



CROSS-BORDER E-COMMERCE IN WESTERN EUROPE

# Everything you need to know to be successful in Western Europe

# The pandemic, Brexit and new VAT rules shake up e-commerce landscape

Since the global COVID-19 pandemic broke out, we have witnessed a **strong increase in e-commerce adoption** as successive lockdowns, social distancing and other measures have led a new generation of consumers to discover – and take a liking to – online shopping.

This has manifested in two distinct ways. On the one hand, the number of shoppers buying products online has risen. At the same time, those online shoppers are collectively also buying more items.

We've also witnessed the impact of the UK's decision to leave the European single market, as well as the strong impact of major new EU VAT-rules on the online retail market. Both developments have resulted in a **decrease of e-commerce from the UK and China to Western European countries**.

Some trends, however, have not changed. Online consumers' appetite for lower prices still drives them to purchase products cross-border. The **average purchase value however is increasing**, as there is, amongst others, a decrease in purchase of products from China. As in previous years, home delivery still remains the most popular delivery option, while we also see that, as in previous years, shoppers prefer for their online purchases to be delivered by postal companies.

Finally, sustainability hasn't only earned its place, it is also becoming increasingly important in cross-border e-commerce, with more and more shoppers expecting transport and delivery to be sustainable.

This e-book offers a country-by-country overview of the cross-border e-commerce landscape in Western Europe. Read it and **learn how to successfully grow your own e-commerce**.



**This e-book offers a country-by-country overview of the cross-border e-commerce landscape in Western Europe.**

Olivier Leruth  
EVP Cross Border Eurasia



# Table of contents

Setting the scene

Regional scope and figures

04

1 | Origin: country

Customs charges and Brexit reduce the appeal of Chinese and UK online retailers

07

2 | Origin: web shop

Amazon remains the leading marketplace, eBay and Wish lose popularity

09

3 | Drivers

Low prices drive cross-border online shopping, especially from China

11

4 | Payment method

Most popular payment methods differ from country to country

13

5 | Delivery method

Home delivery most popular delivery method across Western Europe

15

6 | Delivery partner

Local postal operator is preferred delivery company across Western Europe

18

7 | Delivery aspects

For shoppers, trust in the delivery company is key

20

8 | Returns

5 to 7% percent of parcels are returned across Western Europe

22

9 | Sustainability

Many shoppers open to slower but greener delivery times

23

About Landmark Global

Enabling your global commerce

25

Sources used to write this report:

- Euromonitor 2019
- Euromonitor: Top 10 Global Consumer Trends 2020
- IPC Cross-Border Shopper Report 2021
- PostNord: E-commerce in Europe 2019
- UPS Pulse of the Online Shopper. 2019 A Customer Experience Study
- Effigy Consulting: 2019 European CEP Market Summary on 2015-2018 & 2019-2024 Forecast
- McKinsey: Covid-19, Impact on Post & Parcel Industry. Travel, Logistics, and Infrastructure Practice. March 31, 2020 update
- Escher: The Future of Posts 2020 Report: Growth Strategies for 2020 and Beyond.

## Regional scope

The geographical scope of Western Europe can be defined in several ways. The United Nations, for example, do not consider the UK and Ireland to be part of Western Europe but see them as belonging to Northern Europe instead. We opted, however, to include both countries in our scope. Our geographical focus also comprises the southwestern European countries of Portugal, Spain and Italy. Monaco and Liechtenstein could rightly be considered to belong to Western Europe, but with fewer than 50,000 inhabitants each they were too small to analyze.

### Western Europe by population size

Defined this way, Western Europe comprises:

- 📍 **5 large countries of more than 45 million people**  
(UK, Germany, France, Italy and Spain)
- 📍 **6 mid-sized countries, with between 5-20 million people**  
(Belgium, Netherlands, Switzerland, Austria, Ireland and Portugal)
- 📍 **1 small country**  
(Luxembourg with 600,000 inhabitants)

These countries are considered to be part of Western Europe for the purpose of this e-book.



## Setting the scene

We see **large differences in the online share of total retail sales** across Western Europe. The more ‘Anglo-Saxon’ or northern countries such as the UK, Ireland and the Netherlands are clearly ahead of the others when it comes to e-commerce. The UK is the leader in Western Europe when it comes to online shopping – e-commerce accounts for almost a third (29%) of total retail sales. The Netherlands are in second place, with online shopping representing a fifth of overall retail sales. Germany and Belgium are in the mid-segment with 17% of retail happening online, while Switzerland, Austria and Luxembourg lag at the back of the pack. For the obvious reason that they boast the biggest populations, the UK, Germany and France represent the largest e-commerce markets.

Looking at the cross-border share of total e-commerce sales – so online items sold across borders – we can also observe interesting differences across Western Europe. **Cross-border e-commerce rates vary from 81% in Portugal, to 8% in the UK.** Aside from the size of the internal market, these differences can largely be explained by Amazon’s presence in a market (this will be discussed in greater detail below).

In general, the following principle holds: **the larger the country, the more online shoppers buy domestically.** The UK, Germany and France – countries with large domestic markets – all have low cross-border e-commerce volumes. The opposite is also true: **the smaller the country, the more likely shoppers are to buy cross-border.**

The Netherlands is the exception to this rule due to its mature e-commerce market, as are Spain and Italy. Both southwestern European countries have fairly high rates of cross-border e-commerce of around 30%. **Smaller countries that share a border and language with large countries tend to have high cross-border e-commerce volumes from their neighbors.** Dutch and French e-commerce marketplaces are for instance popular with Belgian shoppers, while UK and German sites are popular with Irish and Austrian shoppers respectively.

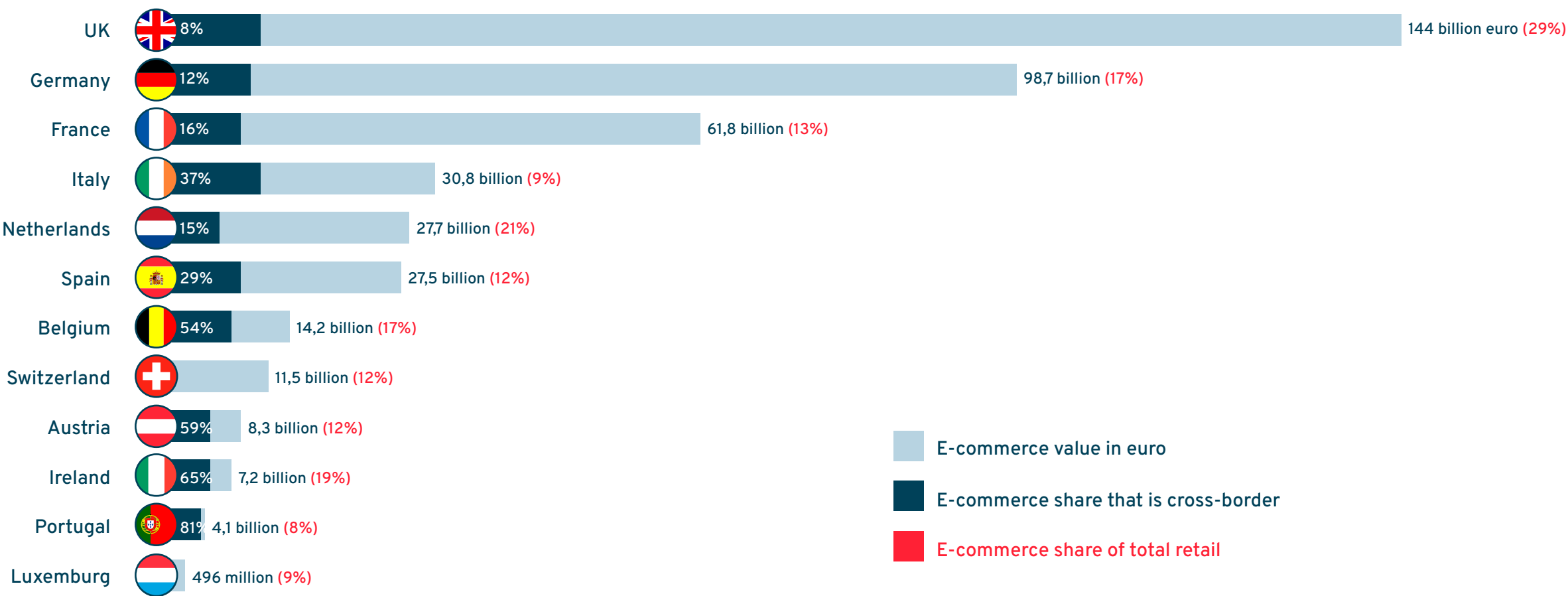


### The Netherlands, one of the most mature e-commerce markets

As one of Europe’s most mature e-commerce markets, the Netherlands have become a testing ground for new developments in online retail. Major international players like Amazon moreover haven’t shown much interest in this small market, leaving the floor open for domestic companies like Bol.com and Coolblue.

