

2015



MARKET INTELLIGENCE

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Corporation



MARKET FLASH

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latest news from the global postal sector



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GREEN SPECIAL

> TOP STORY

STUDY ON E-COMMERCE IN NORDIC REGION SHOWS CLEAR INFORMATION ON DELIVERIES IS IMPORTANT

During the second quarter of the year, Nordic residents made online purchases for SEK 40.5bn, an increase of SEK 7.6bn or 23% compared to Q2 last year, according to PostNord's report 'E-commerce in the Nordic region' available [here](#).

All Nordic e-Commerce markets continued to grow significantly during the second quarter. Domestic e-Commerce in each respective country saw particularly sharp growth: SEK 6.7bn or 29%. A growing number of consumers are making online purchases on a regular basis. Both the proportion and number of Nordic residents who shopped online in the second quarter increased compared to last year. Mobile e-Commerce grew substantially, and the number of Nordic residents that made purchases from a mobile device increased year on year from 9% to 16%.

Over 90% of Nordic consumers think it is important to receive clear information on how an item purchased online will be delivered. An almost equal share think it is important to have clear information on procedures for returns. An e-Commerce company wishing to attract Nordic consumers should primarily communicate by e-mail. According to Nordic residents, this is by far the most superior channel in terms of getting them to visit an online store.

Source: [PostNord](#)



> AMERICAS

CANADA'S PUROLATOR MOVES INTO EXPANDED DEPOT, SIGNS UP E-COMMERCE PARTNERSHIPS

Canadian express parcels operator Purolator has moved to a larger facility in Fort McMurray, Alberta, to prepare for future growth and has partnered with e-Commerce solutions providers Tangentia and Demac to integrate its shipping services into e-Commerce platforms they work with.

As part of its network expansion, Purolator opened a new terminal and shipping centre in northern Alberta which is 72% larger than its previous location to respond to current capacity needs as it anticipates further growth in the region. In addition to Fort McMurray, the terminal and Purolator Shipping Centre will service shipping demand from industries in northern Alberta and in Western Canada.

To leverage on growing e-Commerce, Purolator has partnered with Tangentia, a leading boutique consulting, technology and outsourcing firm, to integrate Purolator's E-Ship Web Services into the e-Commerce platforms of which Tangentia is a certified partner. In addition, the carrier also signed up Demac Media, specialised in customised e-Commerce solutions, to integrate Purolator's shipping services in Shopify, a leading cloud-based commerce platform designed for small and medium-sized businesses for which Demac Media is a certified partner. These cooperations enable companies with B2B and B2C e-Commerce activities to offer their customers the possibility to ship online with Purolator including various services such as shipping estimates, shipment tracking in real time, shipping and return label creation etc.

Source: [CEP-Research](#)

GOOGLE AND AMAZON EXPAND US DELIVERY SERVICES



Google and Amazon are continuing to roll out new delivery services in the US to expand their e-Commerce services.

Google Express was launched in six states, Illinois, Indiana, Iowa, Michigan, Ohio and Wisconsin, making the overnight delivery service available to a further 25m consumers. Some 16 retail customers were named, including Barnes & Noble, Staples, Toys "R" Us and Walgreens. The service was already available in the metropolitan areas of San Francisco, Los Angeles, New York, Boston, Chicago, and Washington DC.

Meanwhile, Amazon is further expanding its delivery services with the launch of Prime Now Restaurant Delivery in Seattle, just one month after it officially started a one-hour delivery service for general household goods in the city. Using the Prime Now mobile app, Seattle customers can view participating restaurants, browse menus, place orders and track the status of their delivery in real time. Once an order is placed, Amazon delivery drivers pick up and deliver the food within an hour or less.

Soucre: [CEP-Research](#)



> AMERICAS

UPS TO HIRE UP TO 95,000 FOR HOLIDAY SEASON

UPS announced that it expects to hire between 90,000 and 95,000 seasonal employees to support the anticipated increase in package volume that will begin in November and continue through January 2016.

Source: [UPS](#)

FEDEX CORPORATION REPORTS HIGHER FIRST-QUARTER EARNINGS

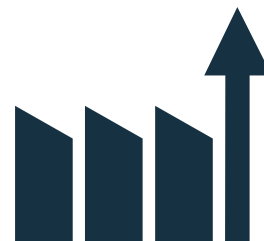
FedEx Corp. released the figures of the first quarter of its 2015 financial year. The company reported earnings of US\$2.42 per diluted share for the first quarter ended 31 August, compared to adjusted earnings of US\$2.12 per diluted share a year ago.

Operating results rose compared to last year due to sharply increased operating income at FedEx Express, the benefit from one additional operating day at each of the company's transportation segments and the continued positive impacts from the company's profit improvement program. These benefits were partially offset by higher incentive compensation accruals,

higher self-insurance reserves and operating costs at FedEx Ground, and lower-than-anticipated volume at FedEx Freight. Costs related to the pending acquisition of TNT Express were immaterial during the quarter. During the quarter, the company acquired 1.1m shares of FedEx common stock.

FedEx projects adjusted earnings for fiscal 2016 to be US\$10.40 to US\$10.90 per diluted share before year-end mark-to-market pension accounting adjustments, aided by benefits from the profit improvement program. The outlook assumes moderate economic growth and does not include any operating results or costs related to TNT Express. The capital spending forecast for the fiscal year remains US\$4.6bn.

Source: [FedEx](#)



HERMES TRANSPORT LOGISTICS INTENSIFIES COOPERATION WITH LYNDEN INTERNATIONAL

Hermes Transport Logistics (HTL) has intensified its transatlantic cooperation with Lynden International, a US-based full-service domestic and international freight forwarder with over 30 offices worldwide.

