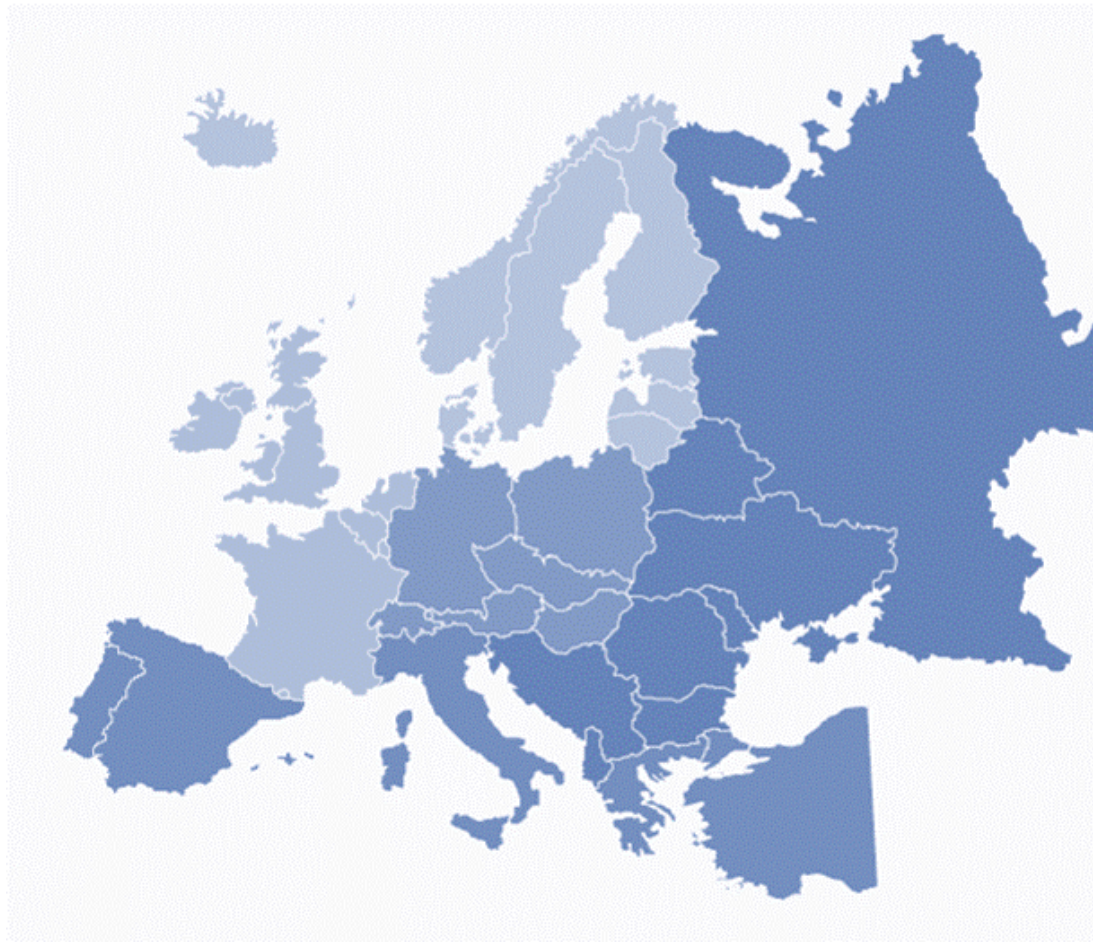


Exporting into Europe



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Exporting into Europe: How B2C Europe could penetrate on the European market



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Executive summary

This report is a result of a research, which was carried out in order to determine if there are opportunities for the Spanish branch of B2C Europe to export to the European market and what the best strategy would be to enter the market. The methodology of the research consisted of desk research and qualitative research, for the qualitative research interviews were conducted.

The e-commerce market in Europe has been growing around 20 percent annually and is expected to grow even further in the future. Parcel services benefit greatly from the growing e-commerce market because physical distribution of the goods is necessary and parcel services are the preferred means of transportation. From the findings it can be concluded that B2C Europe's Spanish branch should be focusing on online retailers selling clothes, accessories and sporting goods because they make up over a quarter of the total goods bought online in Spain.

The main direct competitor of B2C Europe is Worldnet Direct, and currently they have a competitive advantage over them. B2C Europe could improve its competitive advantage by improving its customer service. Because of the liberalization of the postal industry more competitors are entering the market. Because B2C Europe wants to export from an existing branch, which is fully equipped and capable of exporting abroad, The costs associated with the expansion will be the costs for exporting the parcels, the price they have to pay the transportation companies to do shipping of the parcel and the price they will have to pay for the additional employees that are necessary to process the parcels.

The findings of the research conclude that B2C Europe should start exporting into Europe to be able to anticipate on the growing market. B2C Europe should target E-commerce companies selling clothing, accessories and sporting goods. The target customers should be approached by direct sales, content marketing and by attending e-commerce expos. A sales & marketing manager should be appointed in order to establish customers and in order to increase brand awareness. Since B2C Europe already has multiple branches across Europe, it is advised they take a decentralized exporting strategy. The exportation strategy that is advised for the Spanish branch of B2C Europe is that the parcels that are going to the same region will be consolidated together and shipped by a pickup party as one big shipment to the branch in Europe closest to the consumer. After the parcels have arrived at the branch, the parcels will be shipped to the customer with a national transportation company.

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1. Introduction

This research project is a requirement for the fulfilment of a bachelor's degree in international business studies at the Hogeschool Utrecht. The study is an export plan for B2C Europe's Spanish branch, and it is written to investigate if the branch could successfully expand its services to the European market.

B2C Europe is an independent service provider of international distribution services and return shipping services, with a focus on European destinations. B2C Europe has multiple branches across Europe. They mainly focus on the distribution of mail and packages. Their customers are primarily online retailers, postal operators and e-fulfilment companies.

What makes the topic of this thesis useful for the company is that the Spanish branch wants to expand its operations. The main question of the research project is: What are the opportunities and challenges for B2C Europe's Spanish branch to start exporting into European markets and if there is a market, how to penetrate this market?

The sub-questions of the research are:

1. Who are B2C Europe's potential customers, and how to target them?
2. Who are B2C Europe's competitors, and how do they differentiate themselves from them?
3. What are the trends and expectations within the mail, package and freight delivery industry?
4. What export strategy would be most beneficial for B2C Europe's Spanish branch to implement?
5. How does the logistical structure of the company need to change to anticipate on the expansion to other markets?
6. What are the costs and benefits for B2C Europe's Spanish branch with the expansion into the European Markets?

The first chapter of the report will be an introduction. The second chapter will be a literature review, here will be discussed what is already known about the problem

and what the limitations in the research are. The third chapter will be the methodology, here the research methods and research strategy will be discussed. The fourth chapter will be the findings and discussions, in this chapter facts and data of the findings of the research will be given and meaning will be given to the data. The fifth chapter will be conclusions, in this chapter no new information will be provided but conclusions will be made from the findings and discussions. In the sixth chapter recommendations will be given to the company.

2. Literature Review

According to Kotler & Keller (2012) the formal definition of e-commerce is: a company or site that offers to transact or facilitate the selling of products or services online.

Zámečník (2014) states that parcel services benefit greatly from the e-commerce boom, because they are usually the preferred means of transportation. E-commerce has become an important branch of the global economy. The significance of e-commerce as a distribution channel in the area of B2C is reflected by its dynamic development.

In the past years the e-commerce market in Spain has been on the rise, and Spain has currently the highest e-commerce sales of Southern Europe. (Adigital, 2014) According to Abraham, Nagelvoort, Nöthlichs, and Weening (2014) the market for e-commerce in Spain is still relatively new and developing, the growth of e-commerce sales in Europe is growing faster than the EU average, 27.9% compared to 19% respectively. There are currently around 15 million e-shoppers in Spain and the growth of the e-commerce sector is doing far better than the struggling Spanish economy.

However according to Kaushik (2012) internet usage in Spain is still low and also the market for e-commerce has yet to mature and is still much smaller than in Western Europe. Urueña, Anton, Ballester, Cadenas, Castro, & Valdescasa (2013) state that the e-commerce market in Spain has grown from 5.911 million Euros in 2007 to 12.383 million Euros in 2012.

According to Jongen & Weening (2013) the European e-commerce market became bigger than the market in the United States in 2010, which had been the biggest e-commerce market until then. They state that the European e-commerce market is growing around 20% annually and in 2012 it reached a total value of 311.6 billion Euros. It is expected the E-commerce market will grow from 370 billion Euros in 2013 to 625 billion by the end of 2016.

Meschi, Irving & Gillespie (2011) state that the market for cross-border e-commerce appears to have been increasing at a slower rate than domestic e-commerce. Overall it can be concluded that the biggest countries and the Nordic countries are the countries with the highest number of individuals buying online domestically and the smallest countries have the highest number of individuals buying online cross-border. The cause of the disparity between cross-border e-commerce is caused by the following reasons: (1) internet penetration; (2) availability of goods domestically; (3) common language; (4) cultural links; (5) per-capita income; (6) consumer confidence.

Winkelmann et al. (2009) state that e-commerce is a major driving force for the growing parcel and express market, because physical distribution of the goods is necessary. According to Urueña et al. (2013) the categories of products that can be physically transported and are the most bought online in Spain are respectively: (1) clothing, accessories and sporting goods; (2) books, magazines, and newspapers; (3) electronics; (4) toys and games; (5) smartphones and tablets; (6) movies, music, videogames; (7) home and garden products; (8) jewellery and watches; (9) collectibles and antiques. They further state that the profile of buyers on the internet has remained the same as in previous years. A buyer on the internet has the following characteristics: (i) he is between the age of 25 and 49, (ii) he has followed a secondary education of university, (iii) he has a fulltime job, and (iv) he lives in cities with more than 100.000 inhabitants.

According to Dieke et al. (2013) from 2007 till 2011 the revenues in the postal sector in Europe declined from € 94 billion to € 91 billion respectively and hereby the postal sector decreased to 0.72% of the total GDP in the European Union. Although the total revenues declined, the revenue per item increased from € 0.97 to € 1.10. Because of the financial crisis and the increasing use of e-mail, the demand for letter post has declined substantially. The demand for parcels and express services however has grown due to the increased number of web shops. Some postal providers were able to partially offset the mail declines with the rising demand for parcels.

Chislett (2012) states that due to the economic recession the exports in Spain are growing much more than the imports which are declining. The growth in exports have

reduced the trade deficit and prevented the country's recession from falling even deeper. Exporters have been remarkably successful in recent years compared to importers, and Spain's economic wellbeing depends to some extent on maintaining the momentum of exports.

Carbone, and Stone (2005) state that the international market for logistics and transport services in Europe is becoming larger and more complex. Growth and diversification present opportunities and challenges for companies. More and more logistics and transport services are reacting to the Europeanization and Internationalization of its industrial and retailing customers to provide the necessary logistics services demanded. It is important to choose the right strategy when expanding to new geographical markets.

According to Lymbersky (2008) the development of an international strategy generally consists of two parts: strategy formulation and strategy implementation. In the case of a market entry, the formulation part consists of a plan that says which countries to enter and how to enter it. Strategy implementation is about developing the necessary tactics to achieve the formulated goals.

According to Terpstra & Sarathy (2001) a distinction can be made between indirect and direct export strategies. Indirect export is the strategy that offers the lowest risk. With indirect export the company will use a third party in the country they want to export to. With indirect export the goods are carried abroad by others and the sales are handled like domestic sales. An indirect export strategy means a company will export from one country and therefore will use a centralized approach.

With direct export the company performs the export tasks itself rather than handing it over to a third party. With direct export a company has to make contacts on their own, perform their own market research and need to set up a business in the country they want to export to. Direct export offers more risk, but the company will receive the full profit and it will be able to perform their own strategy. A direct export strategy will mean that a company needs to settle in several countries.

Terpstra & Sarathy (2001) further state that the main benefits of direct export are increased sales, greater control, better market information and development of expertise in international marketing.

According to Langley (2007) most logistic service providers fail to deliver the expected cost reduction, trustworthy relationships and increasing needs for wider portfolio of logistics services and geographical coverage and advanced information technology. Therefore most logistical contracts change hands every two years and many contracts are limited to only transport and warehouse services. They further state that companies in the logistical service industry need theories and solutions to achieve sustainable competitive advantage.

According to Zámečník (2014) the use of modern information technology in the logistics, the so-called e-logistics, offers opportunities such as:

- A reduction of the transaction costs for the placing of orders and the information exchange via EDI or the internet.
- The exchange of complete master file data about articles and orders between the suppliers and the recipient.
- The simplification and acceleration of the order history between the industry and commerce via electronic ordering.
- Order confirmation and invoice issuing.
- Automatic replenishment from the suppliers on basis of agreed delivery competences, delivery times and delivery quantities.
- The creation of systems for tracking and tracing, for example via RFID and the creation of efficient quality management on the basis of the systematic recording of quality defects.

