



EUROPEAN COMMISSION

MEMO

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Roadmap for completing the single market for parcel delivery – frequently asked questions

(see also [IP/13/1254](#))

1. Why is the European Commission adopting this Roadmap?

The communication is a follow-up to last year's Green Paper on 'an integrated parcel delivery market for the growth of e-commerce in the EU' ([IP/12/1289](#)). With this initiative the Commission aims to support the development of e-commerce through a set of actions improving parcel delivery. The Commission places particular emphasis on the cross-border delivery of parcels, on the needs of SMEs, as well as on less-advanced and accessible regions, arguing that e-commerce must be accessible to all citizens and to all businesses, regardless of their size and location.

E-commerce is one of the main drivers of a more prosperous and competitive Europe, with a significant potential for contributing to economic growth and employment. Between 2013 and 2016, e-commerce is expected to reach an annual growth rate of more than 10% across the EU.

The European Commission's Communication on e-commerce identified the physical delivery of goods ordered online as one of the key elements for e-commerce growth. Delivery is the final link in the e-commerce chain – goods bought online need to be physically delivered to the customer. Delivery services offered by e-retailers are therefore one of the fundamental factors influencing a consumer's decision to shop with them. Currently, delivery and product returns are amongst the top concerns of both e-shoppers and e-retailers in the EU¹. Problems with delivery represent the bulk of consumer complaints regarding online cross-border transactions received by the European Consumer Centres Network².

Following the adoption of the Green Paper, a broad consensus has emerged among all parties concerned, both on the issues identified and on the urgent need to address them.

¹ Consumer market study on the functioning of e-commerce and Internet marketing and selling techniques in the retail of goods, Study on behalf of the European Commission (EC), DG SANCO, 2011; European Cross-border E-commerce, Accenture for the European Retail Round Table, 1/2012.

² The European Consumer Centres Network 2012 Annual Report, The European Consumers Centres Network report "European Online Market Place – Consumer complaints 2010-2011", September 2012.

2. What are the main actions the roadmap envisages?

The roadmap attributes specific tasks and roles to the various stakeholders in order to achieve these objectives. Actions include:

- Improving information and transparency along the whole value chain:
 - for consumers on the characteristics and costs of different delivery and return solutions through presentation of information on e-retailers' websites as an integrated part of the overall e-shopping experience;
 - for e-retailers on the characteristics of delivery services available to them, including the actual performance of cross-border parcel delivery (by providing for open information platforms such as web comparison tools or web portals that contain delivery-related information);
 - on cross-border delivery markets, allow for more effective regulatory oversight (establish a clear statistical framework in Member States, on the basis of the Postal Services Directive, following the preparatory methodological work carried out by the European Regulators Group for postal services).
- Promoting enhanced interoperability of parcel-delivery operations to support efficient cross-border trade (solutions to interconnect information systems and open interfaces to allow data exchange; notably tracking and tracing and labelling)
- Enhancing consumer protection, focusing notably on complaint handling and redress mechanisms.

3. What are the main issues and challenges concerning (cross-border) delivery?

Delivery is a key factor in the overall development of e-commerce. Yet the expectations and needs of consumers and e-retailers are not always met in terms of speed, quality, reliability or cost of delivery. Consumers complain about long delivery times and the lack of information about the delivery process. They frequently consider prices for cross-border delivery, and delivery to rural or remote areas, to be excessive. They complain about products being damaged or not delivered at all³, and about delivery of the wrong products. They are also often unaware of available complaints and redress mechanisms if things go wrong. In some countries, consumers also complain about lack of available delivery solutions. E-retailers, in particular smaller ones, often do not have enough information on the delivery services available and have a limited choice of delivery solutions of the quality (e.g. track-and-trace functionalities, flexible last-mile delivery options) and affordability required.

³ For example, Commission Staff Working Document with a view to establishing guidance on the application of Article 20(2) of Directive 2006/123/EC on services in the internal market ('the Services Directive') of 8 June 2012, already clarified in point 5 that the lack of alternatives for delivery can rarely be invoked by a service provider to refuse supply to a given Member State. For parcel deliveries up to 20 kg, the Postal Services Directive imposes an obligation on Member States to ensure the provision of universal postal services, including cross-border.

