

A large, thick, red abstract graphic that curves from the top left towards the bottom right, resembling a stylized 'C' or a swoosh.

bpost

E-commerce

A promising future

Anacom conference

Joost Vantomme

Lisbon, 6 October 2011



Agenda

1. The context

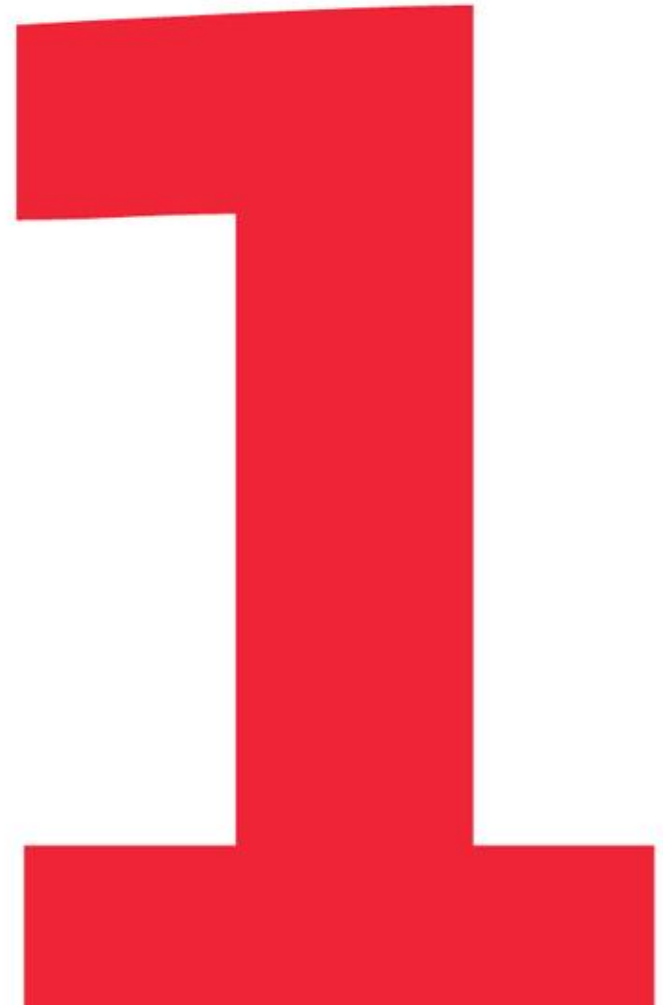
2. What does the consumer say ?

