



SWITZERLAND



Globale
Smart Cross-Border™

Country Report
2019

France

Austria

Italy

8.5M¹ Population
Currency: Swiss franc (CHF)
GDP per capita: **\$80,637**²
Languages: German, French, Italian
8M³ Internet users (ages 16-65) (2017)
Online shoppers (2017): **6M**⁴
CHF 6.25B⁵ B2C ecommerce market size (2017)
64%⁶ Cross-Border Digital Buyer Penetration
(out of online shoppers, 2017)

The Swiss cross-border ecommerce market

One of the strongest and most stable economies in the world, Switzerland's GDP per capita is the second-highest in Europe. 95% of the population aged between 16 and 65 use the internet regularly, making it one of the most digitally connected countries in Europe⁷. Online shopping is very popular and the number of online shoppers is constantly growing and is expected to reach 6.7M⁸ in 2023. The average Swiss online shopper spends CHF 2,400 (\$2400)⁹ per year, second only to the UK. Total ecommerce sales reached \$8 billion in 2017 and is projected to increase to \$9.7 billion in 2022¹⁰.

Switzerland is one of the top three markets in Europe¹¹ for cross-border shopping, following Luxembourg and Russia. According to research conducted on behalf of NetComm Suisse in 2017, over 60% of online Swiss shoppers bought goods from ecommerce sites outside the country. According to other research from 2017, 80%¹² of Swiss digital buyers (18+) have made a digital purchase from a foreign site.

The dominance of cross-border shopping, combined with high rates of online spending and internet connectivity, make Switzerland an exceptional opportunity for merchants looking to grow their online business internationally.