The two companies are from now on cooperating with their respective entire trade and logistics portfolio beyond the borders of Europe and North America. Through the closer intercontinental cooperation, HTL and Lynden strengthen each other's existing logistics networks placing the focus on the development of existing and potential customer groups in Canada, the USA, Mexico and Germany.

Source: [CEP-Research](#)

> ASIA PACIFIC

TOLL OPENS AU\$20M UPGRADED PERTH DEPOT

Toll Express, part of Toll Group, has opened the doors on an AU\$20m renovation of its depot at Perth Airport.

The upgrade is part of more than AU\$80m that Toll has spent on recent major property investments and upgrades to reinforce its industry leading capabilities in Western Australia.

Source: [CEP-Research](#)

KERRY ROBOTS SPEED UP E-COMMERCE LOGISTICS



Kerry Logistics has introduced six 'logistics robots' into its main warehouse to speed up e-Commerce fulfilment operations, and is continuing its Asian and intercontinental expansion after strong-half year results.

The Hong Kong-based freight forwarding and express delivery group claimed to be one of the first third-party logistics operators in Asia to adopt 'robotic butlers' in its operations to enhance fulfilment efficiency and

accuracy. Currently, the robotic butlers operate 24/7 and can pick 280 items per hour compared to 50 items in the normal course and the pick rate is four times faster.

Source: [CEP-Research](#)

METRO GROUP AND ALIBABA GROUP JOIN FORCES TO PROMOTE E-COMMERCE IN CHINA

German retail company Metro Group announced a strategic partnership with the leading Chinese online and mobile commerce company Alibaba Group to promote business in China's rapidly growing e-Commerce market. According to the agreement, Metro will launch its official online flagship store exclusively on Alibaba Group's Tmall Global platform offering a range of German products to the Chinese consumer.

The online storefront will sell products of Metro's sales divisions' private labels as well as supplier brands from Germany. In the first phase, over 100 products in the categories of dairy, canned foods, coffee, and chocolate from Metro Cash & Carry Germany as well as cosmetics goods from Real are to be offered online. The international shipping from Europe to China is performed in advance to ensure sufficient stock is stored in Shanghai Free Trade Zone warehouses.

Chinese customers are able to benefit from cross-border delivery directly from the Shanghai Free Trade Zone and fast customs clearance fulfilled by Alibaba Group's specialised service team.

In addition to the cross-border e-shop, both companies also agree to explore omni-channel and comprehensive collaboration opportunities in areas including global sourcing of quality products in different categories, supply chain optimisation and market insights leveraging on big data.

Source: [Alibaba Group](#)

CAINIAO AND USPS COLLABORATE TO ENHANCE CROSS-BORDER LOGISTICS

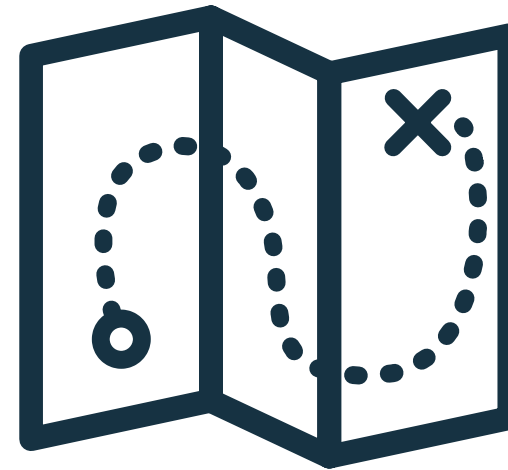
Cainiao, the logistics affiliate of Alibaba Group Holding Limited, and the United States Postal Service signed a Memorandum of Understanding (MOU) to develop new international shipping solutions and enhance the logistics-service experience for both sellers and buyers involved in cross-border e-Commerce. Through the Memorandum of Understanding, Cainiao and the USPS agree to work together to speed delivery of merchandise sold through AliExpress to consumers in the United States. The USPS will also collaborate with Cainiao to help expand the latter's delivery networks worldwide, especially in South America.

> ASIA PACIFIC

Cainiao and the USPS are aiming to develop an integrated e-Commerce solution that provides full access to the US domestic market and neighbouring countries, the Memorandum of Understanding states. The solution will be designed to reflect the demands of customers and the capabilities of shipping partners to improve the way goods purchased from China are processed, handled, and delivered in the United States and potentially South American markets.

Both companies have expressed an interest in exploring the feasibility of integrating USPS technology into the Cainiao logistics information platform, as well as other Alibaba's e-Commerce platforms. Through the collaboration, Cainiao and USPS aim to innovate special services to meet market demand, supporting efforts by China-based merchants to expand into overseas markets, at the same time delivering an improved shopping experience to US consumers.

Source: [Alibaba Group](#)



> EUROPE

DPDGROUP EXTENDS PICKUP PARCEL SHOP NETWORK TO OVER 20,000 LOCATIONS IN EUROPE

DPDGroup has extended its Pickup parcel shop network to over 20,000 locations in Europe, with 3,000 Pickup points now available in Spain and in the UK to complete the company's offering for 'out-of-home deliveries'.

Pickup is one of the densest PUDO (Pick-Up and Drop-Off) networks in Europe, with over 20,000 Pickup points in 13 countries. The Pickup network serves all customers of the DPDgroup brands including DPD, Chronopost, SEUR and Interlink Express. Pickup points are located in strategic areas with independent retailers to better respond to customer lifestyles.

In the next step, DPD will start opening Pickup points in Poland while DPD Russia will extend its current network of 800 collection points across the country to 2,000 next year, as part of the company's strategic goal to become a leading service provider for the B2C segment.

Source: [CEP- Research](#)

DB SCHENKER AND GLS LAUNCH EUROPEAN FREIGHT AND PARCEL PARTNERSHIP

DB Schenker Logistics and GLS unveiled a long-term strategic partnership enabling each partner to offer their customers both parcel and freight services across Europe in competition to rivals such as DHL, DPD, UPS and TNT as well as other freight forwarders.

