

“Market drivers in cross-border postal services: a tale of conflicting interests or synergies?”

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European consumer ever more interested in buying online abroad

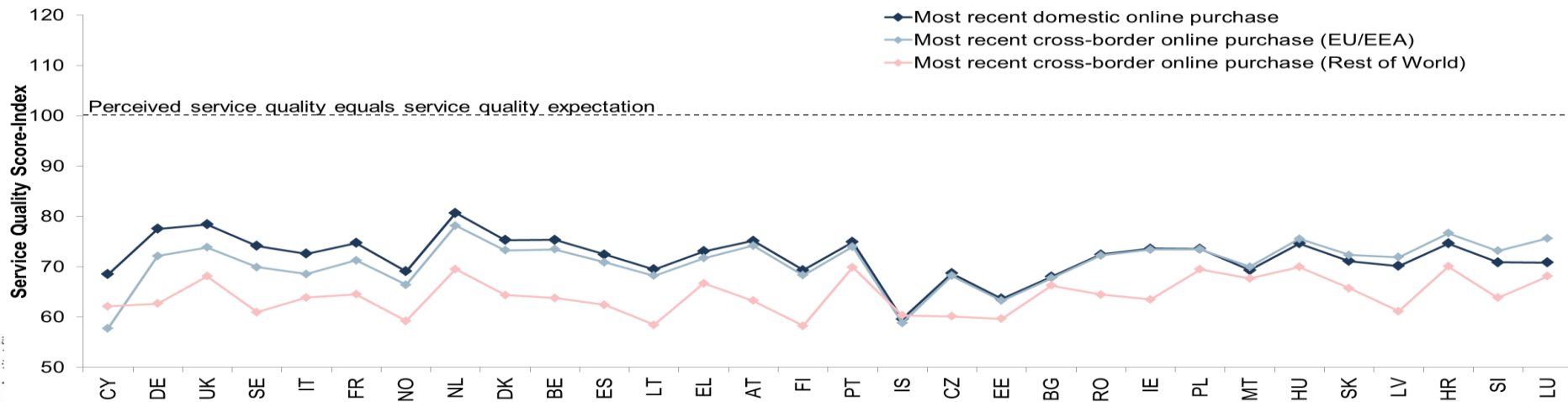
- E-commerce in Europe grows at 15-20% per year
- Cross-border grows more than domestic
- China is the single most popular destination for European consumers.

Most recent online purchase of online shoppers in ...					
	was ordered from a e-retailer in ...				
AT	DE (68%)	CN (13%)	UK (2%)	USA (2%)	NL (1%)
BE	FR (49%)	CN (10%)	NL (8%)	DE (7%)	UK (6%)
BG	CN (44%)	UK (17%)	DE (10%)	USA (6%)	RO (3%)
CY	UK (39%)	CN (22%)	EL (18%)	DE (5%)	USA (4%)
CZ	CN (67%)	UK (7%)	DE (7%)	USA (6%)	PL (1%)
DE	CN (41%)	UK (15%)	AT (5%)	USA (5%)	ES (4%)
DK	DE (22%)	CN (20%)	UK (15%)	SE (11%)	USA (8%)
EE	CN (49%)	UK (14%)	DE (9%)	USA (8%)	FI (2%)
EL	CN (31%)	UK (21%)	DE (8%)	USA (7%)	ES (5%)
ES	CN (40%)	UK (16%)	DE (12%)	USA (6%)	FR (5%)
FI	CN (28%)	DE (20%)	UK (12%)	SE (10%)	USA (10%)
FR	CN (30%)	DE (15%)	UK (14%)	USA (6%)	IT (5%)
HR	CN (53%)	UK (12%)	USA (7%)	DE (6%)	ES (2%)
HU	CN (55%)	UK (8%)	DE (7%)	USA (5%)	SK (3%)
IE	UK (58%)	CN (16%)	USA (6%)	DE (4%)	IT (2%)
IS	CN (32%)	UK (17%)	USA (11%)	LV (5%)	DE (4%)
IT	CN (29%)	UK (20%)	DE (19%)	USA (7%)	ES (4%)
LT	CN (55%)	UK (17%)	DE (9%)	USA (4%)	PL (3%)
LU	DE (71%)	FR (12%)	UK (5%)	CN (4%)	BE (3%)
LV	CN (46%)	UK (16%)	DE (6%)	USA (5%)	EE (3%)
MT	UK (68%)	CN (18%)	DE (5%)	USA (3%)	IE (1%)
NL	CN (36%)	DE (18%)	UK (10%)	BE (5%)	USA (4%)
NO	CN (29%)	UK (17%)	USA (15%)	SE (10%)	DE (7%)
PL	CN (46%)	DE (12%)	UK (8%)	USA (6%)	CZ (2%)
PT	CN (31%)	ES (20%)	UK (17%)	DE (7%)	FR (6%)
RO	CN (35%)	UK (17%)	DE (9%)	USA (7%)	PL (4%)
SE	CN (24%)	DE (21%)	UK (17%)	USA (15%)	DK (4%)
SI	CN (35%)	DE (22%)	UK (15%)	AT (4%)	USA (3%)
SK	CN (41%)	CZ (26%)	UK (8%)	DE (7%)	HU (2%)
UK	CN (34%)	USA (19%)	DE (5%)	IT (2%)	PL (2%)

