



A report by



# The economic impact of Zalando in Europe

**zalando**



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# Executive summary

With a revenue of €10.1 billion and around 50 million active users in 2023, Zalando is one of the leading multi-brand fashion online destinations in Europe.<sup>1</sup> Originating in Berlin, Germany, the company started as an online shoe store and quickly evolved into a pan-European fashion platform, connecting various stakeholders in the fashion ecosystem. Today, the company serves 25 European markets. Besides fashion, tech and logistics have become cornerstones of Zalando's business model aiming to increase customer satisfaction, for example, by shortening delivery times and adjusting to local preferences concerning aspects like relevant assortment and delivery options.

Zalando commissioned Oxford Economics to quantify the company's economic impact in 2023. The analysis covers the company's direct gross value added (GVA), number of employees, and taxes paid. Moreover, we also estimate Zalando's economic impact through its supply chain (indirect effect) and wages paid by Zalando and its suppliers (induced effect). This report covers the economic impact of Zalando in several regions, including all of Europe, Germany, and Erfurt, a city in Germany that harbours one of Zalando's logistics centres.

1. Zalando, Zalando: Geschäftsbericht 2023 | Zalando Corporate, 2024.





# Zalando's economic impact in Europe

In 2023, Zalando supported a total gross value added of €9,521.6 million in Europe. Almost 60% of this effect was driven by the company's supply chain (indirect effect). Since Zalando acts as a fashion retail platform, Zalando spends a significant amount on procuring fashion stocks, as well as non-merchandise products like IT services supporting the functionality of their website. The European countries benefitting most from the economic activity stimulated by Zalando's supply chain include Germany, the Netherlands, Poland, Italy, and France. Furthermore, wage payments by Zalando and its suppliers stimulated 25% of the total gross value added (induced effect). With €1,500.4 million, the direct effect accounted for 16% of Zalando's total economic impact in terms of gross value added in Europe. The gross value-added multiplier is estimated to be 6.3, meaning that for every €1 direct gross value added, Zalando supported and stimulated a further €5.3 gross value added somewhere else in the European economy.

Moreover, we estimate that Zalando supported around 113,000 jobs in total across Europe in 2023. As with gross value added, most of the jobs, 70,000, were supported through Zalando's supply chain. Via wages paid, Zalando and its suppliers supported another 28,000 jobs representing about 25% of the total impact. With 16,000 jobs, direct employment accounted for 14% of all jobs supported. Thus, we estimate that for every one person directly employed at Zalando, another 6.1 jobs were supported in the company's supply chain and through wages paid.

**Procurement expenditures with more than 5,300 companies demonstrate the width of Zalando's operations as a fashion, logistics, and tech company.** About 57% of total procurement (around €8,380.7 million) was spent on merchandise, mainly covering products sold on the Zalando platform; this included, for instance, clothing or beauty products. The remaining 43% was spent on non-merchandise procurement, covering logistics and IT services, among other things.

## €9,521.6m

Total gross value-added contributions of Zalando to the European economy in 2023

Indirect effect: €5,649m / 59%  
Induced effect: €2,372m / 25%  
Zalando: €1,500m / 16%

## 113,000

Total number of jobs supported by Zalando in Europe in 2023

Indirect effect: 70,000 / 61%  
Induced effect: 28,000 / 25%  
Zalando: 16,000 / 14%



# Zalando's economic impact in Germany and Erfurt

In Germany – Zalando's home market – Zalando contributed a total of €4,807.6 million in gross value added to the country's GDP in 2023. With €1,410.4 million in gross value added Zalando's own operations accounted for around 29% of the total impact. Through its supply chain, the company supported another €2,299.2 million in gross value added (indirect effect) – constituting the largest contribution across all three impact channels with 48%. Through wages paid by Zalando and its suppliers, the remaining €1,098 million (23%) in gross value added was stimulated through the spending of wages by employees and suppliers (induced effect). The company's multiplier for gross value added is therefore estimated to be 3.4, indicating that for every €1 direct gross value added contributed by Zalando, another €2.4 gross value added was contributed somewhere else in the German economy.

We estimate that Zalando supported 53,000 jobs via all three channels in Germany in 2023. 15,000 of these jobs are direct employees of Zalando. Furthermore, 27,000 jobs were supported by Zalando through its supply chain with German suppliers and 11,000 were supported via the induced effect, representing economic activities in typical consumer sectors that are triggered by wage payments of Zalando and its suppliers. Based on these numbers, we estimate that for one direct employee of Zalando in Germany, another 2.5 jobs were supported somewhere else in the German economy.

# €4,807.6m

Total gross value-added contributions of Zalando to the German economy in 2023

Indirect effect: €2,299m / 48%  
Zalando: €1,410m / 29%  
Induced effect: €1,098m / 23%



In total, Zalando contributed €1,328.5 million in tax payments to the German treasury in 2023. Direct tax payments by Zalando accounted for €205.4 million, consisting of €139.2 million in social security payments and €66.2 million in corporate income taxes.<sup>2</sup> Furthermore, Zalando collected €423.6 million in value-added tax. Through its suppliers, the company further supported €812.9 million in tax payments (indirect effect). Lastly, wage payments stimulated €310.2 million in tax payments in the consumer economy, including for example, spending on groceries, restaurants, and entertainment.

In Erfurt, Zalando contributed a total gross value added of €144 million to the local GDP. As Zalando operates one of the largest logistic centres in the city, the direct contribution accounted for most of the total impact with €119.5 million. A further €6.8 million in gross value added was stimulated through the company's supply chain (indirect effect). Wage payments by Zalando and its suppliers in Erfurt supported the remaining €17.6 million in gross value added, stimulated through spendings in the consumer economy (induced effect).

We estimate that Zalando supported 2,460 jobs in Erfurt. Most of these people were directly employed by Zalando (2,200 people). Moreover, 90 and 170 jobs in Erfurt were supported by Zalando through its supply chain (indirect effect) and wage payments (induced effect), respectively.

2. Corporate income tax paid and payable for fiscal year 2023





# Introduction

01



# Introduction



Zalando, today one of the leading multi-brand online fashion destinations in Europe, started selling shoes online in 2008. While founded in Berlin, the company expanded quickly across Europe. Today, the company serves 25 European markets. Throughout this expansion, Zalando learned a key lesson that has been essential to the company's strategy: although Europe might seem to be a single market, customer preferences and tastes vary widely across countries. Logistics and tech have been key in addressing this, as well as building the company's competitive advantage by promoting customer convenience and driving innovation in the fashion ecosystem.



"Zalando is a European company. We are proud to contribute substantially to Europe's economic development. The report highlights how Zalando, as a native digital company, drives sustainable growth and innovation, creates jobs, and empowers businesses of all sizes to thrive in the digital economy – a path we will continue to pursue."

Robert Gentz  
Co-CEO, Zalando SE







Performing an economic impact assessment provides new insights into Zalando's impact on the European economy – especially considering its curated platform business model. An economic impact assessment quantifies the total economic impact of a company, covering its direct gross value added, the number of people it employs, and taxes paid. Furthermore, the indirect effect is estimated, including the economic impact, through Zalando's entire supply chain. Lastly, the economic impact assessment also covers the induced effect, that is, the economic activity stimulated in the consumer economy via wage payments of Zalando and its suppliers. Conducting an economic impact assessment including indirect and induced effects can therefore help to understand the total economic impact of platform companies in more detail.

Zalando commissioned Oxford Economics as an independent party to quantify the company's economic impact in 2023. As a European company, we first estimated Zalando's economic impact in Europe, before assessing the impact on Germany. Lastly, we estimate the economic impact of Zalando in Erfurt, a city in Germany where Zalando operates one of its largest logistics centres, as a local example.

**We performed the economic impact assessments based on Oxford Economics' Global Sustainability Model.** The model draws on international input-output tables displaying trade relationships between sectors and countries.

While most economic impact studies include the company's activities in the region analysed only, the Global Sustainability Model includes trade feedback.

Thus, we assessed the economic impact of Zalando's global activities on the region analysed. For the subnational analysis in Erfurt, we developed a bespoke model of the German economy that enabled us to estimate Zalando's economic impact in smaller areas, such as city districts.

## The report is structured as follows:

- In Chapter 2 we introduce Zalando as a company and its business model.
- In Chapter 3 the methodology is briefly described. More detailed information can be found in Appendix 1.
- In Chapter 4 the economic impact assessment for Europe is presented.
- In Chapter 5 we describe our results for the economic impact estimations in Germany.
- In Chapter 6 the subnational analysis for Erfurt can be found.
- In Chapter 7 we conclude the report.

# Zalando – Fashion and more

02



With a revenue of €10.1 billion in 2023, Zalando is one of the largest online multi-brand fashion destinations in Europe.<sup>3</sup> Founded in 2008, the company has rapidly evolved from an online shoe store operating solely from Berlin to a leading shopping destination building a fashion ecosystem across Europe. The company expanded quickly from the German and Austrian markets in 2008/2009 to the Netherlands and France in 2010, and Italy, the UK, and Switzerland in 2011.<sup>4</sup> Today, Zalando records around 50 million active customers and almost 245 million orders in 2023.<sup>5</sup>

Although Zalando started as a fashion retailer, the business model evolved with a growing customer base, as well as new digital technologies. While the Zalando Fashion Store on web & app is still at the core of the business, its aim today is to create an ecosystem for fashion and lifestyle around and beyond Zalando. This means opening up its logistics and tech infrastructure offering an operating system to enable brand's e-commerce throughout Europe on and off Zalando, while differentiating through quality, lifestyle expansion as well as inspiration and entertainment across the customer journey.

3. Zalando, [Zalando: Geschäftsbericht 2023](#) | Zalando Corporate, 2024.

4. Zalando, [Zalando: Our history: from start-up to grown-up](#) | Zalando Corporate, 2024.

5. Zalando, [Zalando: Zalando auf einen Blick](#) | Zalando Corporate, 2024.





To address and connect all stakeholders of the fashion ecosystem, Zalando's operations can roughly be classified into three areas – fashion, logistics, and technology. They constitute the cornerstones of Zalando's business model operations in the B2B and B2C business and are some of the differentiators of the company from competitors.

Fashion has been at the heart of Zalando's business model from the beginning. In the Zalando fashion store, customers can purchase fashion and lifestyle products from local or international brands, as well as Zalando's private labels.<sup>6</sup> As of 2024, about 6,000 brands sell their products on the platform – across fashion, lifestyle, and beauty products. Moreover, Zalando provides six of its own in-house brands, completing the selection of items available to customers. On the fashion store, there are more than 1.8 million products available.<sup>7</sup>

In addition, Zalando runs Outlets and a shopping club, Lounge by Zalando, where the company offers products on sale.<sup>8</sup> In the Outlets, Zalando offers items from previous seasons, single sizes, or those with minor defects at a reduced price. As of 2024, there were 15 Outlets, all located on the main shopping streets in large German cities.

6. Zalando, [Zalando: Zalando auf einen Blick](#) | Zalando Corporate, 2024.

7. Zalando, [Zalando: Zalando auf einen Blick](#) | Zalando Corporate, 2024.

8. Zalando, [Zalando: Eine ganzheitliche Strategie für eine vernetzte Modewelt](#) | Zalando Corporate, 2024.

Figure 1: Core areas of Zalando's business model



# zalando

Fashion

Logistics

Tech





**Logistics is the backbone of Zalando and is becoming increasingly important as the company expands its business.** While it enables Zalando to supply its growing customer base across Europe, the company is also fostering its B2B business by leveraging its logistic capabilities and network for brands and other retailers.

**Optimising logistic processes helps Zalando to enhance the customer experience.** With several fulfilment and return centres across Europe, Zalando is ideally placed to optimise the customer experience. The main challenge is delivering articles fast, which requires that they are stored as close to the customer as possible. If, for example, a French customer is supplied by a French logistics centre, the delivery process is typically quicker than if the product is shipped from Sweden. While this cannot always be ensured, tech and algorithms help to predict demand for specific products. This, in turn, helps to identify the optimal logistics centre for new articles, as well as returned ones that are still up for sale. Furthermore, Zalando aims to package all articles ordered in one parcel whenever possible. Although this complicates logistics further, it reduces costs for Zalando and the environment. This was confirmed by Marcus Daute, Director of Logistics Products & Strategy, who summarised the company's approach: "The overall goal of Zalando's logistics operations is to optimise the user experience while ensuring efficient cost management."

**Brands and retailers can choose from a wide range of B2B solutions in line with their needs.** Zalando offers a variety of logistic services to partners.

This includes Zalando acting as a wholesaler allowing brands to sell their products through Zalando, with Zalando handling logistics and customer service. Alternatively, the Partner Program enables brands to retain ownership of their stock and sell directly to customers, with access to analytics and marketing services. Lastly, Connected Retail helps brick-and-mortar businesses to sell online by syncing inventory and managing orders through the Zalando platform. Furthermore, Zalando offers several partner services, relating to marketing and logistics starting from fulfilling and shipping orders to managing returns.

**"The overall goal of Zalando's logistics operations is to optimise the user experience while ensuring efficient cost management."**

Marcus Daute  
Director of Logistics Products & Strategy





With the launch of ZEOS, Zalando goes one step further and is opening up its logistics infrastructure, software and service capabilities to be a key enabler for e-commerce transactions of brands and retailers, regardless of whether they take place on or off the Zalando platform. ZEOS helps brands with their omnichannel business operations.<sup>9</sup> Thus, brands have one centralised system to manage their sales via multiple channels, such as their own online shop or other European online shopping platforms. More details on the logistics solutions offered can be found in Box 1.

The size of Zalando's network is one of the key reasons for businesses to use Zalando's logistic solutions. Brands selling on the Zalando platform can reach about 50 million active users in 25 European countries. Moreover, all partners benefit from Zalando's well-established logistic network across Europe, covering 12 fulfilment centres with two further centres under construction and around 20 return centres.<sup>10</sup> Thus, all customers can be reached comparatively quickly, resulting in shorter delivery times – an aspect that is becoming increasingly important for customers and is a key differentiator to other companies. Through its size and partnerships with last-mile carriers, the company can also balance out fluctuations of orders between brands.

Its adaptation to local standards differentiates Zalando from competitors. Although companies might identify Europe as one single market, customers' expectations concerning payment methods, delivery options, and return services differ widely between countries.

An example is provided by Marcus Daute, Director of Logistics Product & Strategy at Zalando: "Scandinavian customers prefer to pick up their deliveries at a pickup station, whereas Italian customers prefer packages to be delivered to their doorstep". These national specifics are incorporated into Zalando's logistics network, making it highly valuable for partners and one of Zalando's biggest assets.

**"Scandinavian customers prefer to pick up their deliveries at a pickup station, whereas Italian customers prefer packages to be delivered to their doorstep."**

**Marcus Daute**  
Director of Logistics Products & Strategy

9. Omnichannel business operations describe business operations that are spread across different selling channels. This may include a company's own website, fashion retailer platforms like Zalando, and other retailers and wholesalers.

10. Zalando, [Zalando Logistics | Zalando Corporate, 2024](#).



# Logistic solutions offered by Zalando

There are several modules concerning logistics available for Zalando partners: Zalando Shipping Solutions (ZSS), Zalando Fulfilment Solutions (ZFS), Zalando Return Solutions (ZRS). Moreover, with ZEOS Zalando offers multi-channel fulfilment.

In the ZSS, the brand receives the order purchased by the customer online.<sup>11</sup> It gets all the data, labels, and documents, and prepares the parcel which will then be delivered to the Zalando outbound sorting centre. From here on, Zalando sorts and ships the parcels, using its last-mile carrier network.

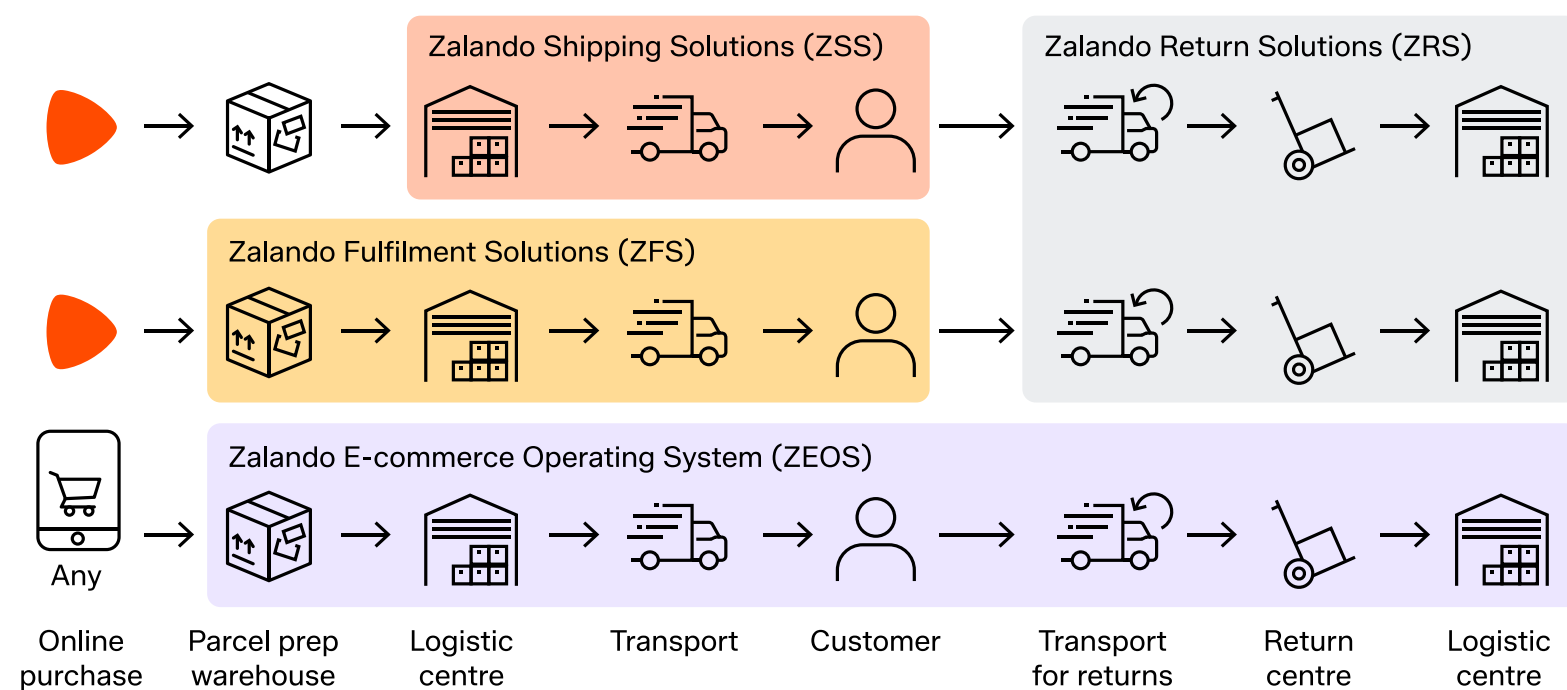
If ZFS is used, the products are sent to the Zalando logistics centre first. Once the customer places the order, Zalando prepares and packs the parcel before it is then sent to the customer via the Zalando logistics network. With this option, multi-brand purchases made can be delivered in one parcel.

ZRS is a service for managing returns.<sup>12</sup> Customers can return all articles in one box to Zalando. After receiving them and organising the reimbursement, Zalando sends the articles back to a Zalando fulfilment centre, where they are stored until they are ordered again.

The order will then be processed by Zalando. To optimise the return process, Zalando operates a system of specialised return centres that are close to the sales market spread across Europe.

ZEOS is a new operating system to manage multi-channel business operations across Europe.<sup>13</sup> The service typically involves brands shipping their stock to one of Zalando's 12 logistics centres, with Zalando managing the rest of the process including packaging, delivery, and returns. Most importantly, this service is extended to other purchases made via other platforms than Zalando. Thus, brands can use one service to manage their sales via multiple channels including the brand's own online shop or other European online shopping platforms.

Figure 2: Logistic Solutions



11. Zalando, Zalando: Zalando Shipping Solutions | Zalando Corporate, 2024.  
 12. Zalando, Zalando: Zalando Return Solutions | Zalando Corporate, 2024.  
 13. Zalando, Zalando: Productizing Zalando's Capabilities: Introducing ZEOS | Zalando Corporate, 2024.



Another core area of Zalando's business model is tech – a cross-cutting matter, enabling all business operations and driving differentiation. Tech is essential to the company, covering the Zalando App and Website to payment processes; managing and optimising the logistic network; and providing services to partners, such as brands. Moreover, the company constantly develops innovative tech products that differentiate it from competitors, such as Size & Fit (see case study "Size and fit" in Box 4). Clearly, "Tech is part of the DNA of Zalando" as Andrew Watts, Senior Vice President Product Management, puts it.

More than 3,000 tech experts and six tech hubs operated by Zalando, and spread across Europe, support Zalando's business model with fast innovation. According to Andrew Watts, "The tech hubs are located where talent is concentrated". Although there is no clear-cut differentiation between tech hubs content-wise, some tech hubs are more specialised than others. ZEOS, for example, is mostly maintained and developed by the tech hub in Stockholm.

**"The tech hubs are located where talent is concentrated."**

Andrew Watts  
Senior Vice President Product Management

Figure 3: Zalando tech hubs





In terms of logistics, tech helps with inventory allocation and transport routes. Algorithms are, for example, used to identify the optimal fulfilment centre to deliver an item to. Addressing this, Christian Bierwirth, Director of Product Management at Zalando states: "We aim to predict demand for specific products across Europe to keep transport distances as short as possible. To do so, we leverage several aspects and methods such as machine learning, pattern recognition, forecasts, and campaigns running on the Zalando shop". Notably, the larger the basket size, the harder it gets to optimise transport routes and distances – especially if all items ordered are supposed to arrive at the customer in one single package. Yet, keeping transport to a minimum and aiming to send all items in one package reduces costs for Zalando as well as the environment. Besides emissions, waste is reduced since items are not additionally packaged for transport between fulfilment centres. Tech also plays a key role in warehouse management, supporting local staff and increasing efficiency. Thus, for example, tasks in the logistics centre are optimised to reduce walking distances and increase efficiency.

Tech improves the user experience for customers engaging with the Zalando platform. Zalando's goal is to successfully bring inspiration, entertainment, and e-commerce together. This includes inspiration elements such as Stories on Zalando, personalised outfit recommendations or an AI-powered assistant that can understand complex queries and offer matching products. Moreover, a presentation of currently sought after items in 10 European fashion capitals enables customers to stay up to date about what's trending.

Size & Fit is another example of a service offered and developed by Zalando to help customers order correct sizes – a major challenge in the fashion industry.

The products developed by Zalando's tech team generate valuable insights for brands – an aspect the company leverages for its B2B business. The findings generated are utilised in platform portals and tools offered by Zalando, including, for example, zDirect, a portal that provides partners with data and tooling<sup>14</sup> to support them with article creation whenever new articles are put on the platform; performance overview including sales insights; and further platform services. Moreover, Zalando offers marketing services (ZMS).

**"The overall goal of Zalando's logistics operations is to optimise the user experience while ensuring efficient cost management."**

**Marcus Daute**  
Director of Logistics Products & Strategy

<sup>14</sup>. Zalando, [Zalando: zDirect: Zalando's Partner Program portal](#) | Zalando Corporate, 2024.