Key facts and figures

- Levels of e-commerce vary greatly across EU Member States. Whereas 82% of internet users in the UK, 79% in Sweden, 76% in Denmark and 75% in the Netherlands bought something online in 2012, only 11% of internet users in Romania did so. Less than half of EU citizens (45%) say they have shopped online in the last 12 months.⁴
- EU cross-border e-commerce is growing more slowly than domestic e-commerce: while 54% of EU internet users had bought online from an e-retailer from their own country in 2012, only 14% had bought online from a cross-border e-retailer.⁵ According to a recent Eurobarometer survey, 40% of EU citizens who shopped online in the last 12 months did so from sellers located in the same country, only 11% from another EU Member State and only 6% from a country outside the EU.⁶
- Delivery and product returns are amongst the top concerns of both e-shoppers and e-retailers in the EU⁷. Delivery-related problems are responsible for 68% of the instances where e-shoppers have added items to their shopping chart, but abandoned the shopping chart before finalising the order.⁸
- Delivery-related concerns with online shopping include "delivery at home when nobody was there", delay in the delivery, damaged parcels⁹ and high prices notably concerning cross-border delivery and delivery to rural areas. 19% of survey respondents consider cheaper delivery prices as the main improvement that would encourage more online shopping from sellers located in other EU Member States. The delivery price charged by e-commerce sellers to consumers is on average twice as high for cross-border than for domestic deliveries.¹⁰
- As regards enterprises, cross-border delivery is considered to be an obstacle to cross-border sales by 57% of retailers.¹¹
- 14% of all enterprises have made electronic sales to their own country and only 6% to other EU countries.¹²
- Studies identify issues such as higher delivery costs/prices, long delivery times, lack of information on the quality of delivery, complaint procedures, damaged or lost items, consumer rights and returns as relevant concerns¹³ for e-retailers. Moreover, lack of transparency and information on delivery services, lack of choice and availability of delivery solutions with regard to the required quality and affordability, and lack of choice and accessibility in terms of geographical coverage have been identified as problems notably for SMEs.
- A survey amongst eBay sellers in the UK, Germany and France revealed that 78% identify delivery costs as the main obstacle to cross-border e-commerce, while 42% refer to bad quality of delivery services.

⁴ Eurobarometer 398, published October 2013, http://ec.europa.eu/public_opinion/archives/ebs/ebs_398_en.pdf

⁵ Eurostat [isoc_ec_ibuy]]- 2012.

⁶ Eurobarometer 2013

⁷ Consumer market study on the functioning of e-commerce and Internet marketing Civic Consulting, 2011; European Cross-border E-commerce – the challenge of achieving profitable growth, Accenture for the European Retail Round Table, January 2012.

⁸ Copenhagen Economics (CE), A study of the state of play of EU parcel markets with particular emphasis on e-commerce, 2013, study on behalf of the EC, p.19

⁹ See, for example, the 2011 "Consumer market study on the functioning of e-commerce and internet marketing and selling techniques in the retail of goods" (on behalf of the EC, DG SANCO); Eurobarometer 2013, published October 2013, http://ec.europa.eu/public_opinion/archives/ebs/ebs_398_en.pdf

¹⁰ FTI, Intra-community cross-border parcel delivery, A study for the European Commission, December 2011, page 178. A 2009 Mystery Shopping Evaluation reported that the average cost of shipping for domestic offers was €3 whereas for cross-border it was €16.

¹¹ Eurobarometer, Business attitude Towards cross-border sales and consumer protection, Analytical report, Flash Eurobarometer 224, July 2008, Chapter 2, section 2.1, page 21

¹² Eurostat [isoc_ec_eseln2] -2011, updated in December 2013.

