polish companies show a reluctant to sell online cross-border, a finding that is supported by the most recent Eurobarometer results. Nearly three-quarter of Polish e-retailers provide only a Polish website. Only British and Irish e-retailers have higher proportions (obviously because English is spoken by many EU citizens).[117] Polish e-retailers consider higher cross-border delivery costs as an important issue in cross-border selling.[118]

The problem of high shipping costs is also highlighted in the Polish e-retailer survey.[119] More than 50% of 20 expert saw expensive shipping costs as an important reason for the low proportion of cross-border sales by Polish e-retailers (particularly related to the average cart value per transaction).

117 See Flash Eurobarometer EB 359 (2013), Retailers' attitudes towards cross-border trade and consumer protection, p. 19.
118 See Flash Eurobarometer EB 359 (2013), Retailers' attitudes towards cross-border trade and consumer protection, p. 63.
119 See Sklepy24.pl (2013), eHandel Polska 2012, p. 81 et seq.

Another finding was that import shipping costs were lower than export shipping costs (which confirms that Poland is an import country in relation to B2C e-commerce transactions).

Further issues were identified as long delivery times, missing tracking options and complex cross-border delivery products.

The experts highlighted language problems, payment problems because of different currencies (PLN instead of EUR), VAT issues and a higher product price level in Poland compared to other EU countries (mainly compared to Germany, UK and France).

The domestic focus of many Polish e-retailers is not surprising because Poland has a relatively large market and has enjoyed positive economic growth even during the recession. The proportion of Polish consumers shopping online has grown positively and e-commerce is an attractive commercial proposition for domestic and International e-retailers The market is not mature and offers domestic growth opportunities and less pressure to trade cross-border for growth.

3 Policy objectives and existing initiatives

3.1 Policy objectives for e-commerce deliveries

This chapter summarizes the Commission's and policy objectives, and those of the European Parliament, with respect to parcel delivery for e-commerce. The policy initiatives discussed in this report, and our recommendations, aim at contributing to progress against these objectives.

The "Single Market Act"[120] considers the achievement of the "digital single market", including e-commerce, as one of the levers to boost economic growth and strengthen confidence in the Internal Market. The "Digital Agenda for Europe"[121] lists key actions for achieving the digital single market and defines key performance indicators and targets to measure the implementation progress. One of the most important elements for achieving the digital single market is to promote e-commerce and particularly cross-border e-commerce. The stated objective is to increase the share of population that buys online generally, and the share of population that buys online from other Member States. The Communication on "A Coherent Framework for building trust in the digital single market for e-commerce and online services"[122] highlights the importance of reliable and efficient delivery systems. As one of the key actions the Commission initiated a consultation on parcel delivery based on a Green Paper.

The Commission's 2012 Green Paper on integrated parcel delivery markets for e-commerce[123] reiterates and specifies the objective to promote an integrated parcel delivery market, and discusses options to simplify cross-border e-commerce. The major objectives stated in the Green Paper are

- Greater convenience and transparency for consumers and e-retailers (convenience and transparency, both for online consumers who want to have access to simple, reliable, improved consumer experienced services and for e-retailers who seek simple, reliable, flexible services);
- More cost effective and competitive delivery solutions notably cross-border (prices of cross-border services, which should be sustainable but at the same time competitive and cost efficient);

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120 See Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, *Single Market Act, Twelve levers to boost growth and strengthen confidence "Working together to create new growth*", COM(2011) 206 final, 13.04.2011.

121 See Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, *A Digital Agenda for Europe*, COM(2011) 245 final/2, 13.08.2010.

122 See Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, *A coherent framework for building trust in the Digital Single Market for e-commerce and online services*, COM(2011) 942 final, 11.01.2012.

123 See Green Paper "An integrated parcel delivery market for the growth of e-commerce in the EU", COM(2012) 698 final, 29 November 2012.

- Greater level of interoperability between operators along the delivery chain and better coordination between e-retailers and delivery operators (interoperability, which would entail improved interconnected networks and platforms as well as better partnerships (not only amongst delivery operators but also between delivery operators and e-retailers) to allow for smoother flows of information and services across borders).

The Commission's "roadmap for completing the single market for parcel delivery", published in December 2013, aims at "building trust in delivery services and encourage online sales". The document further specifies the objective discussed in the Green paper, and sets out further actions to address delivery problems and challenges faced by consumers and e-retailers in the Member States:[124]

- Objective: Increased transparency and information.
  Actions: call for dedicated platforms tools; encourage voluntary codes of conduct or good practice; call for better market data on domestic and cross-border parcels.
- Objective: Improved availability, quality and affordability of delivery solutions.
  Action: explore and develop solutions to better interconnect information systems and open interfaces to allow data exchange, facilitate tracking and tracing and labelling, and provide for effective returns.
- Objective: Enhanced complaint handling and redress mechanisms for consumers.
  Action: Call for delivery operators, e-retailers and consumer associations to cooperate better and jointly improve complaint handling and consumer protection systems.

In order to achieve these objectives, the roadmap has set out an "industry led process", and does not propose any legislative or regulatory action. However, the Commission has declared it will facilitate exchange within the sector, monitor progress against the objectives, and take stock after 18 months (mid 2015), and reconsider its approach after this period. Regulatory measures will be considered by the Commission in case industry commitments are not met or if results remain behind expectations.

124 See Communication from the Commission, *A roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales*, COM(2013) 886 final,16 December 2013, and related press note IP/13/254.

In a report adopted by the Committee on the Internal Market and Consumer Protection (IMCO) of the European Parliament,[125] the committee welcomed the Commission's action in this area and proposed that the European Parliament should call on the Commission to

- draw up (in cooperation with the industry and consumer organisations) joint delivery service quality indicators and thus enable consumers to make more informed choices;
- create platforms for cooperation and information exchange between delivery operators, and discuss the possibility of infrastructure sharing by express and postal mail services to their mutual advantage;
- work together with business towards the adoption of European standards on addressing and labelling, as well as e-commerce-friendly letter-box standards; and
- explore the possibilities of creating a Pan-European Trustmark for e-Commerce to improve consumer confidence in cross-border e-commerce and increase the competitive advantage of businesses, especially SMEs.

An opinion of another Parliament committee, the European Economic and Social Committee (EESC) in 2013 supported the roadmap and proposed some additional (regulatory) measures to address the identified objectives.[126] The committee

- confirmed the need for completing the single market in delivery of products sold online, and highlights the potential for growth and jobs;
- called for shared responsibilities, tracking and tracing, interoperability, particularly for SMEs and consumers, and especially as regards complaints and returns; and
- suggested considering a minimum European regulatory framework, which can respond efficiently and in a flexible way to the unresolved shortcomings in the market which discourage consumers and SMEs from buying online instead of relying solely on voluntary agreements and codes.

3.2 Existing policy initiatives that affect e-commerce deliveries

In this chapter we summarize our research on existing policy initiatives, projects or programmes in the field of e-commerce and delivery in Germany, Greece, Ireland, and Poland, as well as on EU level. It includes policy initiatives that are connected with

125 See European Parliament, Committee on the Internal Market and Consumer Protection (IMCO) "Report on an integrated parcel delivery market for the growth of e-commerce in the EU", 2013/2043(INI), A7-0024/2014, 14.1.2014.

126 See European Parliament, Opinion of the European Economic and Social Committee on the Communication from the Commission – A roadmap for completing the single market for parcel delivery: Build trust in delivery services and encourage online sales, COM(2013) 886. Brussels, 10 July 2014.

potential activities pursued by the Commission, i.e. information platforms for e-retailers, online-shoppers, consumers or delivery operators; examples for scoreboards and for trust marks; initiatives that enhance the use of track-and-trace or interoperability, innovative concepts for delivery to improve parcel services in rural areas as well as national e-commerce policy initiatives in general.

The objective of this research is to understand the wider context of any initiatives discussed and proposed by this report, to identify synergies with existing initiatives, and to avoid duplication.

We acknowledge that it is not entirely clear where the level of “initiatives” ends and the level of “business models” begins, but we would like to emphasize that there are a number of interesting cases among new and innovative start-ups in the delivery sector. Some of them start with an initial public funding or as university projects but many are the output of young entrepreneurs, often from within the Internet community. Some projects originate from the logistics sector and are included in the list if they could function as a blueprint or serve as a best demonstrated practice.

Therefore we would like to provide a broader approach to “existing initiatives”. It seems that there are a lot of new trends in the market and we cannot provide a comprehensive list as there are a continuous stream of new market entrants. It should be noted that in mature e-commerce markets such the USA or UK (which are not part of this study) innovative approaches are also emerging. To provide a status overview of measures taken we sort the list of initiatives concerning their key aspects. Against the background of the Parcel roadmap we introduce the following headlines:

1. Initiatives *supporting e-commerce* in general, e.g. overall websites and stakeholder networks, as well as (public) funded projects to enhance e-retailing among SMEs,
2. Initiatives *improving information and transparency*, e.g. platforms, websites or other measures that aim at providing more information for e-retailers, consumers, or public authorities in the field of e-commerce and delivery,
3. Initiatives *promoting interoperability*, e.g. solutions to interconnect information systems and open interfaces to allow data exchange,
4. Initiatives *enhancing consumer protection*, e.g. certification schemes and trust marks for e-commerce and delivery,
5. Initiatives aiming at *innovating delivery*, e.g. new concepts for delivery, especially on the “last mile”, Internet solutions for matching sender – receiver, package and mail forwarding services.

3.2.1 Community level

Table 22 EU policy initiatives in the field of e-commerce

Name	Description
Single Market Act	Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, Single Market Act, Twelve levers to boost growth and strengthen confidence "Working together to create new growth", COM(2011) 206 final, 13.04.2011.
Digital Agenda for Europe	Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, A Digital Agenda for Europe, COM(2011) 245 final/2, 13.08.2010
E-commerce Framework	Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions, A coherent framework for building trust in the Digital Single Market for e-commerce and online services, COM(2011) 942 final, 11.01.2012
Communication on e-commerce	Communication "A coherent framework to build trust in the Digital single market for e-commerce and online services", COM (2011) 942 final
Green Paper on integrated parcel delivery markets	Green Paper "An integrated parcel delivery market for the growth of e-commerce in the EU", COM(2012) 698 final, 29 November 2012
Parcel roadmap	Communication from the Commission, A roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales, COM(2013) 886 final,16 December 2013
IMCO report on integrated parcel delivery	European Parliament, Committee on the Internal Market and Consumer Protection (IMCO) "Report on an integrated parcel delivery market for the growth of e-commerce in the EU", 2013/2043(INI), A7-0024/2014, 14.1.2014
EESC opinion on parcel roadmap	Opinion of the European Economic and Social Committee on the Communication from the Commission – A roadmap for completing the single market for parcel delivery: Build trust in delivery services and encourage online sales COM(2013) 886 final

Table 23 E-commerce initiatives at Community level

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
1. Supporting e-commerce						
Choice in e-commerce	initiative against online-trade sales bans Initiative of Bundesverband Onlinehandel e.V. (BVOH), Berlin, and 12 main supporters from fulfilment and marketplace branches In 2013 “Petition for Choice and Innovation in Online-Trade” to the EC against manufacturers’ sales bans on online marketplaces signed by more than 14.000 e-retailers	Choice in e-commerce-Initiative, Berlin		2013, ongoing	i.a.	www.choice-in-e-commerce.org
2. Improving information and transparency						
eBSN – European e-Business Support Network for SMEs	network for e-commerce stakeholders in public authorities and research institutions of the EU member countries (ongoing) Publication: eBusiness Guide for SMEs eBusiness software and services in the European Market Information platform: eBusiness Guide for SMEs [shut down]	European Commission – DG Enterprise and Industry	public	2007 - 2011	+	http://ec.europa.eu/enterprise/sectors/ict/ebsn/what/index_en.htm http://edz.bib.uni-mannheim.de/daten/edz-h/gdb/08/eBusiness_Guide_for_SMEs.pdf
European Business Support Network (EUBIZZ)	Website for European e-businesses Two European-funded projects Baltic Supply and North Sea Supply Connect joined forces to run the European Business Support Network.	part-financed by the European Union (INTERREG IVB)	public/private	ongoing	i.e.	http://www.european-business-support-network.eu
log4green	Logistics clusters of six regions - Carinthia (Austria), Ruhr (Germany), Wallonia (Belgium), Normandy (France), Istanbul (Turkey), Odessa (Ukraine) - have joined forces to elaborate a Joint Action Plan (JAP) which is built on regional analyses and strategies. The project wants to strengthen the logistics research networks; provide sets of technological approaches, best practice examples and entrepreneurial activities for successful mutual learning; develop education programmes in the sector of logistics and transport; improve the clusters performance by structured benchmarking and knowledge exchange.	European Commission FP7, Regions of Knowledge-Programme	public/private	December 2011 - December 2014	++	http://www.log4green.eu/

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
LOGINN	"LOGINN - Logistic Innovation Uptake" aims at co-ordinating and supporting RTD projects in the logistics area to improve their capabilities to bridge the gap between pilot implementation and marketable solutions. To achieve this goal LOGINN will set up a collaborative platform (the Virtual Arena) to allow the main stakeholders of the logistics domain (industry, SMEs, public authorities, investors and research organizations) to work together on promoting innovative transport logistics solutions aiming at increasing efficiency and with a particular focus on intermodal transport.	European Commission FP7	public/private	October 2013, ongoing	++	http://www.loginn-project.eu/
3. Promoting interoperability						
e-Freight Integrated Project (European e-Freight capabilities for Co-modal transport)	The project will provide an e-Freight platform supporting the design, development, deployment and maintenance of e-Freight Solutions which will be validated in business cases and pilots involving representatives from all relevant stakeholders in surface transport including large and small businesses as well as authorities.	European Commission – DG MOVE	public	01/2010 - 12/2013 (ongoing)	++	http://www.efreightproject.eu
e-Freight Policy Initiative	Objective is to • help the logistics industry to increase, through working on standards and on adequate governance framework • address policy initiatives related to multimodal journey planners for freight, interoperability and goods tracking, • funding a number of research projects to support the upcoming policy developments (e.g. the e-Freight research project). The e-Freight policy initiative is linked to the Green Paper on parcel delivery and the respective roadmap and also based on the e-Freight project outcome, esp. on the report on "Common Framework for Information and Communication Systems in Transport and Logistics", a data exchange framework agreed upon by all relevant FP7 projects.	European Commission – DG MOVE	public	2013, ongoing	++	http://ec.europa.eu/smart-regulation/impact/planned_ia/docs/2013_move_001_e_freight.pdf
IPC e-Commerce Interconnect Programme	foster cross-border cooperation between national postal operators to i.e. facilitate tracking and tracing for e-commerce stakeholders, easier return solutions, predictable and day certain transit times	International Post Corporation (IPC) members	private	2013, ongoing	++	http://www.ipc.be http://www.eu-ems.com/event_images/presentations/Goetz.pdf

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
4. Enhancing consumer protection						
A pan European network of e-commerce trustmarks	Targets: • Improve international credibility and overcome language barriers of national trustmarks • Establish harmonized certification criteria for all national trustmarks throughout Europe • Establish an industry self-regulatory initiative in coordination with EU policies	EMOTA – European multi-channel and Online Trade Association	private	2013, ongoing	++	http://www.emota.eu/#!european-e-commerce-trustmark/c1jas http://media.wix.com/ugd/b18286_751c84234d3742f6a463f72ef4a60ee0.pdf
European Consumer Centres Network - ECC-Net	29 European Consumer Centres in the Member States (plus Iceland and Norway) offer free consumer advice and support to EU residents who are buying goods or services from a trader based in another EU country. Offer advise on online purchases from abroad and help with any problem (e.g. by ADR) publication of reports and statistics	European Commission DG Health and Consumers	public	2005, ongoing	++	http://ec.europa.eu/consumers/ecc/index_en.htm
5. Innovating delivery						
Citylog	The project deals with the city logistics issueThe CITYLOG main objective is to increase the sustainability and the efficiency of urban delivery of goods through an adaptive and integrated mission management and innovative vehicle and transport solutions. CITYLOG is coordinated by FIAT Research Centre, it involves 18 partners in 6 different European countries, including industries, research institutes, associations and local authorities.	European Commission FP7, Sustainable Surface Transport	public	2010, ongoing	+	http://www.city-log.eu/

Note: i.a. = inter alia, delivery one among other aspects
+ = focus on delivery
++ = strong focus on delivery, also cross-border
-= delivery aspects not covered but main focus on e-commerce issues

3.2.2 Germany

Table 24 E-commerce initiatives in Germany

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
1. Supporting e-commerce						
eStep - eStep Mittelstand "eStep SMEs" Modulare Lösungen für den Mittelstand zur Stärkung der eigenständigen Integration von e-Business-Standards in komplexe Lieferkettenprozesse "Modular solutions for SMEs to strengthen their integration of e-business standards in complex delivery chain processes"	optimisation of e-business standards and harmonised business master data management by development of suitable methods and models for the implementation of e-business standards The following tools will be developed • an information platform that will provide access to all information about how to adopt and applicate e-business standards for procurement • a scoring instrument that allows SMEs to analyse their status and make a diagnose to find out adaquate e-business standards • a prototype tool that shows a half-automated solution for problems in the field of master data management and the implementation of best practise solutions	Federal Ministry for Economic Affairs and Energy (BMWi)	public/private	2013 - 2016	+	http://www.fir.rwth-aachen.de/forschung/forschungsprojekte/estep-mittelstand-01ms13002a
Mittelstand-Digital eKompetenz-Netzwerk für Unternehmen – regionale eBusiness-Lotsen Network e-competence for companies – regional e-business pilots	Main objectives: • to offer neutral information and best practice examples in the field of e-business to companies, esp. SMEs • to assist SMEs in selecting efficient, cost effective and easy to use IT solutions • 38 e-business pilots founded (regional bureaus for e-business information) consisting of several partners, e.g. regional start-up initiatives, sector associations, chambers of industry and commerce, university research institutes, consultancies, etc.	Bundesministerium für Wirtschaft und Energie [Federal Ministry for Economic Affairs and Energy (BMWi)]	public/private	2012, ongoing	i.a.	http://mittelstand-digital.de/DE/Foerderinitiativen/e-kompetenz-netzwerk.html

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
Mittelstand-Digital EXPORT - Unterstützung von kleinen und mittleren Unternehmen bei der Abwicklung von Exportprozessen mittels ATLAS-Standard Support for SMEs to carry out export processes via the ATLAS standard	The project aims at providing a software solution for SMEs for simple and seamless export transactions • to create automated collection and processing of export related data • provide tailored information about each export transaction to the SME • integrate sales, marketing, and logistics processes into one IT management system.	Federal Ministry for Economic Affairs and Energy (BMWi)	public/private	2013 - 2014	++	http://www.mittelstand-digital.de/DE/Foerderinitiativen/eStandards/export.html
2. Improving information and transparency						
paketda! (“parcel-has-arrived!” – information platform)	independent information portal for consumers • interactive track & trace enquiry • explanation of status messages (not interactive) • consumer information about delivery topics (pick-up, retour etc.) (not interactive) • calculation tool for delivery prices	private company (Steffen Persiel, Online Service Provider, Hamburg)	private	2012, ongoing	+	www.paketda.de
versandkosten.info “shippingcosts.info”	Information portal for e-retailers and online shoppers with interactive tools for shipping costs comparisons Registered online shops provide information about preferred delivery operators and shipping prices. This information is analysed and charts are provided for e-retailers and consumers. 7.915 registered e-retailers (March 2014) 4.758 e-retailers listed with own developed „fair shipping costs sigle“	Mauve Mailorder Software GmbH & Co KG, Essen (private company, SME)	private	2007, ongoing	++	www.versandkosten.info
Versandtarif.de (information platform for parcel delivery services)	www.versandtarif.de describes itself as a consumer information portal with integrated interactive guidebook and helpful applications in the field of delivery inside Germany and to approx. 100 countries abroad	CHRONOPOST International Deutschland GmbH	private	2008, ongoing	++	www.versandtarif.de

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
Weltweit wachsen – Deutschland exportiert online („Growing globally – Germany exports online“, delivery sector association for networking and information providing)	information platform for German e-retailers, offers information about the demand of online-goods send from Germany abroad (includes information about international logistics, payment methods, legal frameworks, e-commerce markets in general), query options based on google (e.g. adwords)	Google, in cooperation with Bundesverband E-Commerce und Versandhandel Deutschland (bevh), Universities of Leipzig and Reutlingen, Deutsche Post DHL, PayPal, BDO, Kern	private	planned for June 2014, ongoing	++	http://www.weltweitwachsen.de/
xpaket.de (information platform for parcel delivery services)	web portal for delivery services (information and interactive applications) enhance transparency in the field of delivery services by using innovative web applications (e.g. interactive delivery cost calculator, interactive query for national and international delivery options and tariffs (parcels and packets); also for express delivery options)	Adbyte Gerald Mann (company for online marketing and Internet applications)	public/private	ongoing	++	xpaket.de
3. Promoting interoperability						
Letmeship (parcel broker)	multi-carrier shipping solution Internet platform that allows shippers to compare prices and services available in the market and to book directly online through one single application at no additional charge, irrespective of carrier specific systems and requirements	ITA Shipping GmbH	private	2000, ongoing	++	https://www.letmeship.de
Logistics Mall (SaaS solution for logistics applications)	„Logistics Mall – Your virtual Department Store for Logistics and IT“ • Software-as-a-Service Solution (SaaS) for users in the field of logistics • specialised application service providers offer solutions for logistic companies via Logistics Mall	Fraunhofer Innovationscluster Cloud Computing für die Logistik [Developed by Fraunhofer Innovation Cluster Cloud Computing for Logistics] – research institute financed by Federal Government Logata GmbH – industry partner	public/private	2011, ongoing	++	mmp.logistics-mall.com/

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
Mailbox-Germany (single delivery address for online-shoppers from abroad in Germany)	Service for customers from abroad who buy in Germany and want to send their shipments to their country. Mailbox-Germany offers an address in Germany to a free delivery box in a warehouse. Customers pay a fee for processing and delivery. Cooperation with carriers (broker service). This way, online-shoppers can order from e-retailers that won't ship to foreign countries and they can use the delivery service to save on cross-border delivery prices.	Mailboxde.com, Ondrej Krabs	private	July 2014	++	http://www.mailboxde.com/
Open Postal Alliance – OPAL „equal access for all" (new association for promoting interoperability)	The Open Postal Alliance is a cross-border network of technology providers, carriers, courier companies, and institutions, associations and consumer representatives in this field. OPAL is committed to a postal market with open networks and non-discriminatory open access for all market participants. First projects are to create an open standard for parcel shops and to build test beds for innovative delivery solutions.	Bundesverband der Kurier-Express-Post-Dienste e.V.	private	2014, ongoing	++	http://www.open-postal-alliance.de
Packlink (parcel broker)	comparison of delivery prices and services, pick-up service, parcel brokerage, track and trace query	Packlink GmbH	private	ongoing	++	http://www.packlink.de/
Parcello (measurement of transit times and forcasting delivery times)	forcasting service for delivery times interactive tool to predict the time a parcel from any delivery operator is going to arrive customers get Intimation of Delivery (IoD) by e-mail or text message based on route information of delivery companies (gained by collecting information from Parcello-users / delivery company customers by mobile app)	parcello GmbH	private/crowdfunding	ongoing	+	http://www.parcello.org
sendeasy. das neopost versandportal ("send easy. the new postal delivery portal" - broker)	Fulfilment service provision for shippers as „one stop shopping" with multi-carrier shipping solutions, also offering cost and service comparison, dispatch handling, tracking and tracing, single invoice service.	Neopost GmbH & Co. KG	private	2013, ongoing	++	www.sendeasy.de

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
shipcloud (delivery management solution)	• multi-carrier shipping solutions • cloud-based information platform for delivery services for registered business customers • parcel broker • on-stop shopping for shippers	shipcloud GmbH	private	2013, ongoing	++	http://www.shipcloud.io/
Working group logistics initiatives in Germany (networking and research activities)	11 regional logistics networks (Logistik-Cluster) Baden-Württemberg, Bayern, Berlin-Brandenburg, Bremen, Hamburg, Leipzig-Halle, Mecklenburg-Vorpommern, Nordhessen, Nordrhein-Westfalen, RheinMain, Schleswig-Holstein combine their programmes and strategies in the fields of marketing, development of traffic infrastructure, personnel and qualifications, innovative RTD projects.	logistics cluster in Germany	public/private	ongoing	++	http://www.logistik-initiativen.de
x-trans.eu - Das zentrale Portal zur Beantragung und Genehmigung von Sondertransporten (Internet platform for applications and permits in the field of abnormal load)	x-trans.eu provides a single window (single access point) and one stop shopping for administrative procedures concerning abnormal load/dangerous goods (Germany/Austria)	IT-Beauftragter der Bayerischen Staatsregierung (CIO of State Government of Bavaria) P23R Prozess-Daten-Beschleuniger (standardisation organisation University of Munich (TU Muenchen) VEMAGS (Verfahrensmanagement für Großraum- und Schwertransporte) (standardisation organisation) Land Oberoesterreich (Austria)	public/private	2013, ongoing	++	

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
4. Enhancing consumer protection						
D21 - Internet-Gütesiegel Monitoring (Internet Trust mark compliance monitoring)	Project started in collaboration with the Federal Ministry of Economics and Energy and the working group of consumer organizations. Together with D21 they developed quality criteria for online-shopping. Trust marks that fulfil the D21 Quality Criteria become accredited. D21 founded a monitoring board to control the accredited trust mark providers. D21 is a non-profit organization. Approx. 200 member companies and organizations from all sectors and political partners of federal and state governments form a network to launch non-profit projects (e.g. in the field of consumer protection, education, research for the Information Society).	D21 datenschutz cert GmbH, Trusted Shops GmbH, EuroLabel Deutschland, TÜV Management Service GmbH, Verbraucherzentrale Bundesverband, Wettbewerbszentrale, Bundesministerium für Ernährung, Landwirtschaft und Verbraucherschutz, ULD Schleswig-Holstein, Bundesverband E-Commerce und Versandhandel Deutschland (bevh), etc.	private	1999, ongoing	++	http://www.initiatived21.de/portfolio/internet-gutesiegel/
Trusted Shops trust mark	trust mark, national and international	Trusted Shops GmbH	private	1999, ongoing	-	http://www.trustedshops.de/
safer shopping - The TÜV SÜD certification mark trust mark	trust mark, national and international	TÜV SÜD Management Service GmbH	private	ongoing	-	http://www.safer-shopping.de/
EHI Geprüfter Online-Shop (trust mark, „EHI certified online shop“)	trust mark, national and international	EHI Retail Institute GmbH	private	ongoing	-	http://shopinfo.net/
Geprüfter Webshop (trust mark, “Certified Webshop”)	trust mark (focus on SMEs)	TISKO Consulting GmbH	private	ongoing	-	http://www.gepruefter-webshop.de/

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
5. Innovating delivery						
Atalanda (marketplace for local e-retailers with combined same-day-delivery)	Online-Portal for local e-retailers in Hamburg and Salzburg (AT) customers can order online from a local shop combined with a same-day-delivery service e-retailers and courier services can register on the platform	Atalanda GmbH	private	ongoing	+	https://atalanda.com/hamburg/
Bidcourier (matching platform)	marketplace for delivery services (matching platform), consumers can book a delivery service via a website, potential delivery service providers registrate their offers	Couriero UG	private	ongoing	+	http://www.bidcourier.de
Bringbee (matching platform)	marketplace for delivery services (matching platform) for purchasing goods, esp. groceries (Swiss company, German market evolving)	BringBee | PolyPort GmbH	private	ongoing	+	https://bringbee.ch/
Checkrobin (matching and tracking service)	marketplace for delivery services (matching platform) with tracking service (Austrian company, German market evolving)	checkrobin GmbH	private	2010, ongoing	+	https://www.checkrobin.com/
Clac – Citylogistik (Courier services application)	app for booking independent city courier services by bike for local retailers transport can be booked via mobile app or website	Albrecht Medien	private	2012, ongoing	+	http://www.clac.at/
Clickapoint (matching platform for logistics)	global logistics platform, marketplace for logistics services (matching platform)	GPSoverIP GmbH	private	ongoing	++	http://www.clickapoint.com/
Emmasbox (shop system with locker box locations)	online-shop system for grocery e-retailers including refrigerated locker box for groceries	open ideas GmbH / Technische Universität München	initial funding by European Union, Ministry for Economics and Energy	2013, ongoing	+	http://www.emmasbox.de/
Kartoffeltaxi (“potato taxi” – local groceries delivery service platform)	marketplace for delivery services (matching platform) for organic groceries (Swiss company, German market evolving)	Polyport	private	ongoing	+	kartoffeltaxi.ch

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
KombiBUS Effizienter ÖPNV in ländlichen Regionen. Mobilität sichern, Zukunft gestalten („Combined bus: efficient local public transport in rural areas. Retaining mobility, designing the future") (combined transport service)	• combining the transport of goods, post and passengers by using the public bus system in a rural area (northeast Brandenburg/Uckermarck) • bundling of ressources and transport capacities • offering an efficient regional transport system to local retailers/companies	Federal Ministry of the Interior, Berlin	public/private	2012, ongoing	+	http://kombibus.de/
Mitpackgelegenheit.de ("pack with others")	Internet platform for "social transport" matching of private senders and delivery service "providers" shoppers match their sending and delivery activities via a web/mobile app and bring along goods for others	Armando Aita, Serena Messer, Dr. Lars Schatilow SELANDO GbR	private	ongoing	+	http://www.mitpackgelegenheit.de
Mylorry (matching and tracking platform)	booking instant delivery online, matching platform GPS tracking, online registration of potential drivers	MyLorry GmbH	private	ongoing	+	http://www.mylorry.com/
Mytaxi (combined transportation and delivery service platform)	(mobile) application for a marketplace for taxi drivers who seek delivery jobs	Intelligent Apps GmbH	private	ongoing	+	http://www.mytaxi.com
Safeaddress (detour service for parcels)	web/mobile application for consumers to detour parcels to a defined alternative address	Genossenschaft zur Wahrung von Nutzerinteressen eG	private	ongoing	+	https://safeaddress.de

Note: i.a. = inter alia, delivery one among other aspects
+ = focus on delivery
++ = strong focus on delivery, also cross-border
- = delivery aspects not covered but main focus on e-commerce issues

3.2.3 Greece

Table 25 E-commerce initiatives in Greece

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
1. Supporting e-commerce						
Exportgate (Eurobank) (export information)	B2B Web Portal that aims to strengthen Greek exports by offering user-friendly tools and resources (e.g. to create sites, forums, virtual exhibitions, products presentations, e-services for Trade Finance, Factoring & Payments, e-auctions).	Eurobank Group, Greek Export Associations and the SEV - Hellenic Federation of Enterprises	private	ongoing	-	www.exportgate.gr
Greek e-Commerce Association	Promotion of e-commerce (trust marks, education, networking) ca. 110 members (e-Retailers); self-committed to a code of conduct; offer information/statistics about development of the e-commerce market in Greece	Ministry of Development & Competitiveness	public/private (members)	ongoing	i.a.	www.greeke-commerce.gr
Hellenic Institute - Information and Communication Management	promotion of information technology and the importance of its implementation by businesses operating in Greece, many educational and qualification programmes	Hellenic Management Association	funded by European Commission (and Greek institutions)	ongoing	-	www.eede.gr
IAB Hellas (Internet association)	"Association for the promotion of Digital and Interactive Marketing", information services and events, publications (e-mail marketing, mobile) engaged in many Greek Internet activities	members of the digital community	members	ongoing	i.a.	www.iab.gr
Start-up Greece (start-up promotion)	Platform for start-up promotion (online entrepreneurship community), information about funding for entrepreneurs; not e-commerce specific	supported by the Ministry for Development and the Greek Government in collaboration with communities of young entrepreneurs;	public	ongoing	-	www.startupgreece.gov.gr
2. Improving information and transparency						
"Integrated web platform for postal services and composite search engine tool"	project to establish an information platform on delivery for consumers and e-retailers; in future: feedback and rating features, qualitative measurement of operators, integrate a biding platform for SMEs status: call for tenders closed	EETT – Hellenic Telecommunications and Post Commission (National Regulatory Authority)	funded by European Commission (and Greek institutions)	2014, ongoing	++	http://www.eett.gr

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
3. Promoting interoperability						
./.						
4. Enhancing consumer protection						
EPAM (trust mark)	only trust mark for e-commerce in Greece. The lable of the Greek Association for Distance Selling and Direct Marketing (EPAM) can be used by its members as a trust mark if they ensure to follow the association's requirements	Greek Association for Distance Selling and Direct Marketing (EPAM)	private	2009, ongoing	-	http://www.enepam.gr/
Trust mark project (premature)	research project on establishing a trust mark in e-commerce	ETRUN (E-business research centre of Athens University)	public	2013, ongoing	-	n.a., premature
5. Innovating delivery						
Transport-to-Greece (Road Solution Hellas) (single delivery address for online-shoppers from abroad in Greece)	Transport-to-Greece offers B2B and B2C shipping from EU Member States to Greece. Customers order in online shops using the Transport-to-Greece address of a German warehouse as the delivery address. Their home address remains the invoice address.	Road Solution Hellas Monoprosopi E.P.E.	private	ongoing	++	www.transport-to-greece.gr

Note: i.a. = inter alia, delivery one among other aspects
+ = focus on delivery
++ = strong focus on delivery, also cross-border
-= delivery aspects not covered but main focus on e-commerce issues

3.2.4 Ireland

Table 26 E-commerce initiatives in Ireland

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
1. Supporting e-commerce						
Community Services Programme (CSP)	The CSP currently provides funding support for some 425 community companies and co-operatives, also in the e-commerce sector. This initiative has e-commerce relevance because it provides support for services such as local delivery using local resources to areas that are not serviced by "market" suppliers. Local couriers and Multi service (meals on wheels, gas, Groceries…) delivery providers are key users of the scheme and thus provide a vital pick-up and delivery capability where needed.	Irish Government, managed by Pobal (established in 1992, a not-for-profit organisation with charitable status that manages various funding programmes on behalf of the Irish Government and the EU)	public	2006, ongoing	+	https://www.pobal.ie/FundingProgrammes/
NDS Trading Online Voucher Scheme 2013 - 2014	The scheme is focused on assisting SMEs to establish an online presence and to sell goods or services to Irish and non-Irish customers. This initiative will address the needs of up to 2000 Irish businesses. It is focused on e-commerce capabilities but not especially on cross-border e-commerce.	Irish Government, managed by the Dublin City Enterprise Board	public	2013, ongoing	++	http://www.dceb.ie/Financial-Assistance/Online-Trading-Voucher
2. Improving information and transparency						
./.						
3. Promoting interoperability						
./.						
4. Enhancing consumer protection						
Digi-Sign	trust mark	Digi-Sign. The Certificate Corporation	private	ongoing	-	http://www.digi-sign.com
Segala	trust mark	Segala, specialist in testing and certification.	private	ongoing	-	http://segala.com/

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
Bonkers.ie	comparison and switching website that compares Gas and Electricity Prices, Digital TV, Broadband, Savings Accounts, Current Accounts, Mortgages, Personal Loans, Credit Cards and Prepaid Credit Cards accredited by the Commission for Energy Regulation	Bonkers Money Ltd.	private	2009, ongoing	-	http://www.bonkers.ie/
5. Innovating delivery						
Rural Transport Programme (RTP)	The programme provides infrastructure and services that permit rural businesses and citizens to engage in "Click and Collect": collect deliveries at a social facility. It also allows access to Internet in libraries and other facilities for those with no home internet access. This is especially important for the elderly citizens in rural communities.	Irish Government; managed by Pobal	public	2002, ongoing	+	https://www.pobal.ie/ Funding Programmes/ RuralTransportProgramme
Parcel Motel	locker system in Ireland	Nightline Logistics Group trading as Parcel Motel	private	2012, ongoing	+	http://www.parcelmotel.com/
Leave with a friend (informal)	informal drop-off points (those are prevalent in rural areas)	informal	private	ongoing	++	
Informal delivery networks	informal "last mile" ad hoc networks of delivery capabilities that operate effectively for physical delivery and also the supply of mainline carrier network information requirements by using mobile phones to get confirmation of delivery by text or voice calls (the data is then entered into the carrier device and transmitted)	informal	private	ongoing	++	

Note: i.a. = inter alia, delivery one among other aspects
+ = focus on delivery
++ = strong focus on delivery, also cross-border
-= delivery aspects not covered but main focus on e-commerce issues

3.2.5 Poland

Table 27 E-commerce initiatives in Poland

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
1. Supporting e-commerce						
Targi eHandlu (congress and information portal about e-commerce)	The platform, where representatives of the online shops and persons who are just starting with e-commerce can learn about the latest solutions designed for e-commerce, as well as conduct interviews and make contacts. This will contribute to a more dynamic development of the company and have a positive impact on the e-commerce market in Poland as a whole.	Fundacja Polak 2.0 (FP2.0)	private	ongoing	-	http://fp20.org/
Profesjonalista w eHandlu - edukacyjna siła synergii polskiego e-commerce ("Professionals in e-commerce" (educational programme for e-commerce stakeholders))	The purpose of the project "Professionals in e-commerce" is to educate and certify potential employees. The programme is also an opportunity for systematising and checking knowledge of e-commerce, Internet marketing rights in e-commerce and logistics.	Fundacja Polak 2.0 (FP2.0) (Foundation Polen 2.0)	private	ongoing	+	http://fp20.org/
2. Improving information and transparency						
Chamber of Commerce (Polish Chamber of Digital Economy)	web portal for e-commerce information founded by a new organization of economic self-association of the businesses in Poland in the fields of the digital economy. The aim is to provide information or sale of electronic services, information society services, electronic commerce, in particular, to the Internet industry, as well as to non-profit organizations whose objectives are consistent with the objectives of the e-Chamber.	Digital Market Development Foundation	private	2013, ongoing	i.a.	www.e-commercepolska.pl
eKomercyjnie.pl (information portal)	information portal about e-commerce in general (more for start-ups / unexperienced e-retailers)	serwis eKomercyjnie.pl	private	ongoing	-	eKomercyjnie.pl

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
Inicjatywa o charakterze edukacyjnym (education initiative in the field of e-commerce)	activities of the association are to create a forum for presenting the latest global publications, regarding the effective use of the Internet, creating guides for shops, workshops etc. to remove barriers for debut e-sellers on the market.	IAB Polska (Interactive Advertising Bureau – Związek Pracodawców Branży Internetowej)	private	ongoing	-	http://iab.org.pl/
e-Commerce Market Benchmarking	The aim is to set up a network of cooperative research in several European countries, to measure consumer activity concerning the purchase of goods and services via Internet .	Digital Market Development Foundation	private	ongoing	i.a.	www.e-commercepolska.p
e-Commerce Polska (sector association)	The e-Chamber (Chamber of Digital Economy), launched e-Commerce Poland – sectorial representation of all entities involved in e-commerce operating in the Republic of Poland. The purpose of E-commerce Poland is the development of the Polish market for the provision of digital services, in particular in e-commerce sector through cooperation, exchange of know-how and a strong and effective representation of the interests of the industry in dialogue with the Polish government, the European Union and non-governmental organizations in the country and worldwide.	Digital Market Development Foundation	private	ongoing	i.e.	www.e-commercepolska.pl
Kurierem.pl (price calculator, tracking service)	price comparison website with 334 services from 113 companies and brokers (including DHL, UPS, DPD, etc.) description of couriers and their products tracking service (test version)	iKurier Kamil Kostrzewa	private	2009, ongoing	++	http://www.kurierem.pl/
3. Promoting interoperability						
Sheepla.pl (integrator, monitoring service provider)	Integration tool for transmitting and monitoring couriers (track & trace solution). Open interface and standardisation provide efficient service for both buyers and sellers. Cloud-based infrastructure (Windows Azure) Offer service via InPost, DHL, UPS, Poczta Polska, GLS, DPD, K-EX, RUCH, X-PRESS COURIERS. Sheepla.pl acts not as a parcel broker.	Sheeple SA	private	ongoing	++	http://www.sheepla.pl/
4. Enhancing consumer protection						
Dobra Umowa (“The Good Agreement”)	The mission of “The Good Agreement” program is to improve the quality of the company's contracts with consumers. The Certificate of The Good Agreement provides an opportunity for entrepreneurs to enhance their credibility.	Stowarzyszenie Konsumentów Polskich - Association of Polish Consumers	private	ongoing	-	http://dobraumowa.org

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
Dobry Regulamin (“The Good Statute”)	The Good Statute is a certification program for e-shopping rules. It is the only certification program for e-commerce market certificated by a credible non-governmental consumer organization.	Stowarzyszenie Konsumentów Polskich - Association of Polish Consumers	private	ongoing	-	dobryregulamin.org
Eurolabel Certifykat (trust mark)	trust mark – „Bezpieczne Zakupy“	EHI Retail Institute GmbH, Cologne	private (initially funded by EU)	2002, ongoing	i.a.	www.euro-label.com.pl
Europejskie Centrum Konsumenckie (European Consumer Centre in Poland)	ECC is an expert group, tightly cooperating with European and domestic organisations of consumer protection. ECC is the connector between individual consumers living in EU member countries and various organisations and institutions solving certain consumer problems. ECC provides a wide access to information as well as disseminates the consumer subject matter. It joins domestic projects (informing and providing advice) with the E.U. ones (cross-border cases and providing advice in relation to other E.U Member States).	Polish Office of Competition and Consumer Protection together with European Commission	public	ongoing	i.a.	http://konsument.gov.pl/
Konsumenckie Centrum E-porad (consumers association)	Association of Polish Consumers for the Office of Competition and Consumer Protection conducts Konsumenckie Centrum E-porad.	Stowarzyszenie Konsumentów Polskich Association of Polish Consumers	public	ongoing	i.a.	http://www.konsumenci.org
Laur Zaufania („Laur Confidence“ – trust mark)	trust mark for reliable companies in general (not e-commerce specific)	Laur Zaufania programme	private	n.a.	-	http://www.laurzaufania.org/
Punkt Kontaktowy dla Usługodawców i Usługobiorców („e-PUNKT”) (E-commerce Contact Point for Service Providers and Recipients "e-POINT")	Portal E-commerce Contact Point for Service Providers and Recipients "e-POINT" is based on Directive 2000/31/EC on electronic commerce and is aimed at providing information and advisory assistance to service providers and recipients on contractual rights and obligations, as well as on the complaint and redress in case of disputes, including information on the practical aspects related to the use of these procedures.	Ministry of Economy / Polish Agency for Enterprise Development	public	since September 2010, ongoing	-	https://www.web.gov.pl/e-punkt/

Name	Description	Initiated by	Funding	Duration	Delivery aspects	Link
Rzetelna Firma („The reliable company“, certification provider for enterprises)	trust mark for reliable companies in general (not e-commerce specific)	Rzetelna Firma Sp. z o.o.	private	2009, ongoing	-	http://www.rzetelnafirma.pl/
Serwis Ezakupy.uokik.gov.pl (“Information Service for Consumers”)	The portal includes: answers to the most common consumers and entrepreneurs questions regarding online purchases, information about the changes that will come into force in June 2014 (in connection with the implementation of the Consumer Rights Directive), standard forms and letters, examples of prohibited clauses, hints where and how and when consumers and businesses can get assistance.	Polish Office of Competition and Consumer Protection	public	ongoing	-	http://ezakupy.uokik.gov.pl/o-projekcie
Trusted Shops (trust mark)	trust mark	Trusted Shops GmbH, Cologne	private	ongoing	i.a.	http://www.trustedshops.pl
5. Innovating delivery						
„Odbiór w punkcie” – nowa opcja dostawy ("Pick up at a point" - the new option of delivery)	"Pick up at a point" covers offers from selected postal operators in cooperation with companies operating in the e-commerce segment: DHL SERVICE POINT, E-PRZESYŁKA of Poczta Polska, PACZKA w RUCHu and InPost Paczkomaty. It is an initiative of the Allegro auction platform to promote new forms of delivery.	Allegro.pl	private	ongoing	+	http://allegro.pl/country_pages/1/0/transport.php?topic=3&subtopic=0
Dzień Darmowej Dostawy (“Free Delivery Day”)	Main objective of Free Delivery Day is to encourage as many people to do shopping online. Online stores participating in the action offer free delivery of orders to all customers, independently of their value, method of payment and delivery methods.	serwis eKomercyjnie.pl	private	yearly since 2009, ongoing	+	http://www.dziendarmowejdostawy.pl/o-akcji/
InPost Paczkomaty (“automated post”, detour system)	InPost Paczkomaty is the most modern shipping service in Poland enabling delivery and sending of postal items seven days a week, 24 hours a day, to a convenient location.	InPost Sp. z o.o.	private	ongoing	++	http://paczkomaty.pl

Note: i.a. = inter alia, delivery one among other aspects
+ = focus on delivery
++ = strong focus on delivery, also cross-border
-= delivery aspects not covered but main focus on e-commerce issues

3.3 Summary and gap analysis

This chapter summarises the findings of the previous sections in order to point to possible gaps. Our results are based on three main research elements. First, on desk research, second, on in-depth interviews with stakeholders and, third, on four interactive workshops that took place in selected EU Member States in spring 2014.