Although there is a certain increasing market demand for exporting parcels from Spain to the rest of Europe Union, more research is needed to see what the best strategy would be to enter the new geographical areas, how B2C Europe's Spanish branch could best implement the strategy and how to approach their potential customers. What also requires further research is how the company could differentiate themselves from their competitors.

3. Methodology

3.1 Orientation

The used research question is: “What are the opportunities and challenges for B2C Europe's Spanish branch to start exporting into European markets and if there is a market, how to penetrate this market?”

The Spanish branch of B2C Europe is very new and would like to grow its operations. Currently they are only importing but they also would like to export. At the moment they only have packages that come into Spain from abroad and then B2C Europe makes sure they are delivered at the right address in Spain, but they would also like to approach Spanish companies to export the parcels for them somewhere in Europe.

The aim of the research was to find out if there are opportunities for B2C Europe's Spanish branch to expand their operations into a new market and the research will also answer what would be the best way to enter the market.

Qualitative research allows exploring a topic where there is not much information for available. According to Bellenger, Bernhardt, and Goldstucker (2011) an advantage of interviews is that one can pin down every piece of information to an individual. Furthermore with qualitative research it is possible to gain more in-depth information than with quantitative research because with qualitative research it is possible to ask follow-up questions to gain more understanding or more information about the given response of the interviewee. Therefore it would be possible to get a nuanced answer when the original answer is too general, simple, formal or unclear. Because of these reasons quantitative research methods were excluded from this research and the research was based on qualitative research methods only.

3.2 Data collection

The data used in the research exists of data collected through interviews with employees of the company, data provided by the company and through literature review.

The data obtained through the interviews with the employees of B2C Europe's Spanish branch was intended to show whether or not there were opportunities for B2C Europe's Spanish branch to enter the European market, and where they could possibly differentiate themselves from the competition. The questions needed to be simple and clear so that they were correctly understood and the layout of the questions needed to be well structured so no bias could arise. By comparing the outcome of the interviews with the data provided by the company and literature cross-validation was achieved.

The interviews were done in person and the questions were communicated thoroughly so that the person being interviewed understood the questions well and no misunderstandings could occur.

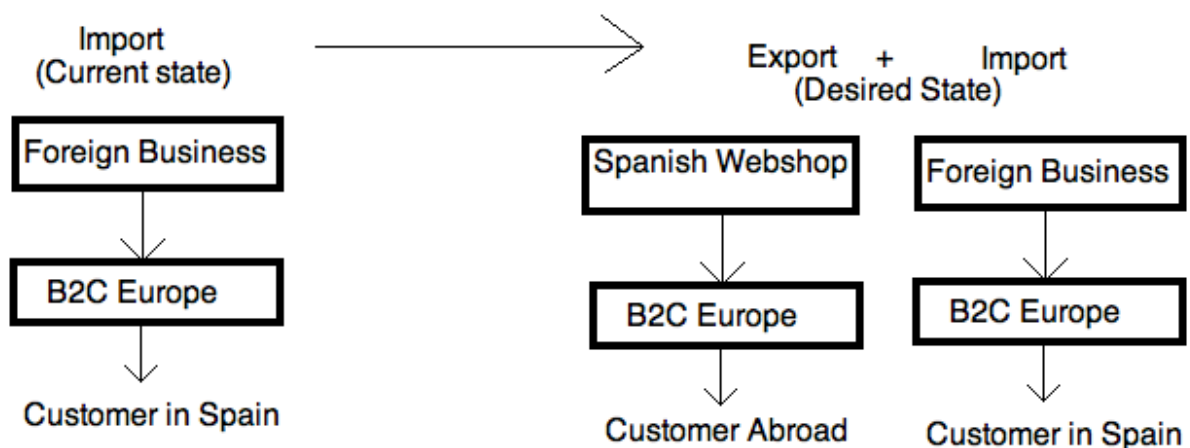


Figure 1: Conceptual model

The provided model (Figure 1) is based on information given by the company. In the current situation the company is only importing mail and packages from abroad into

Spain. In the proposed desired situation in the model you can see that the company will not only be importing but also exporting mail and packages abroad.

3.3 Data Analysis

The findings of the qualitative research are specific for this company and are not able to be generalized to the distribution industry as a whole, and therefore they were used instead to develop further understanding on the issue within the context of B2C and for further decision-making. The qualitative data analysis method that was used is coding. First all the data was unraveled into small pieces, which could be summarized in one term. After this the data was sorted and categorized so that meaning was created for the data and so that it could be used for the quantitative data methods.

3.4 Population & sampling

It is not always possible to interview all elements in the population therefore drawing a sample is the best solution.

The interviews were conducted with employees of the Spanish branch of B2C Europe. There are around 20 people working in the Spanish branch. Not every employee is familiar with the problem and as a result only 8 out of 20 employees could be interviewed. The 8 employees that could be interviewed were the COO of the company, the warehouse manager, the head of the IT-department, the customer service manager and 4 warehouse employees as they were the only 8 in the Spanish branch familiar with the exportation plans, and were thought to have sufficient knowledge about exporting. So for the interviews with the employees of B2C Europe non-probability sampling was used and the sampling used is judgmental sampling. The sampling is judgmental because the number of people that have expertise on the topic is very limited and the people interviewed are chosen because they were thought to be appropriate for the study.

3.5 Limitations

There were some limitations to the research because of the assumptions that must be made.

One limitation to the research is that there were only a small number of experts available, and therefore the number of interviewed persons is limited. As a result, the research topic is very company specific.

Another assumption that poses some limitations is that it has been assumed that by exporting to Europe the company will grow and will be more profitable. Therefore the research may overlook some risks and costs associated with an expansion to another market.

3.6 Delimitations

The scope of the research is restricted to B2C Europe's Spanish branch. The results from the study will not be able to be generalized for the other branches of the company or other businesses. The focus falls only on logistical products and services provided by distribution companies operating in Spain and exporting to other parts of Europe. The research is thus limited to distribution companies operating in the same market because distribution companies that operate in a different market will not be researched.

3.7 Ethics

During this research different ethical norms were considered. The information retrieved through the interviews with the respondents were done with intellectual honesty and accuracy in both the carrying out of the research and as well in presenting the results in the final version of the thesis. The findings used in the thesis are factual and authentic, and they are not falsified or fabricated in any way.

4. Findings & discussions

4.1 Company description

The information provided in the company description is retrieved from the website: <http://www.b2ceurope.eu>. B2C Europe is an independent service provider of international distribution services and return shipping services for the e-commerce industry, with a focus on European destinations. Their customers are primarily online retailers, postal operators and e-fulfilment companies in Europe, the United States and China. Their customers vary from individual eBay sellers to large multi-channel online retailers.

B2C Europe does not have its own distribution network but they have access to the network of many national and international distribution companies. International distribution companies include companies such as UPS, TNT, FedEx, DHL, Skynet and others. The national distribution companies include: Royal Mail, La Poste, Correos, PostNL, Bpost, AnPost, Poste Italiane, Hungary Post, Deutsche Post, Hermes, Yodel and others. The company was founded by Rijk van Meekeren and Jose Vega in 2000. B2C Europe has multiple branches across Europe. Their branches include Weesp in Netherlands, Zaventem in Belgium, Coslada in Spain, Roissy in France, Slough and Aylesbury in the United Kingdom, Padova in Italy, Duisburg in Germany, Beijing in China, and Los Angeles in the USA.

B2C Europe has around 150 permanent employees. In 2012 the total revenue of all subsidiaries of B2CEurope amounted to €40 million, and the consolidated revenue was €32 million. B2CEurope ships and processes around 90,000 items worldwide on a daily basis.

The branch of B2C Europe in Spain is a 100% daughter company of B2C Europe BV. The Spanish branch is specialized in the distribution to Spain and Portugal from destinations worldwide. The branch in Spain is very new, it was founded in 2013 and it would like to grow its operations. Currently they are only importing but they also would like to export.

Services

B2C Europe offers a wide range of services for the delivery of postal items and parcels internationally. All services they offer are focused on international businesses. The services of B2C Europe can be divided into: parcel distribution, mail distribution, international e-fulfilment, return handling, customs handling and drop point delivery.

Parcel distribution

B2CEurope offers a variety of distribution services for sending parcels both national and international. They not only offer standard and priority shipping but they also offer registered services and track-and-trace shipping.

Mail distribution

B2C Europe specialises in the handling and distribution of international mail. B2C Europe offers mail distribution services to postal operators, global integrators and courier companies. They offer direct entry solutions and corporate mail solutions.

International e-fulfilment

B2C Europe offers pick, pack and ship services to e-tailors, and their services include the warehousing of the products and materials. B2C Europe's e-fulfilment services ensure that the customers of the e-tailor receive the requested product in the timeframe requested.

Return handling

B2C Europe offers return shipping solutions from other countries. This gives online retailers the opportunity to offer their customers return shipping options.

Customs handling

Having made arrangements with the Dutch customs and tax authorities, B2C Europe offers customers from outside the Europe B2C Europe easy and affordable customs handling.

Drop point delivery

B2C Europe offers customers the possibility to deliver the parcels at drop points in order to let them pick up the parcel themselves. This is particularly a convenient delivery option for working people, because in this case the customer does not have to stay at home while the package is delivered. The drop point delivery services are available in ten European countries.

4.2 Potential customers

Abell business definition model

To define the business scope of B2C Europe we will use the business definition model of Abell by Abell (1980). The information in the business scope of Abell is based on the finding gathered from the research. The business definition model of Abell explains the scope of a business using three different dimensions. With the Abell business model we are able to find out what the current and potential market is for B2C Europe. The dimension customer groups explain who the customer groups are. The dimension customer functions explain what the needs of the customer are. The final dimension alternative technologies explain how the needs of the customer can be anticipated. Below the business definition model of Abell is applied to B2C Europe (figure 2: Abell business definition model).

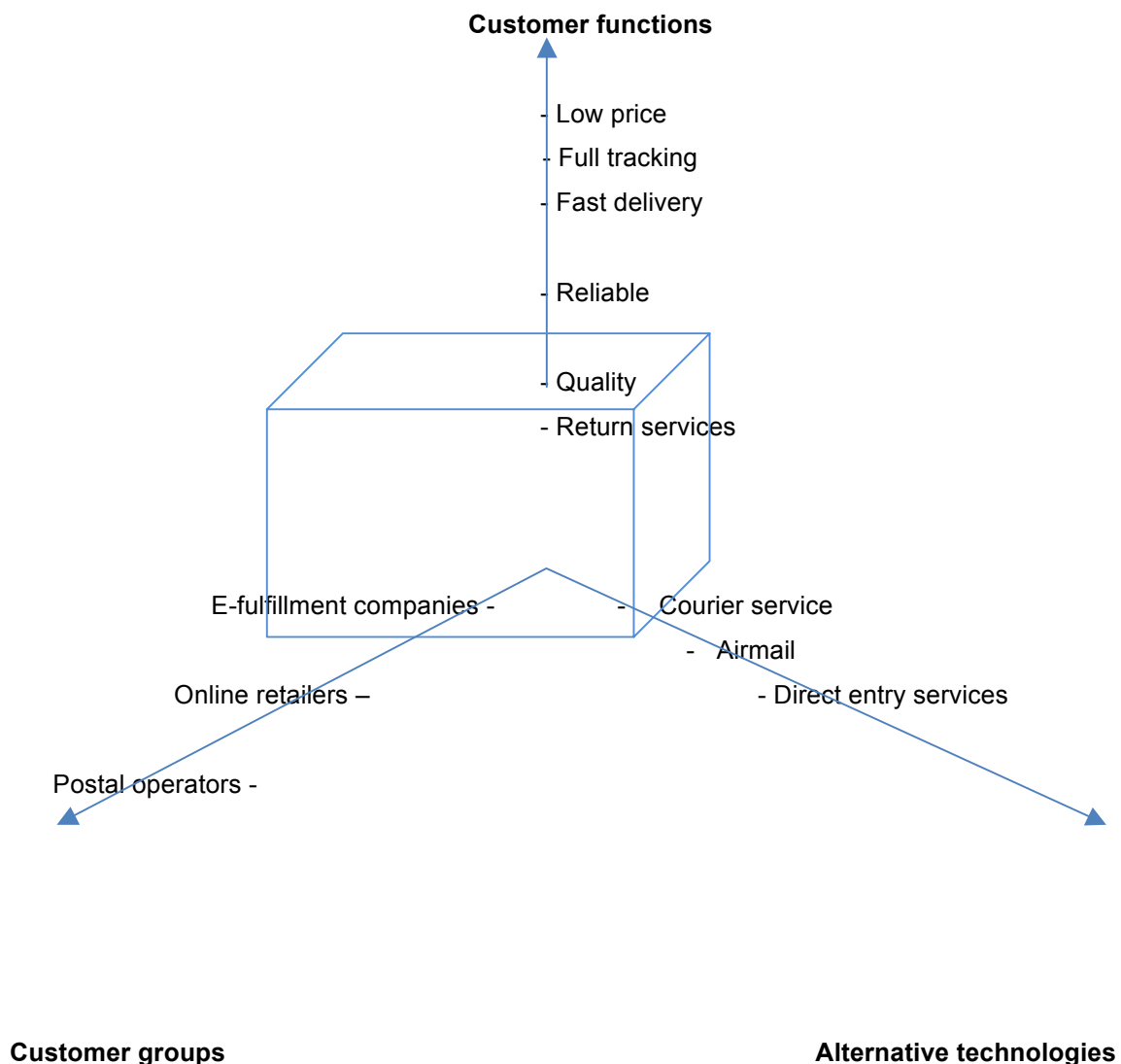


Figure 2: Abell business definition model

Customer groups

According to the interviews conducted, the most mentioned customer groups are E-fulfilment companies, online retailers and postal operators. Customers in these three groups are the target groups of B2C Europe's Spanish branch.