¹³ FTI, Intra-community cross-border parcel delivery, A study for the European Commission, December 2011,

Delivery services are subject to a variety of rules and regulations, but the existing EU regulatory framework does not address the full set of issues and challenges concerning e-commerce related delivery set out above. Traditional postal markets have always been dominated by domestic traffic, and operational processes, including IT systems, have been optimised in the light of domestic circumstances. In the past cross-border flows concerned mainly letter mail, and the [Postal Services Directive](#) has helped ensure that the quality of those flows has increased significantly over time. By contrast, cross-border parcel flows – especially B2C (business to consumer) – have not played any significant role prior to the emergence of e-commerce.

4. What are the main results of the public consultation?

[The Green Paper](#) identified the main areas where the problems and challenges faced by e-retailers and consumers in the EU need to be addressed. It focused on:

(i) "Convenience"/quality of delivery service for consumers and SMEs across the EU (delivery times, return procedures, possible damage sustained in the course of the delivery and lack of transparency);

(ii) Prices (more cost-effective delivery solutions for consumers and SMEs) and

(iii) Interoperability (improved interoperability of delivery services between operators, and between operators and e-retailers). The stakeholders' views and contributions received by the Commission in response to the Green Paper consultation can be summarised as follows:

- **Consumers** welcome more accessible and clearer information regarding delivery and return options for products bought online, as well as available redress mechanisms when delivery goes wrong. They expect more convenient solutions for getting their parcel, more convenient return solutions and more affordable tariffs - notably for cross-border deliveries.
- **E-retailers** have confirmed the need for an EU-wide delivery system focusing on the specific needs of e-commerce, notably a system with more innovation and greater transparency in the logistic chain. SMEs in particular need more options, (different offers and alternative affordable delivery options), more flexibility from delivery services, and more information and transparency from their delivery service providers.
- **Delivery operators** are aware of the potential of e-commerce notably in terms of volumes. Faced with declining letter volumes, they are competing fiercely for the large commercial accounts in the most mature e-commerce national markets in the EU. So far, they are less focused on addressing the needs of smaller EU Member States, peripheral regions, smaller shippers or end consumers. While they appreciate the potential of the parcel segment and its on-going increase, they highlight the challenges they are facing: growing demand and expectations from consumers and e-retailers to receive flexible, high-quality delivery and return solutions at low prices; complex logistics operations to adapt to these needs which call for optimised transparency along the e-commerce value chain, data flows and interoperability solutions to avoid administrative burdens and facilitate cross-border operations.

- **National regulatory authorities** observe and recognise the changes the delivery sector is undergoing and note the possible implications this may have on the regulatory framework. While many of the key priority areas of postal services are reviewed by regulators, there is a wide agreement that more information on the parcel market is necessary. Furthermore, the European Regulators Group of postal services (ERGP) is currently addressing specific points related to cross-border parcel delivery (e.g. market analysis; collection of market data; consumer complaints) and is planning to continue this initiative in its Work Programme for 2014.
- **Trade unions and other employee representatives** highlight the need to safeguard responsible employment conditions and closely collaborate with social partners with regard to social aspects and sustainable development. This point is explicitly mentioned in the roadmap.

There is a broad consensus between policy-makers and stakeholders that, due to the complexity of this market, its fast-changing character, and the considerable extent of process and product innovation that can be observed, regulatory intervention at this stage is not warranted. The Commission considers it should work with industry, national policy-makers and national regulators to find solutions through a roadmap with actions to address these issues.

5. What are the objectives of the roadmap and what has been achieved so far?

The Green Paper consultation confirmed the urgent need to address the challenges and issues of e-commerce related parcel delivery, and the prospect of addressing these issues in joint responsibility had an impact on all parties concerned. Delivery operators, e-retailers and consumer organisations have engaged in constructive discussions at various dedicated conferences and other fora. Many operators have started to develop solutions that might better correspond to the expectations of their customers. Complementary initiatives are co-ordinated at EU level.