Although the quantity and quality of initiatives differ from country to country dependent on the general level of e-commerce and postal sector developments, the legal frameworks, the overall diffusion of internet applications and innovative capacities in the respective country, some general overall statements can be made and some fields for further action can be identified.

For instance, all countries promote e-retailing and e-commerce through public institutions or sector associations. These activities are usually focused on national business development with delivery aspects usually play a secondary role (if any). Where the e-commerce market is still developing, activities focus on information, professional training, events, and networking (Poland, Greece, Ireland). Where e-commerce already services a substantial retail market share, initiatives are more specialised and focused on special issues, regions or clusters like e.g. projects for small or medium-sized (e-)retailers or schemes for peripheral regions (Germany, Ireland). It appears that there could be future needs for EU initiatives, depending on the success of Member State initiatives, to promote cross-border e-commerce and to support e-retailers' efforts to expand their business across borders. This has been actioned for example in projects of DG Enterprise & Industry.[127] Promotion initiatives will always benefit from expanding networks and overall initiatives on EU-level but there seems to be no immediate need for dedicated action. It might be noticed, though, that some existing e-commerce initiatives could benefit even more if logistics and delivery aspects were considered jointly.

Different levels of information transparency related to products and prices can be found in each of the countries as this is provided by the carriers themselves. Almost all of them, even smaller couriers, publish their prices and delivery service options on websites where they offer search and query tools. Solutions for more comprehensive information platforms already exist but not on the same level and with the same innovative capacity in every Member State. Moreover, existing information tools do not necessarily address the specific needs of e-retailers, particularly in case of cross-border transactions (e.g. information on delivery, return and payment habits, list of available delivery operators).

127 DG Enterprise & Industry has commissioned a project on fostering digital entrepreneurship in Europe. One element of this project is to develop a tool with the working title "10 things to know to sell online in the European Union" (see DG Enterprise & Industry, Call for Tender No. 292/PP/ENT/CIP/13/C/N01C033, Work package 4). The project is still ongoing.

There are not many tariff calculation tools that offer the possibility for e-retailers (or any other customer) to realistically compare prices when researching transporters who they may wish to use for domestic and / or gross border deliveries. Some basic websites exist (Germany, Poland, projected in Greece) but their impact is often limited due the number of carriers' products or destinations (only national or limited cross-border options) that they provide for comparison. The lack of information transparency is even more evident for cross-border delivery services which are much more complex and difficult to understand than better known domestic delivery services.

Some experts argue that offering basic information on list prices and products is futile because even SME e-retailers get some form of discounts and consequently list price comparison is only a baseline and not suitable for use in business case financials. Others see a need for initiative to make list-prices and product levels cross-comparable and support e-retailers in their planning of cross-border expansion. Whatever opinion one would follow, as a first result it can be stated that information on shipment options is not consistent, is distributed on many websites and not always available in a user-friendly way.

Transparency at an EU-level is low, although some national tools are publicly available and free of charge. The general topic of interoperability issues is strongly addressed on EU-level and in markets with a significant competition among carriers or small couriers companies (Germany, also Poland and partly Greece). The "regionalisation" of delivery services, i.e. the decoupling of products and countries, has not yet happened. The lack of standards for track & trace, barcodes, address and label formats and the difficulties that occur because of the use of proprietary definitions for products, service conditions, tracking notifications and other terms are considered an obstacle to the development of reliable cross-border e-commerce trade and even the Digital Single Market.

Projects like the European Ecommerce Interconnect Programme for national postal operators or the German Open Postal Alliance, established by courier companies aim at more cooperation between delivery companies. While welcome, such efforts to enhance inter-operability generally promote the Commission's objectives of an internal market and more cross-border online trade, such systems and agreements must comply to competition rules, in particular where some of the contracting delivery operators have dominant positions in their domestic markets.

Business models by intermediaries like Letmeship or shipcloud in Germany or Sheepla in Poland, and Metapack or Global Freight Solutions (GFS) in the UK, are based on providing delivery management solutions and thus facilitate interoperability between e-retailers and carriers. Emerging new solutions that mainly target small and medium-sized e-retailers (e.g. shipcloud and Sheepla) are particularly important to simplify the handling of deliveries and to optimize the data flow between carriers and e-retailers. Additionally, they act as "virtual" consolidators and allow e-retailers to access better price conditions. These options are not available in every Member State (e.g. Ireland,

Greece) which could disadvantage e-commerce market growth there. Identifying mechanisms to promote the emergence of similar intermediaries in all Member States would be a useful first step in supporting e-commerce markets that are relatively less developed.

A general need for harmonisation of consumer protection rights to facilitate cross-border e-commerce and approval for alternative dispute resolution in case of cross-border trade problems can be seen by the fact that all four countries and also the EU pursue activities in this field (national entities but also ECC-net). These activities are addressed by current discussions on the Consumers Rights Directive.

Regarding e-commerce trust marks it is evident that solutions already exist but not on the same level or with the same content / comprehensiveness of process (setup and governance) in all Member States. Exploring the inclusion of deliver aspects in trust marks or a specific trust mark for delivery suppliers could be considered. Many e-commerce trust marks are established within the EU. Therefore, the need is less for new trust marks but more for a central certification that provides governance standards and process / service consistency that trust marks would provide for e-retailers, delivery suppliers and customers. EMOTA is already implementing a certification for existing trust marks that must comply with the scheme criteria. Ecommerce Europe has announced to also develop one for its members. Success of such schemes could assist in driving the uptake of trust marks in those markets that do not have them.

A core issue identified in all countries are emerging innovative collection and delivery capabilities that offer shippers and receivers more convenience, lower pricing, better information support and greater certainty of on time delivery. This could be of strategic interest in servicing rural and remote areas as they would provide a better delivery coverage through basing in points of high foot fall in rural areas (petrol stations, schools, etc). Carriers are introducing same-day-delivery, weekend-delivery, delivery on demand, pre-delivery notification schemes etc. that go along with a growing start-up scene in the field of fulfilment and delivery solutions. Web-based virtual tools (e.g. matching platforms) as well as physical delivery solutions (e.g. delivery by taxi or by registered cyclists, “bring along services”, etc.) can be found in almost every country while variety and dimensions of collection and delivery capabilities are depending on the maturity of the particular e-commerce market.

4 Initiatives to improve parcel delivery systems in Europe

4.1 Introduction

This report discusses six potential initiatives. These initiatives were agreed between WIK-Consult and the Commission services at the outset of the study. The objective of this chapter is to discuss each potential initiative with regard to:

- Whether, and to what extent, it is useful and appropriate to promote performance of e-commerce and delivery markets, and if so, in which Member States and using which instruments.
- Specifically how initiatives to promote e-commerce could be designed to be most effective, taking maximum account of existing solutions in the market.
- Who might best manage such initiatives, and whether public support is needed.

The six initiatives discussed in the report are:

Initiative 1: Information platform on delivery services. The objective of this initiative would be to improve transparency of existing delivery solutions particularly for cross-border delivery, and thus promote options to cross-border shipping.

Initiative 2: E-commerce scoreboard on delivery and price performance. The objective of such a publication would be to improve transparency on delivery performances and prices.

Initiative 3: Delivery aspects in e-commerce trust marks. Such initiatives focus on improving e-shoppers' trust in reliable domestic and cross-border delivery services and returns. They could possibly integrate delivery-related criteria in existing trust marks.

Initiative 4: Improve parcel services in rural areas. Such initiatives seek to improve the accessibility of parcel services in rural and remote areas, and parcel delivery in these areas, by promoting the application of shared infrastructure for collection and/or delivery of parcels.

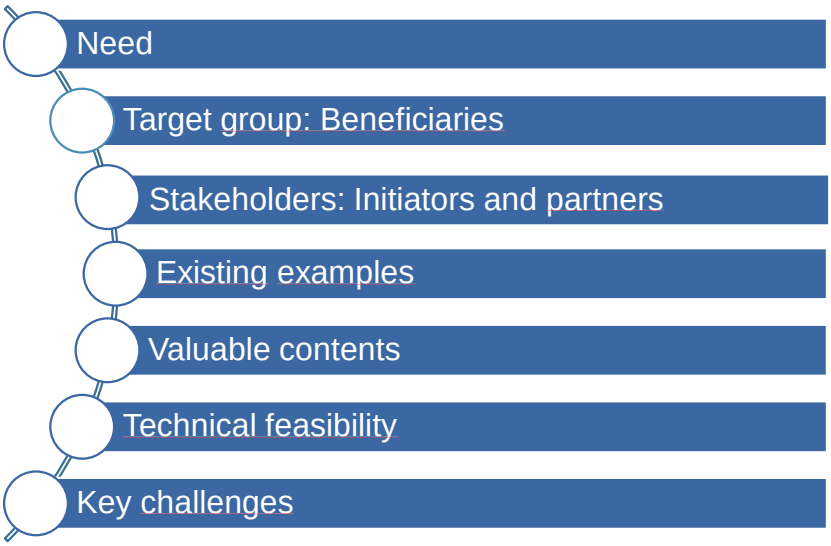
Initiative 5: Interoperability of cross-border delivery operations. Such initiative would serve to improve multi-operator cross-border delivery operations and delivery quality.

Initiative 6: Methodology to measure cross-border transit time. Such initiatives would aim to improve transparency on cross-border delivery performance of parcels.

Our findings are based on three main research elements. For all six initiatives we carried out extensive desk research and conducted many in-depth interviews with Community and national stakeholders notably e-retailers and their associations,

intermediaries, carriers and regulatory authorities to improve the understanding of the European and national e-commerce and delivery markets and to discuss the initiatives. We organised four workshops in spring 2014 in Germany, Greece, Ireland, and Poland. These formed a critical element particularly for the first four potential policy initiatives: “Information platform on delivery services” (Initiative 1), “E-commerce scoreboard on delivery and price performance” (Initiative 2), “Delivery aspects in e-commerce trust marks” (Initiative 3), and “Improve parcel services in rural areas” (Initiative 4). The intention of these workshops was to understand expectations regarding e-commerce and delivery markets in these four Member States examined in the study, and to obtain views, comments and positions from stakeholders. Workshop participants were encouraged to discuss recommendations regarding the design of potential initiatives: conceptual outline, initiators, stakeholders to be included, contents, challenges, and existing solutions that could be as best demonstrated practices.

Figure 64 Guidelines for the assessment of potential policy initiatives



Before addressing each of the proposed initiatives in detail we would like to introduce general aspects that guided our assessment of the first four potential policy initiatives (see Figure 64) and form the key elements of the respective sections in this chapter. The sections on the fifth and the sixth topic do not strictly follow this structure but discuss in depth existing approaches in the light of the objectives to promote interoperability and to measure the transit time of cross-border parcels.

Generally, the only potential policy initiatives that should be pursued are those for which there is clearly identify **need** with regard to the overall policy objectives of the EU to increase transparency and information on domestic and cross-border parcel services and to improve availability, quality and affordability of delivery solutions (as described in chapter 3). The discussion is based on three pillars: desk research (independent

research reports, Commission publications, reports published by interested parties etc.), in-depth interviews and the workshop results. Additionally, the present market environment and dynamics in the EU and in the four selected countries (see chapter 2) contribute to the discussion.

To best design an initiative it is necessary to clearly determine who should be targeted respectively who should benefit from such an initiative. In this project the most important **target group** are e-retailers. As e-retailers are a heterogeneous group in terms of size, scope of business and experiences we decided to focus on small and medium-sized e-retailers. Large e-retailers, simply due to their size, usually have easier access to delivery options, prices, and appropriate or sometimes tailored delivery commitments. Other likely target groups depending, on the individual initiative ,are, consumers, delivery companies and national authorities.

Initiatives must be supported by active **stakeholders**, initiators and partners, to efficiently organise and promote the initiative and to ensure the inclusion of all present and any emerging relevant stakeholder groups. Examples for participants' tasks are to provide contents, to organise and manage the front end (web site, mobile apps, APIs etc), manage marketing, public relations and knowledge transfer, and to test, monitor and comment on the implementation. To attract and gain commitment of potential partners requires appropriate incentives, i.e. the initiative must provide new capabilities or enhance existing ones for active partners and their stakeholders. The initiatives success also rests on a spectrum of appropriate participants/partners who have a growing vested interest in its long term sustainability and success. The key criterion for such sustainability and success is the integration of the initiatives (methods, metrics and processes) to the everyday operational processes of the participants and its evolution to a (de facto or formalized) market standard for the area that the initiative addresses.

We present case studies on **existing examples** that were identifies at Member State level, first, for illustration purposes and, second, to highlight examples that could be potential best practices.

For each of the first four potential policy initiatives we discuss potential useful and **valuable content** and elements of the initiative in question. The selection of contents is guided by the needs of the initiatives' target group(s).

The implementation of an initiative must be practical, feasible and sustainable. In this report we focus on the **technical feasibility** of a potential policy initiative. We refer to the availability of existing technologies that were identified as necessary or supportive of the initiative's implementation phase.

For each initiative we looked in detail at the **key challenges** to be solved in order to successfully implement it. In this context we discuss identified barriers related to data

and information availability, standardisation issues, potential partners, market forces, and existing incentive structures.

In the **conclusions** for each initiative we present our final position and recommend if and how the initiative could be initiated, managed and promoted for, ideally, market development.

4.2 Information platform on delivery services

Information platform on delivery services. The objective of this initiative would be to improve transparency of existing delivery solutions particularly for cross-border delivery, and thus promote options to cross-border shipping.

4.2.1 Need

Based on extensive research[128] and the feedback collected during the consultation process the Roadmap concludes that "E-retailers, in particular smaller ones, do not have sufficient information on the delivery services potentially available to them […]"[129]. In addition delivery operators do not necessarily offer delivery services that meet the specific needs of e-retailers. Action 2 of the Commission's Roadmap has therefore the objective to "improve information for e-retailers on the delivery services available to them"[130]. This includes the development of tools to improve "access to information for e-retailers at national and cross-border level"[131]. The European association E-commerce Europe confirms the lack of information particularly on cross-border delivery services.[132]

No single, open access capability has been found in the EU market that supports SMEs on services across the entire EU. Capabilities by intermediaries (i.e. brokers) are closed and accessible only by members, and only in Member States with a relevant import/export in e-commerce.[133] Their business model is not about providing information but about offering a "single stop shopping" for a variety of delivery services on a contract basis to individual businesses.

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128 See for example Copenhagen Economics (2013), E-commerce and delivery. In this study the authors describe in detail the "information gap" issue particularly with regard to e-retailers' access to information on delivery services. Another study commissioned by the Commission, DG Internal Market, assessed the issue of cross-border parcel services in detail (see FTI Consulting (2011), Intra-Community cross-border parcel delivery).

129 Communication from the Commission, A roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales, COM(2013) 886 final, 16 December 2013, p. 4.

130 Ibid, p. 10.

131 Ibid, p. 10.

132 See Ecommerce Europe (2014), Position Paper Cross Border e-logistics: A Need for Integrated European e-Logistics Solutions, p. 4.

133 It should be noted that brokers/intermediaries are active in the B2B delivery market for more than 10 years in Europe. With the growth of the e-commerce market, some start to extend their business activities from B2B to the B2C market.

There is a need for more open, neutral and transparent information on service availability, pricing and service levels to support decision making at small and medium-sized e-retailers using transportation services for national and cross-border trading. Existing query tools either offer poor data or are limited to specific parcel operators, destinations, or product types and usually do not provide any information how to best manage returns (particularly cross-border).

SME e-retailers would benefit more than large ones. For instance, the more parcel volume e-retailers generate the more likely they are negotiate a contract with their preferred domestic service providers who will can also provide cross-border delivery. Individual contracts are typically negotiated with business customers who have at least a few hundred parcels per year, depending on the carrier. Moreover, large e-retailers are more likely to be targeted and use sophisticated management delivery solutions. Metapack, for example, traditionally addressed large e-retailers more than small ones.[134]E-retailers with less volume or irregular orders from foreign countries might choose an intermediary who virtually consolidates parcel volumes and gets discounts from selected business partners.[135] E-retailers might become a registered user at no charge with less than a dozen parcels shipped per month. Each customer gets an individual price depending on his shipping profile. A recent market trend is the emergence of affordable and easily to integrate delivery management solutions for small and medium-sized e-retailers especially in the more mature e-commerce markets.

When asked in interviews or during the country workshops, e-retailers expressed the need for more information on delivery options. They would like have current, comparable information on the available products and on the service options with which they can decide the carrier(s) to use for domestic and cross-border e-commerce. This is especially relevant if small e-retailers are faced with ad hoc orders from abroad or if they are strategically planning to expand into cross-border e-commerce. In this respect, an information platform could help e-retailers minimise search costs, increase efficiency of business decision making and assist in ensuring long term sustainability of their business decisions.

4.2.2 Target group

As outlined in the previous section small and medium-sized e-retailers would benefit most from an information platform on delivery services. For this reason, small e-retailers, retailers planning to become e-retailers, and e-retailers who are service demand from abroad or expand to markets abroad appear as the most likely initial target group for this initiative. Most e-retailers are unlikely to use such an information platform themselves, except for business planning and service comparison. Many may

134 Metapack is not a parcel broker. E-retailers close individual agreements with selected delivery operators and use the Metapack platform to facilitate the delivery management and monitoring.

135 “Virtual consolidation” means that e-retailers benefit from discounts based on a contract the intermediary has agreed with the delivery operator. The parcels are not consolidated physically.

prefer advice on logistics from agents/intermediaries who provide not only information but also connectivity to delivery companies as a value added service.[136] Certainly information platforms could see the emergence of new intermediaries, improvements in existing services and an expansion of EU coverage by such agents.

4.2.3 Stakeholders

As outlined in the previous section an information platform would be most useful for e-retailers. For this reason e-retailer associations at national or European level are potential initiators of such a platform to provide value added to their members. They could supplement carrier information with additional data sets that are useful in business planning and strategy development by businesses (e.g. on customs regulations, VAT rules, business information resources etc.).

Public institutions at national and/or European level may also initiate the development of an information platform on delivery services to promote cross-border activities of local e-retailers.

Finally, intermediaries who use the information platform as element of its business model can act as initiator. Depending on the type of initiator access to the information platform might be restricted to registered users or customers. Delivery companies are the most important partners in this context. They are the central source for information on delivery services. If a platform initiator manages to include them as partners, their task of creating, populating and implementing the platform services will be substantially eased. Delivery operators themselves may have an vested interest to participate in order to target small and medium-sized e-retailers and to improve their awareness levels and brand recognition. Associations and intermediaries are important multipliers for an information platform as they can develop useful value added applications or services to make the contents of such a platform more attractive, relevant and accessible for e-retailers (e.g. support interconnection to the e-retailer's shop software).

Consumer protection groups have also a vested interest in an information platform as it would increase transparency in the market and provide a baseline against which to monitor consumer complaints, market performance, and responses to consumer issues.

4.2.4 Existing examples

Example platforms only accessible for registered customers are Letmeship (Germany, France, and Switzerland), MetaPack (offices in UK, Germany, services in France, Netherlands, Poland, etc.), Sendeasy (Germany, subsidiary of Neopost, France) or shipcloud (Germany). Some of these platforms include services like "virtual"

136 Platforms run by intermediaries like Metapack, shipcloud, or Letmeship are covered in the proposed Initiative: Interoperability of cross-border delivery operations (see section 4.6).

consolidation[137] of parcel volumes or reductions for certain carriers, products or destinations, as well as public free-of-charge query tools for list prices.

In some Member States, there are free online tools for calculating shipping cost. They offer basic information on delivery products and destinations (e.g. paketda!, versandtarif.de, xpaket, kurierem.pl, Parcel Monkey in the UK etc.). These free of charge comparison tools use list prices and are focused on private customers or occasional shippers. Several examples for platforms and calculation tools are listed in chapter 3. To highlight some of the principle functions of the sites, case studies of a German, a Polish, and a Greek information platform are illustrated in the following.

Case study 3 Versandtarif - www.versandtarif.de

"versandtarif.de" was launched as an information and booking platform for delivery services in 2008. Main purpose of the platform was to promote the business of Iloxx AG who founded it. Iloxx is one of the first parcel brokers in Germany. The company started in 1999 and is focusing on consumers, small business customers, and e-retailers. Since 2001 Iloxx has been a logistics partner of eBay. It started to approach business customers in 2004. In 2011 iloxx AG was acquired by DPD.

The platform focusses on consumers and small business customers and e-retailers (approx. less than 10 parcels per day). Carriers provide their service and product information electronically. The maintenance of the platform is kept at a low-key level today.

The platform provides information on domestic and cross-border delivery services solutions for small senders (export). This includes information on letter, parcel and express services of standard and bulky items. However, users mainly demand information on domestic delivery services particularly for bulky items (e.g. bicycles or car tyres) and less for standard delivery services (letters and parcels) or cross-border shipments. The platform cooperates with carriers that offer delivery services for consumers (e.g. DHL Paket, UPS, GLS, DPD, Hermes, GO!, iloxx). It integrated different interfaces to each carrier.

Using the platform is always free of charge. Registered users can use the same services than public users. The platform is financed by banner advertisements and some fees paid by partnering carriers.

Recipients' addresses have to be entered manually (no storage function). The user selects the product and is directed to the carrier's website to book the service. The address information might also be forwarded to the selected carrier to initiate a parcel label and book the service automatically. Return shipment processes are not supported.

The most favoured application of the platform is a calculator for delivery costs (comparison tool for delivery services list prices). Most of the total website traffic seems to be generated by this application which is actively put on the market by Iloxx for some years now.

Important partners are online market places like markt.de, dawanda.de and eBay that offer web links to versandtarif.de. Other applications are parcel label printing, a guidebook for delivery services and envelope printing (with personalised logos or pictures). The platform simplifies the search process for the user by suggesting standard sizes of different goods (e.g. depending on the article number of an eBay product). The platform is not compatible with shop software systems.

137 "Virtual consolidation" means that e-retailers benefit from discounts based on a contract the intermediary has agreed with the delivery operator. The parcels are not consolidated physically.

Case study 4 Search and comparison tool “kurierem.pl”

The Polish website kurierem.pl allows interested market participants to collect information on delivery operators and parcel brokers in Poland. kurierem.pl provides information on service providers (parcel & express carriers and parcel brokers), products (documents, parcels and pallets) and prices.

Following parcel and express carriers are presented by kurierem.pl: DHL Express, DPD Polska, EMS Pocztex, GLS, InPost, K-EX, OCS, Opek/FedEx, Siódemka, TNT Express and UPS Polska. The website contains a brief description of the company, top company news and further key facts (e.g. address, contact details, homepage). Furthermore, statistics on the popularity of each service parcel carrier based on customer reviews are also shown at kurierem.pl. For each parcel and express carrier, a list of their main products and prices for national and international shipments is shown. For parcel brokers (more than 30), the website contains information on their cooperation with parcel and express carriers (name of the carrier and listed services) and the terms and conditions of their services.

For a direct comparison of products and prices, senders can enter the dimensions and the weight of their consignment on the website. Additional services, like time definite delivery, delivery on Saturday, higher insurance or cash on delivery can be included in the comparison. The platform produces a list of the parcel and express carriers providing such products. By choosing one of these parcel and express carrier, the sender obtains information on the different prices and conditions (e.g. amount of insurance, contract or registration required) of the service by the parcel and express carrier itself and the numerous parcel brokers, sorted in ascending order by price. For booking a service, the sender will be redirected to the homepage of the chosen service provider (carrier or parcel broker). Electronic tracking of all bookings is possible directly via kurierem.pl, regardless which parcel carrier has been selected for shipment.

The website kurierem.pl was founded by Kamil Kostrzewa in 2009 as first price comparison portal for delivery services. He is active in the Polish parcel and express industry since 2000, first at smaller courier companies, later as an administrative and financial manager at UPS, DHL and K-EX.

Case study 5 Integrated web platform for postal services and composite search engine tool (EETT project, Greece)

The “Integrated web platform for postal services and composite search engine tool” is projected by the Greek national regulator, EETT. It is financed by public institutions; main source is EU project funding. The platform will allow direct price comparisons of postal services. Main tools include: search for shipment – indication of alternatives – selection –service booking. One of the main objectives is that all carriers can link to the platform and offer their services to all potential senders. In a first step, consumers are the main target group; later e-retailers might become a second important user group.

The price information will be uploaded by the carriers. The platform is designed to provide an open interface in the form of a web service so that any 3rd party (accredited by the NRA) may interconnect its application and get data in XML format.

Envisioned platform contents are contact details of delivery operators, description and key requirements of delivery services (e.g. weight and size), locations, content of item, and list prices.

In future, the following features might be added: payment methods, feedback and rating features, qualitative measurement of operators, and a biding platform where SMEs/SME e-retailers can put their tender offers/bid invitations for shipment.

The implementation of the platform has not started yet. The EETT has evaluated candidates and will issue a contract in this year. The regulator estimates that the setup takes approx. one year and announced the start of the service for 2015. EETT asked all registered delivery companies of Greece (~450) and received an overall positive feedback.

4.2.5 Valuable content

The platform to be practical and relevant should at least provide standardised descriptions of domestic and cross-border delivery solutions provided by posts and private carriers. In this section we outline which service elements that could be supplied. These data elements are usually not confidential (unlike e.g. individually agreed delivery prices) but sometimes difficult to access. Some descriptions of service elements are easier to find on carriers' websites than others or are only accessible for registered customers.

Accordingly, any price information on delivery services is limited to list prices which usually mark the upper limit of the price corridor. Business or individual tariffs are only available to customers on demand from the carrier and not publicly available and thus highly unlikely to be a content element on the information platform.

The complexity of service descriptions increases with the number of carriers, their delivery products and related service dimensions (which creates a multi-dimensional information matrix in the end). From an e-retailer's (or intermediary's) point of view the most interesting question to answer is "Which delivery solutions are available to send a specific product to a (cross-border) destination xyz at a given service level and price?"

It stands to reason that this information should not be limited to destinations within the European Union in light of the importance of e-commerce exports to other non EU countries (e.g. Switzerland, Norway and Russia) and non-European countries such as China and the United States. The EU market however offers a known environment within which issues can be identified, processes created and matured and market reactions monitored and measured.

The next table compiles useful data elements for such an information platform.[138]

138 Harmonised and up-to-date information on ZIP Codes, and more generally on address databases that allow e-retailers to check address data and reduce the risk of undeliverable shipments are desirable but difficult to achieve (see for example the UPU initiative "Addressing the world").

Table 28 Potential contents of an information platform

Information on delivery operators	
Delivery operators:	• Name and contact details • types of delivery services • terms and conditions
Information on delivery services	
Origins/destinations:	• all origins (country, detailed area, postcodes) • all destinations (country, detailed area, postcodes) • origin – destination pairings (delivery) • destination – origin pairings (returns)
Pick up (country, detailed area, postcodes):	• options • days of week, • earliest, • latest, • exceptions / restrictions, • holiday services
Delivery (country, detailed area, postcodes):	• options, • days of week, • earliest, • latest, • exceptions / restrictions, • holiday services
Transport transit times:	origin – destination pairs: country, detailed area, postcodes
Format/weight limits:	• maximum size, • maximum weight / volume, • volumetric calculations
Track & trace:	• tracking capabilities, • tracking checkpoint description (standardised definitions and descriptions for key process checkpoints).
Insurance options	
Prices	• List prices • Additional charges (e.g. fuel charges, charges for delivery in peripheral areas) • Currencies accepted
Other information	• Restricted goods • Forbidden goods • Export and import paperwork requirements

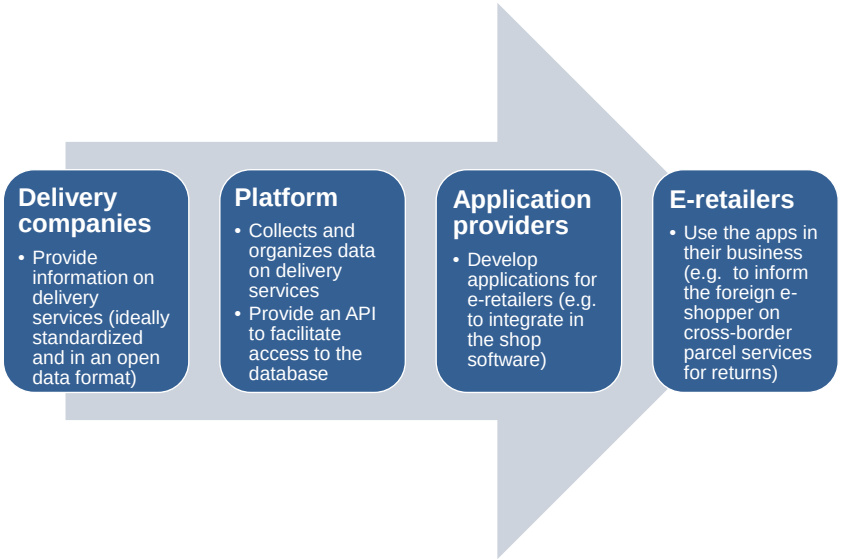
In the study we focus on delivery aspects as the core creators of useful content of an information platform. However, the platform is not necessarily limited to the description of delivery services but can be supplemented by the initiator and stakeholder (e.g. e-commerce associations) with additional information relevant for e-retailers, e.g. customs rules, VAT requirements etc.

4.2.6 Technical feasibility

The necessary technologies for provision, management, retrieval and presentation of data sets on a web-based or other business accessible information platforms exist. The Transparency Unit for Fuels launched by the German competition authority and in operation since September 2013 is a practical example for such an information platform that illustrates the technical feasibility. More than 14,000 petrol stations are obliged by a transparency regulation (Act on the establishment of a market transparency unit for fuels in force since December 2012) to report in real-time any price change for different types of fuel. The data is transmitted to a central data base ("Markttransparenzstelle") and more than 100 authorised consumer information services have developed or are developing applications for users that allow the comparison of local local fuel prices in real time.[139]

The information on delivery operators and services is generally available but often is not open to the public and usually not cross comparable between operators. Compared to the "fuel" example the data is much more complex because the number of data elements is substantially higher and the information is not available in a standardised form.

Figure 65 Organisation of an information platform



Information platform initiators can fill this gap by developing meta-standards and organising the collected information in a database (see Figure 65). They manage data collection and offer an open API for registered users, i.e. application providers. Data collection can be organised in two ways depending to which extent delivery companies

139 See Bundeskartellamt, Annual Report 2013 (German version), p. 39 et seq.

provide the data in a standardised format. In the (more likely) case that the information is provided in different formats and the use of terminology is still mixed, the data could be collected in a database where it is re-organised and “translated” into a common format and definitions (in terms of terminology). If delivery operators provide the information in a harmonised format and use a standardised terminology to describe their delivery services the information can be “grabbed” in real time; a database would not be necessary. The “database solution” is more costly because of set-up and maintenance costs which can be substantial. However, it also allows for cross-checking and cross referencing the information which improves data reliability. Application providers only have to link to the information platform (using a standard API) and not to every single delivery company. They can also develop add on applications, ideally to provide value-added services, to e-retailers.

The information platform provider and the application provider may not necessarily be separate organisations. However, it is advantageous to allow access to several application providers because this promotes competition among them and foster the development of user-friendly applications that meet the needs of the respective target group.

If such a platform would be created, application providers have to take care that the information can be accessed by different end devices, e.g. PCs, smartphones and tablets.

4.2.7 Key challenges

At the workshops conducted during this study, e-commerce experts raised concerns about small e-retailers being willing to pay for information services. Many e-retailers start their business without a deep knowledge of how to implement a shop and ship system.

When the e-shop grows, the owner becomes more open to offers of sophisticated solutions (shop software and integrated merchandise management system) and the well-managed delivery services (manual handling of all processes becomes too time-consuming). In this phase the e-retailer often decides to contract with one specific carrier to improve the delivery process, reduce cost of business and improve customer service and returns.

The overall lack of sustainable business models for transport content on the internet adds further complexity. Other content platforms are often financed by advertisement. A central issue with a platform on delivery services might be that all content in this field can be found for free elsewhere (e.g. on carrier websites), although the search is time-consuming.

The high industry fragmentation with hundreds of potential content contributors like national postal operators, courier companies, delivery start-ups etc. and the lack of standard definitions and descriptions for the data elements add to the overall complexity of the initiative.

Data availability and comparability are the most important challenges. Product features, types and brand names are different from carrier to carrier. This is a crucial element of the business distinction and cannot be easily overcome with an information platform.

It is therefore a crucial element of the initiative to identify a standardisation body or other neutral or public entity to manage the standardisation process for data formats. The more comprehensive the standards, the easier it is for intermediaries to create competing platforms at national level. Unlike in the telecommunications sector, in the postal sector, standardisation committees are not at hand for such purposes.

Furthermore, carriers benefit from low transparency because proprietary IT interfaces to their customers create lock-in effects. Costs for adding additional carriers are high as are switching costs.

Because of lack of interoperability (particularly for cross-border delivery), vertically integrated carriers have competitive advantages as they can provide seamless delivery, including track & trace information and transit time measurement. An information platform initiative may diminish this advantage and this might influence the willingness of some companies to get involved.

4.2.8 Conclusions

The discussion in the previous sections highlighted that a stepwise approach may be useful to set up an information platform on delivery services. As a first step we propose promoting the general idea of “open data” in the delivery sector. Distributing data or databases under an “open access” structure means that any content, information or data provided is “free” to use, re-use and redistribute.[140]

Factual data about delivery services is available on numerous websites. However, this data cannot be easily compiled and processed for the purpose of small and medium-sized e-retailers who are engaged in cross-border trade. A content service provider or intermediary is not able to offer the relevant information without the cooperation of the carriers. But even if delivery companies become partners of the content provider substantial investments are needed to develop carrier-specific interfaces, set-up a database to reorganise the information in a standardised format and to maintain the database. If carriers provide the information on delivery services easily accessible in an open data format and in a more standardised way these investments will be

140 See for example https://okfn.org for background information on Open Knowledge principles or http://www.creativecommons.org.uk/.

substantially reduced. This would facilitate the emergence of platforms to collect the data and supplement additional value-added features to launch a sustainable business model.

It is critical to understand that the standardised description of delivery services does not imply that carriers' delivery products and solutions have to be harmonised.

A standardised description requires that delivery operators agree on a common terminology how to describe delivery services so that cross-comparability of service specifications is facilitated (e.g. on delivery options). We expect that for example the efforts of national postal operators to improve interoperability in cross-border operations should also involve the development of such a harmonised terminology.[141]

To this purpose, the Commission should encourage delivery operators to develop a common terminology for a comprehensive description of the operators' delivery services. Additionally, the Commission should encourage carriers to make these descriptions publicly available and easily accessible („open data format"). This also future scopes the solution as new entrants are less likely to develop proprietary definitions and descriptions as this would disadvantage them in the eyes of e-retailers and consumers.

The specifications would best be developed in a self-regulated process among the stakeholders with the EC possibly acting as a facilitator, moderator and promoter. Such a process would serve the delivery markets in all Member States in many ways. Compiling the dataset and developing applications/services would then be left to commercial intermediaries. We would expect that such commercial solutions will be offered rather in the Member States to support local e-retailers to better organise export activities and return processes than at European level.

However, the Commission has outlined in its roadmap on parcel delivery that mandatory obligations may be considered in this context if market results remain below expectations and a lack of transparency about parcel delivery services remains an obstacle for the cross-border e-commerce markets. In this case, the Commission could consider legal obligations to ensure open data about service offerings, in particular as regards cross-border delivery services.

If in specific markets, Member States or regions no relevant applications emerge, public authorities may consider promoting and funding the development of such platforms and/or applications. For example, the Commission could actively promote specific projects to develop applications (e.g. comparison tools) in countries where the markets fail to create or adopt a viable market solution.

141 These activities are subsumed under the eCommerce Interconnect Programme (see section 4.6.4 for more detailed information).

4.3 E-commerce scoreboard on delivery and price performance

E-commerce scoreboard on delivery and price performance. The objective of such a publication would be to improve transparency on delivery performances and prices.

4.3.1 Need

The Commission's Roadmap aims at improving the "transparency on (cross-border) delivery markets, delivery services and quality standards on the basis of the Postal Services Directive"[142]. In this context we discuss the role a scoreboard on delivery and price performance could play.

The utility of scoreboards is to provide an analysis of the performance of some aspects of a market or process environment. An e-commerce scoreboard on delivery and price performance will serve EU and national authorities to monitor market performance. E-retailers and delivery companies would also benefit from more information on export e-commerce markets in the EU.[143] During the workshop discussions, e-retailers pointed out that apart from delivery aspects, any data that is offered about cross-border e-commerce markets and delivery will reduce search costs, assist in decision making and strategy creation, assist in business management and is therefore highly welcomed. Basic data about e-commerce markets in the EU is helpful to support strategic decisions which foreign market to enter.

In the view of the carriers, information is not only needed about delivery aspects but also about delivery options, service levels and customer expectations of delivery in a country. This would help parcel operators to communicate standards and practices in cross-border business to e-retailers.[144]

The scoreboard proposal was seen as useful by workshop participants and interview partners only if it were to be comprehensive, comparable and represented information that was actually useful in understanding the levels and quality. No comparable instrument were identified as existing in the market today that provides information on all Member States.

4.3.2 Target group

A scoreboard has a broad target group consisting of e-retailers who want information on export markets, policy makers and the public affairs community. The European

142 Communication from the Commission , A roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales, COM(2013) 886 final, 16 December 2013, p. 11.

143 See Ecommerce Europe (2014), Position Paper Cross Border e-logistics: A Need for Integrated European e-Logistics Solutions, p. 4.

144 For example, is a handwritten signature upon delivery an accepted procedure in this country or not, are customers used to pick-up parcels from or take for their neighbours.

Commission as well as national regulatory authorities and other political institutions in the Member States can also benefit from the information. Consumers associations and all senders/receivers of parcels and the general public as well as the research institutions and media may use the data for their individual purposes.

4.3.3 Stakeholders

The mostly interested parties are e-retailers and public authorities. A scoreboard could therefore be initiated by for example e-retailer associations or the European Commission (not necessarily DG Internal Market) who regularly publishes scoreboard for different policy areas (see section 4.3.4 for more information).

Potential partners for information provision include national government departments, national regulatory authorities and other public authorities at Community and Member States level, delivery companies, brokers and intermediaries, consumer protection groups, trust mark providers, e-commerce associations, fulfilment service providers and others in the area of e-commerce research institutes, national statistical offices, Eurostat and other international sources for delivery and ICT statistics.

National associations, public institutions and chambers of commerce could act as multipliers by integrating the scoreboard information in initiatives to promote small and medium-sized e-retailers and to better inform e-retailers on business opportunities in export markets. National initiatives often lacks on information about key delivery elements, particularly in case of cross-border e-commerce.

4.3.4 Existing examples

There is no agreed standard definition of e-commerce. This means that reporting of e-commerce varies widely in its focus and its comparability is inherently limited. Various sector, national, EU and third party reporting is done on e-commerce and delivery markets, by associations, consultants, administrations etc. These are comparable only at the highest levels due to differing standards, definitions and purposes.

Relevant studies with recent figures on e-commerce and delivery are not readily available. Several existing publications and tools form only a small and non-specific basis to explore the e-commerce and delivery market development in the EU:

- Eurostat (statistical office of the European Union): databases, statistics, yearbooks;[145] i.e. Community survey on “ICT usage and e-commerce in enterprises”, Dec. 2013

145 See http://epp.eurostat.ec.europa.eu/portal/page/portal/information_society to access statistics related to the information society including e-commerce of households and companies.

