



## IPC Cross-Border E-Commerce Report



THE NATURAL PARTNER FOR THE POSTAL INDUSTRY

International **Post**  
Corporation

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## Foreword

In 2009, the International Post Corporation designed a comprehensive research programme to support members' marketing and product development initiatives in the area of cross-border e-commerce.

The growth of internet shopping is accelerating worldwide, and in the not too distant future, connected consumers will be able to shop anytime, from anywhere, for anything. The transport and delivery of parcels and packages resulting from this growth poses challenges for postal organizations, but also provides an important opportunity for posts to position themselves as the delivery partner of choice among e-retailers.

The IPC Cross-Border E-Commerce study was conducted for IPC by Market Probe Europe and Rothschild Research Consulting. It includes perspectives from large and small e-retailers (postal customers) and the consumer (end-customer).

The research focuses on understanding how cross-border e-commerce is developing, the potential for cross-border shopping among consumers, and the factors currently limiting the postal share of online cross-border shopping. Seven markets across Europe and North America, at different levels of development in terms of e-commerce, were included in the design.

The findings are based upon qualitative interviews conducted with e-retailers; ranging from small domestic internet pure-players to some of the largest European and US-based international online companies, which encompass a wide range of online business models.

The *IPC Cross-Border E-Commerce Report* provides data on consumers' current online shopping behaviour, the relative barriers to shopping online for goods which require physical delivery in international markets and the importance of factors influencing the choice of delivery options offered by e-retailers. It also includes an understanding of the logistics and product delivery requirements of e-retailers looking to grow their business by increasing their share of wallet from existing consumers, increasing volumes, acquiring new customers, or expanding their geographical market place.

Key findings from this study are intended to assist postal operators to build their share of cross-border delivery services by supporting the national and international growth of e-retailers in relevant retail sectors. By developing targeted services up and down the home delivery value chain, posts are better positioned to establish long-term relationships with e-retailers, based on a mutually profitable and beneficial business model, and to provide opportunities for growth.

This study aims to give a holistic understanding and market benchmarking information to stimulate discussion and cooperation between IPC members; in order to best capitalize on the most important growth opportunity for the postal industry in recent years. These are exciting times where success in supporting the growth of e-commerce is likely to be the most important factor in shaping the future of our industry.

It is my pleasure to present this *IPC Cross-Border E-Commerce Report*.



**Jane Dyer**  
Director, Markets and Communication  
International Post Corporation



## Introduction

The *IPC Cross-Border E-Commerce Report* is the result of a comprehensive research programme conducted by IPC in 2009 and 2010. This research aims to provide a holistic analysis of the trends and drivers shaping cross-border e-commerce from two perspectives, the e-retailer (postal customer) and the consumer (end-customer).

By designing a comparative study with a specific focus on online shopping for goods which require physical delivery, IPC delivers to its members a list of actions and directions to build their parcels and packages business in a way that best meets the needs and requirements of the market.

This report includes an overview of the key findings from research in the US, the UK, Germany, France, the Netherlands, and Denmark. (Sweden was also included in an initial qualitative part of the research programme).

The overall objectives of the research include:

- Understanding the importance of cross-border trade among consumers
- Understanding how e-retailers adapt their e-commerce business strategies to encompass growing cross-border trade
- Evaluating motivations and drivers as well as potential barriers to the adoption or further development of e-commerce; specifically relating to delivery
- Evaluating current supply chain management practices among e-retailers and the delivery performance of partners and posts
- Assessing how postal organisations can leverage and develop services to effectively meet the needs of e-retailers
- Understanding the value of a return solution to consumers and e-retailers

The size of the cross-border opportunity in retail sectors of interest to postal organizations, is assessed using a screening exercise. The exercise was conducted with a nationally-representative sample of consumers; a sub-set completed a detailed quantitative questionnaire, investigating delivery needs and preferences.

Qualitative discussion guides and quantitative questionnaires were developed in consultation with marketing and research experts from the posts in each of the researched markets.

IPC conducted this research in conjunction with Market Probe Europe and Rothschild Research Consulting in the US. The data and findings reflect market information up to March 2010.



# Executive Summary

## **The IPC Cross-Border E-commerce Report, identifies that:**

- Online shopping for goods which require physical delivery is a learning process built on confidence and trust.
- Most of the time, consumers shop online for relatively low value goods (circa average €50 per transaction).
- The experienced consumer shops more frequently, buys a wider range of products online and shops more frequently across borders.
- 15 to 40 percent of Europeans in the market surveyed, have bought goods online from other countries. A further 5 to 10 percent are likely to do so in the future.

## **The growth of e-commerce provides both challenges and opportunities for postal services:**

### **Price**

- For e-retailers, logistics and delivery are key elements in developing sustainable and profitable business models, which can accommodate product or geographical expansion.

- The level of delivery charge is crucial to online sales and should not exceed a third of the product price.
- The majority of consumers select standard delivery options at the lowest price, and are prepared to wait (a little) longer to receive their goods. E-retailers are unable to monetise additional delivery service features directly with consumers.
- Free delivery is used to stimulate online purchases, usually for orders exceeding a specific value (varying by product category).

### **Reliable and Flexible Deliveries**

- A positive delivery (or return) experience is essential in order to build loyalty to the e-retailer and to keep consumers purchasing the product category online.
- Concerns with delivery remain a barrier for consumers shopping online for physical goods, specifically when looking to shop cross-border.
- Consumers' anxiety focus on whether they will be available to successfully receive or retrieve their parcel from the delivery company.

- Although not a primary consideration in selecting a delivery service, flexibility in delivery location and flexibility in delivery time slot are most relevant to consumers.

### **Visibility of Parcels and Packages**

- Consumers feel visibility of their parcel or package is important to build the trust in the e-retailer; delivery information reduces anxiety levels and allows consumers to take control of receiving or collecting their goods.
- E-retailers require visibility in delivery and returns in order to successfully manage and optimise their business, at all stages of the value chain. This is seen as an essential element for cross-border trade and expansion.

# Opportunities for Postal Operators

## **Increase focus on the contribution of small parcels and packets to the overall postal business.**

### **Meet current consumer expectations by:**

- Increasing the reliability of service for day certain home deliveries
- Offering increased flexibility for retrieving parcels by leveraging the postal retail outlet network, offering alternative pick-up locations or secure parcel boxes

### **Build the postal share of deliveries from established e-retailers by:**

- Providing a more flexible pricing structure which aligns with variations in volume and seasonality
- Building direct injection service options and/or implementing 'neighbouring' country pricing strategies
- Leveraging information management systems to provide real-time progress information to e-retailers
- Collaborating with other postal operators to provide track & trace information across borders

- Providing visibility to e-retailer relating to returns information thereby providing effective inventory management solutions as well as facilitating end-customer care for e-retailers

### **Gain business among emerging e-retailers by:**

- Offering full logistical support to online businesses as a way of establishing or cementing long-term beneficial relationships
- Providing e-commerce platforms to increase visibility and ease of shopping for SME and niche pure players

### **Support the growth of e-commerce longer term by:**

- Developing tailor-made delivery services for specific emerging product segments (eg: beauty products, pharmaceuticals)
- Communicating the environmental credentials of postal services through increasing consolidation of flows, especially cross-border

# Research Design

## Multiple perspectives

The *IPC Cross-Border E-Commerce Report* investigates two perspectives in detail: e-retailers and consumers; and identifies opportunities for postal organisations to expand cross-border services and support e-retailers' domestic and international growth.

The research focuses on retail segments relevant to the postal sector and involved in the delivery of letter packages and parcels, weighing less than 30 kg.

Specific research elements include:

- Understanding the trade-off consumers make between price paid for delivery and length of delivery time
- Assessing the need, usage and service requirements in terms of cross-border return solutions

### Note

- The legislative framework and technological infrastructure are also important factors driving the growth of e-commerce, but these are not investigated in detail in this research.

### LEGISLATIVE FRAMEWORK



### TECHNOLOGICAL INFRASTRUCTURE



## Survey Parameters

The scope of research includes established e-commerce markets such as the US, the UK, Germany, Denmark and Sweden as well as less mature markets such as France, the Netherlands and Belgium.

In the e-retail research, companies were selected from a list of top 250 e-retailers based on online or company revenues. The lists, approved by participating IPC members, included large businesses with multi-national platforms as well as smaller players with a primarily domestic focus.

### Notes

- Fieldwork was conducted between September 2009 and March 2010.
- In-depth, telephone and online interviews were conducted in local language.
- Sweden participated only in the qualitative phase of consumer research.
- The US included two additional interviews with international facilitators or packaging forwarding companies.

Country	Consumers		E-retailers	
	Qualitative Phase	Quantitative Phase	Established multi-country	Primarily domestic focus
<b>UK</b>	10	+/- 1500	10	5
<b>Germany</b>	10	+/- 1500	10	5
<b>US</b>			8	4
<b>Denmark</b>	10	+/- 1200		
<b>Sweden</b>	10			
<b>France</b>	10	+/- 1500	7	4
<b>Belgium</b>	10	+/- 1500	2	5
<b>Netherlands</b>	10	+/- 1500	5	2
<b>TOTAL</b>	70	600 target interviews per country	42	25

# Consumer Research Design

## Assessing the incidence of cross-border online shopping

The incidence of online cross-border shopping for goods which require physical delivery is assessed by screening a sample of 1,500 consumers aged 16 to 65 years old.

Two distinctive target groups are of interest in this study:

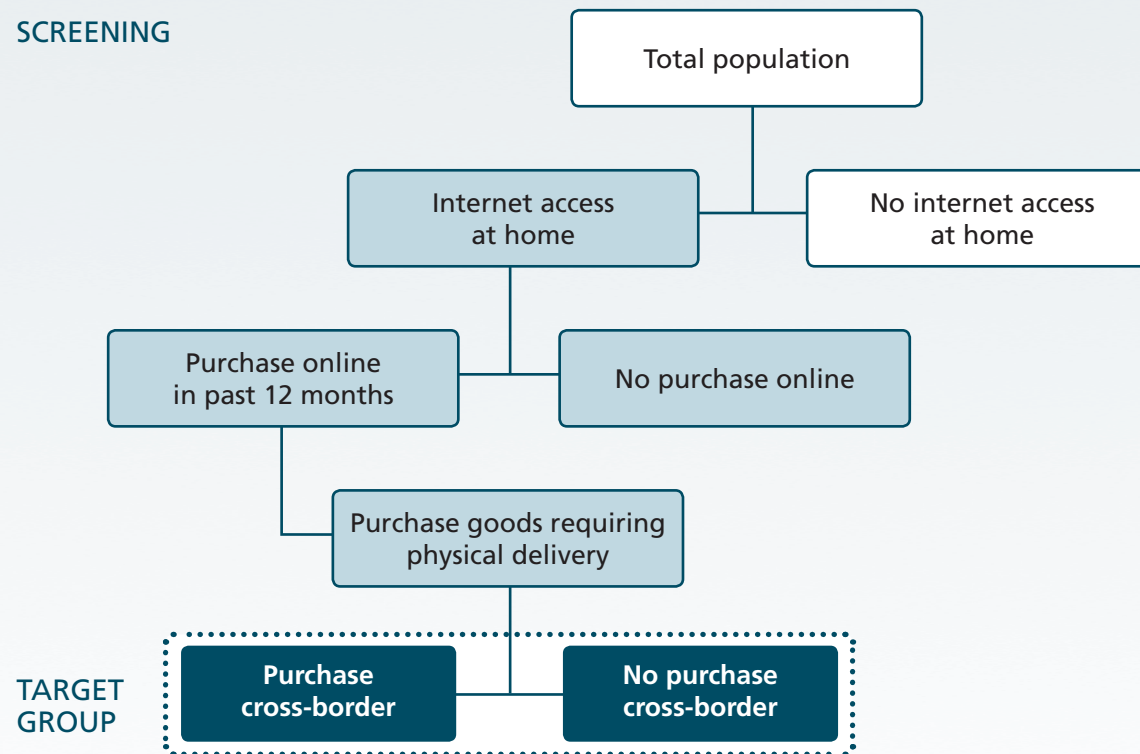
- Those shopping online for goods which require physical delivery across borders, in the past 12 months
- Those who have NOT purchased any goods which require physical delivery from other countries in the past 12 months

The IPC analysis compares and contrasts the online shopping behaviour, motivations and barriers to shopping across borders as well as the delivery requirements of these target groups. This provides an understanding of the importance and the role delivery services play in promoting online shopping. Clear opportunities and actions for postal organisations have been identified.

