eCOM.lu fédération luxembourgeoise du e-commerce

Cluster for Logistics
Logistics Day Conference

19th April 2016 @Chamber of Commerce

By Pierre Friob (President ECOM.LU - CEO Abitare)

membre de la clc

member of ECOMMERCE EUROPE

ABOUT eCOM.lu

fédération luxembourgeoise du e-commerce

- Founded on 6th March 2015
- Created by 5 e-shop:

abitare KIDS — Toutes les couleurs de l'enfance !

espace-disque.com

dénicheuse

luxcaddy.lu — Internet Supermarché

XANTOR — COOL ELECTRONICS

- Today **eCOM.lu** counts more than **40 members**

membre de la clc

member of ECOMMERCE EUROPE

WHY eCOM.lu fédération luxembourgeoise du e-commerce ?

eCOM.lu focuses on support to e-shops in the practical aspects of their development in Luxembourg and abroad.

The association promote the e-commerce sector with administrative and political bodies to create a legal and economic environment for its development.

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eCOM.lu MISSONS ?

The association aims:

1. To bring together companies whose activity - on the Luxembourg market - is to sell online products and services;

2. To defend the interests of their members internationally and nationally;

3. To promote a better economic and political environment;

4. To strengthen consumer confidence in online sales, as well as the image of the online sales.

WORKING GROUPS

The association has today 4 working groups:

- **Payments** / Leaded by Jacques Lorang (Luxcaddy)
- **Statistics** / Leaded by Jacques Lorang (Luxcaddy)
- **Legal** / Leaded by Renaud Le Squeren (DSM Di Stefano Moyse)
- **Logistics** / Leaded by Valérie Conrot (Dénicheuse.com)
  Pierre Friob (Abitare)

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- **WG Logistics Summary**

  - Minimum requirement : tracking
  - Real-time GPS
  - Delivery Hours
  - Relay Point
  - Missing an All-In-One solution on the market
  - Pricing
  - Cross-boarder tracking is difficult
  - Insurance
  - Returns management is difficult

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FACTS & FIGURES

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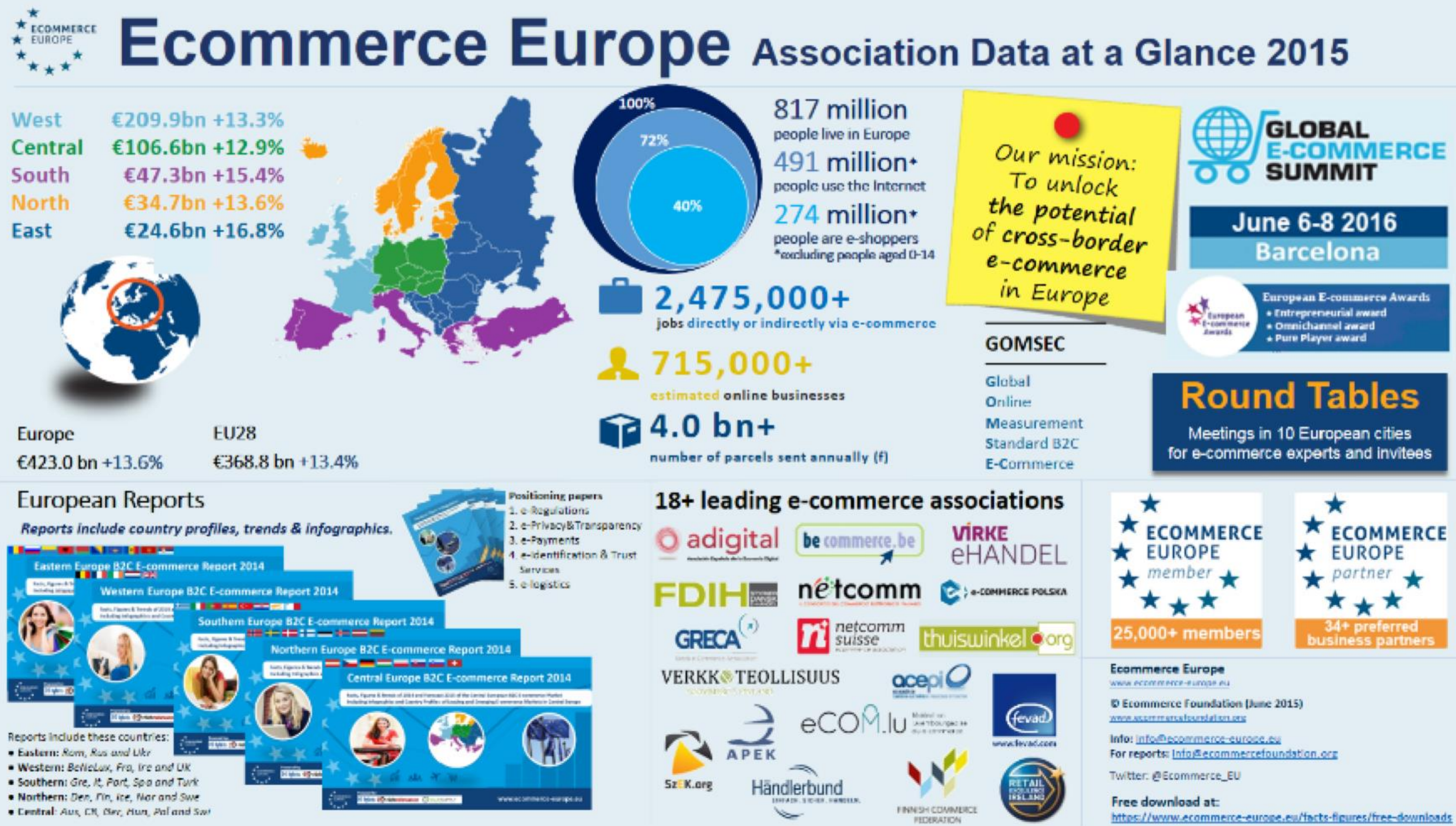