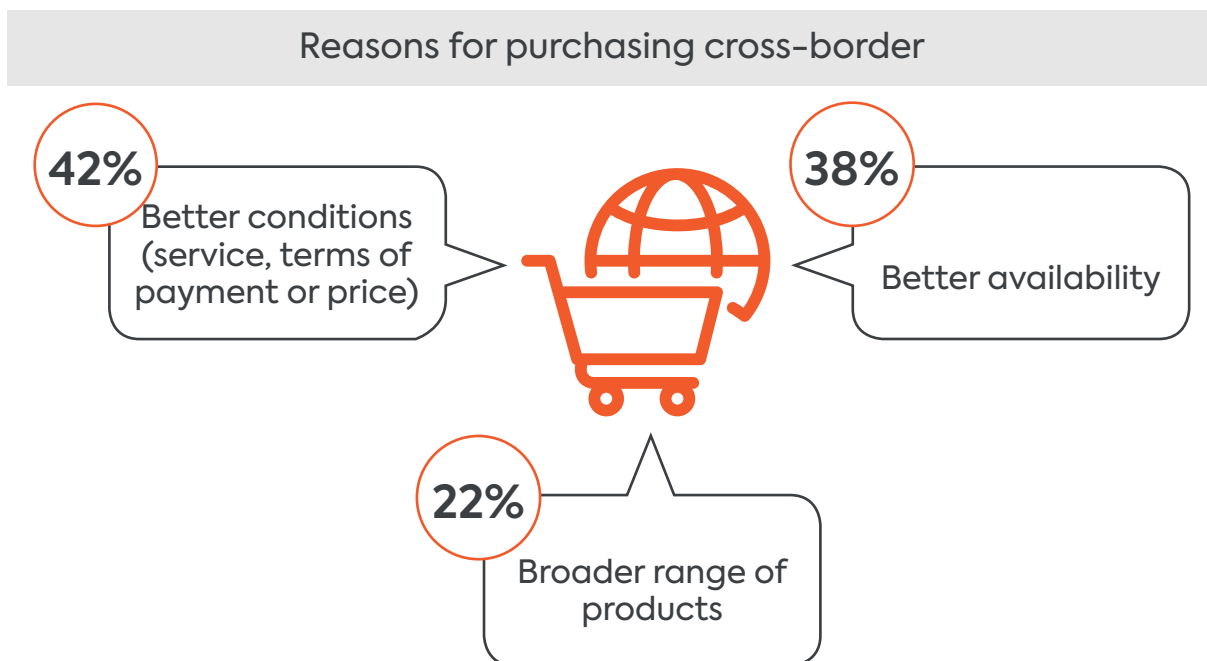
Taxes and Duties

As of 1/1/19, all goods sold by international merchants to customers in Switzerland are subject to VAT at 7.7%. According to the new legislation, all foreign online retailers that sell to Switzerland must declare import duties and VAT if the customer has to pay for them so that there are no unexpected surprises on delivery. This change means that low-value goods (where the VAT is less than 5CHF) that were, until the end of 2018, VAT exempt, are now subject to VAT. Furthermore, according to the new regulations the sellers are accountable for the collection and remittance of the VAT.



How Swiss shoppers buy cross-border

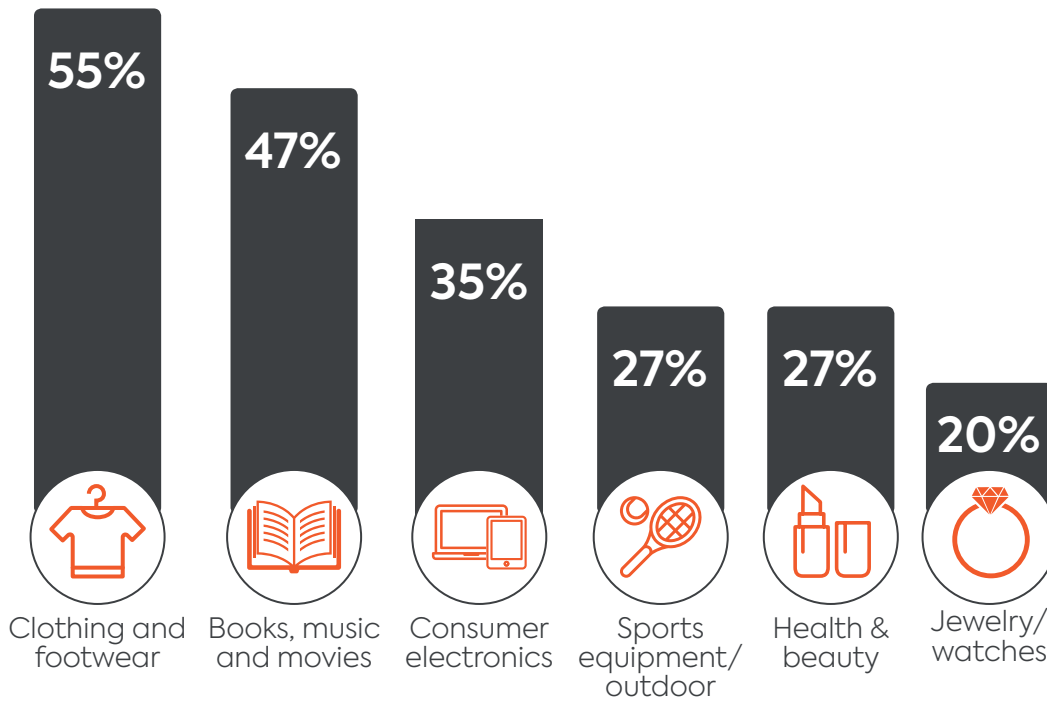
According to research undertaken by NetComm Suisse magazine 2018, the most common reasons given by shoppers for purchasing from online merchants outside the country were for better prices and products not readily available in Switzerland.