### Note

- The online panel has online access at home.

### SCREENING



# Sizing the Current Cross-Border Opportunity

## Incidences in Europe

Approximately half of the population in the markets researched have purchased goods for physical delivery in the past 12 months. In more mature markets, this proportion rises to two thirds of the population.

This equates to over 8 out of 10 online consumers purchasing goods for physical delivery (Belgium: 6 out of 10).

Overall, approximately one third of online consumers knowingly purchase physical goods from other countries.

This incidence increases to nearly half of consumers in smaller countries such as Denmark and Belgium.

### Notes

- Different motivations for high levels of cross-border shopping:
  - BE: small domestic market
  - DK: taking advantage of lower taxes and currency exchange
- A quarter of consumers connected to the internet in Belgium do not purchase physical goods online.

<b>Total Population</b>	<b>UK</b>	<b>DE</b>	<b>FR</b>	<b>DK</b>	<b>NL</b>	<b>BE</b>
Broadband internet access at home*	62%	55%	57%	74%	74%	60%
Purchase goods for physical delivery in past 12 months	58%	49%	49%	61%	65%	38%

<b>Online Population</b>	<b>UK</b>	<b>DE</b>	<b>FR</b>	<b>DK</b>	<b>NL</b>	<b>BE</b>
	(n=1080)	(n=1101)	(n=948)	(n=1023)	(n=1247)	(n=1183)
No online purchases	5%	10%	12%	13%	10%	24%
Purchase online in past 12 months	95%	90%	88%	87%	90%	76%
Purchase goods for physical delivery in past 12 months	93%	89%	86%	83%	88%	64%
Cross-border purchases	36%	29%	33%	51%	27%	40%
No cross-border purchases	57%	60%	53%	32%	61%	24%

Base: Individuals with internet access at home

\* Source: Households with broadband access – 2008 (OECD)

# Online Shopping Behaviour

This chart compares consumers' level of experience of shopping online with the frequency of purchase in the past 12 months.

Online shopping is a learning process: consumers shop more often with every year of experience.

E-commerce parcel and packet volume growth is driven by increasing adoption of online shopping (becoming mainstream), but also by increasing purchasing occasions year on year.

Qualitatively, consumers describe this as a continuing pattern, only altered by loss of trust or by becoming a victim of online fraud.

## Notes

- Experience is measured as the number of years individuals have been purchasing physical goods online.
- Frequency of purchase in the past 12 months:
  - Light: once every 3 months or less often
  - Medium: once or twice a month
  - Heavy: once a week or more often



Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months

## Cross-Border Online Shopping Behaviour

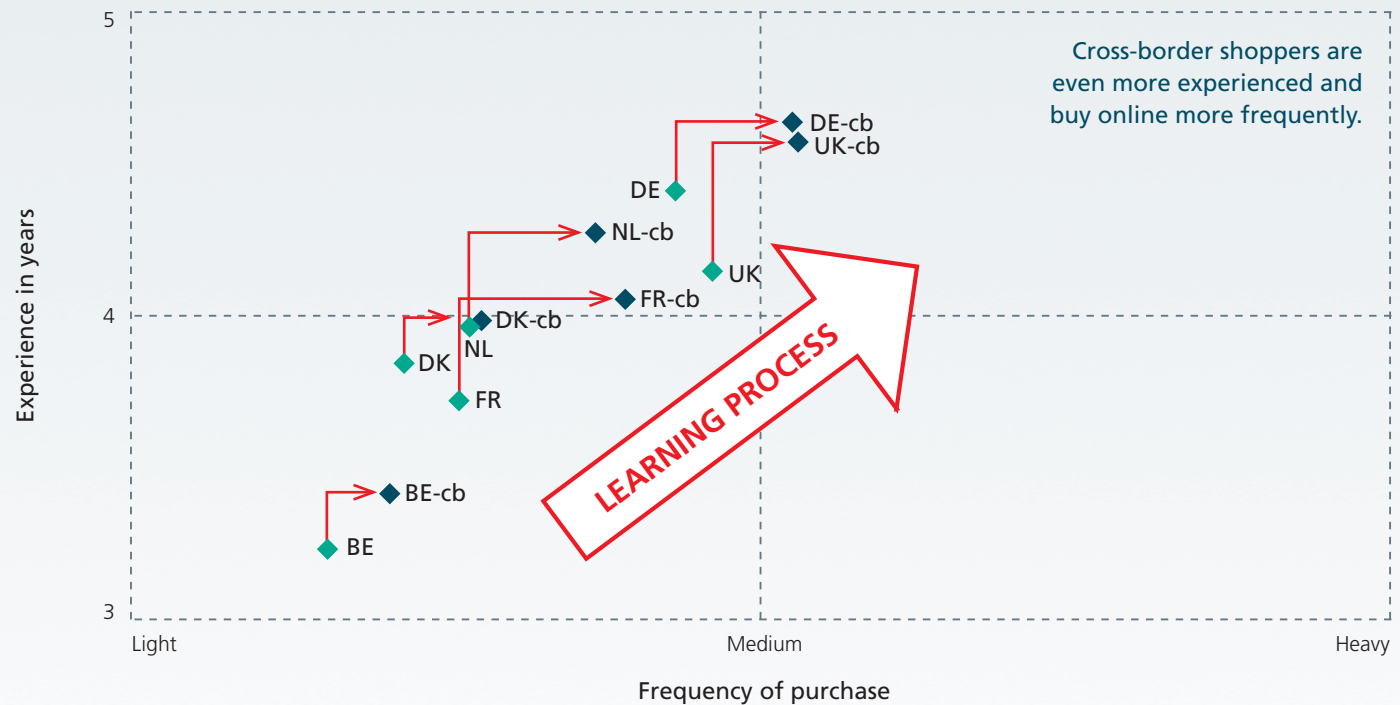
In all countries, consumers who knowingly shop cross-border are further along this online learning process.

Results suggest that cross-border shopping goes beyond the 'usual' online shopping behaviour.

Confidence in a positive delivery experience is essential in moving consumers to purchase more goods requiring physical delivery more often, from e-retailers in other countries.

### Notes

- Frequent cross-border shoppers (shopping at least once a month) are more likely to be younger, well-educated men.
- Domestic online shoppers tend to be older female shoppers.



Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months  
 cb: Individuals who purchased cross-border in the past 12 months



# Online Purchases

## Top 4 goods for physical delivery

Four product categories account for at least 6 out of 10 most frequent purchases of physical goods from the internet.

On average, consumers in the more mature markets (UK and DE) purchase approximately twice as many product categories than in growing markets (NL and BE).

The risk to delivery companies, including posts, is that 2 out of the top 4 most often purchased product categories are moving towards digital media and are unlikely to provide significant future growth:

- Books, CD and DVDs
- Computer software and games

### TOP 4 goods bought

**1. Books, CDs & DVDs** (on average 20-49 €)

**2. Clothes & Shoes** (on average 50-99 €)

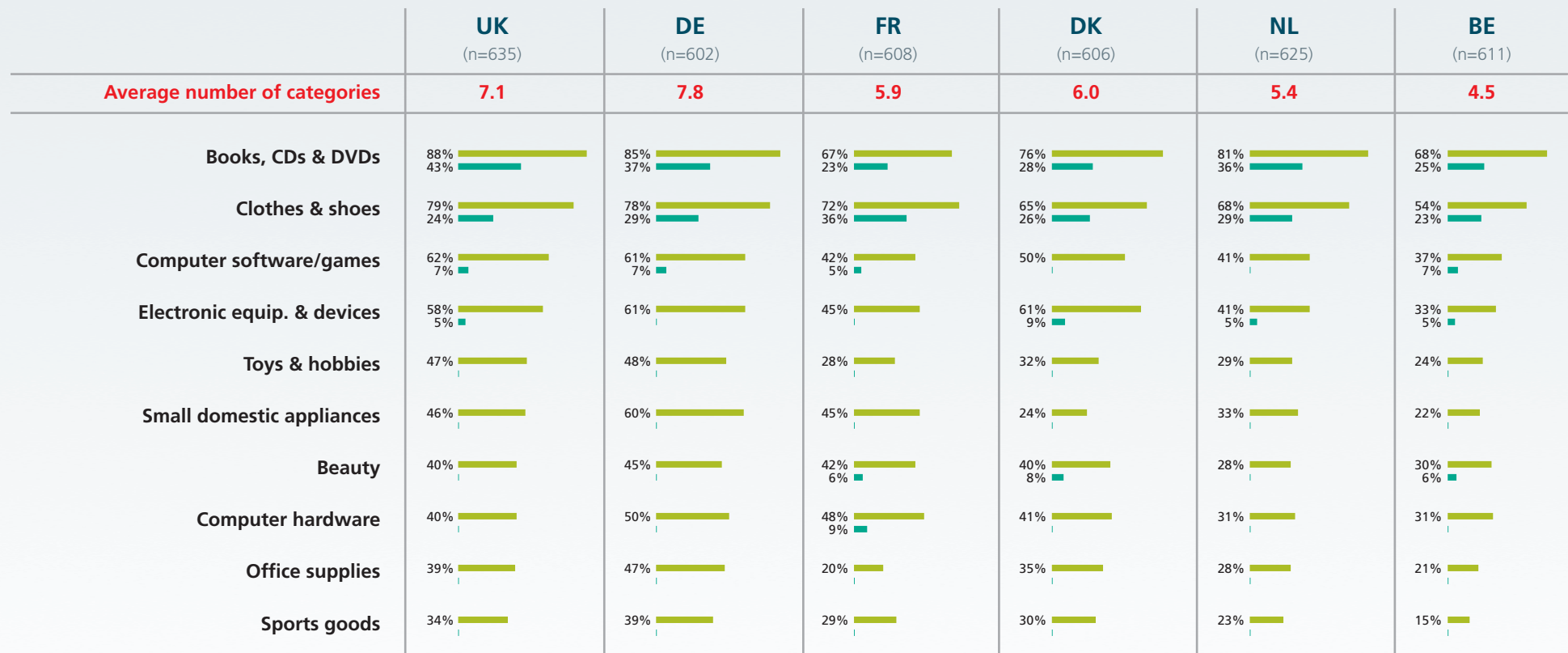
**3. Computer software & games**



**4. Electronic equipment & devices**

Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months

# Online Purchases

## Top 10 goods for physical delivery



 Ever bought  
 Most often

Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months  
 Only values greater than five percent are shown

# Cross-Border Purchases

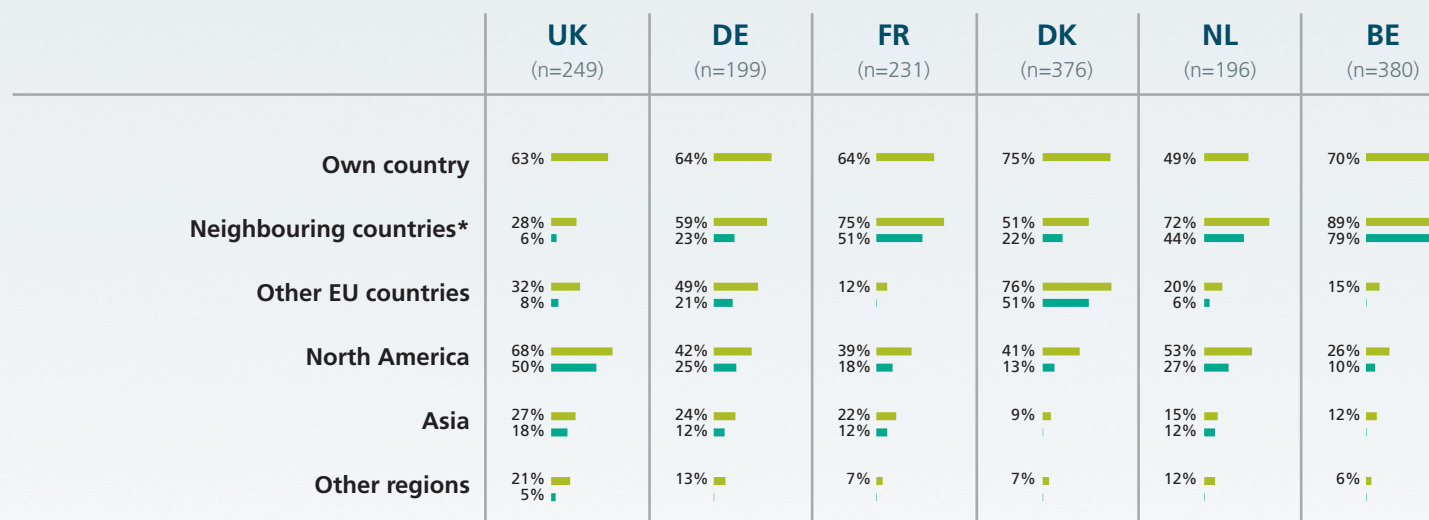
## By region

This chart illustrates the regions from which cross-border shoppers have bought goods which require delivery in the past 12 months.

