



Country factsheet - September 2014

Switzerland

Switzerland is an e-commerce market that is a unique as it is attractive. Thanks to its location and linguistic affinity with neighbouring markets, Switzerland retains its independence from the European Union and is an exception in terms of legislation, money and tax.

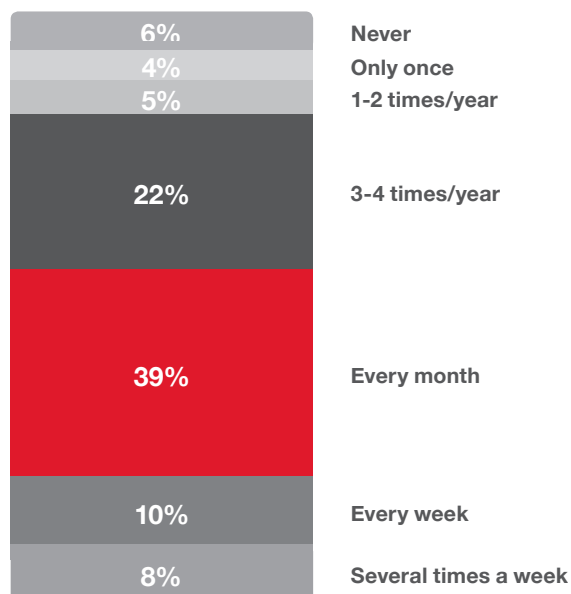
Here, in a few points, are the relevant features of Switzerland:

- On 1 January 2013, Switzerland had 8,036,917 inhabitants, including 1,868,962 foreigners
- In Switzerland, products are generally 30-40% more expensive than in surrounding countries
- It has three official languages, which are also spoken in other countries: German (the most widespread), French and Italian, together with a fourth, non-official language, Romansch
- Its Internet penetration rate is 82% (above the global average of 78%)
- The average Swiss shopping basket per e-shopper has one of the highest values in Europe at 1,750 euros a year
- Online sales grew by 12.1% in 2013 to reach 8.36 billion euros

1. The consumer

The average Swiss consumer is very comfortable using e-commerce – 39% of internet users make purchases at least once a month online and only 6% have never bought anything using the internet.

How often do Swiss Internet users make purchases online:



1/3
of senior netizens
use e-commerce at
least once a month

The higher average purchasing power and higher cost of living in Switzerland make cross-border e-commerce a naturally attractive option for Swiss consumers.

In terms of male/female distribution, the situation in Switzerland is fairly traditional, with **women making the most online purchases**, except for those people making purchases just once or twice a month, where men are in the majority (42.3%) compared with female e-shoppers (35.6%).

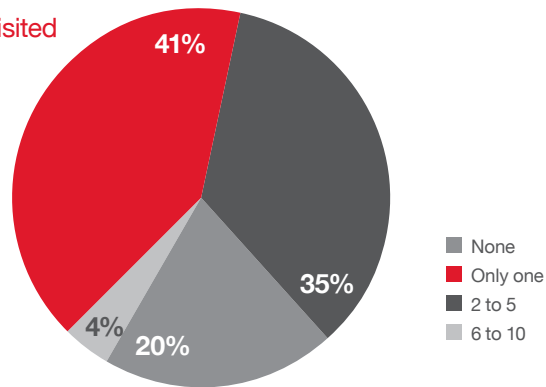
Senior netizens are well represented in the online population, with almost 80% surfing the internet daily, and almost **a third of them making an online purchase at least once a month**.

However, most Swiss senior netizens dislike the lack of physical contact with the goods, and still often head to traditional points of sale to see what they are intending to buy on the web.

Attracting and retaining Swiss e-shoppers

The main driving force behind Swiss consumers turning to e-commerce is **price**. But that doesn't make them opportunistic or flighty e-shoppers; on the contrary, once they have been won over, Swiss e-shoppers remain loyal to their e-tailer, as the diagram below shows:

Number of e-tailers visited during the last 12 months:



Convenience is also a big motivation for the Swiss consumer after price, while other attractive factors include **24/7 access, home delivery** and **the ability to compare offers**.

Factors key to ensuring Swiss e-shoppers have a satisfying e-commerce experience include:

- **payment**
- **shipping**
- **dispatch**

When it comes to retaining Swiss e-shoppers, factors which make them loyal to an e-tailer include:

- **trust**
- **a reliable service**
- **availability of products**
- **ease of use of the website**

Grocery stores
generated
16,1%
of the total
e-commerce
revenue for 2013

Swiss e-shoppers' preferred products

As is the case in many countries, **electronic products** and **clothing** are the most sought-after e-commerce categories. Books, CDs and DVDs have seen a decline in the Swiss market.

On the other hand, unlike many countries where **grocery stores have found it hard to establish** a foothold in e-commerce, the food sector in Switzerland is doing quite well. Moreover, it generated 16.1% of the total e-commerce revenue for 2013.

2. The market

Switzerland is a trilingual country. German is the most widespread language as 17 out of 26 cantons speak only German. French comes next (four cantons speak only French and three are officially bilingual French-German) followed by Italian, spoken in the canton of Tessin (Ticino in Italian) and some southern valleys of the canton of Grisons. It is obviously advisable to keep this geographical and linguistic breakdown in mind when developing your site, logistics and customer service offering.

A local/global mix

The biggest Swiss e-commerce companies are listed below:

- 
1. Amazon
 2. Ricardo
 3. iTunes
 4. Ebay
 5. Zalando
 6. La Redoute
 7. DeinDeal
 8. Groupon
 9. Ifolor
 10. Eboutic

As this top 10 proves, the Swiss market is relatively mixed, and although it contains the essential global brands, it also includes local retailers who have decided to take, and above all retain, their share of the market.