3. What does the regulatory community undertake ?

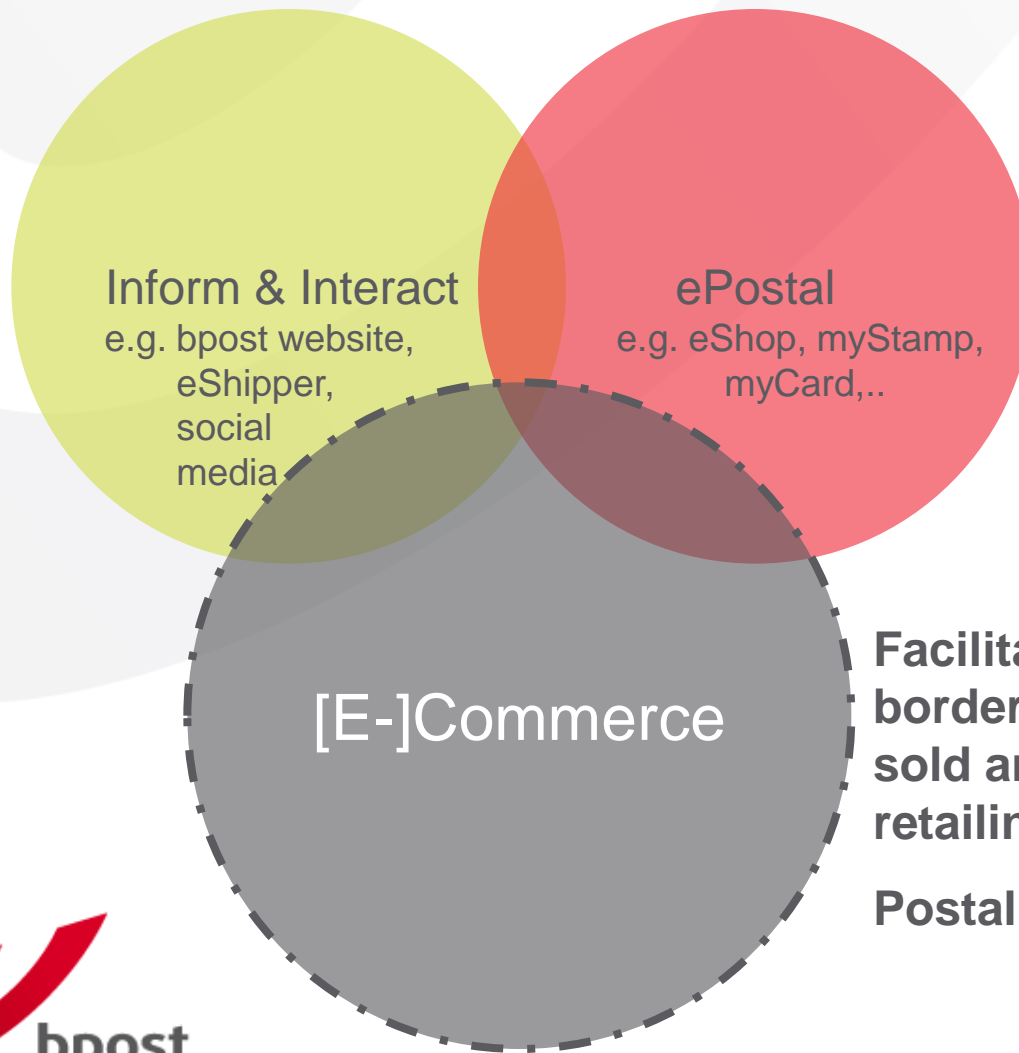
4. The bpost response



Context



E-what ?



Facilitating domestic and cross-border trade of various goods, sold and purchased by Internet retailing (B2C)

Postal receiver driven



Postal operators & e-commerce

E-commerce value chain

Marketing	Website	Payment	Fulfillment	Delivery	Customer care	Return and repairs
Market analysis Customer analysis	Website infrastructure	Payment solutions	Order management	Collect & deposit	Information	Back to sender
E-reputation management	Website functionality	Payment integration	Warehousing	Transport and sorting	Ordering and servicing	Reverse logistics
Market plan and campaign design	Photographs and content	Payment intermediary and security	Value added services	Delivery	Claims and complaints handling	Repair
Market plan and campaign execution	Mobile web	Currency conversion	Tax and customs management	Data exchange		Warranty and refund management
Marketing ROI measurement	Web analytics and SEO	Factoring	Inventory management	Customs operations		
Public relations Peer networking	e-certification, e-contracting and security	E-billing		Value added services		



2

The consumer ?

What does the consumer say (2009/2010) ?

- 37% of all EU consumers made a distance purchase on the Internet
- 21% used the post (catalogues, mail order, etc.) and 13% made a distance purchase by phone
- 48% said they were more confident when ordering goods or services via the Internet from sellers or providers in their own country than from those in other parts of the EU
- 52% tended to be more confident when purchasing goods or services by phone or via the postal service in their own country than when shopping in that way in another EU country
- 59% of EU consumers agreed that they were not interested in cross-border shopping because they were worried about falling victim to scams or frauds when purchasing products or services in another country (34% "totally agreed")