Customer functions

According to the interview conducted with the head of the IT department the needs of the customers of B2C Europe's Spanish branch are as followed: they demand a reliable service of high quality with a fast delivery against a low price. What has gained increased importance in the recent years are return services and full tracking of the shipments.

Alternative technologies

According to Meschi, Irving & Gillespie (2011) alternative technologies that are available to fulfil the needs of the customers in the industry B2C Europe is active in are: courier services, airmail, and direct entry services.

Customer analysis

At the moment the Spanish branch of B2C Europe is only importing parcels from abroad and distributing them in Spain, but they would also like to export parcels from Spain into Europe. To export to the European market they have to focus on different potential customers as they focussed on before. At first they only approached customers from outside Spain, but now they also have to approach Spanish companies. From the findings of the research it appears the Spanish branch of B2C Europe will have to focus on Spanish e-commerce companies that want to deliver cross-border.

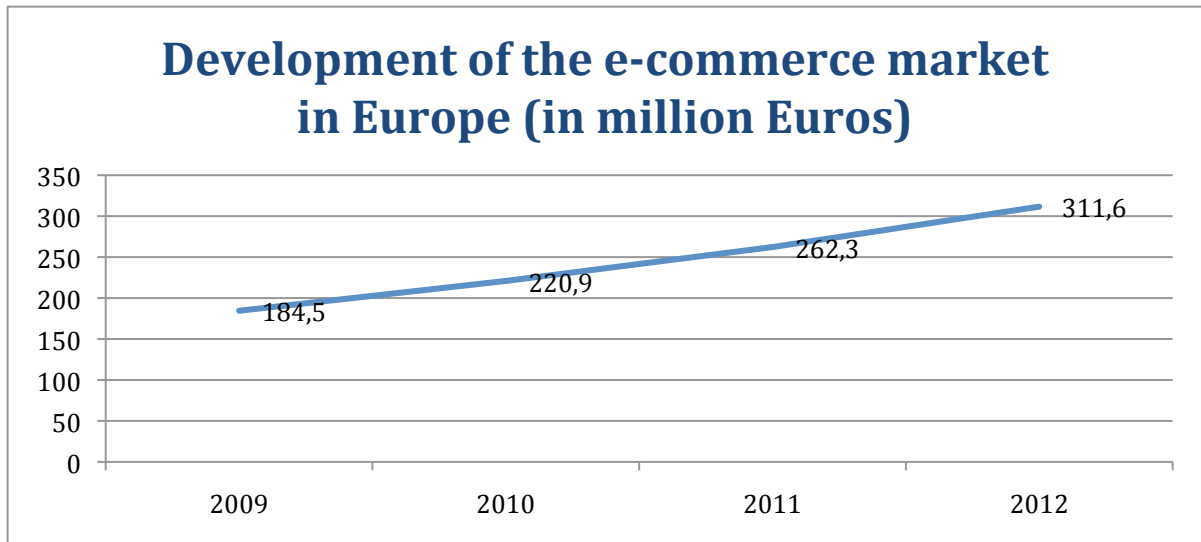


Figure 3: Development of the e-commerce market in Europe. (Jongen & Weening., 2013)

As you can see in figure 3, the European e-commerce market is growing around 20% annually. And in 2012 it reached a total value of 311.6 billion Euros. Currently the number of web-shops in Spain is growing and therefore the demand for parcels and express services are increasing. In figure 4 a forecast is given about the development of the E-commerce market in Europe from 2013 till 2014. As you can see it is expected the E-commerce market will grow from 370 billion Euros to 625 billion by the end of 2016.

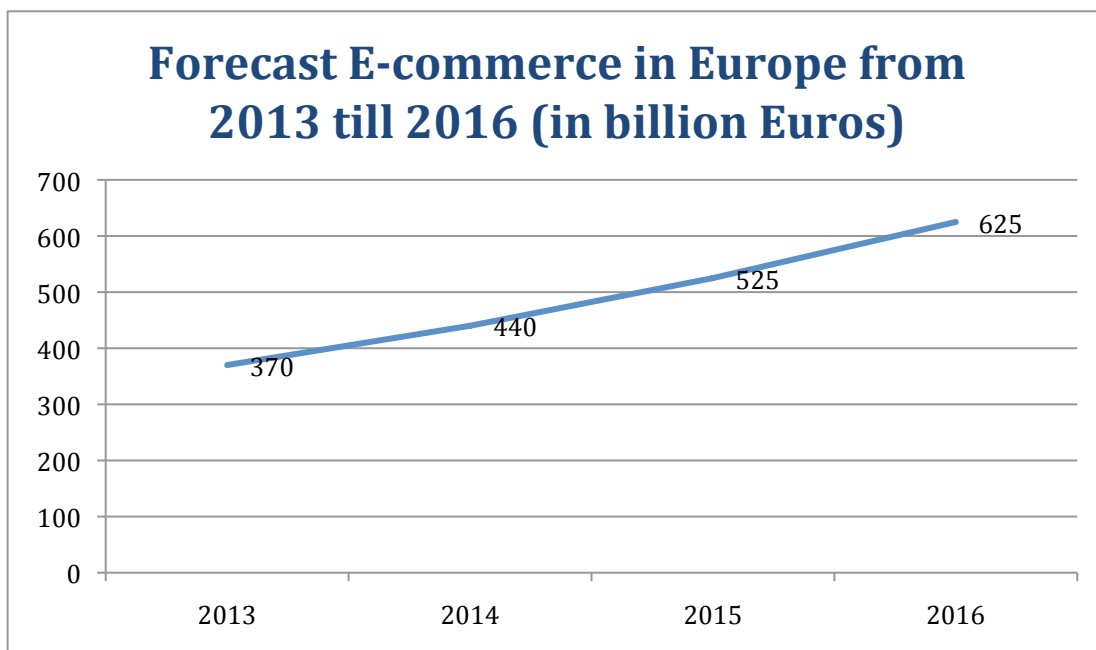


Figure 4: Forecast E-commerce in Europe from 2013 till 2016. (Jongen & Weening., 2013)

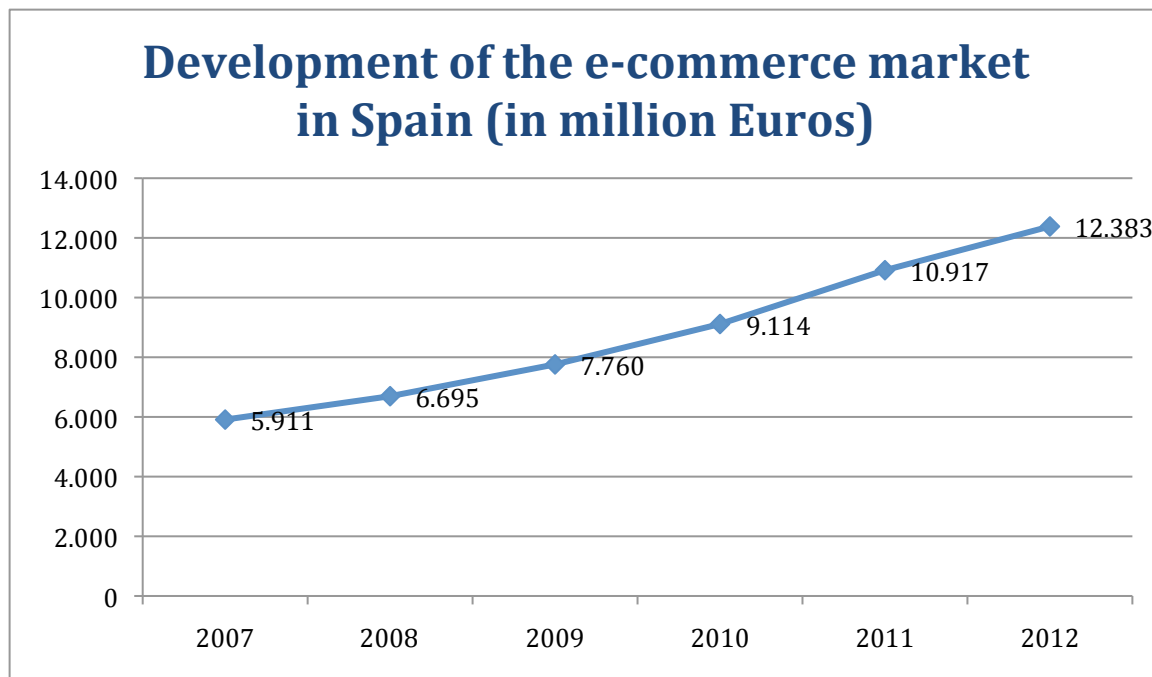


Figure 5: Development of the e-commerce market in Spain. (Urueña et al., 2013)

As you can see in figure 5 the e-commerce market in Spain has grown from 5.911 million Euros in 2007 to 12.383 million Euros in 2012. In figure 6 you can see goods bought online in Spain. The categories of products that can be physically transported, that are most bought online in Spain: (1) clothing, accessories and sporting goods; (2) books, magazines, and newspapers; (3) electronics; (4) toys and games; (5) smartphones and tablets; (6) movies, music, videogames; (7) home and garden products; (8) jewellery and watches; (9) collectibles and antiques.

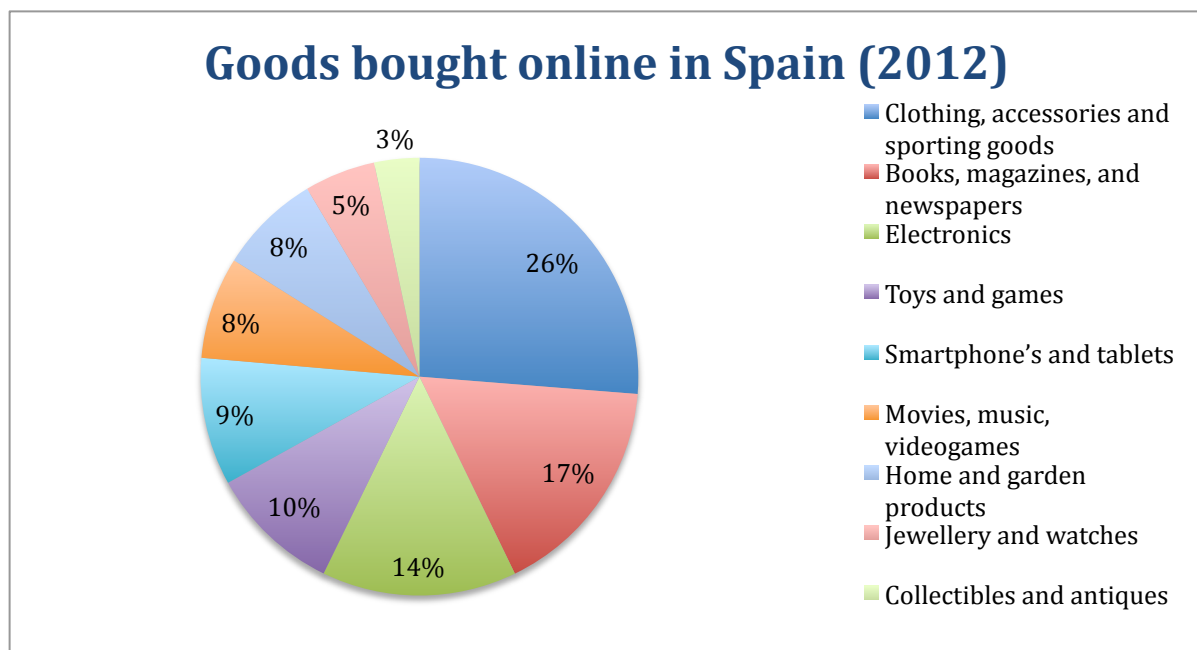


Figure 6: Goods bought online in Spain (2012). (Urueña et al., 2013)

This could be interpreted that the potential customers of B2C Europe will be predominantly e-commerce companies operating in the clothing, accessories and sporting goods category. This is further verified by the interviews performed with the COO and the head of the IT department, who both stated that clothes are the main export product from Spain, and it is the most ordered product from outside Spain. Additionally other potential customers will be operating in one of the other mentioned categories in figure 6. Because the clothing, accessories and sporting goods category makes up for more than a quarter of the total goods bought online in Spain category it appears to be a smart approach to focus on that category in order to be able to grow their export systematically.

