

E-commerce

Flash

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Editorial

Dear reader,

In this third edition of the IPC E-commerce Flash, we have aimed at giving you a selection of crucial developments in the e-commerce sector, divided into topic-based sections.

In our feature story, we discuss several increasingly important developments in e-commerce and what these mean for the posts. While offering many new opportunities, the e-commerce boom is also changing the traditional core business of postal operators, many of whom now face the challenge of transforming their product offering and business model. Mobile commerce, convenient parcel collection, same-day delivery and cross-border e-commerce are just some of the market trends posts need to address to become the natural delivery partners for e-retailers and shoppers.

This E-commerce Flash also looks into different parcel locker solutions, as well as trends in cross-border e-commerce. Furthermore, we will look at the move towards simplified delivery product offerings in Australia and the USA in response to customer needs. We will also look into innovative solutions to improve parcel sorting and fashion retail as part of an improved delivery network.

Lastly, you can read our report on the European Postal Services Conference held on 12-14 March in Madrid.

We are proud to see that the IPC PostBoard E-commerce community for postal e-commerce experts has become very active, with many e-commerce case studies and knowledge being shared between stakeholders. If you would like to join, please contact jakub.rymkiewicz@ipc.be.

We want to ensure that this publication continues to be as relevant as possible and we very much encourage and welcome any news from your own organisation or industry trends that you would like to be included.

We hope you enjoy reading the IPC E-commerce Flash and very much look forward to receiving your feedback.

The IPC Publications team



Feature story

Trends in e-commerce and opportunity for postal operators

The growth in e-commerce is likely to fundamentally change the core business of postal operators in the coming years. It presents an area for posts to develop and capture new revenue streams encompassing business to business (B2B), business to individual consumers (B2C), consumer to consumer (C2C) transactions as well as government to business and citizens (G2X). To capture maximum value from this opportunity, posts need to ensure they grow at least as fast as the market, creating value across the value chain and in all segments of the market. In this article, we present the latest trends in e-commerce and look at how the posts can transform to become the natural delivery partners for both e-retailers and the shoppers. We put special focus on cross-border e-commerce as the most challenging area of market transformation.

Smartphone/mobile

In recent years e-commerce has grown strongly and is predicted to grow even more in the future. However the developments in e-commerce most worthy of examination lie in the technology that underpins its rapid growth and the ever-changing expectations of consumers.

As the popularity of smartphones has grown over the past few years, the devices have transformed how people use the internet and

have had a transformational effect on e-commerce. There are 1bn smartphone handsets in circulation and this number continues to grow: it is estimated that there will be 2bn in use by 2015.

eBay is just one e-commerce company enjoying the surge in mobile commerce. eBay's various apps for iPhones, Android and iPads have seen 100m downloads and the company's sales via mobile devices in 2012 grew 200% compared to the previous year.

Smartphones have changed how people shop, with the devices being used increasingly on public transport, especially during the daily commute to work.

Click and collect

Consumers have embraced the convenience of shopping on the go using a mobile device; increasingly, they also want the convenience of not having to be at home to receive the goods when they are delivered. In the UK and the USA, Amazon has started to roll out collection lockers in convenience stores and other locations so that customers can arrive to collect their parcels. Amazon has also integrated the Collect+ service into its UK checkout flow so that consumers can pick up their packages from any one of 5,000 participating local shops.

Argos and John Lewis have both pioneered the click-and-collect model in the UK with great success. Third-quarter figures in 2012 from John Lewis show that online accounts for a quarter of all sales and click-and-collect is up 77% on the same period the previous year. For retailers, the beauty of the model is using their own distribution networks to get the goods to customers. This not only means that they need not entrust despatches to a third party, but that they are in total control of the experience at every stage of the buying journey. Buyers enjoy the flexibility of being able to pop by to collect their purchase at a time they choose.