CN UK DE neighbouring countries

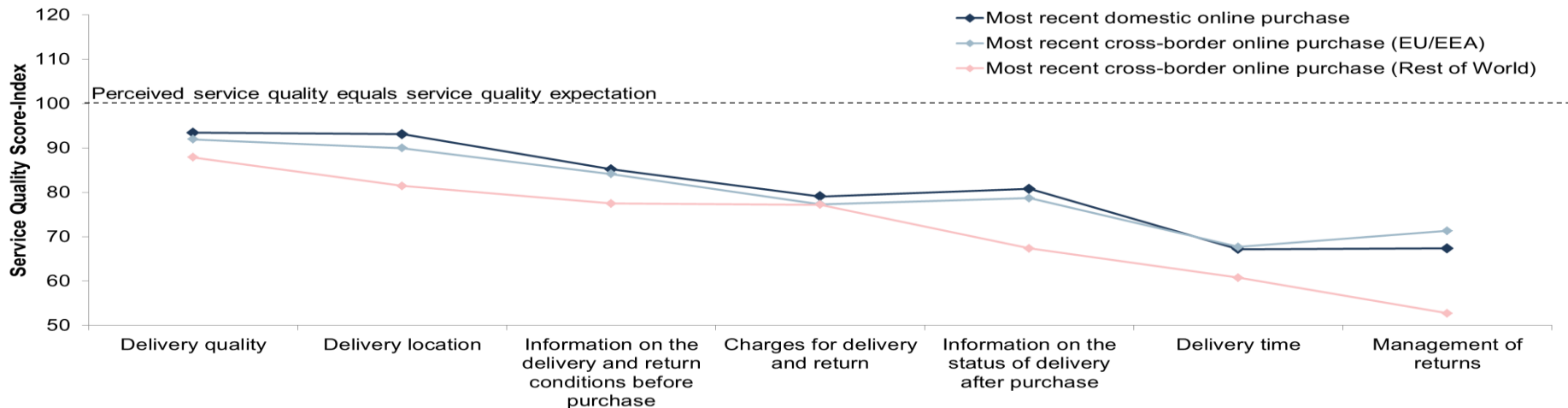
Source: WIK Consumer Survey. N=17,037.

EU consumers perceive quality issues with intercontinental imports in all EU Member States



Source: WIK Consumer Survey. N=17,037.

EU consumers are less happy with intercontinental imports for all aspects of delivery *except price*



Source: WIK Consumer Survey. N=17,037.