The warehouse manager mentions that the potential customers will be medium to big sized internet companies, they will not be too small because if the volume is too low it will be too time consuming and not very profitable. He further states that the customers will most likely have their website in English or in another European language because of the fact that the orders will be placed from outside Spain.

According to the interview conducted with the COO the potential customers can be approached in two different ways, and for this the Spanish branch of B2C Europe will have two different projects. The first approach they will use is with the help of salespeople, so by trying to sell their services directly to the customers.

In addition the company will try to approach their customers with the use of content marketing. What is meant with content marketing is the making, providing and distributing of content in order to win and retain customers. By using content marketing they will approach the customers indirectly.

From the interview conducted with the customer service manager it became apparent that another way to target the potential customers will be by visiting e-commerce expos. The primary e-commerce expo in Madrid is *The eShow Madrid*. In the previous editions it was visited by many potential customer such as: Adolfo Dominguez, Nike, Inditex, El Corte Ingles, Mango, La Redoute, Venca, Custo Barcelona, Desigual, Havaianas and Prenatal.

4.3 Competitors

Competitor analysis

B2C Europe does not have its own distribution network but it uses the transport network of other logistical companies. B2C Europe operates as an intermediary company between the business and the consumer.

Because B2C Europe groups together all of their customers shipments they receive big discounts from the courier companies and they are able to provide their customers with a lower price. They also use the direct entry method for their shipments meaning they consolidate the parcels that need to go to the same region together as a single large shipment to get them closer to the delivery point before handing them over to the local courier company. Furthermore they are an independent company, which means they are not restricted to their own transportation network and they can cooperate with anyone.

Identification of the competition

Based on the research B2C Europe does not really have direct competitors in Spain. Almost all respondents mention that their main direct competitor is Worldnet Direct located in London, England. Worldnet Direct is their main competitor because they offer the same service for the B2C market in the same way as B2C Europe does and they also don't have their own logistical network but use the network of existing customers.

From the findings it can be concluded that the main indirect competitors are: Assendia, DHL global mail, ASM transporte urgente, SEUR, MRW and Envialia. The main difference between these companies and B2C Europe is that they all have their own transport network and they are depended on it. B2C Europe is independent because they don't have their own transport network. The indirect competitors can be seen as competitors, because they operate in the B2C market and they transport parcels from potential customers from B2C Europe. However B2C Europe also uses the transport network of their indirect competitors to transport their own parcels.

Competitor profile: Worldnet Direct

The information provided about Worldnet Direct is retrieved from the website:

<http://www.wndirect.com>. Worldnet Direct was founded on November 2011. They are located in London, England. They offer an international delivery solution especially developed for e-commerce retailers. They offer a time-efficient service at a lower cost than most of the express services available.

Size of the company

Worldnet Direct had a turnover of 49 million pounds in 2013. They deliver over 8 million parcels each year. Currently they are serving the following destinations: the United States, Russia, Italy, Spain, Portugal, France, Belgium, Luxembourg, the Netherlands, Germany, the United Kingdom, Ireland, Australia and New Zealand. They are planning to serve more destinations in the future.

Their main offerings:

- Worldnet Direct offers 24-hour service. They operate 24 hours a day, 7 days a week to be able to ensure speed, efficiency and responsiveness at all times.
- Worldnet Direct is currently serving all the major e-commerce markets and they are able to support retailers that want to operate abroad.
- Worldnet Direct offers a service to relieve their customers from customer clearance, including duty payment, ID Capture and paperless pre-advice.
- Worldnet Direct offers dedicated support to their customers.
- Worldnet direct offers advanced tracking options, so their customers are able to follow the parcels during the entire delivery process.

Competitor array

Figure 7 shows B2C Europe in comparison with Worldnet Direct based on the critical success factors in the industry. The selected success factors are: proximity to customers, brand awareness, access to international transport networks, traceability of shipments, customer service, innovation (technology used), price of service. The success factors are given a weighting, which adds up to a total of 1. Both B2C Europe and Worldnet Direct are rated on each of the success factors with a scale from one to five, and after this the rating is multiplied by the factor weight.

Factor	Weighting	B2C Europe Rating	B2C Europe Weighted	Worldnet Direct Rating	Worldnet Direct Weighted
1. Proximity to customers	0.10	4	0.4	2	0.2
2. Brand awareness	0.10	3	0.3	4	0.4
3. Access to international transport networks	0.15	4	0.6	3	0.45
4. Traceability of shipments	0.15	5	0.75	5	0.75
5. Customer service	0.15	3	0.45	4	0.6
6. Innovation (Technology used)	0.10	4	0.4	4	0.4
7. Price of service	0.25	4	1	4	1
Totals	1	27	3.9	26	3.8

Figure 7: Rating B2C's competition based on critical success factors

Explanations of each comparison of the key success factors can be summarized as followed:

1) Proximity to customers:

B2C Europe has a higher proximity to their customers as Worldnet Direct. Worldnet Direct is only located in London England, while B2C Europe has multiple branches across Europe. Because B2C Europe is located closer to their customers, they are able to handle the parcels faster and they can provide faster deliveries.

2) Brand awareness:

Worldnet Direct is a little bit more known on the market. This is particularly due to the fact that World net Direct spends more on advertising and due to the fact that B2C Europe recently changed its name. First all branches of B2C Europe had different names, but since February 2014 they changed the name of all branches to B2C Europe to provide the group more unity.

3) Access to international transport networks:

Since B2C Europe is serving all destinations worldwide and Worldnet Direct is currently only serving the major e-commerce markets, which are 14 destinations worldwide, B2C Europe has higher access to international transport networks.

4) Traceability of shipments:

Worldnet Direct and B2C Europe are offering their customers full traceability of their shipments. The customers are able to follow the location and status of the parcels during the entire distribution process.

5) Customer service:

Worldnet Direct has the advantage in offering their customers better customer service. This is due to the fact that the cooperation within the B2C Europe group is not yet completely streamlined and need to be improved. Worldnet Direct is also providing their customers with 24-hour services, which means their customers are able to ship parcels at any time of the day. The customers are able to contact them any time of the day in order to request information.

6) Innovation (Technology used):

Both companies are using very advanced IT-platforms. Their IT systems provide them the fastest and cheapest route to deliver the parcels to the consumer.

7) Price of service:

Because B2C Europe is located closer to the consumers, they are able to provide better prices. Because they operate locally, they are able to get better contracts with the transportation companies and offer their customers better prices.

As you can see B2C Europe has a slight advantage over their competitor Worldnet Direct scoring 3.9 in the competitor array compared to 3.8 for their competitor Worldnet Direct. What is apparent is that B2C Europe needs to improve its brand awareness, as the lower score is particularly caused by the fact that they underwent a name change in February 2014. B2C Europe also needs to improve their customer service. They could do this by improving the collaboration within their group.

SWOT-analysis

In figure 8 a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis is provided. A SWOT analysis is chosen because according to Pickton & Wrihy (1998) The SWOT framework is proposed by many as an analytical tool which should be used to categorize significant environmental factors both internal and external to the organization. The reason the SWOT analysis was chosen as the preferred model is because it is a very simplistic and practical model. The SWOT-analysis will examine the strengths and weaknesses in the internal environment and it will examine the opportunities and threats in the external environment. In this case the SWOT analysis will look at the expansion of B2C Europe's Spanish brand into Europe and will be based on the findings found through the performed research. In this research the SWOT analysis will help determine how B2C Europe could differentiate themselves from their competitors and it could help answer what export strategy would be most beneficial for B2C Europe's Spanish branch to implement.

Strengths <ol style="list-style-type: none">1. Has multiple branches across Europe2. Low price compared to competitors3. Diverse service range4. Increasing operating efficiency5. High growth rate6. Company operates through its experience and established network7. Has signed contracts with mayor distribution companies8. Ships worldwide9. Can work together with anyone because they are independent10. They are offering reliable services	Weaknesses <ol style="list-style-type: none">1. Does not have its own distribution network and therefore depended on other companies for delivery2. Low brand awareness3. Small scale operations4. Since this is a competitive segment, the market share growth is limited5. Employee dependability
Opportunities <ol style="list-style-type: none">1. Spanish branch does not yet export to other countries in Europe2. Increased spending in web shops in Europe3. International expansion4. Technological changes5. Innovation	Threats <ol style="list-style-type: none">1. Lots of indirect competitors2. Increasing transportation costs3. Signs of economic slowdown4. Growing competition and lower profitability5. Price changes

Figure 8: Swot Analysis

Strengths:

B2C Europe has multiple branches across Europe and is therefore always located near the customer. This means they can provide the customer with customer service in their own language and they can provide them with fast delivery and return handling. Because they group together their parcels, use the direct entry method and are independent, they can offer their customers the lowest price. They have signed contracts with major national and international distribution companies and therefore are able to guarantee delivery. Furthermore they deliver to all destinations worldwide.

Opportunities:

The Spanish branch of B2C Europe does not yet export and therefore the opportunity is that there is a big unexplored market available, which they do not yet serve. Furthermore the increased spending in web shops in Europe leads to opportunities for B2C Europe to anticipate on this development. Technological changes in the sector such as full traceability, collect your parcel, return your parcel and drop your parcel are opportunities for B2C Europe to anticipate on the growing demand on technological innovations.

Weaknesses:

B2C Europe does not have its own distribution network, and while this is also mentioned as a strength, at the same time it can also be regarded as a weakness because of the increased the dependability on third parties. The brand awareness is still low particularly due to a recent name change and therefore the brand awareness still has to increase. The operations of B2C Europe are very employee dependent. Because the parcel delivery sector is very competitive, it is very difficult to increase the market share.

Threats:

The transportation sector is highly competitive because there are a lot of big and small distribution companies active in Europe and therefore B2C Europe will face a lot of indirect competition. Another threat is the rising transportation costs particularly caused by the increasing gasoline prices and the rising freight costs.

Confrontation Matrix

In figure 9 a confrontation matrix will be given based on the findings from the SWOT analysis. The confrontation matrix will be used to further analyze the outcome of the SWOT-analysis. It will be used to analyze each different combination of strengths, weaknesses, opportunities and threats. By doing this it will be possible to identify the most important strategic issues B2C Europe is facing.

	Opportunities	Threats
Strengths	<p><u>S/O</u></p> <p>S1+S7+O1+O2: B2C Europe is well represented in Europe with multiple branches and they have signed contracts with all mayor national and international distribution companies. Therefore they would have the opportunity to anticipate on the increased spending in web shops in Europe because they are not yet exporting from their Spanish branch.</p> <p>S2+S10+O1+O2: The combination of offering their services at a lower price as their competitors and offering a reliable service could make them a strong player on the cross border parcel delivery market in Europe.</p>	<p><u>S/T</u></p> <p>S2+T2+T4: Currently B2C Europe is offering a low price compared to their competitors. Because the transportation costs are increasing and the number of competitors is rising. B2C Europe has to keep price changes to a minimum to be able to keep a competitive advantage.</p> <p>S2+S10+T1: There are lots of indirect competitors in the industry, and a lot of them have much higher brand recognition as B2C Europe. Therefore B2C Europe really has to actively attract customers with the use of sales and marketing, because unlike their indirect competitors the customers will not come to them. They are able to differentiate themselves with a lower price and a reliable service.</p>
weaknesses	<p><u>W/O</u></p> <p>W2+O1+O3: The brand awareness for B2C Europe is still low. With an international expansion B2C Europe could increase its brand awareness and they could increase its customer database.</p> <p>W3+O1+O3: The operations at the Spanish branch of B2C Europe are still small. With an international expansion they would be able to increase its operations.</p>	<p><u>W/T</u></p> <p>W2+T1+T4: The brand awareness for B2C Europe is still low. Because there are already a lot of competitors represent in the market and the number of competitors is rising, B2C really has to gain brand awareness. They have to invest in marketing and sales in order to make their service known to the market, and in order to recruit customers.</p> <p>W4+T1+T4: The international parcel delivery industry is a very competitive segment and therefore the market share growth will be limited. Given the fact that the number of competitors is high and rising because of the increased liberalization of the industry, B2C Europe really has to differentiate themselves from their competitors. They can do this by offering a low price and a reliable service.</p>

Figure 9: Confrontation Matrix

4.4 Trends & expectations

To check where the opportunities and challenges lie for B2C Europe it is important to look at the latest trends and expectations of the mail, package and freight delivery industry to see what has to be taken into account.