# E-commerce in numbers

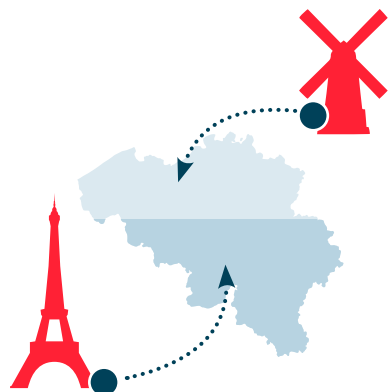
E-commerce value includes all sales of consumer goods to the general public via the Internet (also sales through mobile phones and tablets). Services (e.g. tickets, insurances, travel, takeaway...), and sales between private individuals are not taken into account. *Source: Euromonitor 2021*



Landmark Global has the expertise, infrastructure and operational capabilities to deliver your parcels to Western Europe on time in a cost-effective way, from anywhere.

## Neighboring countries popular with Belgian, Swiss shoppers

The number-one country consumers in mid-sized countries purchase from is the large country at their border. For Belgium, we can see that the northern, Flemish region mainly purchases from the Netherlands, while the southern, French-speaking region does so from France. The same dynamic is at play in Switzerland, with Germany and France among the top-three preferred countries of origin.



# 01 | Customs charges and Brexit reduce the appeal of Chinese and UK online retailers

When we look at the country of the most recent cross-border online purchase, we can again see **noticeable differences**. For instance, shoppers in smaller countries are much more likely to buy from e-tailers in the larger country on which their own country borders, especially if they share a common language.

Shoppers in larger countries in Western Europe, meanwhile, are **buying less from Chinese e-tailers** as a result of the customs charges that are now levied on low-value products from Asia. Interestingly, cross-border e-commerce volumes from China to France, Italy, Spain and Portugal have remained steady. We can also see **the effects of Brexit in the reduced appeal of the UK as an e-commerce market**, especially among shoppers in Ireland, France and Portugal.

It's equally interesting to pay closer attention to the various countries shoppers bought from in 2021. An overview of the top-three countries from which shoppers purchased items last year is offered on the next page.

China is the most popular country of origin for online shoppers based in large countries and Portugal. Around half of online shoppers in these countries buy online from China. E-tailers like AliExpress and Wish primarily attract customers with their inexpensive products, but they have recently lost appeal due to new customs charges. The appeal of online retailers in the UK, Germany and the US rests on brands, high standard of service and unique products.

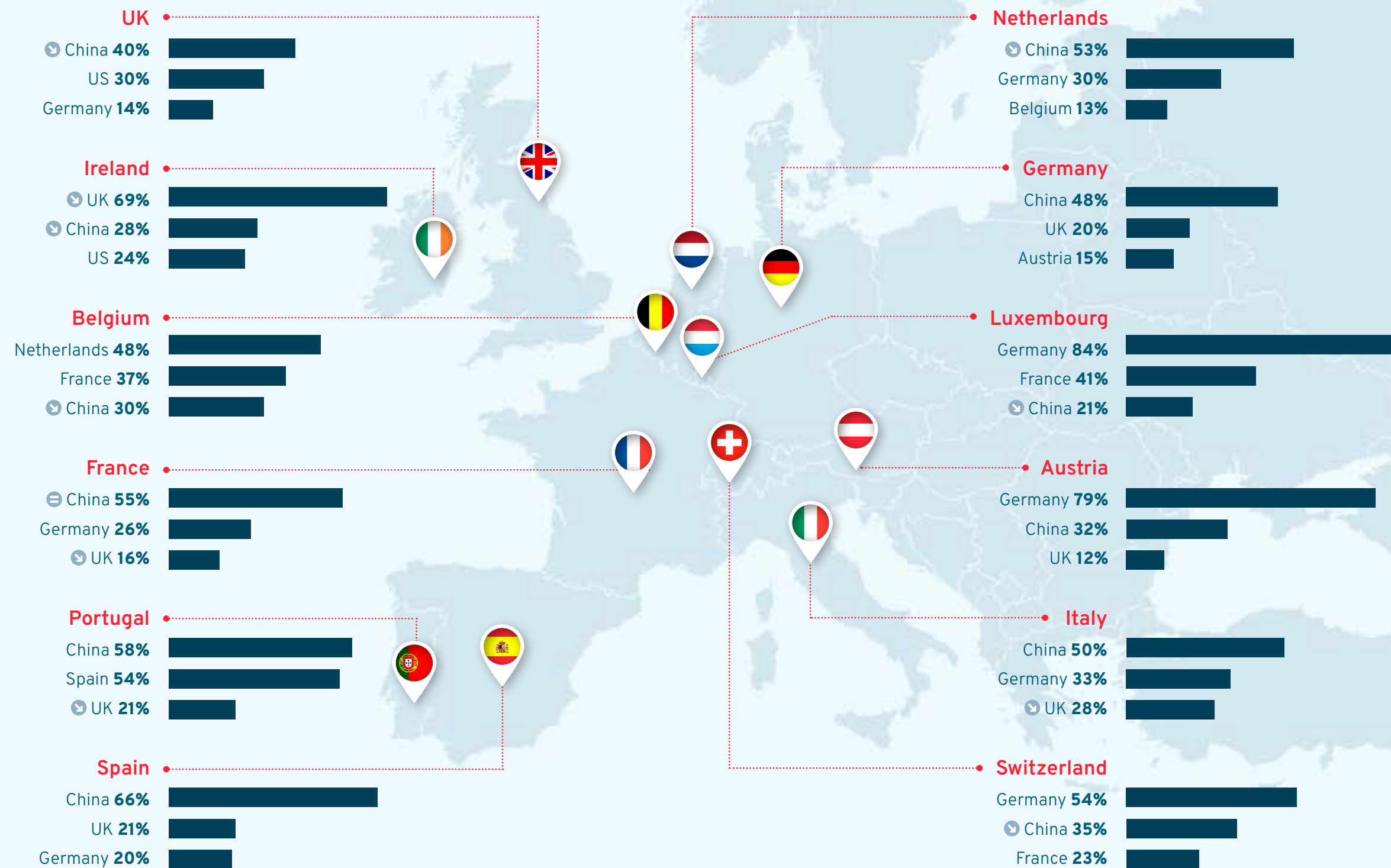
*Source: IPC Cross-Border Shopper Report 2021*



Landmark Global has both the experience as well as local UK and Chinese offices to help you get your parcels through customs hassle-free and quickly.