# Estimating Zalando's economic impact

03

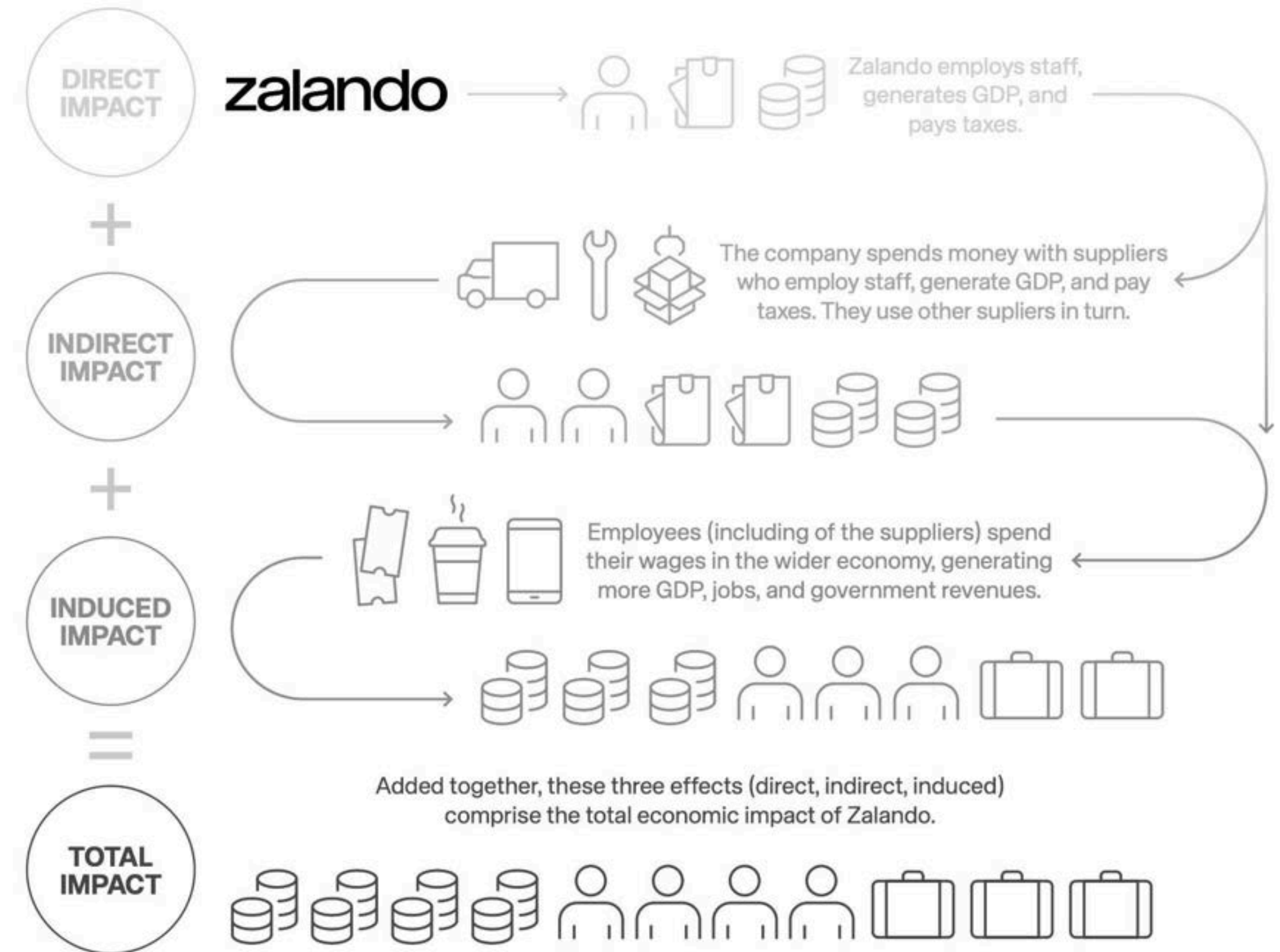
We assess the economic impact of Zalando's global operations on the European economy using a standard analytical framework, known as an economic impact assessment. This involves quantifying the three economic impact channels, namely the direct, indirect (supply chain), and induced (wage expenditure) channels (Figure 4):

The direct impact relates to the operations at Zalando's sites across Europe. It encompasses the economic activity and employment generated by Zalando at these locations and includes subsidiaries controlled by Zalando in the respective region or country.

The indirect impact is the economic activity and employment sustained in Zalando's supply chain via the company's spending on goods and services produced in Europe, including demands for goods and services from Europe through Zalando's worldwide operations.

The induced impact comprises the wider economic benefits that arise from the payment of wages by Zalando and the businesses in Zalando's supply chain. Europe-based employees who receive wages spend their earnings in the consumer economy, stimulating further economic activity and jobs.

Figure 4: Channels of impact





The three channels of impact combined make up Zalando's total economic impact. We measured these impacts with two metrics:

**Gross value added (GVA)** contribution to GDP. This contribution to GDP includes EBITDA (profits before taxes) and the compensation of employees. The compensation of employees includes the sum of gross wages and salaries, social contributions, and other personnel costs. Since EBITDA was not available at the country level, it was estimated on each country's share of the cost of employment.

**Employment** – measured on a headcount basis for comparability to national statistics. This includes both employed and self-employed jobs.

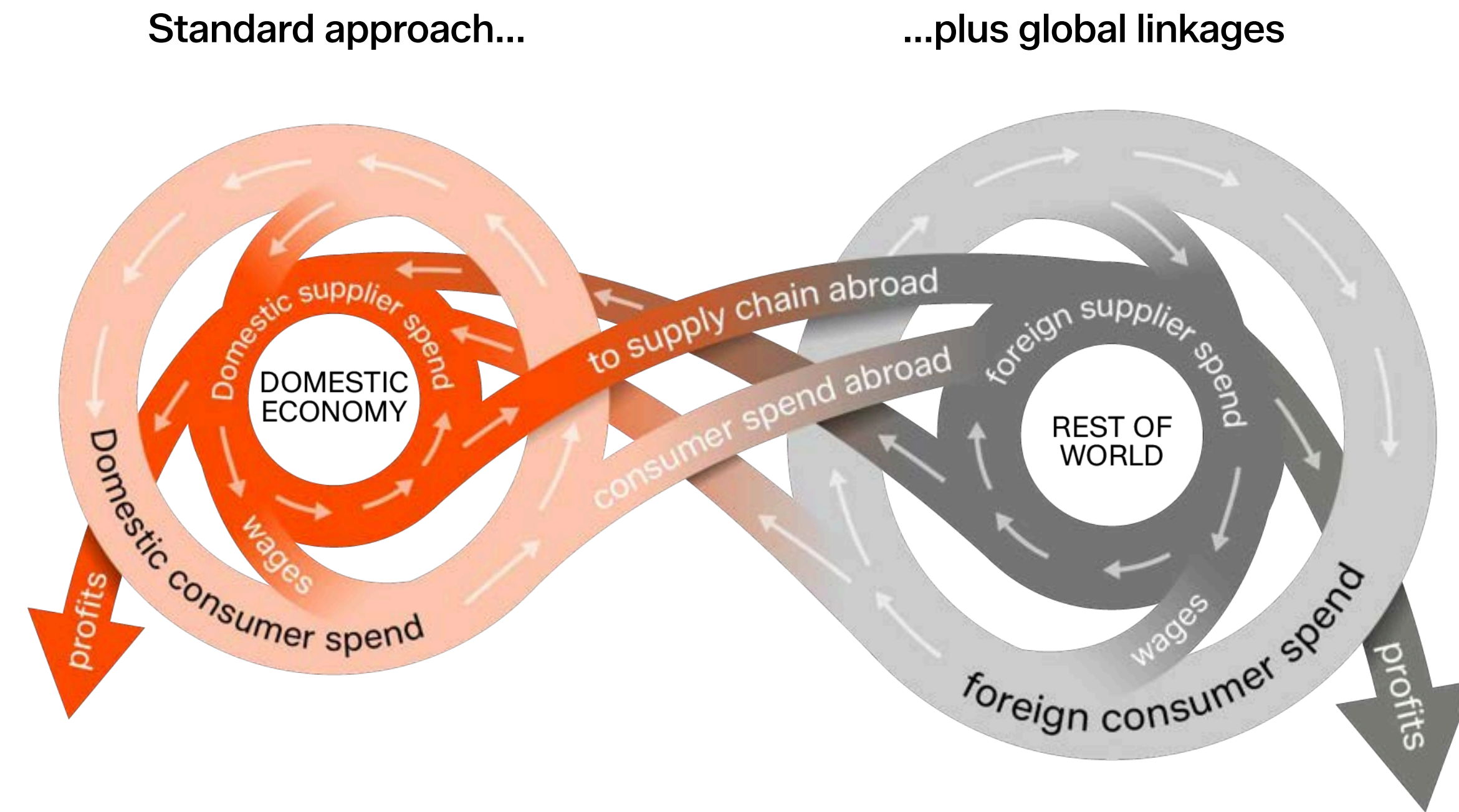
While most economic impact studies assess effects based only on spending that occurs within the countries of interest, this report goes further by assessing the impact of Zalando's global activities on the region analysed. Oxford Economics' bespoke Global Sustainability Model captures spending within countries and across their borders, allowing us to estimate the benefits to European countries from Zalando's global procurement and wage payments.

**We estimate Zalando's economic impact in 2023 on Europe overall, as well as Germany, and Erfurt – a city located in the centre of Germany.** Using Oxford Economics' Global Sustainability Model, we break down the company's contributions for each of these countries and regions.

To quantify local impacts in Erfurt, Oxford Economics created a bespoke model of the German economy, allowing us to pinpoint the economic activity stimulated by Zalando in local areas. For all analyses, the direct, indirect, and induced effect are estimated, capturing not only Zalando's direct contribution but also its impact through the supply chain and wages paid by Zalando and in the supply chain. During all steps of our analysis, we ensure consistency across regions.

A more detailed description of the methodology is available in Appendix 1.

Figure 5: Oxford Economics' Global Sustainability Model



# Zalando's economic impact in Europe

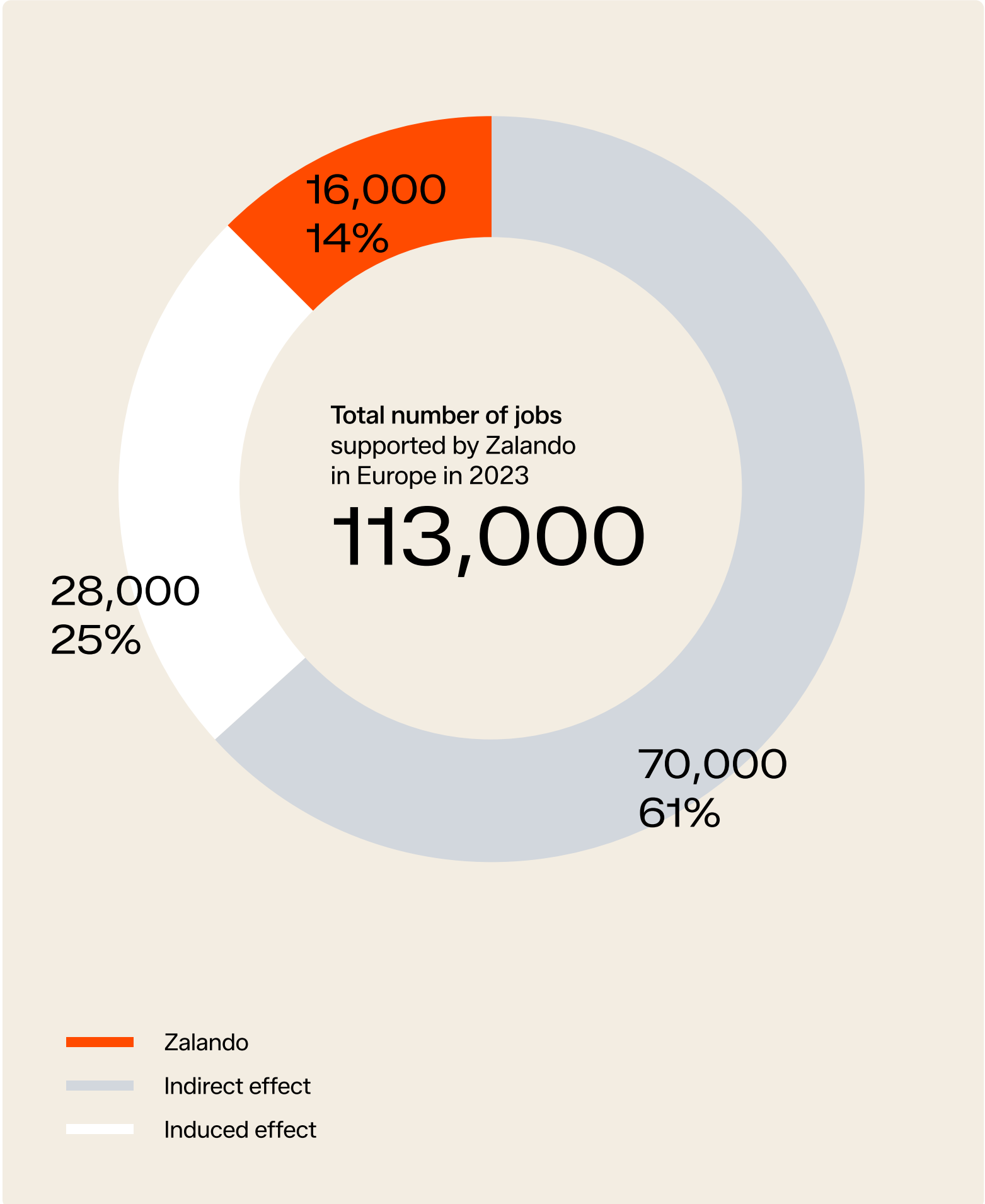
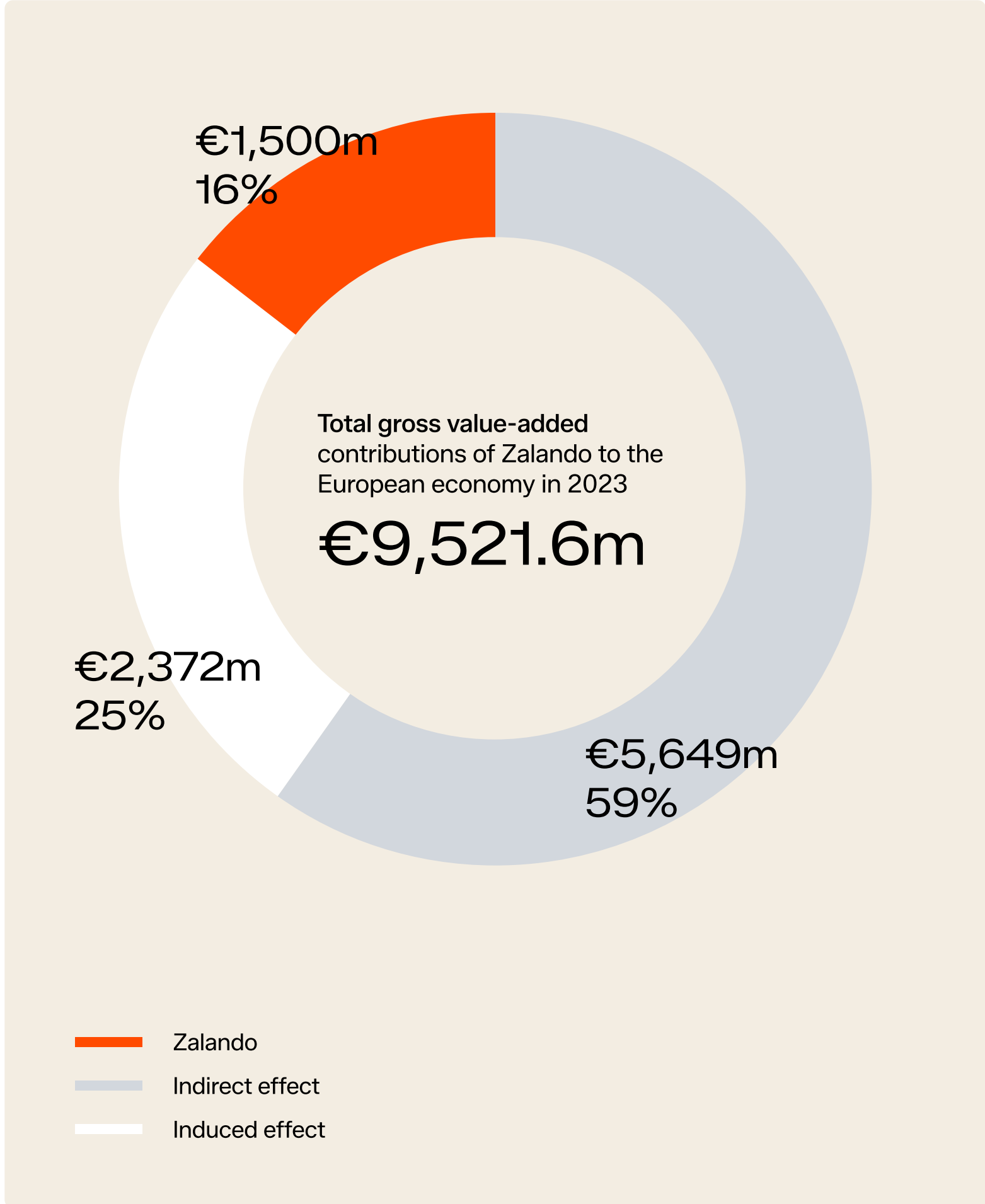
04



# The economic impact of Zalando in Europe

Note: Gross value added (GVA) comprises the added value created in the production process.

Zalando serves **25** European markets.



For every €1 gross value added by Zalando, a further **€5.3** gross value added were sustained somewhere else in the European economy.

Zalando procured products and services worth **€8,381m** from more than **5,300** suppliers spread across Europe.



Zalando generates important direct economic contributions in Europe through its on-site operations, including its logistic centres, tech hubs, and head offices (**direct impact**). However, Zalando's economic footprint extends well beyond its direct economic activity.

To supply customers with fashion and lifestyle products, and businesses with a range of services, Zalando buys a variety of inputs from third-party suppliers. This includes merchandise spending, such as fashion items, and non-merchandise spending covering logistics and marketing. These third-party suppliers will have their own suppliers, meaning that Zalando stimulates substantial economic activity along the whole of its European supply chain (**indirect impact**).

Employees of Zalando and those of its suppliers earn wages which are then partially spent in the consumer economy – for example, in restaurants – stimulating additional economic value throughout the European economy (**induced impact**).

In this section of the report, we describe Zalando's economic contributions in Europe across these three channels of impact, measured in terms of gross value added (GVA), and jobs.



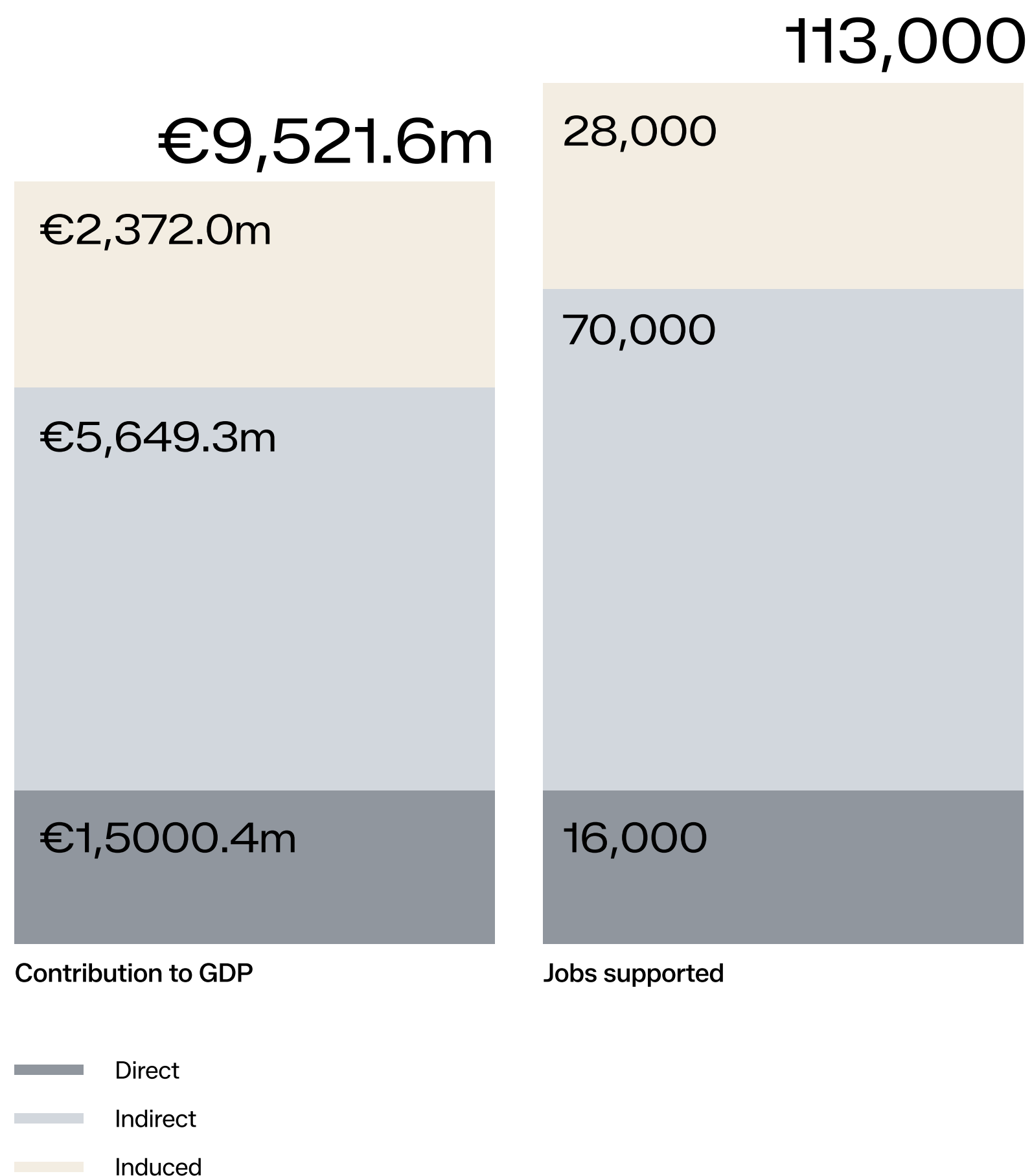




Across all three channels of impact, we estimate that Zalando supported a total contribution of €9,521.6 million to the GDP of European countries in 2023. To provide more context, this is almost a third of Cyprus' entire annual GDP in the same year.<sup>15</sup>

Figure 6: Zalando's total impact on the European Economy, by Metric and Channel, 2023

Source: Oxford Economics based on Zalando SE



Large shares of this total effect are driven by Zalando's supply chain and wages paid. As a platform that sells lifestyle and fashion products, the company's impact is largest through its supply chain. With a supported gross value added of €5,649.3 million, the indirect effect accounts for almost 59% of the company's total impact. The second largest contribution is caused by the wages paid by Zalando and its supply chain (induced effect). Here, the company supports €2,372 million gross value added accounting for a further 25% of the total impact. The remaining gross value added is contributed by Zalando's activities itself generating another €1,500.4 million in gross value added in Europe. This suggests that for every €1 in gross value added directly generated by Zalando, a further €5.3 is supported elsewhere in the European economy.

In addition, we estimate that Zalando supported 113,000 jobs in Europe in 2023, which was more than half of total employment in Iceland in 2023.<sup>16</sup> About 62% (70,000) of these jobs were supported through Zalando's supply chain alone pronouncing the importance of the company's procurement for its impact on the European economy. Another 24% (28,000) were supported through wages and salaries paid (induced effect) and 14% (16,000) were directly employed by Zalando.<sup>17</sup> In total, the job multiplier effect supported by Zalando is 7.2, meaning that 6.2 jobs were sustained in European countries for every job directly employed at the company.

15. Cyprus' GDP was €29,807 million in 2023. [Eurostat, Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/statistics-explained/index.php/Cyprus), 2024.

16. Employment in Iceland amounted to 196,000 in 2023. Eurostat, 2024, [Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/statistics-explained/index.php/Iceland).

17. Individual numbers do not add up to total due to rounding.

# Kazar – “Unlock” Europe with Zalando

Kazar is a Polish retailer of shoes and accessories, operating in the region since 1990. As a leading fashion brand, it seeks to inspire people to “celebrate life” through its products and experiences, with a vision of becoming a leading global supplier of elegant footwear.

Deciding in 2020 to work more actively towards this goal, Kazar began a forceful expansion focused (primarily) on opening more retail outlets. However, it encountered two issues: 1) it lacked the manpower and specialised knowledge for international expansion, and 2) deficiencies in its own logistics operations were blocking the path forward. Thus, Kazar realised it needed to adapt and focus its energies on expanding its online presence.