Demand

The head of the IT department mentions that the demand for regular post is decreasing because of the increased use of internet, and in particular the use of e-mail as a substitute for mail. Because the number of e-commerce sellers are increasing the demand for parcels and express services is also increasing. Some postal operators have been able to offset the mail declines with the rising demand for parcels.

In the interview conducted with the COO of B2C Europe, he stated that in Europe the national e-commerce markets are getting saturated and the international markets is experiencing more growth. This is however contradicted by the research performed by Meschi, Irving & Gillespie (2011) who state that the market for cross-border e-commerce appears to have been increasing at a slower rate than domestic e-commerce.

It appears that the demand for postal services in the European Union reflects the differences in economic development of the member states. The western member states have the highest parcel volume per inhabitant, followed by the southern member states, and the eastern member states have the lowest parcel volume.

Liberalization

The postal market in Europe is becoming an increasingly liberalized market. For a long time the national postal companies had a monopoly position in Europe. For example in The Netherlands: PTT had the exclusive right to deliver letters and parcels. Other companies did not have any access to the postal market. Once the postal market was privatized PTT went from a public company into a private company, and after that around four to five postal companies were formed. According to the interview conducted with the customer service manager more private

companies will be active in the industry, because of the liberalization of the postal industry.

Increased competition

The COO states that first there were only four big transportation companies, namely: TNT, DHL, UPS and Federal express. These four companies are also known as the integrators. Integrators are companies that control a comprehensive logistical network on not only the road but also in the air. They are able to arrange the whole transportation of a parcel from door to door with their own transportation network. Now the industry is changing from transport companies with their own transport networks to companies that are offering a software platform from which you have access to all parcel networks.

Inco terms

According to the findings Inco terms are very important in the international parcel delivery branch. Inco terms are pre-defined international commercial terms that are applied to international commercial transactions, and they are created by the international chamber of commerce (ICC). For B2C Europe's purposes it is important to make a distinction between Delivery duty paid (DDP) and Delivery duty unpaid (DDU). In a DDP shipment the seller of the goods has to pay all charges including duty and tax costs of the importing country. In a DDU shipment the seller of the goods has to pay all charges except for duty and tax cost of the importing country. In the interview with the COO of B2C Europe he stated that DDP transactions are gaining increased popularity in the international parcel delivery branch, particularly because customers demand certainty. Therefore it is very important to clearly state which method will be used, so no misunderstandings can occur.

Different services

According to the interview conducted with the head of the IT department, the demand for the delivery of parcels with more different services is increasing. Therefore parcel companies need to offer their customers more and more various services such as: collect your parcel, return your parcel and drop off your parcel. Furthermore there is an increasing demand for the full traceability of the shipment of the parcels.

Reverse logistics

According to the interview conducted at the customer service department B2C Europe, it became apparent B2C Europe has to consider reverse logistics. Returned and/or rejected goods play a big part in e-commerce, and especially e-commerce companies operating in the clothing category. This is caused by the fact that customers are not able to see the physical products in real life and their impressions may not correspond to their expectations. Another cause could be that the online order was done impulsively and therefore the customer might not be able to fulfill the payment or the customer might want to cancel the order.

4.5 Export strategy

The market that B2C Europe's Spanish branch wants to export to is the whole of Europe. There are different export strategies B2C Europe could undertake to expand its operations. According to the interview conducted with the COO of B2C Europe, the main distinction of export strategies that can be made is between a centralized and a decentralized approach.

With a centralized approach it means the company will export from one country to all destinations in Europe. The centralized approach offers less risk because the company does not have to set up a branch in another country. Instead of setting up a branch they will make use of a partner in the country they want to export to. Although the centralized approach is less risky for the company it will also be less profitable. This is due to the fact the partner they will use in the country they will export to will receive a part of the profit. It will also not be possible for the company to execute their own strategy because they are dependent on the partner.

With a decentralized approach it means that they will be located in multiple countries across Europe and they will export from those countries to the destination of the consumer. Therefore the risk associated with a decentralized approach will be higher than with a centralized approach. With the decentralized approach the company will however receive more profit because the company does not have to pay the partner that they would need with the centralized approach. With a centralized approach the company will also be located closer to the consumer.

Since B2C Europe is already represented in other European countries through subsidiary companies it appears that it would be manageable for B2C Europe's Spanish branch to use a decentralized export strategy. Being present in other countries will give the Spanish of B2C Europe the advantage of working in cooperation with the other branches. The other branches are already serving all countries of Europe as they already both importing and exporting parcels to all countries in Europe. They already have contracts with all major international and national courier companies. Therefore it will not be a problem for the Spanish branch to cover the whole European market at once.

From the interviews it became apparent that with the use of a decentralized export strategy B2C Europe will be located closer to the end-consumer of their service. The COO of the company mentions that for B2C Europe being located closer to the customer means that the distance between them and the customer will be shorter and therefore they are able to approach their customers faster, more easily and in their own language. This could lead to better customer service, because the returns will be handled easier and faster. Using a decentralized approach however will require better cooperation with the rest of the group. In addition the IT systems need be aligned in order for the decentralized approach to function.

4.6 Logistical structure

It is important to determine if the company is capable of anticipating the expansion to other markets in order to see if an export strategy is feasible. After conducting interviews at B2C Europe it is apparent they do not have their own logistical network, as they focus solely on intermediary activities and they buy their logistics from other companies. Therefore the logistical structure of the company does not have to change.

According to Zámečník (2014) important prevailing factors for the outsourcing of logistics are: the decrease of overall logistic costs, the decrease of investments, the reduction of fixed costs groups in a company, the use of benefits regarding labor costs, the concentration of company resources on core activities.

Based on the research it is possible to state that the Spanish branch of B2C Europe is very compact, and they are very flexible for fluctuating demands. All of the respondents have mentioned B2C Europe's Spanish branch is capable of anticipating on fluctuating demands. The head of the IT department states the following: *"We have a lot of room for growth, and we are nowhere near our full production capacity."* Furthermore according to the interview performed with the warehouse manager, the Spanish branch of B2C Europe is currently processing around 1500 parcels a day. With the current situation it will be possible to process 4500 to 6000 parcels a day. Because B2C Europe can adapt to changing demands very easily, the only thing that needs to be adjusted is that due to the increase in parcels, more employees will be needed to be able to process the parcels.

A warehouse employee mentions that because B2C Europe does not has their own logistical network, an increase in the number of processed parcels will mean more transport companies need to come to collect the processed parcels, or the transport companies need to come with a bigger truck on a daily basis.

Another important factor Spanish branch of B2C Europe needs to adjust is that their IT needs to be capable of processing the parcels for the new destinations. To make the processing go faster and more efficient it would be beneficial to accommodate

the warehouse with a assembly line, extra terminals, more scanners and more label capacity.

The findings show that relocation of the warehouse is not necessary because when the maximum production capacity is achieved in the current warehouse it could be considered to work in shifts in order to optimize the production capacity even further. In a branch in England B2C Europe is already successfully using this method.

4.7 Costs and benefits

To be able to expand to other European markets, it is necessary to first look at the costs and benefits the strategy will have for the company in order to determine the feasibility. By looking at the costs and benefits it will be possible to determine the profitability of the export strategies. It is very important to determine the profitability, because without profitability the company will not survive in the long run.

Because B2C Europe now wants to export from an existing branch, they don't have to make the investment anymore in the opening of the new branch. The existing branch is fully equipped and capable of exporting abroad. The main costs they will have to pay for exporting the parcels will be the price they have to pay the transportation companies to do shipping of the parcel and the price they will have to pay for the additional employees that are necessary to process the parcels.

The warehouse manager states that the main benefits with the expansion into the European market will be that the company will be able to realize more revenue and gain more name recognition. The revenue will come from the new customers (e-commerce companies) who will pay for B2C Europe to do the transportation. An increase in revenue could lead to more profitability and the increase of the number of parcels handled could mean increased brand recognition in Europe, which ultimately will help grow the group.

In the interview conducted with the warehouse manager he mentions that another benefit will be that B2C Europe will be able to get closer to the consumer, and therefore they could offer better customer service. This is because they are able to approach the consumer in their own language and because they are closer to the consumer they could handle returns faster. Because Worldnet Direct, the direct competitor of B2C Europe is only located in London this means they could attain a competitive advantage over them.

To check the cost and benefits of exporting to other European countries an example of the shipment of one pallet will now be discussed. The prices that are used are the real prices B2C Europe handles for their shipments and the prices they are planning to use, they are obtained by data provided by the company. The example will reflect the exportation strategy proposed by the findings of the research.

For this example the Netherlands, Sweden and Germany are used as countries of the consumer. This because these countries can all be easily reached from our branch in Amsterdam and according to Jongen et al., 2013 all of these three countries are well developed e-commerce markets, so it is likely they will be shipping many parcels to these countries.

Prices in €	Sweden	The Netherlands	Germany
<0.5 kg	10,95	5,95	5,50
0.5-1 kg	10,95	5,95	5,50
1–2 kg	10,95	5,95	5,50
2 – 5 kg	17,50	5,95	6,25
5 – 10 kg	20,00	7,95	8,50
10 – 15 kg	22,50	9,95	10,50
15 – 20 kg	22,50	11,95	10,50
20 – 25 kg	27,50	13,95	10,50
25-30 kg	27,50	13,95	10,50

Figure 10: Sales price B2C Europe Spain charges their customers

In figure 10, you can see the prices B2C Europe's Spanish branch are planning to charge their customers for shipments to Sweden, The Netherlands and Germany. For this example it is assumed the customer realizes the transportation from their company to B2C Europe.

When the parcels have arrived to the Spanish branch of B2C Europe, they have to be transported from Spain to the branch in Amsterdam. For this example we assume a shipment of one pallet costs €450 and the number of parcels that will fit on this

pallet is 300. This makes the parcels have an average price of $450 / 300 = €1.50$. It will be assumed 100 parcels will be for the Swedish consumer, 100 parcels will be for the Dutch consumer and 100 parcels will be for the German consumer.

	Sweden	The Netherlands	Germany
>0.25 kg	5,79	4,22	3,35
0.25-0.5 kg	5,96	4,22	3,40
0.5-1 kg	6,16	4,22	3,51
1-1.5 kg	6,42	4,22	3,63
1.5 – 2 kg	6,67	4,22	3,74
2 – 5 kg	8,12	4,22	4,70
5 – 10 kg	10,58	4,22	5,40
10 – 15 kg	11,56	4,22	5,40
15 – 20 kg	11,56	4,22	5,40
20 – 30 kg	11,56	4,22	5,40

Figure 11: Prices B2C Europe Spain has to pay to their branch in Amsterdam

In figure 11, you can see the prices B2C has to pay to their branch in Amsterdam to fulfil the shipments to Sweden, the Netherlands and Germany. They have to pay this price because the branch in Amsterdam will deliver the parcels for them in the country of destination.

	Number of parcels ¹	revenue Sweden ²	Costs Sweden ³	revenue The Netherlands	Costs The Netherlands	revenue Germany
>0.25 kg	1	10,95	5,79	5,95	4,22	5,5
0.25-0.5 kg	2	21,9	11,92	11,9	8,44	11
0.5-1 kg	2	21,9	12,32	11,9	8,44	11
1-1.5 kg	15	164,25	96,3	89,25	63,3	82,5
1.5 – 2 kg	30	328,5	200,1	178,5	126,6	165
2 – 5 kg	30	525	243,6	178,5	126,6	187,5
5 – 10 kg	15	300	158,7	119,25	63,3	127,5
10 – 15 kg	2	45	23,12	19,9	8,44	12,5
15 – 20 kg	2	45	23,12	23,9	8,44	21
20 – 30 kg	1	27,5	11,56	13,95	4,22	10,5
Pallet costs						
Total Costs			(786,53)		(422)	
Total revenues		1490		653		634
Total cost/income ⁴						

Figure 12: costs & benefits example pallet shipment

1. For this example it is assumed the number of shipped parcels in each category is divided as followed.
2. Benefits are calculated by multiplying the number of parcels in this category with that of table X.
3. Costs are calculated by multiplying the number of parcels in this category with that of table X.
4. Total costs/benefits are calculated by subtracting the pallet costs and the total cost from the total benefits.

In figure 12, you can see the overview of the costs and benefits of the example shipment of one pallet to Sweden, Germany and the Netherlands.

In this shipment the cost per parcel is € 6.97 $((450+1641,35=2091,35)/300=€6.97)$ and the revenue per parcel is €9.26 $(2777/300=€ 9.26)$. The total income of one pallet shipment in this case is €685.65. Therefore the income per parcel in this case is $685.65/300=€2.29$. What have been left out of the equation are the costs of the extra employees that need to be hired in order to process the additional parcels.

