

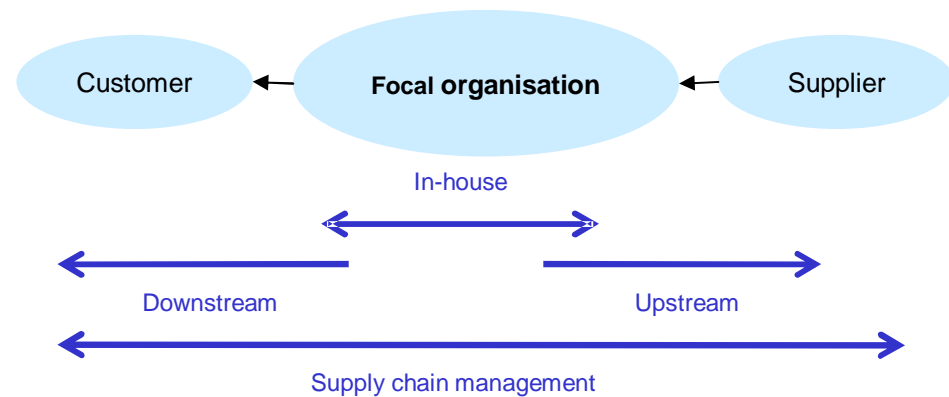
The effects of ICT and e-business on EU trade: a retail industry perspective

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- An important contributor to the European economy
 - Number of enterprises (3.73m) and people employed (15m)
 - Value added to the economy (EUR 351.6 billion)
- Explore to what degree European retail firms have come to embrace ICT and e-business


- A supply chain perspective



Research Objectives

- Study effects of, opportunities for and barriers to e-business on a European level
 - To explore ICT/e-business effects on e-supply, in-house e-operations and e-sales
 - To illustrate challenges for e-business adoption
 - To identify opportunities for innovation induced by ICT/e-business

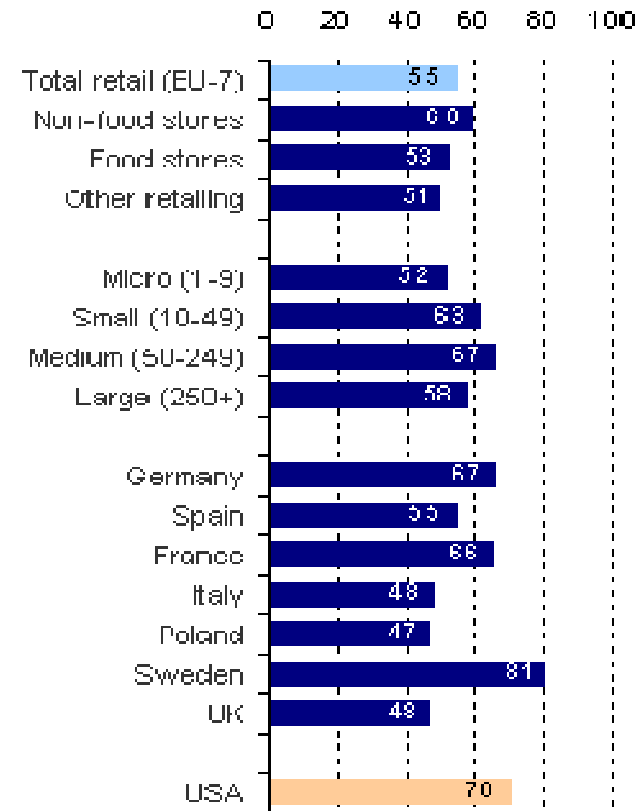


- Covers NACE Rev. 2 Division 47
 - Retail trade, except of motor vehicles and motorcycles
 - Firms that resell new and used goods to the general public for personal or household use and consumption
- e-Business Survey 2007 
 - 1151 computer aided telephone interviews with company decision makers
 - Conducted in seven EU countries (France, Germany, Italy, Poland, Spain, Sweden, and the UK) plus the USA
- 10 Case Studies
 - On different e-business aspects in SMEs and large firms

All aspects related to the procurement of goods and services

- More than half of retailers order goods online
 - Share increased from 43% in 2003 to 55% in 2007
 - Adoption increased mainly among SMEs

- e-Procurement intensity rising
 - % of companies procuring more than 25% of goods online is 40%
 - In 2003, the equivalent share was 17%