ECOMMERCE EUROPE
Ecommerce Europe Association Data at a Glance 2015
West €209.9bn +13.3%
Central €106.6bn +12.9%
South €47.3bn +15.4%
North €34.7bn +13.6%
East €24.6bn +16.8%
Europe €423.0 bn +13.6%
EU28 €368.8 bn +13.4%
100%
72%
40%
817 million people live in Europe
491 million* people use the Internet
274 million* people are e-shoppers
*excluding people aged 0-14
2,475,000+ jobs directly or indirectly via e-commerce
715,000+ estimated online businesses
4.0 bn+ number of parcels sent annually (f)
Our mission: To unlock the potential of cross-border e-commerce in Europe
GOMSEC
Global Online Measurement Standard B2C E-Commerce
GLOBAL E-COMMERCE SUMMIT
June 6-8 2016
Barcelona
European E-commerce Awards
• Entrepreneurial award
• Omnichannel award
• Pure Player award
Round Tables
Meetings in 10 European cities for e-commerce experts and invitees
European Reports
Reports include country profiles, trends & infographics.
Eastern Europe B2C E-commerce Report 2014
Western Europe B2C E-commerce Report 2014
Southern Europe B2C E-commerce Report 2014
Northern Europe B2C E-commerce Report 2014
Central Europe B2C E-commerce Report 2014
Positioning papers
1. e-Regulations
2. e-Privacy&Transparency
3. e-Payments
4. e-Identification & Trust Services
5. e-logistics
Reports include these countries:
• Eastern: Rom, Rus and Ukr
• Western: BeNeLux, Fra, Ire and UK
• Southern: Gre, It, Port, Spa and Turk
• Northern: Den, Fin, Ice, Nor and Swe
• Central: Aus, CR, Ger, Hun, Pol and Swi
18+ leading e-commerce associations
adigital
becommerce.be
VIRKE eHANDEL
FDIH
netcomm
e-COMMERCE POLSKA
GRECA
netcomm suisse
thuiswinkel.org
VERKKOTEOLLISUUS
acepi
eCOM.lu
fevad
APEK
SzEK.org
Händlerbund
FINNISH COMMERCE FEDERATION
RETAIL EXCELLENCE IRELAND
ECOMMERCE EUROPE member
25,000+ members
ECOMMERCE EUROPE partner
34+ preferred business partners
Ecommerce Europe
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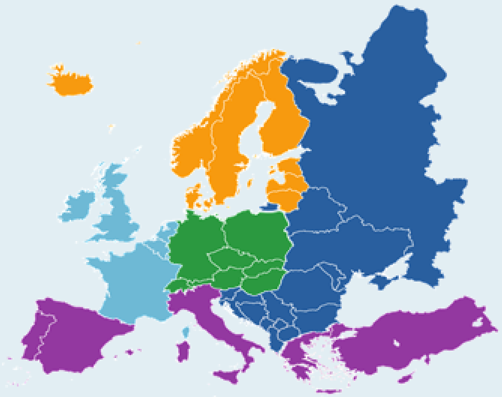
Twitter: @Ecommerce_EU
Free download at:
https://www.ecommerce-europe.eu/facts-figures/free-downloads

Europe

2014 Key B2C E-commerce Data of Goods & Services at a Glance



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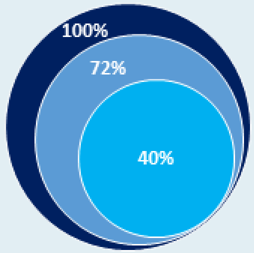


817 million people live in Europe

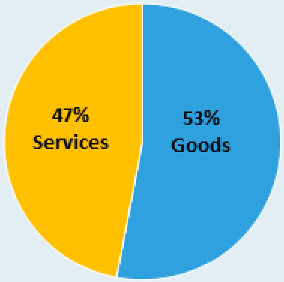
491 million* people use the Internet

274 million* people are e-shoppers

*excluding people aged 0-14

Forecast 2015

€477 bn Turnover E-commerce Goods & Services



Average spending per e-shopper

€1,544

6.4%

Estimated share of online goods in total retail of goods

Europe
€423.0 bn 13.6%

EU28
€368.8 bn 13.4%

2.5% eGDP

€ 17.1 trn GDP 2014

Top 5 mature E-commerce countries in turnover (billion)