3

The regulatory community



Focus attention

European
Commission

- Digital Agenda
- Single Market Act

European
Parliament

- Resolution
- Working group

Polish
Presidency of
the Union

- E-commerce attention-
> Forum in Kraków Oct `11

European regulatory initiatives

- **2010: Digital Agenda EU Commission**

- **By 2015**

- 50 % of the population buying on-line

- 20 % buy cross-border on-line

- 33 of SMEs conduct on-line purchases/sales

- **Ambitious targets to get all EU citizens on broadband**

- **Upgrade E-invoicing, e-signature, SEPA, consumer rights, data protection, EU contract law, ...**

- **2010 : Single Market Act : regain confidence in the EU-27**

- **2010 : public consultation e-commerce directive of 8 June 2000**

“after 10 years of this directive, the development of retail electronic commerce remains limited to less than 2% of European total retail trade”

-> public consultation closed Nov 2010 -> expected Communication Dec 2011

- **2011 Cross border parcels study - DG Markt**



European regulatory initiatives

21 Sept 2010 : resolution of European Parliament

22 June 2011 : findings of European Parliament expert working group (IMCO)

-> Call for completing the internal market for e-commerce

- need for better approximation of pre-contractual information for e-commerce
- uniformisation of rules and practices to allow distance traders to move beyond their national borders in the guarantees and liability offered
- development of an appropriate, efficient, safe and innovative system of on-line payment, confidence in payment systems
- harmonising and strengthening legislation on privacy and security issues, combating fraudulent activities and informing and educating the public
- simplifying and streamlining VAT reporting & VAT package on postal
- simplify and streamline measures on electric and electronic waste, cross-border management of copyright levies on blank media and recording devices, the EU-wide licensing of content, and EU rules e-invoicing
- European trustmark,

European Union is one step...



The bpost approach



Ambitious bpost programme



- Best last mile
- PUGO points
- Bpack 24/7
- Shipping & return
- Fulfillment
- International trade lane
- Reverse logistics
- ...



Restructured portfolio



Fulfilment

Reverse
logistics
B2T



Collect



Delivery

Speed and timing
National and international
shipping
Best last mile
Bpack sprint

Value added
logistics

Integrated services





Joost Vantomme
Regulatory affairs director
joost.vantomme@bpost.be
+32 2 276 27 69

bpost S.A.- Centre Monnaie,
1000 Brussels
Belgium

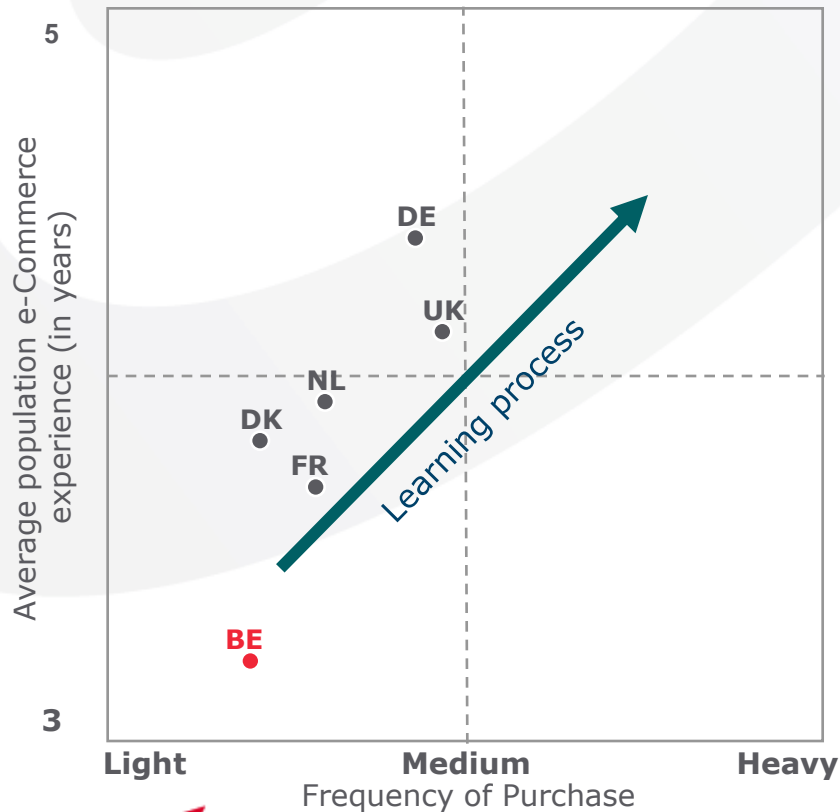
BACK-UP INFO



B2C e-commerce landscape

Internet shopping is a learning process. Both Belgian shoppers as well as e-tailers are quickly catching up.