Same-day delivery

Until very recently the overall security of a parcel was worth a premium for the consumer, but today this security is taken for granted and it is the swiftness of the delivery which is seen as an added value. Already in 2012, Amazon and eBay both announced initiatives offering same-day delivery to buyers. Amazon is investing heavily in building a same-day delivery network and has given up hefty tax advantages in several US states to do so. All the indications are that the company believes swift fulfilment is going to be a major part of its future.

Amazon has hitherto centralised its distribution hubs in a way that meant it avoided some state taxes. If goods were not being shipped from a particular state, they were exempt. However Amazon is reported to have dropped lawsuits challenging these laws and instead started to spend hundreds of millions of dollars building new hubs close to America's major cities to facilitate same-day delivery.

In comparison, eBay is only dipping its toe in the water with a small trial centred on San Francisco. Using its Milo platform (a company acquired in 2011), registered eBay users can opt for same-day delivery from a selection of local stores including Macy's, Toys R Us, Target and Best Buy. Deliveries cost US\$5 (£3) and the service is only available for items that cost more than US\$25 (£15). So where Amazon's experiment challenges the high street, eBay may have a solution that gives it a boost.

What is not clear, however, is the extent to which these new services will be embraced by the buying public. Indeed, while same-day gratification might be possible and attractive in affluent metropolitan areas, it's not likely to be a profitable

avenue for e-commerce in other places and will not attract those customers who like to shop online to save money. There is clearly a constituency of online shoppers who are quite happy to wait a few days, and even longer, if it means they can opt for cheap or free shipping.

Cross-border e-commerce growth

In more mature e-commerce markets such as the UK, Germany and the USA, there remains enormous potential for retailers to profit. In these countries, where consumers are demanding greater speed, satisfaction and convenience, posts can add value as they fine-tune the e-commerce experience. But there are even greater opportunities in cross-border e-commerce – described by Interactive Media in Retail Group (IMRG) as the future of e-commerce. These opportunities are being addressed in both current and future strategies of many postal operators.

IMRG estimates that there are 2.6bn internet users on the planet and that number is forecast to increase to 3.7bn by 2015. Currently 1 bn people are shoppers, three times more than there were in 2005. But it is the pace of e-commerce adoption in the newer markets that is most staggering. In China B2C online sales increased by 88% in 2012 compared to the previous year. The BRIC countries (Brazil, Russia, India and China) are an emerging source of growth in the global economy and in e-commerce. These countries have seen e-sales increase by 500% since 2007, according to IMRG. Other countries with e-commerce growth potential include the MIKT group of Mexico, Indonesia, (South) Korea and Turkey.

Historically it would seem that both e-commerce buyers and sellers have not prioritised cross-border trade and it has remained static as a proportion of e-commerce, even during the years of dramatic growth. According to the European Multi-channel and Online Trade Association (EMOTA), in 2012 only 15% of European online spend will be cross-border, with two-thirds of that remaining within the European Union.

One reason for the moderate growth of cross-border e-commerce is that it simply has not been necessary to look overseas for commercial success. But as local markets mature and nascent ones bloom, e-retailers are looking to international markets and cross-border purchases as the engine for continued double-digit growth for e-commerce.



As always in e-commerce, trust, convenience and reliability are critical, but these are perceived to be more difficult to guarantee internationally. In addition, many sellers do not want the hassle, or misunderstand the services that are available to them already. There are also practical concerns – administering the VAT of a business trading internationally can be a real obstacle to a smooth operation. It is in easing the process of cross-border trade that the biggest opportunity for posts might lie – 30% of parcel movements are expected to be cross-border by 2020, according to IMRG.

Postal innovation to facilitate cross-border e-commerce

In order to capture the growth opportunity of cross-border e-commerce, postal organisations have already taken several steps briefly presented below:

- Simplification of product portfolios – both e-retailers and customers want to know exactly what their options for delivery are and to be aware of the characteristics of each option.
- Alternative delivery options – several postal organisations have partnered with parcel lockers manufacturers to offer parcel collection opportunity virtually regardless of time and day, adding to the convenience of the receivers. It is worth noting that some parcel locker manufacturers, i.e. the Polish InPost, are implementing their parcel network on UK's developed market without affiliating with any particular delivery provider. If successful, this could effectively reduce postal operators' share in e-commerce eliminating their last-mile advantage, especially in urban areas.