Top-three countries from which shoppers purchased items last year





## 02 | Amazon remains the leading marketplace, eBay and Wish lose popularity

When we examine the retailers favored by online shoppers, it becomes obvious that the **online marketplace giants play an important role**. With players like Amazon, Alibaba, eBay, Taobao and JD.com, the list of the major online marketplaces is varied. In spite of the varying regions from which they operate, these marketplaces have achieved **almost 100% B2C market penetration** among online shoppers in Western Europe. On average, 96% of surveyed consumers made an online purchase from a marketplace in the three months prior to this study.

*Source: UPS Pulse Survey 2019*

There are nevertheless also domestic players with a significant market share in other parts of Europe, for instance, the Dutch marketplace Bol.com in Belgium. If we look more closely at the most recent cross-border purchase from an e-tailer, that e-tailer is **almost always Amazon** – with the exception, again, of the Nether-

lands, where Amazon has a small market share due to the reasons explained above. Amazon's market share of cross-border purchasing is especially high in Luxembourg and Austria, with shoppers buying respectively from Amazon France and Amazon Germany. Amazon has carved out a market share of around 40% in the UK, Germany, France, Ireland and Italy. The only countries where Amazon is not the number-one marketplace are the Netherlands, Spain and Portugal. AliExpress trumps Amazon as the leading online marketplace in all three countries. **In addition to Amazon and AliExpress, the list of the most popular marketplaces is completed by other players like Wish and eBay**, although both have lost ground in recent years. Shein, a website beloved by Gen Z and millennial shoppers, has also become an important driver of e-commerce volumes from China to western European countries. In Portugal especially, Shein is highly popular with young shoppers.

*Source: IPC Cross-Border Shopper Report 2021*



### Amazon's embrace of smaller countries

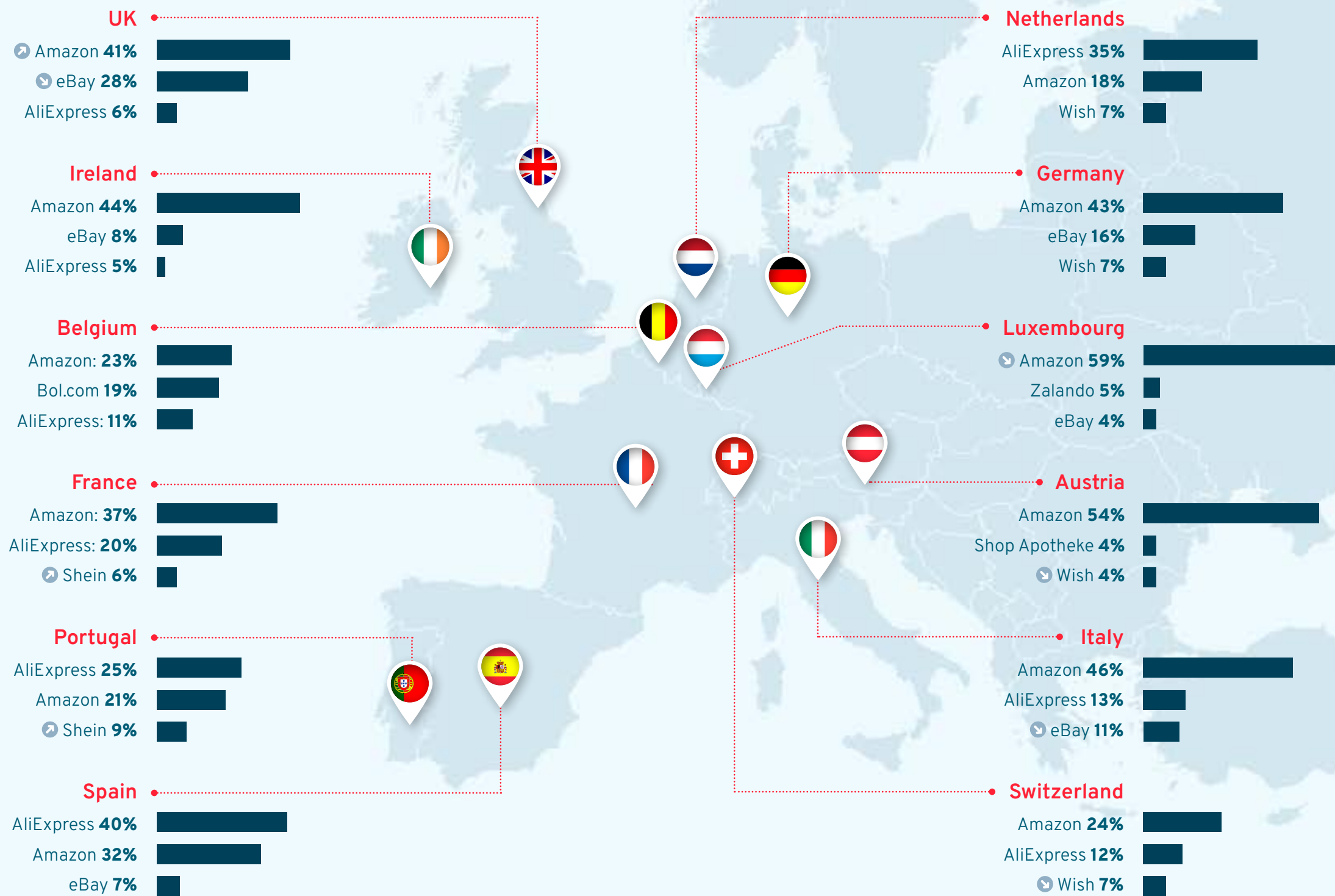
International marketplaces are popular with online shoppers in large nations – the result of a deliberate strategy by Amazon to focus on Europe's major markets. Shoppers in smaller countries will be able to better access international marketplaces over the next years.

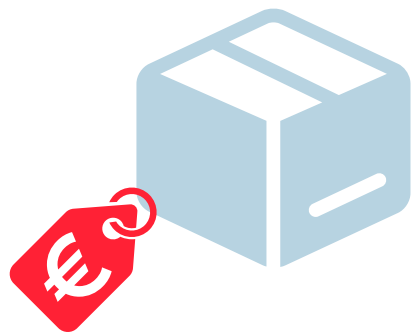
*Source: PostNord Report 2019*



Marketplaces are popular across Western Europe, and therefore interesting to consider as a sales channel.

Online retailer of the most recent purchase





### Searching for the lowest price

Because most major brands are global and many products standardized, consumers today can compare prices across countries. When prices differ from one country to another, they can simply purchase the item from the e-tailer with the lowest price.

*Source: PostNord Report 2019*

## 03 | Low prices drive cross-border online shopping, especially from China

Why do online shoppers buy cross-border? If we examine the top-three drivers for buying online cross-border, we can see that they are largely the same across Western Europe.