Which is where Zalando came into the picture. In 2021, Kazar decided to partner with Zalando as the company could serve as an incremental channel, and it gave Kazar access to millions of new customers. In particular, Zalando Partner and Zalando Logistics Solutions allowed Kazar to access the European market in the way it had envisioned, i.e., growing its online visibility and reach. After about two years, the company crossed a threshold of more than 200,000 orders placed since they joined Zalando.

Moreover, with 18% returning customers on average, Kazar exceeds the industry average of 10% notably.

The growth did not stop there. Since 2022, Kazar piloted the new ZEOS multi-channel fulfilment taking its business to new heights. Launched in October 2023, ZEOS supports brands in managing their e-commerce business acting as a kind of one-stop-shop for all operations. Kazar was one of the first retailers to join ZEOS and to great success. When Kazar heard of the fulfilment solution, the company immediately knew it wanted to utilise this new capability as ZEOS aligned with its goal of improving logistics and getting their products to customers faster. Radomir Kiepas, B2B Development Partner at Kazar Group stated: “The truth is that ZEOS’ offering is revolutionary. When we heard about the new multi-channel fulfilment solution, we knew we wanted to be a part of it and expand to new marketplaces. We have big ambitions for the upcoming years and are happy to see ZEOS’ roadmap matching them”.

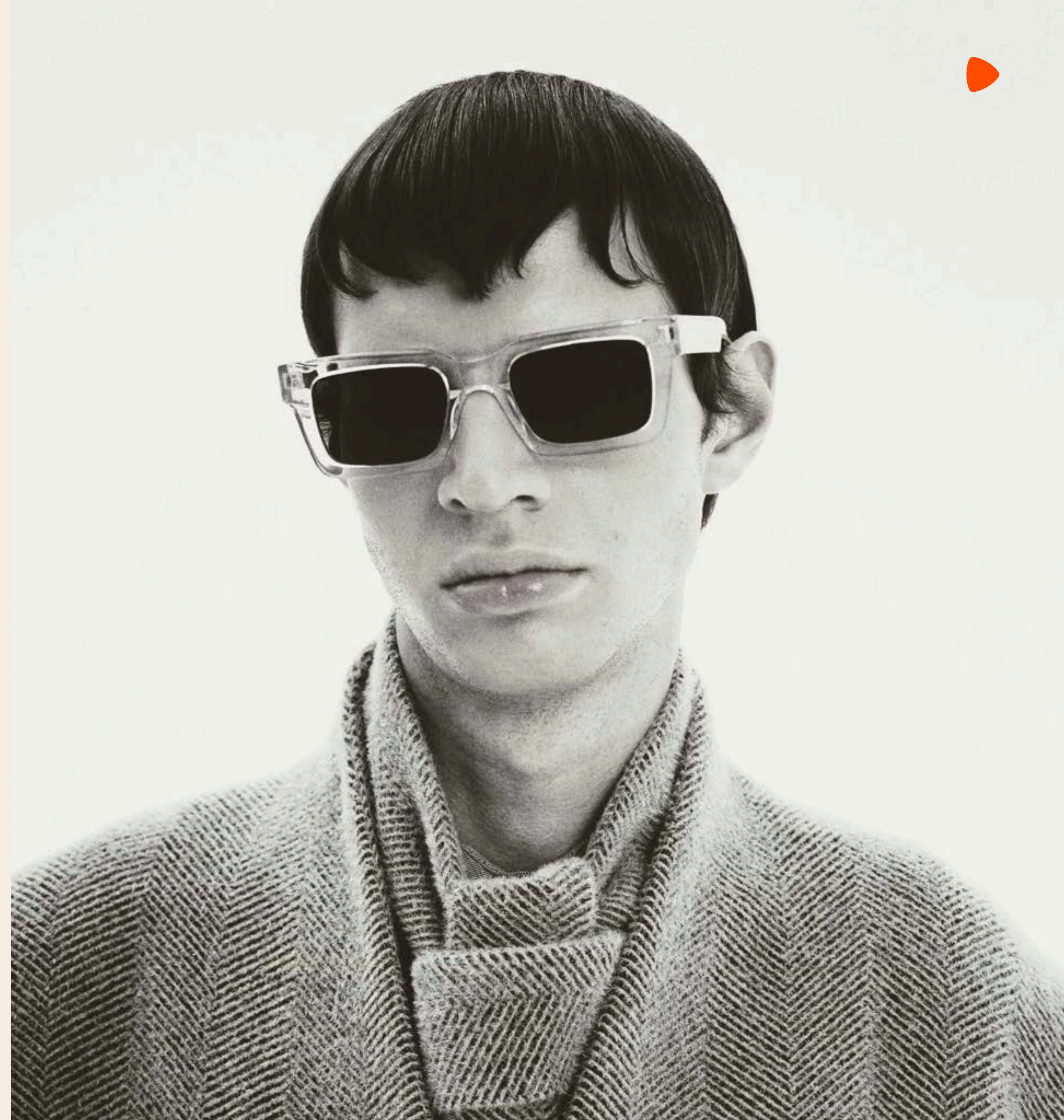
Within the first month of trading, Kazar increased its net merchandise value (NVM) by 148%. With ZEOS’ extensive network, Kazar deepened its understanding of the retail market in different locations, enabling it to expand to 22 countries and grow its assortment width by 88%. Its former operational Achilles’ heel was all but eliminated, as evidenced by Radomir Kiepas, stating: “We have enabled international warehousing, which allows us to ship from localised fulfilment centres, for example in Italy or Sweden. Before, the estimated delivery to the Netherlands was 3–5 days. Currently, our Dutch customers are getting their order the next day.”





Together with Rithum<sup>18</sup>, Kazar navigated the complexities of marketplace integration and increased its efficiency, allowing the company to focus on other parts of its business. Even as a smaller, local Polish brand, Kazar was able to cater its collections to different audiences in a hyper-localised way, thereby “unlocking” new parts of Europe and taking it a step closer towards its vision of becoming a leading global brand.

18. Rithum is an end-to-end e-commerce solution that Kazar has partnered with since 2020 for strategic advice.



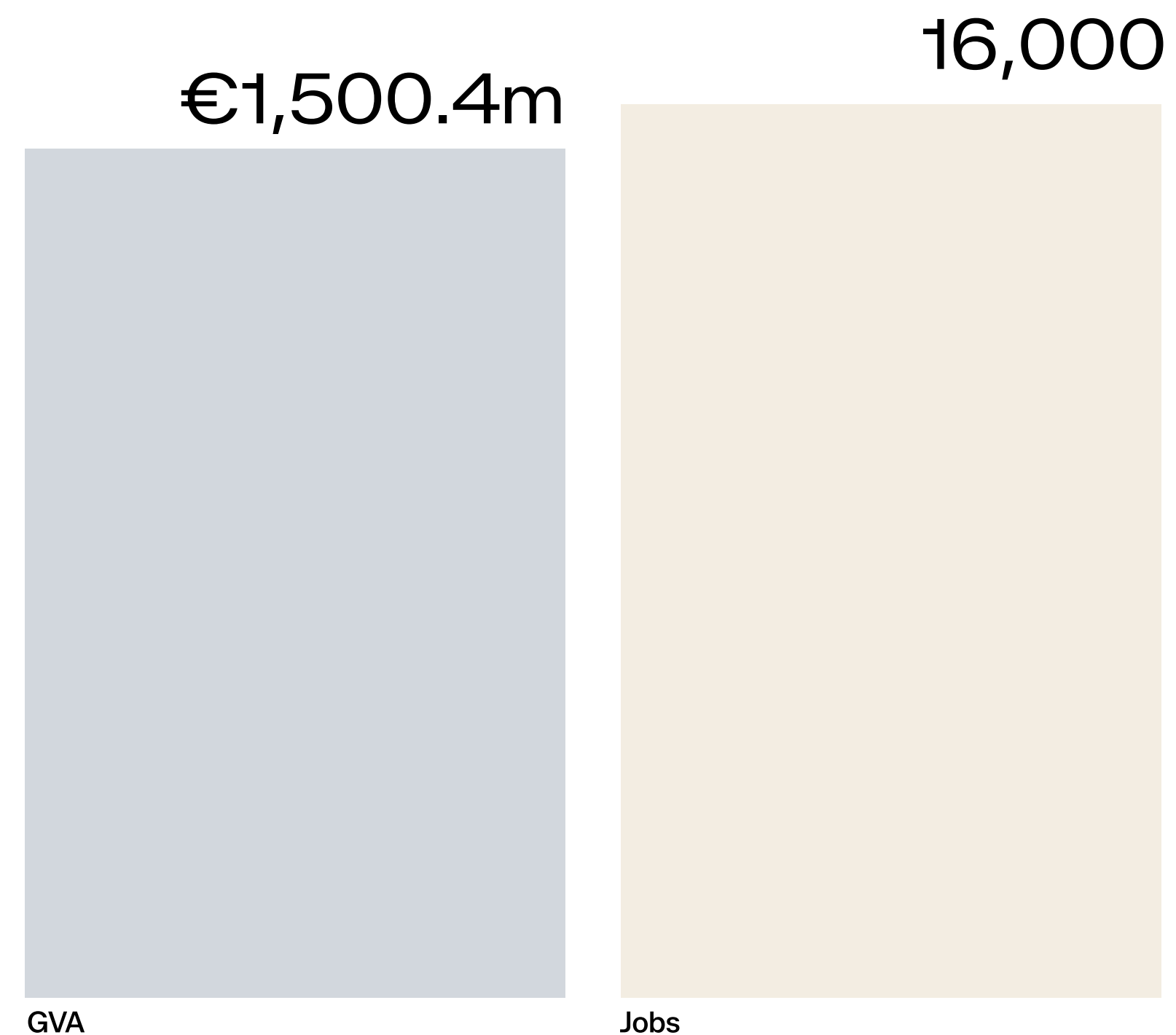


# 4.1 Direct impact

Zalando made substantial contributions to GDP and employment across countries in Europe through its own operations. In 2023, Zalando directly contributed €1,500.4 million in gross value added to GDP in Europe. To put this in context, this corresponds to 3% of the value added in the whole textiles industry (NACE code 13) in Europe in 2023.<sup>19</sup> The cost of employees accounted for €1,053.5 million, consisting of compensation of employees, social security contributions, and other personnel costs for company benefits such as sponsored gym membership. The remainder, €446.9 million, represents the profit before taxes (EBITDA).

Alongside its gross value added contribution, Zalando employed 16,000 jobs across Europe in 2023. With the company's headquarters and a large share of its own-site operations located in Germany, most of Zalando's workforce was employed in Germany (96% of Zalando's employees).

Figure 7: Zalando's direct impact on the European Economy, by metric, 2023  
Source: Oxford Economics based on Zalando SE



19. Gross value added of the textiles industry was €48.5 billion in 2023. Haver/Oxford Economics, 2024.



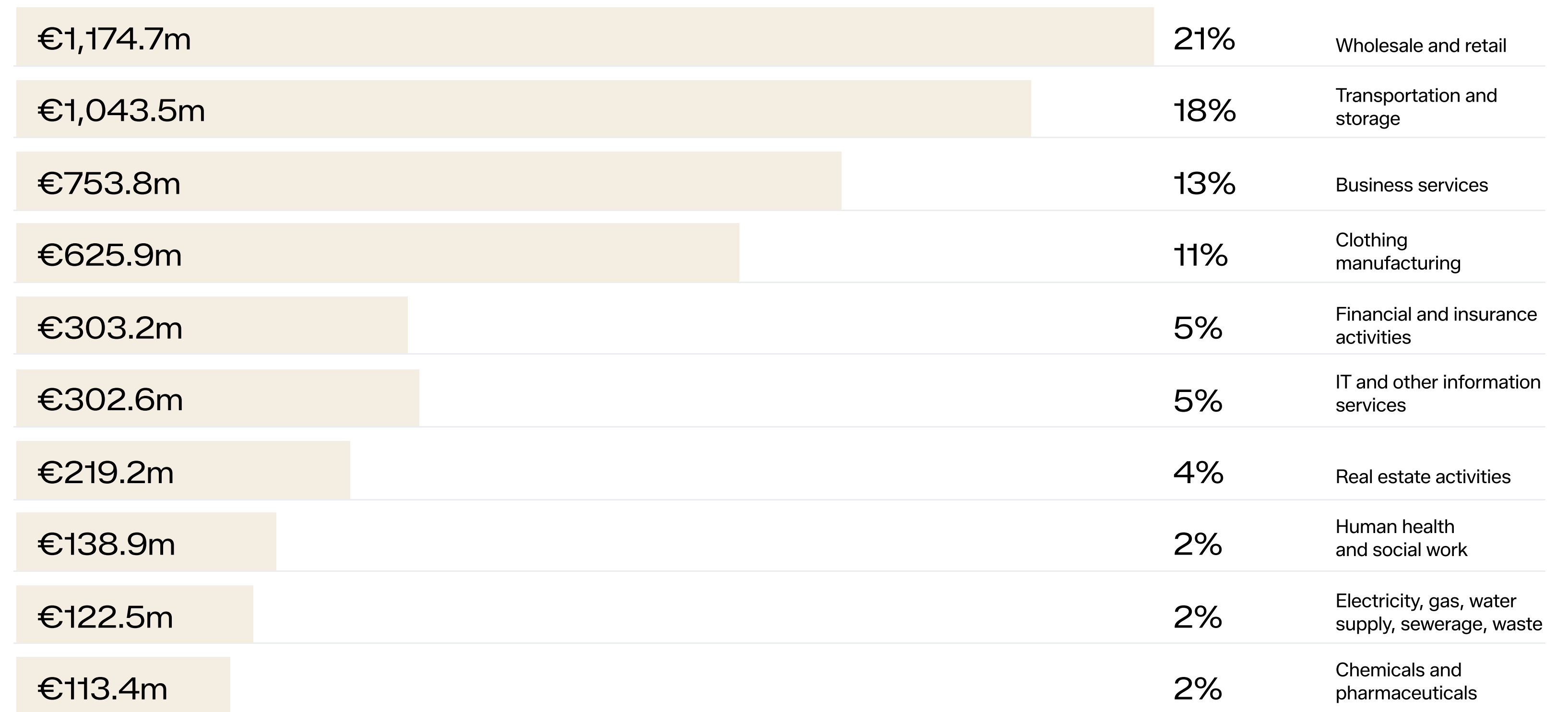
# 4.2 Indirect impact

For its operations, Zalando procures goods and services from suppliers in Europe and across the world. As Zalando's suppliers, in turn, procure goods and services themselves, the company stimulates economic activity throughout its entire supply chain. The gross value added and jobs supported through this channel are captured in the indirect impact.

Through this indirect channel of impact, we estimate that Zalando stimulated €5,649.3 million in gross value-added contributions to the GDP of European countries in 2023. Zalando's largest indirect contribution in terms of gross value added was related to wholesalers and retailers, with €1,174.7 million in gross value-added in this sector. Zalando also stimulated large gross value-added contributions across transportation and storage (€1,043.5 million) and business services (€753.8 million).

Figure 8: Zalando's indirect contribution to GVA in Europe, by sector, 2023

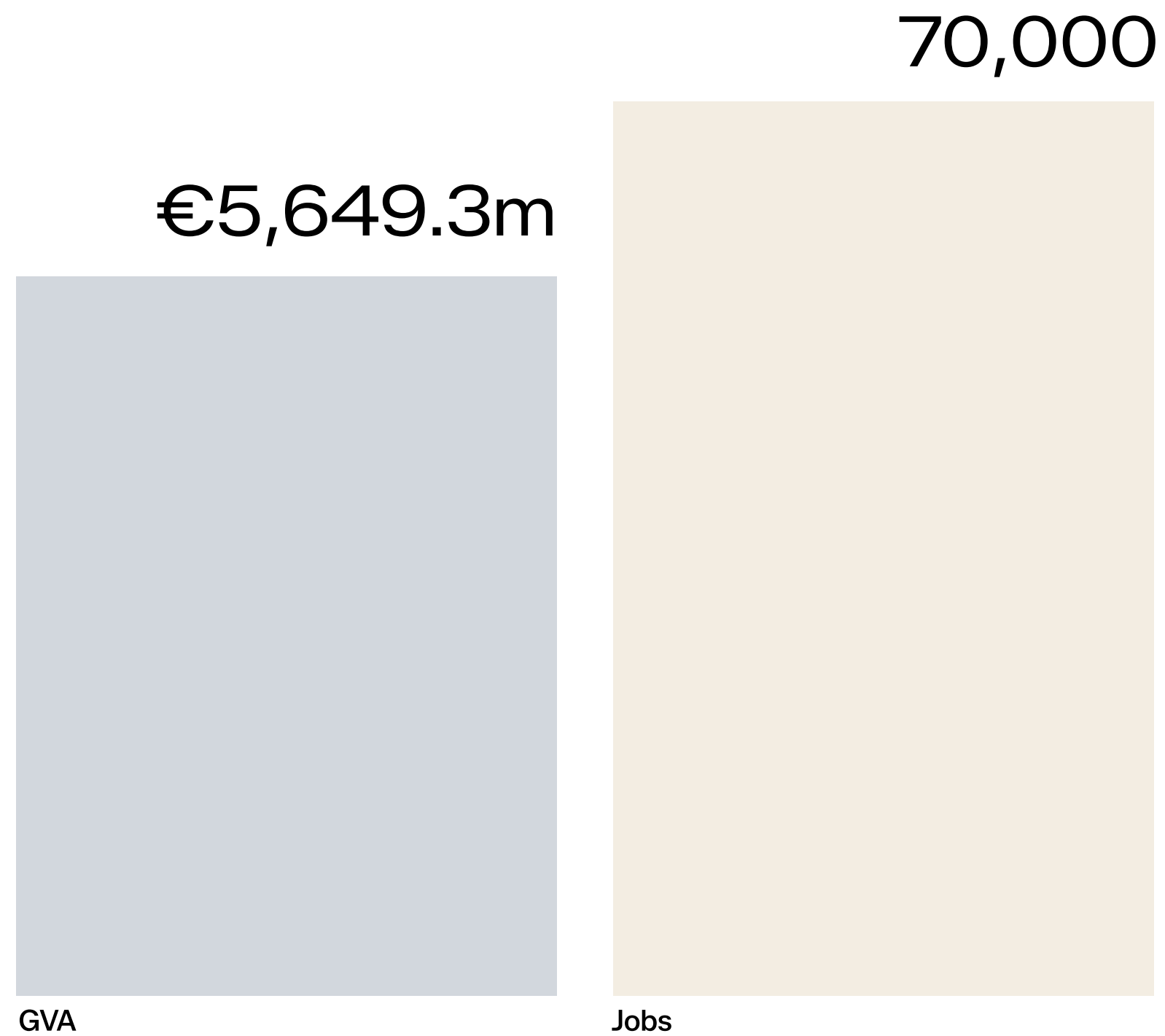
Source: Oxford Economics based on Zalando SE



Zalando's spending on goods and services sustained an estimated 70,000 jobs across Europe in 2023. Almost a quarter of these jobs were in the wholesale and retail sector (16,000 jobs), a further 14,000 jobs in transportation and storage (20% of the total indirect jobs), and 11,000 were jobs in clothing manufacturing (15%).

Figure 9: Zalando's indirect impact on the European economy, by metric, 2023

Source: Oxford Economics based on Zalando SE



# Zalando's procurement



To get a more detailed understanding of Zalando's economic impact in Europe, we analysed the indirect impact on a country level as well. This section therefore describes the procurement of Zalando first, highlighting the structure of its direct suppliers. Next, the estimated indirect impact is displayed for the top five European countries in terms of indirect impact induced by Zalando. In contrast to procurement, which describes how much Zalando procured from which supplier, the indirect impact by country entails the gross value added and jobs supported in the top five countries throughout Zalando's entire supply chain.

Zalando's indirect impact in Europe is based on its procurement of goods and services with third-party suppliers. In 2023, the company spent €8,380.7 million with more than 5,300 suppliers. Out of this total, Zalando spent the majority with companies in the wholesale and retail sector, amounting to €2,759.4 million on fashion and lifestyle products. A further €1,869 million was spent with clothing manufacturers such as Adidas, Giorgio Armani, and Calvin Klein, among others. Zalando also spent €1,860.4 million on transportation and storage with logistics companies.<sup>20</sup>

<sup>20</sup>. The procurement presented describes the sectors of companies that supply Zalando. To model the economic impact of Zalando, we have implemented a further step, attributing only the profit margin to the wholesale and retail sector. The remaining part is allocated to other sectors, such as clothing manufacturing where most of the gross value is added. Thus, clothing manufacturing is the largest supplying sector with €3,460 million procurement followed by transportation and storage (€1,860 million) and wholesale and retail (€1,120 million).

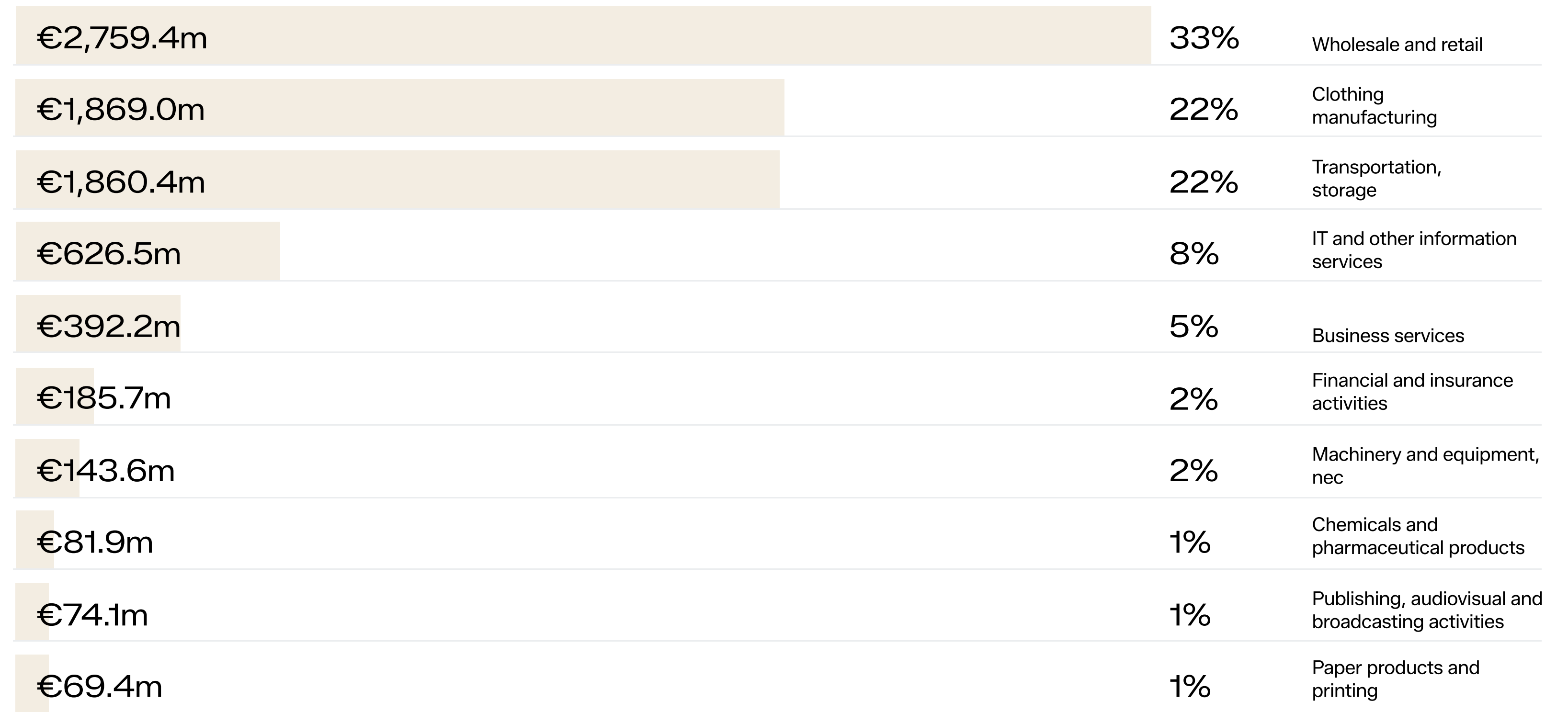


While the top two procurement sectors highlight Zalando's role as a fashion and lifestyle platform, the importance of transportation and storage demonstrates the role of logistics for Zalando. Similarly, the tech area is also in the top 10 supplying sectors, with IT and information services accounting for €626.5 million. Other procurement expenditures on, for example, business services or machinery and equipment, also support the three business areas of fashion, logistics, and tech.

