Dynamic Development of Cross-border E-commerce through Efficient Parcel Delivery

A study for DG Growth

Sectoral Social Dialogue Committee on Postal Services
Working Group Meeting
Brussels, 3 July 2018
Science meets Consulting

- WIK: independent research institute, funded by the Ministry of Economic Affairs and Energy
- More than 30 years of experience in economic regulation and sector policies
- Regulation and policies for digitisation
- WIK-Consult is a 100% subsidiary of WIK, founded 2001. Consultancy specialised in regulated industries with focus on Europe
- ~40 consultants/researchers combined. Predominantly economists
Study team

Purpose & Scope of the study

Elements of the study

Methodology & Timetable

Engagement of social partners
Study team

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EP IMCO asked the Commission to conduct a pilot project on the ‘dynamic development of cross-border e-commerce through efficient parcel delivery’

Study shall improve the understanding on

- the state-of-play and the developments in the EU delivery markets and
- the needs of consumers and e-retailers in relation to cross-border e-commerce and delivery services

Study shall provide input for

- the evaluation report on the regulation on cross-border parcel delivery services (2020) and
- the report on the application of the Postal Services Directive (expected 2019/2020)
Scope of the Study

Geographical scope: EU-28 and EEA

Parcel delivery services

- Parcels: Postal items containing goods weighing up to 31.5 kg
- Parcel delivery services: services involving the clearance, sorting, transport and distribution of parcels
- Parcel delivery service providers: carriers that perform clearance, sorting, or distribution of parcels
- Cross-border parcel delivery service: the delivery of physical goods from the warehouse of the selling company directly to consumers in another country as an individual parcel
- Focus on cross-border B2C e-commerce shipments (intra-EU and extra-EU)
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Elements of the Study

A) Analysis of market for cross-border parcel delivery services

B) Regulatory context

C) Users’ needs for e-commerce parcel delivery services

D) Conclusions & Recommendations

- Evolution of parcel delivery markets
- Employment & working conditions
- Environmental topics
- National & EU dimensions
- International dimensions
- Consumers’ experiences & expectations
- E-retailers’ experiences & expectations
Market Analysis

Evolution of parcel delivery markets
- Demand for parcel delivery services (domestic and cross-border)
- Supply of delivery services and technological innovations
- Interoperability and standardisation
- Role of the USO for parcel delivery services

Employment and working conditions in the parcel industry
- Overall sector employment
- Role of social partners and social dialogue
- Wage policies, working time and subcontracting
- Important trends in labour markets

Environmental impact of parcel delivery services
- Overview of main environmental challenges
- Key drivers to promote more sustainable transport and delivery modes
- Industry initiatives to promote sustainable operations
Employment & Working Conditions

Sector employment
- Overall sector employment
- Employment at USPs and at major carriers
- Use of temporary, seasonal, or leased workers

Role of social partners and social dialogue
- Overall culture of participation
- Situation of collective bargaining processes in a country or a national parcel market
- Coverage of collective labour agreements (CLAs national, sectoral, company specific)

Wage policies, working time and subcontracting
Examples and case studies illustrating
- Wage policies (one-tier / multi-tier approach)
- Payment rules (time-rate or piece-rate)
- Role of minimum wages
- Use of subcontractors and subcontracted self-employed

Important trends in labour markets
Examples highlighting trends, e.g.
- Sharing economy and ‘gig economy’ in delivery services
- Measures to improve the attractiveness of jobs in the parcel industry
- Innovations and technological changes (e.g. robots)

Data collection based on desk research and best effort - no survey among all Member States

Data collection is complemented by interviews
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## Methodology

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<td>Desk research</td>
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<tr>
<td>E-commerce &amp; delivery markets</td>
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<td>Employment &amp; working conditions</td>
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<td>Environmental impact</td>
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<td>Consumer needs</td>
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<td>E-retailer needs</td>
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Purpose: Collect and assess publicly available data and surveys on all aspects of the study including:

- national parcel markets
- national e-commerce markets
- legislative and regulatory information
- employment & environmental aspects
- consumers’ and e-retailers’ attitudes towards cross-border e-commerce (emphasis: delivery aspects)

Standardised data sheets will be used for quantitative information and a structured collection of qualitative information.