- Eurobarometer of the European Commission: The Eurobarometer has been engaged in the field of public opinion measurement dealing with major topics concerning European citizenship, e.g. enlargement, social situation, health, culture, information technology, and also e-commerce.[146]
- Digital Agenda Scoreboard of the European Commission: The Digital Agenda Scoreboard assesses progress with respect to the targets set in the Digital Agenda for Europe (DAE). E-commerce is an indirect topic of the DAE (i.e. consumer confidence, trust, internet use).[147]
- Applications reports and consultant studies published by the European Commission (MARKT).[148]
- Ecommerce Europe Reports: Yearly global and European e-commerce reports, based on own research. The association of national e-commerce associations across Europe also publishes five regional reports with recent statistics, trends and forecasts each year.[149]
- European Regulators Group for Postal Services (ERGP): reports in the field of the postal sector.[150]
- ECC-Net: Members of the European Consumers Centres Network publish reports, surveys and studies with a special focus on cross-border issues also in the field of e-commerce.[151]
- Information and benchmarks are also provided by business intelligence analysis of commercial platform providers to registered customers or members (e.g. IMRG/Metapack)[152],
- Information and research results presented by posts and carriers (or their associations) and by other large companies in the sector e.g. eBay or Google.
- Market studies and research on delivery markets and e-commerce by national public authorities (e.g. national regulatory authorities), national associations, various consulting agencies, university institutes, and other research institutes.
- Other international sources for statistics[153].

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146 See for example European Commission (2013), Flash Eurobarometer 358, Consumer attitudes towards cross-border trade and consumer protection and Flash Eurobarometer 359, Retailers' attitudes towards cross-border trade and consumer protection.

147 See the Digital Agenda Scoreboard (http://ec.europa.eu/digital-agenda/en/digital-agenda-scoreboard).

148 See for example http://ec.europa.eu/internal_market/post/studies/index_en.htm for postal sector studies.

149 Ecommerce Europe annually publishes the European B2C E-commerce Report which summarizes key developments and important characteristics of European B2C e-commerce markets (See http://www.ecommerce-europe.eu/facts-figures).

150 See for example ERGP (2013), Report on quality of service and end user satisfaction.

151 See for example ECC-Net (2011), Online cross-border mystery shopping – state of the e-union and ECC-Net (2012), The European Online Marketplace, Consumer complaints 2010-2011. For more information on ECC-Net activities see http://www.europe-consommateurs.eu/en/home/.

152 See for example the monthly published IMRG MetaPack UK Delivery Index Report (see http://www.imrg.org or http://www.metapack.com) or the MetaPack Carrier Performance Heat Map (see http://www.metapack.com/carrier-heat-map).

EU scoreboards are accessible via websites (with interactive features) or are published as reports.

Additional to scoreboards the Commission also launched projects to promote small and medium-sized enterprises. DG Enterprise & Industry, for example, has commissioned a project on fostering digital entrepreneurship in Europe. One element of this project is to develop a tool with the working title “10 things to know to sell online in the European Union”[154]

4.3.5 Valuable content

Collecting data is often more beneficial and stakeholders are more willing to cooperate if the information is collected and presented for an agreed specific purpose. We would suggest the following key questions for the proposed scoreboard:

- with focus on e-retailers: „What are the specifics of e-commerce and delivery markets in other Member States.
  - How feasible is it to become a successful e-retailer in this Member State?“
- with focus on policy decision making:
  - How well does the e-commerce and delivery market in the Member States perform?
  - How well does the cross-border e-commerce and delivery markets in Europe perform?

The scoreboard should be clear about the definitions used for e-commerce, and the metrics/indicators presented in the publication.

The proposed scoreboard could satisfy the information needs of both target groups to ensure the relevance to market players.

153 For example statistics from the Universal Postal Union (see http://www.upu.int/en/resources/postal-statistics/about-postal-statistics.html) or the International Telecommunication Union ITU (see http://www.itu.int/en/ITU-D/Statistics/Pages/default.aspx).

154 See DG Enterprise & Industry, Call for Tender No. 292/PP/ENT/CIP/13/C/N01C033, Work package 4.

Table 29 Potential contents of a scoreboard

Information on e-commerce markets	• Market size • E-commerce related ICT facts and figures • Indications on the market structure • Importance of cross-border e-commerce (major import/export countries) • Use of e-commerce by consumers and enterprises • Importance of product groups and services • Market trends • Etc.
Information on delivery markets	• Market size • Indications on market structure • Indications on delivery prices (average prices) • Information on existing delivery services and quality • Important delivery operators (with focus on e-commerce deliveries) • Important intermediaries (e.g. delivery management solutions for e-retailers, broker) • Existing comparison tools for delivery services • Market trends • Etc.
Information on relevant habits of e-shoppers in a country	• Preferred delivery quality (e.g. next-day delivery) • Dominantly used delivery options (home delivery, delivery to pick-up point, delivery to the workplace, etc.) • Use of proof of delivery and options for alternative delivery locations (e.g. delivery to the neighbour) • Important online marketplaces • Typical return rates (per product group) • Typical return processes • Dominantly used payment services (including cash on delivery) • Etc.
Other information	• Complaints statistics (e.g. related to delivery services) • Existing e-commerce trust marks • Etc.
Legal information	• Value added taxes (VAT) • Customs (for extra EU countries) • Consumer rights • Data protection rules • Etc.

Additional to pure fact and figures on e-commerce and delivery markets and related country specifics a scoreboard could additionally be used to illustrate innovative business models e.g. those that promote the cooperation between e-retailers and delivery operators and facilitate fulfilment of e-commerce orders. The scoreboard could additionally illustrate and thus improve awareness on developments in delivery services (e.g. upcoming same-day delivery solutions and specific delivery solutions for grocery)

in the Member States and examples and best practices to close service gaps for example in rural and peripheral areas. This would help reduce duplication of effort across the Member States and thus cut costs and speed up the achievement of the Digital single Market.

4.3.6 Technical feasibility

The existing examples, particularly scoreboards published by the Commission, illustrate that appropriate technologies for compiling, querying, evaluating and presenting of the data sets exist (see section 3.2).

4.3.7 Key challenges

Generally, as also indicated in section 4.3.4, there is a large number of potential information sources scattered on Community and national websites of public authorities, associations, research institutes and companies with many bits and pieces that might fuel a scoreboard. However, a scoreboard is similarly affected by missing standards, definitions, variable data availability and quality from suppliers and closed data sets as the information platform discussed in section 4.2.

Detailed information on delivery markets, particularly for parcel and express services, is either not available or, if existing, not detailed enough in most Member States. Information provided of national regulatory authorities is often limited to universal service parcels (i.e. standard parcel services provided by the national postal operator). The data is provided at aggregate levels so that statements on delivery and price performance of specific service categories are not possible.[155] Moreover, cross-comparability between national market reports is often limited. The Commission addresses this problem in Action 3 of the Roadmap where Member States are requested to "define a clear statistical framework […] enabling national regulatory authorities to collect relevant market data on domestic and cross-border parcel flows from all postal service providers active on the B2C and B2B parcel markets, including intermediaries, consolidators and alternative operators."[156]

In general, it is a big challenge to get a clear picture on delivery performance and prices in national and particularly cross-border delivery markets because the variety of delivery solutions in terms of quality and prices is substantial in these competitive markets. Pricing, other than published rates, is considered as highly confidential by parcel

155 This is based on the experience WIK-Consult made during the preparation of several studies for the European Commission (see http://ec.europa.eu/internal_market/post/studies/index_en.htm), for example WIK-Consult (2013), Main Developments in the Postal Sector (2010-2013).

156 Communication from the Commission , A roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales, COM(2013) 886 final, 16 December 2013, p. 11.

carriers and shippers. Moreover, the performance of the delivery quality and prices of specific parcel and express services is in most cases not publicly available.

Two aspects proved to be the most controversial because they were seen as very difficult to benchmark. First, price performance always means to measure price against a promised service level. If price and terms are acceptable for the e-retailer and if they are observed by the delivery service provider, the performance has to be rated as good.

Second, the issue of price in itself raised the most discussion. This is because published list prices are purely indicative. Suppliers negotiate a variety of discounts and many have additional charges that impact the actual cost to the e-commerce merchant. In addition e-commerce retailers often add to that price in order to claw back the costs of free shipping or to maintain margin levels on sales. This means that there is a poor relationship between list prices and those that are actually exercised in the market (charged to consumers).

4.3.8 Conclusions

A scoreboard on delivery and price performance enriched by additional facts and figures on e-commerce markets is a useful tool to provide valuable information for policy makers and market participants. A scoreboard would improve transparency on developments in delivery and e-commerce markets and the role of cross-border aspects. It would add information on opportunities and risks for e-retailers to enter other European e-commerce markets with special focus on delivery solutions.

A scoreboard would help to organise and present the scattered information on national and cross-border e-commerce and delivery markets in an organised way. A single source of information to start research in this field would be appreciated particularly by e-retailers. The scoreboard would provide more “stable” information e.g. market data, habits of e-shoppers, and country specialties with regard to delivery and payment methods as well as return policies. Moreover, a scoreboard could illustrate key developments in the e-commerce and delivery markets. Finally, the scoreboard could be used to highlight innovative business models that facilitate delivery management for e-retailers, best practices how to better serve rural areas and progress in delivery services, generally.

The scoreboard could be developed and published regularly, e.g. once or twice a year, by the Commission and/or European e-commerce associations like Ecommerce Europe or EMOTA. The involvement of the Commission would promote stakeholders’ participation and compliance, standardisation in the presentation of results and transparency.

National associations, public institutions and chambers of commerce could act as multipliers by integrating the scoreboard information in initiatives to promote small and

medium-sized e-retailers and to better inform e-retailers on business opportunities in export markets.

Additional to the scoreboard, delivery aspects could also be addressed in tools promoting small and medium-sized e-retailers (existing enterprises or start-ups). DG Enterprise & Industry, for example, has commissioned a project on fostering digital entrepreneurship in Europe. One element of this project is to develop a tool with the working title "10 things to know to sell online in the European Union".[157] This tool will provide, in a standard format, information on key legal issues (e.g. on consumer rights or VAT) and on market specificities and could be enhanced by the inclusion of delivery aspects.

4.4 Delivery aspects in e-commerce trust marks

Delivery aspects in e-commerce trust marks. Such initiatives could help improve e-shoppers' trust in reliable domestic and cross-border delivery services and returns. They could possibly integrate delivery-related criteria in existing trust marks.

4.4.1 Need

To date, a wide variety of e-commerce trust marks exist. Most are national schemes that are relatively unknown by consumers from other EU countries.[158] A study commissioned by DG CONNECT found four EU trust mark schemes operating cross-border, two of them (Trusted Shops and the British ISIS/IMRG) merged in 2013. Moreover, existing trust mark schemes are very heterogeneous in scope, business model, quality and level of enforcement.[159] Finally, e-commerce trust marks are not yet active in every Member State, e.g. in Greece[160].

E-commerce trust marks have the objective to assure consumers that a web shop or an e-retailer has been validated by a trust mark provider and is compliant with their criteria for certification to use the trust mark. They are designed to increase consumers' trust in the web shop that carries the trust mark.[161] As trust marks are a form of branding their use is especially important for small and medium-sized e-retailers because their

157 See DG Enterprise & Industry, Call for Tender No. 292/PP/ENT/CIP/13/C/N01C033, Work package 4.

158 See TNO & Intrasoft International (2012), EU Online Trustmarks Building Digital Confidence in Europe, prepared for the European Commission DG Connect. The authors found 54 trust marks in the EU from which only 29 were found to be active (ibid, p. 4).

159 See TNO & Intrasoft International (2012), EU Online Trustmarks Building Digital Confidence in Europe, prepared for the European Commission DG Connect, p. 13.

160 At least not comparable to other trust marks as a label solely used for e-commerce. EPAM, the Greek Association of Distance Selling and Direct Marketing, applies its own "EPAM" logo as a trust mark. Distance-sellers who are EPAM members are self-committed to a code of conduct focusing on reliability, security, transparency and problem solving in the field of consumer protection issues. The University of Athens (ETRUN, an e-business research centre) is also planning to launch a trust mark but they are still at a preliminary stage.

161 See TNO & Intrasoft International (2012), EU Online Trustmarks Building Digital Confidence in Europe, prepared for the European Commission DG Connect, p. 13.

financial and technical capabilities are limited to invest in different marketing tools. Moreover, the Commission considers European-wide trust mark schemes for e-retailers as a valuable tool to promote cross-border transactions and "is exploring the usefulness and benefits of the EU-wide trustmark schemes to reassure consumers on the reliability of accredited traders".[162] In the first half of 2014 the two most important European associations for e-retailers resp. national associations for distance selling (including e-commerce) launched (EMOTA, see section 4.4.4) or plans to launch (Ecommerce Europe)[163] an initiative to make existing national trust mark schemes more cross comparable for e-shoppers.

In the Roadmap the Commission requests e-retailers to "improve information for consumers on the characteristics and costs of different delivery and return solutions" which could be achieved i.a. by "including relevant delivery requirements in the design and operation of e-commerce trust marks".[164] This indicates that delivery aspects are not sufficiently covered by existing trust mark schemes.

The recently implemented European Consumer Rights Directive (CRD) introduces more rigorous requirements also related to delivery aspects. For example, the CRD harmonises the time when the information "whether any delivery restrictions apply" has to be presented to the customer that is to say at the beginning of the order process latest.[165] Additionally, e-retailers will be more bound to the expected delivery time they provide to the consumer. Without any agreement on the delivery time, the CRD determines that the order shall be fulfilled 30 days after the contract was closed. In the worst case (substantial delay even after the first complaint) the customer is allowed to terminate the contract.[166]

Generally, delivery aspects in addition to the pure provision of information on delivery charges, time and service specifications during the sales process are not particularly considered in many trust mark schemes. Notably, national trust mark schemes usually do not consider whether the e-retailer meets the scheduled delivery time. In section 4.4.4 we highlight in more detail how selected trust mark schemes deal with delivery aspects. In the country workshops and in interviews with associations and trust mark providers the stakeholders generally agree that delivery aspects are often not appropriately addressed in existing trust mark schemes for different reasons (see section 4.2.7). There are basically two options to improve the situation. First, an

162 http://ec.europa.eu/digital-agenda/en/pillar-i-digital-single-market/action-17-stakeholder-platform-eu-online-trustmarks. In their study TNO & Intrasoft International (2012) states that "different stakeholders confirm that trust marks are an important factor for the promotion of cross-border eCommerce and the way they operate is central their trust-building capability" (p. 5).

163 See http://ecommercenews.eu/ecommerce-europe-will-launch-european-trustmark/.

164 Communication from the Commission, A roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales, COM(2013) 886 final,16 December 2013, p. 9.

165 Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights (Consumer Rights Directive), Official Journal of the European Union, 22.11.2011, Article 8 (3)

166 Ibid, Article 18.

additional (European) trust mark scheme with focus on delivery aspects could be launched. Second, existing trust mark schemes could be enhanced to include delivery aspects.

Representatives of trust mark providers and e-commerce associations supported by consumer representatives agreed that there is no need for an additional, new trust mark that would need any governmental support.[167] They stated that there are many different trust marks in place (not only related to e-commerce). Taking into account that in many of the EU Member States more than one trust mark (not necessarily for e-commerce) exists, additional trust marks on EU level were considered to be more confusing for consumers than creating added value. Moreover, a trust mark that focus solely on delivery aspects related to e-commerce transactions appears not to be practical at achieving the aims required (see section 4.4.4). For these reasons the stakeholders preferred the second option to add delivery aspects to existing trust mark schemes, as is envisioned by the Roadmap.

4.4.2 Target group

The key target group of trust mark schemes are online shoppers, particularly those who order goods from foreign online shops. Additionally, trust marks are particularly useful for small and medium-sized e-retailers who do not have a well-known brand and sufficient financial means to invest in marketing. In their case trust marks may generate trust via certifications. If they enter foreign e-commerce markets a trust mark scheme that fulfils European minimum standards on how to reliably operate an online shop may support their business and assist in a successful market entry.

4.4.3 Stakeholders

As was concluded in the section 4.2.1 this initiative focuses on existing trust mark schemes that could be enhanced with delivery aspects. That said it implies that trust mark providers are logical initiators for this initiative. However, to better address the cross-border dimension it would be reasonable to focus on e-commerce trust mark schemes that are established in several European countries. These could be either privately organised schemes with European coverage (e.g. Trusted Shops) or non-commercial initiatives to better align national e-commerce trust schemes within Europe ("umbrella trust mark") as recently launched by the European Multi-channel and Online Trade Association (EMOTA).

167 In 2008 MetaPack teamed up with IMRG to create the Internet Delivery is Safe (IDIS) (see http://www.metapack.com/about-us/blog/achieve-gold-standard-home-delivery-metapack). However, this delivery focused trust mark did not become widely accepted. Today, Metapack and IMRG do not actively promote this standard and the related website was removed.

Partners in this process are consumer associations (e.g. the European Consumer Centres Network) and e-retailers and their associations (who may be identical or associated with trust mark providers). Delivery operators and intermediaries should also be involved to discuss which delivery aspects could be reasonably included in existing trust mark schemes in order to provide a comprehensive understanding of the commitments being made by e-retailers 9on the basis of their transporters capabilities) to consumers.

4.4.4 Existing examples

E-commerce trust mark schemes usually focus on contents of the e-retailer's online shop and how the transaction and the communication with the customer is organised. National differences impact he design of successful trust mark schemes. In Germany and Poland, for example, they particularly on the compliance with legal requirements to limit the e-retailers' risk for orders to refrain.[168]

Case study 6 Delivery aspects in trust marks – Trusted Shops

Trusted Shops was launched in early 2000 by a German business company (Trusted Shops GmbH). With over 18,000 certified traders (thereof more than 14,000 in Germany) and a more than 150-member staff operating the scheme; it is the largest trust mark scheme for e-commerce in the EU with branches in Germany, Austria, Switzerland, Belgium, France, Italy, the Netherlands, Poland, Spain and the UK. In these countries, Trusted Shops has developed country-specific catalogue of criteria in the respective country languages. Trusted Shops is also available in other European countries. In these countries Trusted Shops has developed a "European Standard" that does not take country-specific elements into account ("lowest common denominator").[169] Based on consumer surveys in five countries 76% of German, 33% of British, 33% of Spanish, 27% of Polish and 15% of French consumers are aware of Trusted Shops.

Trusted Shops targets small and medium-sized online shops with a revenue range from EUR 50,000 up to one million per year. According to Trusted Shops, large online shops have a higher awareness level and therefore less need for a trust mark. Additional to the annual certification process Trusted Shops links its trust mark with a money-back guarantee ("buyer protection"). This linkage requires a regular check of the creditworthiness of an e-retailer. Each year, around 10% of certified shops lose their trust mark because of failed credit screening (first rank) or bad customer review (second rank).

The importance of the three core areas legislation, buyer protection and customer review varies among countries. In Germany and Poland, for example, legislation is most important. The buyer protection is of less importance in Poland and the UK.

168 Interview Trusted Shops.
169 Interview Trusted Shops (13 March 2014).

According to Trusted Shops' criteria catalogue[170] certified online shops must provide detailed information on delivery aspects before starting the order process. These are delivery costs (for domestic and, if relevant, for cross-border delivery), the delivery area and the expected delivery time (after placing the order). In case of delivery problems the online shop must inform the customer immediately. To date, there are country-specific differences when the information on delivery aspects has to be provided during the order process which are expected to be more harmonised after full implementation of the European Consumer Rights Directive.

In contrast to the usual Trusted Shops scheme, the UK trust mark (former IMRG/ISIS) defines a target for the handling time of orders: "Delivery: The retailer may not exceed the scheduled delivery time by more than 3 days in 90% of all transactions and shall immediately inform the customer about possible delays and non-availability."[171]

To date, Trusted Shops considers delivery aspects as separate category of the customer feedback (three categories: "delivery", "product" and "customer service"). Additionally, Trusted Shops evaluates customer complaints. For internal purposes, Trusted Shops develops a "review index" that consists of five elements: delivery index, refund application ratio, reliability index, response index, complaint index. The delivery index describes the relation between the number of delayed deliveries to the total number of money-back guarantees within 12 months.[172]

Trusted Shops envisions improving the customer review to allow for more detailed feedback on delivery aspects because the evaluation of the complaints is very time-consuming and costly. They also think about the possibility to launch a "neutral" measurement of delivery quality by evaluating the parcel tracking information (similar to the approach of Google Trusted Store). This would require the approval of the e-retailer and interfaces to the IT systems of the carriers to access the tracking data of the e-retailers' shipments.[173]

170 See http://www.trustedshops.com for links to the European and the country-specific criteria catalogues.
171 See http://www.trustedshops.co.uk/seal-of-approval/quality-criteria.html.
172 Interview Trusted Shops (13 March 2014).
173 Interview Trusted Shops (13 March 2014).

Case study 7 EMOTA's European trust mark scheme – European Multi-Channel and Online Trade Association (emota.eu)

In April 2014 EMOTA (European Multi-Channel and Online Trade Association) launched an initiative to create an "umbrella trust mark" for its member associations.[174] The trust mark scheme is based on a co-branding model; the each accredited national trust mark label is added by an EMOTA trust mark label.

To date, eleven national trust mark schemes participate in the EMOTA trust mark project and are in the process of being accredited according to the published criteria (May 2014). A committee with representatives of five member associations was formed to oversee the development and management of the "EMOTA Trustmark initiative for e-commerce". They will be responsible for the accreditation of applicants and the monitoring of the process.

The "EMOTA European Trustmark Accreditation Criteria for national trust mark providers" include the following aspects related to delivery and return processes:

- Transparent pricing, inclusive of all charges and taxes
- Accurate information to the customer on product availability and delivery time
- Delivery according to the specifications and timing indicated to the customer
- Clear returns process and prompt reimbursement

For e-shoppers, EMOTA members adopted the "EMOTA European Trustmark Merchant Charter ("the Merchants Charter")" by which the e-retailer commits to

- Notify all costs and any limitations / conditions prior to checkout;
- Present charges that are complete and simple to understand – including any tax and delivery and surcharges;
- Allow access to information on the customer's order progress / history;
- Deliver as specified at the time of order;
- Deliver the customer's purchases in good condition;
- Provide helpful support with damaged / failed / late / attempted deliveries
- Have a clear returns process, with any limitations / conditions notified prior to purchase.

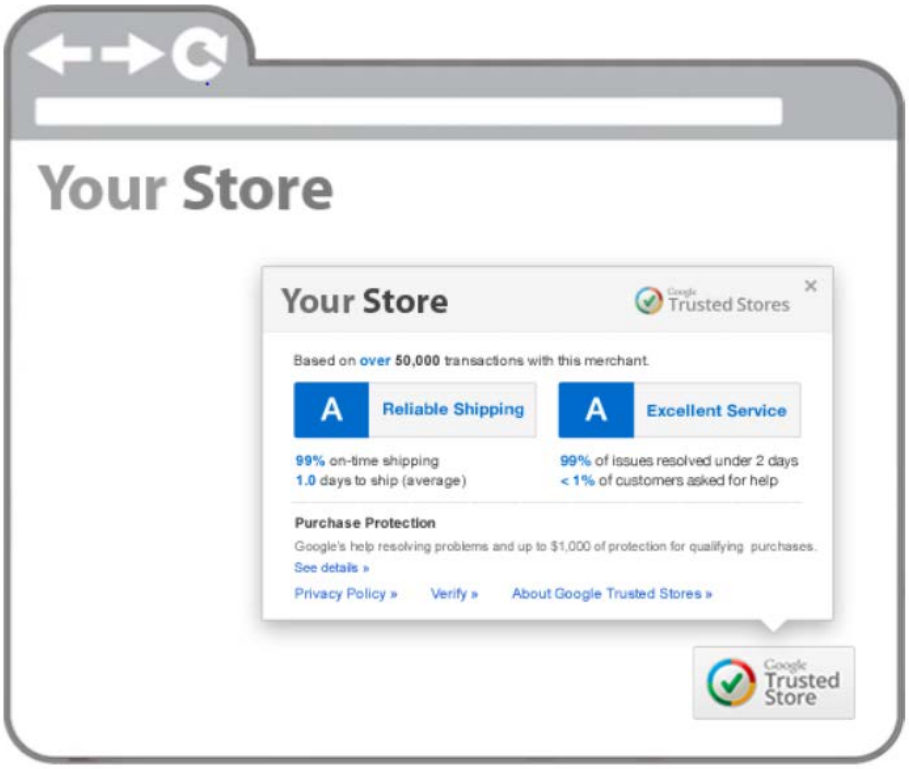
EMOTA has also thought about the mandatory provision of tracking information to the e-retailer's customer and decided not to include this requirement because affordable tracked delivery services are not available in every country. If this changes in the next future EMOTA may reconsider this option.

174 See http://www.emota.eu/#!european-trustmark-/c1f52 for more information.

Case study 8 Google Certification Program for online shops (in Germany "Google zertifizierte Händler")

Since autumn 2013, Google offers a „Google Certification Program for online-shops" in Germany.[175] The company also runs tests in the UK and France. In 2011 Google ran first tests in the US and launched the programme in 2012.[176] Each e-retailer can apply for the label which usage is free of charge. In contrast to other trust marks like Trusted Shops or trust marks launched by e-commerce associations this scheme only focus on few basic facts in combination with a purchase protection (light version compared the one offered by Trusted Shops). It does not check for example ease-of-use of the shop, dispute resolution processes in detail or legal compliance of the shop.

Figure 66 Google Trusted Stores – Example for pop-up window information content



Source: Google (https://www.google.com/trustedstores/sell/ns#signup)

The e-retailer has to use tracked delivery services for a high proportion of orders and has to provide information about[177]

- the number of transactions fulfilled under the Google scheme;
- the percentage of "issue-free" orders (transactions for which a customer opts in for purchase protection and does not ask for Google's support to resolve the issue) and the overall time needed for issue resolution ("fast");
- Time to reply to customer e-mails;

175 In Europe, Trusted Shops hindered Google to use its US brand "Google Trusted Store" (based on trademark law).

176 See Falk Hedemann, Google Trusted Stores: Neues Vertrauenssiegel für Onlineshops, 4 June 2012 (http://t3n.de/news/google-trusted-stores-neues-392251).

177 See https://support.google.com/trustedstores/answer/1669878?hl=en.

- Percentage of orders shipped on-time (a shipment is considered "on-time" when the order is shipped by the Estimated Ship Date, which is provided by the merchant to customers that opt in for purchase protection);
- Time to delivery (measures the average number of days for an order to be delivered to the customer based on the date the order was placed);
- Time to return orders and process returns.

The statistics are presented in a pop-up window on the e-retailer's website when the customer clicks on the trademark icon (see figure). Obviously, e-retailers who apply for the scheme have to transmit substantial data volumes including the transaction details, order value, contact details of the customer and shipping details to Google. Moreover, Google needs access to the tracking data of commissioned delivery carriers given the permission of the subscribed e-retailer. At this stage, it remains open to which extent Google's trust mark scheme will be successful in Europe.

4.4.5 Valuable content

Which delivery aspects should be covered by trust mark schemes are guided by the question: "Does the e-retailer provide the customer easy to access and comprehensible information on delivery and return processes, in general and on delivery aspects related customer-specific transactions, in particular?"

General information on delivery aspects may comprise i.a.

- Delivery restrictions (countries from which orders are not accepted)
- General information on charges for delivery (both domestic and cross-border)
- General information on charges for returns (if any)[178]
- Information on delivery and return processes
- Description of available delivery services (particularly availability of tracked and/or insured services, delivery modalities and options, related payment options)
- Name(s) of the delivery partners
- Indications on product availability and fulfillment time (time for picking & packing plus shipping time) or delivery time (only shipping time, particularly relevant for cross-border delivery)

General information on delivery and return aspects can be easily provided independently from the order process and supports the customer's decision to use the web shop or not. Moreover, the provision of this type of information can easily be checked by trust mark providers.

178 This requirement is closely connected to a general right of withdrawal and the rules for reimbursement of payments. Return regulations are harmonised EU-wide by the Consumer Rights Directive since June 2014 when it came into force in most Member States. The CRD determines that online shoppers can only be charged for the direct cost (i.e. costs for delivery) in case of returns.

Customer-specific delivery aspects refer more to the interaction between the e-shopper and the e-retailer during and after the order process. In this context, it also matters when the information is provided.

Transaction-specific information related to delivery aspects provided during the order process may include:

- Is this customer affected by delivery restrictions?
- Available delivery solutions and related charges including all related cost elements (e.g. for extra-services, fuel surcharges etc.)
- Information on transaction-specific charges for returns (if any)
- Indication on the fulfilment time (including shipping time) and/or shipping time: The e-retailer should be bound to the indicated fulfilment time.[179]

For the convenience of the customer the above listed details should be provided as early as possible in the order process, ideally at the beginning.

Transaction-specific information related to delivery aspects provided after the order process may include:

- Order confirmation including shipping costs and a short summary of the relevant details of the selected delivery service (e.g. delivery by carrier XY to the pick-up point Z);
- (Immediate) notification on fulfilment delays;
- Notification when the order leaves the e-retailer's warehouse and is consigned to the carrier;
- Notification of the carrier's tracking number, if available, and how to easily access the tracking information (e.g. link to the carrier's website).

4.4.6 Technical feasibility

Trust mark schemes are widely used in e-commerce.[180] There exist well-defined and acknowledged processes for auditing e-retailers' web shops and control the use of trust marks. The Consumer Rights Directive supports the harmonisation of legal requirements for e-retailers. Initiatives to define minimum standards on EU-level have been launched. Generally, there are no technical barriers to add more delivery aspects in trust mark schemes. However, the provision of detailed information on delivery aspects, particularly for each transaction, depend on the availability of appropriate delivery services and the IT-readiness for data exchange between delivery operators and e-retailers respectively e-retailers and customers, and, possibly, between trust

179 As required by the Consumer Rights Directive.

180 See TNO & Intrasoft International (2012), EU Online Trustmarks Building Digital Confidence in Europe, prepared for the European Commission DG Connect.

mark providers and delivery operators. The level of IT-readiness varies among Member States depending on the development status of the e-commerce and delivery markets. This limitation is of particular relevance for cross-border transactions.

4.4.7 Key challenges

Additional to limitations in the technical feasibility as outlined in the previous section adding delivery aspects to existing trust mark schemes always implies that the accreditation process and the regular monitoring of online shops become more complex and, accordingly, more costly (for accredited e-retailers).

This is generally counter-productive for the attractiveness of a trust mark in the view of an e-retailer. The additional costs related to more delivery aspects should be compensated by an increase in the attractiveness of the online shop for e-shoppers and thus more traffic and, in the end, revenues. The relation between trust marks and the web shop's attractiveness is generally difficult to measure. It is even more difficult to identify the value added for e-retailers, if already existing (well-established) trust marks are extended with additional delivery aspects.

Moreover, the regular monitoring process of trust mark providers whether the online shop complies with the trust mark scheme is affected. Many trust mark providers only check the compliance with trust mark requirements once a year, this is particularly the case for those trust mark schemes that are not combined with customer feedback tools. In this case it is not possible to check, for example, whether the e-retailer meets its indicative fulfilment time for transactions. This would require an ongoing monitoring process which is for example a central element of the Google scheme (with at least questionable methods) or applied by Trusted Shops who continuously evaluate customer responses (see section 4.4.4).

4.4.8 Conclusions

There is a broad agreement that delivery aspects should be more and better integrated in existing trust mark schemes. The introduction of a new trust mark scheme with special focus on delivery aspects, at national or EU level, is broadly considered as counterproductive.

As outlined, the provision of detailed information on delivery aspects, particularly for each transaction, depend on the availability of appropriate delivery services and the IT-readiness of involved parties which is of particular relevance for cross-border transactions. The level varies among Member States depending on the development of the national e-commerce and delivery markets. Nevertheless, EU-wide harmonised standards for delivery aspects to be integrated in existing trust mark schemes (e.g. by

European “umbrella trust mark” as launched by EMOTA) could be supported by the Commission in the following ways:

1. The Commission should continue monitoring the diffusion of e-commerce trust marks with special focus on European initiatives / trust marks to establish minimum voluntary standards.
2. The Commission should moderate a public discourse about integrating delivery aspects to raise awareness among stakeholders (e.g. at e-commerce events or Commission framework programmes).
3. The Commission could consider stimulating trust mark developments in selected countries by funding projects.

4.5 Improve parcel services in rural areas

Improve parcel services in rural areas. Such initiatives could improve the accessibility of parcel services in rural and very rural areas, and parcel delivery in these areas, by promoting the application of shared infrastructure for collection and/or delivery of parcels.

4.5.1 Need

Cost effective pick-up and delivery services to rural communities are essential to enable rural businesses to survive and compete locally, nationally and internationally, and to enhance life quality in remote regions.

It is also critical to ensure that the benefits of an increasingly integrated (and visible) single market are not denied to rural and peri-urban consumers through lack of cost effective delivery options. These delivery options are just as important for national retailers and businesses as their external competitors are now visible and must be countered. With the entry of increasing numbers of digital natives to the workforce the necessity to offer local, national and cross-border capabilities will increasingly be a key survival strategy for businesses in any area, any sector servicing any market,

In a 2010 Irish government report[181] on rural transport provision the key barriers to the effective development of sustainable rural transport solutions are identified as economic/socio-economic, legal and regulatory, organisational difficulties, physical barriers, as well as cultural and political issues.

On a broader level the key issues in relation to establishing viable rural transport and delivery networks include:

181 Joint Committee on Arts, Sport, Tourism, Community, Rural and Gaeltacht (2010), Report on rural transport provision (http://www.oireachtas.ie/documents/committees30thdail/j-artssportstcrga/reports_2009/20100224.pdf.

- Poor information on the actual transport and delivery needs and dynamics in low density areas.
- The boundaries / barriers created by political and organisational borders such as municipalities, districts and provinces on establishment and viable operation of private and public transport services.
- Lack of adequate data on the formal and informal transport operators available in an area requiring enhanced service.
- Tendering and contractual issues related to the use of a mix public transport, subsidised transport and private transport resources.
- Resistance of incumbent formal and informal transport service suppliers to new entrants.
- Legal impediments to establishing new innovative transport services. Innovations may require regulatory intervention.[182]

Digital solutions like e-commerce have the potential to illustrate the existence of and diminish these barriers by enabling the population in rural areas to increase demand by purchasing goods via the internet, strengthening local suppliers and generating the political will to facilitate easier set up and operation of innovative transport approaches. Combined with telecommuting solutions and e-government e-commerce provides new chances for increased rural inclusiveness and regional development.

Interestingly, neither the Irish report nor the Rural-transport.net reports[183] looked at the transport of inbound goods nor locally manufactured goods to and from rural communities which is a rapidly emerging opportunity for the maintenance and expansion of rural community economic activity. Online-shopping combined with innovative local collection and delivery options appears to be a beneficial solution for regions with a low population density as it supports the local economy and labour market.

Most EU Member States have regions that are comparably low populated and might benefit from new information and communications solutions like e-commerce. However, these new opportunities will only succeed if delivery to these regions is cost-effective and attractive for receivers as well as carriers.

The European Commission takes into account the degree of urbanisation and population density. Regions are classified into three groups:[184]

182 See for example the issues with new taxi and lift car sharing services UBER (https://www.uber.com/) and LYFT (https://www.lyft.com).
183 See http://www.rural-transport.net/.
184 See http://www.foundationfuturegenerations.org/UserFiles/File/Infopack_en.pdf.

- Densely populated areas are groups of neighbouring municipalities, each of which has a population density of over 500 inhabitants per km^2 and a total population of at least 50,000 inhabitants;
- Intermediate areas are groups of municipalities, each having a population density higher than 100 inhabitants per km^2 and whose total population is at least 50,000 inhabitants, or who are adjacent to a densely populated area;
- Sparsely populated areas are other groups of municipalities.

Today, population density in Greece and Ireland is substantially below 100 (Ireland with 54 and Greece with 84 inhabitants per km^2), higher in Poland (123 capita per km^2) and highest in Germany (231 inhabitants per km^2). Urbanisation rates are relatively low in Greece, Ireland and Poland (~60 percent of the population live in urban areas) but relatively high in Germany (74 percent). All four selected countries have urban as well as very rural areas. Poland is more centrally structured (with Warsaw as largest Polish city and an urbanised southwest region) while German urban areas are more equally distributed within Germany (at least in the Western part). The geography in Greece is substantially determined by almost 10.000 islands[185] and large mountain regions.

Table 30 Population density in and urbanisation rate in Germany, Greece, Ireland, and Poland

Country	Inhabitants per km^2	Urbanisation rate (in %)
Ireland	54	63
Greece	84	62
Poland	123	61
Germany	231	74

Sources: Eurostat, Worldbank

E-commerce driven delivery in rural areas of Ireland and Greece is often costly for companies because the density of delivery points is significantly lower than in cities and the number of parcels delivered per resident is low.[186] In addition, inbound parcel delivery increases significantly while outbound delivery remains the same or grows only little. This is one of the reasons why delivery operators – besides the national postal operator – are mainly covering urban areas or B2B segments in several EU countries.

At the workshop in Poland, all participants agreed that the cost of delivery services in rural areas is higher than the relevant cost in urban areas. Almost all participants

185 Around 120 are inhabited throughout the year according to the population census 2011 by EL.STAT, an unknown number only for the tourist season. Many others are said to be lived-in by only 1-5 people which means that they don't appear in official statistics.

186 Carriers, on the other hand, may characterise an area as rural-urban or suburban based on the network coverage. If the distribution point is far away from a small city then this city is characterised as rural and the cost for delivery services in that city is higher than in urban areas.

agreed that further collaboration, between market players and the State, is required in order to improve the delivery services provided in rural areas. The need for cooperation in this field was perceived as necessary at the German workshop, too. However, the need for action in Germany was not considered as pressing as in more rural countries. Courier companies in Greece mentioned that they have different cost for delivery services across Greece and thus they are charging different prices for rural and urban areas. In contrast, e-retailers offer goods for the same price throughout Greece. In Ireland, participants pointed out that a lot of initiatives are under way because in some regions, especially where Arts & Crafts manufactures are situated, more pick-up choices would be appreciated to gain ground in the global e-commerce market.

To sum up, rural inhabitants may have reduced delivery choices when buying online and have to do without new service options like same-day or even next-day delivery. In many cases, only the national postal operator will serve certain areas. This is true for many regions in Ireland and Greece, but also for some Polish regions.

On the other hand, local retailers who would like to engage in trade via the internet face difficulties to find carriers that pick-up their – initially small volume – of parcels. This issue was much debated during the workshops and interviews and especially Irish SME e-retailers regret that they do not find a more competitive environment.

The need for improving parcel services in rural areas may be identified as threefold:

1. Competition in delivery products and service options may reduce the price of delivery and ease the delivery process for the receiver, thus leading to a better supply situation in peripheral regions.
2. Potential senders like local SME retailers would benefit from enhanced delivery service solutions and more service providers to choose from. The decision to become an e-retailer and profit from "global" demand while at the same time having the chance of successfully competing with large e-commerce players ("the invisible competitor"[187]) on the domestic/local market is getting a major factor in rural development.
3. If e-commerce in rural areas is not only expanding in ordering but also in selling carriers are able to adjust imbalances in drop-offs/pick-ups.

4.5.2 Target group

SME e-retailers in rural areas will benefit from better delivery services as will residents in peripheral regions in the EU. Transporters will benefit from increased demand (inbound and outbound) and achieve easier economies of scale.

187 Participants at the Irish workshop explained that they are more and more faced by less local demand due to online-shopping. How significant the shifting of spending capacity is remains "invisible".

4.5.3 Stakeholders

Partners for cooperation and funding of rural area initiatives are to be found in national administrations, regional administrations, local SMEs and SME e-retailers, delivery companies, local transport businesses, rural development groups, local support and business development groups, chambers of commerce. Local authorities and locally based business organisations provide courses, financial support, advice to help SMEs to establish E-commerce capabilities and to then expand beyond their local markets to service national and International consumers. Key support is also provided by educational institutions such as universities and professional service suppliers who are core suppliers to e-trading voucher schemes in Ireland, Murcia in Spain, Flanders in Belgium and Baden Württemberg in Germany. This has the dual impact of creating additional capability for businesses and also creating local ecosystems of support and advice that drives capability and the use on online trading by SMEs.

4.5.4 Existing examples

Rural areas tend to have formal and informal networks that service their transportation needs. Informal initiatives and solutions are often found to provide the last mile delivery component. These are often trust based (non-contractual) and heavily reliant on mobile technologies (messaging, SMS, apps) for data capture and transfer to the formalized networks. In some e-commerce markets, innovative delivery related start-ups were launched recently: matching platforms, bring services, cooperation with local transport, delivery alert apps, transit time calculators, lockers for parcels, etc. (those may be models for technical solutions for rural communities).

Options for parcel collection and delivery in rural areas include substitutes for personal signed home delivery:

- Parcel boxes: Postal carriers leave the parcel in their branded lockable parcel box. Large, lockable storage boxes are placed e.g. in the entrances of multi-family homes or in the front garden of single family homes. Parcel boxes are on offer by several delivery companies or service providers who build up a network of participating delivery companies (DHL, Parcel motel, Pakman, etc.). In Germany, DHL started their own parcel box system in spring 2014[188], followed by another competing parcel box system by Hermes, DPD, UPS, and GLS,[189] which is planned to function as an open system for the whole courier sector. Both systems aim at areas with detached houses, in urban and especially in rural areas.
- Network of automated parcel lockers: Branded locker locations are on offer or planned by several delivery companies. Large e-retailers like Amazon started to

188 https://www.paket.de. Residents hire or buy a parcel box ("letter box for parcels", Paketkasten) and receive or send DHL parcels by using digital registration and identification solutions.
189 Probably called „Paket-Box", „Konkurrenz für den Paketkasten", DVZ KEP, 05.06.2014.

experiment with branded lockers as well. Today parcel lockers are usually provided at central points in cities and not in peripheral regions. Examples are DHL parcel locker stations in Germany, Parcel Motel in Ireland, or InPost Pczkomaty or Paczka24 Ekstra in Poland.

- Staffed retail locations function as delivery service points: As a partner of a delivery company existing shops become branded pick-up and drop-off points for parcels. In some cases they offer more convenient opening hours than other stores. Examples are numerous parcel shops by DPD or Hermes, pick-up points in Ireland (many informal), Allegro's "pick up at a point" in Poland.
- Premises available for different service providers: Rooms that can be hired on a regular basis to provide service in rural areas (e.g. locations are alternately used by savings banks, medical staff, pension funds, postal carriers, etc.). This option can be introduced as a means to keep up public services in rural areas.[190]

Except for the fourth example and the projected open system parcel box by DPD and others, neither of the options mentioned are meant to be "white label" facilities. Online-shoppers would have to sign for different parcel boxes or lockers to receive parcels via different delivery companies. Retail locations have to be contractual partners of carriers to become service points.