From January 2016, DB Schenker will expand its freight-based product portfolio by offering parcel services using GLS' Europe-wide network. For its part, GLS – Royal Mail Group's parcels subsidiary – will offer customers palletised freight transportation, using DB Schenker's network.

Under the cooperation agreement, DB Schenker Logistics will manage parts of the transport chain itself and in general will collect parcels together with freight from customers. GLS will provide further transport and delivery to businesses and their end customers. The non-exclusive partnership, signed in early September, will kick off in Germany and be gradually extended across Europe.

Source: [CEP-Research](#)

DHL PARCEL AIMS TO BECOME SECOND-LARGEST PLAYER IN AUSTRIA

DHL Parcel has started its network rollout in Austria with 15 delivery depots and 800 parcel shops as it aims to become the country's "second-biggest player" after Austrian Post. However, Austrian Post is fighting back with new services while DPD and GLS are also eyeing the country's B2C market. The operational launch follows the announcement that DHL Parcel will invest over €100m in its own parcel network in Austria.

DHL's expansion in Austria comes as DPD, the Austrian B2B market leader, also aims to expand its B2C business through new services and a rival parcel shop network, while Royal Mail subsidiary GLS is developing its B2C services in Austria, too. However, Austrian Post is confident that it will remain the leader on the market. It has also launched new services. A new service recently launched is the delivery on the 'desired day' enabling the recipient to delay delivery of a shipment by up to five days. The Saturday delivery service which Austrian Post offers free of charge has initially been piloted in six selected delivery areas serving over 300,000 households, with the aim to extend it all over Austria by the end of the year.

> EUROPE

Deutsche Post DHL's European parcel division is expanding into markets outside Germany, and is already active in the Benelux states, Poland, the Czech Republic and Slovakia.

Source: [CEP-Research](#)

OMNIVA'S PARCEL MACHINES EXPAND TO STATOIL SERVICE STATIONS

Omniva and Statoil jointly launched a pilot project, during which Omniva's parcel machine was installed in the Statoil service station located in Mustamäe, Tallinn. According to Ansi Arumeel, member of the board of Omniva, the aim of the pilot project is to assess users' interest in parcel machines in service stations. When it becomes popular with customers, Statoil service stations are planned to be equipped with parcel machines across Estonia.

Altogether, Omniva has 194 parcel machines in the Baltic States with 104 machines in Estonia, 46 in Latvia and 44 in Lithuania. That makes the company the largest company providing the parcel machine service in the Baltic States.

Source: [Omniva](#)

DHL EXPRESS TARGETS FINNISH E-COMMERCE THROUGH K-GROUP RETAIL STORE OUTLETS

DHL Express is targeting the fast-growing Finnish e-Commerce market through a deal to set up a network of several hundred service points and parcel lockers at retail stores of the major retailer Kesko Group.

DHL Express and the K-Group have signed a cooperation agreement which will make 250-300 DHL service points available at the K-Group's food stores and building and home improvement stores in different parts of Finland. It is planned that by the end of 2016, DHL Express services will be available at some 100 locations and in 2017, at approximately 250-300 locations. In addition, a network of parcel lockers will be set up at K-stores. By the end of 2015, there will be some 30 lockers ready to receive parcels; at the service points, both receiving and sending is possible.

At the initial stage, DHL parcel lockers will receive both international and domestic parcels shipped via DHL Express. In the next stage, it will be possible to send parcels through the parcel lockers, too. At DHL Service Points, both options will be available.

Source: [CEP-Research](#)

DPD FRANCE PARTNERS WITH E-COMMERCE SOFTWARE PROVIDER PRESTASHOP

DPD France has signed an agreement with PrestaShop, the European leader of 'open source' e-Commerce software solutions, as part of which DPD is now listed among PrestaShop's recommended transport providers.



Helping retailers to create and manage their online presence, PrestaShop cooperates with 250,000 e-retailers, with DPD France now being available in their back-offices as a new transport module.

Source: [CEP-Research](#)

DHL EXPRESS PLANS TO INVEST HUNDREDS OF MILLIONS MORE IN LEIPZIG AIR HUB

DHL Express will invest several hundred million euros more in its Leipzig hub to increase capacity and speed up handling in the years to come.

DHL Express Europe CEO John Pearson told international journalists, including CEP-Research, at the facility that the company has so far invested about €510m in its European air express hub, which opened in 2008.

> EUROPE

This includes €300m for the original 48,000 m² warehouse facility, which can handle 60,000 parcels and 43,000 documents per hour, and €48m of subsequent investments in a ULD stacker and ramp upgrading.

€430M
INVESTMENT AT DHL
EXPRESS'S LEIPZIG HUB
PLANNED

Under a further €150m expansion project which started in early 2014, the physical size of the hub will be doubled with construction of a new 40,000 m² warehouse alongside the existing one, and automated

sorting capacity will be increased by 50% to more than 150,000 shipments per hour. The first stage, for manual handling of large and heavy 'non-conveyable' shipments, went into operation last autumn.

Overall, Hughes said, DHL Express has committed itself to about €430m worth of investments at the Leipzig hub over the next two decades, including the current spending on the Terminal 2 and 3 extensions, the non-conveyables sorting system and undisclosed future measures.

This would take DHL's overall investment at the Leipzig hub to some €730m.

Source: [CEP-Research](#)

GLS EXPANDS FLEXDELIVERY SERVICE

GLS has further expanded the geographical coverage of its evening and Saturday deliveries offered as part of its Flex Delivery service to the German cities of Leipzig and Hanover. Initially introduced in Frankfurt and Düsseldorf in May last year, the evening and Saturday deliveries have been gradually expanded to more cities, bringing the total number of the cities covered to ten.