UK	€127,200
Germany	€71,200
France	€56,800
Netherlands	€13,961
Switzerland	€12,717

Top emerging countries

Russia	€19,947
Spain	€16,900
Italy	€13,278
Poland	€6,541

"457 million social media users"

2,475,000 + jobs directly or indirectly via E-commerce

715,000+ estimated online businesses

4 billion+ number of parcels annually (f)

UK, Germany, France account for 61% of total E-commerce sales in Europe

Executed by: Ecommerce FOUNDATION

Powered by: globalcollect | ingenico GROUP

ASENDIA

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Twitter: @Ecommerce_EU

Free download at:
https://www.ecommerce-europe.eu/facts-figures/free-downloads

European Cross-Border E-commerce Figures

A Brief Introduction to Europe

Cross-border B2C E-commerce

According to the latest figures of Eurostat (May 2015), the growing share of cross-border online purchases is an important indicator to judge how smoothly the **Single European Market** (**SEM**) for e-commerce functions.

Overall growth

In 2014, **15%** of all individuals in the EU28 purchased goods and/or services through the Internet from sellers **outside their country of residence**, but within the EU28. This is an increase of **25%** compared to 2013. Popular reasons for shopping abroad were a **more competitive price** or a **wider offer of goods and services available**.

Cross-border EU purchases by individuals were highest in either smaller member states with a limited domestic online offer available, such as **Luxembourg** (**65%**) and **Malta** (**39%**), or in member states with strong regional or linguistic ties to neighboring countries such as **Austria** (**40%**), **Finland** (**36%**), **Denmark** (**36%**) and **Belgium** (**34%**).

Given the fact that in almost all countries cross-border e-commerce grew significantly last year, it is safe to say that cross-border will be one of the **major drivers** of e-commerce in Europe and around the world.

CROSS-BORDER EU B2C PURCHASES

Percentage of cross-border B2C purchases in EU28 + Iceland and Norway, 2012 - 2014

Country	2012	2013	2014
EU28	*11%*	*12%*	*15%*
Austria	35%	39%	40%
Belgium	25%	28%	34%
Bulgaria	4%	6%	7%
Croatia	6%	7%	8%
Cyprus	19%	21%	24%
Czech Republic	5%	7%	7%
Denmark	29%	32%	36%
Estonia	11%	13%	22%
Finland	30%	32%	36%
France	17%	18%	21%
Germany	9%	11%	12%
Greece	8%	9%	10%
Hungary	5%	6%	8%
Iceland	24%	24%	31%
Ireland	28%	24%	28%
Italy	5%	7%	9%
Latvia	13%	15%	16%
Lithuania	6%	10%	11%
Luxembourg	60%	64%	65%
Malta	38%	39%	39%
Netherlands	13%	15%	21%
Norway	30%	27%	33%
Poland	2%	3%	4%
Portugal	10%	11%	12%
Romania	1%	1%	1%
Slovakia	17%	17%	20%
Slovenia	13%	15%	17%
Spain	10%	11%	15%
Sweden	19%	23%	22%
United Kingdom	13%	14%	18%

Source: Eurostat, Ecommerce Foundation, 2015

Online Expenditure per E-household

B2C E-commerce in Europe

E-households

With regard to **spending per e-household**, the **Brits** (**€4,898**) are in the lead, closely followed by **Norway** (**€4,406**).

It is interesting to note that especially the Scandinavian countries are well represented in this ranking. In addition to Norway, **Denmark** (**€3,843**), **Finland** (**€2,988**) and **Sweden** (**€2,052**) were also included in the top 12 of average spending per e-household.

Source: Eurostat, 2015

TOP 12 COUNTRIES IN TERMS OF AVERAGE SPENDING PER E-HOUSEHOLD

Spending per e-household, 2014

Countries	Spending per e-household
Europe	***€ 1,848***
EU28	***€ 2,184***
Top 12	***€ 3,217***
United Kingdom	€ 4,945
Norway	€ 4,406
Switzerland	€ 3,996
Denmark	€ 3,843
Ireland	€ 3,809
Austria	€ 3,774
Finland	€ 2,988
Luxembourg	€ 2,440
France	€ 2,316
Germany	€ 2,132
Sweden	€ 2,052
The Netherlands	€ 1,900

Sources: Eurostat, Ecommerce Foundation, 2015

B2C E-commerce Turnover and Growth

Western Europe

Western Europe

In 2014, the total **Western European B2C e-commerce turnover** reached **€208.1bn**, which represented a growth of **13.3%** compared to 2013. The **UK** (**€127.1bn**) was the largest e-commerce market in Western Europe, and it is expected to increase its lead over the next year. With a forecast growth rate of **13.1%**, it will be the fastest-growing Western European country in terms of e-commerce. The second-largest e-commerce market within this region, **France** (**€56.9bn**), is expected to grow by **9.9%** in 2015, joining **the Netherlands** (**8.1%**) as the Western European countries with **single-digit growth** rates next year.