Building on the progress already made since the adoption of the Green Paper, the Roadmap aims to guide and organise the way forward within **three main objectives**:

- **Increased transparency and information:** delivery operators, with the help of e-retailers, should establish platforms (web portals) and web comparison tools to provide e-retailers with better access to available information on delivery solutions available in EU Member States, including prices and service features, at national and cross-border level. E-retailers should provide enhanced information on delivery and return options for consumers on their websites e.g. through a voluntary code of conduct or code of good practice designed by e-retailers; through e-commerce trust marks and/or through enhanced options for consumers to provide feedback to e-retailers about their delivery experience. Member States should establish an appropriate basis for national regulatory authorities to collect relevant market data on domestic and cross-border parcel flows from all postal service providers active on the B2C (business to consumer) and B2B (business to business) parcel markets.
- **Improved availability, quality and affordability of delivery solutions:** delivery operators, with the help of e-retailers, consumer associations and technical experts should explore and develop solutions to better interconnect information systems and open interfaces to allow data exchange between different delivery operators in a multiple operator environment; notably tracking and tracing and labelling. They should also develop solutions for more effective returns, which may also include co-operation and consolidation options with a view to reducing the costs of last-mile delivery.
- **Enhanced complaint handling and redress mechanisms for consumers:** delivery operators, e-retailers and consumer associations should jointly ensure

better co-operation with regard to complaint handling and consumer protection systems.

The roadmap envisages a number of improvements for the different players in these areas, which need to be addressed from different angles and with the help of different stakeholders. Through the Roadmap, the Commission aims to ensure that tangible improvements are made as quickly as possible. Action is required to provide e-retailers and consumers with high-quality, accessible and affordable parcel delivery services in cross-border delivery, taking account of the needs of SMEs and of less-advanced or accessible regions including outermost regions.

6. What is the link between the Roadmap and other Commission initiatives?

The roadmap is a follow-up to the [Green Paper on parcel delivery](#). The need for an initiative on parcel delivery originates in the conclusions of the European Commission's e-Commerce Communication of January 2012 (see [IP/12/10](#)), which showed clearly that delivery services, together with functioning payment services¹⁴, remain one of the main concerns for future growth of e-commerce and one of the missing links when it comes to the completion of the fully functioning digital single market. A number of other EU actions have confirmed that parcel delivery as part of e-commerce needs to be further addressed. Both the Council of the EU in its [Conclusions of 31/5/2012 on the Digital Single Market and Governance of the Single Market](#) and the [European Parliament report on the Digital Single Market](#) underlined the urgent need to address the concerns linked to delivery of parcels. The roadmap is also closely linked to a number of on-going EU initiatives launched under the [Europe 2020 strategy](#) for growth & jobs and represents an integral part of actions that should contribute to the completion of the digital single market. In the area of consumer protection, the new [Consumer Rights Directive](#), will have to be implemented by the Member States by June 2014, and the recently adopted [Directive on alternative dispute resolutions for consumer disputes](#) will further improve the way in which consumer complaints are dealt with. The roadmap also complements related initiatives in the transport sector, such as the key policy initiatives set out in the Commission's White Paper "Roadmap to a Single European Transport Area", and notably the e-freight initiative¹⁵.

¹⁴ Commission adopted legislative package on payment services, which will help the payments framework to better serve the needs of an effective European payments market, fully contributing to a payments environment which nurtures competition, innovation and security to the benefits of all stakeholders and consumers in particular, on 24 July 2013 ([IP/13/730](#)).

¹⁵ EC-White Paper: Roadmap to a Single European Transport Area, COM(2011) 144 final and the e-Freight initiative: http://ec.europa.eu/governance/impact/planned_ia/docs/2013_move_001_e_freight.pdf

7. What are the next steps?

The Roadmap attributes specific tasks and roles to the various stakeholders. In order to attain these objectives, a strong commitment by all actors concerned is required. The Commission will facilitate this collaborative process through dedicated fora and workshops, and will closely monitor progress. It will monitor and supervise progress on a regular basis and take stock after 18 months in order to assess whether additional measures are needed.

More precisely, the Commission will:

- organise dedicated meetings and workshops in order to bring together all relevant stakeholders;
- clarify the precise deliverables expected (including their timing), and take stock of progress achieved;
- focus the agenda of the annual Postal User Forum on the assessment of progress made;
- discuss issues relevant to Member States within the Committees set up under the Postal Services and e-commerce Directives, and the European Group of Postal Regulators ERGP;

identify additional measures should the implementation and impact of this Roadmap stay below expectations.