Importing postal operators face challenges to maintain service levels, and manage costs

- Insufficient advance notification / operational planning
- Issues with wrapping and packaging / more standardization?
- Terminal dues below comparable domestic prices in many countries & no sufficient link to quality – for all groups 1/2/3!

Challenges for postal operators ahead

- Meet expectations from (Asian) e-retailers and (Western) consumers
- Invest in advance data to improve service levels
- Invest in operations to cope with increase political concerns over security and evasion of taxes and customs duties (end of EU de-minimis rules for VAT and customs in 2021)
- Achieve cost coverage

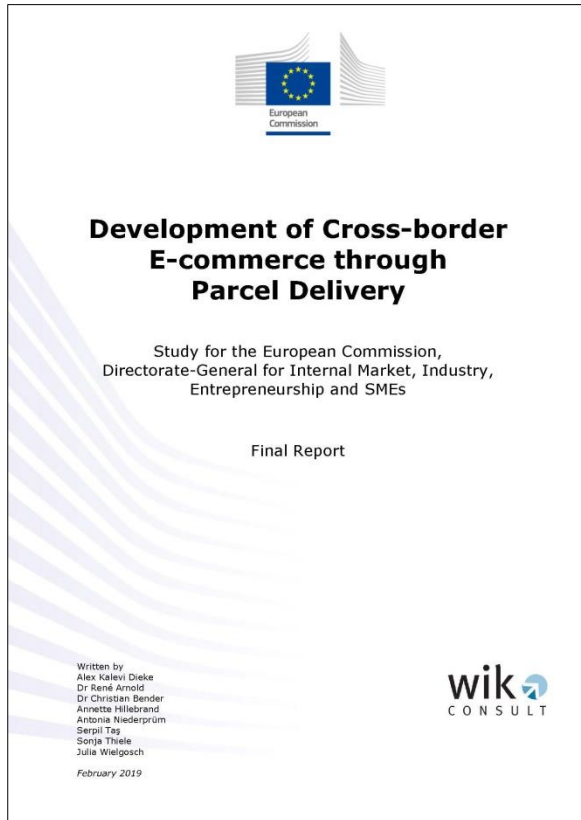
Logistics getting closer to (Western) consumers

- E-commerce industry is currently upgrading supply chains
- Warehouses and fulfilment locations moving closer to the consumer in order to meet customer expectations, and facilitate sustainable growth
- Postal operators are part of the process

Challenges for future terminal dues

- Offer better incentives for investments in service quality, systems for data exchange
- Offer incentives for controlling emissions / avoid long distance air transport
- Create level playing field for competing postal operators, freight forwarders, and other suppliers of e-commerce logistics

Out now: WIK study on cross-border parcels



- Study on cross-border e-commerce and parcels in the EU
- Published on http://publications.europa.eu/publication/manifestation_identifier/PUB_ET0219218ENN
- Appendix with 30 country fact sheets
- Appendix with results of consumer survey in 30 European countries (N>17.000)

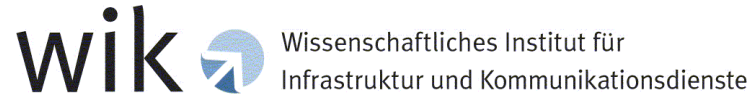
Who is WIK?

- **WIK** ('Scientific institute for infrastructure and communication services')
 - Independent research institute, owned by the German government
 - ~ 40 consultants/researchers
 - 35 years of experience with economic regulation and sector policies
 - Telecommunications, postal, transportation, digital economy

- **WIK-Consult** is a 100% subsidiary of WIK
 - Consultancy specialised in regulated industries, founded in 2001

Postal practice

- Regular scientific research on postal policy since 35 years
- Many postal studies for the European Commission since 2002
- Studies, advice, and research for regulators in many European countries, the USA, Middle East, and Australia
- Research, studies, advice and expert opinions for postal operators in many European countries
- Postal statistics for operators, regulators, associations



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