13.3%

Growth of Western Europe's B2C e-commerce in 2014

WESTERN EUROPEAN B2C E-COMMERCE TURNOVER, 2010 - 2015

Countries	2010	2011	Growth	2012	Growth	2013	Growth	2014	Growth	2015 (f)	Growth
Belgium	€1,760mn	€2,200mn	25.0%	€3,040mn	38.2%	€3,820mn	25.7%	**€4,368mn**	**14.3%**	€4,900mn	12.1%
France	€31,000mn	€37,700mn	21.6%	€45,000mn	19.4%	€51,100mn	13.6%	**€56,800mn**	**11.2%**	€62,400mn	9.9%
Ireland	€2,430mn	€3,040mn	25.1%	€3,800mn	25.0%	€4,600mn	21.1%	**€5,300mn**	**15.2%**	€5,900mn	11.3%
Luxembourg	€250mn	€320mn	28.0%	€400mn	25.0%	€460mn	15.0%	**€531mn**	**15.4%**	€600mn	13.0%
Netherlands	€9,989mn	€10,927mn	9.4%	€11,869mn	8.6%	€12,877mn	8.5%	**€13,961mn**	**8.4%**	€15,100mn	8.1%
UK	€72,515mn	€84,107mn	16.0%	€97,193mn	15.6%	€110,890mn	14.1%	**€127,190mn**	**14.7%**	€143,899mn	13.1%
Total	**€117,944mn**	**€138,294mn**	**20.8%**	**€161,302mn**	**22.0%**	**€183,747mn**	**16.3%**	**€208,150mn**	**13.3%**	**€232,799mn**	**11.3%**

Source: Ecommerce Foundation, 2015

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eLogistics

A need for integrated

European Solutions

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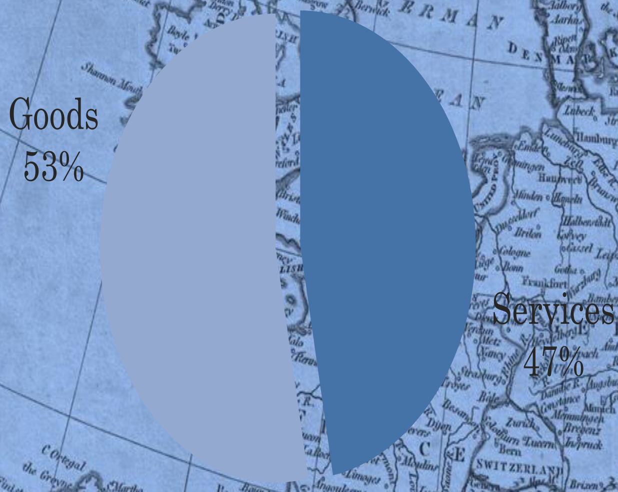
Highlights

Forecast 2015: **€477 bn**



4 billion+
number of parcels annually

6,4 %
Estimated share of **online goods** in total retail of goods

2,5 eGDP
€ 17.1 trn GDP 2014

Digital Single Market

European Commission's top 10 political priority

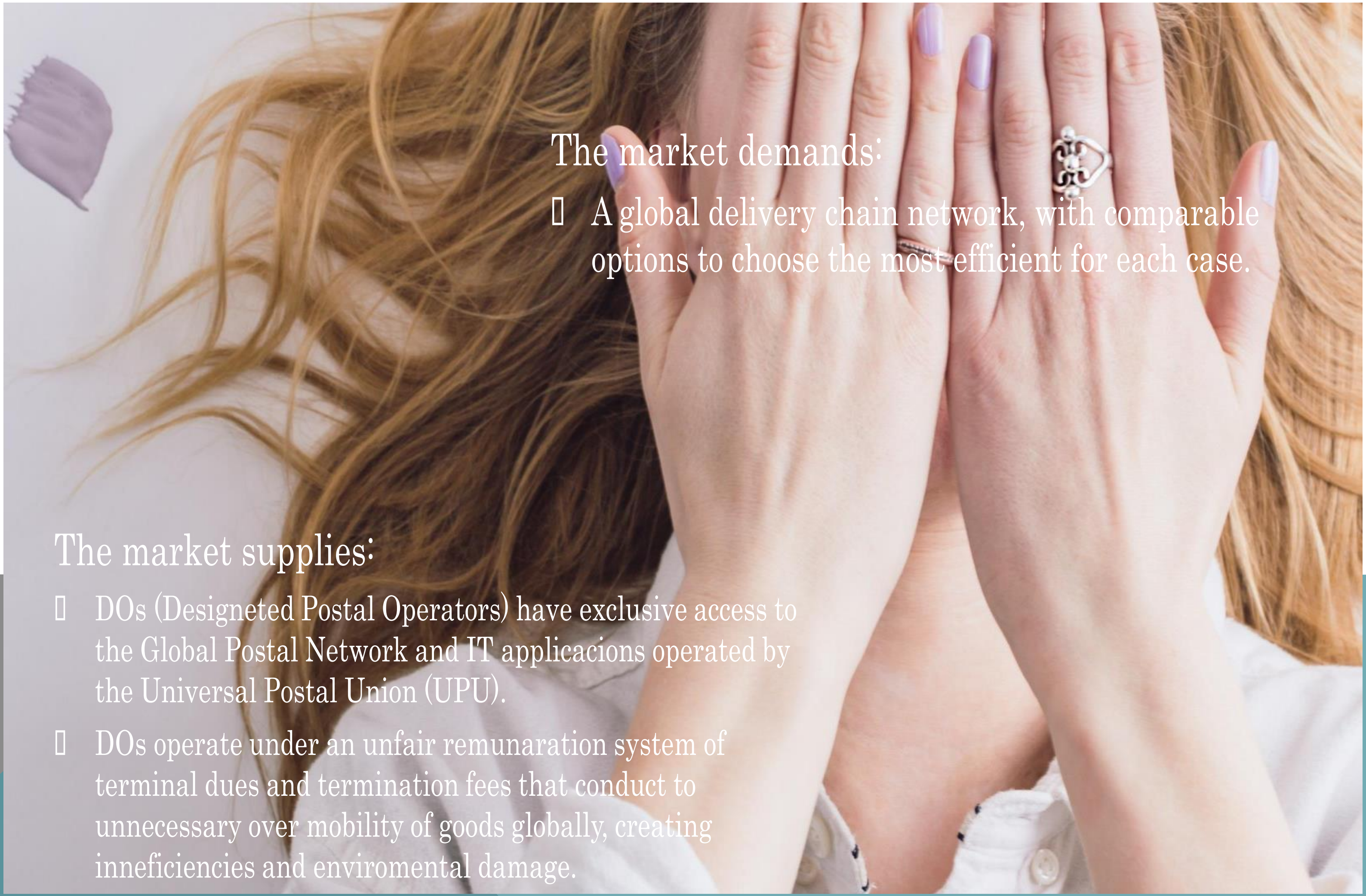
improve the access for consumers and businesses to digital goods and services across Europe, including e-commerce selling channel