Source: IMRG, 2018

Popular cross-border purchases

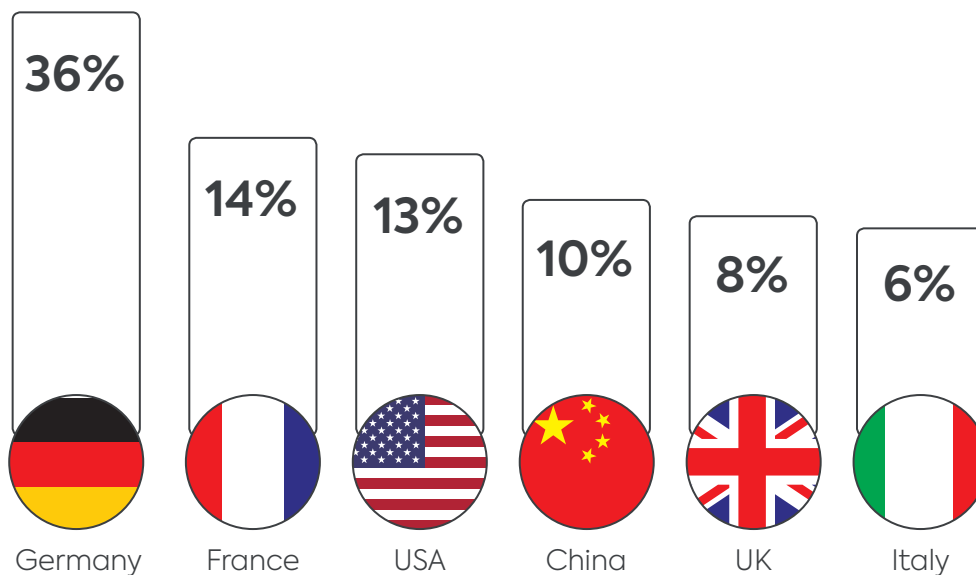
Other popular products are books, consumer electronics, sports equipment, health and beauty products and jewelry.



Source: PWC, 2016

Where do cross-border shoppers buy?

Switzerland's much larger neighbor, Germany, is the top destination for cross-border online shoppers from Switzerland, totalling 36% of all cross-border purchases, followed by France (14%), USA (13%), China (10%), UK (8%) and Italy (6%)¹³.

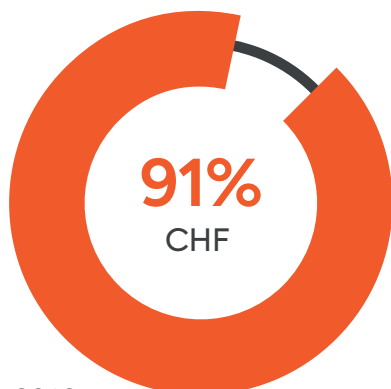
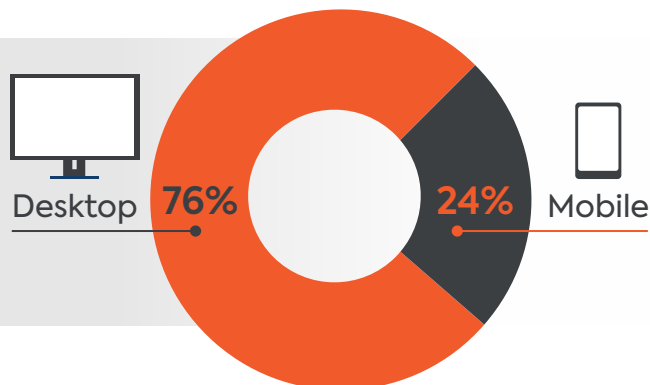


Source: Google Consumer Barometer, January 2018

Preferred device for cross-border online shopping

The bulk of cross-border purchases are still made via PC.