Across all markets, between 50 and 75 percent of cross-border shoppers have also purchased from domestic e-retailers in the past year.

In terms of cross-border purchases, UK consumers prefer to shop from North America. German consumers shop from a wider spread of markets, while consumers in France, the Netherlands and Belgium prefer to shop from neighbouring countries.

Consumers take advantage of currency exchange rates and different levels of tax to secure the best prices; as noted in Denmark.



All mentions  
 Most often

Base: Individuals with internet access at home who purchased goods CROSS-BORDER for physical delivery in the past 12 months  
Only values greater than five percent are shown

# Satisfaction with Shopping Online

Online shopping in general, is an extremely satisfying activity for over a third of consumers in most markets (a quarter of consumers in France).

The key reasons given for dissatisfaction relate primarily to inventory management, logistics and product delivery:

- Orders not fulfilled correctly
- The length of time prior to the despatching of goods
- Inferior quality goods
- Goods found to be out of stock after purchase decision
- Delivery costs too high

Cross-border shopping is as least as satisfying; with approximately 2 out of 10 cross-border shoppers stating to be more satisfied when shopping cross-border.

Interviews with e-retailers suggest that this is achieved mainly by using courier (integrator) services for cross-border deliveries.

## Note

- Strength in perception is measured by top 2 box endorsement on a 5 point agreement scale.



# Motivations for Shopping Online

## General & cross-border

Motivations for shopping online and shopping cross-border are predominately rational (price, convenience & product) but also encompass emotional elements (personal space and time).

Online shopping must provide consumers with low(er) prices than in retail stores.

The ability to compare prices in other countries empowers the consumer with a sharper view on whether they are paying the 'right' price. This is a key driver in Denmark, where consumers take advantage of exchange rates and lower taxes in other countries.

Qualitatively, experienced internet shoppers describe the pleasure of 'browsing' and exploring the internet for deals, innovative products; similar to more traditional window shopping activities.

### Main drivers for shopping online (other than low prices)

#### 1. Compare prices

**2. Convenience**  
Shop from home & at any time &  
at my own pace

#### 3. Goods that are only sold online

### Main drivers for cross-border online shopping

#### 1. Price

Lower prices, compare prices, better price due to lower taxes or exchange rate

**2. Exclusive products**  
Not sold in own country

#### 3. Wider range of products

**4. Convenience**  
Any time of the day



# Barriers to Shopping Cross-Border

Consumers not considering cross-border shopping describe a 'lack of need'. There are no strong 'push' factors to entice them to broaden their online shopping experience.

Other key barriers include a lack of trust in the delivery process and the perceived difficulty of returning goods.

Building awareness and positive experiences in the domestic market through reliable high quality delivery services will, in turn, encourage consumers to experiment cross-border.

It is important to note, that negative experiences with delivery have the potential to switch consumers off online shopping altogether, or create significant noise around the specific e-retailer or delivery company.

## Main barriers for cross-border online shopping

### 1. No need

Can find everything I need in my own country

### 2. Lack of trust

Quality of goods, not confident in receiving goods, warranty

### 3. Expect very high delivery costs

### 4. Complicated & long return process

## COUNTRY SPECIFIC PROFILES:

**UK** – satisfied with domestic e-retailer offering and some scepticism of 'foreign' retailers

**Germany** – concerns regarding VAT and customs

**France** – difficulty and language barrier in contacting customer services and the lack of confidence in 'foreign' warranty

**Denmark and the Netherlands** – satisfied with domestic e-retailer offering and concerns regarding delivery from abroad

**Belgium** – lack of confidence in 'foreign' warranty and likelihood of delivery going wrong

Base: Individuals with internet access at home who do NOT shop CROSS-BORDER and will NOT CONSIDER it in the future

# Sizing the Cross-Border E-Commerce Potential

An important objective of IPC cross-border e-commerce research is to provide an estimate of the potential for cross-border purchasing of physical goods online.

This is estimated based on:

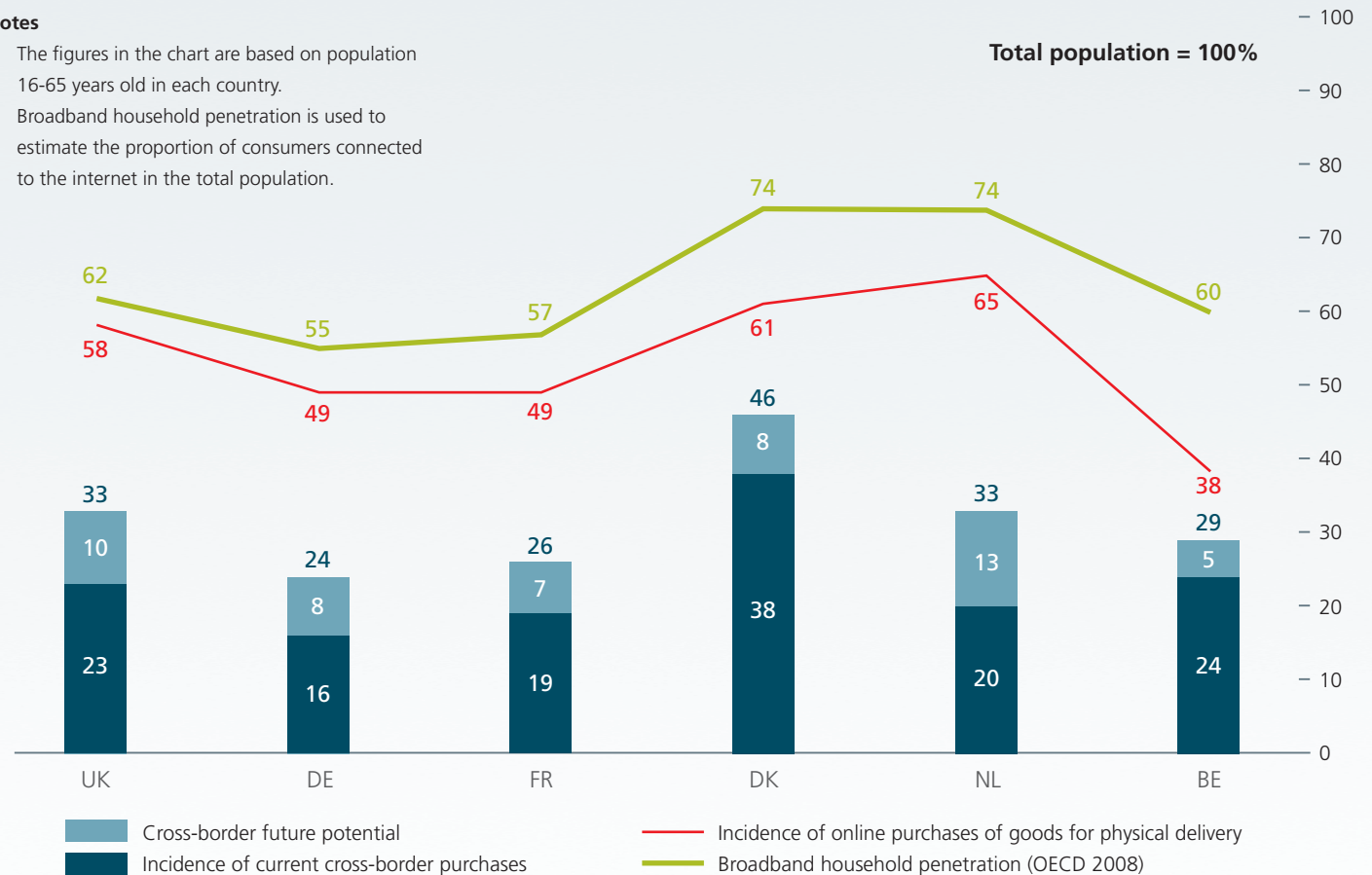
- The percentage of people purchasing goods cross-border which require physical delivery in the past 12 months
- The percentage of those not currently purchasing cross-border from the internet, but who are looking to do this in the near future

Currently, 15 to 40 percent of Europeans in the markets surveyed, have bought goods online from other countries. A further 5 to 13 percent are likely to do so in the near future.

If current cross-border barriers can be reduced, this represents a total cross-border market potential of between a quarter to a third of consumers in the majority of countries; and over 45 percent in Denmark.

## Notes

- The figures in the chart are based on population 16-65 years old in each country.
- Broadband household penetration is used to estimate the proportion of consumers connected to the internet in the total population.



Source: IPC analysis

# Potential in Cross-Border Online Purchases

## Future consideration

This chart illustrates future consideration for cross-border shopping. The 'potential' for cross-border shopping is calculated from the 'stated' consideration.

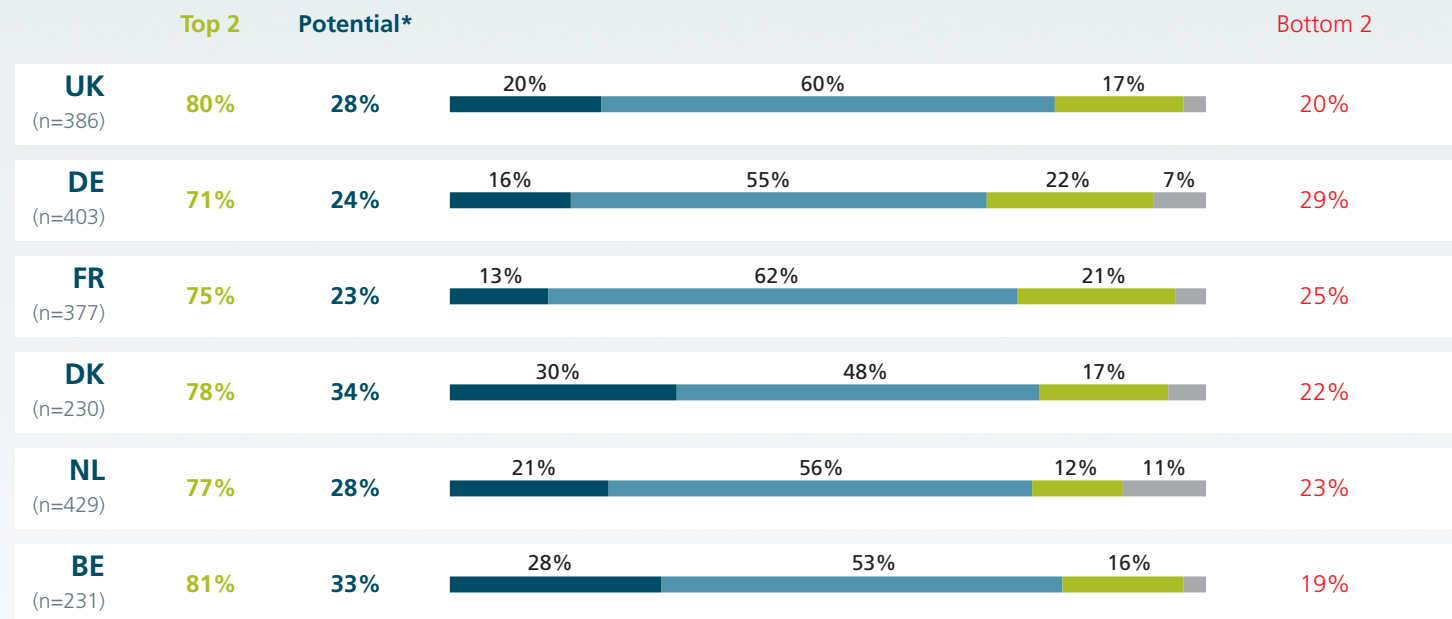
Across all markets, a quarter to a third of consumers not currently shopping cross-border, would consider it in the near future.

Compared to other markets, more consumers in DE and the NL, would definitely NOT consider cross-border shopping online in the future (7 percent and 11 percent respectively).

Those not considering cross-border online shopping indicate a preference for the presence of a physical shop when buying online.

### Notes

- Similar profile to non cross-border shoppers, predominately female
- In DK, FR and DE, non cross-border shoppers tend to be younger.