- Insightful customer research – postal operators have lately been looking to obtain insightful information about their e-commerce customers to keep up with market's expectations. A good example of such initiative is the 2012 research by New Zealand Post called Parcel Experience. It provided New Zealand Post with a customer-led view of parcel needs, obstacles, goals, personal preferences and aspirations, which allowed the post to adjust its offerings to its customers' varied expectations.



Potential barriers to cross-border e-commerce

One obvious advantage of e-commerce is that transactions occur in a no man's land, which is the Internet. A company which sells into a different state or country via the internet does not have to collect sales tax on the transaction, ultimately rendering the price of the product more competitive than if it was purchased from a brick-and-mortar retailer.

This advantage may not hold for too long – American policy makers are looking to introduce the Marketplace Fairness Act. If passed, the Senate bill would require remote sellers to collect and remit sales taxes to states where consumers purchased their products via the Internet or catalogues. According to the DMA, the law would also require 46 states to conduct their own audits of remote taxes, their own returns

and filing schedules, and their own lists of taxable goods. More troubling, according to the association, is that the law contains no pre-emption of state attempts to apply their own tax laws beyond their borders. Online sellers will therefore have to comply with tax laws created by distant governments in which they have no representation, and in places where they consume no local services.

Providing that this bill is passed and other countries follow the example, it could be a serious blow to the growth of e-commerce and the state of online retailers.

Conclusion

It is clear that the pace of e-commerce innovation (predominantly cross-border) will likely accelerate over the next few years. The service expectations from delivery partners in e-commerce, beyond the delivery of the physical product, include offering convenience in regard to flexible delivery timescales, providing detailed and accurate information and effective customer service. The imminent challenge for postal administrations is how to effectively interconnect national e-commerce delivery services across borders. Through improving standards and interoperability, the postal network can grow to be the market leader in packets and parcel deliveries.



Parcel lockers

Keba's innovation with parcel delivery

The Austrian company Keba has established a global network of parcel terminals, which allow consumers to pick up their e-commerce purchases 24 hours a day seven days a week from a bank of secure lockers. Keba's network of parcel lockers includes 2,500 Packstations for Deutsche Post DHL across Germany, as well as machines in its native Austria and more recently networks in Norway, Sweden and Denmark. After expanding in 2011, Keba's total installed network includes around 3,000 machines, or more than 250,000 individual parcel lockers. An important innovation in Keba's parcel terminal concept has been its modular design. Operators are given the ability to install parcel terminals in any available space, using different modules of parcel lockers sized as S, M, L, XL and XXL units.

The company's most recent development is a solution targeted at small items, which account for the majority of items bought online, and which are sent as packets rather than parcels. Keba's new 'dualbox' design for its KePol parcel terminal system caters specifically for this market segment by offering 26 smaller lockers, compared to the usual ten. Dualbox's new steel framework provides a lighter-weight locker with the added benefit of easier installation with fewer environmental and regulatory requirements for locating a parcel terminal. The company's main focus remains on outdoor parcel terminals, however, the introduction of indoor dualbox terminals is believed to open new opportunities in the near future.

Keba's business model based on selling parcel locker machines and providing technical support has been successful with over ten delivery operators establishing partnerships with Keba. Increasingly, parcel locker manufacturers also see enormous market potential in going beyond selling infrastructure and software to parcel carriers. In the UK, InPost has taken the next step and is renting their parcel lockers to different operators while keeping exclusive rights to the lockers.