Quick improvements in parcel delivery

Barriers to align merchant service to customer experience:

1. Lack of global playing field from service providers
2. Lack of standardized interface specification to Exchange data and to harmonize labelling
3. Lack of information on differences in service and standards
4. [In some cases] Lack of track and trace services
5. Lengthy delivery times throughout Europe
6. Customs and VAT administration
7. Reverse logistics [for small volumes]
8. Lack of transparency in pricing

Lack of global plain field from service providers



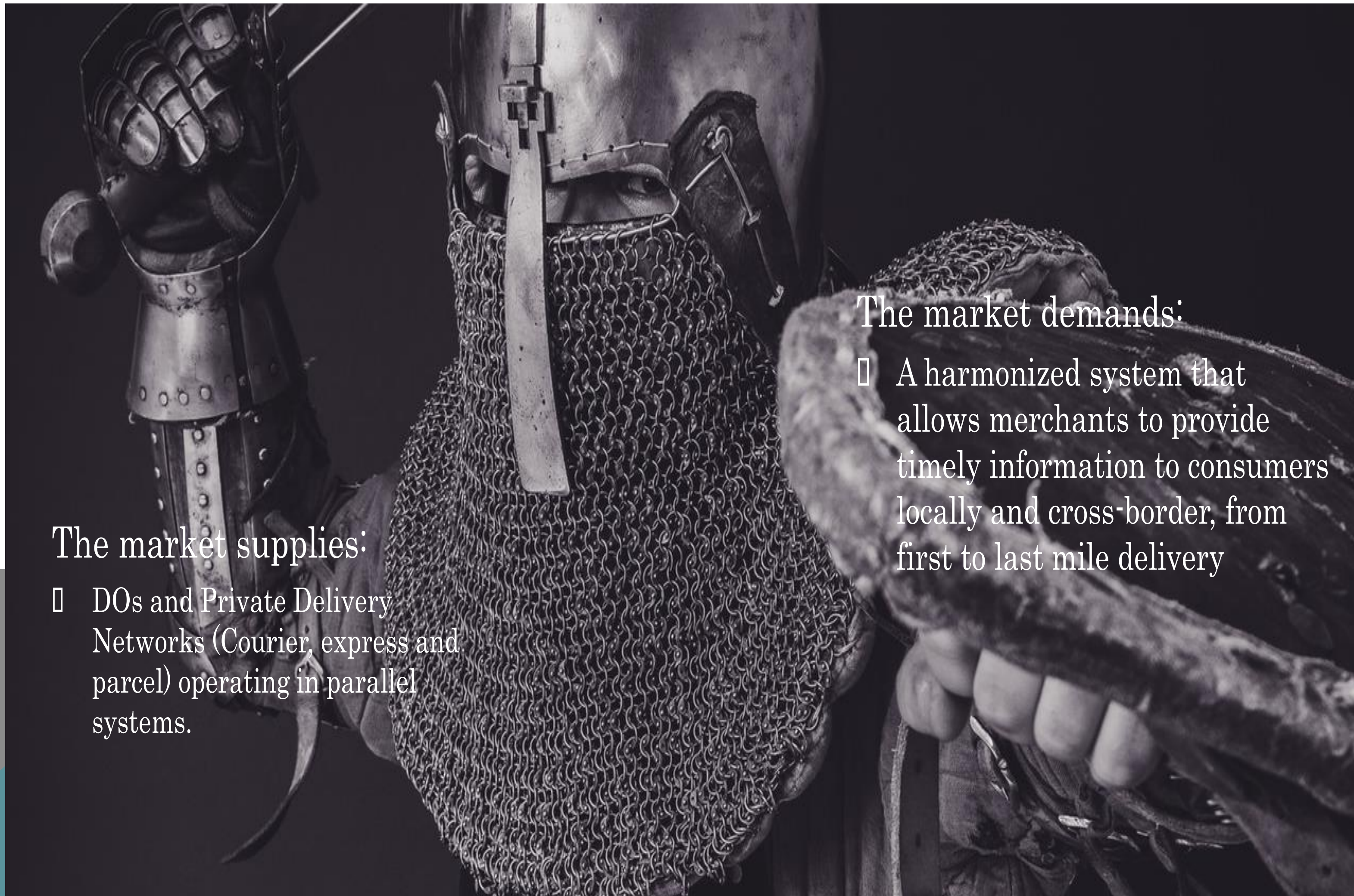
The market demands:

- A global delivery chain network, with comparable options to choose the most efficient for each case.

The market supplies:

- DOs (Designeted Postal Operators) have exclusive access to the Global Postal Network and IT applicacions operated by the Universal Postal Union (UPU).
- DOs operate under an unfair remunaration system of terminal dues and termination fees that conduct to unnecessary over mobility of goods globally, creating inneficiencies and enviromental damage.

Lack of standardized interface specification to exchange data and to harmonize labelling



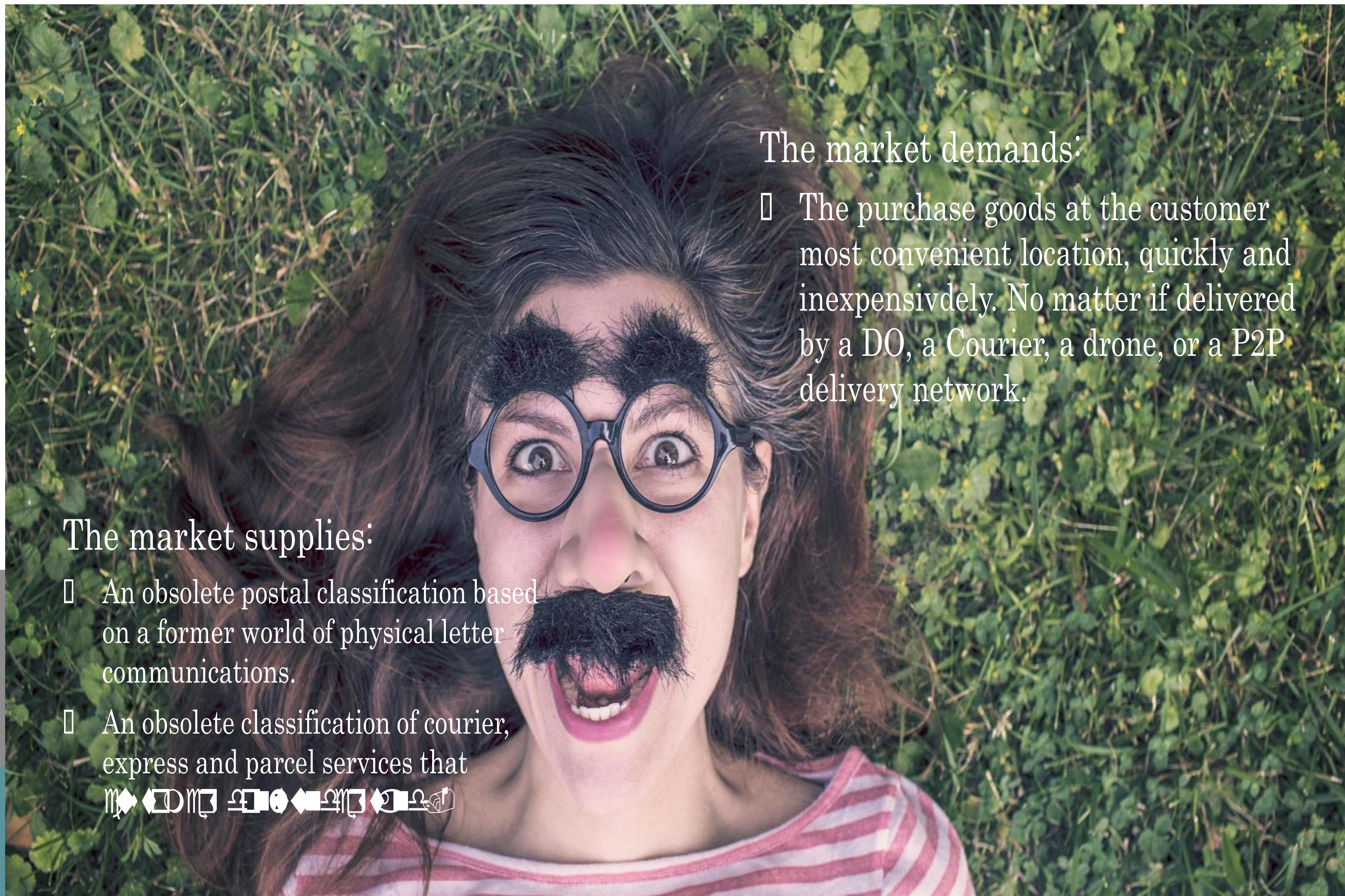
The market supplies:

- DOs and Private Delivery Networks (Courier, express and parcel) operating in parallel systems.