- Definitely consider in the future
- Probably consider in the future
- Probably not consider in the future
- Definitely not consider in the future

\*Potential = 80% x definitely + 20% x probably

Base: Individuals with internet access at home who do NOT currently purchase goods CROSS-BORDER for physical delivery

# E-retailer Business Models

## Annual online growth expectations

The world of e-commerce is highly fragmented, encompassing four distinct models as well as 'mixed' models (eg: Distance Sellers with limited retail premises).

E-retailers' online business contexts dictate the logistics and delivery service requirements of the company.

### Notes

- The Pure Player business model relies on offering a range of delivery options to meet the needs of a diverse, yet loyal customer base.
- Distance Sellers (primarily mail order companies) have embraced the online channel. The latter has substituted more traditional sales channels rather than increasing the customer base. Distance Sellers focus on customer acquisition and building customer loyalty by offering competitive prices and low or free delivery services.
- The Click & Mortar business model is still relatively recent (less than five years old). The viability of the online sales channel has yet to be proven.

New Pure Players	Mature Pure Players	Distance Sellers	Click & Mortar
Very High Growth (>50%)	High Growth (30 to 40%)	Moderate Growth (~20%)	Lower Growth (5 to 10%)
Niche market Quality product offer Limited cross-border offer	Mass market Quality/price Cross-border offer	Mass market Wide range of products Cross-border offer	Strong brands Online is secondary and enhances customer convenience and experience
Focus on meeting challenges of exponential growth (domestic or international)	Focus on expansion in terms of products and geography	Focus on migrating from offline to online Customer acquisition	Focus on integration of online in current organisation Increasing traffic in shops
Guaranteed day delivery Flexibility in resolving problems Information	Logistics already organised Cost of delivery as low as possible	Logistics already organised Same for offline and online	Logistics and delivery offering linked to brick and mortar locations

Base: Interviews with e-retailers from top 250 in five European markets and the US

# E-retailer Cross-Border Business Strategies in the US

## Segments reflecting the adoption of cross-border e-commerce

Based on in-depth analysis of qualitative research among e-retailers in the US, five segments reflecting the level of readiness for cross-border e-commerce have been identified.

Although the US remains a predominantly domestic-focused e-commerce market, these descriptors are also highly relevant to Europe.

E-retailers with a physical presence in more than one European country, are looking to create greater synergies between their websites and operations across countries. This allows for optimisation of back office operations, improvements in inventory management as well as presenting a seamless platform to consumers.

In order to maximise its e-commerce opportunities, posts must identify the e-retailer business models and cross-border segments where they can offer quality service at competitive prices.

### Primarily US

*"It's almost like we take international orders, but we're not actively trying to sell our product to international customers."*

### EMBRYONICS

Planning or relatively new to international  
Ad hoc orders  
Manual fraud inspection  
No changes to domestic website

### INERT

No desire  
Fear fraud  
Domestic focus  
No resources for international expansion

### EMERGERS

Some website changes  
More experienced  
See value in expansion  
Use international facilitators

### EMBRACERS

Very knowledgeable  
Own fraud detection system  
Use retail stores (if have them) to increase cross-border sales & get faster international delivery  
May use country URLs or translations

### EXPLOITERS

Long-time players  
Positioned with superior items or best pricing over in-country or other retailers  
Use referrals  
Use other portals  
Use own seamless logistics & shipping arrangements

Base: Interviews with e-retailers based in the US



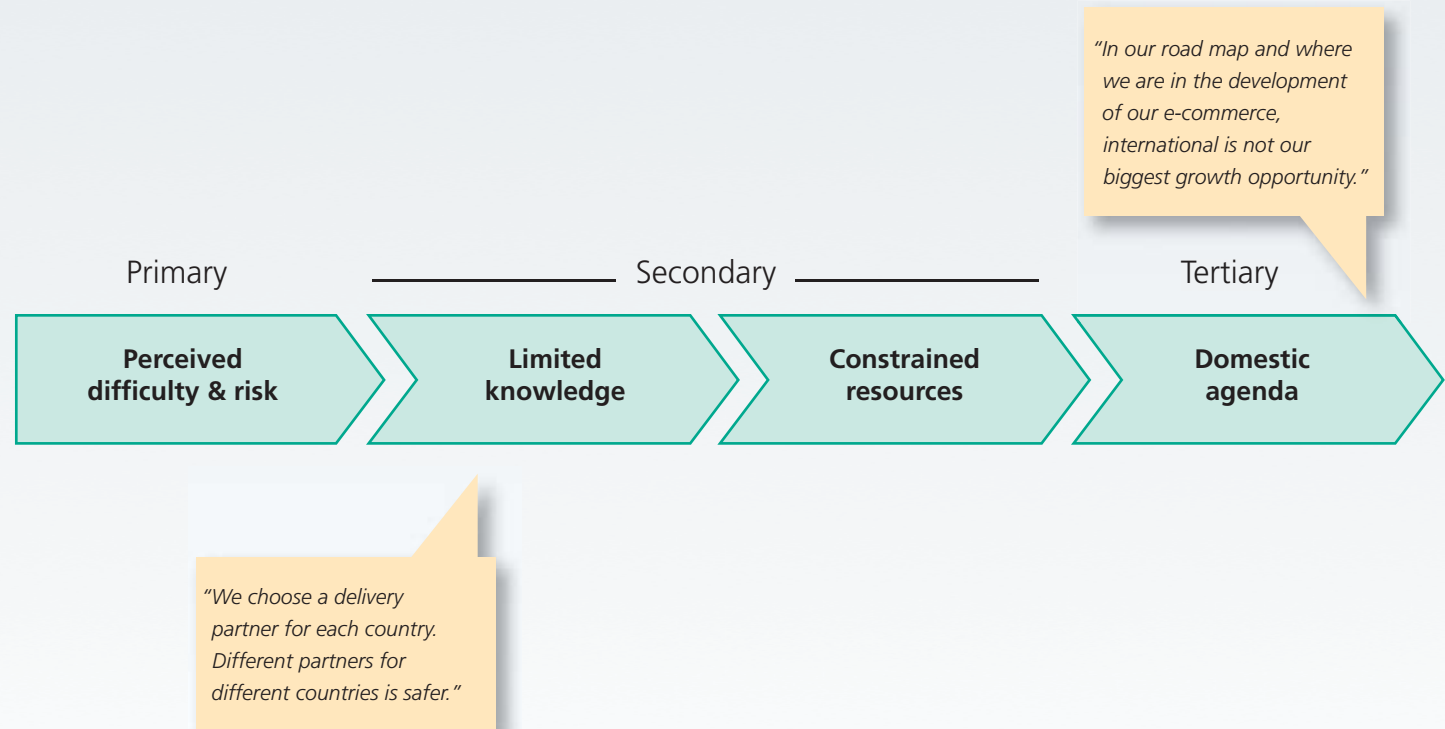
# Entry Barriers to Cross-Border E-retailing

## High level of risk

E-retailers with a predominantly domestic focus (Inerts and Embryonics) identify important barriers that limit their engagement in cross-border e-commerce.

Limited resources require these e-retailers to work with partners able to:

- Facilitate online international access and provide 'trust' to consumers. This is particularly important in terms of payment services and fraud protection.
- Undertake fulfillment activities as well as provide logistics and delivery services
- Provide support which expedites international payments and paperwork including customs clearance



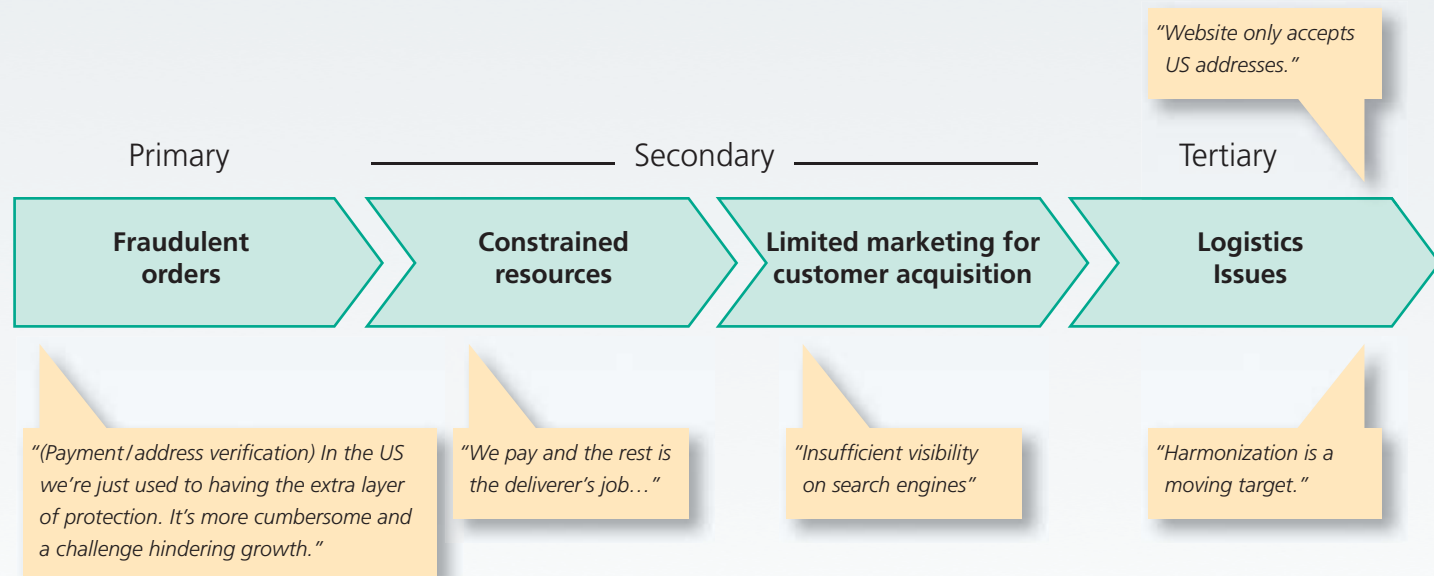
Base: Interviews with e-retailers from top 250 in five European markets and the US

# Growth Impediments to Cross-Border E-retailing

## Difficulties in making cross-border viable

Once in the market, cross-border e-commerce growth is limited by perceptions of undue financial risk, constrained resources and underdeveloped marketing activities for Emergers and other segments.

- Experience with fraud places greater need on better surveillance. This is particularly relevant in the US.
- More ideas for aggressive cross-border prospecting needed
- Risk of investing resources in emerging e-commerce market
- Aid with address/delivery requirements, customs, etc. is tertiary. This is less relevant until the other more important concerns are addressed.



Base: Interviews with e-retailers from top 250 in five European markets and the US

# Growth Inducements to Cross-Border E-retailing

Sufficient momentum to capitalise on cross-border visibility

E-retailers have identified important strategies they can adopt to grow their cross-border e-commerce offering in an effective, profitable way:

- Engage and exploit third-party expertise to optimize the logistics and the delivery elements of the home delivery value chain
- Increase virtual global presence by leveraging international e-commerce platforms and sharing websites
- Increase physical presence in order to build brand recognition. In Europe, e-retailers aim to achieve an optimum between in-country presence, providing control of delivery, with centralised more complex logistics, but higher delivery costs.
- Target product offering, website and communication proactively to international consumers

POSITION	KEY INDUCEMENT	RATIONALE
#1	Using International Integrators Facilitators/Package Forwarders (US)	With multiple models in place, users are likely to have rapid growth without significant investment
#2	Partnering with other e-retailers Using other portals	Able to expand reach much more quickly by capitalizing on the translations and in-country sites of "host" retailers
#3	Expanding foreign retail and/or warehouse distribution presence	Will build brand awareness and recognition outside domestic market and demonstrate retailers' commitments to serve international markets
#4	Expanding repertoire of high demand products	High quality merchandise not found in-country will draw in new customers
#5	Improving delivery partner performance	More experience in difficult to reach countries/localities will increase confidence

Base: Interviews with e-retailers from top 250 in five European markets and the US

# E-retailer Logistics Requirements

## Business context

The highly competitive world of online retailing is benefitting consumers.

E-retailers put pressure on margins from service providers across the entire value chain, in order to present the best deal in terms of product price / delivery price to online shoppers.

Delivery services have already become a commodity for e-retailers following a 'low-cost' business strategy. Delivery costs are incorporated in the product prices or delivery is free for baskets over a certain value (€20 - €50 or equivalents).