Data sheets will be used to:

- inform WIK’s overall analysis and recommendations
- produce 31 two-pages country reports
Consumer Survey

- **Purpose:** Collect expectations and experiences on cross-border deliveries and returns from as many different e-retailers as possible

  - **Socio-demographics**
  - **Domestic and cross-border online shopping activities**
  - **Consumers’ expectations in relation to delivery aspects**
  - **Consumers’ experiences in relation to their expectations**
  - **Concerns of consumers not buying from foreign online shops**

- **Online survey in all EU Member States, Iceland and Norway (in national languages)**

- **Target group:** Individuals that have purchased online within the last 12 months

- **Sample size:** 16,400 respondents (combined) in 30 countries

- **Duration:** 10-15 Minutes

- **Translation, programming and fieldwork by our partner** *Lightspeed*

- **Fieldwork recently started**
# E-Retailer Survey

- **Purpose:** Survey consumers' expectations and experiences in relation to delivery of e-commerce purchases (domestic and cross-border)

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<td>E-retailers’ experiences with cross-border deliveries &amp; returns</td>
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<td>E-retailers’ satisfaction with delivery &amp; return services</td>
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<tr>
<td>Concerns of e-retailers not to sell cross-border</td>
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- Open online survey (not representative)
- Survey language: English
- Duration: 10-15 Minutes
- Launched in Jun 2018, open until early Sep 2018
- Link to the survey: [https://wik-parcel-study.eu/](https://wik-parcel-study.eu/)
- Cooperation with national and European e-commerce associations to promote participation
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<th>Stakeholder interaction: Interviews</th>
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<td><strong>Delivery markets</strong></td>
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<tr>
<td>• Established postal &amp; parcel operators</td>
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<tr>
<td>• New innovative delivery operators</td>
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<tr>
<td>• Suppliers of delivery technology</td>
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<td>• Supply chain experts</td>
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<td>• Regulators</td>
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<td><strong>Users' needs</strong></td>
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<td>• E-retailers</td>
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<td>• Consumer associations</td>
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<td>• Market places</td>
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<td><strong>Employment &amp; Environment</strong></td>
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<td>• Unions</td>
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<td>• Social partners</td>
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<tr>
<td>• Sustainability and climate experts</td>
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<tr>
<td>• Traffic and mobility experts, eg academics, research institutions</td>
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<td><strong>Transport &amp; International</strong></td>
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<td>• UPU</td>
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<td>• Experts on terminal dues</td>
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<td>• Aviation and transport security experts</td>
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<td>• Customs experts</td>
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15-20 interviews

15-20 interviews

5-10 interviews

5-10 interviews
Stakeholder Interaction: National Workshops

- Six national stakeholder workshops to discuss for each country
  - recent developments of national and cross-border e-commerce (export)
  - current performance of domestic and export parcel markets
  - future trends for e-commerce and delivery
  - barriers to growth in (export) e-commerce
- WIK and Commission services agreed to have workshops in Belgium, Bulgaria, Germany, Poland, Portugal and Sweden
- National stakeholder workshops
  - 29 Jun in Bulgaria and 11 Jul in Germany
  - BE, PL, PT, SE: planned for mid Sep 2018
- Workshops conducted by WIK and its partner Efficience³
Stakeholder Interaction: EU Experts Panels

- WIK will organise four EU experts panels to discuss specific topics with market stakeholders and experts

- Agreed topics:
  - Impact of technology and future trends on parcel delivery services
  - Environment and sustainability
  - Employment and working conditions in the parcel industry

- Target group: EU stakeholders and experts
- Set-up: Half-day events in Brussels or other convenient EU locations
- Implementation of experts panels planned for late Sep-Nov 2018
Case Studies

Final report will include approximately 20 case studies to address, e.g.

- Best practices for cross-border delivery solutions
- Innovative services and technologies
- Best practices of sustainable delivery services
- Examples for good or poor working conditions and employment
- Trends and developments from markets outside the EU
- Good or poor regulatory practices
Analysis

- Conclusions will be based on evidence (quantitative/qualitative)
- Recommendations may be directed to different parties, including:
  - The European Commission
  - Policy-makers and regulators in (all or some) Member States.
  - Parcel carriers (industry approach)
  - Other parties
<table>
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<tr>
<th>Activity</th>
<th>1st quarter</th>
<th>2nd quarter</th>
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**Desk Research**
- Reports & studies
- Data & resources (e.g. Eurostat, Eurofound, uniglobalunion.org)
- Please share with WIK any relevant publications that describe recent developments in the working conditions in the parcel industry

**Interviews & Case studies**
- Please share with WIK examples on good and bad practices of working conditions in the parcel industry
- Please provide contacts to experts in your organisations for interviews

**National stakeholder workshops**
- In six countries: BE, BG, DE, PL, PT, SE
- On recent developments, current performance and future trends in e-commerce and delivery markets
- Please provide contacts to experts in your organisations for participation in the stakeholder workshops

**Experts Panel “Employment and working conditions in the parcel industry”**
- Planned for October 2018 (tbd)
- Participants: carriers (HR responsible), unions, labour market experts and researchers
- WIK will contact (some of) you to provide contacts to experts in your organisations for participation in EU experts panel
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