Zalando's procurement consists of 57% merchandise and 43% non-merchandise expenditures. Merchandise spendings cover products sold on the Zalando platform, such as clothing. Non-merchandise expenditures cover all other products or services, such as logistics, marketing, or consulting costs. For merchandise products, wholesale and retail (€2,744.5 million), and clothing manufacturing (€1,867.8 million) constitute the largest sectors in terms of procurement spending. Ranking third are chemical and pharmaceutical products (€81.9 million), covering items like beauty products. Together, these sectors account for more than 97% of merchandise spending.

Figure 10: Zalando's procurement by ISIC Sector, 2023

Source: Oxford Economics based on Zalando SE



Note: The procurement presented describes the sectors of companies that supply Zalando. To model the economic impact of Zalando, we have implemented a further step, attributing only the profit margin to the wholesale and retail sectors. The remaining part is allocated to other sectors, such as clothing manufacturing where most of the gross value is added.

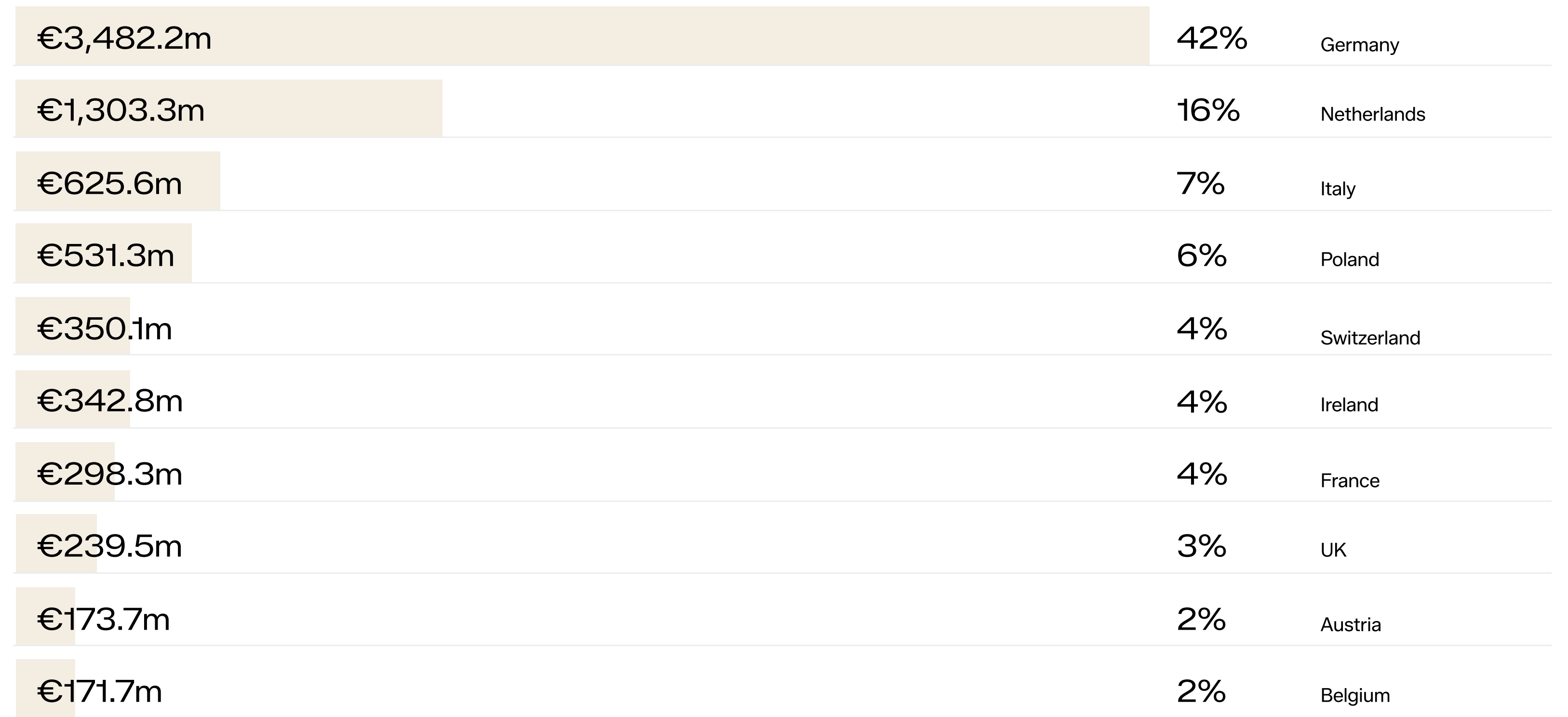
For non-merchandise expenditures, transportation and storage are the largest supplier sectors (€1,860.4 million). IT and other information services rank second (€617.8 million), including marketing and software services, and business services rank third (€360.6 million). Services concerning logistics, customer care, and personal management are part of this category. These top three sectors account for almost 80% of non-merchandise spending.

Representing more than 97%, almost all the procurement is within European countries. Overall, Zalando procures the largest share of its products from companies in its home country, Germany (42%). The companies located in the Netherlands account for 16% of procurement, followed by Italy with 7%. Other important suppliers hail from Poland, Switzerland, Ireland, and France – all contributing at least 4% to Zalando’s overall procurement.

Considering merchandise procurement only, the picture looks similar: 43% is spent with suppliers in Germany, 23% with suppliers in the Netherlands, and 8% with suppliers in Italy. Large shares of this can be attributed to wholesalers and retailers. For non-merchandise spending, Germany is the most important market for suppliers, accounting for 39% of all procurement. Ranking second, Polish suppliers contribute 12% to Zalando’s procurement, followed by Ireland with 9%.

Figure 11: Zalando’s procurement by country, 2023

Source: Oxford Economics based on Zalando SE





# Delivering speed and relevance in Sweden – connecting locally as a pan-European company

In recent years, customers' preference for faster delivery has increased. While this development is partly driven by e-commerce actors outside the fashion industry, there are fashion-specific aspects that foster this development. As Masood Choudhry, SVP Fulfilment at Zalando puts it: "Beyond the convenience of receiving something fast, for example, because an occasion is coming up, there's also the emotional side of it. If you are excited about something and then you must wait for a week to get it, the strong inspiration and emotion may have passed."

Since Zalando launched in Sweden in 2012, the country has emerged as one of the most important markets for Zalando, with a highly fashion-conscious customer base. To meet the increasing expectations around delivery speed and maintain local competitiveness, Zalando has launched 1–2 day delivery in the summer 2024. The goal of this was to significantly reduce delivery times and ensure that products are available faster than ever before. This strategy focused on identifying and prioritising a locally relevant product range, ensuring fast delivery of that assortment.

Zalando further improves the user experience through localisation and personalisation. The assortment presented to the customer highlights local brands, styles, and trends to present those items first, that are expected to be most relevant to the respective customer. From a business perspective, this increases the chances that customers will open the Zalando App first whenever they need a fashion or lifestyle product. Besides connecting with the customer through localisation, the company also differentiates itself from local competitors through broad reach. Furthermore, if the product is delivered fast, chances increase that the customer will press the purchase button.





“To make an informed decision on inventory trade-offs, we need to bring together both, a good sense of what’s important for the local customer in terms of assortment, style, and trends, and using our capabilities to make the product available for fast delivery in a way that considers these trade-offs from a European perspective.”

Fabio Baum  
General Manager Nordics & Benelux at Zalando





# Zalando's indirect impact in the top five European countries

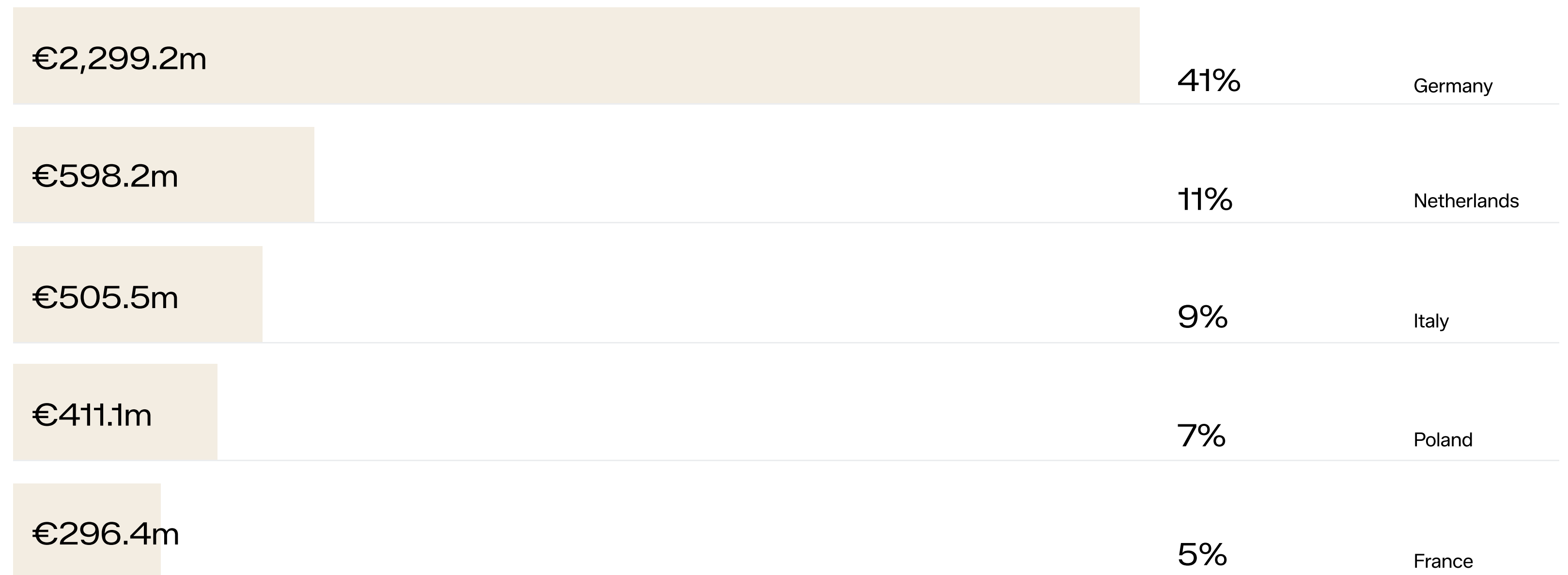


Through its supply chain, Zalando stimulates economic activity across all European countries. While procurement indicates the location of Zalando's supplier and the amount spent with the supplier, the indirect impact by country covers gross value added and employment along the whole supply chain.<sup>21</sup> If, for example, Zalando procures a t-shirt from a supplier in Germany that the supplier itself purchased from a manufacturer in France, the value-added in the production process is attributed to Zalando's indirect impact in France. In contrast, only the margin that Zalando's German supplier applies to the sale of that t-shirt affects Zalando's indirect effect in Germany.

With €2,299.2 million, Zalando stimulated the most gross value added through its supply chain in Germany, corresponding to 41% of the company's total indirect impact in Europe. Moreover, the company supported €598.2 million of gross value added in the Netherlands (11% of Zalando's indirect impact in Europe), €505.5 million in Italy (9%), and €411.1 million in Poland (7%). Ranking fifth, the company supported €296.4 million in gross value added in France (5% of the indirect impact in Europe). Almost three-quarters of Zalando's indirect impact on gross value added in Europe are stimulated in these top five countries.

Figure 11: Zalando's procurement by country, 2023

Source: Oxford Economics based on Zalando SE



21. Please note, the procurement presented in the previous chapter describes the sectors of companies that supply Zalando. The estimates of the company's indirect impact displayed in this chapter are based on procurement after attributing only the profit margin to the wholesale and retail sector. The remaining part is allocated to other sectors, such as clothing manufacturing where most of the gross value is added. For more details, see Appendix 1.

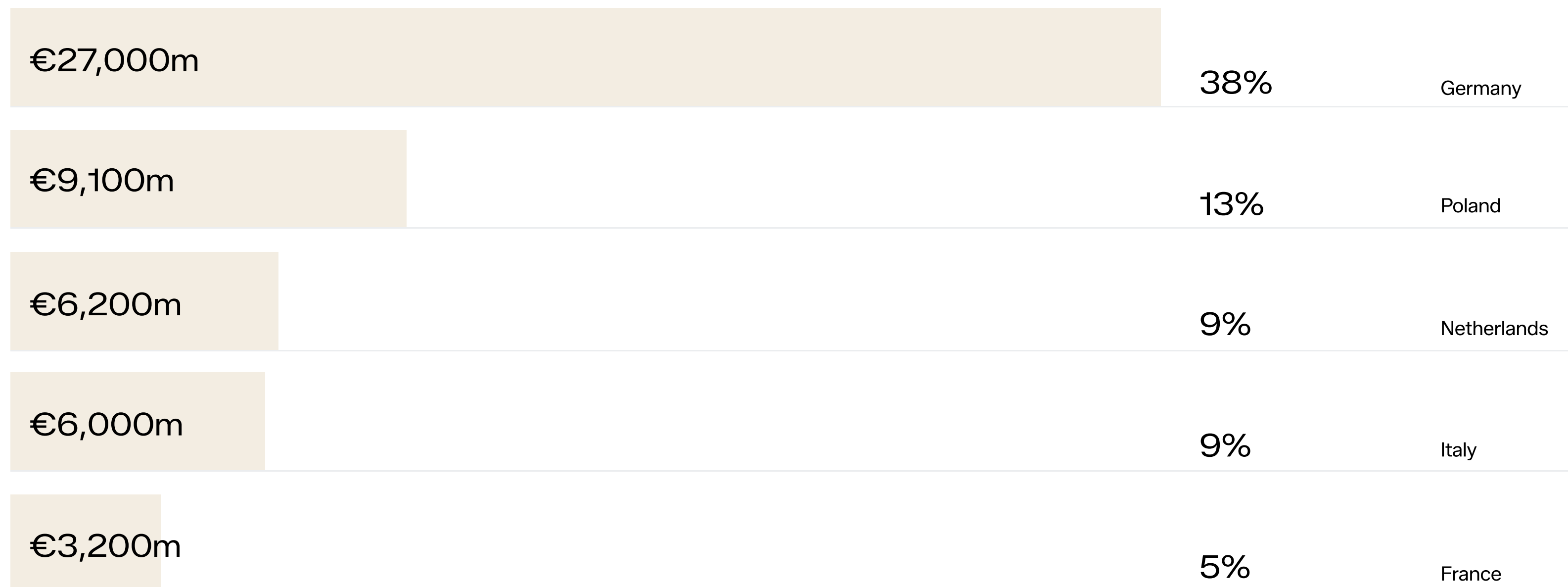


Similar to Zalando's indirect impact on gross value added, the company also supports employment across Europe through its supply chain. Again, at almost 27,000, most jobs in the supply chain are supported in Germany (38% of the indirect impact in Europe). With 9,100 jobs (13%), Poland ranks second. This demonstrated the country's importance for Zalando, especially in terms of logistics as four out of 12 fulfilment centres are in the country. In the Netherlands, Zalando supported around 6,200 jobs (9%) through its supply chain followed by Italy with 6,000 jobs (9%), and France with 3,200 jobs (5%).

Across the top five European countries, Zalando supported economic activity in various sectors. In Germany, 20% of Zalando's indirect impact (gross value added) was stimulated in the wholesale and retail sector, while 16% was stimulated in the transport sector. The wholesale and retail sector also ranked first in the Netherlands, but with a share of 51% (in terms of gross value added), the sectoral composition of the indirect impact was much more concentrated than in Germany. A similar story can be told in Poland, where the transport sector made up 42% of the indirect impact, confirming the role of Zalando's extensive logistics operations in the country. While transportation also ranked first in France, the sectoral composition was more evenly distributed, with the transport sector only representing 24% of the total. Lastly, Zalando stimulated economic activity in various sectors in Italy through its supply chain, with the clothing manufacturing sector ranked first, followed by the transport sector.

Figure 13: Zalando's indirect impact on employment across Europe, top five countries, 2023

Source: Oxford Economics based on Zalando SE



Zalando's impact in Europe and in individual European countries demonstrates how the company's platform business model supports economic impact not only in its home country Germany, but across the continent. While the company handles most of its operations for the European market within Germany (see Chapter 5), Zalando's supply chain spreads wide across Europe. Thus, although the direct impact of the company may be lower in other countries, Zalando still stimulates significant economic activity in these countries through its supply chain.

High multipliers in these countries confirm this hypothesis: In France, for example, for every €1 in gross value added generated by Zalando directly, a further €192 contribution to France's GDP is stimulated elsewhere in the French economy. Considering jobs, the multiplier in France was 654 in 2023, meaning that the company supported an additional 653 jobs for every person directly employed by Zalando.



# 4.3 Induced impact



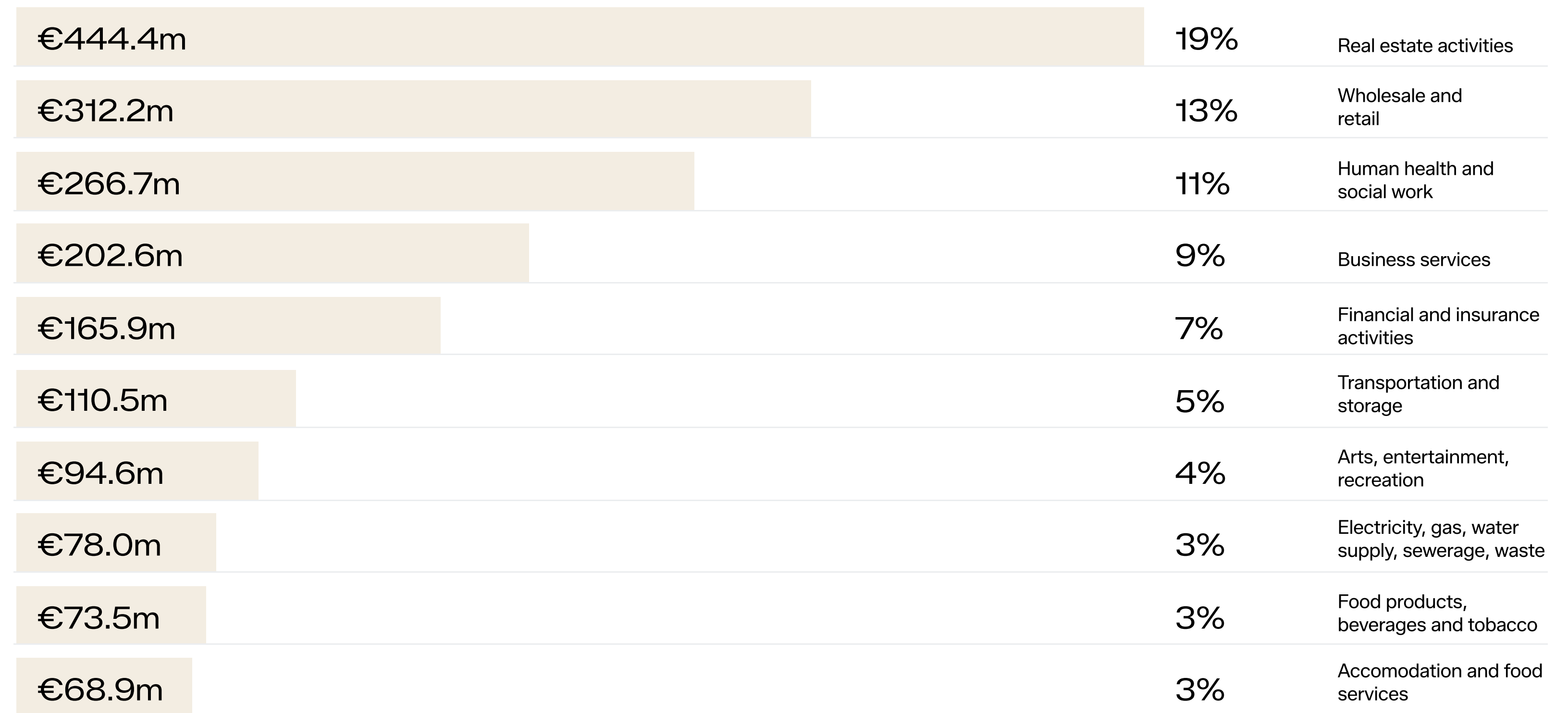
In 2023, Zalando paid its Europe-based employees an estimated €884.3 million in wages and salaries.<sup>22</sup> A proportion of these wages, along with the wages and salaries paid to those employed in its supply chain, are spent in the consumer economy, creating further economic activity in the global economy.

We estimate that Zalando supported €2,372 million in GDP in Europe through wage-funded consumption spending in 2023. Of this, about 26% was supported by wage-funded spending of Zalando's own employees (€668 million), with the remaining 74% being supported by the wage-funded consumption spending of employees working in Zalando's supply chains (€1,897 million). Most of this impact was concentrated in typical consumer sectors of the economy, such as real estate (€444.4 million), wholesale and retail (€312.2 million), and human health and social work (€266.7 million).

22. Includes only compensation of employees. Other cost of employment like social security contributions and other personnel cost are not included.

Figure 14: Zalando's induced contribution to GDP in Europe, by sector, 2023

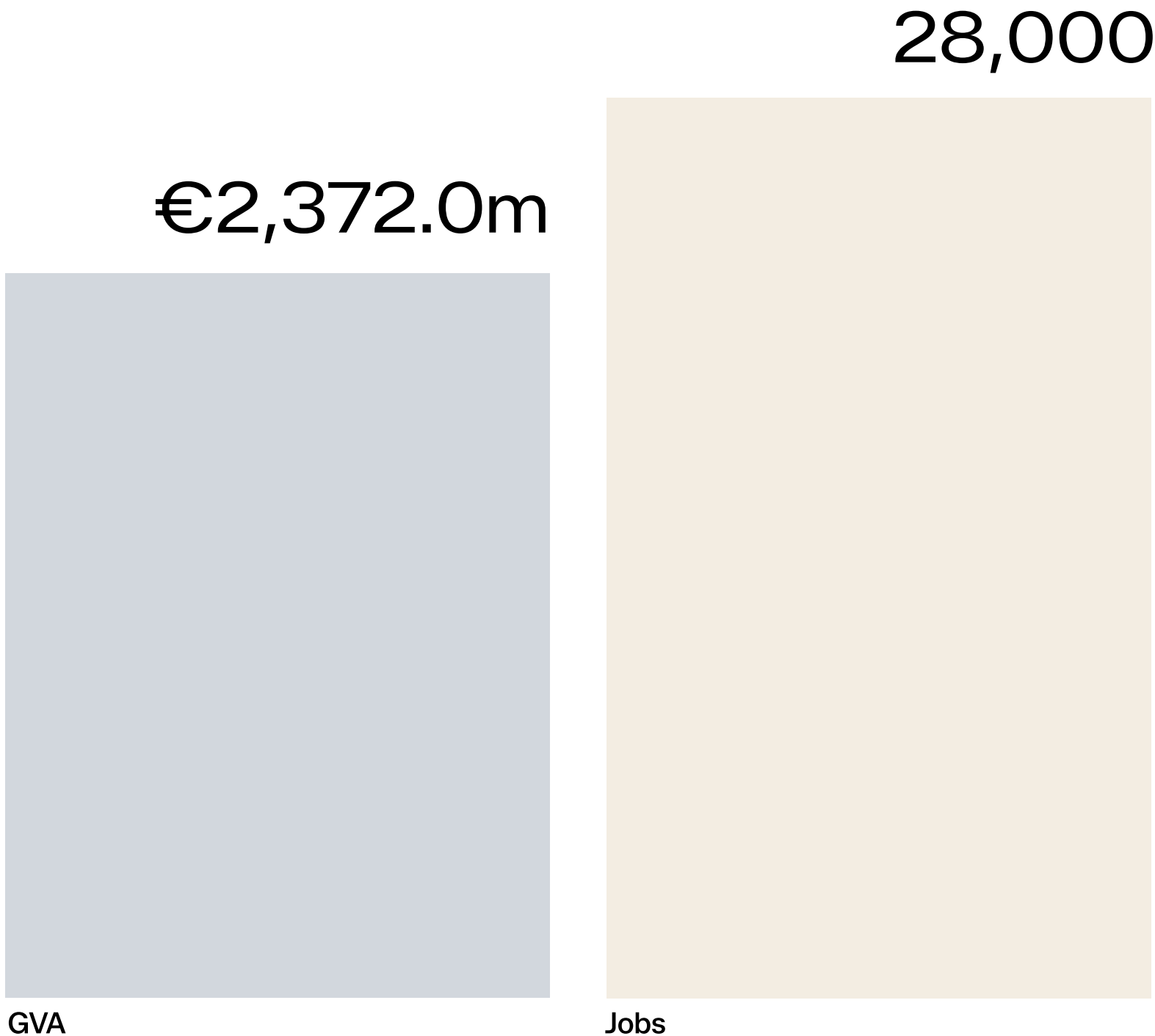
Source: Oxford Economics based on Zalando SE



Wage-funded consumption expenditure by Zalando employees and those working in its supply chain is estimated to have supported 28,000 jobs across Europe in 2023. These jobs were mainly in the healthcare and social services sector, wholesale and retail, and business services with 5,500, 5,000, and 2,500 jobs supported, respectively.