Due to the continuous downward pressure on prices in the online world, relationships between delivery partners and e-retailers must strengthen in order to meet consumer needs and expectations in a mutually beneficial and profitable manner.

### Business Reality

- Meeting unpredictable demand
- Managing exponential growth
- Managing intangible global competition
- Downward pressure on margins

### Logistics Needs

- Low cost
- High quality
- Reliable
- Flexible
- Contractors able to meet demands of varying volumes
- Consistent prices
- International capabilities

### Strategies

- Long-term relationship with delivery partners
- Share risks and benefits
- Evolve logistics with maturing and expanding markets
- Use international facilitators (US)

Base: Interviews with e-retailers from top 250 in five European markets and the US

# Facilitating Online Shopping for Consumers

## Importance of features and services

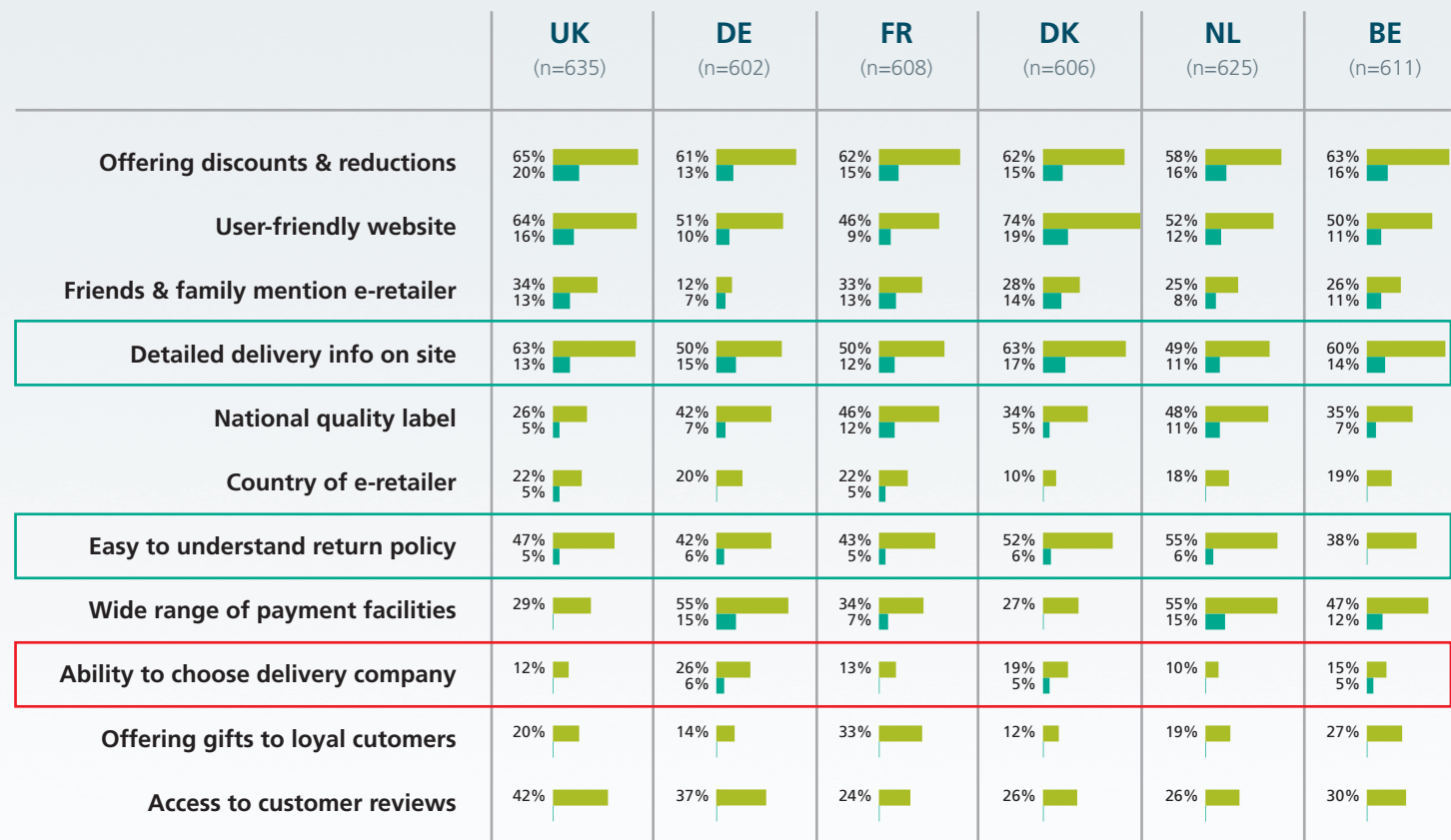
Three important elements which consumers look for in an online retailer website include:



- Price discounts
- Detailed delivery information
- Easy to understand return policy

Delivery partners and e-retailers need to enhance the 'delivery' experience on the website.

Visibility of the delivery partner through the ability to select a specific delivery company is of low importance, but consumers do want to be informed which company will deliver their parcel.

Qualitatively, particularly in Germany, consumers would like to be informed of the delivery price of a specific product before having to go through the purchasing process. All too often delivery prices appear at the end of the process, after the consumer has had to input their personal details.



 All features  
 Main feature

Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months  
Only values greater than five percent are shown



# Importance of Delivery Aspects

## Basic features

The trade-off consumers make between price and length of delivery is analysed using a choice-based research technique which identifies preference in delivery features (conjoint analysis).

Overall, the results indicate that price remains the dominant driver in choosing a delivery service option for cross-border purchases among 50 to 60 percent of consumers.

Remaining consumers are fragmented, more or less equally, by preference for:

- Availability of track and trace
- Flexibility of delivery options
- Length and reliability of delivery (time definite or day certain)
- Return services options

Qualitatively, e-retailers, looking to offer best value cross-border delivery services, identify the important features of delivery services as:

- Reliability of delivery
- Flexibility in delivery in terms of location
- Inclusion of track and trace

	UK	DE	FR	DK	NL	BE
<b>Price</b>	61%	55%	51%	57%	49%	54%
<b>Track &amp; Trace</b>	11%	11%	16%	12%	10%	11%
<b>Delivery options</b>	11%	14%	13%	15%	17%	16%
<b>Duration and reliability</b>	9%	9%	9%	8%	9%	8%
<b>Return service</b>	8%	11%	11%	8%	15%	12%

Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months

# Importance of Delivery Aspects

## Value-added services

### How to interpret Maximum Difference indices:

- An index of 100 means that the element has average appeal.
- Aspects with an index above 100 are more important than average.
- Those with an index below 100 are less important than average.

### How the question was asked:

“Some things are more important than others when it comes to the delivery of the goods or products you buy online. Over the next few pages we have listed a number of features or services that may be offered when purchasing goods that require delivery from the internet. From each list you see, we want to understand which you would personally consider the most compelling when it comes to the delivery of the goods or products you buy online and which you consider the least compelling?”

\* Different items asked

Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months

	UK	DE	FR	DK	NL	BE
<b>Showing delivery cost on product page</b>	166	226	189	221	143	175
<b>Delivery times outside working hours*</b>	143					
<b>Notification when product is dispatched</b>	138	107	111	146	101	106
<b>Wide choice of different delivery options</b>	127	130	110	109	83	118
<b>Offering delivery to different locations</b>	121	109	134	116	118	146
<b>Notification if change to delivery</b>	117	102	98	141	78	94
<b>Different ways of returning goods</b>	117	142	143	121	116	126
<b>Flexibility to choose the delivery time*</b>		74	121	91	170	122
<b>Flexibility of delivery on Saturday*</b>		64	71	38	102	71
<b>Flexibility of delivery in the evening*</b>		57	66	66	148	96
<b>Higher quality/more expensive packaging*</b>	34					
<b>Clean/low emission vehicles</b>	21	33	31	30	25	29
<b>Preferred delivery company</b>	16	55	26	22	14	18

# Interpretation of Analysis

## Value-added services

Clarity of delivery costs prior to selecting products is very important across all countries.

Flexibility in the time and location of delivery is relatively unimportant for consumers in Denmark, France, Germany and to a lesser extent in Belgium. This reflects the greater acceptance of delivery to secure lockers or central pick-up points in these markets.

Flexibility in terms of home delivery is more important in the Netherlands and the UK.

In all countries, the selection of a delivery company is of little relevance to consumers, nor are environmentally-friendly delivery services.

Specifically by market:

### UK

- Flexibility in terms of delivery outside of working hours, enhanced by SMS or e-mail alerts is important to consumers.

### Germany

- The ability to return goods in a variety of ways is important as well as offering consumers a wide-range of different delivery options.

### France

- The ability to return goods in a variety of ways and offering delivery to different locations are seen as important.
- Consumers desire flexibility in terms of specific time slots as opposed to evening or Saturday deliveries.

### Denmark

- Receiving real-time information regarding delivery is important. SMS or e-mail notification of product despatch and changes to the planned delivery are highly valued.

### Netherlands

- Flexibility in selecting a delivery time slot and evening deliveries are important to consumers.
- Delivery to different locations is of high value.

### Belgium

- Offering delivery to different locations is important to consumers.
- Additional flexibility in terms of selecting time slots is also desirable.
- The ability to return goods in different ways is of value.

In all markets, except for the Netherlands, Saturday delivery is of less interest. This is likely to be more intrusive in people's lives.

Overall, preference is for value-added services which increase the likelihood of a successful delivery:

- In markets which favour home delivery, consumers would like, at the point of purchase, to make more targeted choices of the time and location of the delivery.
- In markets where delivery to central points are more common, notifications of any changes to delivery, allow the consumer to fit the collection of their items into their daily lives more effectively.
- In Germany, where the use of secure packstations has become more prevalent, consumers have fewer concerns relating to the uncertainty of receiving goods.

## Return Services

### Incidence and methods of return

With the exception of Germany, between 40 to 60 percent of consumers buying physical goods online have returned goods to the e-retailer. On average, consumers have returned goods on three or four occasions.

























Consumers in Germany have the highest incidence of return, as well as the most experience; with an average German consumer returning goods on six separate occasions.

Return to a post office or collection point is by far the most common way of sending goods back to the e-retailer.

Organising a specific pick-up is important in the UK and the Netherlands.

#### Note

- In France, immediate return at the time of delivery is more prominent among 16 to 34 year olds.

	UK	DE	FR	DK	NL	BE
<b>% Ever returned goods</b>	61%	76%	52%	51%	61%	44%
<b>Average number of returns</b>	3.2	6.6	2.9	4.0	4.8	4.0
	(n=389)	(n=457)	(n=319)	(n=307)	(n=381)	(n=269)
<b>Take to a post office/ collection point</b>	64% 	82% 	79% 	85% 	74% 	81% 
<b>Organise a specific pick up</b>	45% 	26% 	10% 	12% 	36% 	10% 
<b>Take it back to the store</b>	25% 	27% 	6% 	11% 	18% 	17% 
<b>Return immediately at moment of delivery</b>	13% 	17% 	30% 	17% 	8% 	13% 

Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months and have EVER RETURNED goods  
Multiple answers possible

# Return Services

## Consumer satisfaction

Generally, consumers are very satisfied with the return services currently offered by e-retailers, specifically in Germany and the Netherlands and to a lesser extent in the UK.