The market demands:

- A harmonized system that allows merchants to provide timely information to consumers locally and cross-border, from first to last mile delivery

Lack of information on differences in service and standards



The market demands:

- The purchase goods at the customer most convenient location, quickly and inexpensivdely. No matter if delivered by a DO, a Courier, a drone, or a P2P delivery network.

The market supplies:

- An obsolete postal classification based on a former world of physical letter communications.
- An obsolete classification of courier, express and parcel services that [illegible]

[In some cases] Lack of track and trace services

The market demands:

- The merchant can provide information on the status of the purchase good to the customer directly and in all cases in order to keep up to the level of customer service expected.

The market supplies:

- A high end type services within the DOs system or with in Global Operators, affordable only at large volumes.
- Basic services efficient at the local level, but untrazable in cross-border deliveries.

Lengthy delivery times throughout Europe

The market demands:

- End to end supply chain services, including a seamless multi-operator delivery chain network across Europe.

The market supplies:

- A delivery network incapable of the interconnectivity required to deploy multi-operator delivery.

Customs and VAT administration

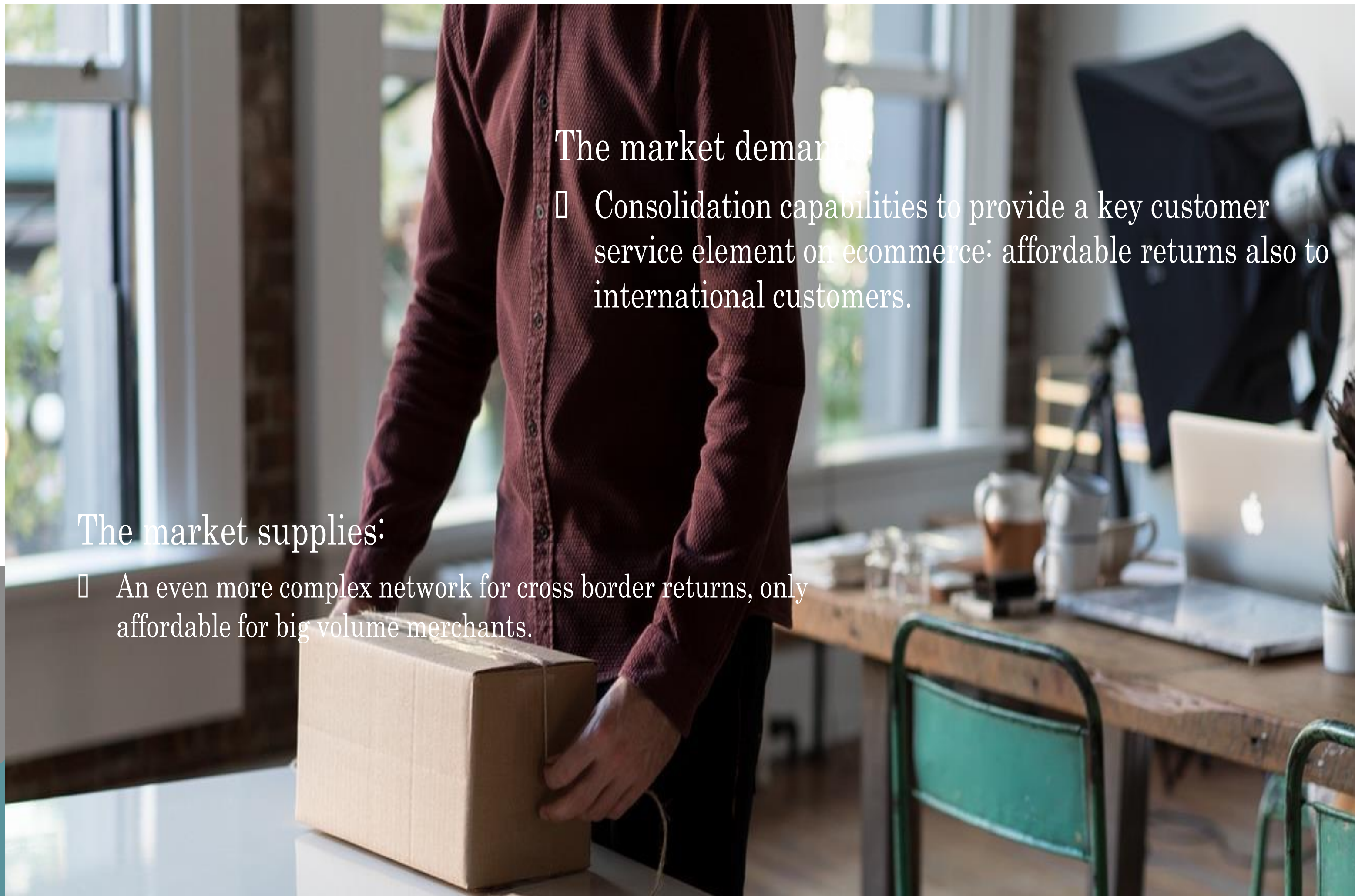
The market demands:

- A real single market with an easy to comply set of rules that boost consumer confidence on cross-border e-commerce.