As the need for parcel delivery increases from the view of online-shoppers, many start-ups see this as an opportunity to develop web-based applications for matching. Possible substitutes for established delivery companies are the following:

- Virtual delivery networks: Via software applications, usually mobile apps, online providers create a virtual matching environment for online-shoppers who order goods can then find people ("private" or as registered service people) who would bring them along. Examples are Bidcourier.de, Bringbee.ch, Checkrobin.com, Mylorry.de, Mytaxi.de.
- Small courier companies: New delivery service providers combine matching platforms with their own local delivery options. Examples are Atlanta.com, Clack.at, Emmasbox.de, Kartoffeltaxi.de,

Further options to ease delivery in rural areas are the following:

- Informal networks: Parcels are dropped-off at neighbours, friends, local shops. Local transporters take parcels with them. E-retailers deliver goods themselves on their way home. Employees use their employers' location as shipping address, etc. More advanced services of this kind are to be found in Ireland where informal "last

190 This example was mentioned as possible solution for peripheral regions at the workshop in Germany and seems to be implemented for some local government services but not for delivery services yet.

mile"[191] ad hoc networks of delivery capabilities operate effectively for physical delivery and also the supply of mainline carrier network information requirements by using mobile phones to get confirmation of delivery by text or voice calls (The data is then entered into the carrier device and transmitted).

- Collect from a carrier's depot: Common solution if parcel cannot be delivered personally or left at someone else. From the e-retailers point of view, this option diminishes the attractiveness of online-shopping severely.
- Delivery alerts (IoD - Intimation of Delivery): Carriers announce a one-hour delivery time slot to the receiver (e.g. per e-mail or text message). Informal ways for this exist in Ireland. In Greece, many couriers call receivers by default before delivering to remote areas. Start-ups like Checkrobin.com took this idea on to establish an alert service.
- Rearrangement options: Receiver can actively change delivery day or time or location by mobile apps. Examples are Safeaddress.de,
- Off-hour delivery: More and more carriers discuss or introduce Saturday or even Sunday delivery or offer after working-hours delivery. National postal operators usually deliver on Saturdays anyway.
- Combined transport: Public transport facilities are used to take goods or parcels/letters with them, e.g. Kombibus.de, informal Irish delivery networks.

Apart from the examples mentioned above, other projects or programmes exist to improve the accessibility of parcel services and to promote e-commerce. From the four countries examined in this study, Ireland is the most rural country with a dispersed low density of population. This raises the cost of any service, lowers the overall comparative (to urban areas) service and acts as a disincentive for service expansion. Helping to maintain cost effective service levels for pick-up and delivery is critical for the use of e-commerce as a tool of local retail and expansion to national and regional markets as a driver of economic activity, job creation and population level stabilization.

Rural areas tend to have high levels of private car ownership and use in order to access services from adjacent towns or local villages. This offers the opportunities for the deployment of pick-up and delivery capable automated solutions such as Parcel Motel and others. This has the knock on effect of increasing foot fall to the business hosting such a solution.

In addition the new Irish Post initiative of secure parcel capable domestic boxes has an opportunity to facilitate SMEs and Micro businesses in shipping goods as they would not have to close their premises to deposit shipments at a designated pick up point. Were such boxes multi carrier the impact would be far greater inbound and outbound

191 Stakeholders at the workshop pointed out that Irish rural residents are highly mobile with high personal car ownership, high daily mobility for work or commercial activities and high levels of trust in neighbours or suppliers.

competition, greater efficiency and improved service to consumers. The experience gained with the format, management and technologies used in the Irish initiative and parcel box solutions emerging in Germany and other countries could contribute real life evidence to the process of defining a more "Internet ready" domestic box solution, a topic that is also addressed by the Technical Committee 331, Postal Services at the European Committee for Standardization (CEN).[192] The use of e-commerce and delivery as a means of driving accelerated regional development has become common across the EU Over the last decade programmes to drive the use of e-commerce and the development of online-shops in all SMEs and rural areas have been rolled out using state funded vouchers, courses, Investment incentives. We would like to illustrate this in the following with three case studies on initiatives in the field of rural transport, local couriers and multi-service delivery providers, and voucher schemes for local retailers who would like to become e-traders.

Case study 9 Rural Transport Programme (RTP) in Ireland

Initiated by the Irish Government and managed by Pobal, established in 1992, a not-for-profit organisation with charitable status that manages various funding programmes on behalf of the Irish Government and the EU.

The Rural Transport Programme (RTP) is funded under the 2007 - 2013 National Development Plan by the Department of Transport, Tourism and Sport. Pobal manages the Programme on behalf of the National Transport Authority (NTA). The RTP also receives contributions from the Department of Social Protection through the Free Travel Scheme. 2012 National Funding Department of Transport, Tourism and Sport (DTTAS): The DTTAS is providing € 9.77 million to Pobal for the Rural Transport Programme in 2012. This figure represents an 8% reduction on the 2011 figure of € 10.62 million. The project started in 2002.

This initiative has e-commerce relevance because it provides infrastructure and services that permit rural businesses and citizens to engage in "Click and Collect", collect at a social facility and also allows access to the internet in libraries and other facilities for those with no home internet access. This is especially important for the elderly citizens in rural communities.

The programme mission statement is 'to provide a quality nationwide community based public transport system in rural Ireland which responds to local needs', in detail:

- To provide, enhance and sustain a nationwide community-based public transport system in rural areas.
- To maximise existing transport assets and to utilise new technology where necessary in the co-ordination and development of transport.
- To act as a catalyst in providing models of partnership at all levels where key sectors actively engage in transport provision.
- To ensure equality of access for all, including older people as well as people with mobility, sensory and cognitive impairments.
- To maintain, promote and develop models of good practice.
- To continue to contribute to rural public transport policy.

192 The Working Group 5 of TC331 is currently working on technical features of parcel boxes for end use (see http://www.centc331.eu/publicaties/4637).

The Programme is delivered nationally through 35 community based groups, all of which are either not-for profit companies limited by guarantee or co-operatives. Community groups, Pobal, Government Ministries (Department of Transport, Tourism and Sport, the Department of Social Protection) are stakeholders involved.

The majority of programme funding is allocated for front-line service delivery. Pobal allocated funds to RTP groups operating within the programme based on a series of requirements which include:

- An agreed company structure which operates on a not-for-profit basis;
- Consultative partnership structures and local decision making;
- A detailed needs analysis and local consultation exercise;
- A business plan with targets and budgets;
- Demonstrable capacity in project management, corporate governance, transparency and accountability;
- Levels of Transport deprivation experienced.

The Department of Social Protection (DSP) provides a contribution towards the costs of fares foregone as a result of the RTP enabling passengers with a free travel pass to travel free of charge on RTP services. The contribution for 2012 is €1.5m maintaining the same funding level as 2011. This contribution makes a significant impact on the availability and affordability of services for many rural dwellers. Prior to the RTP many Free Travel Pass holders were not in a position to use this entitlement due to poor access to transport in rural areas. Funding is also committed from DSP through the Community Services Programme, which aims to support voluntary and community groups to provide essential community services. An important element of this programme is the emphasis on the creation of employment opportunities for specific sectors suffering social or economic disadvantage.

Case study 10 KombiBUS (Germany)

The project was initiated and funded by the Federal Ministry of the Interior as part of the rural development project "Services for the Public 2030" (Daseinsvorsorge 2030). The funding period ended in December 2013. Since then a regional transport licensee provides the service without any public funding.[193]

KombiBUS combines the transport of goods, post and passengers by using the existing public autobus system in a rural area of Northeast Germany, Brandenburg/Uckermarck. The main objective is to bundle resources and transport capacities and thus offering an efficient regional transport system for local retailers/companies and private customers. With around 40 inhabitants per km^2 the Uckermark is one of the least densely populated areas in Germany additionally affected by an ailing traffic infrastructure. Despite of relatively short distances driving from village to village can take more than one hour.

Project participants were the public transport service provider (Uckermaerkische Verkehrsgesellschaft (UVG) GmbH supported by a consulting company for transport service providers (Interlink GmbH), a company specialised in public transport concepts and timetable planning (Fahrplangesellschaft B&B), and a consulting company for regional planning (raumkom). In the view of Interlink the project concept has great potential to be transferred to other peripheral regions in Germany and abroad.

Key elements of the project are the development of a new time schedule for public bus transport, price schedule and tariff options and a network of hubs for connecting routes. Then, appropriate buses (partly with trailers) had to be acquired, bus drivers to be trained, and intense communications and public relations activities to be launched to successfully introduce the new service in the region.

Today, the service includes the delivery of goods within the region or to defined delivery hubs (central bus stations with storage facilities). The delivery of perishable and deep-frozen grocery is carried out within the same day. The KombiBUS transports all kinds of goods and luggage including bicycles. All bus stations function as a pick-up and drop-off point. but collection of goods for companies is practicable at any location. Generally, transport needs have to be registered one day ahead, but there is also a last-minute-option available. KombiBUS also works as a transport partner for mail, express and parcel service providers (e.g. from the delivery office to the mail carrier, or from an advertising agency to the hub). Transport of goods between businesses (B2B) currently dominates the transport services but it is planned to extend the transport services to deliveries to households (B2C).

The regional effects of KombiBUS are manifold. For example, a local manufacturer of grocery (dairy products, cheeses, and other local farm products) uses the new transport system to expand his sales area. He is now able to deliver his products cost-efficiently to his self-driven two shops and to other, recently acquired, large retailers in the region of Berlin (REWE, Kaisers). This expansion was made possible by the cooperation of KombiBUS with a Berlin-based transporter. As consequence the manufacturer recruited additional staff. In addition, the local tourism sector benefits from the improved marketing of local products. Hotels and restaurants now offer meals based on local products delivered by KombiBUS. "Uckermark breakfast buffets" becomes an acknowledged brand.

KombiBUS received an award from the Austrian transport association and might become a model for transport service in Austria. It was also awarded as outstanding example for a public-private-partnership project (PPP) and won two other prizes.

193 KombiBUS: Effizienter ÖPNV in ländlichen Regionen. Mobilität sichern, Zukunft gestalten [„Combined bus: efficient local public transport in rural areas. Retaining mobility, designing the future"] see http://kombibus.de.

Case study 11 Community Services Programme (CSP) in Ireland

Initiated by the Irish Government and managed by Pobal, established in 1992, a not-for-profit organisation with charitable status that manages various funding programmes on behalf of the Irish Government and the EU.

Since 2006, the Programme focuses on communities where public and private sector services are lacking, either through geographical or social isolation or because of demand deficits. It also aims to ensure that the potential benefits of other public investment in community facilities and amenities are realised.

CSP is designed on a social enterprise model and a core requirement of the Programme is that contract holders generate non-public revenue from their operations e.g. by charging fees for services delivered or fundraising. The grant is not intended to represent full-funding. The contract holder is responsible for their own budgets, income, financial and other liabilities. Companies in contract with the programme must be not for profit, social enterprise or community business in nature. Amount of funding was € 4.6m in 2012, this sum varies according to annual ministry budget and priorities. The programme is closed for new applicants.

The Programme focuses on communities where public and private sector services are lacking, either through geographical or social isolation or because of demand deficits. It also aims to ensure that the potential benefits of other public investment in community facilities and amenities are realised.

This initiative has e-commerce relevance because it provides support for services such as local delivery using local resources to areas that are not serviced by “market” suppliers. Local couriers and multi-service (meals on wheels, gas, groceries …) delivery providers are key users of the scheme and thus provide a vital pick-up and delivery capability where needed.

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The Community Services Programme started in 2006 as the successor to the former Social Economy Programme. The objectives of the programme have remained broadly similar to those stated in 2006 i.e. to support voluntary and community organisations to provide essential services and businesses to their communities with services designed to:

- Alleviate disadvantage
- Promote sustainable social and economic development
- Provide employment for those most distant from the labour market
- Strengthen local ownership through participation in decision-making

Recently, more emphasis has been placed on securing real and positive employment opportunities for local people within their own community, exploiting the potential of community assets and resources already in place and supporting the delivery of services that improve community well-being. Service providers are required to provide employment opportunities for people from designated disadvantaged groups. It is a requirement of the programme that at least 70% of employment in CSP-supported worker posts is recruited from these target groups. It currently provides funding support for some 425 community companies and co-operatives.

Case study 12 NDS Trading Online Voucher Scheme 2013 – 2014 (Ireland)

Initiated by the Irish Government First trial in 2013 with 24 businesses in Dublin. Managed by the Dublin City Enterprise Board (http://www.dceb.ie/).

The voucher scheme is funded out Irish national funds with no EU contributions. It is targeted at 2000 businesses to assist them in establishing an e-commerce presence. The trial is in Dublin with 50 businesses (2013 -2014). Funding amounted to 5 million € from 2013 – 2014 (2,500 € per successful applicant with a 50% matching fund requirement). Roll-out to the rest of Ireland begins in June 2014. Matching funds of 50% by businesses is required, too.

This initiative will address the needs of up to 2000 Irish businesses. It is focused on e-commerce capabilities but not especially on cross-border e-commerce. However as 75% of Irish e-commerce is carried out with non-Irish online businesses the availability of local online suppliers will begin to help redress this imbalance. The scheme is focused on assisting SMEs to establish an online presence and to sell goods or services to Irish and non-Irish customers.

The vouchers can be used for: IT consultation, development or upgrade of an e-commerce website, implementing online payments or booking systems, purchase of Internet related software, purchase of online advertising, developing an app, implementing a digital marketing strategy, i.e. social media marketing, consultation with ICT experts for early stage adopters of online strategy, or training/ skills development specifically to establish and manage an online trading activity.

Online Trading Vouchers cannot be used for: Businesses that are not already trading, development of brochure websites, purchase of non-internet related software, anything other than online trading related activity,

Participants include the Irish Government, local development authorities (they manage the voucher allocation), universities (supply knowledge services), knowledge suppliers (these provide services to SMEs that the vouchers can be used for). Other associated partners are SME associations, local Chambers of Commerce, Enterprise Ireland, business development groups.

The scheme is part of the Irish National Digital strategy. Businesses will be eligible to apply from the middle of 2014. It is restricted to enterprises which employ fewer than 10 people and have a turnover of less than € 2m per year.

The €2,500 award comes in the form of a voucher rather than cash, which limits spending to designated companies that facilitate online selling. This list includes search engine optimisation companies and website hosting businesses. Businesses should apply through their county or city enterprise board, which are responsible for administering the scheme.

Indications are that additional funding will be sought from EU Structural funds as mentions is made in the latest Irish regional operational programmes in 2013.

Businesses apply to the implementing authority in response to calls that alert the market to the availability of funding. The applications are analysed and successful applicants are awarded vouchers up to the value of €2,500. All applicants are provided with a mentoring service. Service suppliers to provide the services are allocated from a list of approved (they apply to be placed on a supplier list) suppliers. Quality controls are managed using in project reviews and post project quality of service and satisfaction audits.

4.5.5 Valuable content

We believe the examples mentioned above to be useful starting points for initiatives for rural areas. In summary, initiatives should be based on the following principles:

- Shops or parcel box solutions for pick-up and return in rural areas should be “white label”, i.e. to be used by every carrier and parcel box solutions should be based on an open system, at least where they are supported by public funds. Shops may be located in banks or in petrol stations as these are often the only “public” facilities that remained in remote regions. All the more their neutrality is important for competition in delivery options. Parcel lockers and house “smart boxes” would be a significant added capability in rural areas especially to businesses in extremely remote areas. At the moment, they are evolving in urban areas and have not spread to remote regions. At the workshop in Greece, e-retailers proposed that delivery operators in rural areas should find collaborate locations in order to reduce the delivery cost. This solution does not exist yet. As indicative collaboration they mentioned the common sharing of a local representative in rural areas, e.g. a staffed white label postal office, with about 2 - 3 personnel.
- Ability to deliver to c/o addresses. If parcel shops or detour apps are to be successful, senders (e-retailers) must have the ability to use c/o addresses without constraints (e.g. in track & trace information).
- Inbound and outbound pre-alerts for volume planning for e-retailers and carriers. This can lead to cost savings due to consolidation of the parcels and packages in pick-up points (less costly for parcel carriers in terms of collection and delivery).
- Tools to schedule information for various area transport suppliers and receivers. An approach may include the formalisation of existing ad hoc response delivery networks. Solutions would presumably mainly revolve around information provision to personal mobile devices. Standard apps capable of collecting or supplying information would be useful:
- Detailed post code and address information in rural areas. In Ireland, this problem will be diminished with the introduction of definite post codes for each letter box from 2015. In Greece the delivery operators face a serious problem in rural areas because of the lack of an appropriate addressing code.[194] In Poland buildings in small villages are numbered without street names.

194 The Greek NRA EETT has asked the State (Ministry of Networks and Transportation which is responsible for postal and telecom services) to take political action to change the post code scheme. Their aim is the introduction of a new post code scheme based on new standards (indication of urban/ suburban/ rural areas). One of the main features of the new scheme will be the determination of the building by the use of 5 additional digits.

4.5.6 Technical feasibility

All necessary technologies exist. General questions of interoperability for e.g. cross-system delivery alerts or legal obstacles for combined transport are more pressing than technical requirements.

Whilst it is technically feasible to have a fully cross-compatible “network” that services the data needs of all suppliers the key practical issue is the cost of change to achieve an EU wide implementation of a standard network model. Transporters use different standards and many proprietary data / information formats. This means that the adoption of a single standard across all suppliers would require large scale changes in computer systems, hand held devices, sort systems, billing applications, operational systems and anything that relies on barcodes or specific format data or information. This is likely to reduce industry enthusiasm for the development of such a standard.

4.5.7 Key challenges

Initiatives to improve delivery in rural areas face several key challenges that are not specific for remote regions. For instance, there is no standardised way to manage the formal to informal data flows and transfers of material. Start-ups to improve track & trace, detour or alert solutions face interoperability problems but these cannot be part of rural initiatives.

Another example for a non-specific challenge is the reluctance to share infrastructure by delivery companies (e.g. pick-up points, lockers). For example, co-operation among carriers for parcel shops seems unlikely in Germany at the moment, as a result of the workshop discussion and interviews with experts. Today, contracts between carriers and shops are generally based on exclusivity. One reason is that carriers use parcel shops for branding purposes. Consolidated transport could be reasonable but not likely to be put into practice in Germany because of the competitive situation. This is probably true for the situation in Greece, Poland, and Ireland.

Specific challenges include different needs based on culture and demographics, density differences, legal issues involving differing regional and local regulations, local resistance to additional service suppliers, differences in the payment expectations (Cash on delivery etc.), communications network quality, technology access and insurance liability, investments required of local transport suppliers to supply subcontracting services and access to / uptake of business improvement incentives.

That being said the one question that has yet to be answered is exactly where in a network servicing a rural or low density area does the cost to single transporter become so high that cooperation for the rest of the delivery “journey” becomes an attractive option? It is likely that today this is at a point of concentration (pick up or delivery) such as a town or a village. As demand is generated by increasing use of E-commerce by

businesses in that area that single networks can service closer and closer to the delivery point economically. However increased demand and single network service to end users could have a negative impact on the business viability of locally based delivery subcontractors who are used today. In addition, there are operational restrictions. Carriers have different price/product schedules. Some price schedules are based on the shipment size/volume (e.g. Hermes) while other schedules are based on weight (i.e. DHL, need for electronic scales which means more investment).

Furthermore, incentive problems regarding the parcel shop partners occur. Different payment schedules of carriers to shop owners may distort competition. As a result, the shop owner recommends the carrier who pays him the highest fee per transaction.

Especially in Eastern Germany, the density of infrastructure regarding potential partners with premises (e.g. gas stations, savings banks) or transport companies (e.g. public transport, hire cars) is low in rural areas. Therefore, competition to assign these locations as partners is fierce. The same can be expected for Poland, Greece, and Ireland, too.

Poor appreciation for administration and legal obstacles of rural transport hybrid use and liability issues may occur as well.

4.5.8 Conclusions

The provision of broadband deeper into rural communities has the unintended consequence of driving demand for products that are not available in local shops. This decreases the volume of trade for local traders and undermines the viability of such businesses. Equally such online competition is invisible to them and they are slow to react as they must invest increasingly scarce resources into a new channel of trade and mechanisms for retaining their customers.

Delivery is only a small part of the problem with internet driven erosion of local markets. It is for this reason that there is a disconnect between the perception of the necessity to drive actions on accelerating the rural use of online technologies between transport experts and local authorities and businesses.

This means that the initial development of such capabilities, by businesses, needs to be driven and supported by development authorities, local business organisations and businesses themselves. Transport and logistics is one essential part of this process, next to many other important parts.

In general, many transport and e-commerce experts interviewed during this study do not see a strong need for action by central governments in the field of delivery in rural areas as universal service obligations guarantee a certain level of service even for the

most remote regions. However, they did see value in involving businesses and communities to promote new models for rural pick-up and delivery services.

To support such local developments, our study identifies a number of useful measures for the Commission to promote better and more cost-effective service in rural / peripheral areas we arrive at the following suggestions:

- Monitor new start-ups and best demonstrated practices; closer examine existing country and area initiatives as well as the role of technology and innovations in local delivery mechanisms: Another important issue in our point of view is that best practices examples in Member States are rarely visible for other interested stakeholders. Learning effects and synergies cannot be used in other comparable regions of the EU. In this field, the EC might consider to promote existing initiatives by integrating them into publications and events or even host specialised workshops for exchange of experiences etc. In this way, countries with less innovative capacity in the field of internet applications or launching of new delivery start-ups could profit from more advanced examples.
- Examine the economics of rural transport supply and demand: Further fundamental research seems necessary to examine the influencing variables of rural delivery cost structures, the possible options for optimising local transport.
- Address legal and other barriers for cooperation and sharing: As cooperation can also distort competition potential models for cooperation have to be examined carefully.
- Identify an “ideal” baseline model for white label shops and its operational parameters: In the context of a research project a business model and the accompanying regulatory framework to establish such a model may be developed. There could well be an opportunity for Universities to be key players in this sort of study as many have rural and new business model / New economy courses that they provide. The voucher scheme approach across Ireland, Germany, Spain, Belgium and the United Kingdom illustrate that these would be willing partners in such a programme of research.
- The use of billing systems to generate “Virtual Consolidation” by a transporter. This approach looks at using hierarchical account numbers to achieve a “cooperative discount” by consolidating shipments from many small exporters to a single account. The discount is then recognized to all account // sub account users. This could be used at a village town, are cluster or any other logical form of business cooperation. It is a common mechanism of dealing with large multi-national and global companies but has never been implemented in this way to service low density opportunities. It would require no systems change for a transporter.

4.6 Interoperability of cross-border delivery operations

4.6.1 Introduction

The Commission looks to "promote enhanced interoperability of parcel delivery operations to support efficient cross-border trade". The Commission requests delivery operators and e-retailers to "develop solutions to interconnect information systems and open interfaces to allow data exchange between information systems in a multiple operator environment" and to "develop solutions for more effective returns, which may also include co-operation and consolidation options with a view to reducing the costs of last-mile delivery".[195] The Commission argues that promoting interoperability between carriers facilitates operations, improves cost efficiency of cross-border shipments and, in this way, makes cross-border shipments more affordable.

Ecommerce Europe highlights in their position paper on e-logistics that "there is no integrated European delivery system which meets all the consumers' specific needs as well as the need of the merchants in managing cross-border deliveries and reverse logistics."[196] Even the product portfolios of carriers with fully integrated international delivery services, like UPS, FedEx and DHL still have a largely national focus. From the senders' point of view the best situation would be fully harmonised delivery services in terms of products, IT solutions and tracking technology. However, this is not achievable as we are not the "United States of Europe" with a fairly limited number of carriers. The European landscape consists of dozens countries each with a market served by local parcel, express and mail carriers (depending on the attractiveness of the local market) and one national postal operator (the universal services provider). Moreover, depending on the size and the level of maturity of the national economies choice among delivery solutions varies substantially as the country examples have clearly shown.[197]

A major benefit of improved interoperability is that more convenient cross-border delivery and return solutions can be developed. Solving the technical and operational interoperability problems, e.g. shipment information transfers, labelling (shipment routing), real-time data exchange (including tracking data), agreements where and how shipments are exchanged, would allow the development of better delivery and return solutions for e-retailers and consumers. More convenient solutions improve the carriers' market position compared to fulfilment service providers and independent consolidators and are likely to generate more cross-border shipments which reduces shipment costs per item. In combination with a fairly competitive landscape in the e-commerce cross-

195 Communication from the Commission, *A roadmap for completing the single market for parcel delivery. Build trust in delivery services and encourage online sales*, COM(2013) 886 final,16 December 2013, p. 12-13.

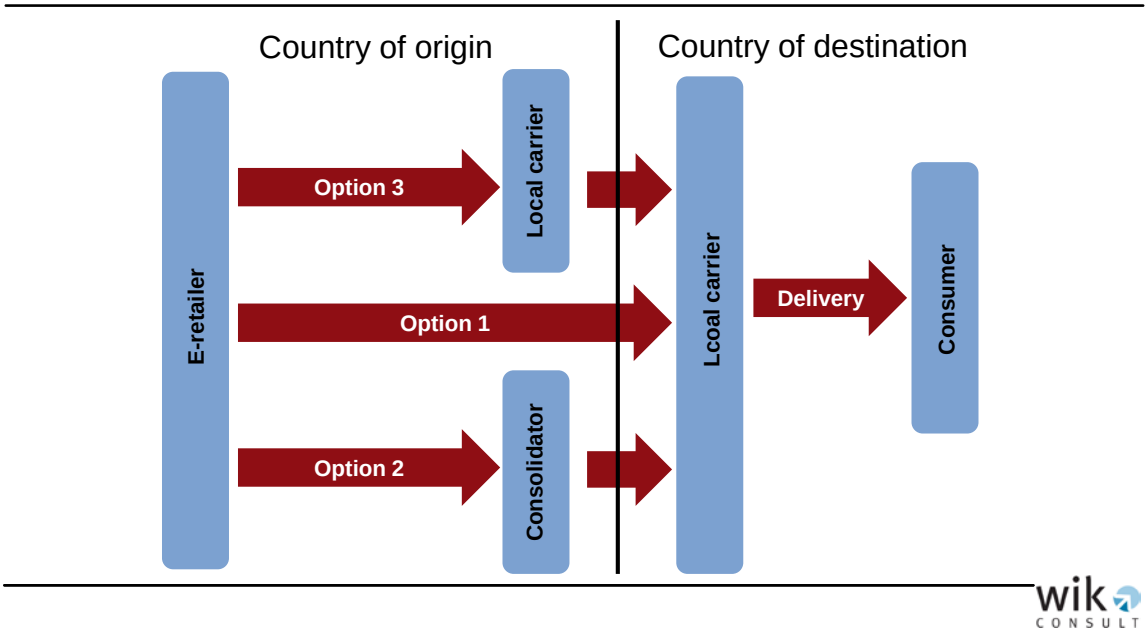
196 Ecommerce Europe (2014), Position Paper Cross Border e-Logistics: A Need for Integrated European e-Logistics Solutions, p. 3.

197 See Chapter 2 in this report.

border delivery segments some or all of these cost savings could then be passed to the senders and make cross-border shipments more affordable.

4.6.2 Existing solutions

Figure 67 Cross-border delivery: E-retailer's options



Interoperability is an important issue when two or more carriers and/or posts have to co-operate in cross-border delivery. Large e-retailers or fulfilment service providers with sufficient volume per country can get around the problem by either operating a warehouse in the destination country and delivering the items from there or by handing over the parcels directly to the domestic parcel or postal operator (the parcels are then transported by a freight forwarding company to the destination market, see Option 1 in Figure 67). Very large e-retailers, like Amazon, follow a more regional approach by delivering from warehouses that are not necessarily located in the country of destination (e.g. goods ordered in Germany are delivered from an Amazon warehouse located in Poland). Such operational capabilities are supported by delivery management solutions that focus on cross-border deliveries like the one developed by the former XLogics Group, now owned by the British Metapack Group (see case study).

Case study 13 Facilitating cross-border delivery by direct entry

The former Germany-based XLogics Group, founded in 2003 and acquired by the Metapack Group in autumn 2013, is leading in the niche of cross-border distribution logistics applications. The acquisition allows the MetaPack Group to strengthen its market position in Europe. The offered business solutions facilitate the management of cross-border delivery of goods, generally and the organisation of direct entry in destination countries in particular. More than 200 carrier modules, standing for a logistics provider or a part of logistics providers' portfolio, can be combined with the delivery management solution to enable high-end flexibility in logistics.[198] Worldwide around 20,000 large senders, notably e-retailers and logistics service providers (including carriers, e.g. Deutsche Post Global Mail, PostNL, Hermes and Austrian Post) use this platform. More than 180 million shipments are processed by their solution, annually.

The company provides a sophisticated delivery management software to their customers and organises the data flows between customers and operators by an own server farm. The software is fully integrated with the ERP systems of their customers. Cross-border parcel delivery is organised mainly via direct entry. They also organise (virtually) the transport from the warehouse to the carrier of the destination country (via a line-haul company). The delivery management solution for cross-border shipping allows full transparency of the transport process. Generally, the transport of parcels from the warehouse to the destination carrier is not individually tracked. This is not necessary because the truck itself is tracked and the load is usually transported in a sealed container. Parcel tracking usually starts when the parcel is handed over to the destination carrier. However, as Henning Berndt (former CEO of the XLogics Group, now managing director, Central Europe at MetaPack) pointed out, the transparency of the delivery process is challenged by significant differences in the quality (lagged or real time data transfer) and informative value of the tracking notifications.

E-retailers with lower cross-border volumes (per lane) do not have the option to organise their own direct transport to the destination countries. They need consolidation services either by fulfilment service providers (including independent consolidators) or by mail and parcel carriers (Option 3). Fulfilment service providers or consolidators for cross-border shipments organise transport by truck to the destination country and hand over the items to local carriers (see Option 2 in Figure 67). Such service providers are for example B2C Europe (see the next case study) or internationally established fulfilment service providers like Arvato or Amazon.

198 See https://www.xlogics.eu/products/xlogics-shipping-center.html. The list of modules is provided as pdf-document for free download.

Case study 14 Facilitating cross-border delivery and returns for e-retailers – B2C Europe[199]

B2C Europe, founded in 2000, is an independent consolidator for B2C cross-border shipments. B2C Europe offers e-commerce platforms the possibility to leverage the opportunities of European cross-border e-commerce by achieving the same level of logistics performance as domestic players. Their ultimate objective is to offer consumers all over Europe at least the same buying experience when buying abroad as when shopping in their home market. B2C Europe realises this objective by providing international e-retailers easy access to domestic delivery and return solutions all over Europe. B2C Europe consider themselves as an innovator in the cross-border e-commerce market having probably the most advanced solutions for cross-border distribution and returns handling in Europe.

In 2013 B2C Europe managed the delivery of about 13 million shipments; around 70% of these shipments were transported cross-border. Usually, e-retailers demand tracked, deferred parcel services that are more affordable than cross-border express or time definite delivery services.[200] B2C Europe targets medium-sized e-retailers that require consolidation and are able to develop international solutions themselves. Sales offices and warehouses are located in the UK, Netherlands, Belgium, Germany, France, Spain, Italy, Portugal, USA and China.

B2C Europe picks up the shipments at the premises of its customers, consolidates them in a centrally-located hub, labels and sorts them to destination countries and transports the shipments by truck or air to the country of destination where the shipments are handed over to one or more delivery partners. More than 90% of B2C's cross-border shipments are tendered directly to the delivery partner(s) in the destination country. The remaining shipments are delivered by international carriers (e.g. DPD or GLS). How to organise the cross-border shipment in the end (either by direct entry or by using a cross-border solution) depends on the pricing. In some cases cross-border solutions offered by international carriers are less costly than the direct entry in the country of destination. Usually, B2C Europe aims at to have two or three different partners per country to improve its bargaining position. In most cases the company had to close agreements country by country even though some partners operate international networks (e.g. DPD or Kiala). In the view of B2C Europe, the technical integration of each partner and the handling of different service levels and conditions in each European country have been more challenging than contractual issues.

B2C Europe also sees a growing demand for click & collect solutions. For this reason B2C Europe offers e-retailers the option to deliver at pick-up points ("CollectYourParcel") in 11 countries to date.[201] The company cooperates with partners like Kiala, Hermes (Germany), Mondial Relay (France), InPost (Poland), DHL4You (Netherlands) and some national posts (e.g. Deutsche Post, PostNL, PostNord, Correos) to manage this service.

Cross-border return services become more and more important. For this reason B2C Europe also offers a cross-border return solution ("ReturnYourParcel") in 19 European countries.[202] In most countries B2C Europe has agreements with the local posts to collect returns in their postal outlets. Exceptions are Austria and Greece where the company cooperates with a local courier company. The returns are always treated as domestic shipments (and are either paid by the e-retailer or by the e-shopper) which are delivered to an address in the country where the consumer (that posts a return shipment) resides. The returns are either transported to a B2C Europe warehouse in that country or to a domestic address where B2C Europe picks up the returns and transports them to the next warehouse. In the warehouse B2C Europe checks the return and informs the customer.

199 Interview B2C Europe (3 June 2014) and website B2C Europe (see b2ceurope.eu).
200 Customers like eBay or Amazon require European-wide delivery times of four days or less.
201 Belgium, Germany, Denmark, Spain, Finland, France, Ireland, Netherlands, Poland, Sweden and the UK.
202 Austria, Belgium, Czech Republic, Germany, Denmark, Greece, Spain, Finland, France, Hungary, Ireland, Italy, Luxembourg, the Netherlands, Poland, Portugal, Sweden, Slovak Republic, and the UK.

To smoothly organise the process B2C Europe has developed a software platform for label production and to manage, control and harmonise the tracking data of multiple carriers. The delivery management solution of B2C Europe can also be integrated in the shop systems of its customers to facilitate the electronic data exchange between the e-retailer and B2C Europe.

Express, parcel and postal carriers manage cross-border delivery using their dedicated logistics network and – in this respect – also act as consolidators of shipments of their customers (see Option 3 in Figure 67). There are basically three different types of networks:

(1) the fully integrated international express networks (TNT Express, DHL, UPS and FedEx) or

(2) the more modularly structured road-based networks of DPD and GLS based on local subsidiaries, franchised delivery partners and contracted delivery partners and

(3) the network of the former postal administrations based on international agreements (UPU, EPG, REIMS).

It appears that internationally active, large e-retailers mainly use direct entry instead of "pure" cross-border solutions. Therefore, the most interesting target group for carriers are small and, particularly, medium-sized e-retailers. In this segment carriers increasingly compete with internationally active fulfilment service providers like Amazon who also offers cross-border logistics to SMEs and B2C e-commerce focused consolidators like B2C Europe. To compete with these fulfilment services, some carriers are investing in warehouses and fulfilment services for e-retailers (e.g. Hermes and Deutsche Post), in an attempt to offer their customers better, more comprehensive distribution systems (including returns).

There are two major trends that promote interoperability in the e-commerce delivery value chain. First, innovative IT start-ups are emerging that look to integrate existing delivery solutions into the e-shop systems of small and medium-sized e-retailers (see section 4.6.3). Second, carriers and posts are making efforts to promote interoperability between co-operating partners in order to develop competitive cross-border delivery and return solutions for e-retailers (see section 4.6.4).

4.6.3 Interoperability between e-retailers and carriers:

E-retailers look for solutions that help to minimise their after sales costs. One important cost driver is the organisation of the delivery. This includes picking and packing (and related packaging material), labelling and handing over to a carrier. To limit the processing costs between e-retailer and carrier the exchange of shipment information and tracking data should ideally be operated using standardised IT interfaces that are pre-integrated in the e-shop software in order to link the shipment data record with the

transaction data record. In the case of large e-retailers, carriers provide them with solutions and support the implementation of these on the premises.

For medium-sized and small e-retailers similar solutions are emerging that are either developed by the carriers themselves or by innovative IT suppliers who look to provide carrier-independent and more cost efficient delivery management solutions. shipcloud in Germany and Sheepla in Poland are two examples of IT-based solutions.

Case study 15 Emerging solutions of low cost delivery management applications for small and medium-sized e-retailers – shipcloud (Germany)[203]

shipcloud is the first company in Germany to launch a web-based cloud solution to facilitate the access to and the management of domestic and cross-border delivery solutions for small and medium sized e-retailers based on a RESTful API. They started business in August 2013. At the date of the interview shipcloud had 283 registered customers. In the meantime the number increased to 450 and about 200,000 parcel labels were produced by this application (by July 2014). The company targets e-retailers with at least 50 shipments per month, but has also customers with one thousand and more shipments per month. The start-up provides a web-based API for small and medium-sized e-retailers to easily order domestic and cross-border delivery services from different carriers without taking care on carrier-specific interfaces. It allows access to the service portfolio of the five most important parcel delivery operators in Germany: DHL, DPD/iloxx, GLS, UPS and Hermes. The services include domestic and cross-border parcel delivery and return services as well as express services. The application can easily be integrated in the webshop of the e-retailer (one to two days period for integration). The API is publicly available so that other developers can integrate it for example in different shop software solutions (e.g. Magento, Shopware, PrestaShop, Oxid and Microsoft Dynamics); this promotes the distribution of shipcloud among e-retailers.

To use the service the e-retailer needs to register for the service and book. The solution does not provide a tool that allows for a standardised price and service comparison. shipcloud provides the e-retailer with a separate price list for the delivery solutions. Prices are usually lower than list prices because shipcloud has closed individual agreements with the carriers (parcel broker, “virtual” consolidation of shipments). The application allows the e-retailer to easily order a delivery service of a specific carrier and to produce its label. The information of the shipment details (size, weight, destination address, pick up service, return label etc.) is transferred from the shop software to the shipcloud API. Each shipment is linked to the respective shop transaction. The service has the following features:

- It facilitates to order a delivery solution without being bound to one carrier.
- It has individual contracts with the carriers so that it can offer delivery solutions at lower prices than the carrier’s list prices (of interest for small e-retailers).
- It facilitates the delivery management of medium-sized e-retailers with own carrier contracts (delivery management solution)
- It provides one invoice per month; each shipment can be linked to the respective shop transaction.
- It allows for a standardised tracking of shipments (domestic and cross-border outbound, if the shipment is picked up and delivered by the same carrier). It translates the tracking information of each carrier in standardised statements.

203 See shipcloud.io. Interview shipcloud (20 March 2014).

- It provides standardised labels (same size and structure independent from the carrier; the label contents are certified by each carrier). Senders can “personalise” the labels (e.g. adding the company logo on the label). Standardised labels reduce processing costs of the sender (only one label printer and one format of labels).
- shipcloud is setting up a quality measurement system by analysing the tracking information of all shipments per carrier (shall be based on the postal code areas in Germany). The information is provided on a dashboard only visible for registered users.

Registered e-retailers pay a low monthly fee for the application. The fee depends on number of shipments and API calls per month and starts with EUR 9.99 for the basic version with 100 shipments and 1,000 API calls per month. The Premium version with 1,000 parcels and unlimited API calls costs EUR 49.90. Customers with more parcels per month get individual contracts. The e-retailer thus pays between 5 and 10 Eurocent per shipment depending on the service package. Additionally to the subscription fees, shipcloud has a small margin between the own carrier contract conditions and the prices paid by registered users per shipment.

shipcloud’s biggest challenge before starting the business was to close co-operation agreements with the local carriers. Carriers usually provide sophisticated IT solutions exclusively for business customers to facilitate delivery management, i.e. it is necessary to be a registered customer before getting access to the interface documentation. shipcloud targets small e-retailers who are not in the business focus of the carriers and allows for a carrier-independent delivery management solution. To this respect, the start-up provides a better customer service to this target group than carriers are able to offer. Moreover, to minimise the conflicts with the carriers shipcloud does not actively promote its function as “virtual” consolidator or parcel broker.

From a technical point of view it was most challenging to integrate the carrier-specific IT interfaces because the carriers use different, often old-fashioned and complex interfaces for electronic data exchange with their customers. Moreover, even carriers of the same company group apply different IT standards (e.g. DHL Paket and DHL Express, or DPD and DPD iloxx). shipcloud plans to introduce their solution in other European countries and made the experience that even the IT interfaces of country affiliates e.g. of DPD or DHL are not based on a common standard. International expansion is also handicapped by some carriers’ failure to provide the basic information on the IT interfaces of their affiliates (or by the affiliates themselves). Only the international integrators, like UPS and FedEx, have IT platforms with standardised data exchange interfaces worldwide (at least for their international products).

Case study 16 Emerging solutions of low cost delivery management applications for small and medium-sized e-retailers – Sheepla (Poland)

Sheepla is a delivery management platform that integrates delivery solutions in online shops and electronically manages the delivery process with the selected carriers[204]. Sheepla does not act as parcel broker. They started the business at the end of 2012 and offer their services in Poland and Russia. Recently, Sheepla extended its field of activity to the Czech Republic, Hungary, Bulgaria and Romania. To date, Sheepla has around 500 subscribers and integrates the delivery services of 32 carriers on its platform. In Poland these are InPost, DHL, UPS, Poczta Polska, GLS, DPD, K-Ex, Ruch, Siódemka and, for same day delivery, X-Press Couriers. In Poland e-retailers using Sheepla's platform are processing between 20 and 50,000 shipments per month via the platform. E-retailers pay a monthly subscription fee (ranging from PLN 25 for 50 shipments to 200 for 1,000 shipments per month) plus a fee per shipment (PLN 0.50 to 0.20 depending on the subscription model). For e-retailers with more than 1,000 shipments per month Sheepla makes individual agreements.

The application allows e-retailers to integrate the delivery solutions of those carriers with whom they concluded an agreement. During the order process the application informs the e-retailer's customer on available shipment options and related costs. The application dynamically selects those shipment options that fit to the cart. Example: If the shipment is too heavy or too big to be delivered at a parcel locker this option is not presented as available delivery option to the customer. Moreover, the application allows integrating additional information e.g. on pick-up locations near to the customer. Sheepla automatically produces the shipment documents (picking lists for the warehouse, parcel labels), monitors the delivery process and informs the e-retailer and his customer on the current delivery status. The application allows that the e-shopper can check the delivery status via the website of the online shop.