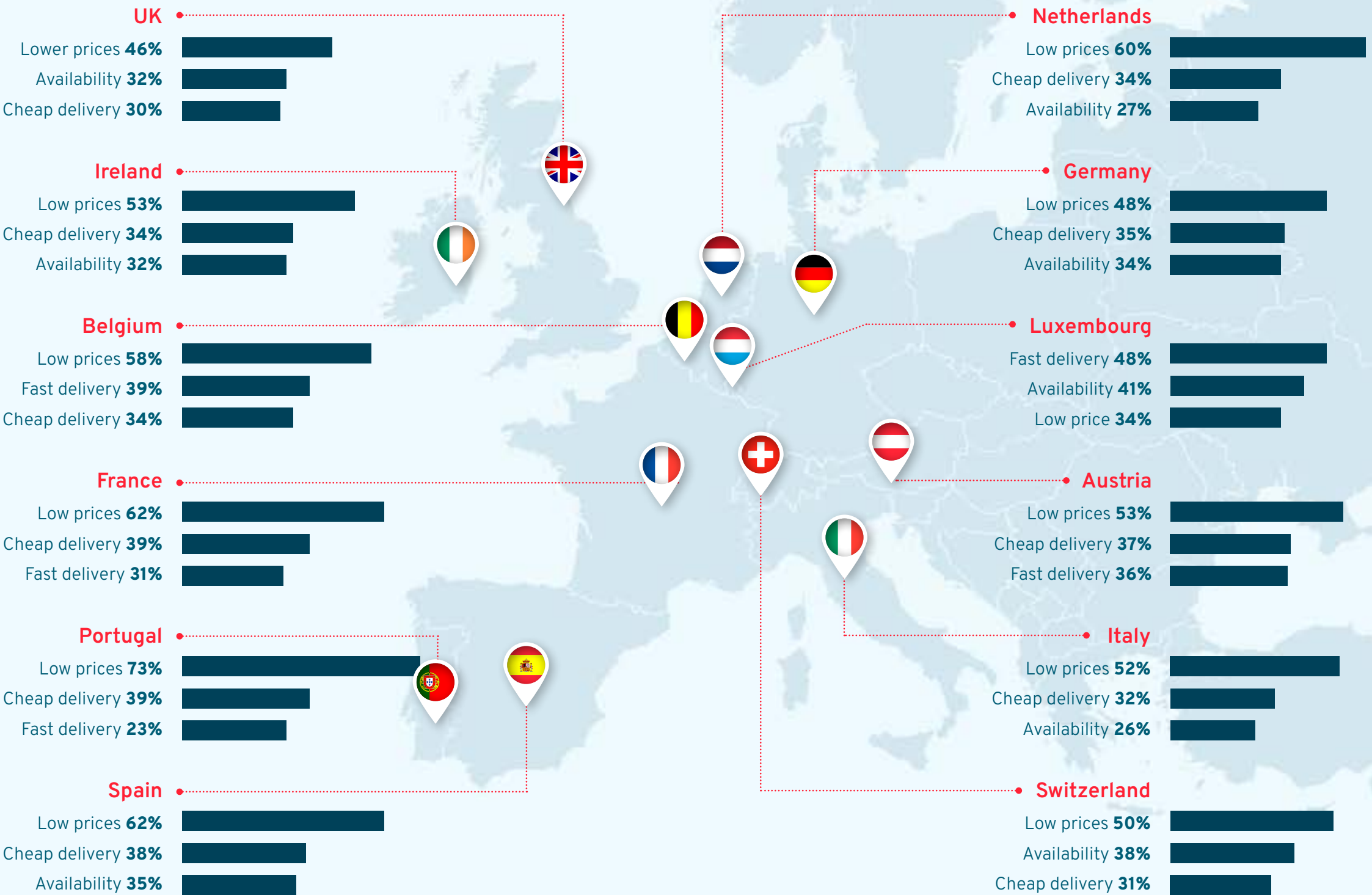
**It is clear that low prices encourage online shoppers to buy cross-border.** This is especially the case for countries with low purchasing power like Portugal and Spain. In wealthier countries like Germany, Austria, Switzerland and Luxembourg lower prices are less of a concern. Luxembourg is moreover the only country in Western Europe where low prices are not the main reason to shop online internationally.

**Choice is the second-most important reason** to purchase cross-border online since products are not always available domestically. This is an especially important driver in Switzerland, Germany and Luxembourg. Finally, **low delivery costs are a third important reason** to make cross-border online purchases.



Low prices still drive cross-border online shopping, but this will increasingly decline due to the new EU VAT-rules. Instead, product quality and product range will gain in importance.

Top-three reasons for shopping abroad



## 04 | Most popular payment methods differ from country to country

Consumers in Western Europe's largest markets (Germany, the UK, France, Italy and Spain) and Ireland prefer to use payment methods like **PayPal as well as debit and credit cards**. PayPal has nevertheless lost appeal in most countries in recent years. Credit cards are the most popular payment method in Switzerland, Luxembourg and France, while shoppers in the Netherlands use a local payment method, **iDEAL**. Portugal also stands out with two local payments methods – **Referencia MB and Mway**.

When it comes to Germany, research by for instance PostNord shows that PayPal is the most popular payment method by far, followed by credit cards. Germany and Austria are the only two countries in Western Europe where **payment on invoice** also constitutes an important payment method. According to the same PostNord, France's long tradition of local bank cards has established a solid foundation for card payments. This explains why credit cards are the most popular payment method among French consumers who shop online, followed by PayPal.

*Source: PostNord 2019, IPC Cross-Border Shopper Report 2019*



### iDEAL, the leading online payment method in the Netherlands

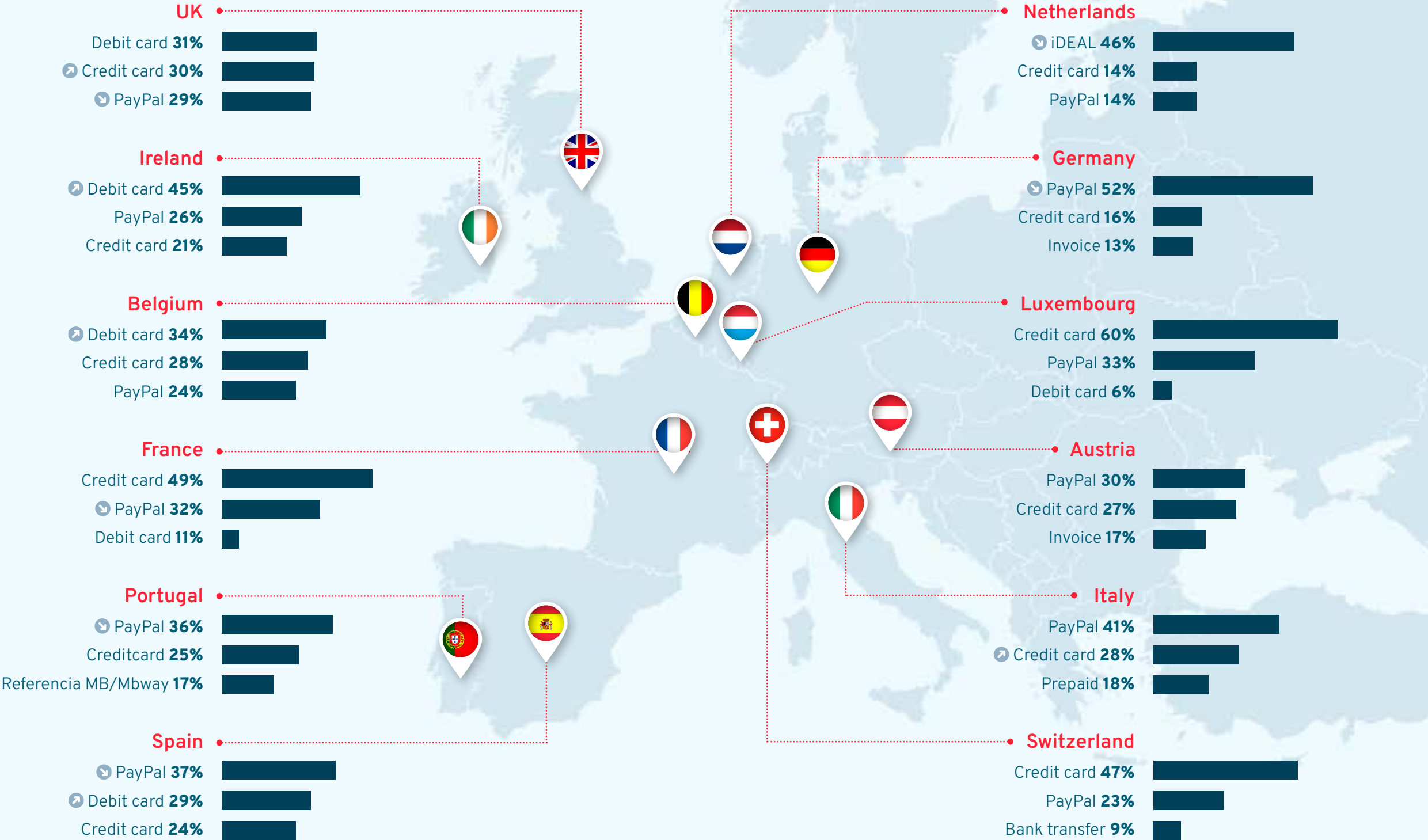
Dutch shoppers prefer to use a popular Dutch payment method, iDEAL. This payment method allows consumers to pay online through the mobile banking app or the online banking environment of their own bank.