As part of the new delivery options, consumers can also choose delivery in the evening or on a Saturday. The time window for the evening deliveries is set between 5pm and 8pm. On Saturdays, GLS delivers between 8am and 1pm. If the first delivery attempt fails, the recipients can still choose the new delivery options again through parcel redirection via the company's website.

Source: [CEP-Research](#)

DPD BUYS GERMAN DEPOT FRANCHISEE

DPD has strengthened its German network by acquiring a regional franchisee, Altentreptow GmbH, giving it ownership of all but three of its 76 depots.

With this acquisition GeoPost, a wholly-owned subsidiary of Le Groupe La Poste and the major

shareholder in DPD, has increased its shareholding in the company to 93.79%. With two locations in Berlin and one in Hessen, DPD Zeitfracht GmbH remains the only other shareholder in DPD.

Source: [CEP-Research](#)

DHL WHITEPAPER HIGHLIGHTS THE UNTAPPED POTENTIAL OF LOGISTICS FOR CHEMICAL INDUSTRY

Leading players in the chemical industry could significantly increase their competitive advantage if they started leveraging logistics as well as other global industries do, according to new research commissioned by DHL. DHL's whitepaper 'Supply chain in the boardroom - 5 levers to boost a chemical company's bottom line' highlights opportunities to boost performance and overcome challenges such as commoditisation by getting logistics onto boardroom agendas in the chemical industry.

According to the report, the five levers that can help chemical companies increase performance and competitiveness are: optimising logistics costs, freeing up capital for better inventory management, smart investment in logistics assets, increased focus on end-to-end safety and security processes and differentiated logistics services.

> EUROPE

The report urges senior management to change its perception and see logistics as a strategic asset rather than a transport and delivery service. The report recommends that logistics as a service differentiator is a competitive edge of which chemical companies should take advantage.

Source: [Deutsche Post DHL Group](#)

NIGHTLINE OPENS €2M DEPOT TO SUPPORT PARCEL LOCKER NETWORK

Ireland's biggest independent delivery firm Nightline has opened a €2m depot in Dublin to support its parcel locker network as volumes continue to grow.

The new depot on Dublin's North City Business Park has three times the number of workstations to process goods for delivery to Parcel Motel lockers than the system had been able to call on at Nightline's Mygan Park headquarters.

In parallel, eight of the company's 11 sites across the Irish Republic are also going to become alternative parcel pick-up points for subscribers to the Parcel Motel system. Consumers will be able to collect packages directly from Nightline's premises in Athlone, Tralee, Waterford, Sligo, Cork, Galway and Limerick rather than from a Parcel Motel terminal.

Source: [CEP-Research](#)

TNT STRENGTHENS SERVICE TO NORDIC MARKETS

TNT is strengthening its international express delivery services to the Nordics with improved air connections to Sweden and Finland and additional last-mile delivery capacity in large business centres.



With these improvements, which went into effect in August and early September, TNT is expanding the coverage of its international, morning delivery services in Sweden, Denmark, Norway and Finland. TNT can now serve 15% more post codes and 34% more businesses in the region by noon the next business day. Companies shipping to or from the Nordics will benefit from more delivery options for their urgent parcels and freight.

The expansion is made possible by recent operational improvements to TNT's road and air networks in the Nordic region.

Source: [TNT](#)

SPSR EXPRESS SIGNS UP PARTNERS FOR DELIVERIES OF CHINESE GOODS TO RUSSIA

Russian express delivery operator SPSR Express has signed a partnership agreement with DHgate, an e-Commerce marketplace focused on cross-border trade of Chinese goods, and Russian payment services provider QIWI to deliver products from China to Russia.

Through the Memorandum of Cooperation signed in Beijing, China, this week, Russian customers will now be able to use the convenient online and offline payment services via the Visa QIWI Wallet and payment kiosks to buy Chinese products from the DHgate.com website. The cooperation with SPSR Express, in turn, will reduce delivery times to Russian online shoppers.

In addition, DHgate will soon offer Russian customers in cooperation with QIWI and SPSR Express the cash on delivery (COD) option as one of the available payment methods, which remains the most popular payment method in Russia.



Source: [CEP-Research](#)

> EUROPE

RUSSIAN POST AND CHINA POST EXPAND RAIL DELIVERIES OF PARCELS

Russian Post and China Post plan to expand rail deliveries of international shipments from China to Russia and to start a regular exchange of postal flows between the two countries as part of a reinforced partnership agreement signed by the postal operators during an official visit of Russia's president Vladimir Putin to China this month.



This is in line with the cooperation agreement between the railway operators of the two countries signed in May 2014 and aims to increase the product flow and trade between China and Russia. At the beginning of this year, Russian Post and China Post started rail transportation of international postal shipments from China to Russia and now plan to launch regular rail deliveries as part of cargo and passenger trains.

The postal operators plan to ensure guaranteed delivery times of up to seven days for the joint logistics solution for shipments delivered from China to Russia. Goods from major Chinese internet shops will be consolidated at logistics sites in China, pre-sorted there and then delivered to post offices in large Russian cities. The coverage area, the method of labelling and other technical features will be determined by the partners before 1 November.

Source: [CEP-Research](#)

SWISS POST REALIGNS ITS INTERNAL TRANSPORT UNIT

Swiss Post intends to no longer operate its own truck fleet with vehicles of more than 3.5 tonnes for internal transport. In future, it plans for these routes to be competitively tendered and purchased from external transport companies.

Subject to the results of the consultation process, 187 driving jobs are affected by this plan. Swiss Post will offer all the employees affected reasonable continued employment while also supporting them in their job search both within and outside the company.