European e-Commerce adoption



Key findings

- Internet shopping is a learning process. Market research shows that as internet shopping experience increases, both the frequency of shopping and the value of the goods purchased increases.
- Cross-border shoppers are in general more experienced and buy online more frequently.
- In Belgium online retail sales is still below 2% of total retail sales. The Belgian online retail market is still immature compared to neighboring countries, but shows fast growth with a 20% increase from 2008 to 2009 to €700 Mio value. The expected CAGR in the coming five years is 15%.
- Belgium has 5,000 web shops and 90 new web shops are created each month

IPC Cross-border E-Commerce report (2010)

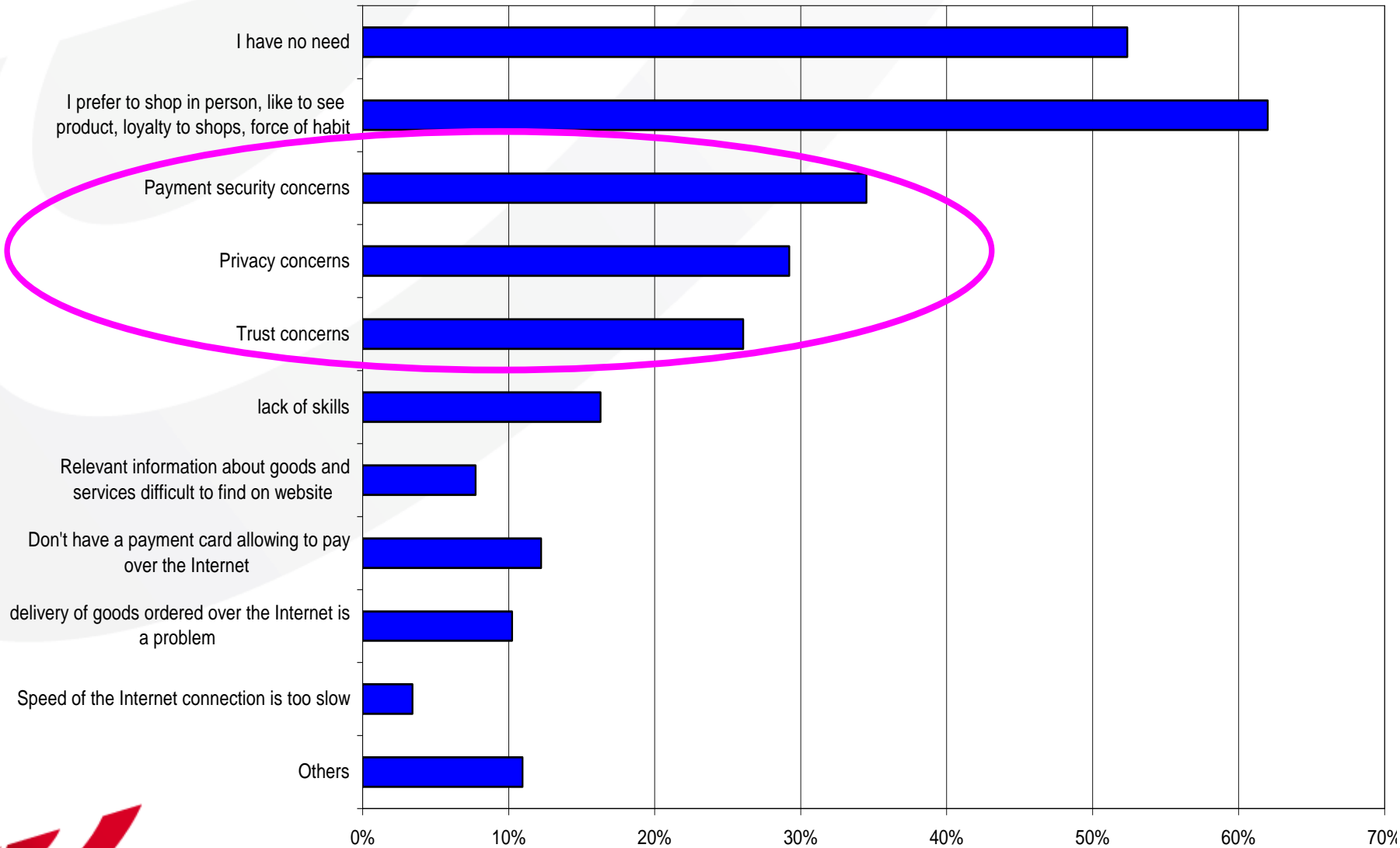