The example shows the export of the parcels will be profitable because the benefits are higher than the expenses. The example also shows that the more parcels B2C Europe ships per pallet, the cheaper the price per parcel will be because the pallet costs stay the same. Therefore according to this example it appears that it would be a smart decision for B2C Europe's Spanish branch because they could grow their revenue with the export of parcels to European destinations.

5. Conclusions

In the following chapter the conclusions that can be drawn from the findings and recommendations will be given. The conclusions will describe what is known based on the actual findings of the research. In this chapter no new data will be provided, but rather summarize what is known based on the findings and recommendations.

5.1 Potential customers

To export to the European market B2C Europe's Spanish branch has to target Spanish companies that want to deliver cross-border. The e-commerce market in Europe has been growing around 20% annually and is expected to grow even further in the future. Parcel services benefit greatly from the growing ecommerce market because physical distribution of the goods is necessary and parcel services are the preferred means of transportation.

From the findings it can be concluded that B2C Europe's Spanish branch should be focusing on online retailers selling clothes, accessories and sporting goods because they make up over a quarter of the total goods bought online in Spain. The customers B2C Europe should focus on should be medium to big sized companies and they will be likely to have their website in English or in another European language.

The data tells me that the best way B2C Europe's Spanish branch could target their potential customers is with direct sales, content marketing and by visiting e-commerce expos.

5.2 Competitors

B2C Europe does not have its own distribution network but it used other logistical companies to deliver their parcels. They operate as an intermediary company between the business and the consumer. They are able to provide their customers with a lower price because:

- ⇒ They ship many parcels a year they receive discounts from the used transportation companies.
- ⇒ They use the direct entry method.
- ⇒ They are independent they can work together with anyone, and therefore are able to choose the cheapest transportation solution.

In Spain B2C Europe does not have direct competitors, their main indirect competitors are: Assendia, DHL global mail, ASM transporte urgente, SEUR, MRW and Enviala. These companies are indirect competitors because they have their own transportation network and they are dependent on it and because B2C Europe also uses their services for parcel delivery. Their main competitor is Worldnet Direct located in London, England. They offer the same service in the business-to-consumer market as B2C Europe and they also don't have their own distribution network. Based on the findings B2C Europe has a slight advantage over their competitor Worldnet Direct. What is apparent is that Worldnet Direct has higher brand awareness; this is particularly caused by the fact that B2C Europe underwent a name change in February 2014. B2C Europe also needs to improve their customer service, and they could do this by improving the calibration within their group.

5.3 Trends & expectations

The findings show that the demand for the distribution of classical mail is declining due to the increased use of internet and e-mail. Although the demand for classical mail is declining, the demand for parcel delivery services is increasing. Because the e-commerce market is increasing, the demand for physical distribution of the goods is also necessary. The demand for postal services in the European Union reflects the differences in economic development of the member states. The western member states have the highest parcel volume per inhabitant, followed by the southern member states, and the eastern member states have the lowest parcel volume.

Because the postal market is becoming an increasingly liberalized market, the number of competitors is also increasing. First there were only four big transportation companies: TNT, DHL, UPS and Federal express. Now the industry is changing and there are more small companies entering the market. DDP transactions are gaining

increased popularity in the international parcel delivery branch, particularly because customers demand certainty. The demand for the delivery of parcels with full traceability is rising and customers are demanding deliveries with more options such as: collect your parcel, return your parcel and drop off your parcel.

Returned and/or rejected goods play a big part in e-commerce, and especially e-commerce companies operating in the clothing category. The main reasons for this are that customers are not able to see the physical products in real life and their impressions may not correspond to their expectations and the online order might be done impulsively and therefore the customer might not be able to fulfill the payment or the customer might want to cancel the order.

5.4 Export strategy

The data tells me there are two possible export strategies B2C Europe's Spanish branch could undertake.

The first strategy is a centralized strategy, with a centralized approach the company will export from one country to all destinations in Europe. A centralized approach is less risky because with a centralized approach the company does not have to set up a branch in another country. It is also less profitable because they will need a partner and they will not be able to perform their own strategy.

The second strategy is a decentralized strategy. A decentralized strategy will mean the company will have to take on more risk. With a decentralized approach the company has to open new branches in multiple countries in Europe. Benefits from a decentralized approach are that the company will receive more profit because the company does not have to pay a third party and the company will be able to provide better customer service and faster deliveries because they will be located closer to the customer.

5.5 Logistical structure

Based on the findings we can state that B2C Europe's Spanish branch does not have to change its logistical structure in order to export parcels into Europe. This is due to the fact they buy their logistics from existing transportation companies. The main factors for outsourcing logistics are: the decrease of overall logistic costs, the decrease of investments, the reduction of fix costs groups in a company, the use of benefits regarding labor costs, the concentration of company resources on core activities.

Currently they are processing 1500 parcels a day. With the current setup it will be possible to process 4500 to 6000 parcels a day. The more parcels they receive the more employees they need to process these parcels.

5.6 Costs & benefits

B2C Europe wants to export from an existing branch. The existing branch is fully equipped and capable of exporting abroad. The main costs for exporting the parcels will be the price they have to pay the transportation companies to do shipping of the parcel and the price they will have to pay for the additional employees that are necessary to process the parcels. The main benefits with the expansion into the European market will be that the company will be able to realize more revenue and gain more name recognition. B2C Europe will also be able to get closer to the consumer, and therefore they could offer better customer service, faster deliveries and faster return handling.

6. Recommendations

In the following chapter recommendations will be given to B2C Europe's Spanish branch. The research question: "what are the opportunities and challenges for B2C Europe's Spanish branch to start exporting into European markets and if there is a market, how to penetrate on this market?" will be answered and recommendations will be given that will help B2C Europe expand its operations into Europe.

The literature review revealed that the e-commerce market in Spain and Europe is growing around 20% annually. The number of cross border orders is also rising, and consequently the demand for cross border parcel delivery providers is also increasing because physical distribution of the goods is necessary. Therefore it is recommended for B2C Europe's Spanish branch to start exporting into Europe to be able to anticipate on the growing market.

The findings from the conducted research showed the best strategy to enter Europe, how the company could implement this strategy and how the company could approach their potential customers and how they could differentiate themselves from their competitors.

6.1 Target customers

Since clothing, accessories and sporting goods make up over a quarter of the ordered goods bought online in Spain, the company should target e-commerce companies selling these goods.

Findings from the interviews conducted with the COO and the customer service show that the best ways the target customers should be approached are in the following ways:

- ⇒ **Direct Sales**
- ⇒ **Content Marketing**
- ⇒ **By attending E-commerce expo's**

6.2 Export strategy

According to the findings of the interviews with the warehouse manager and the COO it became apparent that because B2C Europe already has multiple branches across Europe, it is advised they take a decentralized export strategy. The exportation strategy that is advised for the Spanish branch of B2C Europe is that the parcels that are going to the same region will be consolidated together and shipped by a pickup party as one big shipment to the branch in Europe closest to the consumer.

By sending the shipments first to the branch closest to the consumer they could make use of existing contracts with the transportation companies that these branches already have. Using the existing contracts will be cheaper because it will take some time before the volume of the export of the Spanish branch will reach sufficient heights to be beneficial. By sending more parcels on the same contract as their branch, they also make use of economies of scale.

After the parcels have arrived at the branch, the parcels will be shipped to the customer with a national transportation company. This will be a much cheaper solution because shipping the parcels with an international transportation company will be much more expensive than shipping the parcel against a national tariff. In figure 13, you can see an overview of the export process.

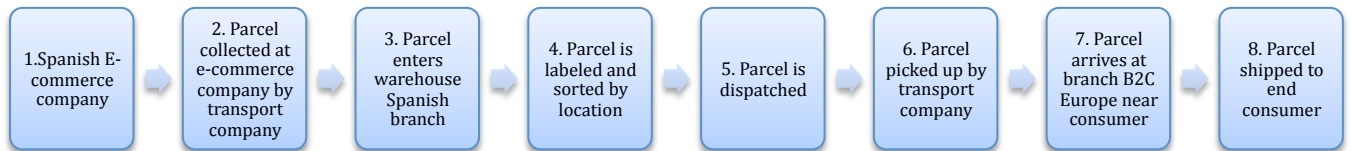


Figure 13: overview of the export process

In figure 14 below, you can see an example of a shipment from customer to consumer. In the example Mango and Inditex are used as customers and the consumers will be located in the Netherlands and Belgium.



Figure 14: Example of shipment from customer to consumer

Another reason it is recommended for B2C Europe to use the decentralized export strategy is that by using the decentralized export strategy, they will be located closer to the end customer of their service. Being located closer to the customer means the distance is going to be shorter and therefore they are able to approach them more easily and in their own language. All in all, this means the deliveries will be faster and the returns will be handled easier and faster.

6.3 Appoint sales & marketing manager

In order to be able to execute the export strategy effectively and in order to be able to approach the target group it is necessary to appoint a sales & marketing manager. Because in the beginning the parcel volume of the export will still be low, one person will be sufficient to fulfill both tasks for the sales and the marketing activities. This person should be responsible for establishing customers within the target group and for developing content for the content marketing activities. This person should also attend the e-commerce expos in order to attract customers and in order to increase the brand awareness.

6.4 Further research

This study researched if there are opportunities for the Spanish branch of B2C Europe to export to the European market and what the best strategy would be to enter the market. The transportation of e-commerce in general is however a bigger topic than described in this research. It is a relative new area and therefore not much research has been conducted in this area, more research could be relevant in order to expand the knowledge in this area.

Further research could be able to determine:

- The factors that determine the reason e-commerce companies are choosing for the transportation company they are using.
- When the e-commerce market is saturated.

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Websites:

<http://www.b2ceurope.eu/nl/>

<http://www.wndirect.com/>

<http://www.the-eshow.com/madrid/>

Appendix

Interview 1

Date: 21-04-2014

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1. Who are B2C Europe's potential customers, and how to target them?

Who are our main customers?

Our main customers are Internet companies, other companies that ship internationally and postal companies.

What is the target group?

Our target group will be Internet companies that need to ship physical goods abroad. The goods I think are shipped the most are: clothes, books, electronics and jewelry. They will probably be medium to big sized companies, because if the companies are small they will not be very profitable for us.

How to target our customers?

We will target our customers with sales people and potential customers can also approach us by coming to us directly. They will be able to find us through word of mouth marketing and by visiting our website. The website of the internet company probably not only be in Spanish, but also in another European language and most likely in English. This is due to the fact the orders will be places from outside of Spain.

2. Who are B2C Europe's competitors, and how do they differentiate themselves from them?

Who are our direct competitors?

I think we only have one direct competitor and that is World net direct based in London England. They offer the same service as us and they also don't have their own transportation network but use the network of existing transportation companies.

Who are our indirect competitors?

I think our indirect competitors are all big transportation companies like: TNT, DHL, UPS, FEDEX, SEUR and ASM. They are our indirect competitors because they are bound to their own transport network and are not as flexible as us.

How can we differentiate ourselves from our competitors?

We can differentiate ourselves from our competitors by offering better prices and services.

4. What export strategy would be most beneficial for B2C Europe's Spanish branch to implement?

What export strategy would be most beneficial for the company to undertake?

I think the most beneficial strategy would be that we first send out export shipments to another branch close to the end customer with a pick up party. By doing this we could make use of the existing contracts with transportation companies. Therefore doing this would be cheaper for us and we will also be closer to the consumer and therefore we can offer them better customer service. Because our direct competitor is only located in London, England we could gain a competitive advantage over them.

How could the company cooperate with the rest of the group?

Like stated before the company could cooperate with the rest of the group by sending intra company shipments. We should always look for the cheapest and quickest way to ship our parcels from a branch to the end-consumer. Another way we could cooperate with the rest of the group is working together on customer service, this is also very important because the better we serve our customers the better the group performs as a whole.

5. How does the logistical structure of the company need to change to anticipate on the expansion to other markets?

Is the company capable of changing its logistical structure to anticipate on the possible growth?

Yes we are capable in changing our logistical structure to anticipate on the growth. Because we don't have our own transportation network it will be easy to do so. We buy our transportation externally from existing transportation companies. In Spain we are a very small and flexible company, it is easy for us to adapt on changing situations. The only variable is the more parcels we receive the more people we need to process these parcels. At the moment it is also very easy to find part-time employees in Spain, because of the crisis the unemployment is very high and people are eager to find work.

What is the current production capacity?

Daily we process 1500 parcels in our Spanish branch. I think we would be able to process 4500 to 6000 parcels without any problem (so, three to four times as much). The only adjustments we would have to make are more label stations and we would need more people to help us process these parcels. When we reached our maximum capacity we could look for other ways to expand.

What are the consequences of delivering over the border?

When delivering over the border you face different obstacles. You not only have to deal with people with different cultures and who speak different languages. But you also have to take the different laws and currencies into account. Luckily the Euro and Euro zone has made it more easy to do business with other countries in Europe.