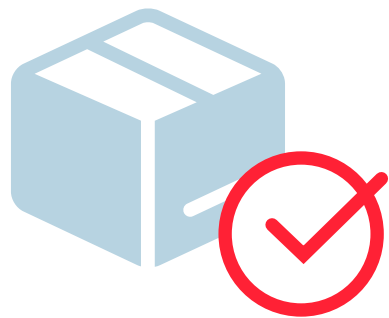
Try to offer as many different payment methods as possible and display the icons of the leading payment methods on your website to build trust.



The most popular payment methods







### Delivery preference vs. chosen delivery option

The delivery option is dependent on consumers' availability. For instance, "I won't be home at the estimated time of delivery, so I choose to have my parcel delivered to a locker."

## 05 | Home delivery most popular delivery method across Western Europe

If we look at the figures for the most recent cross-border online purchase, the **share of home delivery is more than 50% across all countries** in Western Europe. Leaving the parcel in a safe place at home is also a common practice in most countries. In Germany, Austria, Luxembourg and Italy parcel lockers complete the list of the most preferred delivery locations, with 1 in 5 shoppers having used this delivery option at least six times in the last year.

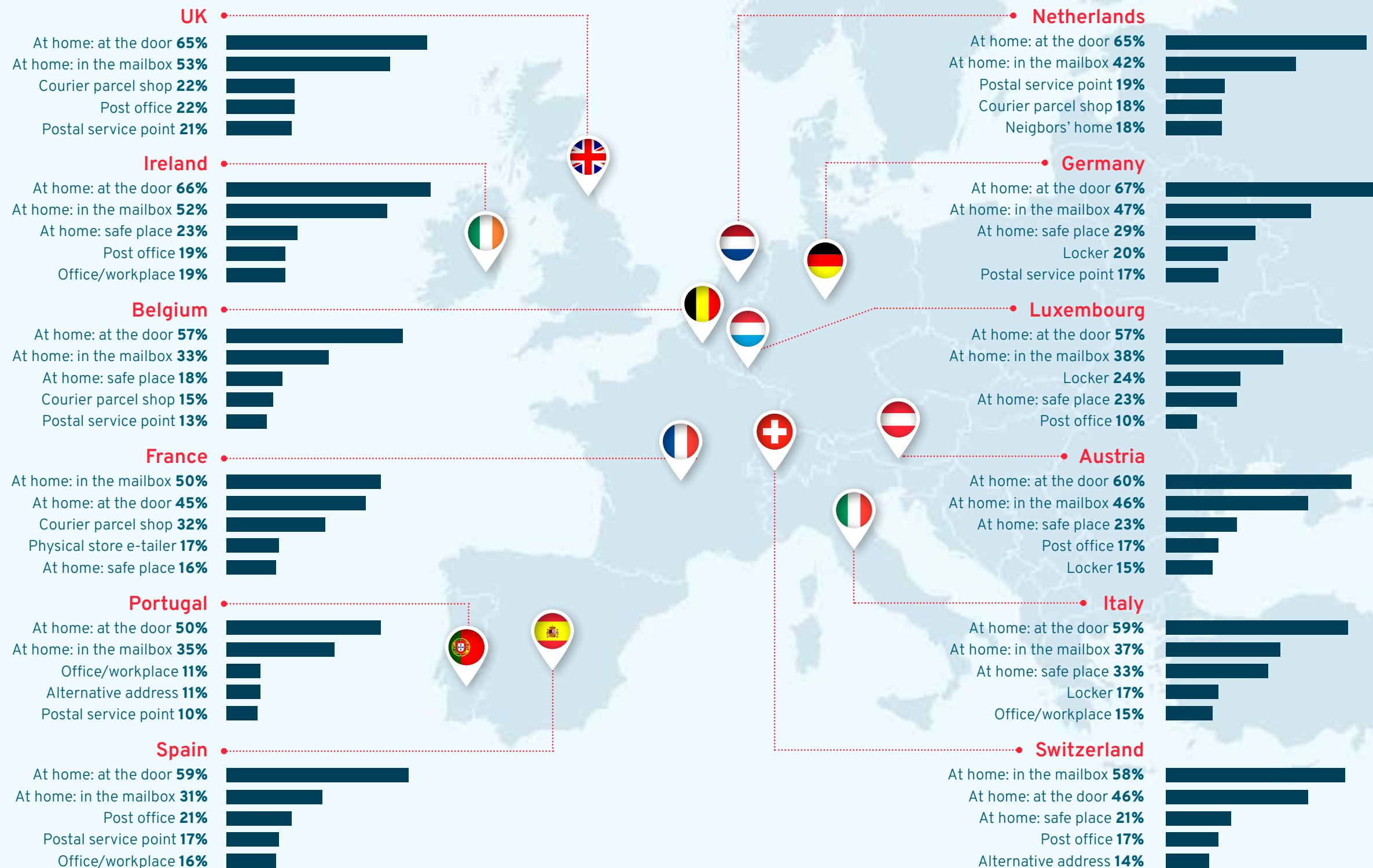
When it comes to delivery location preferences, there is a clear, European-wide consensus: **around 85% of online cross-border shoppers prefer their parcels to be delivered at home**. Conversely, this means that the other 15% do not prefer home delivery.

If home delivery isn't possible, most consumers in the Netherlands consider delivery at a neighbors' home to be a good alternative. Finally, a safe place around the house is a trusted alternative for many shoppers in German-speaking countries, Belgium, Italy and Ireland, while the post office and postal service points remain a popular choice in most countries in Western Europe.