Despite the success of some local firms, there are relatively few Swiss internet start-ups; instead, foreign competitors tend to move in and take a share of the market. This is proven by Amazon recently gaining first place in the market, or the arrival of Zalando, which joins the top five despite not being classified the previous year.

It's worth taking a look at Ricardo's economic model, launched 15 years ago and based on the following three elements:

- A charge for placing an advertisement on the site, to guarantee the quality of the offering
- Increased visibility through additional payments
- Commission for Ricardo, which varies between 2% and 6.5% for transactions via the site

Social-mobile-SEO: a trio to be brought together

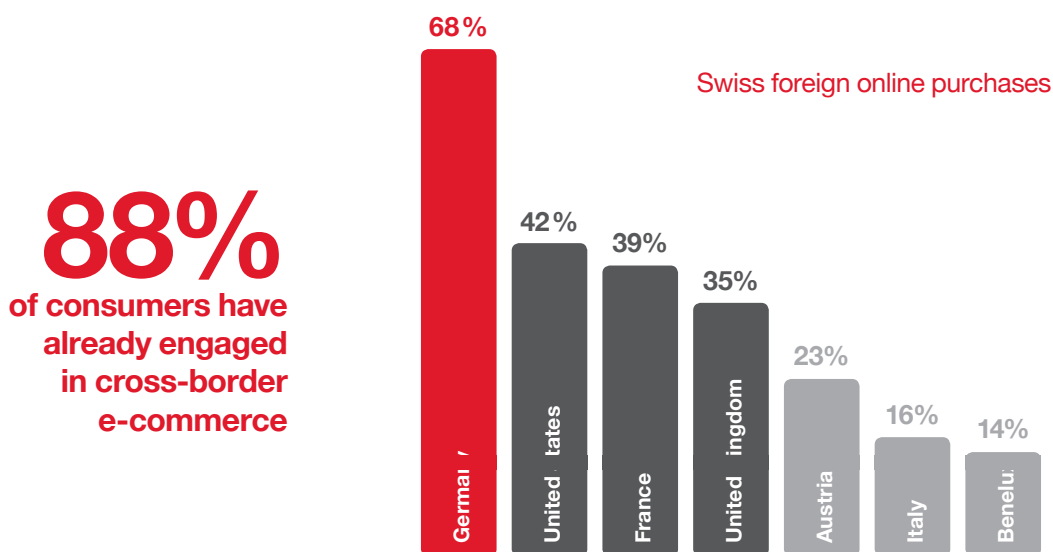
Social networks are a part of the daily lives of the Swiss, with 40% of the population using them every day. However, they don't use them to do their shopping – only 12% of them have placed an order using a social network.

When it comes to **mobile platforms**, around 70% of Swiss internet users surf the internet using a mobile device. However, once again, use of mobile devices for e-commerce is relatively low and only accounts for 10% of total online sales.

Search engines seem to be the tool par excellence for reaching e-shoppers. The majority of Swiss e-tailers consider Google to be the best mean of reaching new customers, investing most of their advertising budget to achieve as high a ranking as possible.

Cross-border is attractive but requires preparation

In 2013, Swiss e-shoppers placed **almost a billion euros worth of orders on foreign sites**. They are comfortable with cross-border buying and 88% of consumers have already engaged in this.



However, although the Swiss have adopted cross-border e-commerce, they have certain reservations, and rightly so – mainly when it comes to **customs duties** (for 82% of Swiss consumers).

The Swiss model governing customs duties and VAT varies according to the country of origin and is different for products coming from one of the neighbouring countries (Germany, France, Italy and Austria).

Aside from customs duties, another consequence of Switzerland not belonging to the European Union is that the country is not affected by the recent European directive on consumer rights, which has standardised some principles of distance selling. **In Switzerland there is currently no specific legislation.** The same rules apply to all retail sales, resulting in key differences to European digital markets, including:

- **the absence of a maximum time limit for delivery.** The buyer is responsible for ensuring that the contract specifies a fixed time period and not an indicative time period
- **the absence of a withdrawal period.** Sellers may make provision for one, but this is not compulsory
- **consumers are responsible for any return costs,** but no time limit is specified

It should be noted, however, that a new law on the rights of the consumer is due to come into force soon and has already been approved by Parliament.

3. Trends

E-shoppers willing to pay additional costs for more convenient delivery

The multichannel dance is led by mobile

As indicated in our market analysis, the mobile platform does not yet have the same penetration rate as in certain other markets. Currently, purchases using mobile devices account for 10% of all e-commerce sales. However, e-tailers see mobile as the driving force of the multichannel age in Switzerland, and the most obvious trend that will be seen in the future. Mobile is expected to be the bridge between e-commerce and traditional commerce, enabling customers to move from one channel to another at the click of a button.

Diversification in shipping

E-commerce shipping services are still heavily dominated by the traditional postal services, and mainly by Swiss Post. However, new companies, as well as new options, are beginning to appear.

Swiss e-shoppers are starting to have **24/7** access to **automatic lockers** and can also, with advance notification, **request a day change to a home delivery.**

It is likely that other options will be introduced as Swiss customers seem prepared to pay a supplement for services that improve the convenience of their delivery. When it comes to convenience, the time factor doesn't seem to play an important role, as same-day delivery remains marginal in Switzerland.

Free shipping is also gaining in popularity, but more so when coupled with minimal purchase amounts. Free return seems to be following the same route. Free shipping and free return lay the foundations for e-commerce, with the ability to postpone a purchase ensuring no commitment for the customer. There is no doubt the liberating effects of this will enable the growth of Swiss e-commerce to continue.

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E-Commerce-Report Suisse 2014, Le commerce en Ligne Suisse du point de vue des fournisseurs, Datatrans SA, ©
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