Sheepla also supports the interoperability between more than one carrier ("first mile consolidation"). Example: An e-retailer drops its shipment at a parcel locker of InPost (with an InPost label) but wishes that the shipment is delivered by DHL. InPost uses Sheepla's application to identify those parcels in its central hub that are to be delivered by DHL. Sheepla then produces a DHL parcel label, the shipment is re-labelled and then picked up by DHL at the InPost sorting hub for final delivery. Sheepla allows that the e-retailer and e-retailer's customer can monitor the delivery process end-to-end. According to Sheepla this solution can also be used to manage the "last mile consolidation" i.e. in the case of white label pick-up points / parcel shops. This solution requires that each carrier is connected via Sheepla (Sheepla plans to launch this solution in Russia where collection and delivery is much more demanding due to the geographic size of the country).

One challenge before starting the business was to close agreements with the carriers. The fact that Sheepla does not act as parcel broker has promoted the carriers' willingness to co-operate. From a technical point of view it was challenging to get access to the carrier-specific IT interfaces because the carriers use very different interfaces for electronic data exchange with their customers. Piotr Stencel is convinced that the standardisation of interfaces among all carriers in Europe is unfeasible for economic and operational reasons. Operationally, changing the standards would massively impair their services during the conversion period. Economically, the conversion would be very costly (additional to the losses due to lower service levels during the conversion) and investments made in the integration of the former IT systems would be sunk.[205]

204 See sheepla.pl. Interview with Sheepla (30 May 2014).
205 Interview Sheepla (30 May 2014).

The experience of shipcloud and Sheepla highlights the diversity of IT solutions for shipment management and data exchange among carriers at the national and cross-border level . In the view of shipcloud's founder it appears quite unlikely that carriers will standardise their interfaces in the foreseeable future.[206] This view is shared by Sheepla's founder.[207] Both argue that these are "grown" systems (systems developed in house to manage proprietary networks) and upgraded when acquisitions were made. They also pointed out that at least open access to the operators' IT interfaces and related documentation would be very useful since this would reduce the costs and time for the development and ongoing maintenance of liked systems in any market. Today however it is only contract customers who have IT interfaces and the relevant documentation for their use.[208]

This is because it is not in the interest of the delivery companies to promote delivery management solutions because e-retailers would then be able to easily switch between different operators. Proprietary IT solutions of delivery operators are seen as a brand enhancement, competitive advantage and can result in a lock-in effect as it can reduce the likelihood that an e-retailer switches to another service provider due to cost and complexity. But – as highlighted by shipcloud – these solutions fill a service gap because in the past carriers have not sufficiently focused on the needs of small and medium-sized e-retailers. As the evidence shows, intelligent cross carrier solutions are emerging and delivery companies appear becoming more open to co-operation with these intermediaries in order to access and cost effectively service more SME e-retailers.

4.6.4 Interoperability between carriers

The international integrators and the road-based parcel networks have developed cross-border delivery solutions originally used for transporting goods in the B2B market. Because of their B2B origins these networks were not optimized for B2C e-commerce needs in terms of flexibility, technical support, national coverage, network density, alternative pick-up and drop-off points as well as the management of flexible return solutions. During the last five years network owners have addressed some of the network capability and IT related needs for servicing B2C deliveries by introducing parcel pick-up and drop-off points, more flexible delivery times (e.g. GLS FlexDelivery and DPD Predict Service) and Saturday (as announced by GLS Germany and DPD Germany) or even Sunday delivery in well-developed e-commerce markets (e.g. DPD UK and Hermes UK). Some of the networks (Hermes, DPD, UPS or GLS) are investing in the creation of pick-up and drop-off points in order to provide more convenient delivery and returns capabilities in countries they serve. They offer return solutions within their own network via pick up at the customers' premises (e.g. UPS) or drop-off at

206 Interview shipcloud (20 March 2014), interview Sheepla (30 May 2014).
207 Interview Sheepla (30 May 2014).
208 Interview shipcloud (20 March 2014).

parcel shops. However, none of the parcel & express companies have launched a full European-wide network of delivery and return solutions that meets all the needs of e-retailers.

Case study 17 Building an international network for B2C delivery and return services – Hermes Europe

Hermes was founded in 1972 by the entrepreneur Werner Otto, who came up with the idea of offering the customers of the Otto mail order company a better delivery service than could be offered using Deutsche Post. The Hermes Versand Service provided a logistics alternative to the state monopoly. The new parcel service was used in the coming years not just by the various trading companies of the Otto Group but, by the end of the 1990s, also increasingly by companies from outside the Group. Today more than 11,800 people in more than 20 countries with twelve subsidiaries work under the Hermes umbrella brand and generated a turnover of € 2.1 billion in 2013. Hermes is particularly growing internationally. The Hermes parcel subsidiaries are in Germany, the UK (Hermes Parcelnet), Austria (Hermes Logistik), Italy (Hermes Porta a Porta) and Russia (Hermes-DPD joint venture launched at the end of 2011). Additionally, Hermes cooperates with the French sister company of the Otto group, Mondial Relay, with branches in France, Spain, Portugal, Belgium and Luxembourg.

As of 1st July 2014 Hermes offers delivery and return solutions to 20 European countries and plans to extend the network to 35 countries by end 2015.[209] Hermes manages the first European network exclusively for B2C deliveries.

So far, this network is mainly used to organise B2C exports from Germany and the UK but this is expected to change in the next future. To operate this European network Hermes relies on its subsidiaries (including the joint venture with DPD), sister companies and on co-operations with local carriers or posts. In Austria, the Netherlands and the Nordic countries (excl. Norway), for example, Hermes cooperates with the local posts (Austrian Post, PostNL and PostNord) and local carriers (e.g. DPD in Poland and Nightline in Ireland) for final delivery and returns.[210] Returns are either managed by drop-off in a parcel shop or, if not available, by pick up at the customer's premises. In total, Hermes' customers have access to 36,000 parcel shops to pick up their shipments or to drop off their returns in Europe.[211] Hermes offers standardised cross-border delivery services for small business and private senders and individualised solutions for large e-retailers(e.g. the recently launched European delivery service Hermes Europarcel). In this respect Hermes also consults its customers how to best organise the delivery in the country of destination taking account of country-specific peculiarities.

209 List of countries (ex UK): Austria, Belgium, Denmark, Finland, France, Germany, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Portugal, Ireland, Spain, Sweden and Switzerland (in cooperation with SPILOG for customs handling), see https://www.hermesworld.com/en/media/lokal/hermesuk/npd___innovations/HERMES_INTERNATIONAL.pdf.
List of countries (ex Germany): same countries as ex UK plus the Baltic countries, Slovak and Czech Republic, Hungary, Slovenia (see https://www.myhermes.de/wps/portal/paket/Home/privatkunden/preise/internationaler-versand/versandlaender).

210 Interview Hermes (27 May 2014) and Hermes UK flyer on international services (https://www.hermesworld.com/en/media/lokal/hermesuk/npd___innovations/HERMES_INTERNATIONAL.pdf).

211 Interview Hermes (27 May 2014).

Hermes offers tracked cross-border deliveries and returns. The company has invested a substantial amount into an IT platform to manage seamless tracking.[212] This platform allows the data exchange between Hermes and its co-operation partners. To facilitate the tracking and the handing over to the local carrier Hermes developed a double barcode label ("Kombi-Barcodelabel") that includes the Hermes barcode and the barcode used by the local carrier. Hermes' IT platform allows the printing of these labels (for deliveries and returns). A central mapping database is used to standardise and translate the status data of tracking checkpoints so that senders and recipients can follow the shipment independently in which country they are located.

As the country examples presented in chapter 2 show, the size of local e-commerce markets as well as competition in local delivery markets varies substantially across European countries. What is evident is that the higher the demand for online shopping the more competitive and customer-focused is the local delivery market.

This finding is confirmed by the country studies: E-commerce is rapidly growing in Germany and Poland and this is reflected in more competitive local parcel & express sectors. In Ireland a rapidly growing e-commerce market is supported by a vibrant and expanding set of international, domestic and local network operators. In contrast, the small Greek market with relatively low demand for online shopping suffers a lack of convenient and affordable delivery solutions for e-retailers. This is even more obvious for cross-border e-commerce. Delivery is usually organised as a combination of freight transport from the country of origin to the country of destination and delivery by one or more local carriers (depending on the delivery options needed and the delivery products offered). In Greece, the number of potential delivery partners for DPD, GLS etc. is very limited and the market is too small to establish an own delivery infrastructure and thus more competition in local delivery. The "last mile consolidation", however, reduces delivery costs (per item) if all foreign carriers cooperate with the same delivery partner. However, it strengthens the market position of the key delivery partner which may result more expensive delivery solutions. This highlights the balancing act between better interoperability and therefore more cooperation among carriers on the one hand, and competition in local and cross-border delivery markets on the other hand.

The local posts – as universal service providers for postal services – have built and operate the densest collection and delivery networks in their home markets – they are the logical B2C collection and delivery partners in each European country given they have managed to provide reliable and, ideally, tracked delivery services. They so however face exactly the reverse problem of the non-postal operators in that their networks are not geared to B2B service provision. This means that they have issues generating B2B parcel volume a replacement for lost letter traffic. Accessing such volume traffic is critical to their long term economic viability. In addition, due to international agreements (UPU, REIMS, EPG, and more recently ERS), they are used to co-operate with each other. Many European (and some overseas postal operators)

212 Interview Hermes (27 May 2014).

are organised in the International Postal Corporation (IPC) that supports cooperation among its members. In order to successfully take part in the growing cross-border e-commerce delivery market IPC member organisations have decided to launch a programme to improve the interoperability between participating member organisations (see Case study 18). They can use and build on an integrated interoperable packet and parcel network, ranging from untracked packets up to 2kg to fully tracked and signed-for parcels up to 30kg. This is organised within the UPU framework as well as through the IPC, under the REIMS (for letter post items) and EPG (E-Parcel Group for express parcels). Some of these multilateral agreements (REIMS and EPG) include elements of pay-for-performance as an incentive.[213] But, neither the UPU nor the EPG standards for tracking are yet advanced enough to meet e-retailers' needs for near real-time tracking and tracing. For this reason, IPC and the members of the EPG[214] are also enhancing the tracking of e-commerce items based on the latest UPU standard "EMSEVT version 3". EMSEVT was originally created for cross-border express parcel products offered by postal administrations and defines the item-level tracking events. The enhanced EMSEVT3 will support more flexible delivery options and notifications on delivery status. According to IPC information, all trackable postal products, including EMS, parcels, registered and/or insured letter post are to be supported by the enhanced EMSEVT3 tracking.[215] It remains unclear as to the extent to which each member organisation has an established well-developed tracking systems for domestic deliveries that can be repurposed to support a seamless end-to-end tracking capability for domestic and cross-border e-commerce traffic.

213 See Will Waters (2013), Border control, published in Postal Technology International, Issue September 2013.

214 Currently 31 postal operators, see http://www.ipc.be/en/Operational-services/Capability-visibility/EPG/Operators.

215 See http://www.ipc.be/en/Operational-services/Capability-visibility/Enhanced_tracking.

Case study 18 Facilitating cross-border delivery services – eCommerce Interconnect Programme (eCIP) launched by national postal operators

IPC research[216] identified the following TOP 5 e-commerce priorities of e-retailers' and e-shoppers' needs regarding cross-border collection and delivery services:[217]

- Consistent visibility through track & trace
- Simple & reliable return processes
- Reliable delivery time from provider
- Ability to choose delivery location at time of order (home delivery/retail outlet/parcel locker/others)
- Consistent delivery services to key markets (i.e. same features)

The scope of research included well-developed e-commerce markets such as the US, the UK, Germany, Denmark and Sweden as well as France, the Netherlands and Belgium. In early 2013 – as response to the Green Paper on cross-border parcel delivery services – European postal operators launched the e-Commerce Interconnect Programme (eCIP). This programme aims at developing "a global e-commerce super network". "[The posts'] shared ambition is to develop a complete operational tracking and information platform to underpin e-commerce growth opportunities".[218] The eCIP consolidates already launched agreements and programmes like the EPG, the Easy Return Solution (ERS) or the enhanced item tracking solution. Additional to the pure consolidation national postal operators may have the opportunity to extend the solutions to all tracked letter and parcel services (not only to premium services).

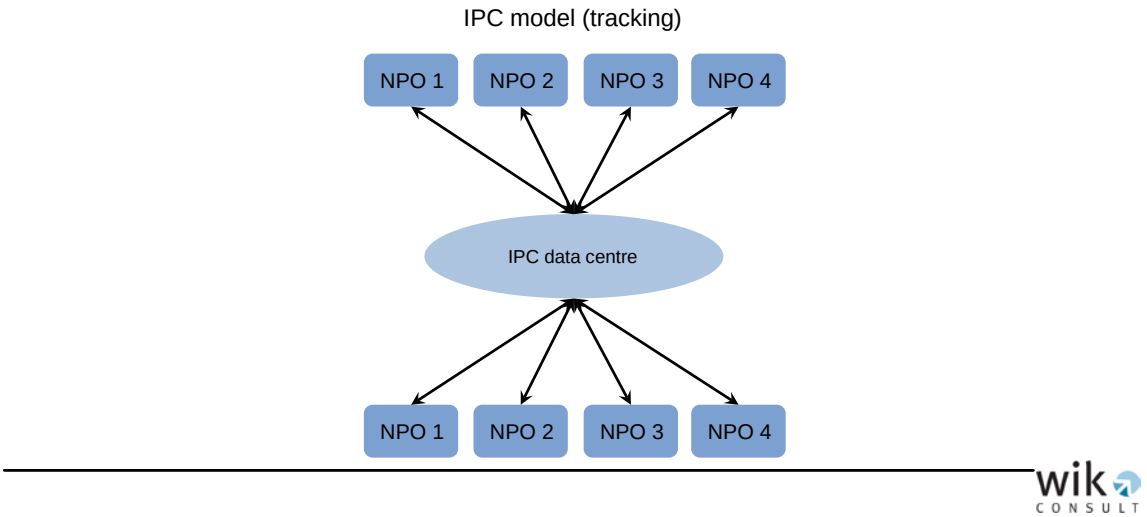
The central idea of the eCIP is that IPC sets up a technical infrastructure (a "platform as a service" (PaaS) solution and applications) that allows participating national postal operators to exchange data on cross-border shipments (deliveries and returns) in a standardised way).

216 IPC (2010), IPC Cross-Border E-Commerce Report,

217 Herbert Goetz (2014), E-Commerce: The Opportunity for the Postal Sector, Presentation at Public Workshop on EC Roadmap on parcel delivery10 April 2014.

218 Will Waters (2013), Border control, published in Postal Technology International, Issue September 2013.

Figure 68 eCIP – Data flow between national postal operators



IPC envisions three service standards for inter-carrier solutions: an economy service without tracking, a tracked standard (deferred) parcel service and a tracked premium service with definite delivery date. Each postal operator has the opportunity either to assign existing services to one of the three categories or develop new services based on these inter-carrier solutions. The development and the marketing of products and services would remain the core activities of the participating operators. So far, none of the participating posts have launched any products based on eCIP and it is still open to which extend this will happen in the future.

The major challenge faced by eCIP is, that the local posts are very heterogeneous with regard to their products and service levels as well as to their technological development. Particularly postal operators with a weak position in the national parcel market, like ELTA, do not fulfil the technical standards and do not offer reliable end-to-end tracked parcel services.[219] IPC meets this challenge to roll out the Programme step-by-step starting with the best-positioned postal operators.[220] Moreover, IPC plans to allow for two tracking technologies based either on barcodes or on radio-frequency identification (RFID) because both models are used by its member organisations. This reflects the general strategy of IPC not to follow an approach that may force their members to invest in additional technology. Finally, members that still lack behind the technological development may be promoted and supported in their decision process on investments in tracking technology.[221]

In contrast to eCIP the “Easy Return Solution” (ERS) is already more developed and successfully implemented by many posts. We identified that four of the five postal

219 Interview EPAM, 16 May 2014.
220 Interview Herbert Götz (IPC), 7 January 2014.
221 Interview Herbert Götz (IPC), 7 January 2014.

operators that launched the initiative in 2010 now offer international return services that are based on the ERS. A further 19 IPC members have joined the agreement and accept returns into their postal outlets and networks. This is a reciprocal approach but the degree of reciprocity depends on the import and export streams between the countries and to which extent national postal operators develop and actively promote return solutions for their customers.

Case study 19 Facilitating cross-border returns- Easy Return Solution

Easy Return Solution: In 2010, the 'Easy Returns Solution' (ERS) was launched by five IPC members, (bpost, Deutsche Post DHL, Le Groupe La Poste, Royal Mail and PostNL) who formed the Direct Point Group to develop a cross-border solution for e-commerce driven parcel returns. By April 2014, the service was adapted by 23 postal operators.[222]

Figure 69 ERS label for a return from Belgium (collected by bpost) to the UK (delivered by Parcelforce Worldwide)

Source: Parcelforce Worldwide

222 Austrian Post, bpost (Belgium), Swiss Post, Czech Post, Deutsche Post DHL (Germany), Eesti Post, Correos (Spain), Itella (Finland), Le Groupe La Poste (France), Lietuvos pastas (Latvia), Royal Mail (UK), ELTA (Greece), An Post (Ireland), Iceland Post, Poste Italiane, Magyar Posta (Hungary), MaltaPost, P&T Luxembourg, PostNL, Post Norway, Poczta Polska (Poland), Slovenia Post and Slovak Post.
See http://www.ipc.be/en/Operational-services/Capability-visibility/ERS_FAQ#How%20many%20postal%20operators%20offer%20ERS%20service?

The ERS is based on a double barcode label, one for the authorising (despatching) post and the other for the accepting post receiving back the returned parcel. The label request and provision is managed by IPC: the ERS label is electronically created by the IPC ERS database and IPC provides ERS labels to the authorising post, which makes them available to their e-retailers for provision to their customers. Consumers can drop the returns free of charge at the next post office in their country. The ERS involves unique characteristics in postal operations: the use of the two postal operators' barcodes (outbound and inbound) on the parcel label, and payments made by the post authorising or receiving the returned item. ERS is based on the IPC-managed E-Parcel Group network and uses the same agreed barcode to smoothly manage the return process.

So far, it appears that most of these postal operators mainly act as "accepting posts". The Easy Return Solution is actively marketed by the national postal operators of the Direct Point Group located in countries with substantial B2C e-commerce exports, e.g. the Netherlands (PostNL), the UK (by Royal Mail) and Germany (by Deutsche Post). Additionally, subsidiaries of these national postal operators targeting international postal services like DHL Global Mail or bpost International offer return solutions for parcels and small packages (up to 2kg) European-wide. Moreover, some local subsidiaries of national postal operators in other European countries e.g. TNT Post UK (subsidiary of PostNL)[223] or DPD Netherlands (affiliated to French La Poste)[224] offer return solutions that are based on the IPC ERS.

The eCommerce Interconnect Programme launched by IPC members is a project that may promote interoperability between posts and the development of more standardised European delivery products of the sort that are particularly attractive for SME e-retailers. This initiative is useful for countries with less opportunities for low-cost cross-border parcel services (e.g. Greece and Poland) because volumes per lane to and from the country are not attractive enough for private carriers to service it using their own networks. The initiative may assist those national posts in Europe that had not focused on parcel operations in the past and have not yet launched delivery products that meet the needs of e-retailers. The IPC is developing common standards for tracking and labelling to facilitate cross-border delivery operations and allow for more reliable and better tracking solutions. Prior to fully implementing this initiative the national posts have to overcome many of the challenges outlined later in this section.

Both eCIP and ERS are initiatives that have been launched by the International Postal Corporation and are, to date, only accessible to IPC members. Both have the potential to eventually provide an EU wide solution. However, the implementation of an integrated pan-European parcel delivery network with seamless tracking solutions, as intended, will not happen overnight. Products (insurance, tracking solutions, transit time and reliability of collection and delivery) and the related technological infrastructure vary widely between IPC members. The roll out of these programmes needs substantial time and depends heavily on the infrastructure (network and IT) capability of each national post to support the processes and service level commitments necessary to create an integrated "network". A pan-European network comprising all national posts may initially be geared to the weakest partner but with appropriate information available on the

223 See http://parcels-uk.tntpost.com/Our-services/Parcel-returns/Easy-Return-Service.aspx.
224 See https://www.dpd.com/nl_en/home/products_services/options/international/easy_return_service.

performance of various lanes (country to country by product etc.) this need not be a major problem especially for e-retailers who have private sector alternatives for underperforming lanes.

The quality (in terms of reliability and transit time) stands and falls on the quality of the national postal collection and delivery organisations. The key question is whether the cross-border solutions of national posts are able to compete on price and quality with emerging private carriers' delivery solutions. Global e-retailers like Amazon and eBay require reliably track delivery services and provide European-wide delivery times of four days and less.[225] It appears a challenge for posts to match these performance levels in the near future.

However, if the IPC members are able to successfully launch an alternative integrated European parcel delivery network it will in time drive greater competition in cross-border deliveries for the B2C segment. Competitor networks will and are responding. Most prominent examples are the activities of Hermes and UPS in this field. Even though the IPC initiative is not the most important market driver (demand for quality speed and price are the most dominant ones) it remains a promising competitive development from a network users' point of view.

National posts with well-established delivery operations in other European countries, like Deutsche Post DHL (via DHL Express), Royal Mail (via GLS) and La Poste (via DPD) are able to offer cross-border delivery services independently from the local posts. As profit-maximizing companies they have a strong incentive to cooperate with the best of breed local delivery carriers (in terms of price, quality of service and technological infrastructure) and these need not be the local posts in each country of destination. It is possible that in the end the eCIP generates a pan-European delivery network of last resort. Even such a network is a value in itself because it can improve the offer and the reliability of delivery services for low traffic lanes e.g. to remoter European countries, regions and districts.

According to IPC the payment issue is not subject of the eCIP but is to be dealt with by the co-operating posts themselves. However, as noted by IPC, a solution similar to the REIMS model is imaginable.[226] While national posts and private carriers need to improve interoperability of cross-border parcel operations, they must do so in a manner that is consistent with the principles and requirements of EU competition rules.[227] The Commission has repeatedly held that an agreement among national postal operators setting the level of terminal dues chargeable by each operator is a "price-fixing"

225 Interview B2C Europe (3 June 2014).
226 Interview Herbert Götz (IPC).
227 See generally, European Commission, *EU Competition Law: Rules Applicable to Antitrust Enforcement (Situation as at 1st July 2013)*, Volumes 1 to 3 (2013). Volume 3 reprints regulations and notices adopted by the Commission for application to specific sectors, including the 1998 "Notice from the Commission on the application of the competition rules to the postal sector and on the assessment of certain State measures relating to postal services". It should be noted that this notice pre-dates liberalisation of the postal sector by the 2008 amendment to the Postal Directive.

agreement that falls within the general prohibition of EU competition rules.[228] Exceptions to this prohibition may be allowed by the Commission to advance the public interest, but only in very limited circumstances. In 2003 in the *Reims II Renotification* decision, the Commission approved a five-year extension of a terminal dues agreement among EU postal operators but only on condition that private providers of postal services are given non-discriminatory access to terminal dues on same terms as parties to the agreement.[229] It should be noted that the Commission's decision did not depend on whether individual postal operators were market dominant in specific product markets.

Since 2003, the legal and factual environment for such inter-postal agreements has changed drastically. National postal monopolies have been repealed in accordance with the Third Postal Directive. For many destination countries, the largest national posts offer cross-border delivery services that are independent from the local posts but competitive with private carriers. Perhaps most significantly, the focus of cross-border postal operations is shifting from traditionally monopolised letter services to the traditionally more competitive parcel services. It is thus unclear whether and to what extent the Commission will accept agreements among postal operators that exclude other carriers or enhance the competitive position of postal operators collectively. At the same time, it is apparent that smaller national postal operators, who do not have operational facilities outside their national territories, must be able to work cooperatively with postal operators in other countries in order to provide efficient cross-border parcel services. The line between permissible and inappropriate cooperation among national postal operators remains unclear.

Competition rules also pose challenges for private carriers as they seek to improve coordination among themselves and with national post offices. In addition to technical and operational issues, financial agreements (including terminal dues/delivery charges) are highly important for the competition in the market (between fulfilment service providers and carriers on the one hand and between posts and carriers on the other hand). The competitiveness of carriers' and post's cross-border solutions depends, first, on the price gap between domestic delivery tariffs for bulk parcels (relevant for direct entry) and the "terminal dues" paid by carriers to their local delivery partners for final delivery. Direct entry reduces the number of "pure" cross-border shipments and thus limits the economies of scale and scope of carriers' and post's cross-border solutions. Moreover, at least in case of carrier-independent consolidators and fulfilment service providers the carriers loose the direct contact to their customers.

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228 See WIK-Consult, *Main Developments in the Postal Sector* (2010-2013), pp. 115-19.

229 Commission Decision 2004/139/EC - *REIMS II renotification* - 23 October 2003 relating to a proceeding pursuant to Article 81 of the EC Treaty and Article 53 of the EEA Agreement, OJ L 56, p. at §95: '*By linking the price for cross-border delivery service to the price for the domestic service, which is determined primarily by domestic considerations, the Parties eliminate or reduce their freedom to set the prices they charge for the delivery of incoming cross-border mail*.'

Competition between private carriers and posts could be affected if posts charge each other rates (or terminal dues) for parcel delivery that are lower than the tariffs either paid by business customers and/or paid by private carriers (given the quality of service of posts' and carriers' cross-border delivery services are comparable). Theoretically, private carriers could be excluded from competition of a specific country-to-country relation if the local post is the only available delivery operator in the country of destination. As the country reports in this study have shown, there are some alternatives to the local post in all Member States, at least for some products. However, there is no competitive supply of affordable B2C deliveries in all 28 Member States as the offers of private carriers in some Member States are targeted to business deliveries, or are substantially more expensive than postal parcels. There are specific agreements between local carriers to manage cross-border deliveries (examples: Hermes, B2C Europe, DPD). There are also agreements with local posts for access their domestic delivery services. Transport is organised either via hubs (in case of low-volume country lanes) or by direct entry (in case of high-volume country lanes). Such competitive deal-making seems to be improving prospects for a more integrated cross-border parcel market. At the same time, as the Commission's recent rejection of the prospered merger between TNT and UPS makes clear, an agreement on prices and services among the major regional carriers or between these carriers and the major national postal operators would face careful scrutiny under the competition rules.

While eCIP is still work in progress and therefore not yet in the focus of competing parcel & express operators, the already operational Easy Return Solution (ERS) is potentially attractive for competitors. Parcel & express operators often lack affordable and cost-efficient return solutions particularly in those markets where they have not yet set up a network of pick-up and drop-off points. For this reason access to postal outlets would at least facilitate the development of return solutions for these carriers. The case studies on B2C Europe and Hermes illustrate their strategies to manage cross-border returns (see Case study 14 and Case study 17). B2C Europe, for example, mainly relies on agreements with local posts to get access to their postal outlets. Hermes cooperates either with sister companies like Mondial Relay or also with local posts. In both cases, the returns are then transported by the partner to an agreed hub where the shipments are consolidated and picked up by Hermes or, in case of B2C Europe, by a truck company for transport to the e-retailer's warehouse (or an alternative destination that handles returns). The core service, required by both companies, is access to the postal outlets and some local transport services but not the end-to-end Easy Return Solution that also includes the delivery to the e-retailer in the country of origin.[230]

230 B2C Europe notes that e-retailers need timely response on the condition of their returns. For this reason the transport to the e-retailers' warehouses where the returns are checked and possibly prepared for resale should be done as quickly as possible. The cross-border transport via two posts would take too long in the view of B2C Europe. One reason is that international transports are usually transported to and processed in one central sorting facility (e.g. the International Sorting Centre of Deutsche Post located in Frankfurt) of the country.

Here, too, the principles of the competition rules must be taken in account. Generally, if carriers are not specifically excluded from agreements with local posts to use their postal outlets as drop off and, possibly, also as pick up points (to offer an alternative to home delivery) there may be no further need for regulatory action. However, as usual the access price matters. Local posts use postal outlets for letter post, parcel and often financial services and therefore realise economies of scale that are potentially not reflected in the transaction fees paid for parcel acceptance. Posts are in many countries the only one that operates a nationwide network of drop-off and pick-up points. It should be therefore carefully monitored whether private carriers are treated at least in the same way as other IPC members joining the ERS (non-discriminatory access).

In sum, there is an apparent need for greater cooperation among parcel service providers in the cross-border market and, at the same time, substantial uncertainties surrounding the application of the competition rules to such cooperative ventures. In such circumstances, it appears that one significant step the Commission could take to facilitate cross-border parcel service in the EU would be to update to the Commission's 1998 notice on the application of the competition rules to the postal sector in light of such considerations.[231]

That Notice concluded with the declaration that '*In due time the Commission will carry out a global evaluation of the situation in the postal sector in the light of the aims of this notice*'.[232] The need for a global evaluation is now apparent. With repeal of postal monopoly laws throughout the European Union, and expansion of several public postal operator beyond their national territories, the public postal operators have become actual or potential competitors to a much greater extent than in 1998. Moreover, as the focus of cross-border delivery services has shifted from documents to e-commerce parcels, competition among public postal operators and between public postal operators and private operators has intensified well beyond what was contemplated in 1998. At the same time, public postal operators continue to collaborate using traditional legal arrangements which are must be considered highly questionable under EU competition rules.[233] Yet, as the Commission has highlighted, the potential benefits of an efficient Community-wide e-commerce market strongly implies a need to encourage legitimate avenues of cooperation among public postal operators, especially those which do not have delivery capabilities outside their national territories.[234] By updating the 1998 Notice, the Commission could provide a 'safe harbor' for public postal operators amidst such legal cross currents. In recent years, the Commission has issued extensive notices which clarify the implications of the competition rules for horizontal and vertical

231 The suggestions were also advanced in WIK-Consult, Main Developments in the Postal Sector (2010-2013), pp. 318-19.

232 European Commission, Notice from the Commission on the application of the competition rules to the postal sector and on the assessment of certain State measures relating to postal services, OJ C39, 6.2.1998, p. 2, 18.

233 See WIK-Consult, Main Developments in the Postal Sector (2010-2013), pp. 89-126.

234 European Commission, An integrated parcel delivery market for the growth of e-commerce in the EU, COM(2012) 698 (2012).

agreements among competitors generally.[235] These notices address, for example, information sharing, joint production, exclusive distribution and price-setting arrangements, standardization measures, and agreements on commercialisation. While informative for the cross-border postal operators, these notices are statements of general principle which do not address the specific needs of public postal operators and their development of e-commerce services.

4.6.5 Conclusions

There is clearly a growing demand of e-retailers for tracked cross-border delivery and return services. The existing delivery and return solutions also do not always meet the needs of the e-retailers in terms of price and quality of service but there are emerging solutions for European-wide delivery and return services.

To promote the development and expansion of delivery management solutions for small and medium-sized e-retailers on the one hand and to reduce technical and legal barriers plus to facilitate co-operation between carriers on the other hand, access to carriers' and posts IT systems for standardised data exchange (shipment information, label production, tracking information) could usefully be facilitated.

To date, carriers and service providers have invested in mapping tools that allow the translation of tracking notifications in a multi-carrier environment. True interoperability between carriers requires common data standards to facilitate data exchange and to allow for seamless and cross compatible tracking solutions.

There are promising industry initiatives from private carriers (e.g. Hermes and UPS) and national posts. Notably the eCommerce Interconnect Programme launched by IPC members may promote interoperability between posts and could facilitate the development of more European delivery products. The state of development of the IPC capabilities, and information about product strategies of IPC members are not advanced enough to come to make any clear conclusions on the effects of this programme on the European delivery market. So far, none of the participating posts have launched a product based on eCIP. As some of the operators participating in eCIP are dominant in some market segments, these operators are aware of compliance issues, and competition authorities will need to evaluate product and market development against the standards of competition law.

The Easy Return Solution launched by IPC members has made more progress, and is already operative. This solution allows participating posts to develop tracked international return services. Customers can drop the parcel at the postal outlet of the partner post from where it is transported back to the foreign e-retailer. Access to postal

235 European Commission, *Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements,* OJ C11, 14.1.2011, p. 1; *Guidelines on Vertical Restraints,* OJ C130, 19.5.2010, p. 1.

outlets is crucial in those countries where carriers have not set up an own network of pick-up points and where no alternatives to the network of the national postal operator exist. However, so far it appears that co-operations between posts and fulfilment services providers (like B2C Europe) as well as other carriers (like Hermes) exist that allow them to access postal outlets for handling returns. Regulatory action would therefore only be needed where carriers cannot agree with posts on terms for access to collection of returns. The terms to be agreed between IPC members will offer a useful benchmark. Under competition law, a clear cause for regulatory action would be given for those posts that are dominant in offering return collections in their countries (i.e. in countries where there are not nationwide alternative networks for parcel collection).

However, the emergence of any closed community interoperability capability can raise concerns over market manipulation in relation to service levels, pricing and market access by businesses and carriers. The access, technical, commercial and operational basis of interoperability capabilities need to be carefully monitored by the Commission to ensure that future market performance is enhanced and not constrained by such initiatives. One significant step the Commission could take to facilitate cross-border parcel service in the EU would be to update to the Commission's 1998 notice on the application of the competition rules to the postal sector in light of such considerations.

While it appears to date that a market for cross-border e-commerce and delivery services is progressing well, the Commission should seek reassurance about these positive developments periodically. Therefore, we recommend evaluating the availability of reliable and cost-efficient cross-border delivery services, and interoperability of domestic networks that is needed to provide these services, in 2015, during the Commission's stocktaking exercise. If progress should fall short of the Commission's expectations, the Commission could consider alternative policies to achieve effective interoperability.

4.7 Methodology to measure transit time of cross-border parcels

4.7.1 Introduction

A transit time can basically be considered as the time the shipment is being transported between the e-retailer and the end consumer. A standard definition of the pick-up and delivery point is critical. This defines delivery as "the shipment of physical goods ordered on line up to the point of final delivery when they reach the end customer".[236] Transit times provide a single datum that summarises the length of time taken for a shipment to complete its transit through a process. This datum may report an end-to-end process (pick-up to end-user delivery). It may also be used to report the time to transit a sub process such as customs clearance or between hubs or sorting centres.

236 CEN/TC 331 WG1 Project Team D Review Report (2013): CEN/TR 15472 Measurement of the parcel transit time with a use of a track & trace system.

This data is of little use to consumers or e-retailers as it does not report data adequate to ensure the completion of contracted transport services. It does however serve the needs of transporters as it provides data on process and transfers between processes in their network. This, in cases of issues that cause delay, can be used for customer support and service recovery and quality of service reporting purposes.

Transit times are used to perform a number of different functions:

- set customer expectations,
- establish a service price,
- establish the basis of guarantees on delivery,
- indicate network performance baselines,
- provide a competitive differentiation,
- provide the baseline for transporter network and process performance,
- provide a baseline for planning customer production processes.

Transit times are a critical component of competitive positioning of transporters, contract negotiations, just-in-time manufacturing, traffic and network management, tactical staff levels in transporters, customer support and service information, returns and guarantee commitments / requirements, carbon footprint and environmental impact calculations.

Transit time calculations methods have varying levels of complexity. They are influenced by a number of variables some of which are beyond the control of the transporter, some are not. The major variables that influence the transit time are listed below:

- origin time zone,
- destination time Zone,
- product type,
- contracted service levels (transport),
- contracted services (Others like warehousing, hold for delivery),
- mode of transport.

Transit times are always product-specific as each product will have its own specific processing requirements and these are transport supplier specific. These are time mapped and an average transit time for the product is published by carriers, generally as a range in days (e.g. 1 – 3 days).

Specific requests for services can add other processes. These may impact the transaction time and impact transportation transit times. However, the perception of

transit time can vary depending on who is asked and their role in the transaction process. The table below illustrates some of these differences in perception of transit time.

Table 31 Different perceptions of transit time

	Process Position	Time Calculation	Information sets	Information Types
Consumer	Order and Receipt	Time of Order to time of Delivery	Order confirmation, Payment confirmation, Order despatch, Issue notifications, Transport check points.	Order specific
E-retailer	Order Fulfilment	Time of Order to time of Delivery	Order confirmation, Payment confirmation, Order Pick and Pack, Order despatch, Issue notifications, Transport check points.	Order specific, Internal operational Performance, overall Transporter (s) performance
Transporter	Order transport	Time of Pick up to Time of Delivery	Pick Up order (may be pre scheduled), Network entry, Network check points, delivery confirmation	Order specific, e-retailer specific and overall service use, Network performance
Intermediaries	Facilitation	Varies with type of facilitation services they offer (eg Platform suppliers, Process intermediaries (Metapack, IPC...) trust marks, Industry associations....		Order specific, e-retailer specific, Transporter specific and overall service use, Network performance
Regulators	Monitoring	Varies on type of monitoring (commercial, Transport, Consumer protection, Market dynamics		Anonymised shipment level, Sector / Industry specific, Transporter specific, Country and Country pair, and overall product and service use, EU wide Network performance

The e-retailer requires the richest set of information in order to manage their relationships with customers and their various service suppliers (intermediaries, transporters, payments) as well as their own internal processes. The core processes of ordering and payments are relatively standard across all e-retailers due to commercial norms, legal responsibilities and payments / data security requirements. Transporter processes are also highly standardised as they require virtually the same information (addresses, product, weight, volume, value, declarations, service type requested) to initiate and complete a transportation cycle.

4.7.2 Tracked cross-border parcels

In case of tracked items, each sender has the opportunity to check the delivery status of the shipment in question. Transporters (e.g. UPS) offering tracked delivery services often provide their business customers quality reports based on the tracking information. Intermediaries, like Metapack[237], consolidate the tracking data of their customers and report to which extent the transporters meet their targets (based on service level agreements). Other interested parties, like e-retailer associations[238] or

237 See http://www.metapack.com/carrier-heat-map.
238 See IMRG MetaPack UK Delivery Index (http://www.imrg.org/?catalog=20).

trust mark providers (e.g. Google)[239] consider to systematically assess the transit time performance of carriers.[240]

However the key challenge for consumers, e-retailers, intermediaries, transporters and regulators is arriving at a consistent and cross comparable understanding of the time taken for the whole consumer order to consumer delivery process. This arises due to differing definitions in relation to key data elements especially in the transport cycle. Some questions illustrate these issues:

- Is a transit time measured from the time of order notification or physical pick up?
- When is a transit time complete for a transporter?
    - When the shipment is consigned to another delivery network?
    - At first delivery attempt?
    - Return to depot?
    - Arrival at a third party delivery point?
    - Receipt of a return by an e-retailer?
    - When the data is available to the e-retailer or consumer?

Calculating the difference between them also requires levels of standardisation especially where “guarantees”, insurance or some explicit commitment are provided in association with a service. This is particularly important for perishable, delicate or highly time sensitive items such as perishable goods, contracts or samples.

The simplest calculation of a transit time is for a shipment that has an origin and destination in the same time zone. This is simply the lapsed days, hours and minutes between pick-up and delivery. More complicated calculations have to be used to correct for time offsets that cross-border e-commerce implies intra EU and globally. Failure to have a standard method of offsetting, calculating and representing the information returned can have an impact on contractual obligations especially where more than one network is involved in the transportation cycle. An example of this could be the pick-up transporter providing local time of pick up and the delivery transporter providing information in local time of delivery. Where there is no standard offset calculation it can impact guarantees in relation to transit time with high impact on legal or other commitments made by e-retailers or other users of transportation services such as Just in time manufacturing, lawyers, banks, businesses making time sensitive bids or consumers monitoring against an e-retailers delivery commitments.

239 See Case study 8 in section 4.4.4.

240 The CEN Technical Committee Postal Services (TC 331) published a technical report on the measurement of transit times for parcels by the use of a track and trace system. To our knowledge the guidelines were scarcely applied in the past.

In addition to time offsets there is the need to factor in such aspects as national, regional and local holidays that may impact the transit time. These are not presently explicitly factored into transit times today as transit times are provided as a day range (e.g. 1-5 days, 2-6 business days) that are generalised for the year and not reflective of a specific time period. No known automated system has dynamic transit time calculations that make allowance for holidays and local restrictions that are calendar based. However experienced customer service agents do provide such information at times especially if, when taking a booking, their customer service system alerts them to the potential for delay due to such events.

The impact of weather, political, civil unrest or other likely / actual disruption of transporter networks also needs to be considered in relation to transit time information. These exceptional events can, on highly leveraged networks, have a knock on effect for days as back logs accumulate at processing or hub points. The information flows associated with such events is from transporter to e-retailer who then has the responsibility to ensure that their customers are informed. Online tracking information that a consumer gets rarely provides more than a check point datum that indicates a “network Delay” but little other information. As acts of god and civil unrest are specifically mentioned as reasons for guarantees related to transit times to lapse these may need to also be addressed in suggested methodologies of information supply to e-retailers and consumers in such circumstances.

The development of suggested “standards” for even the most basic of elements related to the description of the start and end of a transport process would assist all stakeholders to understand and manage the transportation cycle more transparently, effectively and efficiently for domestic, intra EU and global B2C e-commerce.

The ongoing measurement of the network performance of tracked items is essential. This is because tracked items are generally sent using more expensive transportation options, are of higher value and of more importance to either the e-retailer or the consumer. As tracking is generally a value added service associated with faster transit products it is essential to understand if such value added is actually being delivered and whether the e-retailer and consumer is getting the value that they paid for. Should there be no difference in the transit time between similar tracked and untracked items but they are offered as options with a price differential then the impact on market performance (price, service, value and fairness) can be an issue that needs to be potentially addressed.

4.7.3 Untracked cross-border parcels

The issues associated with untracked parcels (e.g. by national posts) are more complex. In contrast to tracked cross-border parcel services, basic (i.e. untracked) parcel and letter post services are substantially cheaper and thus more affordable for

consumers (in case of returns) and small e-retailers. As such the quantification and monitoring of standards of service are critical to provide transit times in order to ensure that no competitive disadvantage is suffered by businesses and that consumers are not excluded from distance purchasing opportunities.

The problem is that establishing and monitoring the actual levels of service requires the employment of techniques such as mystery shopper programmes or test letter studies. They send material using normal service channels and have mechanisms in place to be informed of when the item was delivered. The cost of such monitoring cycles is highly dependent on the volumes of items, their designation (letter or parcel), the origin and destination and the pricing that is relevant for the monitoring cycle. These cycles are run for letters[241] but infrequently for untracked packages and parcels.