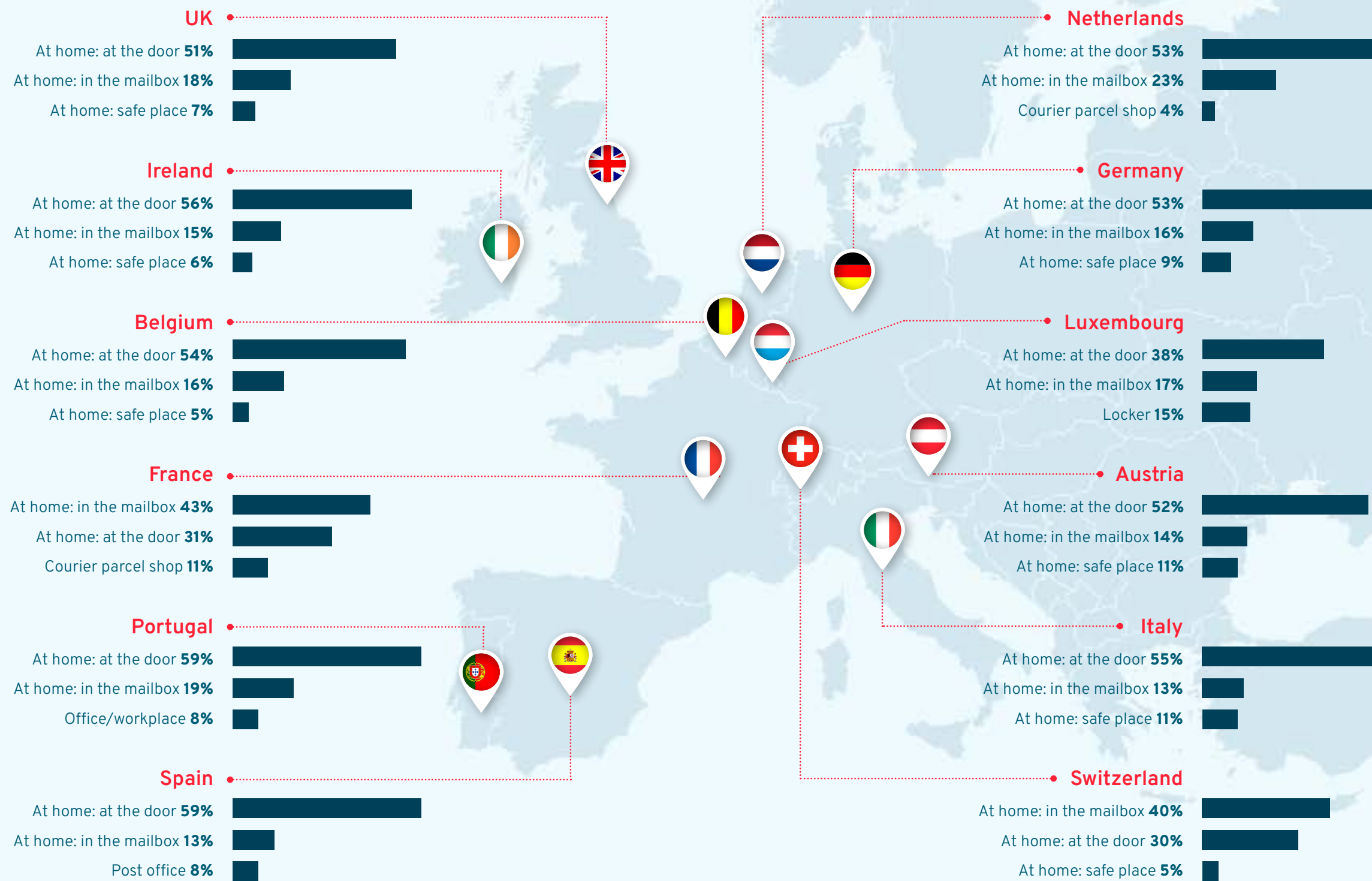


Landmark Global delivers all your cross-border shipments, right to your customers' doorstep or to a pick-up location of their choice.

## Delivery location: top five used in the past year (at least 6 times)



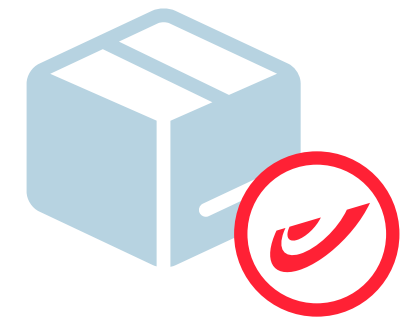
Delivery location: last cross-border purchase



## 06 | Local postal operator is preferred delivery company across Western Europe

**Roughly between 40 to 50% of cross-border parcels in Western Europe are delivered by local postal operators.** This figure is slightly higher in Germany – when DHL is considered to be part of Deutsche Post – Switzerland and Ireland. Then again, it's somewhat lower in Italy, the UK and France, although Chronopost, which is part of La Poste group, is not included here.

**The post is the preferred delivery company in every country in Western Europe,** and 39% of shoppers across Western Europe prefer for their parcels to be delivered by their local postal operator. Germany, Austria, Switzerland, Belgium and the Netherlands in particular show a marked preference for their local post company. If parcels are not delivered by a postal operator, they are usually delivered by end-to-end integrators.



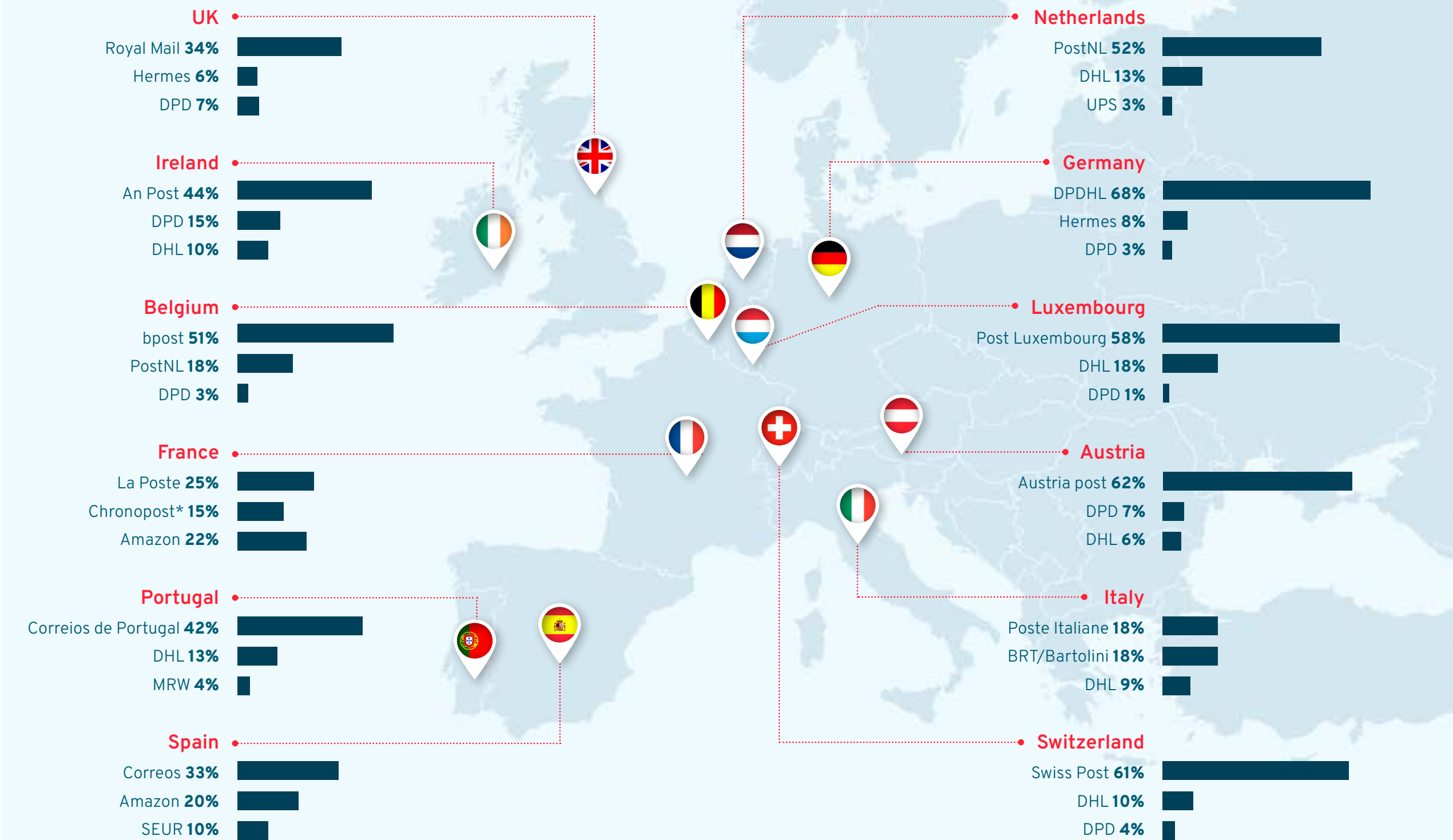
### Consumers prefer postal operators over other delivery companies

Customers in every country in Western Europe report a more positive experience with the local postal operator than with other delivery companies. In the UK, Germany and Austria especially, the NPS gap between the post and other operators is very significant.