Figure 15: Zalando's induced impact on the European economy, by metric, 2023  
Source: Oxford Economics based on Zalando SE





# Zalando's economic impact in Germany

05

# The economic impact of Zalando in Germany and Erfurt

Note: Gross value added (GVA) comprises the added value created in the production process.

## Germany



— GVA €4,807.6m total  
 — €1,410.4m direct

For every €1 gross value added by Zalando, a further €2.4 were sustained somewhere else in the German economy.



— Jobs: 53,000 total  
 — 15,000 direct

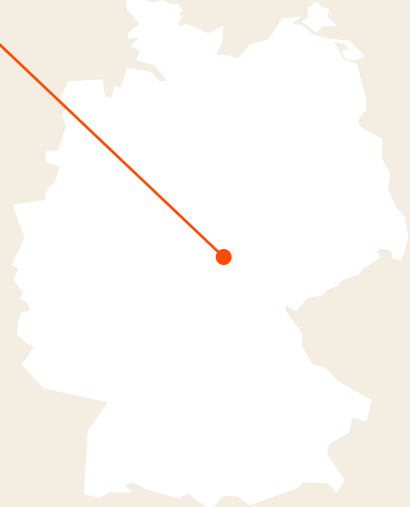
For every 1 person directly employed by Zalando, a further 2.5 jobs were supported somewhere else in the German economy.



— Tax: €1,328.5m total  
 — €205.4m direct

In addition to the taxes directly paid by Zalando, the company collected €423.6 million in value-added taxes for the German treasury.

## Erfurt



Erfurt is home to Zalando's first own large-scale logistics centre and plays a key role due to its central location in Europe.



— GVA: €144.0m total  
 — €119.5m direct



— Jobs: 2,460 total  
 — 2,200 direct

About 2,200 employees from more than 70 nationalities contribute to Zalando's economic impact in Erfurt.



With sites in 12 European countries, the economic benefits supported by Zalando spread wide and large across Europe. Yet, as discussed in the previous chapter, much of Zalando's operations take place in Germany as the company is based in Germany. This includes its headquarters in Berlin, one tech hub in Dortmund, three fulfilment centres operated by Zalando in Erfurt, Mönchengladbach, and Lahr, as well as 15 Zalando outlet stores spread across Germany. These operations enable Zalando to mainly serve German customers. Therefore, this section of the report assesses how Zalando supports the German economy, describing the company's total economic impact (direct, indirect, and induced) measured in terms of contributions to GDP, employment, and tax revenues.

**Through its activities, Zalando creates a direct economic impact in Germany.** Moreover, Zalando procures products and services from more than 2,000 Germany-based suppliers, causing a further indirect economic impact in the country. Lastly, Zalando and companies in its supply chain pay wages that are partly spent on the consumer economy in Germany stimulating an induced economic impact.







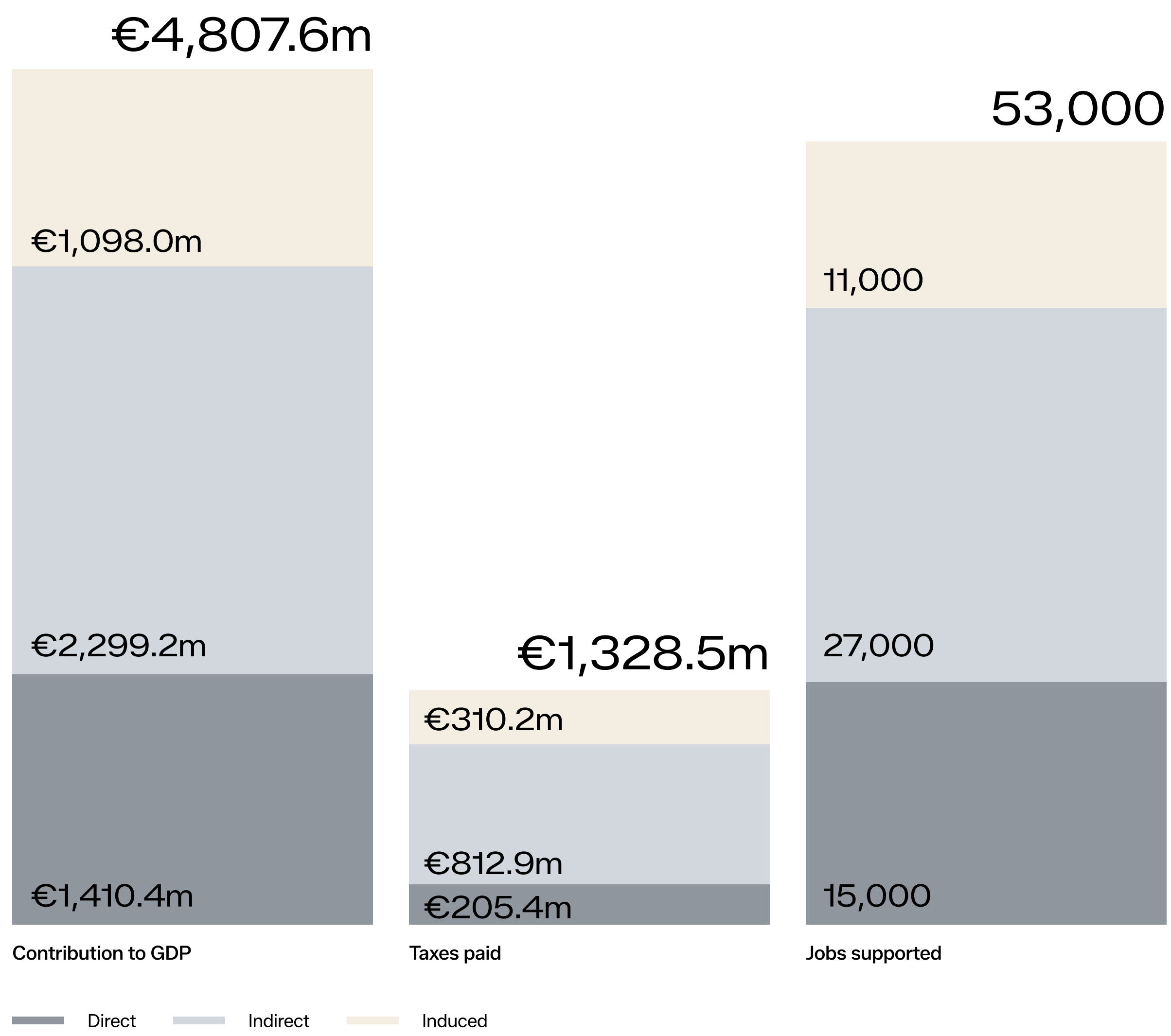
Through all three channels of impact, we estimate that Zalando supported a total gross value-added contribution of €4,807.6 million to Germany's GDP in 2023 – equivalent to almost 3% of the size of Berlin's GDP in 2022.<sup>23</sup> Of this contribution, 29% or €1,410.4 million was generated by Zalando's directly. Through its supply chain, the company supported another €2,299.2 million in gross value added, corresponding to 48% of the total impact. With €1,098 million, the remaining 23% was stimulated through wage-funded consumption spending of Zalando's Germany-based employees and those of its German suppliers. This implies that for every €1 in gross value added generated by Zalando, a further €2.4 contribution to Germany's GDP is stimulated elsewhere in the country's economy.

Besides the gross value added, Zalando supported more than 53,000 jobs in Germany in 2023 – equivalent to 18% of employment in Trier in 2023.<sup>24</sup> About 15,000 of these jobs can be attributed to Zalando directly. The company supported a further 27,000 and 11,000 jobs through indirect and induced channels. Consequently, Zalando's jobs multiplier in Germany was 3.5 in 2023, meaning that the company supported an additional 2.5 jobs for every person directly employed by Zalando.

In terms of fiscal impacts, we estimate that Zalando stimulated a contribution of €1,328.5 million to Germany's government revenues in 2023. This included the tax revenues directly contributed made by Zalando directly (€205.4 million), those stimulated through its supply chain (€812.9 million), and via wage-financed spending in the consumer economy (€310.2 million).

Figure 16: Zalando's total impact on Germany's economy, by metric and channel, 2023

Source: Oxford Economics based on Zalando SE



23. Berlin's GDP was €180,289 million in 2022. Eurostat, Statistics | Eurostat (europa.eu), 2024.

24. Employment in Trier was 287,200 in 2023. Eurostat, Statistics | Eurostat (europa.eu), 2024.



# Size & Fit – tackling a major challenge for the fashion industry

In most countries, clothing constitutes the number one category of online purchases being returned. Thus, returns pose a significant challenge to the fashion industry in terms of cost, logistics, and environmental impact.

A major reason for returns in the fashion industry is inconsistencies in sizing across brands. Thus, some customers order an item in several sizes to try all of them on at home, and then they only keep the one that fits best. All other items are returned. However, finding the right sizing constitutes a challenge to the fashion industry beyond online retail as Pelin Anli Bedirhanoglu, Director Product Size & Fit at Zalando states: “The fashion holy grail is how do you match customers to assortment given the complexity of sizing systems – this problem exists both offline and online.”

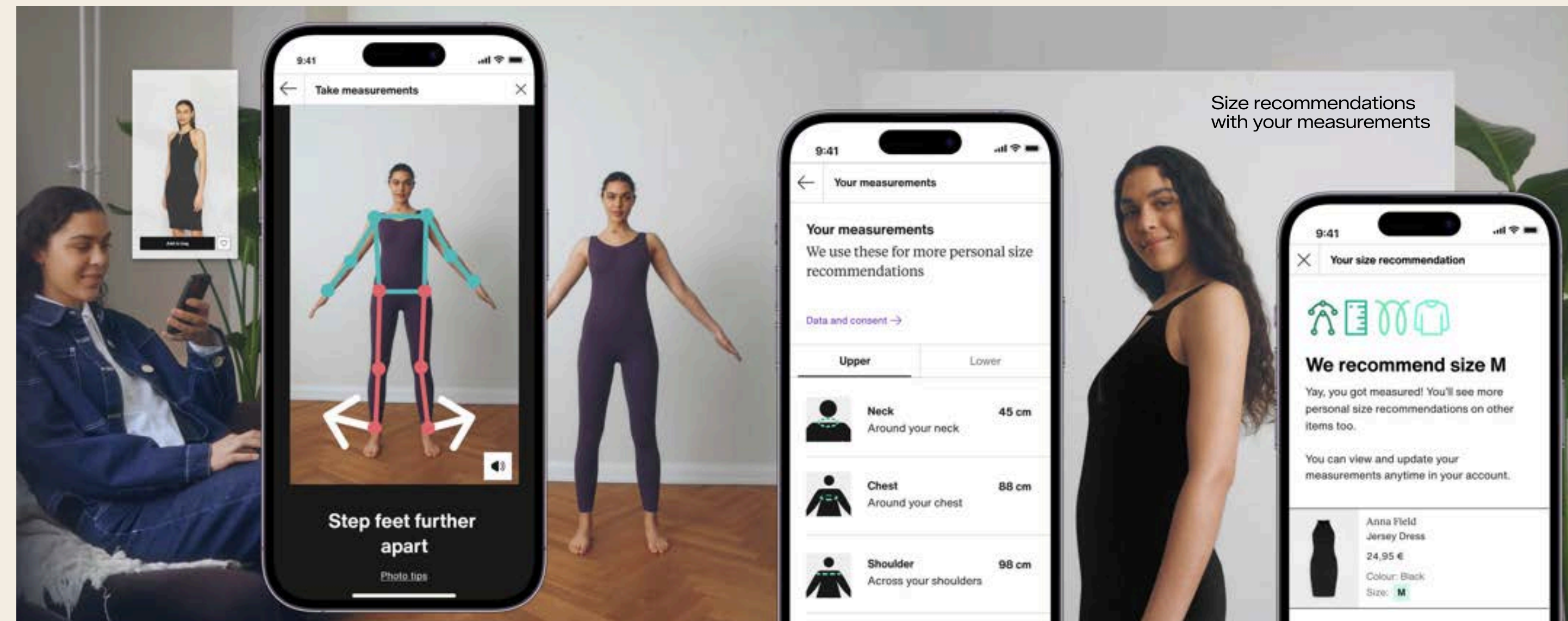
To address this, Zalando developed a continuously evolving product: **Size & Fit**. The goal is to provide reliable size advice at scale. Although already available, Size & Fit is continuously being

improved upon by a team of around 50 tech experts using artificial intelligence, machine learning, computer vision, deep learning, and statistical analysis. Today, roughly 60% of items sold on the Zalando platform come with some form of size advice.

Size & Fit uses customer’s unique body measurements based on a front and a side body image taken with a mobile device. This helps customers order the right size. Moreover, the presentation of the assortment can be adjusted to align with the customer’s body shape. Collecting customer feedback on fitting the service also provides an opportunity for brands. It enables them to understand their customers in detail and adjust accordingly. By understanding the body type and taste of their average customers, brands can adjust their production and reduce overheads. Thus, the technology also provides large opportunities for Zalando and the fashion industry overall to reach their sustainability goals.

“The fashion holy grail is how do you match customers to assortment given the complexity of sizing systems – this problem exists both offline and online.”

Pelin Anli Bedirhanoglu  
Director Product Size & Fit at Zalando



# 5.1 Direct impact

Through its tech hub, fulfilment centres, outlet stores, and headquarters in Germany, Zalando generates direct economic contributions to the German economy.

In 2023, Zalando directly contributed an estimated €1,410.4 million in gross value added to Germany's GDP, including €420.1 million in profits and €990.3 million in compensation of employees. This was equivalent to around 27% of the gross value added in the textile manufacturing sector (NACE rv 13) in Germany in 2023.<sup>25</sup>

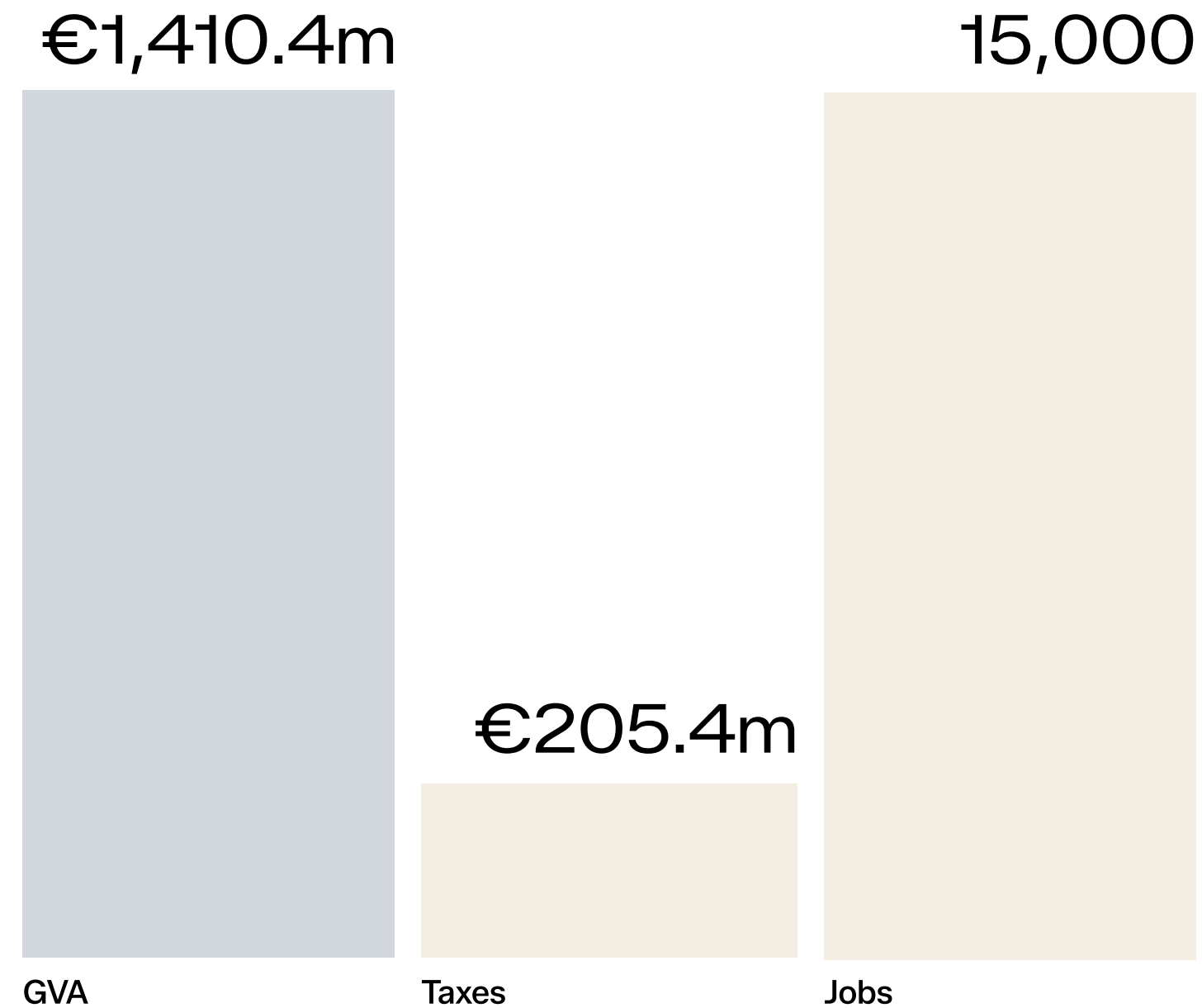
Moreover, Zalando employed about 15,000 people in Germany in 2023. This is equivalent to about 3% of all jobs in the German agriculture sector (NACE rv2 01 to 03) in 2023.

The company also contributed a total of €629 million to Germany's government revenue. This included tax contributions of €423.6 million through the collection of value-added taxes, social security contributions of €139.2 million, and €66.2 million in corporate income taxes (paid and payable for fiscal year 2023).

Figure 17: Zalando's direct impact on Germany's economy, by metric, 2023

Source: Oxford Economics based on Zalando SE

a) Direct GVA, taxes, and jobs by Zalando

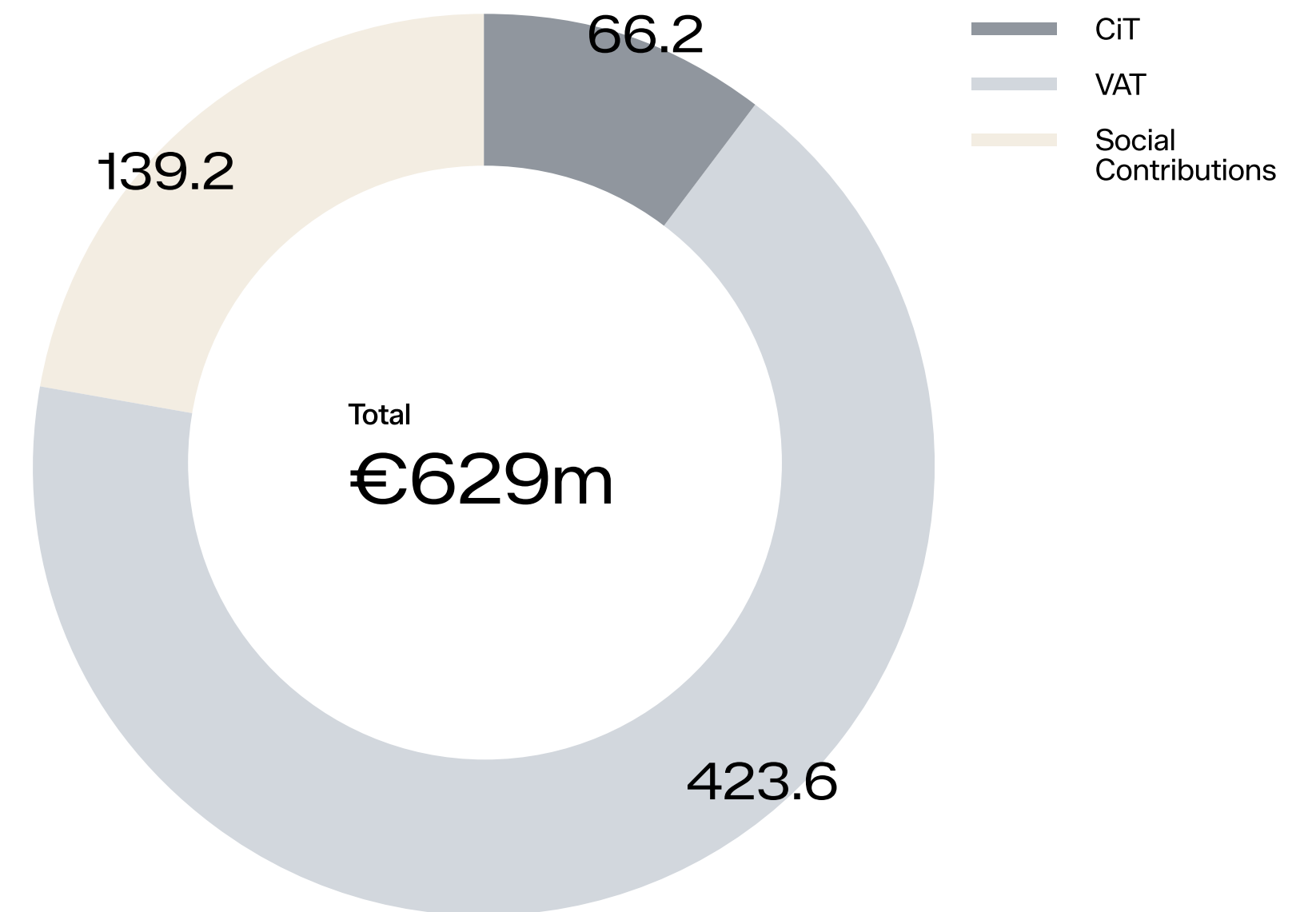


Source: Oxford Economics based on Zalando SE

Part a of the figure captures taxes tax revenues contributed by Zalando only. (Corporate income tax paid and payable for fiscal year 2023)

Part b displays taxes paid and collected by Zalando, including VAT.

b) Direct tax revenues directly contributed or collected by Zalando



25. Gross value added in the textile manufacturing sector was €5,280.6 million in Germany in 2023. Haver/Oxford Economics, 2024.