It is planning to deploy its parcel terminals in the UK, simultaneously running the network itself and offering multiple carriers access to deposit parcels in the lockers. The company aims to install 2,000 parcel terminals throughout the UK by the end of 2013. While InPost's parcel solutions are already used (or trialled) in many countries in Europe and beyond, their business model in the UK is unique and clearly shows that stakeholders from outside the delivery sector are racing to capitalise on e-commerce growth.



Post Danmark's 300 parcel terminals in Coop stores

Post Danmark has agreed a partnership with nationwide convenience stores chain Coop to offer in-store parcel collection. The alliance will see Denmark's designated postal operator installing 300 automated package locker terminals in Coop stores where online shoppers can pick up their parcels.

The machines should be in place by the end of October 2013 in stores under brands including Kvickly, SuperBrugsen, Dagli'Brugsen, Fakta and Irma.

The agreement is seen as strengthening Post Danmark's position in the parcels market by offering the most distribution points and the most flexible options for customers.

The agreement will see a parcel distributor partner with a retailer to offer convenient local collection for the first time in Denmark's history. Coop stores offer significant flexibility to consumers due to long opening hours. The service will be integrated with the postal operator's existing packet offering, which makes it possible to track items and receive a text message or email when packages are available for collection. Post Danmark already has a network of outdoor parcel terminals, called Døgnposten, provided by manufacturer Keba, with more than 100,000 registered customers in 2012.

One million parcels handled via Hermes's UK ParcelShop network

In April 2013, parcel carrier Hermes in the UK handled its one millionth parcel sent from its ParcelShop network, just nine months after launching the service. A strong Christmas period, when each ParcelShop handled an average of 60 parcels per week (90,000 items), boosted its numbers.

The ParcelShops are located at local convenience stores and filling stations at which consumers can pick up their e-commerce purchases if they cannot be at home to receive a parcel. Hermes launched its network with 500 ParcelShops in July 2012 and since then the network has grown to 1,500 outlets. Current plans are to double ParcelShop numbers



to 3,000 by the end of 2013, as well as introducing new services including the ability for customers to send parcels from a ParcelShop, including products for return. Hermes's ParcelShop network is said to be already popular with small online retailers and eBay PowerSellers, for whom the two-day delivery service is comparable to Royal Mail's second-class parcel service, but with full tracking.

Hermes network's expansion is gathering momentum and expects the ParcelShop network to reach its 2m parcel milestone in less than four months' time.

Estonian Post links Baltic parcel terminals network

Estonian Post's 2012 milestones were the establishment of its Post24 parcel locker network in Latvia and Lithuania, increased growth of its e-services and the acquisition of Lithuanian courier company, Unipakas UAB. Estonian Post's Post24 network is the largest in the Baltic region with a total of 114 machines – 50 in Estonia, 29 in Latvia and 35 in Lithuania. Alongside its Post24 parcel lockers, Estonian Post has nearly 500 service points for sending and picking up parcels across the country. With the local parcel locker networks in the three Baltic States now linked, it is possible to send parcels using Post24 parcel machines to and from Estonia, Latvia and Lithuania within 1-2 working days. This service will enable local e-retailers to broaden their customer base to the whole Baltic region with a total of 6.57m inhabitants, thereby putting Estonian Post in a strong position to benefit from significant e-commerce growth.



Cross-border

Cross-border e-commerce set to grow by 38% in 2013

Cross-border e-commerce in Europe is set to grow by more than 38% in 2013, reaching a value of €36bn (US\$47bn) and 10.6% of total online sales. The forecast came from the United Kingdom's IMRG (Interactive Media in Retail Group), which described cross-border sales as "the future of e-commerce".

The company said that UK-based companies were the most successful at cross-border trading, with international consumers spending £7.4bn (€8.7bn, US\$11.3bn) on UK websites in 2012. It expects cross-border sales to account for 30% of all e-commerce sales generated by UK e-retailers by 2017.