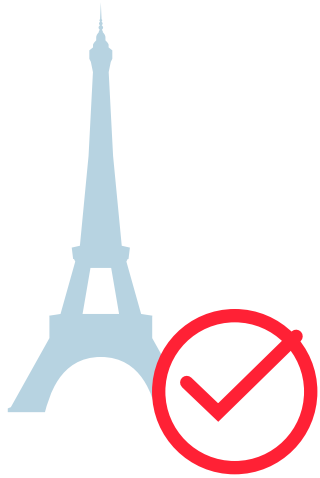
In Western Europe, Landmark Global has partnerships with every postal operator, as well as with local commercial logistics operators.

Delivery company preference



\* Chronopost is part of La Poste





### Quality of delivery is key in France,

When considering the French consumer market it is important to understand reliability and stability are more appreciated than fast deliveries. In France, quality of delivery is a crucial part of a brand's perception.

## 07 | For shoppers, trust in the delivery company is key

Trust in the delivery experience might seem less important to shoppers than other aspects of delivery such as shipping costs and charges, the possibility to choose the delivery location, delivery speed and an easy returns process. But **half of shoppers in every country in Western Europe put a premium on trust in the delivery company.** This is especially the case in Ireland (61%). Around 4 in 10 shoppers **value being informed about the company that will deliver their parcel when placing their online orders.** Research shows that 20 to 40% of online shoppers consider real-time tracking to be very important, while 15% want to have the option of re-routing parcels during transit.

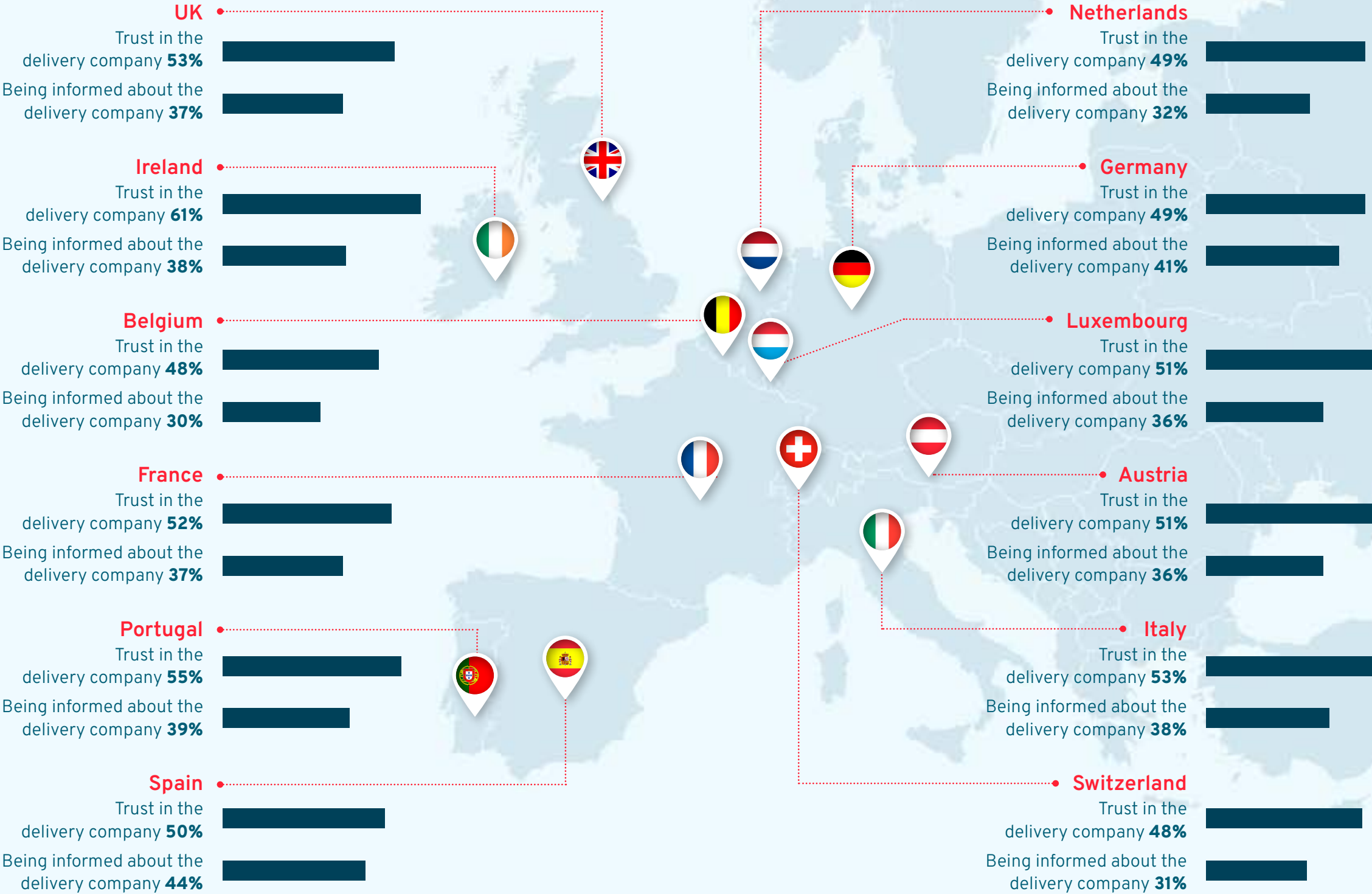
The graph on the next page shows that real-time tracking is especially important to cross-border online shoppers in Luxembourg, France and Ireland. The possibility of redirecting a parcel already in transit is important to consumers in the more developed e-commerce markets of the UK and Ireland.



As trust is key, it is important to carefully select your logistic partner. Landmark Global can help you guarantee a reliable and stable delivery service.



Key delivery aspects

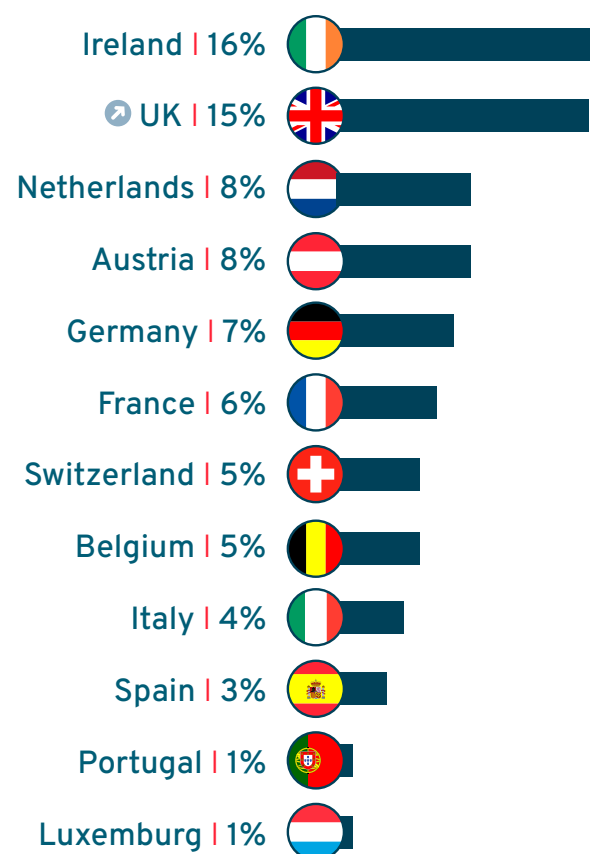


## 08 | 5 to 7% percent of parcels are returned across Western Europe

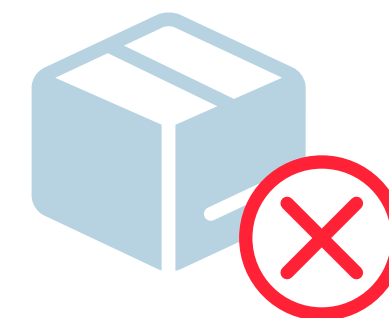
The returns figures for the most recent online cross-border purchase are **roughly the same across Western Europe**. In general, about 5 to 7% of cross-border parcels in Western Europe are returned to e-tailers. **Both the UK (15%) and Ireland (16%) stand out with return rates twice as high**, most likely because the UK is no longer a part of the EU single market. Return rates in Portugal (1%), Spain (3%) and Luxembourg (1%), on the other hand, are markedly lower than those in other countries in Western Europe.