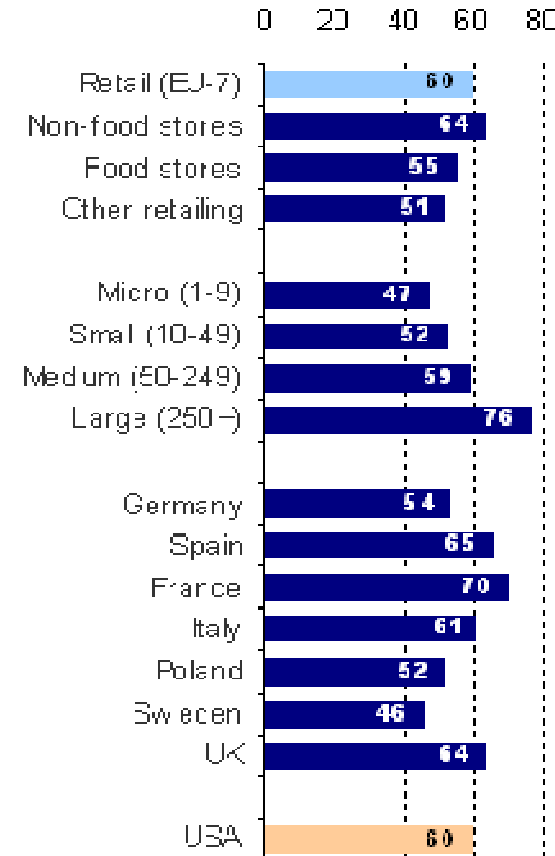
Base (100%) = companies using computers; N (EU-7 and USA) = 1151; weighed by employment

In-house e-operations: key findings

All aspects of organising the in-house processes of receiving, distributing, and selling goods

- More than half (60%) of retail firms use software applications to manage the placing or receipt of orders
 - Usage highest among large firms with micro firms considerably behind (76% vs. 47%)
 - 60% of firms in both, Europe and the US

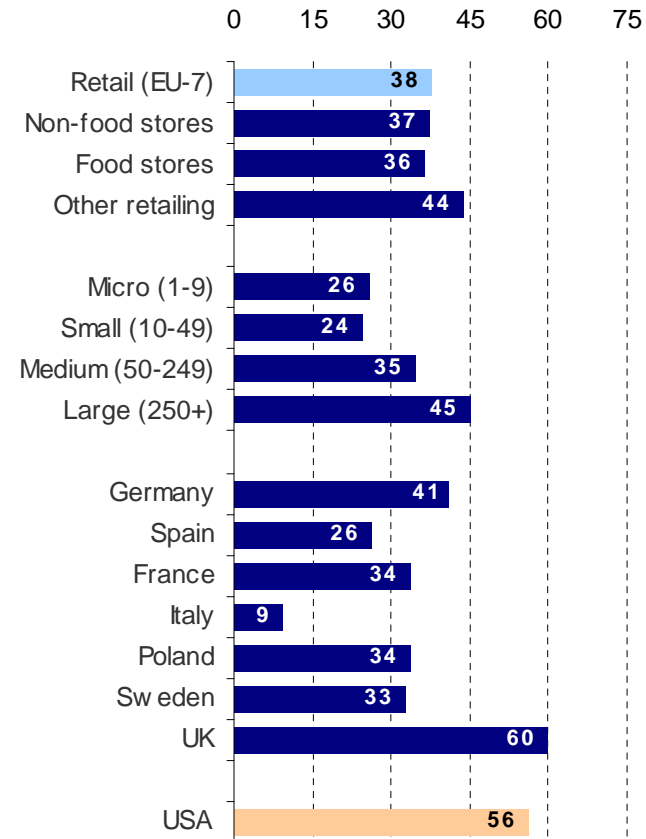
- Usage of specific applications:
 - 16% of retailers use ERP systems
 - 51% of retailers use warehouse or depot management systems
 - 8% of firms use RFID
 - 20% of companies use CRM



Base (100%) = companies using computers; N (EU-7 and USA) = 1151; weighed by employment