This is problematic for e-commerce as many smaller e-retailers and other businesses rely heavily on postal services to ensure that that can provide service and compete effectively. The ability to offer firm transit time indications to consumers can have a large competitive impact on such traders. Equally it may be that the postal transit times may actually be available at a lower price from non-postal networks and the value added services are higher (e.g. tracking). Untracked cross-border items (letter post and parcels) are mainly transported by national postal operators. National posts are in the process of improving B2C cross-border delivery services.[242] Technological progress and growing demand result in more cost-efficient tracked cross-border delivery services. For this reason we estimate that the proportion of untracked B2C cross-border items will continuously decline in the future.

4.7.4 Consumer level technologies to measure transit time

For both tracked and untracked parcels, the availability of clearly defined start and end points to transit times emerges as a key necessity for market efficiency, market monitoring and the fulfilment of obligations such as guarantees, warranties and insurance. They also provide the basis upon which compatible and cross comparable data can, with confidence be generated (or supplied), in order to monitor national or EU wide delivery network performance and compliance with standards which may be in place.

The influence and opportunities provided by consumer level technologies have the potential to transform the entire mechanism and processes related to tracking any product. The key emerging technologies or enablers are shown in the table below:

241 E.g. the transit time of cross-border priority letters is measured by the UNEX system launched by IPC (see http://www.ipc.be/en/Operational-services/Quality%20excellence/UNEX).

242 See section 4.6.4 for more detail.

Table 32 Emerging technologies

Technology	Used By	Capability
SMS	E-retailer, Transporter, Consumer	Bi directional advisories on parcel progress from order to delivery
Mobile phone Cameras	Transporter, Consumer	Proof of delivery, damage or issue reporting
QR codes / mobile phone readers	E-retailer, Transporter, Consumer	Eretailer and consumer direct tracking without transporter system involvement. Track any shipment (despatch and Delivery points only)irrespective of its product type or transporter capabilities.
Google Glass	E-retailer, Transporter, Consumer	Automatic reading of barcodes, QR codes and other information by user wearable
Internet of Things	E-retailer, Transporter, Consumer	Sensors embedded in packaging, products and equipment that are interacted with and automonously report on parcels
Interactive packaging	E-retailer, Transporter, Consumer	Packaging that is programmed to alert processors (transporters etc) as to their urgency in relation to achieving a committed transit time.
Printable Circuits	E-retailer, Transporter, Consumer	Ability to print printed circuits on any surface to hold data and interact with sensors and monitoring systems

The key advantages and opportunities of these emerging and increasingly available technologies is that they do not require transporter specific or interoperable information networks to enable the tracking of any item from a letter to a container. They are based on open standard, open access networks (eg: WiFi, GPS, GSM, LTE etc), accessible by all at low cost and in a fast to market manner.

Their use also opens opportunities for new services such as consumers being incentivised by e-retailers or even transporters to record their shipment when delivered and also a mechanism for managing the real versus reported levels of not home or undelivered shipments in the European Market.

To illustrate the potential of using consumer level technologies the case of an e-retailer wishing to get a true picture of the delivery efficiency of their transport suppliers can be imagined. Issue: An e-retailer is receiving complaints of late deliveries but their transporters tracking information is not indicating that there is a problem with the agreed standards of service. One potential approach could be:

> E-retailer decides to run a transit time test – The test is in the form of a competition – The e-retailer prints a QR code on each parcel – Recipients are told that if they scan and confirm receipt they can win a prize – The shipments are sent (no extra cost or processing needed) – Recipients scan the QR codes with their SmartPhones on delivery – Data is automatically sent back to the e-retailer – Data is measured against the results of the transporters tracking – Performance can be cross compared – Issue is confirmed or disproved.

This kind of use of consumer level technology and standard means of data carriage (QR Codes) essentially places mystery shopper and transit performance testing capability at the disposal of any network stakeholder, for any item, at any time, at very

low cost. It could potentially also be used, with increased scientific and process rigor, in the measurement of “untracked” items for independent verification of transit times by network operators or administrators.

4.7.5 Conclusions

The continued and even enhanced standards based monitoring of the performance of the delivery networks in the EU is critical for an understanding of the dynamics of efficiency, quality of service and value for money being offered by all suppliers to e-retailers and consumers domestically and cross-border. The data and information gathered can form a standards based, neutral core data set available through Information support mechanisms for e-retailers and consumers to make informed, real value decisions on the mechanism of fulfilment that best suit their needs. It also provides a consistent and time cross comparable data set for the administrative monitoring of network performance by policy makers and assist in market enhancing suggestions, recommendations or, as a last resort, legislative interventions.

In case of tracked items, each sender has the opportunity to check the delivery status of the shipment in question. However, the informative value of the delivery status depends on the quality of the tracking system. The definitions and methodologies used to monitor, measure and calculate transit times for tracked shipments are not standardized. For this reason it would be desirable to establish a clear set of standards to ensure cross comparability and availability of transparent consistent information to all stakeholders for decision making and quality of service assurance.

In case of non-tracked (letter post) items, the existing solution for the measurement of cross-border transit time is very costly (e.g. UNEX by IPC) and would be even more costly for untracked parcels. Given the convergence to tracked items in the market, the remaining (small) volumes of untracked B2C parcels do not appear to justify massive investments in transit time measurement.

Consumer level technologies and their potential use need to be carefully factored into any consideration of the mechanisms and standards adopted in relation to shipment monitoring and tracking. The public availability of standards for formats, data content and transmission could open new business opportunities and enable new levels of neutral transparency and monitoring of the market and its performance for national regulators and EU policy makers.

5 Conclusions and recommendations

This study discusses six potential initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe. This final section presents our conclusions about the usefulness and appropriate design of the potential initiatives, and offer recommendations for future policy.

Initiative 1:	Information platform on delivery services.

The availability of information on domestic and cross-border delivery services varies between countries and between customer groups. Large e-retailers are usually better informed than small and medium-sized e-retailers. For this reason stakeholders broadly agree that there is a need for neutral and transparent information on domestic and particularly cross-border delivery services with regard to service availability, pricing and current conditions. This information could be collected, organised and presented in web-based information platforms and could support small and medium-sized e-retailers when they buy transportation services for online trading. These information platforms would ideally contain and process data, at least, about operators' services and terms, detailed information of origins and destinations offered by an operator, standards and options for collection and delivery, (expected) transit times by origin/destination, restrictions on weight, format, and forbidden goods, and tracking capabilities.

We recommend that the Commission should encourage the development of information platforms on delivery services. Such platforms would be easier to develop if existing delivery products of national postal operators and private carriers were described in a more standardised way. Standardised description of delivery services does not mean that carriers and national postal operators should harmonise their delivery products. It is recommended that delivery operators should agree on a common terminology for describing delivery services to improve comparability of service specifications (e.g. on delivery options). Therefore, we recommend that the Commission should encourage delivery operators to develop such a common terminology for delivery services.

The emergence of information platforms would be promoted if delivery operators provided easier access to information on delivery services. Easy access means that carriers should make the information about their service specifications available in an “open data” format that is easily accessible and manageable by potential service providers (e.g. intermediaries that integrate delivery solutions in online shops). “Open data” is data that can be used, processed and shared by everyone free of charge. Service providers would organise the information and develop self-sustaining applications and services for e-retailers. The Commission should carefully monitor this process and consider intervening only if no progress is observed.

The common terminology would best be developed in a self-regulated process among the stakeholders. The Commission could moderate and promote this process,

compatible with the roadmap's objective to support an industry-led approach. Such a process would serve the delivery markets in all Member States in many ways. Compiling the dataset and developing applications/services would then be left to commercial intermediaries. Such commercial solutions will then be offered in the Member States and support local e-retailers to better organise export activities and return processes.

This recommended approach is based on voluntary action and does not involve any public funding. In case that the market would not develop sufficiently transparent and comparable information about delivery services in the medium term, the Commission could consider legal obligations to ensure open data about service offerings, in particular as regards cross-border delivery services.

If in specific markets, Member States or regions no relevant applications emerge, public authorities may consider promoting or funding the development of such platforms and/or applications. Public authorities could be on Community, national or local level. For example, public authorities could actively promote specific projects to develop comparison tools for delivery services in countries where the markets do not provide such solutions.

Initiative 2: E-commerce scoreboard on delivery and price performance.

A scoreboard on delivery and price performance is a useful tool to provide valuable information for policy makers and market participants. Most importantly, a scoreboard on delivery and price performance would inform politicians and public stakeholders about the performance of e-commerce and delivery markets in Europe, and thus contribute to informed policy-making.

Among e-retailers there is a common understanding that, although lot of information on shipment and delivery aspects is already available, this data is usually dislocated and not cross-comparable. Basic data about e-commerce and delivery markets in the EU would be helpful to support strategic decisions about foreign market to invest in. Therefore, e-retailers would benefit from having a single source of information for such research.

A scoreboard would present information on national and cross-border e-commerce and delivery markets in an organised way. While the information platforms (the first potential initiative discussed by this study) manage quickly changing information in real time, the scoreboard would be a periodical publication that would be updated annually or bi-annually. This scoreboard would therefore contain more "stable" and methodologically consistent statistical information, e.g. on the preferred payment methods and return policies in the Member States. Additionally, the scoreboard can be used to identify and highlight innovative business models that facilitate delivery management for e-retailers, best practices for serving rural areas and progress in delivery services, generally.

We recommend establishing a scoreboard on e-commerce and delivery markets to inform e-retailers about potential export markets, and offer a sound basis for monitoring market developments by policy makers. This scoreboard could be developed and published regularly by the Commission and/or European e-commerce associations. It could be developed and published separately, or combined with other publication related to the Commission digital agenda.

Useful information to be presented in the scoreboard, for all Member States, includes headline data about e-commerce markets (revenues, supply, important products, buyers, relevant of import and export) and delivery markets (revenues, operators, market structure, average price and service levels, comparison tools), habits of online buyers (dominant methods of payment, expected delivery standards, options for delivery, important online marketplaces, return rates), and legal information (VAT, consumer rights, data protection, customs issues).The Commission should discuss detailed contents with relevant stakeholders (e-retailers and their associations, carriers and their associations, consumer associations) and information providers (e.g. Eurostat, regulatory authorities, carriers etc.).

Initiative 3:	Delivery aspects in e-commerce trust marks.

Many e-commerce trust marks already exist in Europe but not in every Member State. A few trust marks are used in more than one European country (e.g. Trusted Shops). Usually, each European country has its own trust mark, often launched by distance selling or e-commerce associations. Recently, “umbrella” trust marks are emerging (e.g. the EMOTA initiative) to improve the governance and visibility of trust marks for domestic and cross-border e-retailers.

Trust marks take some delivery aspects into account. They usually require transparency about delivery options and costs and, sometimes, information on delivery problems. Other aspects like the delivery quality are indirectly addressed by standards for customer feedback systems. Trust marks usually do not require information on the delivery status (e.g. notices that shipments have left the e-retailer’s warehouse) or providing tracking number to buyers (if applicable).

We do not see a clear need for an additional trust marks with special focus on delivery aspects on a European level. Indeed, such additional trust marks may confuse consumers. We recommend that the Commission should monitor the diffusion of e-commerce trust marks and “umbrella” trust marks with special focus on the inclusion of delivery aspects. In addition the Commission could actively promote awareness on delivery aspects in trust marks, and consider promoting (and possibly funding) the establishment of e-commerce trust marks in countries where the market has not yet developed any e-commerce trust mark.

Initiative 4:	Improve parcel services in rural areas.

In rural areas, collection and delivery of parcels are generally more costly than in densely populated areas. Higher costs in collection and delivery result in higher prices for delivering shipments in rural areas and less choice for sending parcels from rural areas (sometimes the universal service providers are the only choice in very rural areas). The major way to reduce collection and delivery costs is to consolidate volumes in pick up points (outbound) and for final delivery (inbound).

In general, stakeholders do not see a need for government action in this field as universal service obligations guarantee a certain level of service even for the most remote regions. However, they clearly expect benefits from businesses and communities that promote new models for rural pick-up and delivery services.

Greater emphasis on the development of e-commerce capabilities in rural areas is essential to the generation of volumes sufficient to support greater network density and delivery / pick up frequency. As such the support of national and local initiatives to drive the uptake of e-commerce by rural businesses are the key to generating balanced bi-directional volume. This will also help offset the imbalance between outbound and inbound volumes that is created by broadband availability in areas where online shopping service available drives non local online purchases by residents. However, as e-commerce contains great opportunities for low population density regions, we would suggest some low-key involvement in this area, the overall aim being to promote and facilitate the development of a variety of delivery options: The Commission could monitor new start-ups and best demonstrated practices; examine existing country and area initiatives as well as the role of technology and innovations in local delivery mechanisms. More importantly, the Commission could make best practices examples in Member States more visible to other interested stakeholders so that learning effects and synergies can be used in other comparable regions of the EU. In this field, the Commission might consider to promote existing initiatives by integrating them into publications and events. In this way, countries with less innovative capacity in the field of internet applications or launching of new delivery start-ups could learn from other regions with similar issues.

In order to promote better and more cost effective service in rural/peripheral areas the Commission could study legal and economic aspects of cooperation and sharing of infrastructure for delivering and collecting parcels in those areas. Any such study should balance benefits for consumers with downside effects for delivery operators/restraint of service competition, and could identify ideal models for white label shops (preferably organised locally by receivers or administrations).

Initiative 5:	Interoperability of cross-border delivery operations.

There clearly is a growing demand of e-retailers for affordable tracked cross-border delivery and return services. The existing delivery and return solutions do not always meet the needs of the e-retailers in terms of price and quality of service but there are emerging solutions for European-wide delivery and return services. Innovations and emerging co-operation between mail, parcel and express operators are driven by competition between carriers, by demand – notably the existence of powerful large e-retailers and online market places such as Amazon and eBay – and by innovative IT companies and start-ups that fill the gap between carriers' delivery solutions and the needs of small and medium-sized e-retailers.

To promote the development and expansion of delivery management solutions for small and medium-sized e-retailers on the one hand, and to reduce technical barriers and to facilitate co-operation between carriers on the other hand, easier access should be facilitated to carriers' and posts IT systems for standardised data exchange (shipment information, label production, tracking information). To date, carriers and service providers have invested in mapping tools that allow the translation of tracking notifications in a multi-carrier environment. True interoperability between carriers would require common data standards to facilitate data exchange and to allow for seamless and cross compatible tracking solutions.

Generally, there are promising industry initiatives from private carriers (e.g. Hermes and UPS) and national posts. Notably the eCommerce Interconnect Programme (eCIP) launched by IPC members may promote interoperability between posts and could facilitate the development of more European delivery products. But for the time being (June 2014), progress is not advanced enough to come to clear conclusions on the effects of this programme on the European delivery market. So far, none of the participating posts has launched any product based on eCIP. We recommend that the Commission should follow up on these developments and evaluate the availability of reliable and cost-efficient cross-border delivery services in the Member States, and interoperability of domestic parcels networks that is needed to provide these services, as a part of its stocktaking exercise in 2015. If progress should fall short of the Commission's expectations, the Commission could consider alternative policies to achieve effective interoperability.

The Easy Return Solution launched by IPC members has made more progress. This solution allows participating posts to develop tracked international return services. Customers can drop the parcel at the postal outlet of the partner post from where it is transported back to the foreign e-retailer. Access to postal outlets is crucial in those countries where carriers have not set up an own network of pick-up points and where no alternatives to the network of the national postal operator exist. There are several instances in several Member States where posts and fulfilment services providers (like

B2C Europe) or posts and other carriers (like Hermes) cooperate and have agreed terms for collecting returns in postal outlets.

However, the emergence of any closed community interoperability capability can raise concerns over market manipulation in relation to service levels, pricing and market access by businesses and carriers. Therefore, we recommend the Commission should further monitor interoperability of domestic parcel networks. Where operators are dominant in domestic delivery services or collection of returns, competition authorities should enforce that inter-carrier services are offered at non-discriminatory terms to all interested parties. The Commission may consider updating the 1998 notice on the application of the competition rules to the postal sector as regards cross-border cooperation/agreements.

Initiative 6:	Methodology to measure cross-border transit time.

There is a lack of transparent and comparable statistical evidence on delivery times of cross-border shipments. Mostly, small and medium-sized senders are affected because they have to rely on standard services and usually do not have the demand power to agree on individual service level agreements with related quality checks. So far, there is no commonly applied methodology to measure the transit time of cross-border parcels. The methodologies to measure the transit time of cross-border shipments depend on the type of shipment, tracked or untracked.

In case of tracked items, each sender has the opportunity to check the delivery status of the shipment in question. However, the informative value of the delivery status depends on the quality of the tracking system. From the user's point of view, it should be ensured that at least the time of collection (from the sender by the carrier) and the time of delivery (e.g. time of the first delivery attempt) should be documented. For cross-border shipments, particularly in case of those handled by national postal operators, this minimum information is not necessarily provided today. Efforts made by the IPC promote the development of more customer-oriented tracking solutions for cross-border parcel services of postal operators.

Where e-retailers have free access to the tracking information of their shipments, and tracking of offered for these shipments in the first place, no action is needed from public authorities. However, delivery operators are expected to further improve and standardize their tracking systems. E-retailers, associations, and intermediaries may further improve transparency by benchmarking delivery operators and promoting common definitions to ensure cross comparability and availability of transparent and consistent information to all stakeholders for decision making and quality of service assurance.

In the case of untracked (letter post) items, the existing solution for the measurement of cross-border transit time are test letter studies ('mystery shopping'). Such studies are

very costly for letter post (e.g. UNEX by IPC) and would be even more costly for untracked parcels. Given the convergence to tracked items in the market, the remaining (small) volumes of untracked B2C parcels do not appear to justify massive investments in transit time measurement.

Emerging consumer level technologies and their potential use need to be carefully factored into any consideration of the mechanisms and standards adopted in relation to monitoring and tracking of shipments. The public availability of standards for formats, data content and transmission could open new business opportunities and enable new levels of neutral transparency and monitoring of the market and its performance for national regulators and EU policy makers.

Appendices

A Country workshop report GERMANY

A.1 Introduction

In December 2013, the European Commission has published a "Roadmap for completing the single market for parcel delivery". The Commission aims at supporting the development of e-commerce through a set of actions for improving parcel delivery. The European Commission's specific objectives in this policy area include more transparency for consumers and e-retailers as well as to promote cost effective and competitive delivery solutions across the EU.

In this context the Commission has assigned WIK-Consult to conduct a study on the "Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe". The overall objective of this project is to discuss the challenges to e-commerce in general and to cross-border e-commerce in particular.

Four workshops, organised in Germany, Greece, Ireland, and Poland, form a critical element of the study. The aim of these workshops were to evaluate potential initiatives for the improvement of e-commerce and delivery markets and to obtain views, comments and positions from the industry in the four Member States. Four potential policy initiatives (that had been pre-selected by the European Commission for study) were discussed at the workshops:

Initiative 1: Information platform on delivery services

Initiative 2: E-commerce scoreboard on delivery and price performance

Initiative 3: Delivery aspects in e-commerce trust marks

Initiative 4: Improve parcel services in rural areas

This report summarises the results of the workshop held on 7th of April 2014 in Cologne, Germany (IHK Köln, Unter Sachsenhausen 10 – 26, 50667 Köln, 10.30 – 16.45 h). This workshop was organized by WIK-Consult.

A.2 Results of the workshop discussion

During the whole workshop day, lively and vivid discussions among the 18 participants took place. The participants included re-retailers and their associations, facilitators like trust mark providers, resellers and parcel brokers as well as parcel operators and also consumer organisations, research institutes in the field of e-commerce and public authorities.

Table A-1: Workshop Agenda Germany

Workshop Agenda		
10:30h	Introduction and overall objectives	EU-Commission/project team
10:45h	Challenges in the German e-commerce market	*tour de table*
11:15h	Experience with cross-border e-commerce and delivery	*tour de table*
11:45h	Presentation of the four potential initiatives	project team
12:15h	*Lunch*	
13:00h	Discussion in focus groups	
15:00h	Presentation of findings	Rapporteurs of focus groups
15:30h	Plenum discussion of findings	
16:30h	Summary and conclusions	project team
16.45h	*End*	

In the morning we held a tour de table about challenges in the German e-commerce market followed by an exchange of experiences with cross-border e-commerce and delivery (see Table A-1, Agenda). After the lunch break, participants were divided into two focus groups to discuss two of the potential initiatives each. Findings and comments were exchanged in a constructive spirit in a final plenum, and first conclusions were drawn.

A.2.1 Challenges in the e-commerce market in Germany

E-commerce is still relatively new to retailing: experience is not going back more than 10 to 15 years. However, in Germany, the e-commerce market is perceived as advanced or even mature. A broad landscape of retailers exists: all sizes from SMEs to big players, with multi-channel or cross-channel strategies, most of them with a high supply quality and, as a result, high consumer satisfaction. Most SME e-retailers have "made their homework" regarding the integration of payment systems, online shop solutions or new fulfilment concepts. In recent times, the importance of the delivery and logistics sector in e-commerce is growing and effects on traffic and transport are big issues for retailers associations' policy involvement.

Although logistics and delivery options are admittedly a crucial point for traders, the actual implementation deadline of the implementation of the Consumer Rights Directive (CRD, directive 2011/83/EC) into German law on the 13 June 2014 is seen as the main concern for most e-retailers today.

Delivery prices have a strategic function to broaden the market share. Free delivery options or campaigns mean peaks in orders. The turnover rises but the same is probably true for returns. The trade-off between more turnover i.e. for the time of a "free

delivery sales campaign" and the actual profits gained is a frequent strategic challenge for German SMEs.

In the discussion about the strategic function of free delivery in the German market, participants highlighted that most customer know that delivery is already priced into the online shop rates. Free delivery would be probably more important to teenage customers. Many online shoppers will look at the overall product range and services of the online shop and accept, for example, a 10 Euro flat rate for shipping and handling, e-retailers associations said. Free delivery cannot guarantee the overall success of an online shop. Flat rates for orders above a certain amount (more than 50 Euro) have proved to be a successful option, and are common practice in Germany. Those "free shipping options" generally include shipping of returns.

In the opinion of facilitators and carriers, German online-shoppers might be already "spoiled". The service level in e-commerce rises but on the other side, the customers' willingness to pay for delivery service is low.[243] Online shoppers experience very good parcel delivery services everywhere in the country, including delivery to the home, free and same day delivery. Delivery on schedule – within a predefined time slot – has recently become a requirement by some consumers in Germany.

Parcel service providers and express carriers find themselves in an competitive environment which leads to reasonable prices ("too low prices" as some participants argued). New start-ups and niche players whose business models are consolidation and brokerage of parcels, like MetaPack (new on the German market since 2013), Letmeship (established since 2008) or Shipcloud.io (since end of 2013) lead to even more competition.

For the consumer, online ordering more and more becomes a practical delivery problem. The frequency of parcel deliveries in certain residential areas rises steadily. Home delivery gets an annoyance to the online shoppers' neighbours. Employers are complaining about the amount of parcels delivered to the workplace.

On the supply side, returns and labour costs are the main topics for parcel operators. From their point of view, costs for returns in e-commerce[244] and costs of labour are quite high. Cooperation among carriers may become more important in the future, especially for the "last mile". The "last mile" might become a less distinctive feature within the next 5 years. A need for "white label" pick-up stations and parcel hotels was seen to be upcoming in the cities and in remote areas. In the long run, too many different pick-up points will not find acceptance by consumers. At present, however, different parcel carriers operate separate networks for delivery and pickup, including for private consumers, and they eagerly protect their own branding of those networks.

243 Appreciation for logistics services has "hit rock bottom", as one participant said.
244 For some products like clothes and shoes, return quotes are more than 50% in Germany.

Recent surveys of e-retailers show that customers are more or less “content” with delivery and that e-retailers are content, too. Public institutions perceive delivery as reliable in Germany. Consumers seem nearly perfectly satisfied with the service. The yearly published numbers and types of complaints at the national regulatory body prove this.

However, not only the delivery process but also the brand of the parcel carrier and the image is important to the e-retailer, especially in the high-end segments and for businesses that attach great importance to their corporate social responsibility. Media coverage of strikes in warehouses and poor labour conditions in the fulfilment sector are counterproductive for many e-retailers’ image. One crucial question for traders nowadays to survive in the German e-commerce market is: How can the shop be distinguished from others as a brand? How can the (online) shop become a brand?

A general problem in the e-commerce market – in Germany and elsewhere – is that not every e-retailer and marketplace provider “is bound to make profit”, at least not in the short term. Amazon and the German e-retailer Zalando were mentioned as examples. A relating problem especially for SME e-retailers it is difficult to finance investments into extensive customer service (and perhaps free delivery options) before any revenues can be made.

In Germany, several trust marks are well established for quite a while now. E-retailers rate trust marks to be important to distinguish the online shop from others, to accentuate unique features, to create trust and to build a sense of reliability with the customers.

With regard to conflicts between consumers and e-retailers, ADR (Alternative Dispute Resolution) projects are successfully implemented (i.e. by Zentrum für Europäischen Verbraucherschutz e.V. in Kehl). In most stakeholders’ opinion, it makes more sense to resolve a dispute via arbitration bodies. Main issues that are brought up to consumer rights associations are not delivery related. Only approx. 1% of complaints are about delivery aspects. Main complaints deal with a) language problems b) payment by credit card c) e-retailer does not deliver in a certain country or does not accept a bonus card .

Germany is a relatively densely populated country with few remote regions. However, the head organisation of the 295 rural districts, are nevertheless concerned about consequences of demographic change (ageing population), especially in Eastern Germany. From their point of view, e-commerce might be a chance for local supply and offer complementary distribution channels to the declining stationary retail businesses in some of these regions. The bundling of delivery infrastructure in rural areas will be a prerequisite for the success of e-commerce in some regions in Germany, too. As e-commerce is an opportunity for retailers and consumers it could be promoted by regional development funding schemes.

A.2.2 Experience with cross-border e-commerce and delivery

It was clear among workshop participants that delivery is not in the main issue for German e-retailers that start to expand cross-border.[245] Main concern and cost driver today in cross-border e-commerce is the need for translating the shop website and all templates. Many market rollouts require translations into the national language. A website in English is not sufficient. Because the 'DACH region' (Austria, Germany, Switzerland) is comparably "easy", i.e. cost-efficient to supply, German e-retailers often stick to this area.

Many German e-retailers are interested in cross-border business and get a lot of clicks from abroad, from other EU Member States as well as from US customers. When confronted with purchasing orders from foreign countries, many SME e-retailers face high search costs. Even if they only want to fulfil this one order they have to invest in research. Much investment and research is needed to grow in new foreign market more systematically.

German e-retailers state that many of them have to close gaps in their knowledge concerning legal requirements and warranty issues. These remain different in Member States even after the implementation of the CRD. From their point of view, standardising requirements within the EU remains an important political task for the future although the CDR is considered a first auxiliary step.

To boost cross-border e-commerce, the participants discussed briefly the need for cooperation among carriers and in particular barcode harmonisation. Labels have to be unified if more interoperability is to be achieved effectively. Especially return management in cross-border transactions is complex. If courier and express carriers would be more open for cooperation this would promote cross-border e-commerce in future. E-retailers would appreciate having more valid data on delivery times and returns by seamless tracking and tracing.

A great difficulty for cross-border business are the different address formats in each country. Templates often do not allow to fill in foreign addresses. Mandatory fill-in spaces do not match with the online shopper's address. Another challenge are regions within the EU that have no identifiable addresses at all.

The transaction times for cross-border deliveries from Germany to EU countries are more or less acceptable in the opinion of the participants. In general, professional e-retailers do not have problems with cross-border delivery because their national carriers have cooperation agreements with other carriers.

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245 Participants pointed out that "accidental orders" from cross-border customers hardly exist. Regulations like the "freedom of contract" prevent e-retailers from risks because they don't have to fulfil (cross-border) orders.

Some hidden constraints for cross-border e-commerce still need to be identified and eliminated (e.g. in France delivered goods have to be ready to use immediately).

Statistics or other information about export markets for e-retailers, and thus cross-border delivery is hardly available. There is some transparency in the B-to-B market because of specialised service providers but not in the B-to-C market. This might be a potential field for political action, and e-retailers would appreciate more transparent information about e-commerce in other countries (potential export markets).

A.2.3 Initiative 1: Information platform on delivery services

Need: There was a common understanding among e-retailers that although a lot of information is already available on shipment and delivery aspects, the information is dislocated and not standardised. A single source to start research in this field would be appreciated.

Apart from delivery aspects, e-retailers stated in the discussion that any data that is offered about cross-border e-commerce markets and delivery will reduce search costs and is therefore highly welcomed by SME e-retailers. Usually SMEs have to assign agencies to do market research because their own personnel cannot perform this time consuming research. Basic data of e-commerce markets in the EU is helpful to come to strategic decisions which foreign market to enter. Information about delivery services is one aspect in this context but not the first one to be addressed by the retailers.

In the view of the carriers, information is not only needed about delivery aspects but also about the usual conventions of delivery in a country. This might help parcel operators to communicate standards and practices in cross-border business to e-retailers, e.g. is a handwritten signature upon delivery an accepted procedure in this country or not, are customers used to pick-up parcels from or take for their neighbours.

Concept: Two main concepts were discussed. Firstly, a cloud computing-based solution that would consist of a cloud platform that makes data bases available for software-as-a-service solutions (SaaS concept). In this case, an information platform would provide an infrastructural environment for service applications in the field of delivery.

Secondly, an information platform in form of a “WIKI”. This web application would allow stakeholders to add, modify, or delete content in collaboration with others. This kind of compendium was considered possible and realistic (“some kind of yellow pages”).

There would be probably a willingness to pay for consulting services and shipping calculations (including reductions) but not for basic information. It was discussed that transparent basis information available from an information platform could enable more useful, and perhaps less expensive consulting services for shipping logistics.

Objective: During the discussion, the main objective for an information platform was defined as a source of neutral basic information on e-commerce and delivery. Since there are some more advanced platforms that offer extended information for (paying) customers, the aim would rather be to offer standardised basic information and to give further guidance to other platforms and to carriers.

Initiators: A platform with basic information was specified as a non-commercial offer, perhaps initially funded by an EU-research programme and then co-supported by stakeholders in from of an “e-commerce alliance” or by existing networks or businesses.

Partners: To be able to provide the information needed, delivery and logistics companies, e-retailers and the respective associations should be involved.

Target groups: SME e-retailers that experience growth and are either confronted with demand from abroad or plan strategically to enhance their business. Private customers might also benefit from the information.

Contents: In the basic version, the platform would give an answer to the question: “Which cross-border shipment arrangements are on offer regarding certain destinations?”

Most relevant information for business customers are shipping products, tracking information, and shipping and delivery durations. The platform could offer information on destinations, carriers and other service providers (marketplace providers, fulfilment providers), product and service options, insurances, additional fees, service level agreements / general terms and conditions of carriers, list prices, basic legal information about shipment to the respective country, import/export restrictions.

The participants of the discussion also suggested including general information about e-commerce in the EU member states, i.e.

- basic market data for e-retailers about e-commerce as a basis to start research,
- dominant payment service providers in certain countries,
- relevant marketplaces in respective countries,
- usual conventions of delivery in a country,
- links to existing studies and statistics.

Challenges: A main challenge would be to gather the information from stakeholders and to offer up-to-date data of a high quality on the platform. A significant part of the information is dynamically changing. Designing and marketing the platform for all EU member states will not be a trivial task and would need the engagement of many stakeholders (for funding, information gathering etc.).

Existing elements / examples / blueprints:

- A certain level of transparency in the German market is already provided by the four main carriers (DHL, DPD, Hermes, GLS) that offer information about their services on their websites by using some interactive query tools.
- Many activities in the market show that there seems to be a need for shipment calculation tools and basic information on delivery products and destinations (e.g. versandtarif.de, packlink.de, sendeasy.de etc.). These free of charge calculation tools use list prices and are directed to private customers or occasional shippers.
- More detailed information is placed on the web by platform providers like Letmeship (since 2008), MetaPack (since 2013 in Germany), or Shipcloud (2013). Their websites target registered business customers with B-to-B or also e-retailers with B-to-C shipments. The platform includes services like consolidation of parcel volume or reductions for certain carriers/products/destinations.
- The German courier association BdKEP is about to initiate the “Open Postal Alliance” for the first and last mile, a cooperation network with different stakeholders (courier and express carriers, start-ups in the field of matching platforms and information platforms, small parcel carriers and pick-up solution providers, specialized e-retailing and delivery start-ups, parcel-locker and pick-up point providers etc.).
- Platforms like MetaPack offer statistics for their registered customers but also for policy makers and for associations based on business intelligence solutions. They anonymise, aggregate, analyse shipment data of their customers.

A.2.4 Initiative 2: E-commerce scoreboard on delivery and price performance

Need: The participants pointed out that a scoreboard might attract little interest, at best, among e-retailers. While setting standards or reference points may help stakeholders to make decisions, however, the data provided might be not recent enough. The scoreboard was therefore discussed as a “nice to have” rather than a “must have”. Compared to the information platform, it raised less interest within the group.

Concept: Participants had no objection to use existing EU scoreboard formats and made no other suggestions.

Objective: Main objective would be to improve transparency on delivery performances and prices by benchmarking domestic and cross-border parcel and express delivery services in terms of quality and prices.

Initiators: The EU was perceived as a potential initiator and financier, maybe together with other public authorities (national regulatory agencies).

Partners: Potential partners might include national policy authorities, consumer associations, trust mark providers, research institutes.

Target groups: Primarily policy decision makers that need to make regulatory decisions than stakeholders in the e-commerce market.

Contents: To gather data from existing studies and compile them in the format of a scoreboard was considered useful for some e-commerce stakeholders. E-commerce and delivery market data as well as comparisons of price levels were rated valuable data. Data could be gathered from official statistics and surveys, consumer associations, and trust mark certification processes.

One suggestion was to find indicators for an "overall e-commerce score" that answers one of the e-retailers' crucial questions who want to enter a new market: "How easy is it for me as a trader to expand my online activities to this country?". A delivery score would be only one aspect of this e-commerce country score.

Challenges: In general, it was mentioned that a scoreboard faces difficulties to combine the quality of products and the varieties of delivery options in aggregated data and benchmark information. Levels of delivery performance are not easy to measure either.

A scoreboard in the existing EU format would rather include data that is not up-to-date and is probably not based on latest market developments in the field of delivery and e-commerce. Participants rated the "WIKI" information platform mentioned above as more significant to e-retailers.

A fundamental challenge lies in the provision of country information for all EU member states (and maybe also important e-commerce markets like the United States or China).

Existing elements / examples / blueprints:

- EU scoreboards exist in the field of the industrial sector (as studies in brochure format) or the Digital Agenda (website with data and interactive features).
- Information and benchmarks are already provided by business intelligence analysis of commercial platform providers.
- Some studies in the postal and logistics sector exist that could be leveraged or its findings could be included in a scoreboard.

A.2.5 Initiative 3: Delivery aspects in e-commerce trust marks

Need: The participants of the focus group discussed the need to include delivery aspects in e-commerce trust marks quite controversially. Common view was that delivery aspects in trust marks are more important for cross-border transactions than for

domestic transactions. However, consumer representatives pointed out that in their experience, the major source for cross-border delivery failures was that the e-retailer does not fulfil the contract (i.e. he gets the order but does not send the ordered good even if it is paid).

Participants stated that there are too many trust marks in e-commerce and also insufficient ones and that there is a lack of minimum requirements for trust marks in general in the EU. This is true for e-commerce trust marks, too. Given the complexity of 28 member states, trust marks can be counter-productive because they can be confusing for online shoppers.

Generally, trust marks were considered important for cross-border online transactions to build trust. Minimum standards for trust marks would be helpful to make them comparable.

Concept: The overall concept agreed upon was the extension of existing trust marks. Common view of the focus group has been that no additional trust mark with focus on delivery aspects is reasonable because Member States have well established concepts in the e-commerce market.

Objective: The main objective mentioned by the participants was to incorporate delivery aspects in existing e-commerce trust marks.

Initiators: There was a mutual understanding that an initiator would be best situated at EU level, e.g. European e-retailer / distance seller associations (EMOTA) that has already started a project in this field.

Partners: Providers of trust marks in each member state.

Target group: E-retailers and e-shoppers.

Contents: E-commerce trust marks usually check the elements of the e-retailer's website and how the order / transaction process is organized. In Germany, the established trust marks (e.g. EHI Geprüfter Onlineshop, Trusted Shops, TÜV Prüfsiegel) particularly check whether the online shop fulfils legal requirements (to limit the risk for "cease and desist letters" for the e-retailers.) Hence, a trust mark provider fulfils an important service for the e-retailer in terms of consulting during the certification process.

Delivery aspects to be included in an enhanced trust mark could be the following:

- Time of delivery: The e-retailer should be transparent on the time of delivery. Moreover, the e-retailer should be bound to the delivery information. The delivery time includes the time needed to pick & pack the shipment plus the time the carrier needs to deliver the item.

- Information on delivery status: The e-retailer should provide information on the delivery status of the shipment (at least: handing over of the shipment to the carrier).
- Cross-border delivery: The e-retailer should provide the information which carrier delivers the shipment in the destination country. (Note: A substantial proportion of online shops, estimated to 40% of TOP 1.000 shops in Germany by a participant) does not provide any information on the carrier even for domestic delivery).
- Transparency about delivery partners (nationally and abroad) could be posted on the e-retailers website.

Including this information about shipment and delivery was mentioned as a prerequisite for certification.

Challenges: Participants discussed the following issues:

Monitoring compliance of stated delivery times: Trust mark providers certify the contents and processes of an online shop based on a cut-off day. They do not permanently monitor the performance of the online shop. Complaint statistics and customer feedback are the major sources of trust mark providers to get aware of problems related to delivery aspects.

Information of the e-shopper on the delivery status: Common standards for the tracking of shipments are not available yet. A substantial proportion of shipments is not tracked (i.e. if send by letter post).

In general, there are several trust marks in the market and their subject matters are not necessarily transparent to the consumers. Short profiles to define and explain them could be helpful (maybe placed on the proposed information platform).

Existing elements / examples / blueprints:

- The German “Initiative D21” has developed a monitoring board for trust marks. The private organisation, a partnership for members from politics and enterprises, publishes on its website trust marks that follow the D21 quality criteria. The organisation audits trust marks against these criteria and the monitoring board will accept them accordingly. Trusted Shops (by Trusted Shops GmbH), internet privacy standards (by datenschutz cert GmbH), EHI Geprüfter Online Shop [EHI certified online shop] (by EHI Retail Institute) and S@fer Shopping (by TÜV Süd Prüfsiegel) are certified so far (http://www.internet-guetesiegel.de/)
- An EMOTA initiative was launched in spring 2014 and will bring standardised criteria for e-commerce trust marks (EMOTA European Trustmark Accreditation Criteria, www.emota.eu).

A.2.6 Initiative 4: Improve parcel services in rural areas

Concept: The participants discussed mainly white label pick up (and return) points (fixed or mobile). The need for cooperation in this field was perceived as necessary, however, the need for action in Germany was not considered as pressing as in more rural countries.

Objective: Improve parcel services in rural areas by promoting the application of shared infrastructure for collection and delivery of parcels in rural areas.

Initiators: Initiators in Germany probably would consist of the following institutions:

- public authorities,
- local community / local initiatives,
- saving banks / mutual savings banks (banks that have a dense network of branch offices in rural areas).

Partners:

- public authorities,
- saving banks / mutual savings banks (banks that have a dense network of branch offices in rural areas),
- petrol stations,
- parcel carriers.

Public facilities like town halls were not seen as likely to become partners for new concepts in rural delivery. In Germany, public authorities (e.g. town halls) are not allowed to offer services that are usually provided by private entities;
(Note: participants mentioned a counter example: http://www.kolbingen.de/index.php5?126)

Target group: Consumers located in rural areas to improve convenience in parcel delivery and return.

Contents: Common use of “parcel shops” (pick-up and return points) by more than one carrier was seen as a sensible option for rural areas. These shops may be located in banks or in petrol stations) as these are often the only “public” facilities that remained in remote regions. Cost savings due to consolidation of the parcels and packages in pick up points (less costly for parcel carriers in terms of collection an delivery) were anticipated by the participants.

Additional to stationary parcel shops, carriers proposed “mobile shops” (e.g. like a postal agency in a bus) in the discussion. Probably there exists also a niche for

coordinating small, local courier companies (Tiramizoo, mylorry, other start-ups) that work with a similar model for delivery as Shutl in the UK.

It was mentioned that shared “parcel lockers” were an option, too, but are usually located in more densely populated areas in Germany and have hardly been introduced to remote regions yet.

Challenges: Co-operation among carriers seems unlikely in Germany at the moment. Today, contracts between carriers and shops are generally based on exclusivity. One reason is that carriers use parcel shops for branding purposes. Consolidated transport could be reasonable but not likely to be put into practice in Germany because of the competitive situation, as participants pointed out.

In addition, there exist operational restrictions. Carriers have different price/product schedules. Some price schedule are based on the shipment size/volume (e.g. Hermes) while other schedules are based on weight (i.e. DHL, need for electronic scales which means more investment).

Furthermore, incentive problems regarding the “parcel shop owners” were mentioned. Different payment schedules of carriers to shop owners may distort competition. As a result, the shop owner recommends the carrier who pays him the highest fee per transaction.

Especially in Eastern Germany, the density of infrastructure regarding potential partners with premises (e.g. gas stations, savings banks) or transport companies (e.g. public transport, hire cars) is low in rural areas.

Options to meet the challenge suggested by the discussants were independent providers of “white label” parcel shops (e.g. saving banks, mutual saving banks, public institutions) and also delivery to “white label” rooms/houses for rent in a local residential community (room for rent by i.e. parcel service providers, medical personnel, insurance companies, savings banks etc.).

If a c/o address of a parcel shop is generally accepted in cross-border delivery is another overall challenge regarding this option.

Existing elements / examples / blueprints:

- DHL Model: “Bring Buddy” and “Take Buddy” (see http://www.thedarkhorse.de/dhl-bring-buddy),
- Initiative: “Große Emma” (Mecklenburg-Vorpommern, https://www.osv-online.de/fachbereiche/verbandsstab/nachhaltigkeit-und-demografie/projekte/pilotprojekt-grosse-emma.html),
- Delivery to the workplace (contra: depends on the permission of the employer).

A.2.7 Summary and conclusions

Germany today experiences a large growth in the e-commerce market. One overall conclusion of the workshop in Germany is that the recent development stimulates projects, start-ups, and also suggestions for initiatives that promote transparency and cooperation.