The key areas of concern in France and Belgium relate to:

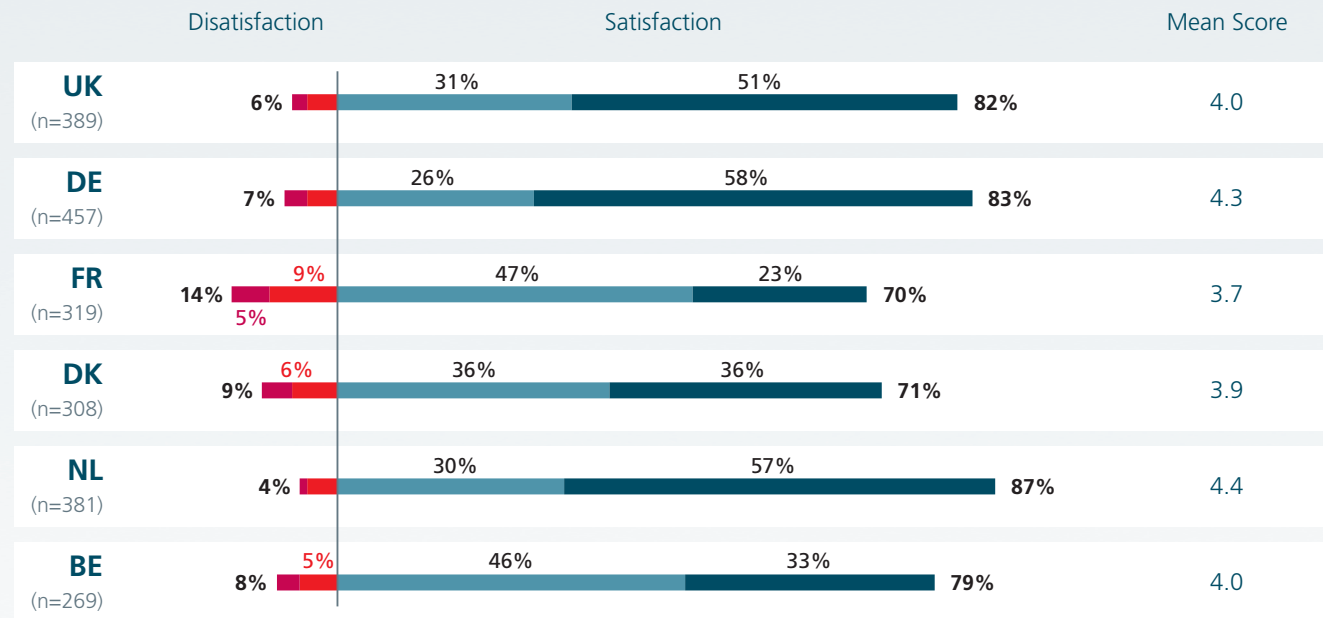
- Having to pay upfront for sending goods back to the e-retailer
- Delays in receiving the refund

Consumers do not have a clear understanding of their responsibilities in the returns process nor of the circumstances in which they will be required to pay postage for the return of the goods.

The development of a cross-border return solution where the process, the responsibilities and the consumer protection framework could be clearly communicated would be an advantage to consumers.

### Notes

- Assessment of most recent return experience
- Neutral rating (neither satisfied or dissatisfied) not shown
- Rating scores shown in brackets



■ Not at all satisfied (1)     ■ Rather satisfied (4)  
■ Rather not satisfied (2)     ■ Very satisfied (5)

Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months and have EVER RETURNED goods  
 Only values greater than five percent are shown



# Preferred Delivery Services

## Postal services vs. couriers

This chart shows the level of preference for postal services and courier services in domestic and cross-border deliveries.

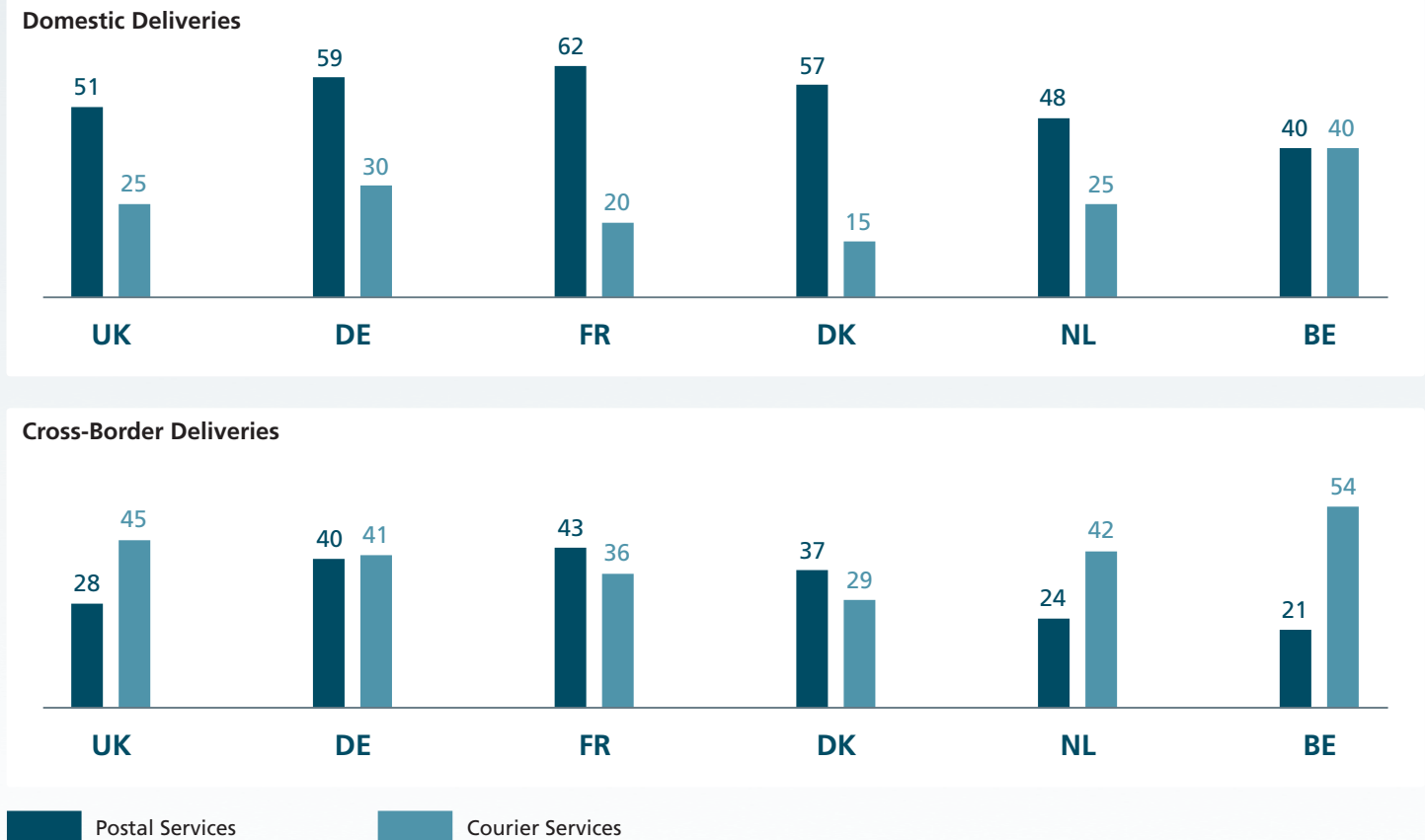
With the exception of Belgium, consumers describe a strong preference for postal services when shopping online in their own country.

For cross-border deliveries, couriers are the preferred option in the UK, the NL and BE. The gap closes in FR, DK and DE.

Irrespective of their stated preference, attitudinal analysis indicates that the majority of consumers show little loyalty to either postal or courier services.

### Notes

- On average, 20 to 30 percent of consumers do not state a preference.
- 4 out of 10 consumers would like to know which company will be delivering their parcels (8 out of 10 in Germany).



Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months

# Perception of Delivery Partners

## Consumers

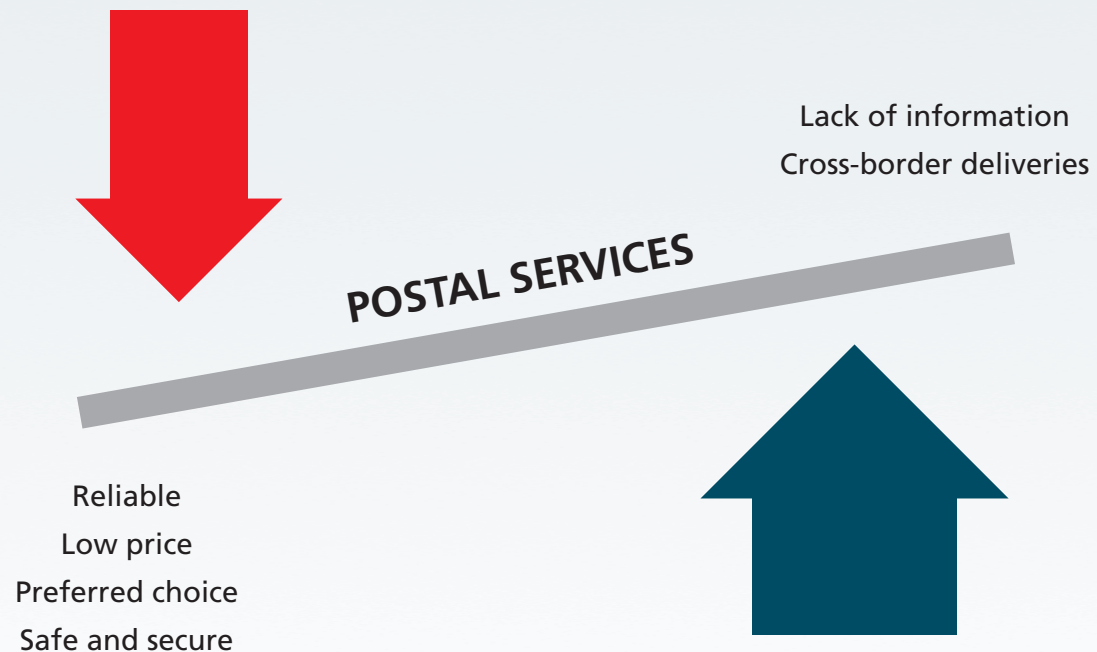
Postal services are perceived by consumers as good value services, appropriate for the majority of online purchases.

An important feature lacking from current standard postal services, is the ability to provide consumers with real-time tracking information of their parcels, especially across national borders.

Full track & trace services are standard in all courier services, including deferred services.

80 percent of consumers say they would consider postal delivery services when buying from another country.

Nevertheless, the lack of visibility in the postal network is jeopardizing the viability of partnering postal companies for cross-border deliveries. Consumers feel a lack of control and e-retailers do not have access to the level of information required to provide proactive customer care.



Base: Individuals with internet access at home who purchased goods for physical delivery in the past 12 months  
IPC analysis

# Perception of Delivery Partners

## E-retailers

E-retailers require stability in logistics in order to build profitable businesses and as a result tend to be loyal to their selected delivery partners.

- Smaller e-retailers use local partners.
- Larger e-retailers spread risk and ensure stability by working with several partners.
- International e-retailers (Embracers and Exploiters) favour partners with multi-country capabilities.

Postal services are an essential part of any e-retailers' business as these underpin domestic deliveries. In terms of cross-border deliveries, posts lack the logistics and depth of delivery information which is critical to manage effectively complex multi-location operations.

In the US, distances across the national territory are similar to those required for cross-border deliveries across Europe. The United States Postal Service (USPS) has teamed up with UPS and Fedex to provide low-cost effective household deliveries to consumers. These new services leverage the logistics strength of the integrator, with the network strength of the post.



**POSTAL SERVICES**

- Uncompetitive prices cross-border
- No visible track & trace cross-border
- Under-utilisation of postal retail networks
- Lack of customer service
- Complex processes/electronic integration
- Lack of flexibility in meeting business requirements

- Competitive prices for domestic services
- Network coverage
- Trusted image with consumer



Base: Interviews with e-retailers from top 250 in five European markets and the US  
IPC analysis

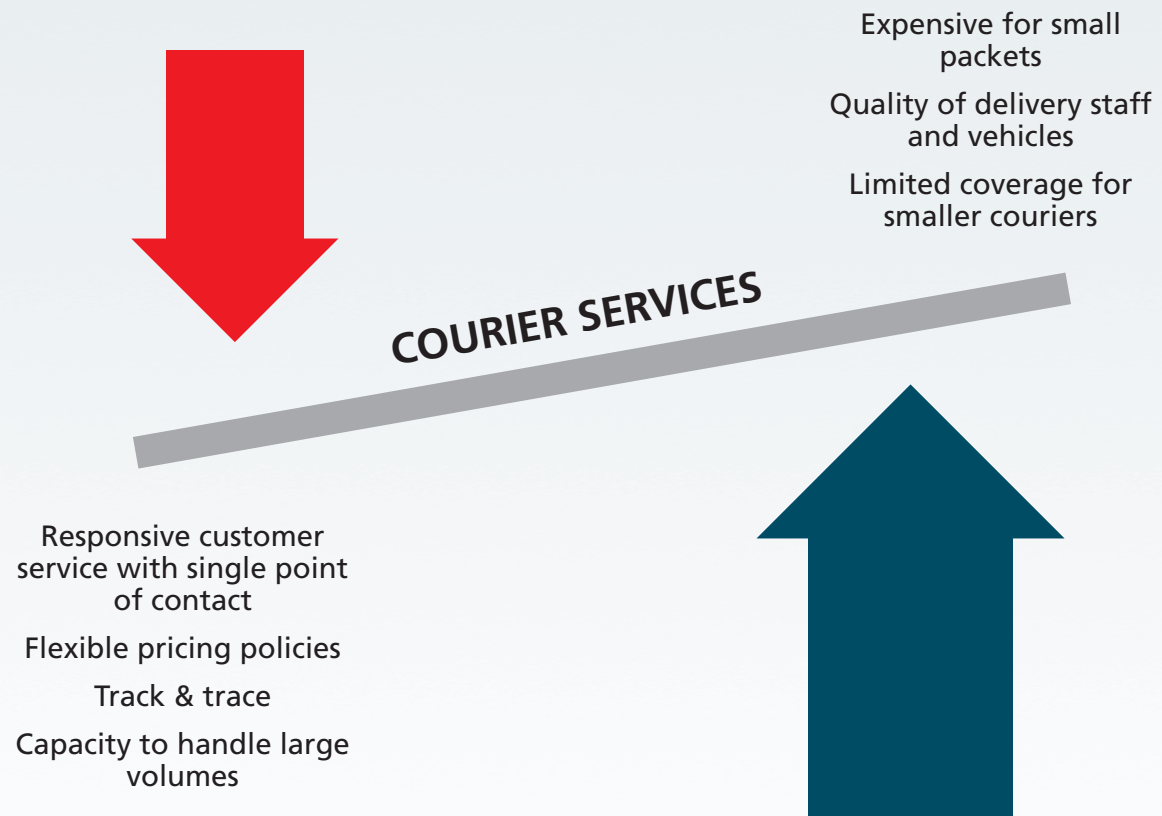
# Perception of Delivery Partners

## Couriers services

Consumers perceive couriers as more flexible than postal services, offering delivery outside of working hours. In most countries, courier services are also perceived as more expensive, specifically for small parcels.