Source: [Swiss Post](#)

AUSTRIAN POST OPENS OFFICE OF EXCHANGE IN UK

Austrian Post has opened an Extraterritorial Office of Exchange (ETOE) in co-operation with the UK mail distribution specialist Direct Entry Solutions (DES), located close to London Heathrow Airport. The ETOE offers UK wholesale customers access to Austrian Post's products and extensive global distribution network directly from the UK.

The ETOE is the second office of exchange operated by Austrian Post. In November 2014 an ETOE of the subsidiary Austrian Post International went into operation in Bonn, Germany.

Source: [Austrian Post](#)

ROYAL MAIL SECURES STAKE IN MARKET ENGINE

Royal Mail plc announced it has secured a stake in Market Engine Global Pty Limited, an Australian e-Commerce technology start-up. Market Engine enables businesses to manage online shop fronts in global marketplaces that are fully translated for the local market.

> EUROPE

Through Market Engine's unique market management system, which integrates into the world's largest e-Commerce sites such as Tmall Global, businesses can manage all aspects of their online retail presence in different markets across the world, without the need for a bricks-and-mortar presence. This includes local online shop front designs translated into the local language and integration with real-time business management and analysis systems, including inventory, reporting and sales analysis. Market Engine also creates custom-built online marketplaces, bringing businesses and consumers closer together.

Royal Mail's investment in Market Engine reflects the increasingly technology-driven nature of the delivery market. It helps further align the company with the rapid growth in online shopping and e-retailing, with 81 per cent of online shoppers now purchasing goods from online marketplaces. The move forms part of Royal Mail's continued focus on digital innovation and building its e-Commerce capability. It follows the company's recent investment in Mallzee – a personal shopping app – and its acquisition of Storefeeder – an e-Commerce technology specialist which provides order management, stock control, smart warehousing and courier integration for web merchants.

Source: [Royal Mail Group](#)

PARCELFORCE WORLDWIDE PARTNERS WITH PTA UK TO LAUNCH NEW "WELCOME TO SCHOOL" INITIATIVE

Parcelforce Worldwide, the express parcels business of Royal Mail Group, has partnered with PTA UK to deliver a new 'welcome to school' initiative to primary school parent-teacher associations (PTAs) in England and Wales. Parcelforce Worldwide is delivering the packs throughout this week to coincide with the first full week of the new school term.

PTA UK, a membership body for parent teacher associations and a registered charity, launched the initiative to help ease the nerves of parents and children who are starting school for the first time.

The scheme will see 'School Start' welcome packs, created by PTA UK, Parcelforce Worldwide and iChild, given to parents by PTAs as their children start at their new primary school. The welcome packs include a wealth of top tips from experienced parents and advice on how parents can work with teachers to play a more proactive role in their child's education.

Source: [Royal Mail Group](#)

NEW CROP OF TOP MARKETEERS JOIN CAMPAIGN TO PROMOTE MAIL

Marketing industry leaders joined forces with Royal Mail MarketReach to demonstrate the vital contribution that mail makes to advertising success in the new 'MAILMEN' campaign launched on 7 September). The campaign, created by Publicis Chemistry, is endorsed by influential industry leaders from companies such as DigitasLBI, EasyJet and AXA Insurance.

The campaign targets marketing decision-makers at the top 3,000 advertisers as well as media and creative agencies. The new campaign combines digital, press, direct mail, mobile, email and the augmented-reality app Blippar. The campaign promotes Royal Mail MarketReach's latest in-depth research programme, This Time It's Personal.

The new 'MAILMEN' direct mail will be received by 14,000 client-side marketers and agencies, and reveals insights from the new research demonstrating why mail should be considered as an essential part of any campaign.

Source: [Royal Mail Group](#)

2015



SUSTAINABILITY

International **Post**
Corporation



GREEN SPECIAL

Quarterly newsletter on sustainability
initiatives in the postal sector



24 September 2015

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> AMERICAS

USPS PLANTS EQUIPPED FOR RECYCLING

USPS is installing new recycling equipment at more than 200 plants across the US, part of a programme that could generate as much as US\$133m in combined savings and revenue.

The equipment is part of USPS's National Recycling Operations, started last year. Through the programme, postal vehicles transport waste paper and similar materials to USPS hubs for consolidation and recycling.

As part of the programme, employees are also being trained to use the equipment.

Source: USPS

USPS CHIEF SUSTAINABILITY OFFICER DISCUSSES SUSTAINABILITY EFFORTS

USPS Chief Sustainability Officer (CSO) Tom Day was featured in the International Society of Sustainability Professionals' Profile in Excellence Series to discuss the USPS's efforts in the field of environmental sustainability.

Day highlighted the importance of empowering people within the organisation who are passionate about the environment and discussed how USPS is creating a culture of conservation. He went on to say that USPS is addressing the issue of climate change by implementing adaptation planning to ensure the continuity of operations.

The CSO also highlighted how sustainability is a cross-functional effort across Network Operations, Delivery and Post Office Operations, Facilities, Supply Management and other groups.

Source: USPS

> AMERICAS

UPS MAKES SUBSTANTIAL MOVE TO RENEWABLE FUELS

UPS announced agreements for up to 46m gallons of renewable fuels over the next three years, constituting a 15-fold increase over prior contracts and making UPS one of the largest users of renewable diesel in the world.

The agreements with three leading suppliers of renewable fuels, secure access to an advanced renewable diesel fuel in order to meet the company's objectives for alternative-fuel utilisation. Finland-based Neste and US-based Renewable Energy Group (REG) and Solazyme will supply renewable diesel to UPS to help facilitate the company's shift to move more than 12% of its purchased ground fuel from conventional diesel and gasoline fuel to alternative fuels by the end of 2017. UPS has previously announced a goal of driving 1bn miles with our alternative fuel and advanced technology vehicles by the end of 2017.