For expanding e-retailers, cross-border business occurs accidentally at first but forces them soon to come to a strategic decision about how to deal with (and benefit from) the challenges of cross-border export business. In the view of the small and medium-sized e-retailers any initiative that is enhancing transparency in this process is welcome.

An information platform therefore was seen positively by the e-retailers as a means to reduce search costs severely even if the platform offers only a limited set of information about carriers and delivery options. Whether it could be an option to expand information on the proposed platform to include data about legal requirements, national rules or general consumer habits will have to be further explored. In the view of the workshop participants, a smaller solution, comparable to a “wiki”, with basic information appeared as a reasonable start.

Political decision makers and associations in the field of distance selling would probably most benefit from the proposed scoreboard. An e-commerce scoreboard on delivery and price performance was rated useful by all other participants´ groups as well but more as a “nice-to-have” tool than a “must-have” to enhance market transparency. The participating experts evaluated the impact of a scoreboard for e-commerce stakeholders as less significant.

In the Member States, many established and recognised trust marks exist. There seems to be no need for additional trust marks but existing trust marks are compared and rated by common standards, e.g. by the German D21 and by the European Multi-Channel and Online Trade Association EMOTA. Existing initiatives in this field should not be doubled but complemented if proved necessary.

Rural delivery in Germany does not appear as a pressing issue but nevertheless is a topic of public discussion and activities occasionally. Many examples like start-ups in Eastern Germany and models for the future occurred in the last year. It remains to be seen which of them are based on sustainable business models and which of these innovative ideas can be driven further to become sustainable. Cooperation is very much wanted by customers for convenience purposes. “White label” solutions are therefore useful from the consumers’ point of view, especially in rural areas, but conflict with carriers’ strategies.

List of participants

Experten-Workshop „Mögliche Initiativen zur Förderung des Wachstums im E-Commerce-Markt durch verbesserte Paket-Dienstleistungen in Europa“

Monday, 7 April 2014, IHK Köln, Unter Sachsenhausen 10 – 26, 50667 Köln

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B Country workshop report GREECE

B.1 Introduction

In December 2013, the European Commission has published a “Roadmap for completing the single market for parcel delivery”. The Commission aims at supporting the development of e-commerce through a set of actions for improving parcel delivery. The European Commission’s specific objectives in this policy area include more transparency for consumers and e-retailers as well as to promote cost effective and competitive delivery solutions across the EU.

In this context the Commission has assigned WIK-Consult to conduct a study on the “Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe”. The overall objective of this project is to discuss the challenges to e-commerce in general and to cross-border e-commerce in particular.

Four workshops, organised in Germany, Greece, Ireland, and Poland, form a critical element of the study. The aim of these workshops were to evaluate potential initiatives for the improvement of e-commerce and delivery markets and to obtain views, comments and positions from the industry in the four Member States. Four potential policy initiatives (that had been pre-selected by the European Commission for study) were discussed at the workshops:

Initiative 1: Information platform on delivery services

Initiative 2: E-commerce scoreboard on delivery and price performance

Initiative 3: Delivery aspects in e-commerce trust marks

Initiative 4: Improve parcel services in rural areas

This report summarises the results of the workshop held on 27th of March 2014 in Athens, Greece. This workshop was organized by S. Polykalas in collaboration with WIK-Consult.

B.2 Results of the workshop discussion

The Workshop took place at the Corallia Conference Centre located in Marousi, Athens. In the Workshop participated 12 individuals representing 10 organizations, association, and market players. In addition Mrs. S. Margariti from the EC / DG of Internal Market and Services participated in the workshop.

The discussion was organised in the following six main subjects:

- Challenges in the e-commerce market in Greece

- Experience with cross-border e-commerce and delivery
- Initiative 1: Information platform on delivery services
- Initiative 2: E-commerce scoreboard on delivery and price performance
- Initiative 3: Delivery aspects in e-commerce trust marks
- Initiative 4: Improve parcel services in rural areas

Table A-2: Workshop Agenda Greece

Workshop Agenda		
10:30h	Introduction and overall objectives	Project team
11:15h	Challenges in the Greek e-commerce market	*tour de table*
11:00h	Experience with cross-border e-commerce and delivery	*tour de table*
11:30h	Presentation of the first potential initiative	project team
11:40h	First potential initiative - Discussion	*tour de table*
12:15h	Coffee break	
12:30h	Presentation of the second potential initiative	project team
12:40h	Second potential initiative - Discussion	*tour de table*
13:30h	*Lunch*	
14:15h	Presentation of the third potential initiative	project team
14:30h	Third potential initiative - Discussion	*tour de table*
15:00h	Presentation of the fourth potential initiative	project team
15:15h	Fourth potential initiative - Discussion	*tour de table*
16:00h	Summary and conclusions	project team
16.10h	*End*	

The main points of the discussion in each subject, are presented in the following sub-sections.[246]

B.2.1 Challenges in the e-commerce market in Greece

All the participants agreed that the penetration of e-commerce in Greece is still in very low level, although during the last years a high yearly growth has been reported. Few of the participants believed that improvements in the national relevant legal framework are required, while some of them also pointed out that customers' confidence for e-commerce is still in very low levels.

246 The Greece workshop was recorded by video and audio equipment. In the introduction the moderator informed the participants that the workshop is a formal procedure for a study on behalf of the EC. He also informed them that their opinion will be included in a report that will be sent to the EC. Everyone agreed to this procedure.

The main opinions expressed by the participants in relation to the challenges in the e-commerce in Greece were the following:

J. Kourniotis, EPAM / e-retailer association & e-retailer representative

a. He claimed that there is no detailed quantitative data in relation to e-commerce available in Greece. Almost all public available data is based on qualitative consumer surveys' data. He suggested that the National Statistical Authority (ELSTAT) could include specific questions, in relation to e-commerce, in its yearly basis quantitative questionnaires.

b. He also argued that in Greece, in some cases, the relevant legal framework is not clear and therefore more than one public authorities acting is authorized. As a result, the market players face difficulties to solve several issues in relation to e-commerce. He argued that a more transparent and explicit national framework for e-commerce is required.

c. He noted that the lack of a Code of Conduct in e-commerce results to a lack of consumer confidence for e-commerce. He also argued that in Greece the dispute resolution between market players for e-commerce issues takes too long periods.

d. He also believed that the lack of one stop shopping (a single point of contact at the administration for running an online-business) for new entrepreneurs and in particular for new entrepreneurs in e-commerce discourages the further growth of e-commerce.

a. Finally he mentioned that they received many complains concerning the services provided by the national postal operator (ELTA). He claimed that ELTA does not provide track & trace service for parcel delivery.

J. Malamas / G. Boukidis, ACS – courier operator

a. They claimed that the majority of e-shoppers in Greece are choosing, as payment method, the cash on delivery option. The lack of a public authority with power to monitor the cash on delivery procedures, results in unprotected senders from a financial point of view. They also argued that a more strictly licensing framework is required in relation to parcel operators offering cash on delivery services

b. They also mentioned that on a national level a national code for addressing exists which permits the provision of delivery service with high quality. In contrast, the lack of addressing interoperability between national addressing schemes prevents the provision of high quality delivery services in cross-border e-commerce.

A. Papaioannou, e-retailer

a. She noted that more transparency is required in relation to the national legal framework for domain names.

b. She argued that she never get paid in cash in the cases where her customers have chosen the cash on delivery option**247**.

Z. Lalas, e-retailer

a. He argued that improvements are required in the legal framework in Greece related to e-commerce. He also mentioned that customers in Greece do not trust e-commerce mainly due to the fact that there are too many e-shops in Greece (more than 5000) but only few of them (less than 500) fulfil the relevant basic legal requirements for e-commerce.

b. He also mentioned that they are receiving many complaints from their customers in relation to offered delivery services (especially in relation to available options for delivery, contact procedures with customers etc.). In addition, he suggested that if all employees of parcel operators would be dressed with the same uniform the parcel operators could be identified. In this way it is expected that the consumer confidence will be increased.

c. In relation to available options for delivery services (number of delivery points, i.e. staffed local shops where customers can pick-up/drop off their parcels, delivery during weekends, instant delivery etc.) he argued that although these are offered, they are expensive and therefore could not be used.

K. Fraidaki, ELTRUN research centre

a. She mentioned that, based on their research estimations the number of Greek e-shops is around 5000. She also noted that based on a national survey almost half of the existing e-retailers in Greece do not have the basic information on their sites, such as an email address or a telephone contact.

F. Antonopoulos, GRECA / e-retailers association & e-retailer representative

a. He claimed that in the national taxation framework there is not any field for retailers with exclusively e-commerce activities. The e-retailers have to choose an activity for traditional commerce and then add their e-commerce activity.

b. He argued that a strict legal framework for e-commerce will not help the further growth of e-commerce.

247 The representatives of courier operators didn't agree with this argument.

c. He also mentioned that it is more than necessary to introduce the combined elements e-invoice and e-note for delivery, into the Greek relevant regulatory framework.

G. Agoranos / J. Ntanakos, Speedex – courier operator

a. They argued that the existence of several laws in relation to e-commerce prevents the further growth of e-commerce. They also noted that further discussion is required regarding the reasons of the low penetration of e-commerce in Greece. They argued that the two main reasons that restrict the further growth of e-commerce are: the low penetration of internet and the high cost of delivery services in rural / islands areas.

C. Apostolou / D. Tsaganou, EETT – Regulatory Authority

a. They argued that only few of complains are received by the authority in relation to parcel delivery services. They also mentioned that there are few problems in relation to the delivery of simple parcels (without track & trace options), but that they are going to issue a national regulation in order to solve the mentioned problem.

B.2.2 Experience with cross-border e-commerce and delivery

Almost all the participants argued that one of the main constraints that prevents the further growth of cross-border e-commerce is the high delivery costs. The problem is more evident in peripheral countries like Greece. In addition, some of the participants mentioned the lack of interoperability between parcel operators providing cross-border parcel services as one of the main constraints for the further growth of cross-border e-commerce.

The main opinions expressed by the participants in relation to the challenges in the cross-border e-commerce in Greece were the following:

J. Kourniotis, EPAM / e-retailer association & e-retailer representative

a. He argued that the cost for cross-border e-commerce is the major constraint for the further growth of cross-border e-commerce. He noted that in several cases the cost for cross-border delivery is higher than the price of the product. He also believed that the problem is more important in peripheral regions / non central European countries like Greece, Spain, or Italy. He believed that an indicative solution in order to decrease the cost of cross-border delivery services, could be the recent announced collaboration between postal operators (IPC Interconnect Programme). He noted that if this collaboration works then the cost for cross-border delivery services could be decreased dramatically.

b. He also claimed that the upper bound of revenues set by each European Union Member State, above which an e-retailer acquires local VAT, could be assumed as one of the main constrains for cross-border e-commerce. A common policy is required from the European Commission in order to eliminate the influences of this problem.

J. Malamas / G. Boukidis, ACS – courier operator

a. They argued that one of the problem faced by parcel operators in cross-border e-commerce is that there is no interoperability between the post codes and bar codes used by relevant operators in different countries. They mentioned that an indicative solution could be the initiatives from multination operators, like DPD[248] who are planning to provide cross-border delivery services in lower prices than the existing ones.

F. Antonopoulos, GRECA / e-retailers association & e-retailer representative

a. He fully agreed that the major problem in the cross-border e-commerce is the high costs of delivery services.

b. He also mentioned that based on GRECA data, Greek e-shops have more than 16000 orders from abroad, on a monthly basis (mainly from Germany, France, USA, Cyprus, and UK). They had tried, as an association, to group the orders in order to achieve lower delivery prices but it seems that the problem is on the "last mile" of the delivery where it is difficult to have economies of scale.

c. He also argued that the geographical position of Greece does not help the cross-border e-commerce (both export and import) due to high delivery costs, compared to the relevant cost in more central European countries.

A. Papaioannou, e-retailer

a. The small e-retailers face several difficulties especially in cross-border e-commerce like expensive delivery services.

B.2.3 Initiative 1: Information platform on delivery services

The majority of e-retailers agreed with the implementation of the proposed platform. In addition they proposed indicative features of the platform such as the inclusion of financial / economic data, the inclusion of data from several countries, auction options, etc. Although parcel operators expressed doubts about the usage and usefulness of the platform, mainly due to the fact that delivery operators have already implemented similar platforms.

248 Greece is one of the shipping destinations of DPD but they do not have retail shops until now.

The main opinions expressed by the participants in relation to the proposed information platform on delivery services were the following:

Z. Lalas, e-retailer

a. He fully agreed with the proposed initiative. He argued that the operation of the proposed platform will provide further delivery options to e-retailers. He believed that the high transparency in delivery options results to higher competition between delivery operators and thus lower prices will be offered for delivery services.

b. He suggested that the platform has to include financial data in relation to the offered wholesale prices for delivery services, but he expressed his concerns whether this is possible mainly due to the fact that offered wholesale prices are based on volume discounts.

c. He also proposed the offer of auction services within platform. In particular he suggested that e-retailers could upload in the platform specific requests for delivery services and the delivery operators would be able to bid for these requests by offering competitive prices.

J. Malamas / G. Boukidis, ACS – courier operator

a. They argued that in ACS they have already implemented such a platform for their customers.

b. They also mentioned that since the majority of parcel operators have already implemented such platforms it is very crucial to publish the specifications of the proposed platform prior its implementation. These specifications had to be in full accordance with the relevant specifications of the existing platforms.

c. They noted that the DPD (international courier) has already implemented a platform which contains information and data for several parcel operators in many European countries.

d. They also mentioned that the proposed platform could only provide tracking information.

e. They believed that the proposed pan-European platform could be based on national platforms implemented by each National Regulatory Authority (NRA), like EETT in Greece.

G. Agoranos / J. Ntanakos, Speedex – courier operator

a. They mentioned that the majority of parcel operators have already implemented such platforms. They believed that the proposed platform could only be useful to small e-retailers. In addition, they argued that the proposed platform will be very soon useless due to practical difficulties for its update.

b. They also believed that the e-retailers are not going to use the proposed platform but they will directly contact the delivery operators.

J. Kourniotis, EPAM / e-retailer association & e-retailer representative

a. He believed that the proposed platform has to be operated by the private sector and should contain information for several countries.

b. He also mentioned that the proposed platform could provide the following information for the delivery services on a European level: price, network coverage, and tracking information. By this, an e-retailer will be able to choose the most appropriate delivery services for its customers.

c. He also believed that this platform had to focus only on B2B (business to business) and not on B2C (business to customers) delivery.

F. Antonopoulos, GRECA / e-retailers association & e-retailer representative

a. Although he agreed that the proposed platform will increase the transparency he expressed doubts about the practical use of such a platform mainly due to the existing volume discounts.

b. He also mentioned that he prefers to have one courier to cooperate for all delivery services, rather than searching each time for a courier operator.

C. Apostolou / D. Tsaganou, EETT – Regulatory Authority

a. They mentioned that the EETT is implementing a similar web platform for customers. In particular they noted that EETT's web platform will provide information to customers for several features of delivery services (national and cross-border delivery) such as price, tracking or not tacking, insurance or not, delivery period etc. The platform will be based on open standards with an open API and customers will be able to choose courier operators through the platform. They believed that with the appropriate modification of platform's specifications, EETT's platform could be used as the basis for the proposed platform.

A. Papaioannou, e-retailer

a. She fully agreed with the implementation of the proposed platform. She argued that the operation of such a platform will solve many problems of small e-retailers in particular in cross-border e-commerce.

B.2.4 Initiative 2: E-commerce scoreboard on delivery and price performance

The majority of participants agreed with the publication of a e-commerce scoreboard on delivery and price performance.

The main opinions expressed by the participants in relation to the publication of e-commerce scoreboard on delivery and price performance were the following:

J. Kourniotis, EPAM / e-retailer association & e-retailer representative

a. He agreed with the annual publication of a scoreboard based on qualitative data.

G. Agoranos / J. Ntanakos, Speedex – courier operator

a. They argued that they already provide similar data to the National Regulatory Authority (EETT).

b. They mentioned that it will be useful if the scoreboard contains data for each delivery operator on a national level.

C. Apostolou / D. Tsaganou, EETT – Regulatory Authority

a. They mentioned that they are planning to measure the quality of delivery services provided by national delivery operators based on international quality standards.

b. They also mentioned that they are planning to conduct consumer surveys in relation to the quality of delivery services in Greece.

c. They expressed concerns whether the delivery operators are in a position to distinguish the deliveries related only to e-commerce.

Z. Lalas, e-retailer

a. He mentioned that the proposed scoreboard will be practically useful only if it contains and publishes indicative indicators for each operator on a national level. Indicatively he suggested that the opinions expressed by customers in relation to quality of the offered delivery services should be also included in the proposed scoreboard.

b. He also suggested that the scoreboard could contain a combination of qualitative and quantitative data indicators such as tracking service, price, delivery time, coverage, customers' ratings, etc.

F. Antonopoulos, GRECA / e-retailers association & e-retailer representative

a. He expressed doubts in relation to the practical use of the scoreboard. He believed that e-commerce market is very dynamic and is changing too fast, therefore the proposed scoreboard may look very static.

J. Malamas / G. Boukidis, ACS – courier operator

a. They believed that it is very crucial that each indicator contained in the scoreboard is determined by a specific definition, taking into account the actual circumstances of the market. As an example they mentioned that for the delivery time indicator it had to be clarified whether the second or/and the third attempt for delivery is measured.

B.2.5 Initiative 3: Delivery aspects in e-commerce trust marks

All the participants agreed that there is not any trust mark in Greece in relation to e-commerce. The majority of e-retailers agreed with the inclusion of delivery aspects in e-commerce trust marks. However, parcel operators expressed doubts whether it would be feasible if e-commerce trust marks would contain indicators relevant to delivery services.

The main opinions expressed by the participants in relation to inclusion of delivery aspects in e-commerce trust marks were the following:

K. Fraidaki, ELTRUN research centre

a. She mentioned that they have tried to implement a trust mark for the Greek market.[249]

J. Kourniotis, EPAM / e-retailers association & e-retailer representative

a. He believed that e-commerce trust marks could contain parameters for the delivery services (such as delivery time or the relation between the price and delivery time), since the delivery services is a part of the whole service provided by e-retailers. He also noted that trust marks have to cover after sale indicators such as those related with delivery services.

J. Malamas / G. Boukidis, ACS – courier operator

a. They argued that further discussion is required in order to examine the relations between the proposed trust marks and the existing ISO certifications.

b. They believed that trust marks for e-retailers have to contain indicators for delivery services such as the percentage of returns.

F. Antonopoulos, GRECA / e-retailers association & e-retailer representative

a. He mentioned that the basic principle of trust marks is the recognition by customers. He believed that a pan-European trust mark provided by a public

249 This is an internal project at the Athens University which is still under way. Details cannot be published at this stage.

sector like European Commission, will help the further growth of e-commerce. He also mentioned that trust marks increase the confidence of customers.

b. He believed that a trust mark for e-retailers cannot contain indicators for delivery service since the e-retailer is not responsible for the offered delivery services. However, delivery operators could have trust marks in relation to delivery services.

c. He mentioned that there is not any e-commerce trust mark on a European level which covers issues related to delivery services.

Z. Lalas, e-retailer

a. He believed that e-commerce trust marks have to contain indicators for delivery services (such as deviation of the agreed delivery time).

A. Papaioannou, e-retailer

a. She believed that e-commerce trust marks have to contain indicators for delivery services.

G. Agoranos / J. Ntanakos, Speedex – courier operator

a. They mentioned that further research is required, taking into account the opinions expressed by consumers. For instance, it could be discussed whether it is necessary or not to include delivery times into e-commerce trust marks.

B.2.6 Initiative 4: Improve parcel services in rural areas

All the participants agreed that the cost of delivery services in rural areas are higher than the relevant cost in urban areas. Almost all participants agreed that further collaboration, between market players and the State, is required in order to improve the delivery services provided in rural areas.

The main opinions expressed by the participants in relation to proposed measures for improving parcel services in rural areas were the following:

J. Kourniotis, EPAM / e-retailers association & e-retailer representative

a. He mentioned that although different cost occurred for delivery services across Greece, his company provides uniform prices for delivery services in Greece.

b. He agreed that the cost for delivery services in rural areas is higher than the relevant cost in urban areas.

c. He proposed in rural areas the delivery operators could collaborate in order to reduce the delivery cost. As indicative collaboration he mentioned the common sharing of a local representative in rural areas, e.g. a staffed white label postal office, but with no more than 2-3 personnel.

G. Agoranos / J. Ntanakos, Speedex – courier operator

a. They mentioned that they have different cost for delivery services across Greece and thus they are providing different prices between rural and urban areas.

b. They proposed that in rural areas could exist places (for example small shops like kiosks) where all delivery operators will be able to leave there the parcels, so customers could pick-up their delivered parcels from the kiosks.

c. They also mentioned that in rural areas it is impossible to deliver parcels without a prior telephone call to the customer.

d. They also noted that an area is characterized as rural-urban or suburban based on the network coverage of the delivery operators. If the distribution point is far away from a small city then this city is characterized as rural and the cost for delivery services in that city is higher than in urban areas.

e. He mentioned that the delivery operators in some cases offer delivery services in rural areas for prices which are below cost.

f. They suggested that in order to reduce the delivery cost to islands, the State could fund the ship-tickets for delivery operators.

Z. Lalas, e-retailer

a. He verified that the prices offered by delivery operators for delivery in rural areas are higher than the relevant prices in urban areas. He also mentioned that problems and delays in delivery services are also reported in sub-urban areas.

J. Malamas / G. Boukidis, ACS – courier operator

a. They verified that the cost for delivery services in rural areas is higher than the relevant cost in urban areas. He also mentioned that the delivery to islands has also higher cost than the delivery in mainland and in some cases the relevant cost varies between islands.

b. An indicative solution could be the use of the same representative in rural areas. Since the delivery operators cannot afford the additional cost for the local representative, at least at the initial stage, each local representative could be funded by the State. In such a way the business model for the local representative will be viable from an economic point of view.

C. Apostolou / D. Tsaganou: EETT – Regulatory Authority

a. They mentioned that the delivery operators face a serious problem in rural areas because of the lack of an appropriate addressing code. They also mentioned that they have already imposed an obligation to the USO operator to

deliver parcels in customer premises in the case that the distance between the relevant USO distribution point and customer premises is more than 5 kilometres.

b. They also mentioned that they have asked the State (Ministry of Networks and Transportation which is responsible for postal and telecom services) to take political action to change the post code scheme. Their aim is the introduction of a new post code scheme based on new standards (indication of urban/ suburban/ rural areas). One of the main features of the new scheme will be the determination of the building by the use of 5 additional digits.

B.2.7 Summary and conclusions

The main conclusions and findings of the Workshop for each of the main issues under discussion could be summarized as follows:

Challenges in the e-commerce market in Greece

All the participants agreed that the penetration of e-commerce in Greece is still in a very low levels, although during the last years a high yearly growth has been reported. They proposed several measures in order to speed up the growth of e-commerce such as:

- Introduction of a Code of Conduct for e-commerce,
- Shorter dispute resolution procedures,
- Collection of quantitative data for e-commerce,
- One stop shopping for State procedures for new e-commerce entrepreneurs,
- Strict monitoring of operators who offer cash on delivery services,
- Take political action regarding the interoperability between national addressing schemes (on EU level),
- Improvements in delivery services (uniform dress code, more options and lower prices for delivery),
- Improvements in taxation framework in relation to e-commerce licensing,
- Combined introduction of e-invoice and e-note for delivery.

Experience with cross-border e-commerce and delivery

Almost all the participants argued that one of the main constraints for the further growth of cross-border e-commerce is the high delivery costs. The problem is more crucial in peripheral countries like Greece. Some of the proposed measures for the further growth of cross-border e-commerce were the following:

- Further collaboration between parcel operators,

- Common policy in EU level in relation to obligation of having local VAT in countries where e-retailers export their products,
- Interoperability of addressing schemes (post codes) between EU countries.

Initiative 1: Information platform on delivery services

Some of the participants expressed doubts regarding the usage of the proposed platform. However, the majority of the participants and especially e-retailers agreed with the implementation of the platform and they proposed indicative platform features such as:

- Inclusion of financial / economic data,
- Inclusion of data from several countries,
- Auction features (e-retailers could request for an offer from parcel operators),
- Interoperability between specification of the proposed platform and existing parcel operators' platforms,
- The proposed platform could be based on (or could interconnect with) relevant national platforms provided by local NRAs.

It should be noted here that the representatives of national NRAs (EETT) mentioned that the EETT will implement a web-based platform for consumers in order to provide information to customer in relation to parcel services.

Initiative 2: E-commerce scoreboard on delivery and price performance

The majority of participants agreed with the publication of a scoreboard on delivery and price performance. They also proposed the following characteristics for the scoreboard:

- Accurate definition for each indicator based on actual circumstances,
- Indicators based mainly on quantitative data for e-commerce,
- Data presented on a national basis and per operator,
- Customers' opinions expressed in relation to quality of the offered services had to be also included in the scoreboard.

It should be noted here that the representatives of national NRA (EETT) mentioned that the EETT is planning to measure the quality of the parcel services and publish the relevant data on a yearly basis.

Initiative 3: Delivery aspects in e-commerce trust marks

In Greece no trust mark for e-commerce exists, but all the participants believed that the existence of trust marks will increase the reliability of e-retailers. The participants who agreed with the inclusion of delivery aspects in e-commerce trust mark proposed indicative indicators in relation to the quality of the offered delivery services such as:

- The inclusion of an indicator related to the percentage of revenues,
- The inclusion of an indicator related to the deviation of the agreed delivery time.

Initiative 4: Improve parcel services in rural areas

All the participants agreed that the cost of delivery services in rural areas, as well as to islands, are higher than the relevant cost in urban areas. As an indicative solution for reducing the relevant delivery costs, some of them proposed the promotion or funding of delivery to remote areas, i.e. islands, by the State as well as personnel and infrastructure sharing between parcel operators. It has to highlighted that the representatives of the national NRA (EETT) pointed out that the USO operator in Greece is obliged to deliver simple parcels in customers' premises in the cases that the distance between the relevant USO distribution point and the customer premises is more than 5 kilometres.

List of participants

Country Workshop Greece “Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe”

Thursday, 27 March 2014, Corallia Conference Centre located in Marousi, Athens, Greece

Agoranos, Gerasimos, Speedex (one of the main national courier operators), General Director of Speedex Courier

Antonopoulos, Fotis, GRECA (Greek e-commerce association), Member of GRECA Board & e-retailer

Apostolou, Christos, EETT (National Regulatory Authority for Telecommunications and Post Services), Director of Post Division of National Regulatory Authority for Telecommunications and Post Services

Boukidis, George, ACS (one of the main national courier operators), CRM & Systems Solutions Manager at ACS Courier

Fraidaki, Katerina, ELTRUN (E-business research centre of Athens university), Senior Researcher e-business

Karakioulafis, Charalampos, Consumer

Kourniotis, John, EPAM (Greek Association for distant commerce and e-commerce), President of EPAM & e-retailer

Lalas, Zanis, Z-Mall (SME e-retailer), General Director of Z-Mall

Malamas, John, ACS (one of the main national courier operators), Management Consultant

Margariti, Sofia, European Commission, GD MARKT, Officer

Ntanakos, John, Speedex (one of the main national courier operators), Sales Director

Papaioannou, Ariadni, Welovebooks (SME e-retailer), Owner of welovebooks (e-retailer)

Polykalas, Spyros, Moderator, Project Partner of WIK-Consult

Skapinaki, Fotini, Logica (service provider), Head of Sales Department

Traganou, Daisy, EETT (National Regulatory Authority for Telecommunications and Post Services), Special Advisor in EETT

C Country workshop report IRELAND

C.1 Introduction

In December 2013, the European Commission has published a "Roadmap for completing the single market for parcel delivery". The Commission aims at supporting the development of e-commerce through a set of actions for improving parcel delivery. The European Commission's specific objectives in this policy area include more transparency for consumers and e-retailers as well as to promote cost effective and competitive delivery solutions across the EU.

In this context the Commission has assigned WIK-Consult to conduct a study on the "Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe". The overall objective of this project is to discuss the challenges to e-commerce in general and to cross-border e-commerce in particular.

Four workshops, organised in Germany, Greece, Ireland, and Poland, form a critical element of the study. The aim of these workshops were to evaluate potential initiatives for the improvement of e-commerce and delivery markets and to obtain views, comments and positions from the industry in the four Member States. Four potential policy initiatives (that had been pre-selected by the European Commission for study) were discussed at the workshops:

Initiative 1: Information platform on delivery services

Initiative 2: E-commerce scoreboard on delivery and price performance

Initiative 3: Delivery aspects in e-commerce trust marks

Initiative 4: Improve parcel services in rural areas

This report summarises the results of the workshop held on 9th of April 2014 in Dublin, Ireland (Dublin Chamber of Commerce, 7 Clare St, Dublin 1, 10.00 – 16.00 h). This workshop was organized by c360.

C.2 Results of the workshop discussion

The workshop in Dublin delivered a wide range of input, opinions and ideas on the state and potential for improving e-commerce in Ireland. Free form and lively discussions took place throughout the day between the 13 participants. These included government departments, Internet associations, entrepreneur, postal group, international carrier, export support organisations, sector representatives (arts and crafts) retailer organisations and sector experts. The expertise present included: Regulation management, e-commerce technology, international logistics, network management,

technical development, start-up methods, export facilitation, research, accountancy, rural economies, arts and crafts management, delivery and pick-up innovation and network economics.

Table A-3: Workshop Agenda Ireland

Workshop Agenda		
10:00h	Introduction and overall objectives	EU-Commission/project team
10:45h	Challenges in the Irish e-commerce market	*Round Table*
11:15h	Experience with cross-border e-commerce and delivery	*Round table*
11:45h	Presentation of the four potential initiatives	project team
12:15h	*Lunch*	
13:00h	Initiative discussions	
15:30h	Discussion and agreement of findings	Project team / participants
15:45h	Summary and conclusions	project team
16.00	*End*	

In the morning we held a round table set of introductions and a wide ranging set of issues were covered concerning the issues of Irish e-commerce, trends, sector and supplier issues, regulatory approaches, initiatives being pursued from the National Digital strategy, vouchers for e-commerce set up, transport issues, delivery challenges, USO (universal service obligations), network compatibility and integration, expansion opportunities, Irish e-commerce strategies, competitive strengths and weaknesses plus approaches on the initiatives on the agenda.

After the lunch break, participants remained as one group to discuss the 4 initiatives in more depth. The discussions were again open, wide ranging, constructive and innovative.

At the end a summary of the major conclusions and trends in the discussions was provided back to the participants for clarification and agreement.

C.2.1 Challenges in the e-commerce market in Ireland

E-commerce in Ireland can be characterised as being dominated by big non-Irish brands (Amazon, Argos, Dabs, M+S, Littlewoods, …) who, by using Irish tailored sites, generate high levels of cross-border online shopping. The presence of such brands prior to the emergence of e-commerce, their size and commercial strength (price, marketing, economies of scale, reputation) have all contributed to their strong market position in the Irish markets. The majority of Irish retailers tend to be far smaller, service quite localised markets, are poorly marketed, have higher logistics costs, more

specialized product ranges and have fewer resources to expand either within Ireland or cross-border.

The quality of Irish e-commerce sites and the services they offer are on a par with others across Europe. This is primarily due to the availability of relatively standard tools and capabilities that are used especially templated sites or third party e-commerce capability suppliers such as Amazon, eBay, Powa and Shopify who provide integrated e-commerce site creation, shipping, payments, reporting, management, systems integration, and standards of operation.

It was pointed out that a “one size fits all“ approach to e-commerce was not appropriate in Ireland. The use of e-commerce in a manner best suited to the business models, ambitions, sectors, markets and capabilities of individual businesses was emphasised.

Most Irish e-commerce retailers are small and as a consequence have difficulty generating volumes sufficient to negotiate very low or “free” delivery offers that are available to the larger brands. The use of postal services for fulfilment is very common as this provides a full country coverage at prices that are reasonable and with delivery times that are adequate to consumers. For international shipping the post again provides services that are often the only viable option available to non-urban e-commerce retailers. All major international logistics suppliers (DHL, Fedex, TNT, DPD, ...) offer services in Ireland. These primarily services the export markets for B2B and leverage their networks for B2C as well. Domestic delivery is possible with such carriers with many subcontracting the last mile to one of over 200 local “courier” suppliers.

The use of “click and collect” is increasingly common as a way for e-commerce retailers to reduce the “visible” cost of delivery. The cost is still borne by the consumer but is often diluted as they tend to collect items as part of a shopping trip that involves more than one purchase. The use of unattended deliveries to sophisticated box units (“lockers”) is also growing in Ireland. These are also used for returns and are generally well priced, convenient and accessible. In addition the use of “third party delivery” is common with parcels being delivered to a shop that acts as a holding agent for the delivery company and where a consumer can collect their purchases.

Free delivery is relatively uncommon for smaller e-commerce suppliers. Those who do offer such a delivery offer tend to have higher thresholds for free delivery. This is because they have a lower overall basket size and free shipping is designed as a means of up selling in order to achieve more sales. Management of the basket value threshold was not found to be very good and this has the impact of reducing the overall profitability of the e-commerce retailer as they bear an increased transport overhead unnecessarily.

Price pressure on transport suppliers in the Irish market comes from intense competition and the increasing number of options that e-commerce retailers have in

relation to fulfilment. The availability of Parcel motel (http://www.parcelmotel.com/) can reduce the overall delivery price as they eliminate the expensive last mile. In addition "click and collect" reduces short delivery demand from smaller delivery companies in urban areas thus placing them under price pressure. Ireland is unlikely to see any break out pricing models emerge in the near future due to its market size.

Delivery direct to the home face the same challenges in Ireland as elsewhere. Consumers must remain at home as time definite delivery is not offered in the market. One initiative that will reduce the issue of missed or inconvenient deliveries to domestic home are tests of a secure domestic box by An Post. This can be used for parcel deliveries (eliminating the letterbox restriction) and can also be used for pick-ups. This is likely to be a major efficiency gain for SMEs and consumers as unattended pick-ups are more convenient for businesses and make returns easier for consumers.

All delivery networks in Ireland operate proprietary standard technologies. This is a result of legacy applications, lack of industry data format standards and exclusive process data generation that are expensive to change but also serve a brand value function. A key potential industry wide enabler of visibility across suppliers are mobile technologies, apps and mapper technologies that can easily be used to collect, map and "integrate" diverse data networks. This would be a key enabler for small transport companies that provide last mile services to low density area such as rural ones.

Consumer complaints in Ireland in 2012 (last year figures are available) showed that all complaints (not just e-commerce) amounted to 3882 in that year. 1853 were complaints from Irish residents against other EU traders and 2029 from other EU residents against Irish traders. Airline complaints accounted for 40% of all complaints.

Satisfaction with the performance of the e-commerce markets is high in Ireland and the complaints and redress functions are well established and efficient. That being said, the European Online Marketplace Consumer complaints 2010-2011 report (Ref http://ec.europa.eu/consumers/ecc/docs/e-commerce-report-2012_en.pdf) showed Ireland to be 6th in the Top 10 countries for consumer complaints related to e-commerce. It also showed Ireland as the 6th ranked in countries of consumers who used the ECC processes for redress. Delivery related issues rank second (after defective goods) and represent 25% of all complaints handled by the various consumer complaints organisations in 2012.
(ref http://www.eccireland.ie/wp-content/uploads/2013/12/Annual-Report-2012-PDF-Web.pdf)

Investment in e-commerce by SMEs in Ireland have been severely impacted by recession and austerity measures that have imposed additional burdens of procedure and taxation on businesses. To address this the government has introduced a voucher scheme that is designed to provide up to € 2000 for businesses to implement or

improve the functioning of their online capabilities. This has trialled in Dublin and is extending to the rest of the country during 2014 and 2015.

Trust marks are as important in Ireland as elsewhere. However local e-commerce suppliers (supplying local markets) are more dependent on local reputation than external badges of "trust". Secure payments badges (PCI, Verisign etc.) and other indicators of secure payments are important and are generally included and displayed at the payment cycle of the purchasing process rather than on the shop front end.

Ireland is a low density population country (66.44 persons per km^2) (ref Irish Census 2011, Central Statistics Office). This figure disguises the density impact of a few large cities (Dublin, Cork, Galway, and Limerick) where densities up to 1398 people per square kilometre are found. In the rest of the country population density averages around 17 per km^2 (ref Irish Census 2011, Central Statistics Office). As logistic economics operate best in high demand / high density areas the majority of the Irish territory has low demand and low density of population that increases the costs of any private or state service. In addition, inbound deliveries without adequate numbers of outbound pick-ups by businesses further undermines the economics of transport networks in many areas of Ireland. This is a key dilemma for An Post, the USO service supplier in Ireland, where outbound letters are falling rapidly whilst new traffic (parcels) are not replacing them in volume or revenue terms. This makes the operation of key rural resources such as post offices increasingly uneconomic and thus undermines the viability of a core delivery network to such areas.

In addition many rural and urban retail SMEs are unaware of the levels of e-commerce being carried out by their consumers. For this reason e-commerce is designated the "invisible competitor". Levels of this competition are not fully documented but evidence from one delivery subcontractor in Connemara (representing the smallest domestic market share integrators in Ireland) stated that he delivers on average 7 – 9 parcels daily to just one of the 20 "towns" in the area. His average pick-ups per day on all his routes was 3. Why this is so is indicated by the fact that of the 1289 businesses in Connemara only 62 have an e-commerce capability.

C.2.2 Experience with cross-border e-commerce and delivery

Cross-border e-commerce can be characterised as two domestic service environments exchanging physical goods and digital information using the Internet and delivery networks.

The participants were well versed in the mechanics and issues related to cross-border e-commerce.

Two core issues identified with setting up cross-border e-commerce services by Irish businesses were:

- Lack of comprehensive information available on the legal, financial and procedural requirements for servicing destination countries.
- Availability of comparable delivery network information to arrive at the optimal price / service point suitable to the individual businesses needs.

Lack of these resources places a considerable cost and time burden and requires additional skills in businesses seeking to expand into other EU markets.

This was borne out in follow on discussions with one of the participant organisations who strongly emphasised the difficulties they face in assisting businesses to establish an export oriented e-commerce capability. It was emphasised that issues tended to dealt with as they arose rather than being avoided through the availability of a comprehensive set of up to date information on all aspects of e-commerce requirements and regulation across the entire EU.

Language did not emerge as an issue in relation to cross-border Irish e-commerce. This is probably because Irish businesses focus primarily on Anglophone markets such as the UK, USA, Canada, Australia, and New Zealand. English only sites are also accessible to the millions of Europeans with English as their second language.

The cost of establishing a legal entity (sometimes required to support some types of e-commerce) in all the EU countries was mentioned.

The group also discussed the issue of data and information harmonisation between transport suppliers. Standard definitions, transit times, barcodes and label formats were mentioned as areas where SMEs processes could be eased and costs reduced through harmonisation.

The issue of performance reporting was mentioned in relation to having a more detailed, standardised set of official statistics on bi-directional B2C flows (inbound and outbound) in relation to e-commerce. This discussion identified the lack of a common definition of e-commerce and agreement what sectors, products and services are included in e-commerce. (This issue was also highlighted in August 2013 when Minitel and Visa issued reports on Irish e-commerce. The Minitel report calculated Irish e-commerce at only 35% the size of the Visa figure because they do not count travel and tickets in their calculation) (ref http://www.wolfgangdigital.com/blog/digital-marketing/differences-visa-mintel-studies-online-shopping-revealing/).

C.2.3 Initiative 1: Information platform on delivery services

Need: There was a common understanding among e-retailers that although a lot of information is already available on shipment and delivery aspects, the information is dislocated and not standardised. A single source to start research in this field would be appreciated.

There was broad agreement that this sort of platform would be highly useful to Irish businesses seeking to set up a cross-border capability. It would equally assist in the establishment of domestic e-commerce service by new e-commerce entrants.

It was discussed that the provision of just delivery information would be inadequate to ensure that a business could make a suitable choice of supplier(s) to fulfil their domestic and cross-border delivery and return needs.

During the discussion the following elements were mentioned at one time or another:

Service Suppliers, Types of service, Service Terms and Conditions, All origins *(Country, Detailed area, Postcodes)*, All *destinations (Country, Detailed area, Postcodes*), Origin – Destination Pairings (*Delivery*), Destination – Origin (*returns*). Pick Up *(Types, Days of week, Earliest, Latest, Exceptions, Holiday services*), Delivery (*Types, Days of week, Earliest, Latest, Exceptions, Holiday services*), Transport Transit Times (*Origin – Destination Pairs: Country, Detailed area, Postcodes*) Maximum size, Maximum Weight / Volume, Volumetric calculations, Insurance, List Prices, Currencies accepted, restricted goods, forbidden goods, Export and Import paperwork requirements, tracking capabilities, Tracking checkpoint description (Standardised definitions and descriptions for key process checkpoints).

Concept: The form of the platform was not discussed from a technical point of view. However the discussion included references to open data, cloud basing, standardised definitions, standard comprehensive data, cross comparability, user based queries, data reliability, data provenance, data quality, set up and maintenance costs.

Objective: It was identified that any such platform had to be open, neutral, cooperative, comprehensive, accessible to end users (SMEs) and up-to-date. It was also mentioned that such a platform should be available for use in representing domestic e-commerce delivery and returns services as this is where most businesses start their use of e-commerce for business servicing.

Initiators: A platform would best be a private sector capability with the EU as a facilitator for the creation of the necessary environment in which such a platform could be created.

Partners: The participation of all players in the e-commerce ecosystem was felt to be necessary as the platform would have to deal with a broad spectrum of needs from

selection of transporters to the legal requirements related to returns, cooling off periods, consumer rights, data protection and other forms of compliance.

Target groups: SMEs with an existing or emerging requirement for e-commerce capabilities were seen as the core users of the platform. Their needs would be strategic planning for delivery aspects and the alignment of their processes to cater for the legal, financial and other elements of domestic and cross-border e-commerce. The opportunities for an open data platform was also mentioned as being an opportunity for third party applications to be developed for consumer or SME use.