# 5.2 Indirect impact

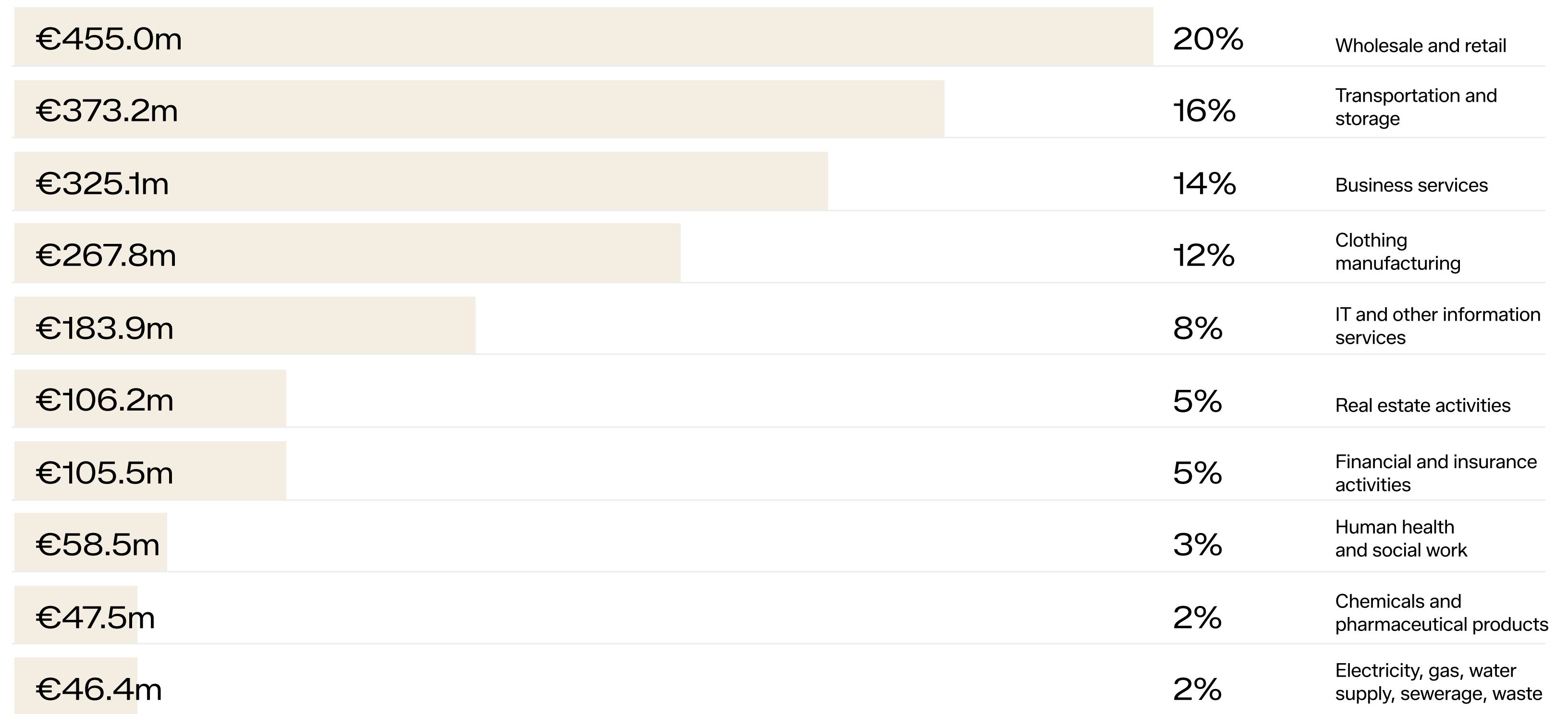


To sell its fashion and lifestyle products as well as logistics services, Zalando buys goods and services from third-party suppliers, who, in turn, purchase inputs from other companies. The indirect economic activity stimulated along Zalando's German supply chains adds to the company's economic impact in the country.

Zalando's supply chain spending benefitted a range of companies based in Germany. Wholesalers and retailers constitute the largest group of local suppliers benefitting from Zalando's spending, with the company stimulating about €455 million in gross value-added contributions in the sector. Furthermore, companies active in the transportation and storage industry supplied products and services worth €373.2 million. Business services (worth €325.1 million) constituted another important supplying industry for Zalando. Other important sectors include clothing manufacturing, IT and information services, real estate activities, and financial and insurance activities.

Figure 18: Zalando's indirect contribution to Germany's GDP, by sector, 2023

Source: Oxford Economics based on Zalando SE

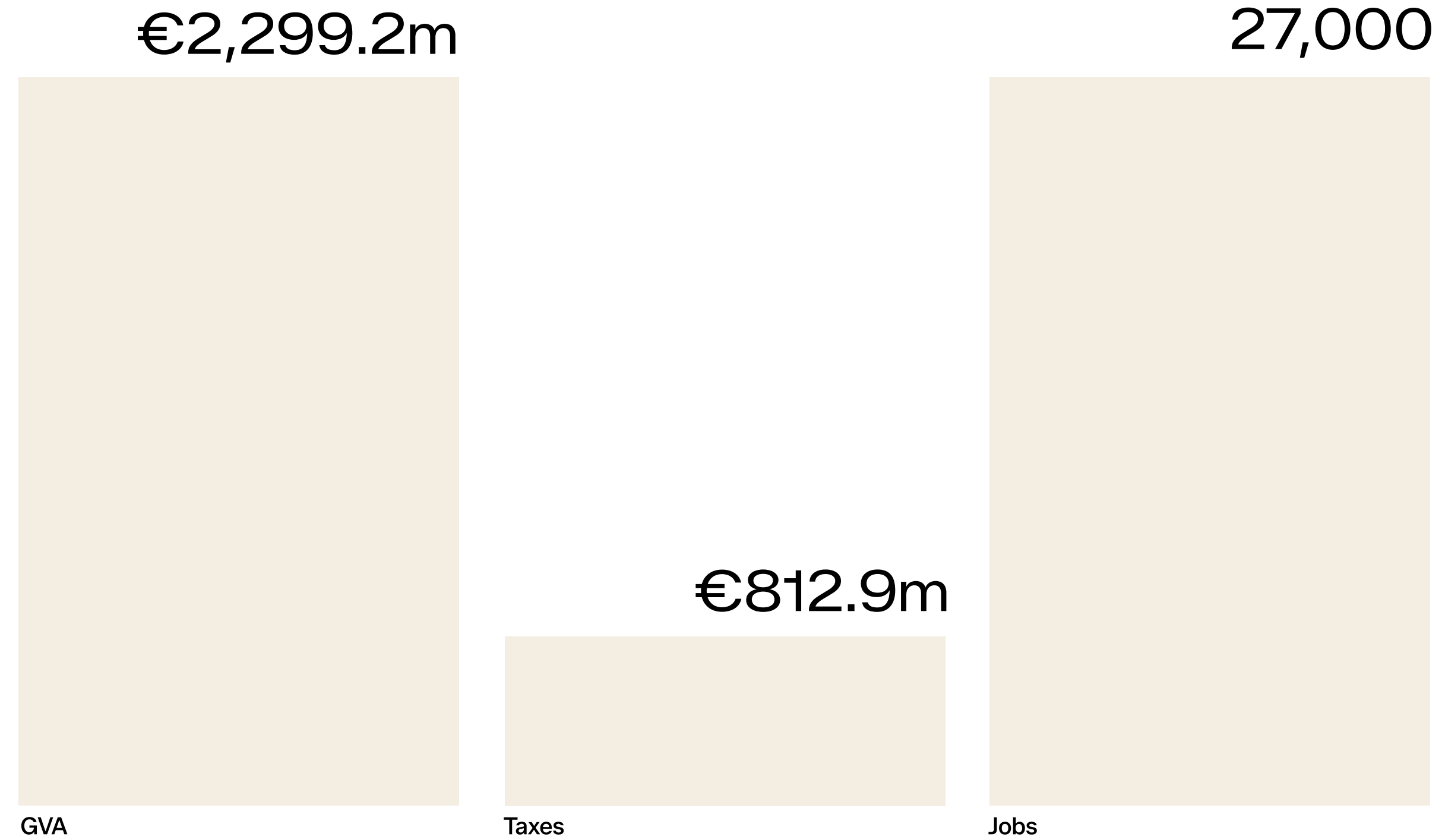


Besides gross value added, we estimate that Zalando's procurement spending sustained almost 27,000 jobs in Germany in 2023. One out of four of these jobs were in the wholesale and retail sector (6,600 jobs), a further 4,700 jobs in clothing manufacturing (17% of the total indirect jobs), and 3,700 were in the transportation and storage sector (14% of the total indirect jobs). More than 1,000 jobs (each) were further supported in companies active in the industries covering business services, IT and other information services, and human health and social work.

Lastly, German businesses along Zalando's supply chain contributed €812.9 million to Germany's tax revenue in 2023. This demonstrates that the economic impact of Zalando in Germany extends beyond its own activities as the company procures many of its inputs from German companies. Thus, it also stimulates tax payments, benefitting the German budget through its supply chain.

Figure 19: Zalando's indirect impact on Germany's economy, by metric, 2023

Source: Oxford Economics based on Zalando SE





# 5.3 Induced impact

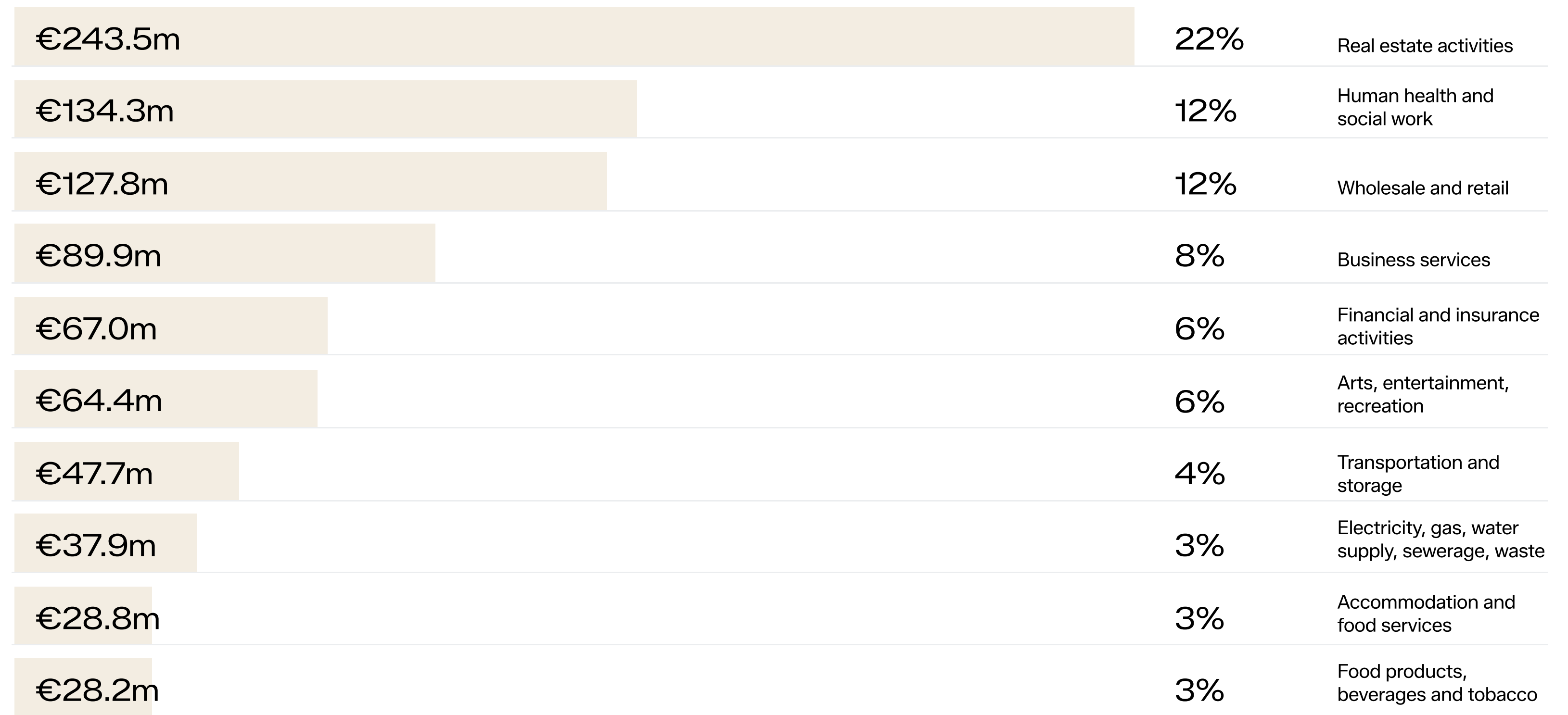


Besides the direct and indirect channels, Zalando also creates an impact in Germany through the induced effect. It describes the economic activities stimulated in the country through the share of wages paid by Zalando, and in the company's supply chain, spent in the consumer economy. This includes expenditures for entertainment and groceries, for instance.

In 2023, Zalando paid its 15,000 employees in Germany a total of €832.8 million in wages and salaries. Combined with the wages and salaries paid to employees in Zalando's supply chain, wage-funded consumption spending in Germany stimulated a further €1,098.0 million in gross value-added contributions to Germany's GDP. 42% of the expenditures of Zalando's direct employees in Germany accounted for almost half of this impact. The remaining 58% were stimulated by wage payments in Zalando's supply chain in Germany. Most of the total wage spending (22%) was stimulated in the real estate sector, followed by human health and social work (12%) and wholesale and retail (12%).

Figure 20: Zalando's induced Contribution to Germany's GDP, by sector, 2023

Source: Oxford Economics based on Zalando SE





Additionally, Zalando helped to sustain the employment of about 11,000 workers in Germany by stimulating wage-funded consumption expenditure in 2023. These jobs were largely supported in the consumer economy, with 2,900 jobs sustained in the human health and social work sector and 1,900 jobs sustained in the wholesale and retail.

We also find that Zalando stimulated an estimated induced contribution of €310.2 million in tax payments to the German treasury in 2023. Reflecting the large share of gross value added and employment supported through the induced channel in the consumer economy, most of these tax payments were stimulated in the human health and social work sector (€51.9 million) and the wholesale and retail sector (€38.0 million).





# Zalando's economic impact in Erfurt

06



# 6.1 Zalando in Erfurt

With one of Zalando's three Germany-based active fulfilment centres located in Erfurt, Zalando stimulates substantial economic activity in the city. Next to the gross value added and employment generated by the company itself (direct impact), Zalando supports the local economy through its supply chain spending (indirect impact) and the wage-funded consumption spending of its employees based in Erfurt (induced impact).







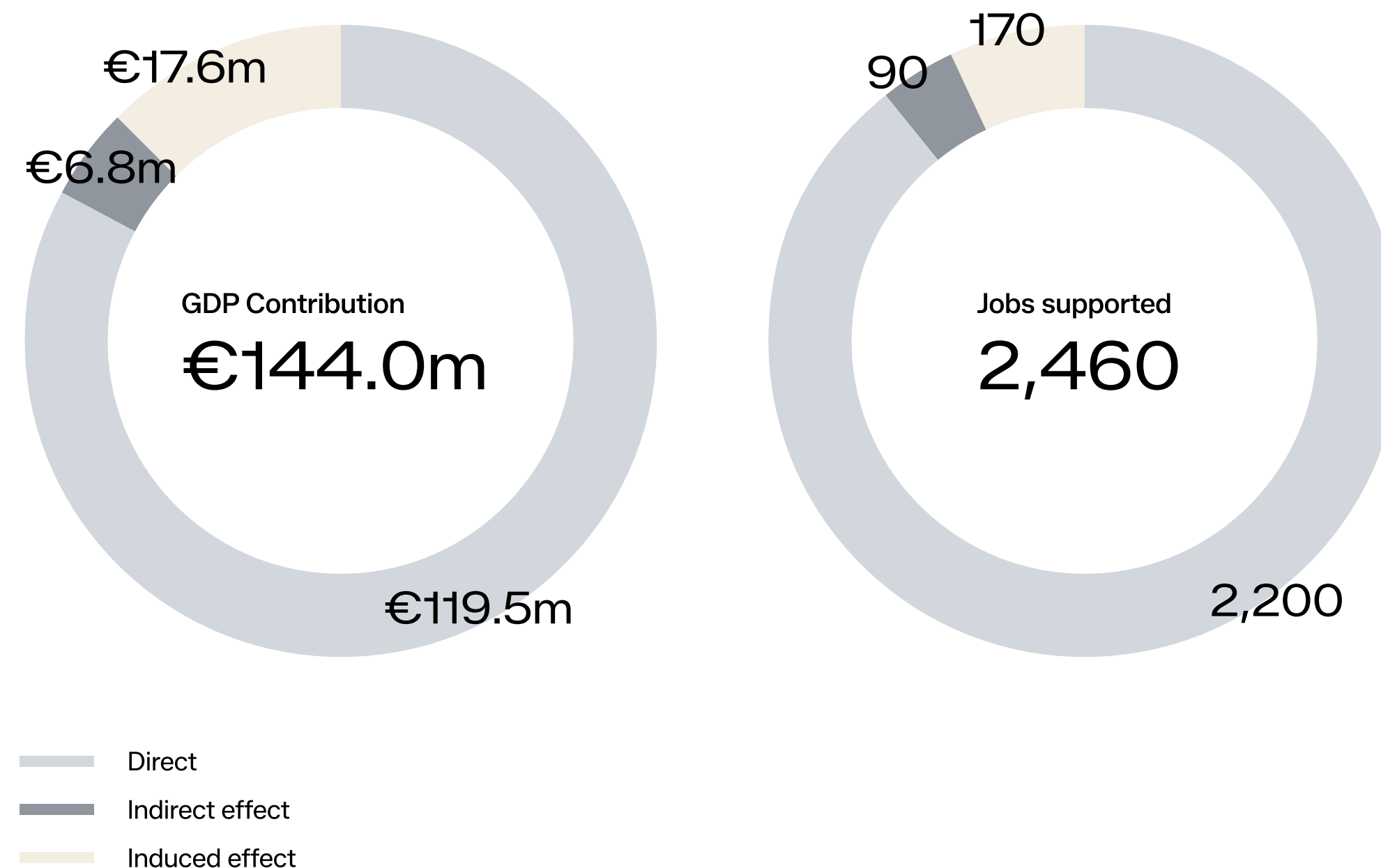
In 2023, we estimate that Zalando stimulated a total gross value-added contribution of €144.0 million in Erfurt through all channels of impact – equivalent to 2% of the size of Erfurt’s GDP in 2021.<sup>26</sup> More than half of this contribution (83% or €119.5 million) was generated directly by the company. Reflecting the consumption spending of Zalando’s many employees in Erfurt, the second-largest contribution to gross value added was stimulated through the induced channel of impact, with €17.6 million or 12% of Zalando’s total contribution to the region. Finally, the remaining €6.8 million (5%) were supported through Zalando’s supply chain. These impacts result in a GDP multiplier of 1.2, implying that for every €1 in gross value added generated by Zalando itself, a further €0.2 in gross value added is stimulated elsewhere in Erfurt’s local economy. Naturally, the GDP multiplier in Erfurt is much smaller than in Germany, as a substantial part of Zalando’s operations is in Erfurt, but most of the company’s supply chain spending, for example, is spent with suppliers outside of Erfurt.

Zalando also supported around 2,460 jobs in Erfurt in 2023 – equivalent to 2% of employment in Erfurt in 2022.<sup>27</sup> With 2,200 workers directly employed at Zalando’s fulfilment centre, most of the total employment contribution was generated by the company itself (89%). This reflects the labour-intensive nature of Zalando’s logistics centres. The remaining 260 jobs (11% of the total employment contribution) were supported through the indirect and induced channels of impact.

This suggests that most of Zalando’s economic impact in Erfurt – both in terms of jobs and gross value-added – directly depends on the existence of the local fulfilment centre. While Zalando’s procurement and wage expenditure tends to be more prevalent in other German regions, therefore stimulating larger indirect and induced impacts, the logistics centre in Erfurt is central to the company’s own operations, resulting in a higher share of direct gross value added and employment contributions to the local economy.

Figure 21: Zalando’s total impact on the local economy in Erfurt, by metric and channel, 2023

Source: Oxford Economics based on Zalando SE  
 Note: sums may not add up to totals due to rounding.



26. GDP in Erfurt was €9,531 million in 2021. [Eurostat, Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&plugin=1), 2024.

27. Employment was 113,400 in Erfurt in 2022. [Rathaus Erfurt, Beschäftigung | Erfurt.de](https://www.rathaus-erfurt.de/berufsausschau), 2024.



# How the “largest wardrobe in Europe” supports a local economy

Erfurt hosts one of Zalando’s biggest logistics centres and is the only one that caters to all 25 European markets. The distribution hub has been in operation since 2012 and has more than 2,200 permanent employees working inside the 130,000-square-meter site. It was the first logistics centre that Zalando built by itself, developed by Zalando from the “inside-out” with its own ideas, employees, and machinery. Still, even today, the fulfilment centre in Erfurt is “at the centre of Zalando’s logistics network” according to Stefan Rutschmann, Site Lead Erfurt.

Erfurt was chosen due to its strategic location, and soon became the backbone of Zalando’s logistics. As the geographical centre of Germany and Europe, with connections to a large motorway, having the hub in Erfurt ensures that European customers can be serviced promptly, and it extends the cut-off times for when customers can place orders. A significant share of the 190 million items that Zalando sells per year globally, go through the distribution hub in Erfurt.







**Its high share of human workers makes the logistic centre in Erfurt so flexible.** Increased automation can make a centre inflexible, with little scope to adapt to the external environment. Especially in the fashion industry, capacity utilisation varies notably over the year with peaks during, for instance, Black Friday. To adjust to these peaks Zalando's Erfurt location employs several short-time employees. In total, the fulfilment centre is equipped to handle up to 3,000 employees. This flexibility predestines Erfurt for pilots of new technologies, products, or processes. As Erfurt continues to increase automation, the company focuses on increasing employees' productivity. As Carsten Bernstein, Director of Operations, states, "Our philosophy is to leverage automation to support our team, enhancing both efficiency and output while working with our existing team".

**For Erfurt, Zalando had a great impact as the city's largest private employer, hiring about 2% of the city's total workforce.** This includes a range of different job profiles from technicians and electricians to security, controlling, and quality management. Due to its diverse group of employees covering more than 70 nationalities, the company communicates in five languages besides German in Erfurt, including English, Arabic, and Polish. Moreover, the company introduced a special shift for parents ("Mutti-Vati-Schicht"), disabled employees, and elderly staff members. The fact that workers stay with Zalando for a relatively long time – between five and seven years, on average – speaks volumes about the work environment in Erfurt.

Furthermore, as the "biggest wardrobe in Europe", Zalando was the first of its kind in the industrial park in Erfurt as Nicole Haupt, working for the economic development department in the city stated: "The freight transport centre in Erfurt was built in the 1990s, but then nothing happened for 10 or 15 years and it was even considered a problem child in the region. Zalando was then the first large company to come and was a real driving force so that more and more other companies settled here." Today several other companies have followed suit benefitting from the good connection to public transport, infrastructure, and knowledge spillovers promoted by Zalando as Nicole Haupt elaborated.



“We are a tech company whose success is powered by a physical logistics network and state-of-the-art automation. Through ZEOS and together with our brand partners, we will build a pan-European ecosystem for fashion and lifestyle e-commerce.”