Source: Global-e, 2018



Source: Global-e, 2018

Currency

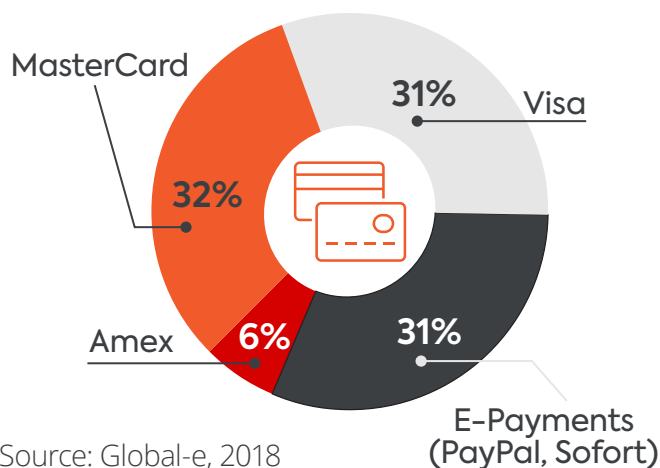
Swiss shoppers prefer to buy in their local currency: 91% will opt to purchase in CHF when given the option.

Taxes and duties prepayment

In 2018, 89% of Swiss shoppers who purchased above the previous tax and duties threshold chose to pre-pay all duties and taxes at checkout.



Source: Global-e, 2018



Source: Global-e, 2018

Payment methods

Credit cards and PayPal are the most common payment methods for cross-border purchases. However, the number of online shoppers who prefer to purchase with open invoice and local methods such as Sofortuberweisung is increasing, making offering a variety of payment methods essential.

Returns

Return rates in Switzerland can be high, and can reach up to 40% for fashion. However, for cross-border, return rates from Switzerland are generally low, but have shown a rise from 4% in 2015 to 7% in 2016¹⁴.



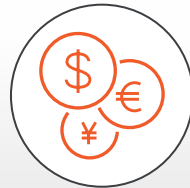
Summary

The combination of high purchasing power and the growing popularity of cross-border shopping makes the Swiss ecommerce market a prime destination for merchants looking to increase their international online sales. In order to capitalize on this major opportunity, merchants need to offer Swiss online shoppers a seamless localized shopping experience tailored to their specific preferences and shopping habits. Providing the choice to browse and buy in Swiss francs, a guaranteed landed cost and a prepayment option of all duties and taxes, in addition to multiple shipping options at attractive rates and a convenient and transparent returns process will increase conversion rates and customer satisfaction.

Keys to capitalizing on the Swiss cross-border opportunity:



Allow shoppers to browse and buy in Swiss francs.



Display prices in CHF rounded according to local market conventions: prices under 100 CHF are rounded to the nearest .90, and prices between 100 and 1000 CHF are rounded to the nearest 5 or 9 CHF.



Allow shoppers to check out in German, French and Italian



Present guaranteed tax and duties calculations, with an option to pay all duties and taxes at checkout; consider adding duty and tax to the product price for a seamless checkout with optimized conversion.



Offer local and alternative payment methods such as Sofortüberweisung.



Offer multiple attractively-priced shipping options, including express shipping with 1-2 day delivery and standard shipping with delivery up to 7 days.



Offer a convenient and transparent returns process, including a prepaid return option.

Smart cross-border tip

Make sure to offer at least one express shipping method, as many Swiss cross-border shoppers will opt to pay a premium of up to 7 CHF (about \$7) to receive their package quickly.

About Global-e

Global-e, the leading provider of cross-border ecommerce solutions, enables retailers to increase international online revenues and expand their global reach by offering customers in more than 200 destinations worldwide a seamless localized online shopping experience. Global-e's Smart Cross-Border combines advanced technology with extensive local market insights and best practices, to boost international conversion rates and optimize ROI. Our end-to-end solutions support multi-lingual checkout, 95+ local currencies and 50+ local and alternative payment methods in addition to offering multiple shipping options at attractive rates, convenient domestic returns and local duties and tax calculation with a pre-payment option for a guaranteed landed cost. With Global-e, hundreds of leading retailers and brands across across the USA, Europe and Asia enjoy immediate and continued international online growth while simultaneously boosting customer satisfaction worldwide.

To discover more about increasing your online sales for the Swiss market, please contact us at info@global-e.com.

Resources:

Global-e data, 2018

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3. Statista (2017), Switzerland: Gross domestic product (GDP) per capita in current prices from 2012 to 2022 (in U.S. dollars)
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