B2C e-commerce landscape

Internet shopping profiles vary within Europe

Total Population	UK	DE	FR	DK	NL	BE
Broadband internet access at home (= online population)	62%	55%	57%	74%	74%	60%
Purchase goods requiring physical delivery in the past 12 months	58%	49%	49%	61%	65%	38%
Online Population						
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%
Population purchasing cross-border Who purchases where?						
Own country	63%	64%	64%	75%	49%	70%
Neighboring countries	28%	59%	75%	51%	72%	89%
Other EU countries	32%	49%	12%	76%	20%	15%
North America	68%	42%	39%	41%	53%	26%
Asia	27%	24%	22%	9%	15%	12%

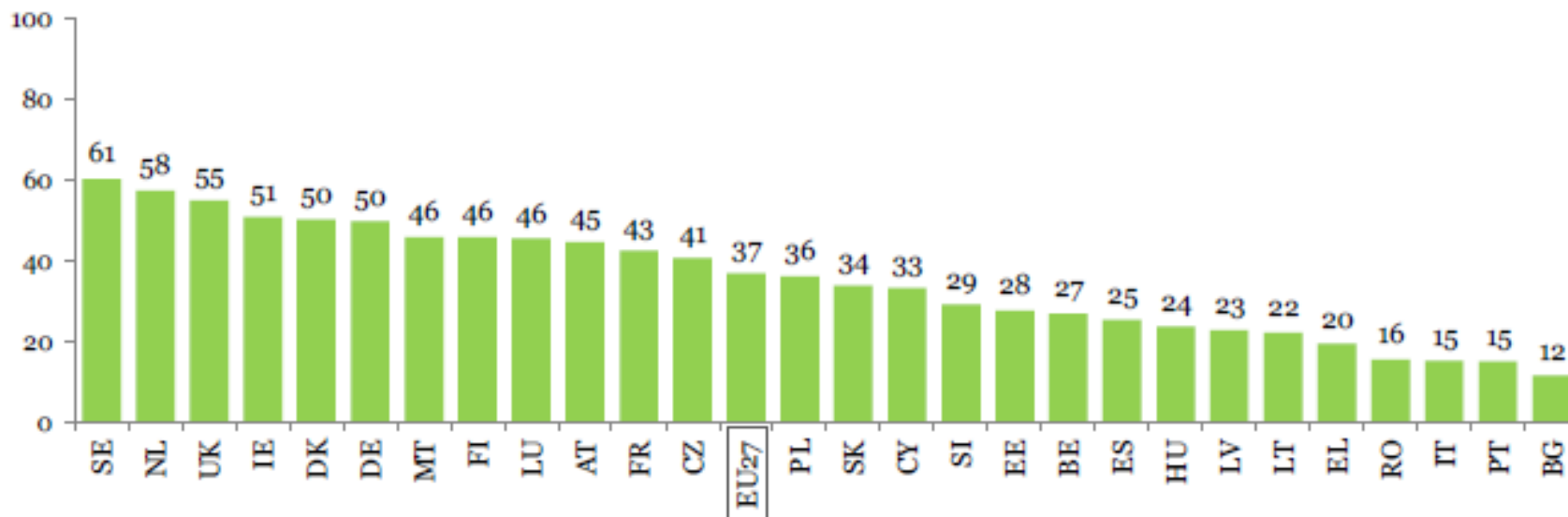


Reasons for not buying online



Source: Eurostat Community Survey on ICT Usage by Households and by Individuals 2009