Contents: To be useful the platform has to address the major issues / questions that a business has to address when setting up an e-commerce capability. These as mentioned above included:

Service Suppliers, Types of service, Service Terms and Conditions, All origins *(Country, Detailed area, Postcodes)*, All *destinations (Country, Detailed area, Postcodes*), Origin – Destination Pairings (*Delivery*), Destination – Origin (*returns*). Pick Up *(Types, Days of week, Earliest, Latest, Exceptions, Holiday services*), Delivery (*Types, Days of week, Earliest, Latest, Exceptions, Holiday services*), Transport Transit Times (*Origin – Destination Pairs: Country, Detailed area, Postcodes*) Maximum size, Maximum Weight / Volume, Volumetric calculations, Insurance, List Prices, Currencies accepted, restricted goods, forbidden goods, Export and Import paperwork requirements, tracking capabilities, Tracking checkpoint description (Standardised definitions and descriptions for key process checkpoints).

Challenges: The point was made that all the data and information mentioned is already available and managed digitally by transporters and other stakeholders. This is because they need it to be current and available for the daily operations that they carry out.

The key challenge was seen as establishing an environment that is seen and operated in a way that fairly represents the offer and capabilities of the partners involved. The point was made that where the platform or its management was seen to offer a competitive advantage to any participant that its credibility would immediately disappear.

Funding such a platform and the jurisdiction relating to data privacy and protection were also raised as challenges.

Existing elements / examples / blueprints:

Ireland is a small market from which it is unlikely that such a platform would emerge. However Metapack was identified as a model that could be usefully examined in relation to how such a platform could be conceived and operated.

The IPC initiative (IPC e-Commerce Interconnect Programme) was also discussed as this looks to provide the kind of information and consistency that the platform seeks to provide to the e-commerce community. How the IPC initiative could be leveraged was not addressed in any depth as few published details exist on it at this time.

C.2.4 Initiative 2: E-commerce scoreboard on delivery and price performance

Need: The scoreboard proposal was seen as useful if it were to be comprehensive, comparable and represented information that was actually useful in understanding the levels and quality. The issue of price raised the most discussion. This is because published list prices are purely indicative. Suppliers negotiate all sorts of discounts and have additional charges that impact the actual cost to the e-commerce merchant. In addition e-commerce retailers often add to that price in order to claw back the costs of free shipping or to maintain margin levels on sales. This means that there is a poor relationship between list prices and those that are actually exercised in the market (charged to consumers).

Concept: No alternatives were put forward to existing mechanisms of collecting the information. Suggestions on the creation of reports, brochures and online access were made.

Objective: Main objective would be to improve transparency on delivery performances and prices by benchmarking domestic and cross-border parcel and express delivery services in terms of quality and prices.

Initiators: The EU was perceived as a potential initiator and financier, maybe together with other public authorities (national regulatory agencies). It was mentioned that companies like Metapack and Ecommerce Europe may have a useful role.

Partners: Potential partners might include national policy authorities, e-commerce associations, consumer associations, trust mark providers, research institutes, third party application suppliers, business organisations, sector organisations, transporters.

Target groups: Useful for businesses to understand the operation of the market. Useful for transporters to understand the standards / norms of operation and transit times etc. in the market. Useful for Administrations in identifying and understanding market issues and potential distortions.

Contents: Data and information areas mentioned in the discussion included:

All origins *(Country, Detailed area, Postcodes)*, All *destinations (Country, Detailed area, Postcodes*), Origin – Destination Pairings (*Delivery*), Destination – Origin (*returns*). Transport Transit Times (*Origin – Destination Pairs: Country, Detailed area, Postcodes (best, worst, period and rolling average by product category)*), Trade block pairings,

Product categories (Physical, Virtual and Hybrid product types, *Trend report period / Historical)*, Shipment numbers, Size, Weight, Volume, Average list Prices, *(Trends: report period / Historical*), Reported issues (Origin – Destination, Product category, Type of issue, Corrective Advise ...) Issue trends (*Trend report period / Historical)*.

In addition there are various other information sets available such as the Ease of doing Business (http://www.doingbusiness.org/rankings), World Competitiveness rankings (http://www.weforum.org/issues/global-competitiveness) that could contribute basic information for businesses looking to provide services to another country.

Challenges: Establishing a commonality of data definitions and ensuring the comprehensive nature of such data was seen as the key challenge. In addition the analysis and presentation of the data was also seen as being an issue in any scoreboard or reporting mechanism.

In general, it was mentioned that a scoreboard faces difficulties to combine the quality of products and the varieties of delivery options in aggregated data and benchmark information. Levels of delivery performance are not easy to measure either.

A scoreboard in the existing EU format would rather include data that is not up-to-date and is probably not based on latest market developments in the field of delivery and e-commerce. Participants rated the “WIKI” information platform mentioned above as more significant to e-retailers.

A fundamental challenge lies in the provision of country information for all EU member states (and maybe also important e-commerce markets like the United States or China).

Existing elements / examples / blueprints:

- EU scoreboards and reports
- E-commerce Europe reports and Country association analysis
- Third party date intermediary reporting (Metapack etc.)
- Cross-border e-commerce suppliers of size (Amazon, eBay, Pixmania etc.)
- Sector and consumer protection representative organisations

C.2.5 Initiative 3: Delivery aspects in e-commerce trust marks

Need: An extensive and in-depth discussion on the role and operation of trust marks took place.

Whilst seen as useful, the practicality of managing the data and information needed to establish a quantifiable and real criteria for delivery was seen as the major issue in this. It was also pointed out as trust marks have no legal standing they are “subjective” and

geared to the country (s) in which the trust mark is operated. This is because a trust mark is designed to instil trust in the e-retailer and their operation and this is generally at a country level and not cross-border.

As anyone can establish a “trust mark” few actually bring any great benefit in terms of confidence or any real assurance / recourse in cases of issues. Equally it was seen that there were too many of them and that it was too easy to simply copy a logo and paste it onto a site that was not actually covered by the trust mark. It was asked if this is commercial fraud as commercial commitments implied by the trust mark were not likely to be enforceable.

Concept: The overall concept agreed upon was the extension of existing trust marks to include delivery related aspects. It was however a broad consensus that without some enforceable set of standards that the present trust mark environment was unlikely to positively contribute to confidence in delivery.

Objective: The main objective mentioned by the participants was to incorporate delivery aspects in existing e-commerce trust marks.

Initiators: It was pointed out that the EU has internally examined the issue of trust marks and concluded that it was impractical to establish an EU operated trust mark scheme.

The use of nationally based regimes to establish and enforce trust mark standards was discussed but little willingness to do so was identified. It was pointed out that the operation and enforcement of legal standards of operation in the e-commerce market is as far as administrations see their role.

The use of e-commerce sector players was discussed but the issue with these is that they only represent a tiny proportion of the actual e-commerce community and are not expanding their reach at anything like the levels of growth in the e-commerce supplier market.

One trust mark of note was mentioned, Trusted shops who are establishing a country by country, verified compliance for e-commerce retailers to qualify and pay to display their trust mark. These are (other than payment and security trust marks), the most widely available trust mark in the EU.

Partners: EU, national administrations, e-commerce associations, trust mark suppliers.

Target group: E-retailers and e-shoppers.

Contents: It was pointed out that to be of real use the trust mark has to cover all shipments that an e-retailer sends out not just those for EU customers. This implies that the present function of trust marks (establish and “regulate” a code of behaviour by an

e-commerce business) is extended to include processes involving other third parties such as transporters.

To do so the following data / information types were mentioned at one time or another in relation to trust marks and delivery information inclusion:

All origins *(Country, Detailed area, Postcodes)*, All *destinations (Country, Detailed area, Postcodes*), Origin – Destination Pairings (*Delivery*), Destination – Origin (*returns*). Transport Transit Times (*Origin – Destination Pairs: Country, Detailed area, Postcodes*), Product categories (Physical, Virtual and Hybrid product types, Issue resolution processes).

Challenges: The key challenges identified in relation to trust marks in general that were discussed were:

- Establishment of a mechanism designed to ensure a consistency and capability to create trust in trust marks.
- Standards of information and mechanisms for representation of delivery related information.
- Supply of information for use in trust marks. This could be sourced from transporters or customers themselves.
- Assuring the commitments made were monitored and enforced.
- Ensuring the availability of trust marks across the EU.
- Fraud in relation to the display of trust mark logos / identifiers by unapproved sites/ merchants / organisations.
- Recourse procedure related to poor or inadequate delivery of trust services by trust marks.

Existing elements / examples / blueprints:

- Ireland has no indigenous initiatives in relation to trust marks related to the operation of the sites. The use of payment related certification and trust marks is common but inherited as part of the use of payment methods.
- Transporters and other suppliers may be covered by various ISO standards.

C.2.6 Initiative 4: Improve parcel services in rural areas

Concept: Various definitions of rural areas exist. Which one is used has a critical impact on the levels of required investment and types of services and policy options that are required to service the “rural” area.

The **OECD** distinguishes between:

Territories that are essentially rural, where over 50% of the population lives in rural communities, i.e. municipalities with a density of less than 150 inhabitants/km^2.

Relatively rural territories where 15 to 50% of the population lives in rural communities.

Essentially urban territories where less than 15% of the population lives in rural communities.

The OECD also considers that rural areas can be distinguished according to their relations with urban centres:

- Economically integrated rural areas are those situated near to a town.
- Intermediate rural areas have easy access to urban centres.
- Remote rural areas are further away from urban centres.

The **European Council** defines rural areas not by their population, but by the use of land for agriculture, forestry, fish farming and fishing, the economic and cultural activities of its inhabitants (artisans, industries, services, etc.), the development of leisure and recreational areas (or nature reserves), residences, etc.

The **European Commission** takes into account the degree of urbanisation and population density. Regions are classified into three groups:

- *Densely populated areas* are groups of neighbouring municipalities, each of which has a population density of over 500 inhabitants per km^2 and a total population of at least 50,000 inhabitants;
- *Intermediate areas* are groups of municipalities, each having a population density higher than 100 inhabitants per km^2 and whose total population is at least 50,000 inhabitants, or who are adjacent to a densely populated area;
- *Sparsely populated areas* are other groups of municipalities.

(Ref http://www.foundationfuturegenerations.org/UserFiles/File/Infopack_en.pdf, P 32.)

Ireland by any of these definitions is a highly rural country with a dispersed low density of population. This raises the cost of any service, lowers the overall comparative (to urban areas) service and acts as a disincentive for service expansion. Helping to maintain cost effective service levels for pick-up and delivery is critical for the use of e-commerce as a tool of local retail and expansion to national and regional markets as a driver of economic activity, job creation and population level stabilisation.

Objective: Improve parcel services in rural areas by promoting the application of shared infrastructure for collection and delivery of parcels in rural areas.

Initiators: Initiators in Ireland probably would consist of the following institutions:

- Local business groups,
- Local community / local initiatives,
- County Council and semi-state organisations,
- Post and local transport suppliers (personal and freight),
- Organisations with a rurally dense network of facilities / points of customer contact.

Partners:

- Local businesses and organisations,
- Organisations with a rurally dense network of facilities / points of customer contact,
- Petrol stations, taxi companies, local couriers, super markets, libraries, community facilities, childcare facilities, schools, ….
- parcel carriers.

There are no known restrictions on the use of public facilities as a designated point of drop-off or pick-up. Indeed many are used informally for this purpose.

Target group: Consumers located in rural areas to improve convenience in parcel delivery and return.

Contents: The use of existing facilities as “parcel shops” (pick-up and return points) by all carriers servicing rural areas can reduce the cost of service provision and also increase the economic viability of such sites (new / more intense business). This can reduce the costs to e-commerce suppliers and consumers.

Irish rural residents are highly mobile with high personal car ownership, high daily mobility for work or commercial activities and high levels of trust in neighbours or suppliers. This has led to informal “last mile” ad hoc networks of delivery capabilities that operate effectively for physical delivery and also the supply of mainline carrier network information requirements by using mobile phones to get confirmation of delivery by text or voice calls (The data is then entered into the carrier device and transmitted).

The formalisation of such ad hoc responses to network scarcity would mainly revolve around information provision to personal mobile devices. Standard apps capable of collecting or supplying information such as that below would be useful:

Inbound and outbound pre alerts for volume planning, pick-up and delivery check points, other transfer or issue check points of note, schedule information for various area transport suppliers, detailed post code driven address information.

Parcel lockers and house “smart boxes” (An Post) would be a significant added capability in rural areas especially to businesses in extremely remote areas.

Challenges: Intense competition in low population density / low and sporadic demand rural areas tends to raise not lower prices as the service cost to any supplier is covered from a very fragmented, unpredictable market and few shipments.

The rigidity of carriers in relation to the use of third party / alternative delivery points is a further challenge.

Existing elements / examples / blueprints:

- Parcel Shop
- Informal delivery networks
- Leave with a friend (informal)

C.2.7 Other results of discussion

- The trial of the post large domestic delivery boxes was discussed. These can be used for pick-up and delivery and have the potential to significantly impact the levels of first time deliveries plus assist in unattended pick-ups.
- The introduction of “area contracts” was brought up. This would have a single account number for an area with each business having a linked sub account. This would generate the volume levels necessary for participating businesses to benefit from volume based discounts, avoid added charges and incentivise outbound shipments.

C.2.8 Summary and conclusions

The workshop was frank, open and highly educational. The discussions were positive, contributory, wide ranging and provided useful and highly illustrative examples of the weaknesses, opportunities and strengths that e-commerce offers to Irish businesses.

The workshop participants all recognised and emphasised the importance of e-commerce for the strategic and tactical survival and competitiveness of Irish businesses of any size.

Assistance to Irish businesses through vouchers schemes to assist in the creation or improvement of their online and e-commerce capabilities was discussed at length. The

interesting and illuminating experiences being experienced with the scheme was provided to the group.

Expansion of networks in Ireland was not a major source of discussion except in relation to the practicality and economics of unattended drop-off and pick-up capabilities such as http://www.parcelmotel.com/ and the new post “smart boxes”.

Falling letter volumes for the USP, An Post, were discussed and whether volumes of outbound e-commerce generated parcels would or could replace lost letter revenues and support the existing postal infrastructure and service levels.

Leveraging the existing networks through the establishment of cross-compatible information systems, data format and definitions was a consistent theme during the workshop as this has the potential to reduce the costs of operation for both domestic and cross-border services.

Identification of a “convoking” party with the legitimacy and EU wide neutrality to assist in the development of sector common initiatives was another theme discussed in relation to all initiatives.

The use of voluntary, standards-based actions by the stakeholders in the e-commerce domain was strongly preferred to legislative intervention at this time.

List of participants

Country Workshop Ireland “Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe”

Wednesday, 9 April 2014, Dublin Chamber of Commerce, 7 Clare St, Dublin 1, Ireland

Brennan, Stephan, Department of Communications, Energy and Natural Resources, 29 - 31 Adelaide Road, Dublin 2, Ireland

Devlin, Gerard, DHL, Cedar Drive, Dublin Airport Logistics Park, St Margaret’s, Co. Dublin, Ireland

Doyle, Gary, Entrepreneur, Lucan, Co Dublin, Ireland

Farrelly, Colm, An Post, General Post Office, O’Connell Street, Dublin 1, Ireland

Ferran, Emer, Crafts Council Of Ireland, Castle Yard, Kilkenny, Ireland

Hentschel, Kristin, EU Commission, DG Internal Market and Services, Brussels, Belgium

Hillebrand, Annette, WIK Consult, Bad Honnef, Germany

Holahan, Cathy, Enterprise Ireland, East Point Business Park, Dublin 3, Ireland

Horkan, John, Retail Excellence Ireland, 38 to 39 Fitzwilliam Square, Dublin 2, Ireland

Jewell, Dermott, CAI, 43-44 Chelmsford Road Ranelagh, Dublin 6, Ireland

Joyce, Colum, C360, 14 Canons lane, Clifden, Connemara, Co Galway, Ireland

Keogh, Darah, Geodirectory, General Post Office, O'Connell Street, Dublin 1, Ireland

Mulvihill, Joan, Irish Internet Association, The Digital Hub, 10-13 Thomas Street, Dublin 8, Ireland

O Sullivan, Liam, An Post, General Post Office, O’Connell Street, Dublin 1, Ireland

Quinn, Damien, An Post, General Post Office, O’Connell Street, Dublin 1, Ireland

Saunders, Paul, An Post, General Post Office, O’Connell Street, Dublin 1, Ireland

D Country workshop report POLAND

D.1 Introduction

In December 2013, the European Commission has published a “Roadmap for completing the single market for parcel delivery”. The Commission aims at supporting the development of e-commerce through a set of actions for improving parcel delivery. The European Commission’s specific objectives in this policy area include more transparency for consumers and e-retailers as well as to promote cost effective and competitive delivery solutions across the EU.

In this context the Commission has assigned WIK-Consult to conduct a study on the “Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe”. The overall objective of this project is to discuss the challenges to e-commerce in general and to cross-border e-commerce in particular.

Four workshops, organised in Germany, Greece, Ireland, and Poland, form a critical element of the study. The aim of these workshops were to evaluate potential initiatives for the improvement of e-commerce and delivery markets and to obtain views, comments and positions from the industry in the four Member States. Four potential policy initiatives (that had been pre-selected by the European Commission for study) were discussed at the workshops:

Initiative 1: Information platform on delivery services

Initiative 2: E-commerce scoreboard on delivery and price performance

Initiative 3: Delivery aspects in e-commerce trust marks

Initiative 4: Improve parcel services in rural areas

This report summarises the results of the workshop held on 2014.04.08 in Warsaw, Poland (National Institute of Telecommunications, Szachowa Str. 1, 04-894 Warsaw, 10.15-16.05 h). This workshop was organised by National Institute of Telecommunications in collaboration with WIK-Consult.

D.2 Results of the workshop discussion

The workshop took place in Warsaw and had been attended by 21 (out of 26 registered) participants from public administrations, NGOs, e-retailers, postal operators as well as companies supporting activities in the area of e-commerce and logistics (fulfilment companies).

Table A-4: Workshop Agenda Poland

Workshop Agenda		
10:15h	Introduction and overall objectives	Director of the NIT/project team
10:30h	Challenges in the Polish e-commerce market	*tour de table*
11:00h	Experience with cross-border e-commerce and delivery	*tour de table*
11:30h	*Coffee break*	
11:50h	Presentation of the four potential initiatives	project team
12:20h	Discussion in focus groups	
13:50h	*Lunch*	
14:35h	Presentation of findings	Rapporteurs of focus groups
15:05h	Plenum discussion of findings	
15:50h	Summary and conclusions	project team
16.05h	*End*	

The lively discussion at the meeting underlined that the workshops' subjects were of great interest to all groups related to the e-commerce and delivery sector.

In the view of the majority of the meeting attendees, there is no need to create an information platform concerning delivery services, or a scoreboard on delivery and price performance.

On the other hand, it has been emphasised that it is necessary to standardise the API of the different delivery companies to facilitate seamless and automatised communication between e-retailers and delivery companies. In addition, a European certificate (trust mark) awarded by a European institution on the basis of standardised criteria, including, among others, standards for delivery services was commented positively.

D.2.1 Challenges in the e-commerce market in Poland

In order to identify the challenges for the Polish e-commerce market, some participants pointed out that Poland is a country with rather demanding customers who need a lot of information. E-retailers don't always meet the expectations of the consumers (participants asked "whether Poland is a country of the consumer at all").

The online-shopper expects quick delivery, safety, and quality. The new Act on the Consumer Rights in Poland according to the European Consumer Rights Directive (CRD) will introduce: costs for complaints (paid for by the customer) and the right of withdrawal from the agreement. E-retailers have to fulfil information duties, e.g. inform the customers of costs for returning goods.

At present, not the price for delivery, but the delivery time and the quality of service have the biggest influence on customer choices.

E-retailers pointed out that it seems impossible to offer same day delivery options or even next day delivery. Nowadays it is easier for an e-retailer to send the ordered goods to other EU member states (delivery time approx. 72h) than to rural areas in Poland.

In general, they expressed satisfaction with the choice of delivery options because they rely on their own logistics and using third-parties in addition. However, having to maintain your own fleet is also a cost factor and barrier to e-commerce activities.

In the e-retailers' opinion the reason for lesser amounts of orders from rural areas are not to be found in the infrastructure access, but in a specific culture of shopping (lack of trust in e-commerce), which correlates with the age structure in peripheral regions.

In the discussion participants draw attention to the yearly 25% increase in the e-commerce market and to the fact that the courier companies do not grow at the same rate. This is because the courier companies do not benefit from the growth of the B2B e-commerce segment.

In general, not only the price for the goods stimulates the e-commerce development, but to a large degree the payment methods on offer, i.e. cash on delivery which is very popular.

During the discussion the following challenges for the e-commerce market in Poland have been identified:

1. overcoming stereotypes and the unwillingness of consumers to make purchases online, the need to convince customers that online shopping is as convenient as going to shopping malls, but cheaper and faster;
2. lack of customer-friendly returns and complaints services (the consumer is afraid that he will have a problem with these processes);
3. SME's competition with market giants entering the Polish market (Amazon, etc.); above all, SME e-retailers have to find a niche in the e-commerce market before competitors like Amazon find out;
4. fight against fraud in e-commerce (elimination of shops with deceptive business practices);

5. lack of authentication tools and processes (for online-shops as wells as online-shoppers);
6. high cost of logistics and warehousing;
7. problems in cross-border sales;
8. the lack of coherence and transparency in the logistic sector;
9. delivery services are offered mainly from 10:00–17:00 h, a time where most online shoppers are working; in principle, delivery services are also offered from 17:00-22:00 h, but quite often, this possibility is not put into practice by courier drivers;
10. on the Polish market no “same-day-delivery options” are on offer;
11. the improvement of interoperability across the EU, and especially between those countries, where the cross-border e-commerce market is grossly imbalanced (more import than export or vice versa).

The following regulatory, technical, economic, or legal obstacles that might inhibit the growth of e-commerce were mentioned:

1. differences in the interpretation of the EU Postal Directive by the national regulatory authorities of the Member States, esp. its implementation and management, which means that some of them have more restrictive rules than others, thus creating entry barriers for new postal operators or courier companies;
2. continuous need for adaptation of new procedures to implement new legal requirements (a main difficulty for e-retailers);
3. lack of a standard consignment note causes obstacles to integration and migration between logistics companies products;
4. lack of standardised formats for tenders in the field of delivery;
5. Poland has one of the highest tax rates and largest bureaucracies in Europe, which inhibits the expansion of companies into other markets;
6. Problems with cross-border returns for repairs (e.g. a TV set sold to a customer from the Netherlands to Poland cannot be repaired in the frames of a guarantee contract. (This significantly inhibits the growth of e commerce in Poland and the European Union);
7. Limited access to broadband Internet in rural areas largely related to the lack of broadband infrastructure in general. This implies a negative impact on e-shopping;
8. Failure of e-retailers to comply with consumer rights.

On the Polish market new delivery services are evolving, and these could be integrated into online retailer solutions:

- Delivery to Parcel Lockers: express couriers have been installing parcel lockers as a new delivery option or as an alternative delivery option when the consumer is not at home. Some offer other value-added features such as the ability to process pick-up parcels for delivery, 24/7 hours of operation, staffed locations for lockers, etc.
- Delivery to Parcel Shops (initiative “Pick up at a point”) - this can either be a dedicated parcel shop provided by the delivery operator or a shop-in-shop concept where the delivery operator contracts with branches of the retail sector such as convenient stores, grocery stores, etc.
- Delivery Alerts - pre-delivery notification of an impending delivery via text or email (IoD - Intimation of Delivery).
- Return Services - express operators provide the e-retailer with the option to include a return label in the original shipment to the consumer to make the returns process easier. The services also include tracking and tracing and delivery notification options.

E-retailers pointed out that customers are generally satisfied with the available options of delivery. Innovative improvements (new ideas for pick-up points like Poczta Polska, RUCH, and Orlen) move into the right direction.

It has to be noted that few participants emphasised that consumers are rather not satisfied with the delivery of goods ordered via internet. This is mainly related to the time of delivery. In addition, customers complain about the quality and the high cost of delivery services.

Participants also drew attention to qualitative aspects of delivery, namely damages in transit. In this case, clients have to turn to the online-shop owner who is reliable for the intact delivery. Not always, but in many cases customers are not aware of that and address their complaints to the delivery company. New regulations in the field of e-commerce like the CRD will help to improve consumer satisfaction and facilitate the complaints management process.

According to the participants, better delivery solutions can help to improve and promote e-commerce in Poland. The following aspects were mentioned:

- e-retailers could enhance customer-friendliness if they would offer only goods on their sites that are immediately available in their warehouses and thus accelerate the delivery process;
- delivery within 24 hours;

- Facilitating return processes for customers (e.g. send back options via couriers; possibility of deliver goods at pick-up points/lockers, etc.);
- information about delivery times on the shop-website; option to choose the appropriate delivery product/company by the customer;
- Creation of an overall internet platform that contains information about the options and conditions of delivery.

A severe problem in rural areas is shipment detention. The last mile courier/carrier often delays the delivery because he wants to collect a larger number of items for delivery to the same area. By this, the company reduces its transport costs but probably acts against its contracts with other delivery companies and/or the e-retailer.

D.2.2 Experience with cross-border e-commerce and delivery

Some participants pointed out that neither the language barrier nor delivery as such is an obstacle to the development of e-commerce in Poland.

For example, due to contract agreements among operators a variety of services is on offer. The national operator and InPost, a private postal operator, as well as courier companies offer delivery to Germany within 48 hours and to the Czech Republic within 24 hours. Nevertheless, nowadays Polish e-retailers cannot guarantee shipping times due to legal and logistic related problems.

Further difficulties occur because of e.g. multi-channel e-retailing, channel integration, mobile e-commerce, the implementation of cross-border IT-interfaces, restrictions due to the lack of competition among postal operators (also relevant for cross-border shipping)).

Participants also highlighted the introduction of multi-channel systems, channel integration, mobile solutions (which may increase the availability), as well as the use of new technologies/standards in the creating of cross-border interfaces. Some of them saw restrictions of competition for local postal operators, lack of delivery and payment options (esp. 24h service), lack of consumer rights, and the inability for e-retailers to negotiate a “multiparcel system”.

Participants proposed to create a “multiparcel system”, i.e. a uniform system for logistics in EU countries. The following delivery models were suggested: a) provision of a direct shipment from one country to another within the EU (i.e. directly from Poland to other EU destinations), b) separation of service delivery to domestic destinations and to foreign destinations.

In addition, problems with the location of warehouses/hubs in the member states were discussed and the need for more integration of operators / carriers in cross-border delivery processes was emphasised.

The main challenges of e-commerce regarding the export of services/goods to other EU countries seem to be related to:

- Shortcomings in terms of distribution services and prices (including settlement exchange rates). At the moment no delivery service provider offers shipping, e.g. from Poland to the Czech Republic, at prices comparable to national rates;
- Polish delivery companies face barriers when they want to use a foreign network (on the other hand, Polish companies are very easily available for foreign delivery operators);
- lack of information concerning return options and barriers for returns (return purchased goods to branches of a store in Poland, refund of cash on delivery option, too high prices in other EU markets, formal barriers of borders, no warranty related repair in the countries of export, lack of delivery services from Poland to other EU countries (and vice versa),
- different access to delivery services depending on the type of goods;
- not enough competition among locker distributors and manufacturers;
- different price lists for different regions and lines of distribution (for example, shipping from Poland to Great Britain is more expensive than the same route in the opposite direction);
- e-retailers favouring the distributors of Western European markets;
- delivery takes too long (transit times are too long),
- costly provision of consumer satisfaction guarantees (e.g. high fees for shipment abroad, high prices for returns, often also at the expense of the e-retailer);
- raising awareness of available delivery options, payment terms and consumer rights;
- overcoming stereotypes and the unwillingness of consumers to make cross-border purchases; elimination of consumer concerns regarding the safety of financial transactions and the reliability of suppliers;
- improving interoperability of delivery operations, which may result in an exchange of e markets and an increase in exports;
- Translation of online-shops at least to the English language, good practice would be to extend the choice of languages on Polish websites.

Participants agreed the most important markets for exports are the countries of Central Europe (Czech Republic, Slovakia, Hungary, Romania, and Bulgaria), which do not

have a well-developed national e-commerce market yet. Furthermore, in these countries logistics services and delivery options are readily available.

Other important countries for Polish e-retailers include the United Kingdom/Northern Ireland, Benelux, Germany (here the driving force of foreign shipments are Polish immigrants who purchase in the native e-stores in Poland), the countries of Southern Europe (esp. France), and Russia.

It was emphasised several times that prices and legal barriers block potential initiatives of Polish e-retailers in the field of cross-border e-commerce.

According to the participants the main challenges regarding online-based imports of goods from other countries are:

- high cost of deliveries and returns (return unwanted goods in Poland is much cheaper than to return them to other countries' online-shops), this definitely discourages consumers to order goods online from these countries;
- elimination of legal differences regarding contracts between EU countries (will be promoted by the CRD);
- harmonizing consumer protection rights in the European Union, especially their implementation in detail;
- Facilitating electronic banking for payments in different currencies.

Most important import sources for Polish consumers are: German, English, Irish and Scandinavian, and also French, Czech, Slovak and Lithuanian online-shops.

Participants pointed out that the lack of uniformed delivery service solutions strongly inhibits the growth e-commerce in Poland. The following aspects were mentioned in particular:

a) no offer of courier cash on delivery services for the customer outside Poland;

b) large price differences between foreign and domestic supply (to the disadvantage of the foreign goods);

c) Lack of seamless delivery systems and a different organization of work in the national offices of large distribution companies (DPD, DHL, GLS). Each national organization has its own IT-systems and work organization. Companies are forced to adapt different IT-systems such as DPD Poland, different from DPD Czech Republic, and also from Slovakia DPD. E-retailers have to negotiate separately and establish different conditions for cooperation;

d) Lack of Polish companies for payment. They could enable faster bank transfers from banks in neighbouring countries;

e) lack of simplified / standardised ways of organizing returns at withdrawal of the contract (in particular in the case of the purchase of very large or particularly

sensitive goods), each e commerce company has to work out delivery processes for organizing such processes on its own;

f) The lack of a separated system of dispute settlement services (alternative dispute resolution – ADR). E-commerce and delivery disputes are often interrelated, which requires high sensitivity and competence of the dispute settlement entity.

D.2.3 Initiative 1: Information platform on delivery services

Need: In general, most participants spoke against the implementation of a platform. Nowadays, even in the form of a basic information portal, it seems completely unnecessary. Every delivery company presents costs and delivery times as well as their product variety. If it would be implemented, it would only be possible without posting confidential commercial data. Thus, it might not give any additional information to the data that is already available on companies' websites.

Representatives of public institutions endorsed that the creation of an information platform would help to increase the transparency of existing delivery services for customers in the e-commerce sector.

An information platform might become a perfect database with basic information about the delivery services solutions and applications. It would be useful if it also included and promoted the idea of a "standardised API" for more interoperability in the delivery sector.

Also, according to a facilitator company representative, legal regulations, information about delivery operators as well as trustworthy e-shops could be found on the platform and this could help to improve the situation on the market of e-commerce in Poland and the EU.

Concept: Participants recognised the need for standardization concerning cooperation of enterprises engaged in e-commerce and distribution, in particular:

a) Standardization of the interface (API) to the systems of delivery companies. The information fed into the tracking systems of delivery companies had to be consolidated, as well as the file formats. By this, much progress in terms of speed and cost-savings will be achieved, which will increase the competitiveness of the Polish market and facilitate the activities of small and medium-sized e-retailers in general.

b) standardization of consignment note formats for the benefit of SMEs (reduces the need for different hardware to print labels);

c) Standardization of query formats to get information about delivery products.

Objective: The database had to be free of charge with information on delivery options, the delivery and return of goods, and payment methods.

Delivery companies themselves would have to pay attention to the presentation of their products and prices.

According to the participants, there are initiatives that could be used to create such a platform. Some courier brokers function as intermediaries and offer a platform in cooperation with other courier companies. They offer a single interface to the client. He can choose from different the services. The brokers also provide information on services, including prices to clients, e.g. the Service CentrumKurierskie.pl (www.centrumkurierskie.pl), AlleKurier Sp. z o.o. (allekurier.pl).

The platform could also provide information on existing EU legislation, e-commerce trends and the work conducted in the European Union administration in the context of e-commerce.

Initiators: government institutions, non-governmental organizations related to the area of e-commerce, e.g. Association of Polish Consumers - http://www.konsumenci.org.

Partners: courier services and freight forwarding companies in the area of e commerce

Target groups: e-retailers, e-consumers, logistics companies.

Contents*:* The most interesting content for e-customers, from the participants' point of view, is legal information as it can be extremely important for e-retailers and delivery companies. The rights concerning complaints, warranties, delivery processes, and the reliability of e-sellers are also key information that would be very useful.

The information platform could also compile statistical information on the e-commerce market in the EU.

If such a platform would be created, the use of different access tools had to be taken into account, as there are tablets, smartphones, and others. Availability, reliability, and barrier-free access are also crucial issues.

Challenges: The development of e-commerce in the EU can be an impulse for cross-border exchange of goods in general, which may lead to an increase in the volume of parcels. Stimulating cross-border exchange will be beneficial to e-retailers and delivery companies. The platform could promote e-commerce fulfilment companies, too, and be a source of good practice for all member states.

To design, implement and maintain the platform in a cost-effective way, the platform must be based on open source software. There are solutions on the market that can

guarantee the efficiency of the project. It has to be considered that the platform can handle the ever increasing number of information and subpages.

Existing elements / examples / blueprints: in the Polish market there are no examples so far, apart from delivery brokers that offer information to registered clients, e.g. *e-Commerce Polska (*The e-Chamber (Chamber of Digital Economy), launched e-Commerce Poland, a sectoral representation of all entities involved in e-commerce operating in the Republic of Poland.

D.2.4 Initiative 2: E-commerce scoreboard on delivery and price performance

Need: As in the case of an information platform, most participants were opposed to the creation of the scoreboard for delivery services. The following reasons were mentioned: business of service providers is not standardised, evaluation of products or market performance depends on too many factors, and prices are generally individually negotiated.

Several participants thought that such an initiative would be valuable to enhance e-commerce market transparency. In their opinion, the scoreboard may contribute to a standard parcel transit time in the European single market. It will be a good motivation to determine the overall effectiveness of the delivery network in the EU. It could be a useful tool for e-commerce in EU countries and become a benchmark in terms of delivery services, quality and price.

Concept: The scoreboard could include: standards of transit time (in Poland: D+1, from Poland to EU destinations: D+3). The scoreboard could also be a source for discussions on e-commerce and delivery related legislation.

Objective: The scoreboard could be used by e-customers to check the product/service prices in different EU member states markets. E-retailers need more information on delivery conditions in terms of prices of individual products. The scoreboard can be a helpful tool in determining the pricing policy, and it can also be an information source for postal/logistics/courier operators.

Initiators: public institutions, NGOs related to the e-commerce and delivery area.

Partners: delivery operators, logistic companies, fulfilment service providers and others in the area of e commerce

Target groups: e-retailers, e-consumers, delivery operators.

Contents: Already existing information on the web could be compiled. Tools already available on the market in order to illustrate results in an intelligent and transparent way could be used. An institution for collecting statistical data and information from different sectors of the economy need to be established (this could be an existing information

service provider). The scoreboard update has to be based on defined principles. In addition, next to the summary tables in text form, the scoreboard has to offer graphics with current statistical data.

Challenges: An experienced operator who is able to offer a platform and scoreboard has to be chosen to implement the scoreboard in a cost-effective manner.

The scoreboard would have to include the following information: delivery time and conditions (also in the case of returns), quality of service, delivery options (database of providers available, providers' options) and the service prices for different delivery options (a comparison of these prices would have to be a part of the scoreboard).

Existing elements / examples / blueprints: e.g. *e-Commerce Polska*

D.2.5 Initiative 3: Delivery aspects in e-commerce trust marks

Need: Almost all participants expressed their approval for this initiative.

The participants pointed out that the German market is a good example for high trust marks' quality In Germany some existing trust marks from traditional commerce are leveraged to e-commerce, others are special e-commerce trust marks. On the hand, they mentioned that there is a general lack of trust to order goods in Polish e-shops.

In Poland, it can be observed that rating portals (i.e. commercial comparison sites like Ceneo.pl and opinion aggregators such Opineo.pl) are more popular than trust marks.

The participants opted for a free European certificate covering uniform criteria in each Member State. An institution granting such a European certificate has to take into account delivery operators, credit card companies like Visa or Master Card, the recipients ratings and also the results of a specific audit.

Concept: According to representatives of public institutions, an initiative has to develop and implement a "mark for quality" that is likely to be recognizable all over the European market. Such a "certificate" within the Community will contribute to greater confidence in the e-commerce market, and thus result in bigger turnover. It could become a symbol of reliability of national and cross-border delivery services, as well as transparent return systems.

Moreover, to create a trust mark that contains delivery services aspects is worthwhile considering. The extension of existing certification processes to the delivery sector might be justified and a good way to realise a trust mark.

Objective: It was noted that a trust mark is primarily a feature of the e-shop, and the owner must see to it and select his subcontractors (delivery service providers and others) accordingly.

Initiators: EU and ministries in the Member States, trust mark certification providers.

Partners: organizations and institutions related to e-commerce, e-retailers, and delivery companies.

Target groups: small and large delivery companies, e-shops, payment companies.

Contents: Trust marks could be licensed by a non-commercial body, with a standard minimum charge (e.g. 1000 PLN), and would be assigned after submission of documents confirming: business activities, financial security, product availability, etc.

In the context of delivery services, trust marks for e-shops have to take into account the following standardised information: delivery confirmation, return options, transparent complaint procedures, prices, timeliness of delivery and time limits (e.g. up to 7 days), the service quality and customer support, the right to inspect the parcel contents before signing the acceptance protocol, the delivery company's image. In addition: the packing rules and shipment labeling, principles and methods of payment (including possibility of credit card payment, rules for giving change), possibility of track & trace.

Challenges: Existing trust marks are maintained by charges/fees paid by traders who take part in a trust program or are customers of the certification service provider. Requirements of different providers and programs are varying.

Existing elements / examples / blueprints:

- Trusted Shops (http://www.trustedshops.pl/handlowcy/firma.html),
- Euro-Label: Certyfikat – “Bezpieczne Zakupy” (www.euro-label.com.pl),
- Rzetelna Firma *TheReliable Company* (http://www.rzetelnafirma.pl/),
- Laur zaufania *The Trust Laur* (http://www.laurzaufania.org),
- Dobry Regulamin *The Good Statute* (dobryregulamin.org),
- Dobra Umowa *The Good Agreement* (http://dobraumowa.org)

D.2.6 Initiative 4: Improve parcel services in rural areas

Need: Regarding delivery services in rural areas participants turned their attention to problems with:

- the addressing/numbering of buildings in small villages without street names,
- the size of mailboxes: “euro mailboxes” are not everywhere available/accessible yet,
- the delivery of large items (e-retailers often have to offer their own transport service),

- delivery companies that want to reduce their staff's working hours (this leads to early parcel delivery or limited parcel delivery timeframes, i.e. mainly from 10:00 to 17:00 h),
- the need for delivery companies to consolidate parcel volume resp. the need for e-retailers to consolidate volumes for delivery to certain rural areas.

Concept: With regard to the management of delivery services (home delivery) in rural Polish areas, some representatives of e-retailers stressed that they did not notice any differences in the way and quality of delivery services between urban and rural areas.

Service delivery in rural areas with the scope of universal services is implemented by the Polish Post SA (designated operator) at the same price as in urban areas. This operator also provides CEP services in the same way as other courier companies. Prices offered by other CEP operators may vary and are usually higher in rural areas than in urban and suburban areas.

Objective: improve the quality of services delivery, including returns in peripheral areas

Initiators: ministries in the Member States

Partners: organizations and institutions related to e-commerce

Target groups: delivery companies, potential customers of e-commerce and delivery services

Contents: Participants mentioned examples of innovative service improvement in rural areas. These include more attractive offers by Polish Post (e.g. courier services like Kurier Pocztex, Paczka24 Ekstra), pick-up options in kiosks and petrol stations.

Challenges: Many of the workshop participants do not see the need to involve businesses and communities to promote new models for rural pick-up and delivery services. Delivery companies already offer their service in peripheral regions. Others, however, stated that e-retailers ought to inform potential online shoppers which option of delivery is most preferable if goods are shipped to rural areas.

Existing elements / examples / blueprints: Initiative of Allegro.pl "Pick up at a point". With "Pick up at a point" customers can pick-up their parcel at other shops that cooperate with allegro.pl, especially in small cities. Participants suggested expanding existing parcel lockers networks in order to improve delivery services in rural areas.

D.2.7 Other results of discussion

Participants suggested further meetings on e-commerce/delivery, but in a different form than a workshop, for example, as a conference with a much larger number of participants.

Taking into account that in Poland websites or portals with legal advice and other information related to e-commerce already exist, some participants suggested to start an information campaign to promote the already existing websites instead of creating new ones, e.g. Service Ezakupy.uokik.gov.pl, European Consumer Centre in Poland, E-commerce Contact Point for Service Providers and Recipients “e-POINT”.

D.2.8 Summary and conclusions

The vast majority of participants had no interest in an information platform, though public institutions opted in favor for such a system, because it would enhance transparency for the e-commerce customers regarding delivery services. Many participants also opposed to the creation of the scoreboard for delivery services.

The opponents explained that they see difficulties in realizing the platform for the following reasons: business models and products of service providers are not standardised, evaluation of products or market performance depends on too many factors, and prices are generally individually negotiated.

However, it was mentioned by supporters of the platform initiative that the platform or a scoreboard has to be seen in the light of creating additional effects, i.e. put pressure for more cooperation and interoperability onto delivery companies. The platform initiative could support the e-commerce market in all Member States and be a source of valuable information both for e-customers and e-business.

Almost all of the workshop participants expressed their appreciation for the initiative “integrating delivery aspects into e-commerce trust marks”. They opted for a free European certificate based on standardised criteria. The institution granting a European certificate, in addition to an audit, has to take into account as many e-commerce and delivery related issues as possible.

The initiative of granting or creating a European quality certificate (trust mark) could be connected with the information platform, i.e. the Internet platform could list the companies that would have been certified.

Participants discussed no detailed options for initiatives to increase service in rural areas. There were no demands for further action, probably because the examples of innovative service improvement in rural areas seem to be sufficient at the moment.

List of participants

Country Workshop Poland “Design and development of initiatives to support the growth of e-commerce via better functioning parcel delivery systems in Europe”

Tuesday, 8 April 2014, National Institute of Telecommunications, Szachowa Str. 1, 04-894 Warsaw, Poland

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