UPS has been using renewable fuels for more than a year in trucks operating in Texas and Louisiana. The new agreements pave the way for expanded use across the US and potentially in parts of Europe. "We have used more than 3m gallons of renewable diesel to date with positive results. Renewable diesel

has a huge impact significantly reducing lifecycle greenhouse gas emissions by up to 90% less versus conventional petroleum diesel," said Mark Wallace, UPS senior vice president, global engineering and sustainability.

Source: [UPS](#)

UPS RELEASES ANNUAL SUSTAINABILITY REPORT

UPS released its 13th annual Sustainability Report, highlighting its growing investment in alternative fuel and advanced technology vehicles and commitment to log 20m hours of volunteer time by the end of 2020.

With its 'Rolling Laboratory' approach, UPS accelerated its investment in an alternative-fuel and advanced-technology fleet of more than 5,000 vehicles last year, increasing the number of vehicles by 61% over 2013 and adding 1,100 natural gas vehicles. According to the report, UPS logged 154m miles in 2014 toward its goal of driving 1bn miles with the fleet by the end of 2017 – an almost threefold increase from 2013. UPS reported that 5.4% – or 25m gallons – of its total gas and diesel purchased in 2014 was displaced with alternative fuels including natural gas, propane, ethanol, bio-methane, renewable

diesel, and electricity. The commitment to alternative fuel and advanced technologies will allow UPS to reduce its annual use of gasoline and diesel 12% by the end of 2017.

The report also highlights two global trends facing the transportation and logistics industry: an increase in consumer e-Commerce and growth in urbanisation. E-Commerce shipments are typically business-to-consumer (B2C) and fewer packages per stop, compared to business-to-business (B2B) deliveries. This means carriers may be driving more miles and using more fuel to deliver fewer goods. Global population shifts from rural to urban areas translates into more congestion, noise, and pollution in cities. UPS works closely with its customers, government leaders and other stakeholders to develop new delivery methods to reach dense urban areas.

While e-Commerce drove a 6.8% increase in package volume globally in 2014, UPS emitted fewer greenhouse gas (GHG) emissions per package, with total carbon emissions growing just 3.3%. The 14.1% reduction in carbon intensity achieved since 2007 is equal to removing more than 380,000 passenger vehicles from the road for one year.

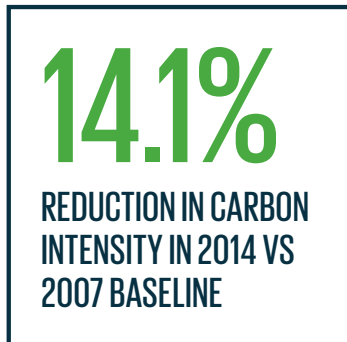
Source: [UPS](#)

> AMERICAS

UPS MAKES CLIMATE PLEDGE AT WHITE HOUSE EVENT

UPS Chief Sustainability Officer and Vice President of Environmental Affairs Rhonda Clark joined Secretary of State John Kerry, senior White House officials and 12 other major companies to launch the American Business Act on Climate Pledge.

In 2013, successful execution of its global GHG strategy enabled UPS to exceed a 10% reduction in carbon intensity three years ahead of the 2016 goal. In 2014, the company achieved a 14.1% reduction in carbon intensity versus



a 2007 baseline as a result of successfully executing carbon reduction strategies in its ground and air fleet. Accordingly, UPS pledged to double the goal to a 20% reduction by 2020, as measured by the UPS Transportation Intensity Index, off a 2007 baseline.

UPS's plan includes: network and mode optimisation to minimise the miles travelled and energy consumed; investments in fuel-saving technologies and alternative-fuel vehicles to reduce dependency on petroleum-based fuels, and energy conservation through facility design, operational practices, renewable energy and retrofitting.

Source: [UPS](#)

UPS APPLAUDS PASSAGE OF LEGISLATIVE LANGUAGE TO TAX ALL FUELS EQUALLY

UPS released a statement in which it applauds the US Congress for passing legislative language in equalising the federal excise tax for liquefied natural gas (LNG) and propane with their counterparts, diesel and gasoline. This federal tax disparity for LNG and propane is perhaps the greatest disincentive to converting large commercial trucking fleets to run on alternative fuels.

Source: [UPS](#)

UPS EXPANDS HYBRID ELECTRIC FLEET IN US

UPS has purchased 125 new technology hybrid electric delivery trucks in the US. The 125 new hybrids, to be deployed in the first half of 2016, will deliver significant fuel economy equivalency gains – up to four times the fuel economy of a gasoline-powered vehicle, compared to a 10% to 15% improvement with previous hybrid designs.

The vehicles are being manufactured by Workhorse Group, Inc., a Cincinnati-based company which manufactures electric drive systems for commercial trucks and can equip them with electric engines.



Source: [CEP-Research](#)

> AMERICAS

CORREIOS BRASIL TO BUILD UP A CULTURE OF SUSTAINABILITY LEADERSHIP

Correios Brasil has set out to ensure the full qualification on sustainability issues of its approximately 16,000 managers over the whole country within the framework of its 2020 Corporate Leadership Development Program – a massive training initiative launched in June this year in the wake of the World Environment Day on 5 June.

The campaign consists of three ten-minute video classes delivered through the employee's workplace. The first video introduces the basic sustainability management concepts, whereas the second video refers to the environmental corporate actions which have already been implemented on this matter, such as Correios's homemade Post Office Environmental Management System and its involvement in IPC's Environmental Measurement and Monitoring System (EMMS). The last video focuses on voluntary actions and on testimonies from national programme managers.

Such an education initiative is a great challenge, giving the scale of the postal infrastructure covering the whole of Brazil and because of some technological constraints to be overcome in a few remote localities. In 2015, the set goal is to train at least 50% of Correios's managers to build up a strong workforce of sustainability managers who can be able to consistently improve our competitiveness and company's image, while cutting down corporate costs and ensuring waste reduction.