David Schröder  
Co-CEO, Zalando SE





# 6.2 Direct impact

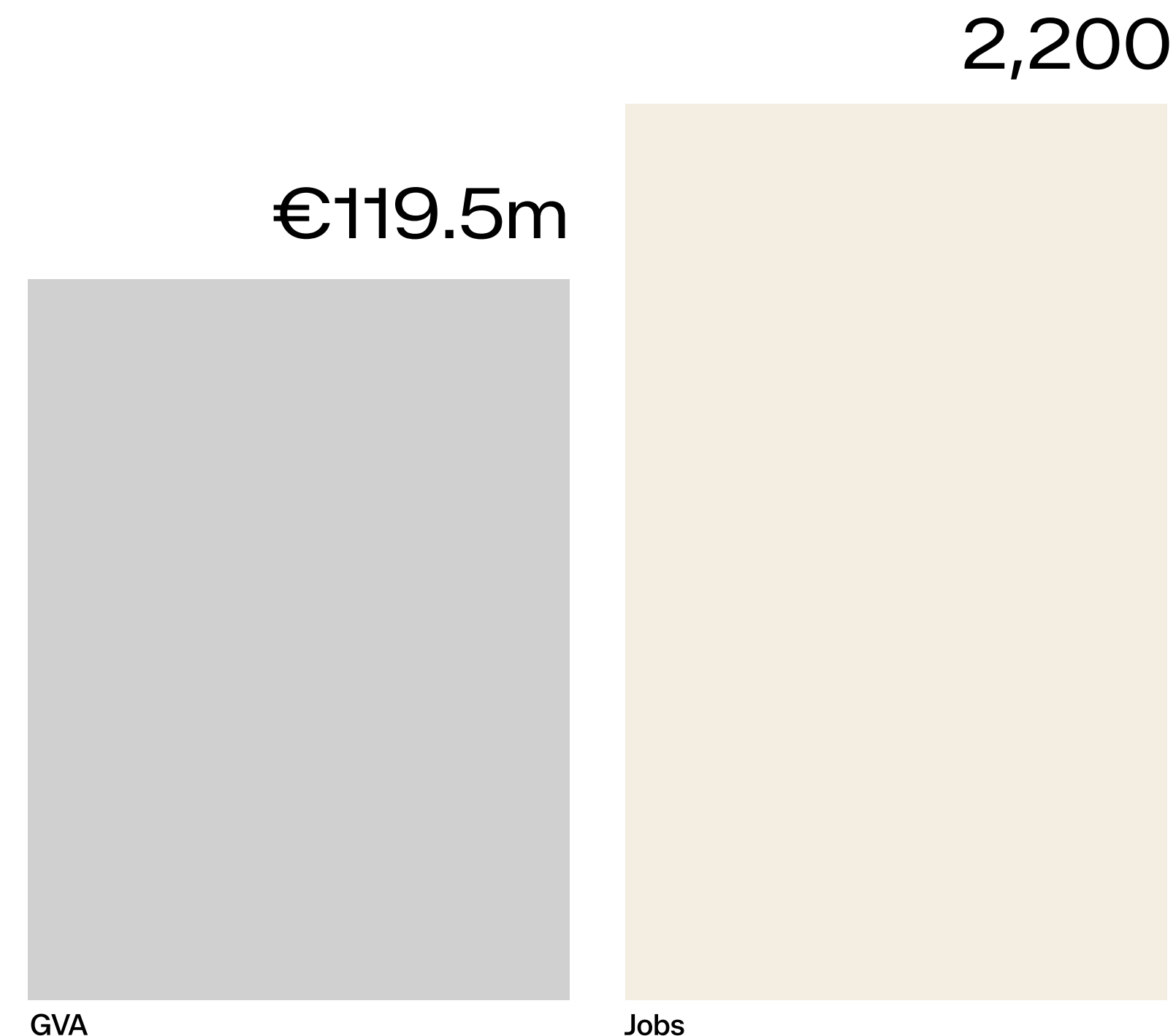
Through operating its local logistic centre, Zalando generates direct economic activity in Erfurt. The company directly contributed an estimated €119.5 million in gross value added to Erfurt's local economy. More than two-thirds of the direct contribution was generated through wages and salaries, with €83.9 million in compensation of employees paid by Zalando in Erfurt. The remaining €35.6 million were generated through profits earned in Erfurt.

Moreover, Zalando employed more than 2,200 people in Erfurt in 2023. According to the economic development department in Erfurt, Zalando's direct impact on the city goes beyond the gross value added and pure number of jobs supported. The company also serves as one of the largest taxpayers in the region and is engaged in the local community, supporting several projects like Schulengeln<sup>28</sup>, donating for the refurbishment of a local sports hall<sup>29</sup>, and sponsoring local events like the "Krämerbrückenfest"<sup>30</sup>. The role of the company for the city and its inhabitants also becomes clear considering that "employees of Zalando can regularly be seen across the city wearing their Zalando t-shirts in their free time"

as Nicole Haupt emphasized explaining "it makes people proud to work for such an innovative big company".

Figure 22: Zalando's direct impact on the local economy in Erfurt, by metric, 2023

Source: Oxford Economics based on Zalando SE



28. Hannah-Arendt-Gymnasium Erfurt, 2024  
29. Basketball-Löwen, 2024  
30. ThAFF Thüringen, 2024

# 6.3 Indirect impact

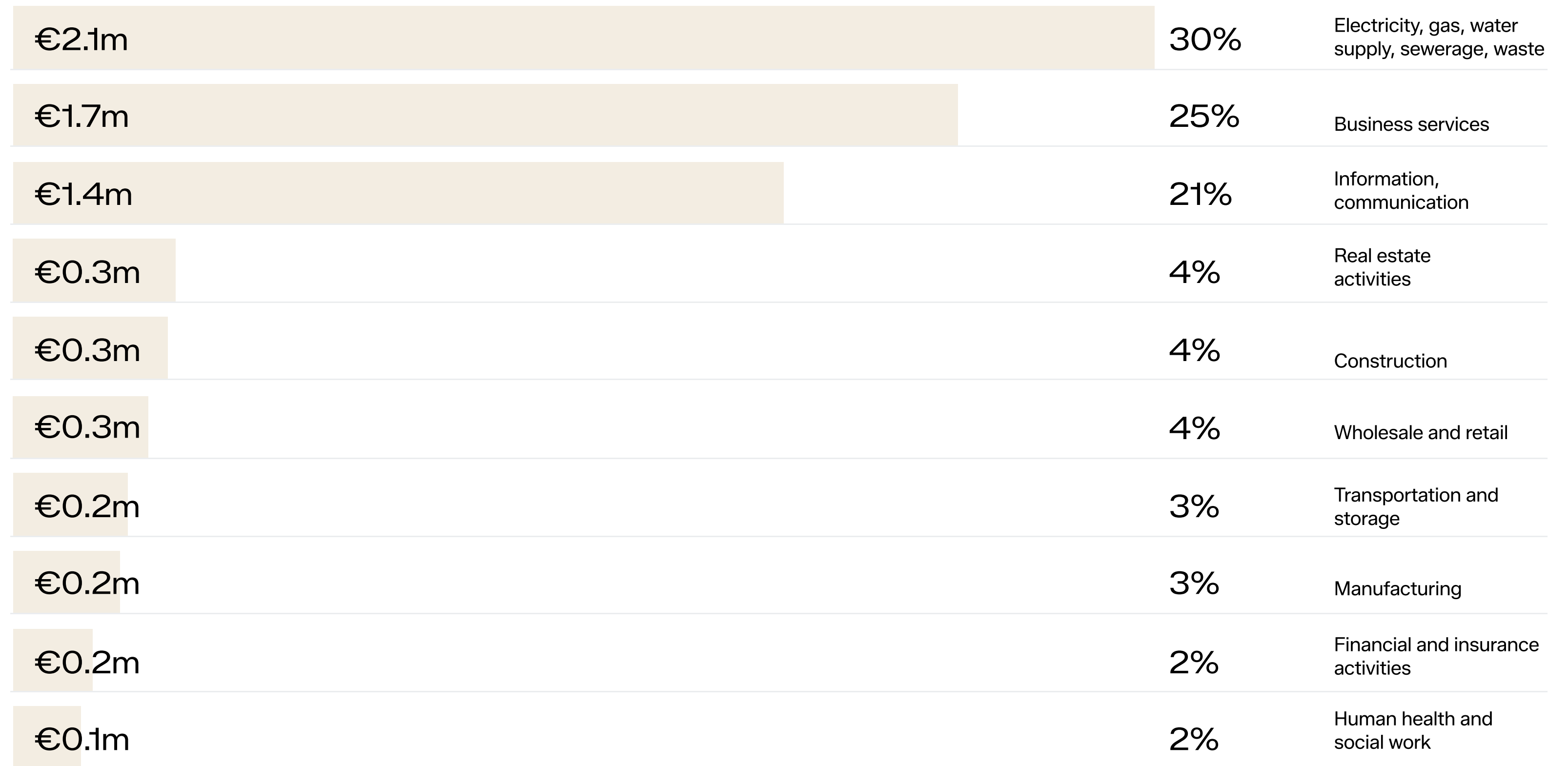


To sell its fashion and lifestyle products as well as logistics services, Zalando also buys goods and services from third-party suppliers, who, in turn, purchase inputs from other companies. This procurement expenditure also affects Erfurt's local economy, both through Zalando's own spending with suppliers in Erfurt and through the spending of companies within Zalando's supply chain with other business operating in the city.

While Zalando only spent around 0.3% of its procurement expenditure in Germany with suppliers in Erfurt, this spending still benefitted a range of Erfurt-based suppliers. The largest group of local businesses benefitting from Zalando's supply chain spending in 2023 were utility providers, with an estimated gross value-added contribution of €2.1 million stimulated with these businesses. Zalando also stimulated around €1.7 million and €1.4 million, respectively, with business service providers and information and communication companies based in Erfurt. Combined, more than three-quarters (76%) of Zalando's indirect contribution to gross value-added in Erfurt was stimulated in these sectors. Other suppliers benefitting from Zalando's supply chain spending were realtors, construction companies, and wholesalers and retailers, for example.

Figure 23: Zalando's indirect GVA contribution to the local economy in Erfurt, by sector, 2023

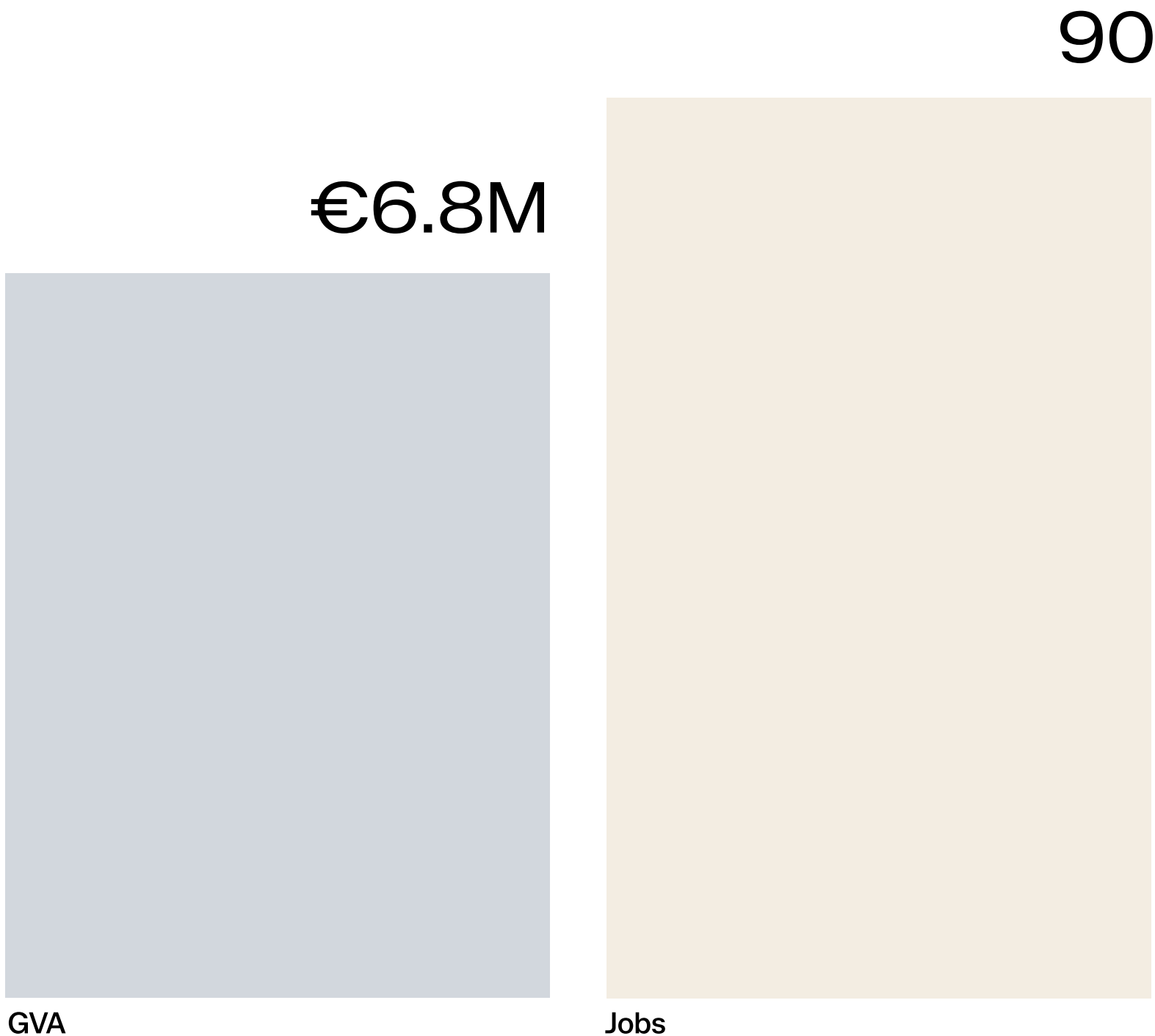
Source: Oxford Economics based on Zalando SE





We further estimate that Zalando's procurement spending sustained 90 jobs in Erfurt in 2023. Half of these jobs were stimulated with business service providers, such as legal or management consulting firms.

Figure 24: Zalando's indirect impact on the local economy in Erfurt, by metric, 2023  
Source: Oxford Economics based on Zalando SE





# 6.4 Induced impact

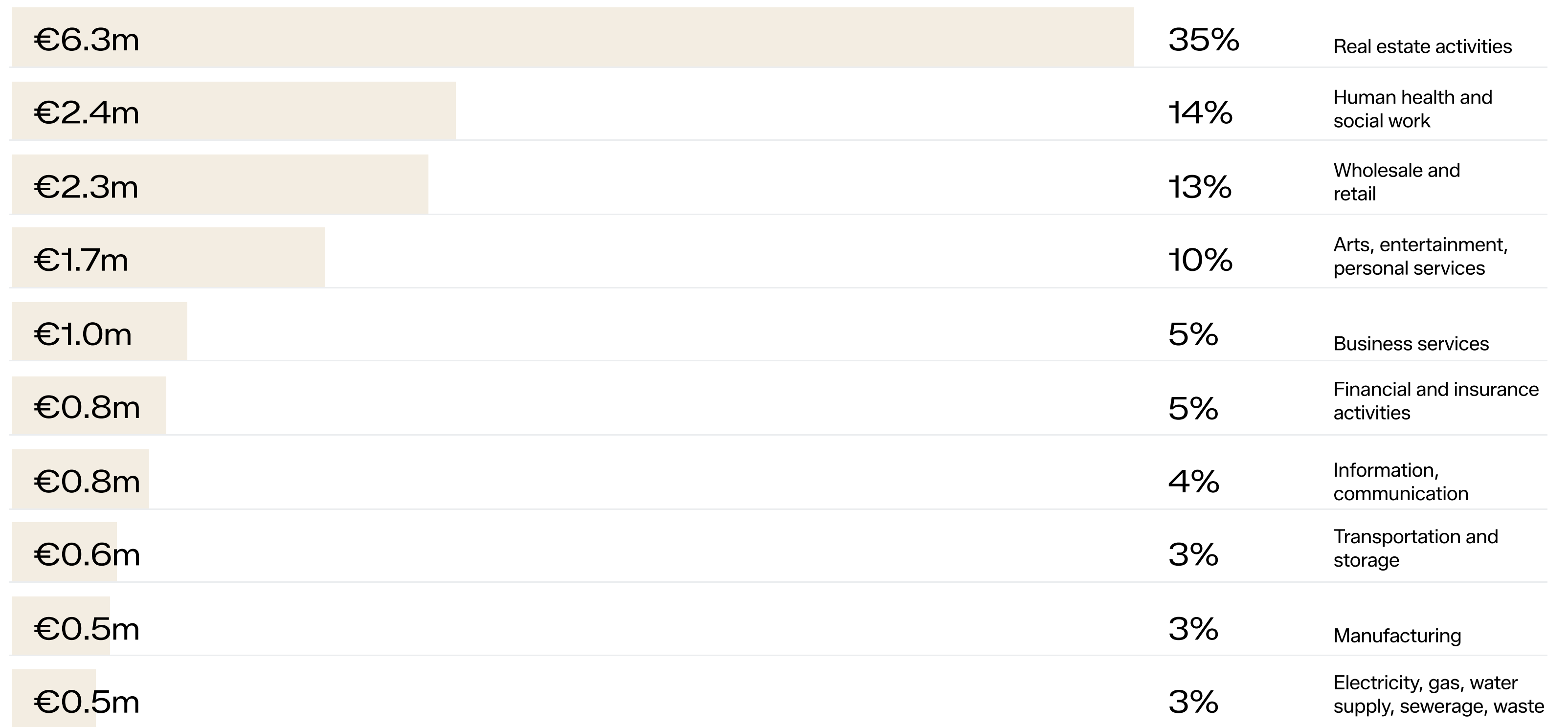


Through the induced channel of impact, Zalando also stimulates economic activity in Erfurt by paying wages and salaries to its employees and by supporting salaries of employees in the company's supply chain, who spend part of these salaries and wages in the consumer economy. This was also explicitly mentioned by the economic development department in Erfurt, describing that Zalando's employees also benefit the city and other local businesses due to wage payments and consumption spending. This wage-funded consumption spending adds to Zalando's economic impact in Erfurt.

In 2023, Zalando paid its 2,200 employees in Erfurt a total of €70 million in wages and salaries. Combined with the consumption enabled through wages and salaries paid to Erfurt-based employees in Zalando's supply chain, wage-funded consumption spending stimulated €17.6 million in gross value-added contributions in Erfurt. Most of this contribution was created in the typical consumer economy: 35% of the induced gross value-added contribution was stimulated in the real estate sector, 14% was with human health and social work service providers, and 13% was with wholesalers and retailers.

Figure 25: Zalando's induced GVA contribution to the local economy in Erfurt, by sector, 2023

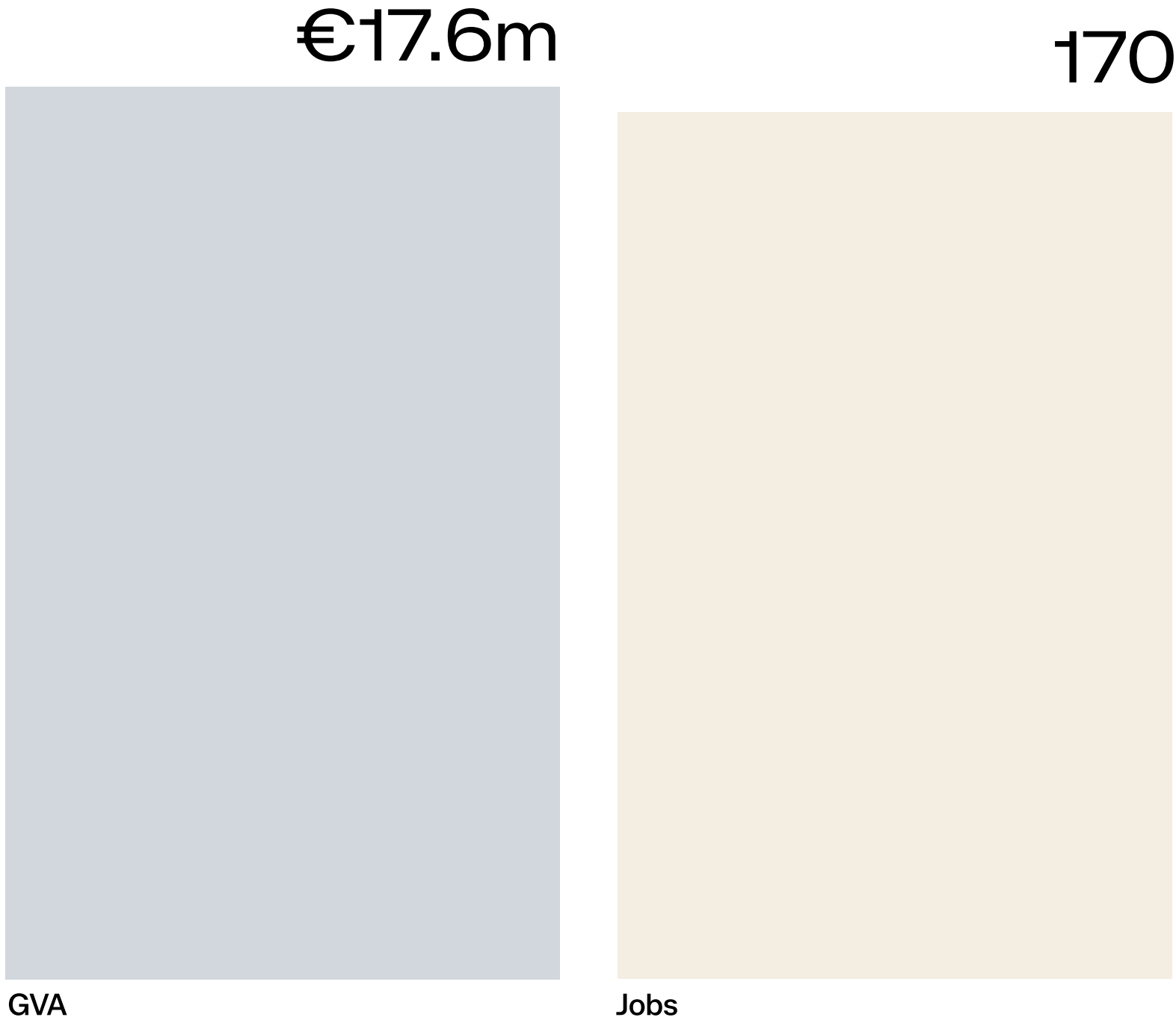
Source: Oxford Economics based on Zalando SE





Additionally, Zalando supported the employment of about 170 workers in Erfurt by enabling wage-funded consumption expenditure in Erfurt. Again, sectors within the consumer economy benefitted most from this expenditure, with around 40 jobs (24%) sustained in the human health and social work sector and 35 jobs sustained in the wholesale and retail sector (20%).

Figure 26: Zalando's induced impact on the local economy in Erfurt, by metric, 2023  
Source: Oxford Economics based on Zalando SE





# Conclusion

07



Over the last 15 years, Zalando has developed from a small start-up selling shoes online to one of the largest online fashion retailers in Europe. Throughout this expansion, logistics and tech have become increasingly important for the company's business model. On one hand, they enable Zalando's operations across Europe, by, for example, shipping products across countries and providing a smooth and secure checkout process. On the other hand, logistics and tech are also key drivers of innovation and differentiation for the company, helping to shorten delivery times across Europe and providing a localised experience concerning last-mile carriers and delivery methods. Furthermore, services like Size & Fit drive innovation throughout the fashion ecosystem, helping customers find the right fit when they shop online, thereby reducing unnecessary returns and decreasing the industry's environmental footprint – eventually solving one of the biggest pain points of the fashion industry.

With its broad customer base, its platform, and its unique logistics network, Zalando supports local brands to expand throughout Europe. As demonstrated in the case study covering the story of Kazar (see Box 2), brands can benefit from cooperating with Zalando in many ways. This can include selling their products on the Zalando platform, leveraging Zalando's marketing services and data insights, and using Zalando's logistics network. While the network's size enables fast delivery across Europe, its adaptation to local preferences maximises user experience. This includes delivery and payment options adopted to local standards and tastes, among other things.

Through its operations across Europe, the company generates a positive economic impact on gross value added, employment, and taxes paid. The economic impact assessments of Zalando reflect the company's business model. As a Berlin-based platform company, most operations are managed in Germany and hence the company employs most of its workers in Germany. However, employees from 140 countries based in Germany work to enable operations across Europe, serving customers in Germany and beyond. Moreover, as an online retailer, more than 96% of Zalando's expenditures on procurement benefit other European suppliers. This includes fashion and beauty items, as well as transportation services and business services. Thus, the company has an economic impact on several European countries through its value chain, even if local direct operations are limited. Countries benefitting most from Zalando's supply chain include Germany, the Netherlands, Poland, Italy, and France.

The economic impact assessment of Zalando demonstrated how a digital company operating a platform business creates real economic and social impact. We found that Zalando creates a high direct economic impact in those areas where it runs offices and logistic centres. This is the case in Germany (see Chapter 5) and Erfurt (see Chapter 6). However, since most of its procurement takes place across Europe, other countries and regions benefit from Zalando's activities – even if the company's direct engagements are limited. This is the case in Poland and France, where Zalando procures a large share of its supplies. Thus, while Zalando's direct activities as a digital company may be limited to specific locations, it stimulates notable economic activity in other regions.



