You walk confidently into the venture capitalist’s office, sure your business plan has survived scrutiny. It has to. After all, you have nurtured the business idea for almost a year now. Not to mention the hours of work you’ve put in, bouncing ideas off your professors, friends and family, soliciting feedback. Not to mention, too, the hours of ‘espionage’ you’ve invested in visiting your competitors’ sites, pretending to be the innocent customer. And the friends you’ve convinced to join you in the adventure of your life. Your idea has to be an eWorld winner! Of course, it helps that the venture capitalist is your rugby mate from college.

Then, the fateful words crash over you: ‘A really good idea, Adam. Good market potential, strong forecasts, great team. Except for one missing link… where are your fulfilment plans? Just how are you going to make sure your customers get what they want, when they want it, how they want it?’ This chapter should help answer these questions.

Introduction

How many of us hear the cash registers ringing without thinking hard enough about what it takes to make online consumers part with their money, not just once, but again and again? What makes our online consumers who they are? What makes them buy our product, repeatedly? To what extent is this dependent on how we get to our consumers what they want, when they want it, where they want it, how they want it? And at what cost? These questions touch the heart of the online fulfilment challenges facing Internet start-ups today.

These fulfilment issues are especially acute for European online start-ups and US online retailers looking to enter the European market. Unlike the US, Europe’s online markets are more diverse in terms of online penetration, growth rates, Internet access costs and payment habits. In the UK, more than 90% of online transactions are paid by credit card. This compares...
to less than 20% for Germany and the Nordic countries. Compared to the relative homogeneity of the US online market, European structures are typically more fragmented, characterised by distinct national norms. While every doorstep in North America is reached by one parcel carrier, UPS and one post office, USPO, European postal and carrier networks are fragmented with substantial variations in coverage and quality.

Thus the European Internet entrepreneur has to consider the issue of eFulfilment near the top of his/her business priorities. This chapter hopes to provide some thinking points behind:

■ what changes are revolutionising the European eTailing market
■ which forces make or break consumer online demand
■ what Internet businesses have to do to stay ahead of the eFulfilment game… and keep consumers coming back.

The eTailing market: eTailing does not equal online retailing

The cosy world of retail – as our parents knew it – is quickly becoming a relic of the past. Time, space and location are no longer constraints to when we buy, what we buy and where we buy. This is because the Internet has revolutionised the shopper’s lens, creating a new breed of shoppers called online consumers. As online consumers usher in different buying patterns, retail businesses have to change in response. While the Internet has enabled consumers to change they way they buy, it has also enabled a new breed of eTailers to influence what and how much consumers buy.

The consumer, not the retailer, decides on the relevant product range

How often have you heard a retailer say to you, ‘Sorry, M’am, we don’t stock that particular range’, or ‘We don’t stock that title in this store, Sir, but if you would like to wait three weeks, we’ll have it ordered from the central warehouse for you’? Typically, consumers would have resigned to their fate and either reconsidered their purchase or given up altogether. Traditionally, the retailer has retained the right to edit the product range available to you. If what you want doesn’t fit the retailer’s profitability margin, or doesn’t sell in sufficient volumes to the masses, chances are you’ll have to prepare for lots of legwork to get what you want.