Sustainability is a focal point of all work procedures at Correios Brasil, with social and environmental principles applied in every corporate action field, including the sponsorship policy concerning the 2016 Olympic and Paralympic Games to be held in Rio de Janeiro.

Source: Correios Brasil



> ASIA PACIFIC

AUSTRALIA POST HEADQUARTERS CELEBRATES WORLD ENVIRONMENT DAY



Australia Post celebrated World Environment Day, which took place on 5 June, with a range of activities at our Melbourne, Australia headquarters with a range of initiatives.

The Australia Post Melbourne headquarters were transformed into a mini farmers' market with growers from their online 24/7 marketplace, www.farmhousedirect.com.au, highlighting the benefits in buying locally grown and sourced produce. Moreover, Passers-by were also treated to a green oasis showing how simple it is to grow veggies and herbs in garden beds made of upcycled wooden pallets.

The event also focused on recycling. Recycling stations were set up and items such as old mobile phones and printer cartridges were collected to be recycled via existing partnerships with Mobile Muster, Cartridges 4 Planet Ark and TerraCycle.

Australia Post is also a proud supporter of the Banksia Awards, which recognise members of the Australian community for their positive contribution to the environment.

This year Australia Post is sponsoring the Small to Medium Business Sustainability Leadership Award.

For more information visit www.banksiafdn.com

Source: Australia Post

NEW ZEALAND POST DONATES BICYCLES TO BIKES FOR MADAGASCAR

New Zealand Post has donated old postie bikes to the Bikes for Madagascar project as part of a new scheme to re-use old bikes.

Almost 50 bicycles have been donated by New Zealand Post to the Christchurch-based group Bikes for Madagascar and more may follow. The bicycles will be sent on to Madagascar where they will be used by health workers who need transport to visit patients.

New Zealand Post bicycles are decommissioned after five years and are usually recycled as scrap metal. However, under a new programme, New Zealand Post will be giving away more bicycles to not-for-profit groups. "We'll look at donating bikes to community groups that can demonstrate a need for them. Groups will also need to show us that they'll be able to provide ongoing maintenance so the bikes remain in good condition," says Smout.

Source: [New Zealand Post](#)

NEW ZEALAND POST ROLLS OUT 'CODE OF ETHICS' FOR ALL EMPLOYEES

New Zealand Post has developed a general code of ethics, called My Post Code, to increase the awareness of its core values and policies among its staff.



A unique aspect of the Post Code is that it is presented in tweet-sized messages which makes it more accessible to the staff. These have been set out on a pocket-sized fold-up card,

as well as on the New Zealand Post Intranet.

My Post Code summarises in ten simple messages the key components of the company's code of ethics, and is designed to give its staff a shortcut to help do the right thing and make the right choices at work. It covers things like spending, fairness and honesty with customers, keeping private information private and other things like how they should communicate, how to dress for work and turning up on time for work.

Source: New Zealand Post

> EUROPE

LA POSTE PARTNERS WITH UN CLIMATE SUMMIT IN PARIS

Le Groupe La Poste (La Poste) is a major partner of the upcoming UN climate summit in Paris, COP21, which will take place from 30 November until 11 December. As part of the partnership, La Poste has launched a year-long campaign to raise awareness about climate change and has set up a range of initiatives to address the issue.

The climate summit has mobilised the whole of France, with non-governmental stakeholders as well as state agencies starting initiatives to support the country's change in energy policy. La Poste, which is implementing its own transition to a new energy mix, has committed its expertise to this nationwide project. With a wide range of initiatives – ranging from a carbon neutrality measures, a large electric vehicle fleet and a recycling programme – La Poste has set out to share its expertise to numerous causes and events, including the 'Cap COP21' conferences, Vivre Ensemble forum and a series of conferences titled 'Paris Climat 2015: Make it Work'.

Source: [Le Groupe La Poste](#)

LA POSTE REALTY SUBSIDIARY INVOLVED IN ENERGY CONSUMPTION SAVINGS

Poste Immo, Le Group La Poste's realty subsidiary, is participating in the second session of CUBE 2020, a challenge aimed at reducing the energy consumption in buildings over a one-year period starting on 1 July 2015 and ending on 31 June 2016. Poste Immo entered 40 of its buildings – totalling 16,103 employees over 378,380 m² – in the challenge.

Poste Immo set three main objectives for its participation in the project: to save 5% to 25% of the annual energy costs; to promote the initiative amongst users as well as the building sector, and to incentive users to change their behaviour.

CUBE 2020 was launched by IFPEB, the French organisation dealing with the economical, environmental and social performance of buildings. Through the involvement of property users and developers, the CUBE 2020 initiative aim to implement energy savings between 10% and 25%. The challenge aims to raise awareness on the ground through progress updates, events and trainings. Performance is measured and compared on a monthly basis to assess the progress made and the savings achieved.

Source: Le Groupe La Poste

GLS OPENS NEW ECO-DEPOTS IN HUNGARY AND ITALY

GLS has opened new eco-depots in Hungary and Italy using bicycles and electric vehicles for delivery and expanded the geographical coverage of its evening and Saturday deliveries in Germany offered as part of its Flex Delivery service.

GLS Hungary has opened a new depot in Budapest in cooperation with the capital's first bicycle courier company, whose name has not been disclosed. The delivery drivers transport most of the parcels for the city centre by cargo bikes or e-bikes. For heavy cargo, GLS uses an electric minivan with a range of 130 km as the first of its kind to be used in the Hungarian postal and parcels market. In Italy, GLS now also makes emission-free deliveries to parcel recipients in the inner city of Milan using 12 electric vehicles and eight e-bikes. The new depot also features eco-friendly LED lighting.

These new depots are part of the company's sustainability goal to continually reduce energy consumption. Bicycles are also used by GLS in other Italian city centres and in Belgium. It has the advantage that narrow and bustling downtown streets and areas with restricted access can be reached quickly and easily, the company stressed.