What to take into account? (VAT, LAW, etc)

For international shipments it's very important to take the VAT into account and it is also very important to check which shipments require a commercial invoice.

6. What are the costs and benefits for B2C Europe's Spanish branch with the expansion into the European Markets?

What are the costs related to an expansion into Europe?

The main cost related to an expansion into Europe would be the cost of the extra employees that will be needed to process the parcels and the extra label stations, the cost for the pick-up party that will ship the processed parcels to the branch closest to the customer in Europe. And finally we have to pay a fee to our branch in Europe for shipping the parcels to the end-consumer.

What are the projected benefits for the company when expanding into Europe?

The main benefits with an expansion into Europe will be more revenue, more profit and a bigger customer base. A bigger customer base would lead to more market recognition and could eventually also lead to more market share and financial opportunities.

Interview 2

Date: 30-04-2014

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1. Who are B2C Europe's potential customers, and how to target them?

Who are our main customers?

Onze voornamelijkste klanten zijn internetbedrijven, e-commerce sites en bedrijven die crossborder verkopen (internationaal).

What is the target group?

Met onze Spaanse vestiging gaan we ons voornamelijk focussen op kleding bedrijven omdat dit het voornamelijkste export product uit Spanje is en het veel van internet word besteld vanuit het buitenland. Voorbeelden van bedrijven zijn Mango en bedrijven uit de Inditex groep.

How to target our customers?

We benaderen onze klanten op 2 verschillende manieren, en hiervoor hebben wij twee projecten lopen. We benaderen onze klanten door middel van sales mensen, dus door middel van onze dienst direct aan de klant te proberen te verkopen. Verder benaderen wij onze klanten door middel van content marketing, content marketing wil zeggen het maken, aanbieden en verspreiden van content om zo klanten te winnen. Door middel van content marketing benaderen wij onze klanten dus indirect.

2. Who are B2C Europe's competitors, and how do they differentiate themselves from them?

Who are our direct competitors?

In Spanje zelf hebben wij niet echt directe concurrenten. World net direct/WNdirect gevestigd in London, Engeland (met de website <http://wndirect.com/>) is eigenlijk onze enige directe concurrent, aangezien zij hetzelfde doen als ons. De overig concurrenten zijn eigenlijk indirecte concurrenten aangezien zij allemaal hun eigen transport netwerk gebruiken. We kunnen ze als concurrent zien omdat ze ook pakketjes vervoeren van onze potentiële klanten, maar we maken ook gebruik van hun diensten om onze pakketjes te vervoeren. Ons voordeel is dat we onafhankelijk zijn en van alle netwerken gebruik kunnen maken.

Who are our indirect competitors?

Onze indirecte concurrenten zijn Asendia, DHL global mail, ASM transporte urgente, SEUR, MRW en Enviala. Het verschil tussen ons en deze bedrijven is dat zij hun eigen transport netwerk hebben, en daarvan afhankelijk zijn. Wij zijn onafhankelijk omdat we geen eigen transport netwerk hebben, maar gebruik maken van het netwerk van bestaande bedrijven.

How can we differentiate ourselves from our competitors?

Het voornaamste verschil tussen ons en onze concurrenten is dus zoals eerder gezegd dat wij onafhankelijk zijn en niet ons eigen transport netwerk hebben maar gebruik maken van het netwerk van bestaande bedrijven. Verder onderscheiden wij ons van onze concurrenten doordat we retour services en afhandelingen bieden. Ook bieden wij volledige tracking over onze zendingen en bieden wij de mogelijkheid voor droppoint leveringen in verschillende landen in Europa.

3. What are the trends and expectations within the mail, package and freight delivery industry?

Are there any current mergers in the industry?

Voorheen had je 4 grote transportbedrijven namelijk: TNT, DHL, UPS and Federal express. Deze worden ook wel de integrators genoemd. Integrators zijn bedrijven die een uitgebreid logistiek netwerk hebben op niet alleen de weg maar ook in de lucht. Integrators kunnen dus het hele transport van een pakket van deur tot deur regelen met hun eigen netwerk. Andere grote partijen die in Europa actief zijn, zijn: GLS en DPD.

Eerst hadden de transportbedrijven hun eigen netwerken in de landen waarin ze opereerden. Nu krijg je steeds meer bedrijven die slim zijn en een softwareplatform aanbieden waardoor je de bestaande bedrijven tegen elkaar kan uitspelen. Wij werken dus lokaal met e-commerce bedrijven en lokale postdiensten, maar we werken ook non-lokaal met internationale transportbedrijven.

Change in law with regard to our industry?

De postmarkt word een steeds vrijere markt. Lange tijd hadden nationale postbedrijven in Europa een monopolie positie. In Nederland had PTT bijvoorbeeld het alleenrecht om brieven en pakketjes te bezorgen, andere bedrijven hadden geen toegang tot de postmarkt. Nadat de postmarkt geprivatiseerd werd ging PTT van een publiek bedrijf naar een prive bedrijf, PTT had toen geen monopoly positie meer en er werden een 4, 5 tal andere postdiensten gevormd.

Wij leveren onze pakketjes over de grens oftewel crossborder. Bij crossborder leveringen krijg je met andere dingen te maken als binnelandse leveringen zoals bijvoorbeeld de douane en BTW. Binnen de Europese Unie is er vrijwel geen BTW en douane problematiek. Voor pakketen die van buiten de EU komen, of voor pakketten die naar buiten de EU gezonden worden is de BTW wetgeving ingewikkelder.

De Europese wetgeving heeft er voor gezorgd dat een bedrijf altijd in 1 EU land omzetbelasting betaald. Dit gebeurt in het land van herkomst of in het land van bestemming. Meestal word bij ons de btw afgedragen in het land waar de consument zit.

Bij export van goederen naar landen buiten de EU word 0% BTW in rekening gebracht. Bij import van goederen uit niet EU landen moeten deze goederen aangegeven worden bij de douane. Over deze goederen worden invoerrechten en btw afgedragen.

Het is ook belangrijk onderscheid te maken tussen DDU en DDP. DDU (delivery duty unpaid) ook wel franco exclusief rechten wil zeggen dat de verkoper voldoet aan zijn leveringsplicht wanneer de goederen beschikbaar gesteld zijn in het land van invoer. De verkoper van de goederen draagt de kosten en risico's verbonden aan het vervoer, behalve de rechten, belastingen en overige bij invoer verschuldigde officiële heffingen en van de kosten van de te vervullen douaneformaliteiten

DDP (delivery duty paid) ook wel franco inclusief rechten genoemd wil zeggen dat de verkoper aan zijn leveringsplicht voldoet wanneer de goederen beschikbaar zijn gesteld in het land van invoer. De verkoper draagt de risico's en kosten inclusief rechten, belastingen en overige heffingen die verbonden zijn leveren van de goederen op locatie.

DDP gaat een steeds belangrijkere rol spelen in de internationale handel, voornamelijk omdat klanten zekerheid willen.

What is expected with regard to the postal industry within Europe?

De postmarkt gaat zware tijden tegemoet. Het briefpostverkeer is in een rap tempo omlaag gegaan, deze afname is voornamelijk veroorzaakt door de komst van het internet. Dingen zoals bankafschriften en dergelijke zijn tegenwoordig allemaal op te vragen via het internet en ook heeft email een groot deel van de gewone post vervangen.

Een deel van de postbedrijven heeft de afname van de briefpost kunnen compenseren met de toenemende vraag in pakketjes. Deze toename wordt voornamelijk veroorzaakt door de toenemende e-commerce markt. Het verwerken van pakketjes is een heel ander verhaal als het verwerken van post.

Voor het verwerken van pakketjes zijn veel minder mensen nodig, en de mensen die je nodig hebt zijn van een hoger niveau als de mensen die je nodig hebt voor het verwerken van briefpost. Dit omdat je bij de levering van pakketten te maken krijgt met retouren, niet aanwezige klanten en je ze daarom moet gaan nabellen en herleveren.

Postale bedrijven waren altijd de grootste werkgevers. Nu zijn veel postbedrijven in de problemen gekomen omdat ze verlies draaien. Ze moeten dus mensen ontslaan, en mensen herscholen van briefpost naar pakketpost.

How is the e-commerce industry developing in Europe?

De e-commerce markt groeit momenteel heel snel, met ongeveer 20 tot 30 procent per jaar en dat zal de komende jaren met hetzelfde percentage blijven groeien. De meeste nationale e-commerce markten zijn verzadigd (met name in west Europa). Maar nu vind er een groei plaats op de internationale e-commerce markt. Er vinden steeds meer internationale bestellingen plaats, omdat mensen steeds sneller geneigd zijn om in andere landen te kopen. De grote merken zijn overal te koop, maar de kleinere merken zijn vaak beperkt tot een land. Daaromheen wordt dus een industrie gecreëerd.

4. What export strategy would be most beneficial for B2C Europe's Spanish branch to implement?

What export strategy would be most beneficial for the company to undertake?

Er zijn in wezen twee strategieën die we zouden kunnen hanteren om te exporteren. De eerste strategie is dat we vanaf 1 land gaan exporteren naar alle bestemmingen in Europa, dat betekent dat we dus gecentraliseerd te werk gaan.

Of we gaan decentraliseren, dat wil zeggen dat we ons in meerdere landen moeten vestigen en we dus moeten opereren in meerdere landen.

Wij hebben voor het tweede gekozen omdat we zo dicht bij de klant kunnen zitten. Hierdoor kunnen we de klant beter benaderen, we kunnen de klant in de eigen taal benaderen en de afstand is korter waardoor leveringen sneller gaan en de retouren sneller en makkelijker afgehandeld kunnen worden.

Voor e-commerce sites kunnen we als het ware een verlengstuk van de website worden doordat we customer service kunnen bieden aan de website. Customer service is heel belangrijk omdat hoe beter wij onze diensten verkopen, hoe beter de dienstverlening. Hoe minder retouren we ontvangen, hoe minder problemen we hebben. Hoe beter wij onze diensten verkopen en customer service hoe beter de dienstverlening en dus hoe tevredener onze klanten zijn.

How could the company cooperate with the rest of the group?

Binnen de groep zijn er veel intra company zendingen, dat wil zeggen dat wij onderling veel pakketjes binnen krijgen en wij veel pakketjes naar elkaar zenden. We zouden beter met de groep kunnen samenwerken door middel van betere communicatie tussen alle bedrijven binnen de groep. Voornamelijk op customer service gebied is er nog veel vooruitgang te boeken, dit omdat het in ons alle belang is dat de pakketjes goed geleverd worden. De samenwerking kan voornamelijk beter op customer service gebied, pakketten die verkeerd gelabeld zijn, misroutes (dus een pakketje dat in de verkeerde pallet is gestopt), diefstal en andere probleemgevallen moeten zo snel mogelijk afgehandeld worden zodat de eindklant tevreden kan zijn over onze dienstverlening. Maar ook op logistiek gebied kan de samenwerking beter. Als een ander bedrijf in de groep een levering bijvoorbeeld

goedkoper en/of sneller kan aanbieden moet dit duidelijk naar elkaar toe gecommuniceerd worden.

5. How does the logistical structure of the company need to change to anticipate on the expansion to other markets?

Is the company capable of changing its logistical structure to anticipate on the possible growth?

Ja, we zijn zeker in staat om onze logistieke structuur aan te passen, onze kracht is dat we klein en heel flexibel zijn. We hebben eigenlijk geen logistiek, we kopen onze logistiek in bij andere bedrijven. We kunnen met iedereen samenwerken omdat we onafhankelijk zijn. We kunnen bedrijven als concurrent zien, maar ook als klant. Wij kunnen diensten goedkoper aanbieden omdat de meeste bedrijven zelf niet capabel zijn om deze diensten aan te bieden. Het is lastig de IT op orde te hebben. Buiten de prijs is het ook de service die we bieden. Track en trace is heel belangrijk.

What is the current production capacity?

Onze productiecapaciteit is variable aan te passen. Hoe meer pakketjes we ontvangen, hoe meer mensen we nodig hebben om ze te verwerken. Momenteel verwerken we hier rond de 1500 pakketjes per dag, 5000 per dag moet ook lukken. Eventueel zouden we dan een lopende band kunnen aanschaffen en zijn er dan extra terminals nodig, meer scanners en meer label capaciteit. Omdat we geen eigen netwerk om te distribueren hebben zal een toename van het aantal pakketten betekenen dat er meer partijen per dag langskomen om nieuwe pakketten te brengen en meer partijen om de verwerkte pakketten op te halen.

Als we onze maximum productiecapaciteit bereikt hebben, zouden we nog kunnen overwegen om in ploegendiensten met shifts te gaan werken hierdoor is onze productiecapaciteit nog verder uit te breiden. We werken al met dit systeem bij onze vestiging in Engeland. Maar voorlopig is dat hier nog niet nodig, en ons pand hoeven we voorlopig nog niet aan te passen.

What are the consequences of delivering over the border?

