

Future directions for European e-commerce

A 2016 survey takes the pulse of executives in France, Germany, Italy, Spain and the United Kingdom as they plan for their e-commerce initiatives, with customer data protection, omnichannel strategies and outsourcing analytics among their concerns.

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E-commerce is an increasingly important part of the European economy, with 40 percent of Europeans already active online shoppers and more e-sales growth expected.

On the occasion of the second E-Commerce Industry Meeting at IESE in September 2016, a survey of representative business executives in five European countries — Spain, France, Italy, Germany and the United Kingdom — helps shed light on the digital commerce trends of today and tomorrow.

The survey conclusions, by IESE's [Mario Capizzani](#) and **Pablo Foncillas**, look at e-commerce in terms of organizational changes, omnichannel strategies, customer insights and future expectations.

Organizational changes on the horizon

Executives foresee the most change ahead in their organizations' sales, marketing and information technology departments due to their e-commerce and digital initiatives. The catalyst of change? Mainly "outsourcing these areas partially or totally," the co-authors summarize. More specifically, "after-sales service" and "analytics" are the top two functions that executives plan to outsource over the next two years, in light of their digital initiatives.

For Spain, where comparable data from 2014 is available, the increased interest in outsourcing logistics and payments in 2016 is particularly notable. Here, "customer insights

will be the most important outsourced task for digital action," the co-authors also note.

Another key finding: almost 50 percent of surveyed companies have already established or are considering the creation of a separate, independent division or unit to better exploit e-commerce opportunities.

Computer, smartphone and showroom

While online purchases are expected to grow, the practice of buying in a physical store without consulting digital channels is expected to decrease in the future. At the same time, omnichannel sales — involving digital and physical elements — are of considerable interest. Four out of five respondents remain interested in selling via physical stores.

Omnichannel sales require new or fine-tuned strategies. Product assortment and pricing issues are the two biggest challenges crossing physical and virtual platforms, the study indicates.

Insights on customer insights

Nearly half of respondents reported using a service to glean customer insights, more than in 2014. That said, executives report that it is not so relevant to the decision-making process — even though it is thought to be a source of competitive advantage.

What next?

"Payment platform integration, product curation initiatives and extended product lines are the most important growth initiatives in the near future," the study summarizes. Meanwhile, the most relevant concern in the digitization process is "customer data protection." Businesses must maintain customer trust while innovating across new platforms.

Methodology

With research partner Nielsen, the study measures the level and degree of e-commerce penetration in five European countries: Spain, France, Italy, Germany and the United Kingdom. The results reflect the responses from 521 online surveys (approximately 100 in each country) of high-level executives from representative companies, in many different industries, catering to retail (B2C) and wholesale (B2B) markets.



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