Source: [CEP-Research](#)

> EUROPE

POSTNL AWARDED SILVER CSR REPORT FROM FIRA

PostNL has been awarded a Silver Report for its Corporate Social Responsibility (CSR) from FIRA, becoming the first organisation in the mail and package distribution sector to publish a Silver CSR Report.

PostNL publishes its CSR performance on the FIRA platform, making its business practices transparent for buyers, suppliers and existing and potential customers. The report follows verification and a performance assessment by FIRA. With the Silver Report, PostNL demonstrated that CSR is an important theme within its business operations and that it has a clear policy in place for measuring and improving sustainability-related performance and innovations.

FIRA is a so-called sustainability broker and provides independent, third-party verification and assurance of sustainability programmes and initiatives. The FIRA platform is a digital register with a graduated system with four process levels: Bronze, Silver, Gold and Platinum. The assessment included an examination of which sustainability themes are important for PostNL, such as good service, a focus on the living environment and good employment practices.

Source: [PostNL](#)

CTT PARTICIPATES IN EUROPEAN MOBILITY WEEK

CTT–Correios de Portugal participated in the European Mobility Week, a campaign that focuses on promoting a sustainable mobility worldwide and took place between 16 and 22 September this year.

The theme of the 2015 edition was multimodality and the aim was to encourage people to think about the range of transport options available. In this framework, CTT invited its employees to choose public transport rather than a private vehicle, to participate in car-sharing between co-workers, or to use a bicycle or travel by foot whenever possible. As part of the campaign, CTT celebrated the European ‘Bike to Work Day 2015’ with a photo contest to reward the best photograph of the home-work travel made by CTT employees, made four bicycles available for free rides around the HQ area during lunch hours, and launched a carpooling platform for employees.

CTT was also shortlisted with its mobility action plan for the World Mail Awards 2015, in the Corporate Social Responsibility category.

Source: CTT–Correios de Portugal

CTT CONSULTS PUBLIC ON OFFSETTING PROJECTS

CTT–Correios de Portugal set out to engage the public in its Correio Verde – or Green Mail – product range by launching a public consultation on the projects supported by CTT to offset the CO₂ emissions of its ecological line of products.

The Correio Verde range consists of easy-to-use environmentally friendly products, including prepaid envelopes, padded bags and packets, which are made with recycled materials and environmentally friendly paints. The range is entirely carbon neutral; all emissions are offset. On average, each mail piece delivered by CTT has an emission of 13.1 g of CO₂ equivalent.

In order to offset Correio Verde’ CO₂ emissions, CTT carried out an innovative public consultation process. The consultation was open to everybody via Facebook and allowed all respondents to choose the offsetting



> EUROPE

projects. The public got to choose one national and one international projects of their preference, selected from an original list of 21 offsetting alternatives. The initiative was a success in terms of participation: 39,000 registered users and 1,200 on-line voters. It also got the attention of the press, TV channels and social media. The visibility of the project lead to an increase in revenues of CTT's eco-portfolio, with Correio Verde volumes growing by 24%.

According to the outcome of the consultation, CTT now supports a project for recovery of peatlands in Portuguese mountain areas that have been affected by climate change and a reforestation project in Mozambique, with VCS and CCB certification.

Source: CTT-Correios de Portugal

UPS TESTS ELECTRIC CARGO BIKES IN SWITZERLAND

UPS has started testing an electrically supported cargo bike for the delivery and pickup of packages in the city of Basel, Switzerland, to explore the economic and ecological viability of this alternative transportation mode for inner cities over a period of four weeks.

The battery-supported tricycle has a capacity of 1.5 m² and can carry loads weighing up to 150 kg. The cargo bike itself weighs 115 kg, including the 250 W battery. Thanks to its compact design and width of just 1 m, the bike is ideally suited for city centres and urban areas.

The pilot project in Basel is part of the company's global strategy to reduce greenhouse gas (GHG) emissions. In 2013, UPS reduced absolute CO₂ emissions by 1.5% compared to the previous year, despite the fact that its global transport volume increased by 3.9% during the same period.

Source: [CEP-Research](#)

UPS TESTS LONG-RANGE E-VAN IN THE UK

Meanwhile, in the UK, UPS said that its first 'range-extended' electric delivery vehicle, developed in collaboration with TEVVA Motors, has the ability to cover longer distances than a conventional electric vehicle. A small, highly efficient diesel engine acts as a generator to recharge the batteries if they get depleted out on the road. This significantly increases the range of the vehicle, potentially by several hundred kilometres, on top of its normal range of 75 km to 100 km without range extension.

Geo-fencing technology installed in this vehicle allows it to operate in a purely electric capacity in urban areas to reduce the impact on air quality. Should additional power to the batteries be needed, telemetry technology ensures that the range-extending diesel motor operates where the impact on air quality will be minimal, such as on the motorway.

The prototype will first be deployed in Barking, East London. It will operate in a suburban environment, for 12 months initially, covering about 100 km to 150 km per day to assess the potential for the vehicle to be used more widely in UPS operations.

Source: [CEP-Research](#)



ABOUT THIS PUBLICATION

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If you would like to contribute to this publication or require further information, please contact: publications@ipc.be.

ABOUT IPC

International Post Corporation (IPC) is the leading service provider of the global postal industry that provides leadership by driving service quality, interoperability and business-critical intelligence to support posts in defending existing business and expanding into new growth areas. It is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. IPC's solutions and services are used by over 180 posts worldwide. Since 1989 IPC has set standards for upgrading quality and service performance and developed technological solutions that help members enhance service for international letters, packets and parcels. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms and programmes for member post CEOs and senior management to exchange best practices and discuss strategy. IPC also manages the system for incentive-based payments between postal operators.

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