(What to take into account? (VAT, LAW, etc))

Bij het leveren over de grens komen verschillende dingen kijken. Zo krijg je te maken met taalbarrières en veranderingen van de wisselkoersen aangezien niet in alle EU landen de Euro gebruikt word. Maar over het algemeen brengen zendingen binnen de EU brengen weinig problematiek met zich mee. Zendingen buiten de EU zijn echter wat lastiger.

Zoals eerder gezegd: bij export van goederen naar landen buiten de EU word 0% BTW in rekening gebracht. Bij import van goederen uit niet EU landen moeten deze goederen aangegeven worden bij de douane. Over deze goederen worden invoerrechten en btw afgedragen.

Ook moet goed worden gekeken welke bestemmingen vereisen dat er een commercieel factuur word toegevoegd. Binnen de EU zijn er de volgende uitzonderingsgebieden: Gibraltar, Kanaaleilanden, Frans Guyana, Faeröer, Canarische Eilanden, Melilla, Ceuta, Livigno, Campione d' Italia, Groenland, Vaticaanstad, Aland, Cyprus, Guadeloupe, Martinique en Helgoland. Zendingen buiten de EU moeten altijd voorzien zijn met een commercieel factuur. Ook moet het pakke aan de buitenkant voorzien zijn van een CN22 label bij pakketjes met een maximum waarde van 425 euro en een CN23 label bij pakketjes met een waarde van boven de 425 euro.

6. What are the costs and benefits for B2C Europe's Spanish branch with the expansion into the European Markets?

What are the costs related to an expansion into Europe?

Een nieuwe vestiging openenen kost ongeveer 300.000 euro, dan houden we rekening met 100.000 huur en 200.000 voor de personeelskosten. Voor de rest komen daar nog computers, kantoormeubelen, terminals en labelstations bij, maar dat zijn geen dure machines en zijn maar een fractie van de totale kosten. Het belangrijkste is de software en die is er al.

Omdat we nu vanuit een bestaande vestiging willen exporteren, hoeven we deze investering niet meer te maken. Omdat we geen eigen logistiek netwerk hebben, maar de logistiek als het ware van andere bedrijven kopen zijn onze kosten de uitgaven die we aan de bedrijven betalen die de transport voor ons uitvoeren. Omdat we heel veel pakketjes vervoeren krijgen we grote kortingen van transportbedrijven. Ook gebruiken we de direct entry methode, wat betekent dat we veel pakketjes samenvoegen en als een vracht versturen naar het land waarin de klant zich bevindt en daarna versturen we de pakketten met een lokaal postbedrijf. Hierdoor betalen we dus niet het internationale tarief, maar het nationale tarief omdat we de pakketjes door een nationale postdienst laten bezorgen aan de eindconsument.

What are the projected benefits for the company when expanding into Europe?

Het voornaamste voordeel is natuurlijk dat wij door de uitbreiding naar het buitenland met onze spaanse vestiging meer omzet kunnen realiseren. Wat nog een ander voordeel is is dat wij dichterbij de consument kunnen gaan zitten en dus betere klantenservice kunnen bieden. Dit omdat wij de klant kunnen benaderen in de eigen taal, en de retouren makkelijker kunnen afhandelen. Hierdoor kunnen wij dus gaan concurreren met onze directe concurrent worldnet direct, omdat zij echt alleen gevestigd zijn in London.

Interview 3

Date: 21-05-2014

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1. Who are B2C Europe's potential customers, and how to target them?

-Who are our main customers?

Our main customers are international E-commerce sellers. So it are basically all companies that sell physical product on the Internet to other countries.

-What is our target group, and how can we target our customers?

Our target group are big e-commerce sellers with worldwide customers. We can target them with sales people. I think we should focus on the clothing industry first, because it is the biggest industry in Spain and people from abroad are buying it the most through Internet. This because the clothes coming from Spain are fashionable and the price is lower as in the rest of Europe. Things like books, smart phones and other electronics can already be bought everywhere in Europe and the prices in Spain are similar compared to other European countries.

2. Who are B2C Europe's competitors, and how do they differentiate themselves from them?

-Who are our direct and indirect competitors?

Our direct competitors are companies that offer the same service as we do and also use the transportation network of existing providers. Our indirect competitors are all

express transportation companies. Not all express transportation companies are direct competitors because it is true they deliver parcels for our potential customers, we also make use of their distribution network to deliver our parcels.

-How can we differentiate ourselves from our competitors?

We can differentiate ourselves by fulfilling the needs of our customers extremely well by this I mean providing them with a cheap, fast and reliable distribution channel. I think these two factors are the most important for companies trying to find the right distribution company.

3. What are the trends and expectations within the mail, package and freight delivery industry?

-What is expected with regard to the postal industry within Europe?

What is expected is that people are sending less and less regular post. This is caused by the increase use of Internet. More and more people are getting access to the Internet and because of email and social media the demand for regular post is decreasing, mainly because it is cheaper and faster.

People will also send more and more traceable parcels, because the number of web shops is increasing and therefore the number of send parcels will increase.

-How is the e-commerce industry developing in Europe?

The e-commerce industry is growing very fast and more and more different services are offered to the end-customer like: collect your parcel, return your parcel and drop your parcel. The number of traceable parcels is also increasing, because people want to know the location of the parcel at any time.

4. What export strategy would be most beneficial for B2C Europe's Spanish branch to implement?

-What export strategy would be most beneficial for the company to undertake?

The export strategy that would be most beneficial is good integration with domestic suppliers.

-How could the company cooperate with the rest of the group?

We are already working together with the rest of the group but what could improve more is efficiency and customer service.

5. How does the logistical structure of the company need to change to anticipate on the expansion to other markets?

- Is the company capable of changing its logistical structure to anticipate on the possible growth?

Yes, the company is definitely able to anticipate on processing more parcels and shipping to different locations. We have a lot of room for growth, and we are nowhere near our full production capacity.

-What has to change to be able to export to other European countries?

The main thing that has to change is that we need to hire sales people in order to gain customers and we have to find companies with a logistical network in order to ship the parcels abroad.

Interview 4

Date: 10-06-2014

Name: Balbina Medel

Position: Customer Service

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1. Who are B2C Europe's potential customers, and how to target them?

-Who are our main customers?

Our main customers are e-commerce companies.

-What is our target group, and how can we target our customers?

We should target on e-commerce companies that send packages to other countries in Europe. We can target our customers for example by attending expo's such as the eshow, which will be in Madrid pretty soon.

2. Who are B2C Europe's competitors, and how do they differentiate themselves from them?

-Who are our direct and indirect competitors?

Our main competitor is World Net Direct. Our indirect competitors are all parcel services.

-How can we differentiate ourselves from our competitors?

We can differentiate ourselves by being cheaper as our competitors and living up to the expectations of our customers. By that I mean if we have a contract, which state

we will deliver our goods within 5 working days, we should deliver our goods within five days. Also If our customer demands full tracking over the delivery process we should make sure the tracking is working optimally.

3. What are the trends and expectations within the mail, package and freight delivery industry?

-What is expected with regard to the postal industry within Europe?

More private companies will be active in the industry, because of the liberalization of the postal industry. Because the number of Internet companies is increasing, the demand for parcel services will be higher.

-How is the e-commerce industry developing in Europe?

Like I said before the demand for parcel services will be higher, because the e-commerce market will increase. Furthermore the services these companies offer getting more complex. Returned and rejected goods are a big part of e-commerce, this is especially true for e-commerce companies operating in the clothes category. The biggest cause for this is that customers are not able to see the physical products in real life and their impressions may not correspond with their expectations. The online order could also be placed impulsively and therefore the customer might not be able to fulfill the payment or the customer might want to cancel the order.

4. What export strategy would be most beneficial for B2C Europe's Spanish branch to implement?

-What export strategy would be most beneficial for the company to undertake?

To be able to export we first are going to need customers operating in the ecommerce sector. The strategy we need to take is that we are going to need sales people in order to gain customers. After we have customers we need to make contracts with delivery companies because we don't have our own transport in order to deliver the parcels from our customers.

-How could the company cooperate with the rest of the group?

I think it is very important that we work together on customer service. If a branch from our group requests the information on a package that was sent by our branch, we need to make sure we can provide them with the right information. The faster we solve issues the better it will be for the whole group. Customer service is important, because if we can satisfy our customers with our service and our clients will come back to us.

5. How does the logistical structure of the company need to change to anticipate on the expansion to other markets?

- Is the company capable of changing its logistical structure to anticipate on the possible growth?

I think we are able to grow. Our branch is new, we are now open just over a year so there is room for growth. We don't have to change our structure though, this because the process will stay the same. We have delivery companies that bring us parcels, then we process the parcels and after this the parcels will be picked up in pallets by an other delivery company

-What has to change to be able to export to other European countries?

The most important thing is like I stated before that we will need customers and we will also need to sign contracts with delivery companies in order to pick up the parcels from our customers.

Interview 5

Date: 30-05-2014

Name: Luisa Perez Solera

T: +34916708945

Position: Warehouse employee

-Who are our main customers?

Our main customers are postal companies and online retailers.

-Who are our direct competitors?

Our direct competitor is Worldnet Direct.

-Who are our indirect competitors?

UPS, TNT, ASM, SEUR, GLS and other big transportation companies.

-Is the company capable of changing its logistical structure to anticipate on the possible growth?

Yes, it will be easily possible, but if we will grow and receive more parcels we need more people to help us process the increase of parcels. Also if we get bigger there need to be bigger or more trucks coming on a daily basis in order to pick up the increased number of parcels.

-What is the current production capacity?

Right now we are processing between 1000 and 2000 parcels a day. We could do a lot more if we would have more people to help us.

-What are the trends & expectations you notice with regards to the postal industry?

There are not really things that I notice specifically. The main thing is that since we opened a little bit over a year ago we have been receiving more parcels. But for the whole industry as a whole I am unable to tell you.

Interview 6

Date: 30-05-2014

Name: Carlos Cano Lopes

T: +34916708945

Position: Warehouse employee

-Who are our main customers?

Our main customers are ebay and correos. We could also consider our other branches from Europe our customers, because we deliver goods for them in Spain.

-Who are our direct competitors?

I am not really able to tell you which company offers the exact same service as our company does and who is our direct competitor. This is because of the fact that we are offering kind of a special service for our customers. We don't have trucks for example but we are able to offer cheaper solutions as our customers I don't know if there is a company that offers the exact same as we do.

-Who are our indirect competitors?

Our indirect competitors are all transport companies that transport parcels

-Is the company capable of changing its logistical structure to anticipate on the possible growth?

Yes we are capable of changing our logistical structure.

-What is the current production capacity?

I don't know the exact capacity, but yesterday we had a very busy day and we processed 1598 parcels. Maybe we could do a little bit more but I think our current maximum capacity is currently around this number.

-What are the trends & expectations you notice with regards to the postal industry?

I think more companies like our company will enter the market. I think what we offer is very special this because we don't have our own trucks but we are still able to offer cheaper distribution solutions as other companies in the market.

Interview 7

Date: 30-05-2014

Name: Alberto Sierra Gomez

T: +34916708945

Position: Warehouse employee

-Who are our main customers?

Our main customers are E-fulfillment companies and online retailers.

-Who are our direct competitors?

I think all transport companies that distribute parcels for internet companies are our direct competitors.

-Who are our indirect competitors?

I think that all transport companies that distribute parcels for other kind of companies and internet companies are our indirect competitors.

-Is the company capable of changing its logistical structure to anticipate on the possible growth?

Yes, if we will receive more parcels we can hire more people therefore we are able to anticipate on growth.

-What is the current production capacity?

I am unable to tell you what the current production capacity is, but we are able to process more parcels than we currently receive. I think the most important thing is that we need more customers to send us these parcels.

-What are the trends & expectations you notice with regards to the postal industry?

What I see is that we are receiving less post and more parcels. What I also notice is that since we are receiving more parcels, there have been a lot of returns.

Interview 8

Date: 30-05-2014

Name: Francisco Javier Garcia Sanchez

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Position: Warehouse employee

-Who are our main customers?

Our main customers are companies that transport post and companies that transport parcels.

-Who are our direct competitors?

Worldnet Direct is our direct competitor.

-Who are our indirect competitors?

TNT, DHL, UPS, Fedex. It are actually all transportation companies that deliver parcels in the B2C segment.

-Is the company capable of changing its logistical structure to anticipate on the possible growth?

At the moment we are open just over a year. Since we are open we only have been experiencing growth. Therefore the possible growth should not be a problem for us and we are capable of anticipating to it.

-What is the current production capacity?

We are now processing more then 1000 parcels a day.

-What are the trends & expectations you notice with regards to the postal industry?

If I talk about my own situation I send a lot less mail because it is easier and cheaper to send an email. I can also check my bank invoices on the website of my bank, first I received them all by mail. Therefore I think mail in general is decreasing.