When we look at postal companies, we can see that **57% of them offer shoppers an easy return solution** for international parcels, illustrating the importance of this option.

Source: Escher Survey 2020



Source: IPC Cross-Border Shopper Report 2021



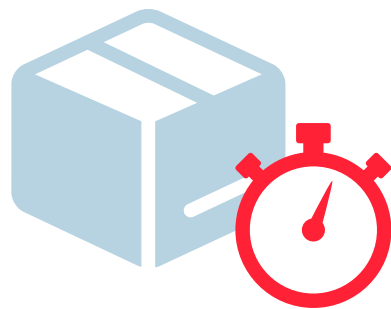
### Why do shoppers return items?

Globally, around 1 in 3 (36%) online shoppers returned an item in the past three months. The reasons for returns are varied, from a faulty or damaged product (30%), to issues with delivery (18%).

Source: UPS Pulse Survey 2019



Landmark Global offers flexible returns solutions and can manage your returns from each Western European country.



### Speed matters most

Speed is a very important aspect of delivery to 1 in 3 cross-border online shoppers in Western Europe. On the other hand, 3 in 10 shoppers strongly agree with the statement “willing to receive package a few days later to reduce environmental impact”.

## 09 | Many shoppers open to slower but greener delivery times

Delivery speed is important to many online cross-border shoppers, but speedy delivery times also have an environmental impact. Consolidating parcels so they can be shipped together can reduce the carbon footprint of a parcel's delivery journey, but it also results in slower delivery times. Couriers who offer slower delivery times can also adapt their logistic operations so they have less impact on the environment.

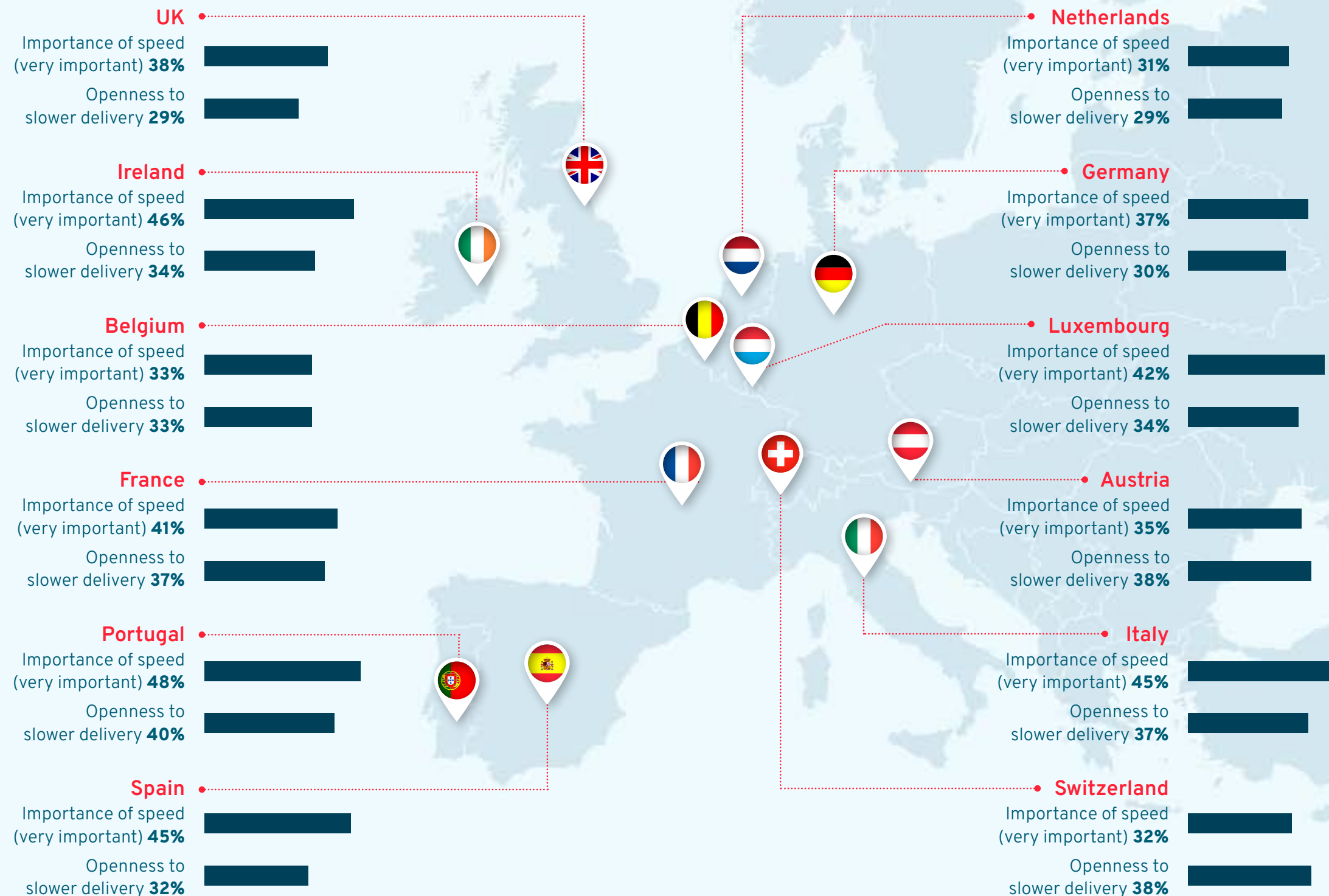
In other words, the following two aspects of delivery need to be balanced against each other: the **importance shoppers attach to fast delivery and shoppers' willingness to accept slower delivery times in exchange for a reduced environmental impact.**

Speed is highly important to more than 4 in 10 shoppers in Ireland, France, Luxembourg, Italy, Spain and Portugal. In Ireland and the UK, the gap between shoppers' preference for speedy delivery and their openness to slower but more environmentally friendly deliveries is especially pronounced. This gap is the lowest, on the other hand, in France, Belgium, the Netherlands, Austria and Switzerland. On the whole, **30 to 40% of shoppers in Western Europe are open to slower, 'green' deliveries.**



It is important to know what your customers find most important about their delivery, as well as to offer a more sustainable, slower delivery.

## Importance shoppers attach to fast delivery and shoppers' willingness to accept slower delivery times



## Get in touch with us

Find out how we can help you grow your e-commerce: [landmarkglobal.com/contact](https://landmarkglobal.com/contact)

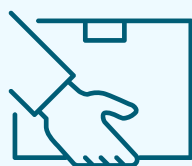
Read more news & insights: [landmarkglobal.com/news](https://landmarkglobal.com/news)

Follow us on LinkedIn: [linkedin.com/company/landmark-global](https://linkedin.com/company/landmark-global)

## Open your world

Landmark Global is the trusted international logistics partner, powering your e-commerce growth. With a network spanning 220 destinations, our services include international parcel delivery, customs clearance solutions, and returns management. Being part of the bpost group enables us to expand our knowledge and capabilities and provide better e-logistic solutions to our customers.

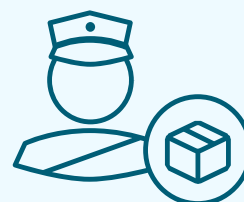
## Our fully integrated logistics services



Parcel  
Delivery



Returns  
Management



Customs  
Clearance



International  
Mail Delivery