In recent years, e-retailers have been able to obtain high levels of service at lower prices from integrators.

Coverage remains a key disadvantage for courier services as opposed to postal services. As delivery to central locations become more popular, with consumers retrieving their own parcels, low-density coverage will no longer be an issue.



Source: IPC analysis based on consumer and e-retailer interviews

# Conclusions and Learning

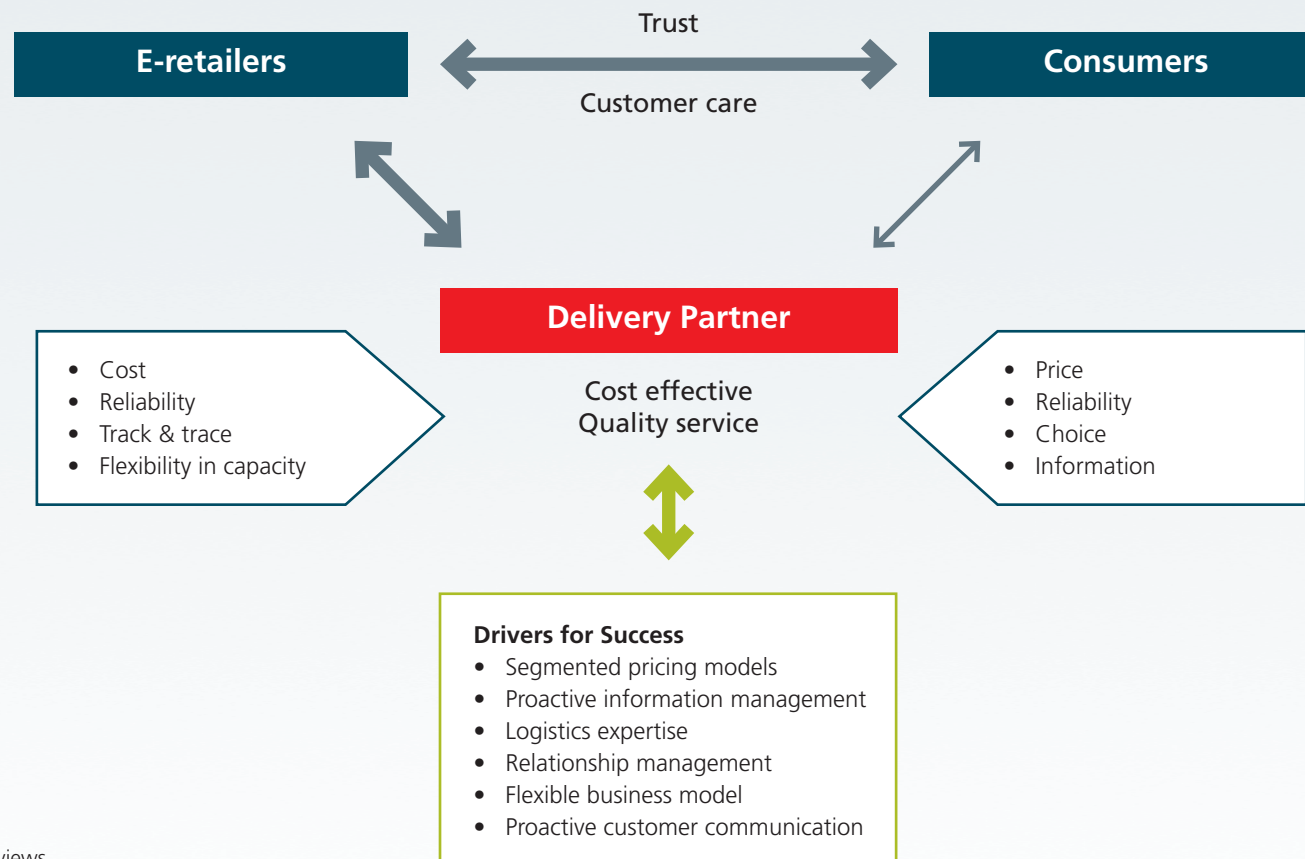
## Success in delivery

The growth in e-commerce re-appraises the fundamental structure of postal networks and organisations.

New products and services must be developed that optimise the delivery of letter packages and light weight parcels resulting from e-commerce; which use both the letter and parcel networks.

Posts need to consider the impact of high volumes of these items on the efficiency and service quality of the letter network.

In light of declining letter volumes, the long term viability of delivering letter packages via letter networks five or six days a week, is unsustainable, requiring closer alignment with parcel networks.



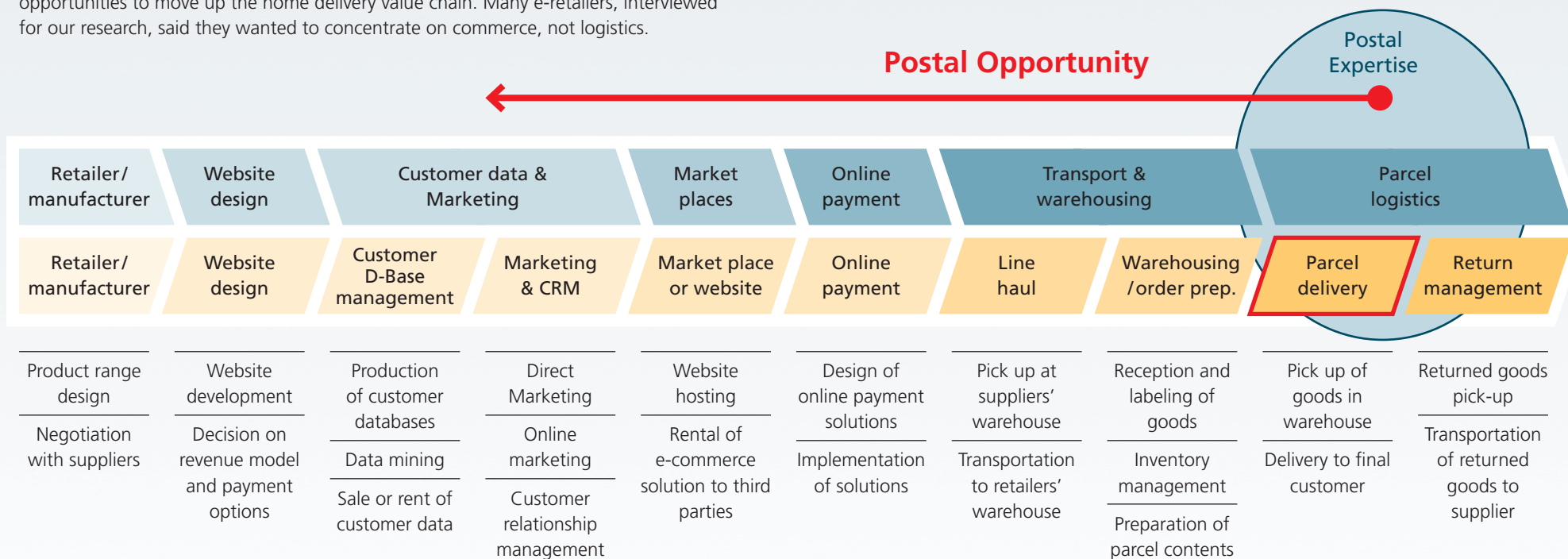
Source: IPC analysis based on consumer and e-retailer interviews



# Conclusions and Learning

## Moving up the home delivery value chain

As delivery charges are driven down, in order to prevent being trapped in delivering a commodity service, postal operators need to work with their customers and look for opportunities to move up the home delivery value chain. Many e-retailers, interviewed for our research, said they wanted to concentrate on commerce, not logistics.



Source: BCG analysis, experts interviews, IPC analysis

# Key Findings

## Shopping online for physical goods

Consumers embark on a personal online shopping journey, where ultimately, shopping via the internet becomes a key part of their purchasing behaviour.

Shopping online is a rational as well as an emotional, personal activity encompassing different elements:

- Getting a deal, bidding, fun, special products, personal treats
- Browsing on the internet replaces window shopping
- Personal moment

Postal companies have a role to play in facilitating this learning process for consumers and e-retailers as the market expands to new consumers, new products, new e-retail businesses and new markets.

### More consumers

- In all countries, except for Belgium, at least half the population shop online.
- Approximately 8 out of 10 consumers with internet access at home, have purchased goods which require physical delivery in the past 12 months. The proportion drops to 6 out of 10 in Belgium, where a quarter of consumers with internet access at home, do not shop online at all.

### More goods

- Consumers in more mature markets purchase a wider range of products requiring physical delivery online.
- Overall, at least 6 out of 10 consumers buy 'Books, CDs and DVDs' or 'Clothes and Shoes' most often when they shop online. This proportion is closer to 7 out of 10 in the UK and 5 out of 10 in Belgium.
- In the UK, Germany, Denmark and to a lesser extent in France, computer software and games, electronic equipment and devices, and small domestic appliances are popular online purchases (more than half of consumers interviewed having ever bought these products online).
- Beauty products have been bought online by 4 out of 10 consumers.

### More often

- In mature markets (the UK, Germany, Denmark), on average, consumers shop online for physical goods at least once a month, compared to three or four times a year on average, in growing markets (France, the Netherlands, Belgium).

### More countries

- Cross-border shopping for physical goods is predominant in smaller countries; where approximately half of online consumers purchase goods which require delivery from other countries; mainly neighbouring countries.
- In markets with a strong domestic e-retailer presence, cross-border shoppers account for between 1 in 4 to 1 in 3 online shoppers.

# Key Findings

## Cross-border online shopping

### Consumer perspective

- Based on access to broadband internet, 16 to 38 percent of the total population of the markets researched currently shop cross-border (for physical goods).
  - A further 5 to 13 percent of the population are considering shopping cross-border in the near future.
  - Frequent cross-border shoppers tend to be younger, highly educated men.
  - Overall, cross-border shopping activities are shaped by the strength of the domestic e-retailer market:
    - More consumers in smaller countries with fewer e-retailers, knowingly shop cross-border for everyday purchases.
    - In countries with a strong domestic e-retailer network, consumers have to identify a need or desire for specific deals or products in order to venture cross-border.
- Cross-border online shopping is still currently perceived as a 'riskier' activity among consumers, most are shopping online in neighbouring countries.
  - The main barriers to shopping cross-border can be summarised as:
    - Lack of trust in e-retailers, in terms of product quality and payment facilities
    - Lack of trust in 'international' shopping regulations and consumer protection
    - Lack of trust in the logistics and delivery
- ### E-retailer perspective
- A significant element of trust is derived from the e-retailer (brand value, familiarity, payment services, returns policy and delivery options offered), but delivery partners also convey trust and quality, as the visible, human element of the shopping transaction.
  - Delivery carriers are an extension of the e-retailer brand.
  - The purchase decision involves a level of uncertainty or anxiety; usually linked to paying for goods before receiving them. In some markets such as Belgium and Italy, the lack of cash on delivery options has acted as a barrier to the adoption of e-commerce.
- As consumers gain experience in online shopping, knowing whether the product has been dispatched becomes less of a concern, while the anxiety as to whether the consumer will be available to successfully receive or retrieve their parcel from the delivery company increases.
  - A positive delivery (or return) experience is essential in order to build loyalty with the e-retailer and to keep consumers purchasing the category online.
  - Currently, postal operators are not capturing the growing share of cross-border e-commerce, as postal products do not meet e-retailers' needs in terms of cost or tracking visibility.