The market supplies:

- A single market for goods and services with different tax treatment for every EU market.

Reverse logistics [for small volumes]



The market demands:

- Consolidation capabilities to provide a key customer service element on ecommerce: affordable returns also to international customers.

The market supplies:

- An even more complex network for cross border returns, only affordable for big volume merchants.

Lack of transparency in pricing

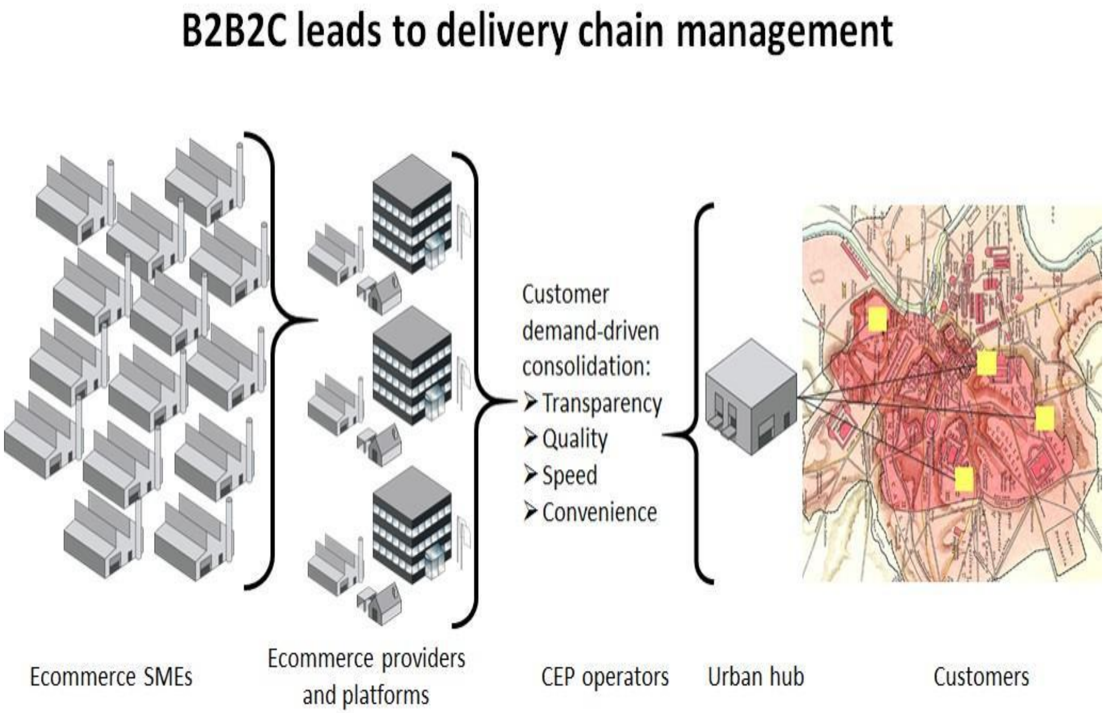
The market supplies:

- Delivery prices for commercial letter post items set by DOs by a system of multilateral agreements set at the UPU.
- Over payment of DOs network capabilities up to 4 times the national tariff for cross border delivery for small volume merchants.
- Sophisticated tender system for SMEs to understand all parallel services offered by non DOs.

The market demands:

- Transparent costs and comparable systems for better evaluation of using the different networks operating locally and internationally.

What we need is a Delivery chain management approach:



Source: www.communication-logistics.com

ECOMMERCE EUROPE

What we need:

- A global level playing field from service providers
- Open IT standards for interface and database
- Open IT standards for labelling
- More negotiating power on prices through transparency and access

The eLogistics sector is already taking responsability on many of these issues, as the only way to be a real partner of eMerchants that need to keep up with higher expectations of a mature digital consumer.

- Delivery services using data supported logistic chains can easily consolidate, enabling delivery routes to be directed to national, regional and local delivery services.

- DOs have already shown the path both through interoperability among the UPU network, and when working under agreements with third party operators.

- The rise of middleware, used by most international merchants allow to locate existing prices for delivery service that best meets the consumer demands.

- Large eCommerce platforms are already proving a B2B2C oriented service, and growing their global business though these types of services, on clear competition with established logistics networks.

- European Comission is working on harmonizing (Ex.VAT administration processes for goods and services (MOSS)

Ecommerce Europe is a key element to help organizing some of the initiatives of the private sector.

ANY QUESTIONS?

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THANK YOU !