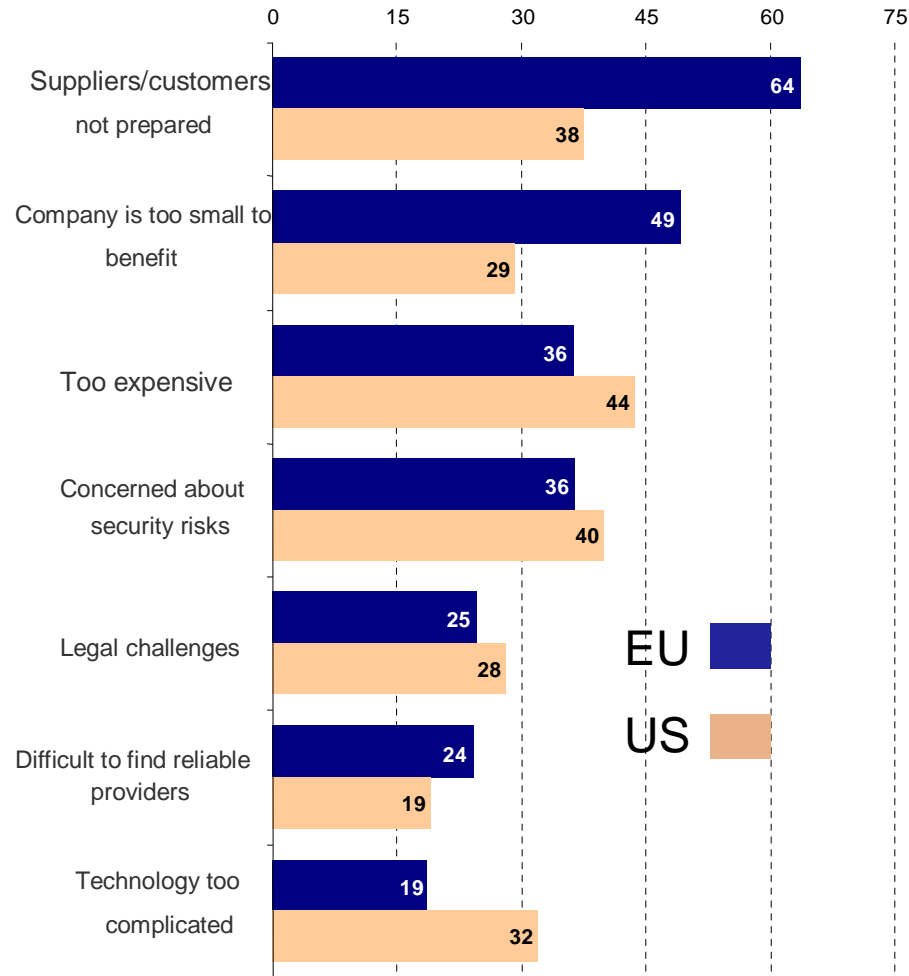
All aspects related to selling over the internet

- Share of companies that sell online doubled from 19% in 2003 to 38% in 2007
- Size class differences considerable (24%-45%)
- e-Sales intensity rising among EU retailers
 - Share of firms in which online sales account for more than 25% of their sales volume increased sharply, from 5% to 28% between 2003 and 2007
 - 47% of retailers report that online sales share measured by total sales volume is less than 5%



Base (100%) = companies using computers; N (EU-7 and USA) = 1151; weighed by employment

Barriers to e-business



- 'Suppliers/customers not prepared' (64%) and 'Company too small to benefit' (49%) most important barriers in EU

- 'Too expensive' (44%), 'Security issues' (40%) and 'Suppliers/customers not prepared' (38%) important barriers in USA

Base (100%) = % of low and non-users saying that...;
 N (EU-7 and USA) = 858; weighed by employment

- 32% of retail enterprises launched new or improved products in 2006/07
 - 70% of these 32% reported that innovations were directly related to or enabled by ICT
- 45% of firms have introduced process innovations in 2006/2007
 - 36% of these 45% were ICT-related process innovations
- ICT-enabled innovation is correlated with turnover increase

Policy implications

- Promote electronic supply chain management among SMEs
 - SMEs lag behind large firms
- Foster the dissemination of e-business knowledge in the retail industry
 - Improve awareness and knowledge about the effects and sustainability of e-business
- Promote e-business on a regional level
 - Retailers are generally rooted in local and regional economies
- Promote electronic ordering among European consumers
 - Low level of e-sales penetration in the EU



- **2003 vs. 2007:** overall trend is that ICT and e-business diffusion are gaining momentum
- **SMEs** almost always **lag behind** large firms
- **Benefits** from e-business are multifaceted
 - Widening market reach through online sales
 - Cost benefits from e-procurement activities
- Readiness of suppliers and customers for e-business are key **barriers** for e-business use in retail firms
- ICT-induced **innovations** are fostering turnover growth

Thank you for your attention !

Questions?

Further information:

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