# Key Findings

## Return services

### Consumer perspective

The **incidence of returns** varies from **44%** in Belgium to **76%** in Germany (online shoppers who have ever returned goods):

- In Germany, consumers who have returned goods, did this an average of six times, since buying physical goods online.
- Consumers buying clothes and shoes have a higher return incidence.

Returns to a **post office or collection point** are the most used in all countries. The other ways of returning goods differ per country:

- Specific pick up: the UK, the Netherlands and Germany.
- Bring the product to a store: in the UK, Germany, the Netherlands and Belgium.
- Return immediately at the delivery moment: France and to a lesser extent in Germany and Denmark.

Overall, there are **high satisfaction levels** with regard to the return services offered. Dissatisfaction is focussed on:

- Having to pay upfront for postage of returned articles
- The length of time taken for the refund to be activated by the e-retailer.

### E-retailer perspective

- Returns are currently at low levels (less than 5%) except for clothing (up to 50%)
- Want to limit returns as much as possible due to added complexity to inventory control (specifically for multi-country e-retailers)
- Prefer consumer to pay for the return upfront, even in case of reimbursed goods
- Need to be informed about the volume and time of return in real-time to allow for proactive consumer care and effective stock management
- Small retailers handle returns on a case by case basis – levels are too low to develop a return procedure

- Large retailers most often require consumers to contact them in order to activate the returns process. The consumer will receive a return code or return address stickers.
- US cross-border returns are often handled on a case by case basis or are not allowed by US e-retailers for international shipments to Europe or Asia.

# Key Findings

## E-retailer regional perspectives

### Europe

- Many e-retailers believe it would be risky to develop an international online strategy.
- They focus on growing the domestic market until they can be sure of profits from foreign markets.
- Some e-retailers are managing the entire delivery chain for their products in order to build or maintain a competitive edge.
- E-retailers require significant support from delivery partners and are generally very satisfied with existing services.
- They would like postal operators to take more responsibility and offer a complete logistics solution:
  - Preparation of parcels
  - Transportation
  - Delivery and returns
- E-retailers want to focus on selling and marketing, not distribution.

### US

- The internet is viewed as key sales channel for the domestic market.
- Cross-border sales are incidental, accounting for a very small percentage of revenue.
- E-retailers are satisfied with current logistics and delivery arrangements, both for domestic and international consumers.
- E-retailers are very concerned about fraud; specifically from foreign buyers who do not hold US credit cards. Credit cards issued in the US are authenticated prior to purchase.
- E-retailers identify a lack of internal resources (personnel and money) as a main barrier to servicing customers outside the US.
- Many believe deliveries out of the US are too complicated; in terms of address and delivery requirements, customs, duties, tariffs and returns.

- Some e-retailers have not identified or implemented effective cross-border customer acquisition activities; thereby preventing them from capitalising on the business opportunity.
- Third-party facilitators are willing to assume the risk of international purchases and deliveries.



# Additional Findings

## Perspective from Asia

IPC met with executives representing five key posts of the Asia Pacific region in preparation for the IPC Annual Conference 2010 'Shop@Home'.

China Post Group, Hongkong Post, Japan Post, Singapore Post and New Zealand Post participated in discussions exploring strategic trends driving the express and parcels markets in Asia, with a specific focus on opportunities and challenges for postal operators as a result of the growth of e-commerce.

### Key Learning

- The growth of B2C and C2C and the trading down to deferred networks could provide a real advantage for posts.
- The composition of parcels is also changing – from EMS services to light weight packets and parcels.
- In highly competitive markets, e-retailers are increasingly selecting a reliable stable delivery services rather than choosing exclusively on (low) price, although this does remain a critical factor.
- Posts are reviewing the positioning of the EMS product offering – EMS pricing is currently too high for the nature of goods being shipped (primarily under 200g).
- Posts are calling for changes in the structure of delivery charges negotiated between posts, in order to provide more competitive and targeted cross-border prices for packets and parcels.
- Track & trace is critical in order for e-retailers to meet consumers' information needs.
- Posts are increasingly offering delivery to central location or boxes in addition to home delivery options. This reduces the burden of high-cost last mile delivery.
- Capacity issues in airline haul and ability to handle cross-border shipments is putting pressure on the postal networks and affecting the ability to meet end-to end delivery times, especially from China.
- Posts are investing heavily in IT platforms and have introduced online services to facilitate the flow of information between posts and e-retailers as well as posts and consumers.
- Posts are building partnerships with large online shopping platforms such as eBay in order to improve the shipping process for consumers, SMEs and SOHOs.
- Posts are entering bilateral agreements to offer direct access to online shopping platforms hosted by other posts in Asia. These provide easy access to expatriated populations.
- Posts are providing educational platforms for domestic businesses to stimulate the growth of exports.
- Posts are looking for increased cooperation in the face of competition from integrators and consolidators (eg: facilitating customs procedures).

# Additional Findings

## Perspective from Asia

### Areas of collaboration identified:

#### **New product development**

- Develop a lower-cost product aimed at light-weight parcels and packages, but maintain key EMS features such as track and trace.

#### **Cost structures**

- Review current construction of delivery charges in order to accommodate new weight/dimension breaks.

#### **Identify opportunities for consolidation of high volume parcel flows**

- Develop direct injection services for high volume customers in order to increase management and efficiency of the postal network. This would also require new systems for customs clearance.

#### **Develop customs clearance and customs prepaid services**

- Facilitate customs process for e-retailers when using postal services.

#### **Develop customer support services across borders**

- Provide more effective exchange of information in order to facilitate proactive customer for large e-retailers working in several key markets in Asia. This additional support would enhance the perception of postal services as a whole.

#### **Develop services up and down the value chain**

- Provide e-retailers, particularly SMEs, with end-to-end services and build strong foundation for future growth.

## Next Steps

E-commerce is one of the fastest growing retail channels in Asia, Europe and North America. Despite headline-grabbing results, e-commerce is still in its infancy, with many e-retailers struggling to develop viable business models which successfully leverage the global trading opportunity offered by the internet.

While differentiating their e-commerce platforms in an increasingly crowded market, e-retailers must also invest in infrastructure. Their logistics partners need to support the seamless location, transfer, and integration of business information and goods in a secure and reliable manner.

New consumer technology is also fuelling growth. Mobile technology such as internet access from smart phones, is making it easier for consumers to shop any time, any place and needs and expectations are changing fast. The opportunity for e-retailers is huge.

IPC has an important mandate from its members to understand and share learning and developments relating to key industry and business trends that affect all postal organisations. Cross-border e-commerce is one such important trend.

E-retailers are increasingly successful at drawing traffic to their sites, generating customers who are eager to take advantage of their low prices and innovative offerings. However, the logistics of getting goods to the customer, especially if cross-border, is proving to be complex and costly.

The *IPC Cross-Border E-Commerce Report* provides market intelligence in the important area of e-commerce and the growth of letter packages and light weight parcels. It provides the postal industry with an in-depth understanding of the drivers shaping e-retailer cross-border business opportunities, logistic challenges, and delivery requirements.

The posts are very well positioned to facilitate the growth of online trade due to their ubiquitous first mile access and last mile delivery to every citizen and business in the world.

IPC will continue to support the growth of e-commerce at an operational level by supporting operational and technical innovations in postal parcel networks.

In addition, IPC Senior Executive Forums and Strategic Workshops will provide important platforms involving the leadership of the parcel business from the IPC membership, global integrators and leading global e-retailers. In 2010, these discussions will center on identifying cross-border strategic direction, business opportunities, product offerings and will continue to build cooperation between postal organisations.

Further Information is available to IPC members at [www.ipc.be](http://www.ipc.be).

## Annex

Qualifying list of goods and products bought online by consumers in the past twelve months:

- Clothes & shoes
- Sports goods
- Books, music and media
- Small domestic appliances
- Electronic equipment & devices
- Computer software and games
- Computer hardware
- Pictures, photo albums, self-made calendars
- Film and photo cameras and related products
- Automotive – accessories and merchandising
- Healthcare
- Beauty – perfume and cosmetics
- Garden-related products
- Toys & hobbies
- Office supplies – paper, ink
- Watches / custom jewellery

### Neighbouring country classification

	UK	Germany	France	Denmark	The Netherlands	Belgium
Austria		x				
Belgium	x	x	x		x	
Czech Republic		x				
Denmark		x				
Finland				x		
France	x	x				x
Germany			x	x	x	x
Ireland	x					
Italy			x			
Luxembourg		x	x			x
Monaco			x			
The Netherlands	x	x				x
Norway				x		
Poland		x				
Spain			x			
Sweden				x		
Switzerland		x	x			
United Kingdom			x		x	x





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GREECE



Magyar Posta RT  
HUNGARY



Iceland Post  
ICELAND



An Post  
IRELAND



Poste Italiane SpA  
ITALY



Postes et  
Telecommunications  
Luxembourg  
LUXEMBOURG



New Zealand Post  
NEW ZEALAND



Norway Post  
NORWAY



CTT – Correios de Portugal SA  
PORTUGAL



Correos y Telegrafos  
SPAIN



Posten Norden  
SWEDEN & DENMARK



Swiss Post  
SWITZERLAND



TNT NV  
THE NETHERLANDS



Royal Mail Group Plc  
UNITED KINGDOM



United States Postal Service  
UNITED STATES OF AMERICA

# International Post Corporation

IPC's mission is to be recognised as the natural partner for the postal industry and the industry organisation for improving service quality, promoting cooperation and interoperability, and providing informed analysis about the postal and related markets.

## IPC Market Research

The market research team at IPC designs and develops, in conjunction with its members, research programmes which focus on the key issues facing the postal industry.

Recent and current projects include:

- IPC Direct Marketing Intelligence
- Growth Opportunities in Parcel Home Delivery
- IPC Cross-Border E-Commerce Study
- IPC Electronic Services Analysis

The research insights and reports are available to members in the Intelligence section of the IPC web centre.

## IPC Publications

IPC produces a broad range of publications and electronic information that provide insight into the complex and evolving postal sector. Here are some examples of industry intelligence available to you through IPC.

**Market Flash** – A biweekly newsletter covering the latest news from the global postal industry, with a focus on market changes, mergers and acquisitions, financial reports and personnel actions.

**Green Flash** – A quarterly newsletter that provides our readers with the latest developments in sustainability initiatives among postal operators worldwide.

**Strategic Perspectives** – Our series of think pieces that provide in-depth analyses of key issues in the industry including regulation, market research, industry trends and the future of the post.

## Members-Only Publications and Online Tools

**Regulatory Flash** – Monthly newsletter detailing the latest developments emerging in the world of international regulatory affairs.

**IPC Strategic Perspectives on the Postal Market** – This annual report provides a distillation of the cooperative market intelligence projects carried out between member postal operators and IPC throughout the preceding year.

**IPC Global Monitor** – IPC's quarterly report provides detailed information on how domestic postal volumes have evolved since 2005 combined with key macro environment information on economy and substitution.

**Global Postal Industry Report** – A comprehensive annual overview of the state of the postal industry.

**Statistical Database** – Web-based tool providing information on IPC members and other key postal operators including their macro environment; consolidated income statements, balance sheets and cash flows added with key ratios; and key postal division financials.

**IPC Carrier Intelligence** – This impressive online tool provides concise intelligence reports on each IPC member and key operators from Asia, Central Europe and South America.

**Regulatory Portal** – Online interactive database that provides members with a synoptic overview of regulatory options for 37 countries, with specific attention paid to USO (quality of service, accessibility, retail network); USO Financing (and USO cost); price control (tariff and price cap regulation, format-based pricing); and downstream access/ licensing (worksharing and downstream access).

**IPC-TV** – This online tool allows our members to view videos and presentations of key speakers at select IPC-sponsored events and conferences.

For more information about IPC, please visit our web site at [www.ipc.be](http://www.ipc.be) or write to [publications@ipc.be](mailto:publications@ipc.be)

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