Purchases made “at a distance” in the past 12 months via the Internet



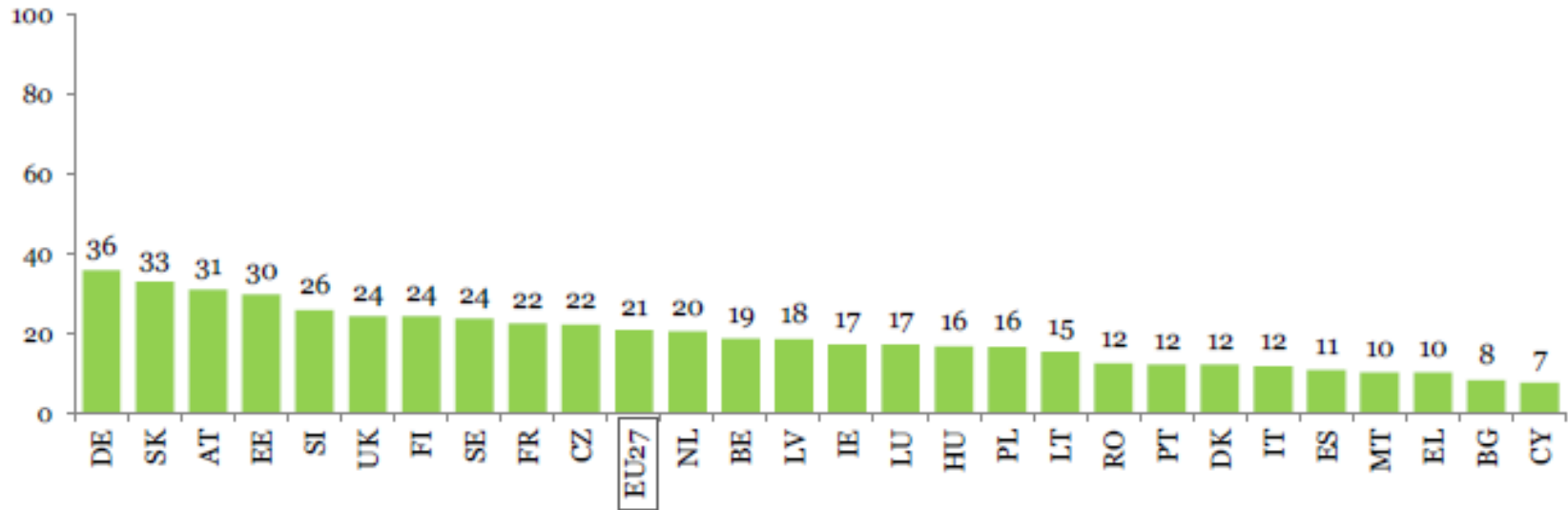
Q1. Please tell me if you have purchased any goods or services in the past 12 months, by distance in (YOUR COUNTRY) or elsewhere in any of the following ways...? - Via the Internet (website, email, etc.)

Base: all respondents, % of 'Yes' answers by country



Flash Eurobarometer 299 (March 2011), DG Health and Consumers

Purchases made “at a distance” in the past 12 months by post (catalogues, mail order)



Q1. Please tell me if you have purchased any goods or services in the past 12 months, by distance in (YOUR COUNTRY) or elsewhere in any of the following ways...? - By post (catalogues, mail order, etc.)

Base: all respondents, % of 'Yes' answers by country