# Appendix: Methodology



# Economic Impact Modelling



example. This channel of gross value added and employment supported by Zalando is captured in the induced effect. Again, taxes stimulated through this channel are only captured in the country analyses.

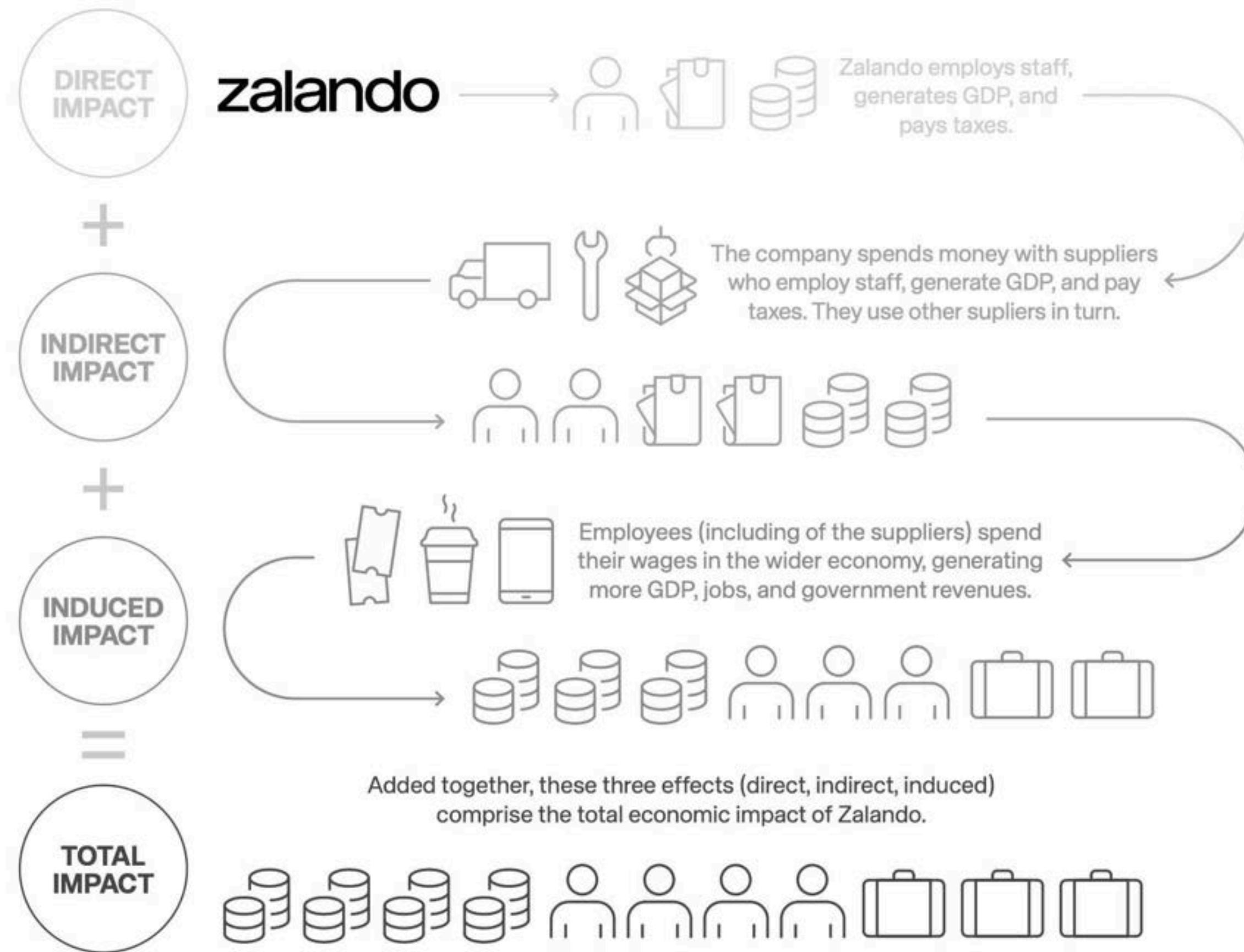
We estimated the economic impact of Zalando using an economic impact assessment. This involves the quantification of Zalando's impact across three channels:

**Direct impact:** The direct impact captures gross value added and employment generated by Zalando through its operations in the regions analysed. In the country analyses, the direct effect also captures taxes paid by Zalando.<sup>31</sup>

**Indirect impact:** Zalando procures several products from suppliers across the world. The estimation of the indirect effect captures gross value added and employment stimulated by Zalando's procurement, i.e., with its suppliers in the region analysed. In the country analyses, we also estimated which taxes paid by Zalando's suppliers can be attributed to Zalando's procurement.

**Induced impact:** Zalando's employees and their supplier's employees earn wages. These are, in turn, partly spent in the local consumer economy, like on restaurants, for

Figure 27: Channels of Impact



31. Due to differences in national tax systems across the EU, taxes are only considered in economic impact assessments at the national level where taxes are usually collected.



In total, we estimated the impact of Zalando’s global operations on three regions: Europe, Germany, and Erfurt. This includes the operations of Zalando SE, and all subsidiaries controlled by it. The analysis refers to data provided for 2023. The key results are summarised in Table 1.

Table 1: Results overview

	EUROPE	GERMANY	ERFURT
Total GVA (EUR million)	9,521.6	4,807.6	144.0
Direct GVA (EUR million)	1,500.4	1,410.4	119.5
Indirect GVA (EUR million)	5,649.3	2,299.2	6.8
Induced GVA (EUR million)	2,372.0	1,098.0	17.6
Total employment	113,000	53,000	2,460
Direct employment	16,000	15,000	2,200
Indirect employment	70,000	27,000	90
Induced employment	28,000	11,000	170
Total taxes	n/a	1,328.5	n/a
Direct taxes	n/a	205.4	n/a
Indirect taxes	n/a	812.9	n/a
Induced taxes	n/a	310.2	n/a

### The estimation of the direct impacts

The direct impacts were calculated using data provided by Zalando. Direct gross value added was estimated by adding total employee compensation (CoE), earnings before tax, interest, depreciation, and amortisation (“EBITDA”). Total employee compensation covers social security contributions and other personnel costs, such as gym subsidies, as well as compensation. EBITDA was only available at the European level due to the platform structure of the company. Thus, we applied a well-established approach to estimate EBITDA at the country and subnational levels using the following formula:

$$EBITDA_x = \frac{CoE_x}{CoE_y} * EBITDA_y$$

Where x represents the national or subnational region of interest and y European data. Considering Germany, for example, we estimated Germany’s EBITDA using the share of Zalando’s CoE payments in Germany out of total payments across Europe and applied it to the EBITDA data provided at the European level.

Direct employment numbers were provided by Zalando for all regions analysed.

Direct taxes include corporate income taxes and social security contributions paid by Zalando. In addition, we reported VAT collected by Zalando.

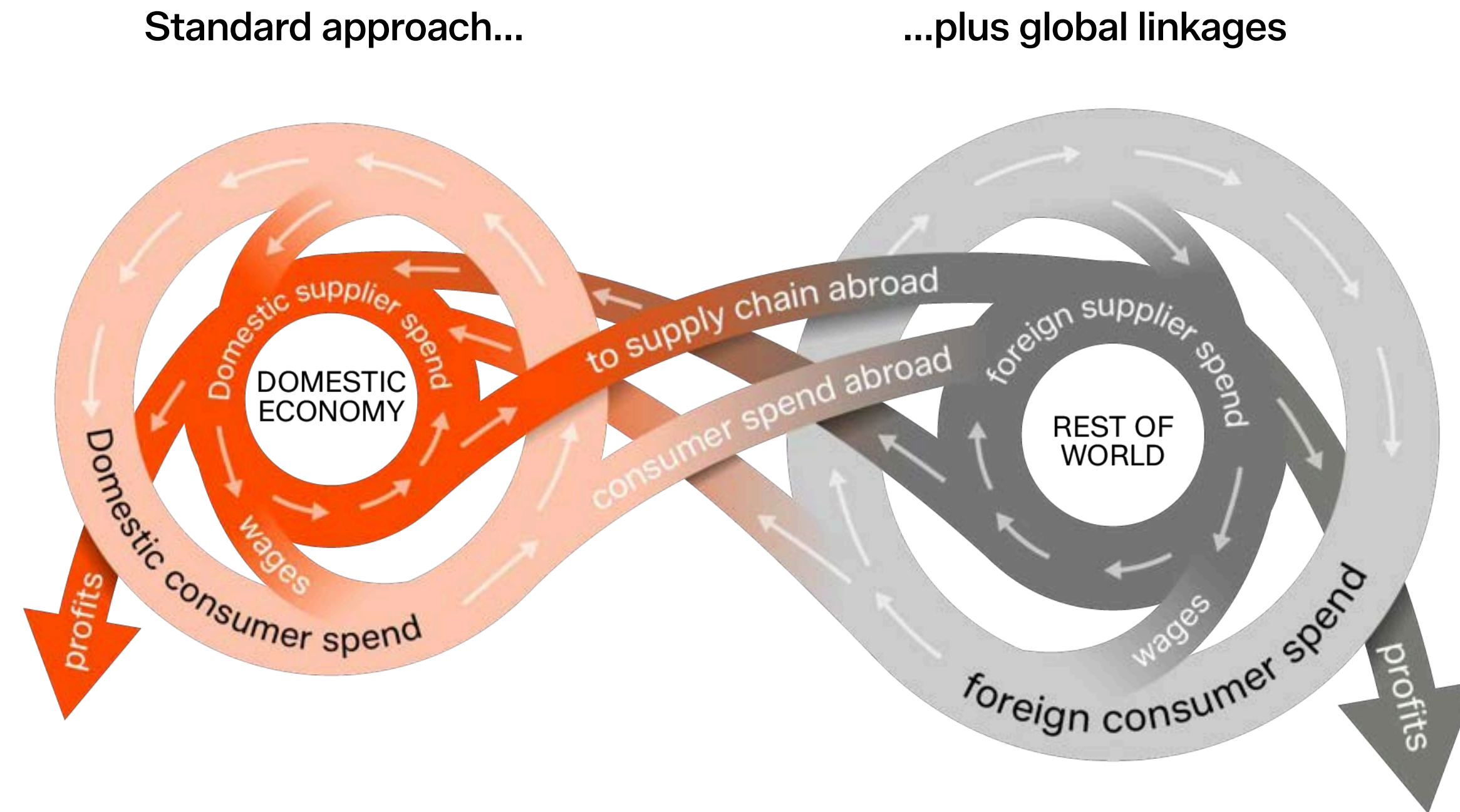


## The estimation of the indirect and induced impacts in Europe and Germany

To estimate the indirect and induced impacts of Zalando in Europe and Germany, we used input-output modelling. The academic Wassily Leontief first developed the method and won a Nobel prize for his work. The method is based on national accounts data that specifies how much each industry in a country buys from other industries in the same and other countries in a given year (input-output tables).

Oxford Economics' Global Sustainability Model is based on this technique capturing supply chain spending across more than 180 countries. This enables us to estimate the impact of Zalando's global operations on a specific location – a fundamental advantage to using a single-country model that does not capture international trade omitting important parts of economic activity. The data underlying the model are first sourced from the OECD IO table published in 2021 and pertaining to 2015. Using macroeconomic data, the model's IO table was forecasted to 2021 and new countries were added to the global IO table.

Figure 28: Oxford Economics' Global Sustainability Model





To estimate the indirect and induced impact of Zalando in the relevant regions, we used procurement data and CoE provided by Zalando. Procurement data were used to prepare an input vector for the global sustainability model capturing Zalando's demand in 2023.

We received two procurement datasets from Zalando containing merchandise data and non-merchandise data.<sup>32</sup> Both datasets included the purchasing entity, supplier name, supplier country, postal code of the supplier, product classification, and net purchasing value among other data. The merchandise data also included the country of origin.

We prepared the merchandise data by matching supplier companies to sectors in the Global Sustainability Model (displayed in Table 2). Thus, we gained a vector of industries by country and how much Zalando purchased from each of them. Importantly, the allocation of procurement spending to a sector was based on the industry allocation of the supplying company, not on specific products purchased. This is important to model upstream supply chains – i.e., procurement of the supplying company, their suppliers, etc. – correctly. In the context of the fashion industry, this is particularly vital as Zalando may procure merchandise products, such as a t-shirt, from either a wholesaler, retailer, or manufacturer, and the supply chains and value-added of companies operating in these industries could differ.

Since Zalando procures a significant amount of its merchandise procurement from wholesalers and retailers, we allocated only a share of procurement from wholesalers and retailers to this sector (wholesale and retail trade; repair of motor vehicles) corresponding to the average profit margin of 40.6% as provided by Destatis.<sup>33</sup> The remaining spending was allocated to the clothing manufacturing sector (textiles, wearing apparel, leather, and related products) in the country of origin reported by Zalando. For example, if Zalando procured a product worth €100 from a wholesaler in the Netherlands that originally came from Malaysia, we allocated €40.6 to the wholesale and retail trade sector in the Netherlands and the remaining €79.4 to the clothing manufacturing sector in Malaysia. Finally, we combined the allocation to retrieve one procurement vector for merchandise procurement by country and industry. To present the overall impact of applying this approach for modelling, Figure 29 displays the procurement by country and industry with both approaches.

To prepare the non-merchandise data we also matched supplier companies to sectors in the Global Sustainability Model (displayed in Table 1) to gain a vector of industries by country and how much Zalando purchased from each of them. Since the origin country of the product was not provided, we did not apply the same approach as for the merchandise data allocating every expenditure completely to the direct supplier. Yet, as less than 0.5% of the non-merchandise procurement data were spent with companies active in the wholesale and retail sectors, we do not expect to receive biased results.

- 32. Merchandise data include Zalando's procurement of products that are sold on the Zalando platform, such as clothing and shoes. Non-merchandise data include Zalando's other procurement including logistics services.
- 33. Destatis, 45341-0001: Unternehmen, Beschäftigte, Umsatz und weitere betriebs- und volkswirtschaftliche Kennzahlen im Handel: Deutschland, Jahre, Wirtschaftszweige: Statistisches Bundesamt Deutschland – GENESIS-Online: Tabelle abrufen (destatis.de), 2024.





In the non-merchandise data provided, we detected several negative expenditure entries. After discussing with the client, we agreed to drop most of the negative entries since even expenditures made and charged back usually stimulate some economic activity. However, some of the negative entries were kept as they were most likely caused by false double bookings. To identify these negative entries, we tested whether (i) the posting date was identical, (ii) the supplier code was identical, and (iii) the value booked was identical. In other words, we identified bookings of the same value, made by the same supplier and on the same day. Only if all three conditions were met did we keep the negative entry to offset a wrongly booked positive entry. Finally, we summed up all the values by industry and country to retrieve the final procurement vector for non-merchandise procurements.

After completing both input vectors, we combined them into one vector summarising procurement expenditure by country and industry.

To finalise the inputs to estimate the indirect and induced effects for all relevant regions, we also prepared a vector of Zalando's CoE by country based on the data provided.

After running the Global Sustainability Model, we received the estimated impacts on gross value added, employment, and taxes by country and industry. Zalando's economic impact was thus calculated by summing up all the effects occurring in European countries, while the impacts for Germany were calculated by

summing up all the effects for the respective country. The classification of countries as "European" is based on Oxford Economics' classification to ensure comparability across economic impact studies. This left us with the estimated direct and indirect impact of Zalando's global operations on Europe and Germany.

### **The estimation of the indirect and induced impacts in Erfurt**

To model the socioeconomic impacts of Zalando's procurement and employee consumption expenditure in Erfurt, we developed a bespoke, regionalised model derived from Oxford Economics' Global Sustainability Model. We first disaggregated the underlying IO table for Germany by NUTS regions and used detailed data on procurement and employee workplace by postcode as inputs to estimate Zalando's economic impacts across Germany's 16 federal states. This allowed us to estimate the effect of Zalando's procurement expenditure with German suppliers and its Germany-based employees' consumption expenditure on Thuringia's economy, the state Erfurt is located in. Our bespoke model specifically integrates "spillover" effects to account for the economic impact of inter-state trade within Germany, ensuring accurate regional distribution of impacts. In a second step, we applied the regionalised IO table to allocate Thuringia's economic impact across its NUTS3 regions, including Erfurt.

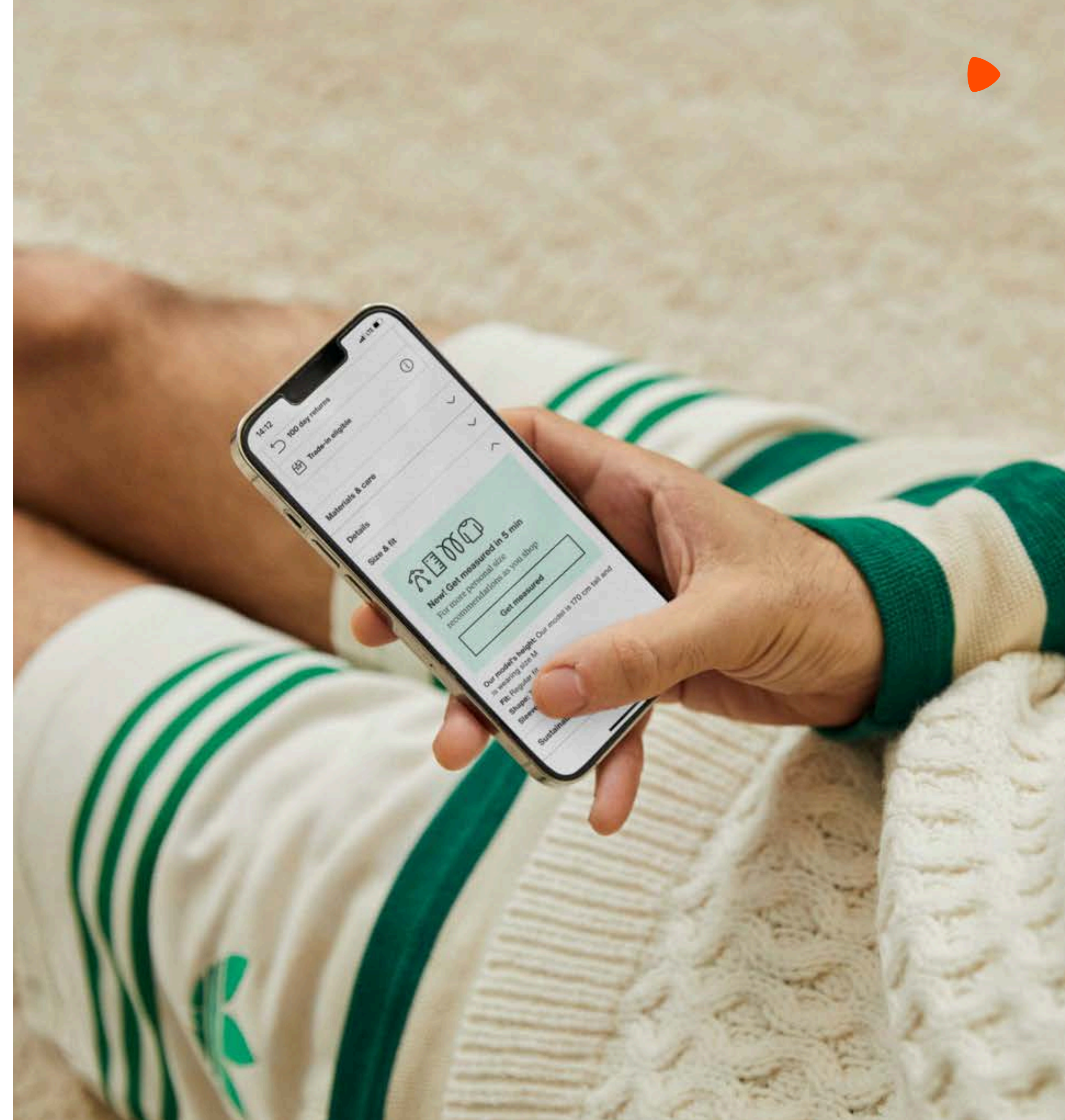
Since our regionalised model used only domestic procurement and consumption expenditure data, we adjusted for cross-border spillovers that may influence Zalando's economic impact in Erfurt.

To align the regional results with the GSM's national estimates, we used the GSM's headline impacts for Germany to recalibrate total national impacts within our regionalised model and proportionally scale the results for Erfurt.



# Case studies

The case studies included are based on expert interviews as well as information provided online. Concerning the case studies, Zalando established the first contact with the experts. The interviews were conducted virtually and usually lasted around one hour. Although we did take notes during the interviews, we recorded the meetings most of the time to retrieve some direct quotes. The recordings were deleted afterwards. The questions asked were based on a guiding questionnaire adjusted to each interview candidate and their background. Nevertheless, the interview was conducted in an open format, allowing the expert to focus on their areas of expertise.





# Quality assurance

To ensure the quality of the analysis, all parts of the study went through Oxford Economics' thorough quality assurance process. It includes double-checking the data provided by Zalando for consistency and plausibility, data preparation and handling, modelling, and report writing.

Table 2: Global sustainability model sectors

NACE code	SECTOR NAME
01-03	Agriculture, forestry and fishing
05-06	Mining and extraction of energy-producing products
07-08	Mining and quarrying of non-energy-producing products
09	Mining support service activities
10-12	Food products, beverages and tobacco
13-15	Textiles, wearing apparel, leather and related products
16	Wood and products of wood and cork
17-18	Paper products and printing
19	Coke and refined petroleum products
20-21	Chemicals and pharmaceutical products
22	Rubber and plastic products
23	Other non-metallic mineral products
24	Basic metals
25	Fabricated metal products
26	Computer, electronic and optical products
27	Electrical equipment
28	Machinery and equipment, nec
29	Motor vehicles, trailers and semi-trailers

NACE code	SECTOR NAME
30	Other transport equipment
31-33	Other manufacturing; repair and installation of machinery and equipment
35-39	Electricity, gas, water supply, sewerage, waste and remediation services
41-43	Construction
45-47	Wholesale and retail trade; repair of motor vehicles
49-53	Transportation and storage
55-56	Accommodation and food services
58-60	Publishing, audiovisual and broadcasting activities
61	Telecommunications
62-63	IT and other information services
64-66	Financial and insurance activities
68	Real estate activities
69-82	Other business sector services
84	Public admin. and defence; compulsory social security
85	Education
86-88	Human health and social work
97-98	Private households with employed persons

# About Oxford Economics

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's Business College to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts, and analytical tools on more than 200 countries, 100 industries, and 8,000 cities and regions. Our best-in-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social, and business impact.

Headquartered in Oxford, England, with regional centres in New York, London, Frankfurt, and Singapore, Oxford Economics has offices across the globe in Belfast, Berlin, Boston, Cape Town, Chicago, Dubai, Dublin, Hong Kong, Los Angeles, Mexico City, Milan, Paris, Philadelphia, Stockholm, Sydney, Tokyo, and Toronto. We employ 600 staff, including more than 350 professional economists, industry experts, and business editors – one of the largest teams of macroeconomists and thought leadership specialists. Our global team is highly skilled in a full range of research techniques and thought leadership capabilities.

from econometric modelling, scenario framing, and economic impact analysis to market surveys, case studies, expert panels, and web analytics.

Oxford Economics is a key adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base now comprises over 2,000 international organisations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

## About Zalando

Founded in Berlin in 2008, Zalando is Europe's leading online multi-brand fashion destination. We are building a pan-European ecosystem for fashion and lifestyle e-commerce, along two growth vectors: Business-to-Consumer (B2C) and Business-to-Business (B2B). In B2C, we provide an inspiring, high-quality multi-brand shopping experience for fashion and lifestyle products to more than 50 million active customers across 25 markets. In B2B, we leverage our logistics infrastructure, software, and service capabilities to support brands and retailers in managing and scaling their entire e-

commerce business, both on and off the Zalando platform. Through our ecosystem vision, Zalando aims to enable positive change in the fashion and lifestyle industry.





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To discuss the report further please contact:

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