One key challenge to growth in cross-border e-commerce is trust. IMRG has combined its 'Internet Shopping is Safe' (ISIS) scheme with Trusted Shops, a service provider for secure e-commerce, to create a European trust mark. This is designed to give consumers peace of mind to shop with confidence.

The returns process, particularly financial reconciliation for refunding duties, is another area for concern that could be a barrier to cross-border e-commerce growth.

IMRG says that between 50% and 60% of cross-border e-commerce shopping carts are abandoned. Reasons include: lack of transparency on shipping options and costs,

including total landed costs; no provision of a delivery time window; address fields that do not relate to the recipient's country, and failure to accept foreign credit cards. Satisfaction levels for cross-border e-commerce are lower with customers dissatisfied with about 14% of cross-border purchases; 40% were dissatisfied with returns, according to IMRG.

Brussels unlikely to legislate on EU parcel delivery market

The European Commission is believed to have abandoned the plans to follow up its current Green Paper with a formal directive to legislate on the EU parcel delivery market.

The Green Paper on "An integrated parcel delivery market for the growth of e-commerce in the EU", which was published last autumn, had triggered off a debate, said Werner Stengg, head of the Online and Postal Services Unit in the Commission's Internal Market directorate-general. The quality of deliveries, especially cross-border, had been identified by e-retailers and consumers as a problem hindering e-commerce growth in Europe.

The objective of the Green Paper had been "to encourage the development of seamless delivery systems" to boost European e-commerce. However, there are diverse expectations and challenges impacting on the sector as consumers expect fast, flexible and affordable delivery (or even free shipping), e-retailers face pricing and competitive challenges while delivery operators are under pressure to operate at low costs with low margins.



Regarding the next steps, the Commission will await the position of the European Parliament on delivery and will then issue its conclusions from the Green Paper consultation by September 2013. Areas for possible 'follow-ups' to the Green Paper included technical issues such as better information exchange and track & trace within the parcel delivery system, the potential for cooperation or consolidation between operators and better transparency about service quality and performance standards.

DHL Global Mail introduces cross-border B2C service into Australia

DHL Global Mail has launched a new cross-border shipping service to help retailers to source goods from Asia and deliver direct to consumers in Australia.

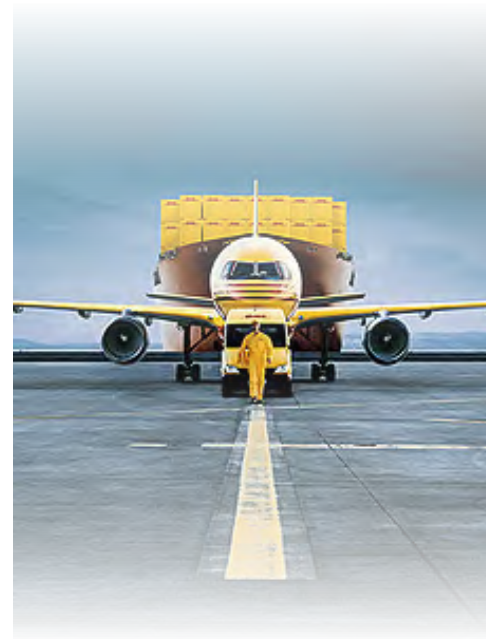
Having focused on exporting in the past, Deutsche Post DHL is now introducing inbound solutions for items up to 20kg in weight, providing an end-to-end service that particularly has Australia's growing e-commerce sector in mind.

Retailers will be able to have their suppliers fix a generic barcode label to a product and provide DHL Global Mail with a manifest file, and then DHL will deliver the item direct to the consumer's door.

DHL handles the customs clearance into Australia, final-mile labelling and manifest, and then final-mile delivery is provided by Australia Post.

The new service, which offers delivery confirmation but not live tracking, will allow consumers to buy items sourced in various Asian countries, although initially the service is focusing on Singapore, Hong Kong and China.

Deutsche Post DHL's new solution is said to significantly reduce the costs of importing items and delivering them to consumers in Australia. With Australia Post providing the last stage of delivery, DHL claims the packages will have a 'local look'. The transit times for the packages will be four to seven days for major cities on Australia's East Coast. The company revealed that its next targets for developing an inbound solution this year will be the UK and the United States.



Simplification

Australia Post simplified domestic parcel products*

Australia Post's domestic parcel services have been simplified in response to customer feedback suggesting the need to make domestic parcel products more flexible and easier for customers to use.

Before the simplification took effect on 8 April 2013, Australia Post had approximately 66 domestic parcel products in their portfolio. Their definition of products was not focused on the consumer's ease of use, with products defined by speed, channel, destination and feature, and the differences between products were not always clear to customers. Furthermore, Australia Post's old price structure was not aligned to a clear product hierarchy, adding to the confusion for customers.

Australia Post undertook extensive customer research to understand their needs better. The research showed that customers wanted more choices and greater flexibility around sending and receiving parcels (choice of speed, depending on situation and choice of features depending on situation and the item being shipped). Customers also indicated that the first key decision made when sending a parcel was how quickly they need to send/receive a package, the addition of other features was dependent on the item being shipped and the circumstances of the shipment. Features like Signature on Delivery and Extra Cover were considered the most important for senders, affirming peace of mind that their parcel has arrived.

* Product information courtesy of Australia Post.

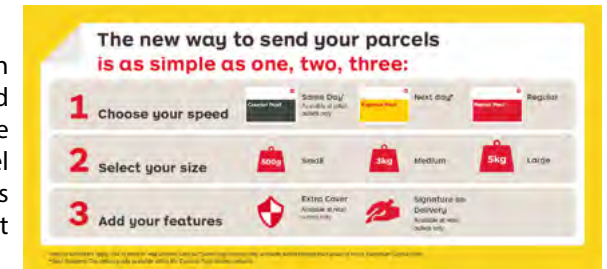
Recognising that with innovation comes disruption, Australia Post created communication objectives to create awareness about its new domestic parcel product set, to educate retail customers and advise contract customers about the impending changes.

Awareness of the parcel product simplification was generated with help of in-store and online promotions, AP website banner ads, digital marketing, social and outdoor advertising.

The new range of parcel products is offering three delivery speeds – Same Day, Next Day or Regular. Within these services, customers are able to send a Small 500g parcel, a Medium 3kg parcel or a Large 5kg parcel or use their own packaging up to 22kg.

The maximum weight and dimensions for all domestic parcels have been standardized to 22kg in weight, 0.25 cubic metres in volume and 105cm in length. Parcel customers can also add features including Extra Cover, Signature on Delivery, Email Track Advice or CoD (Cash on Delivery).

Under the new system, all domestic parcels sent via an Australia Post retail outlet are traceable through its online tracking tool. The new system also sees Australia Post introducing a new Same Day delivery service, called Courier Post, for delivery between metropolitan areas within the same state for parcels sent by 2PM.



Since the launch of the new product set, Australia Post has received positive results across their digital marketing and in-store sales. Through their digital marketing efforts, over 700,000 customers visited Australia Post's website during the campaign period. Australia Post has also seen an uplift of around 25% in features sold (Extra Cover and Signature on Delivery) over the counter.

To view Australia Post's domestic parcel offering, click [here](#). An overview of changes that have been introduced is available [here](#).

US cross-border e-commerce shipping firm rebrands as Borderfree

Cross-border e-commerce shipping company FiftyOne Global Ecommerce has rebranded, taking on the identity of the company it acquired from Canada Post last year. FiftyOne was founded in 1999 and recently has seen rapid growth in which it has more than doubled its workforce in the past two years.

The company is taking on the name Borderfree in to emphasise its core mission, helping US retailers to sell to consumers outside the United States.

New York-based FiftyOne acquired Canada Post's e-commerce support service, Borderfree, last March. Canada Post said the Toronto-based unit was no longer seen as part of its core business.

For FiftyOne, taking on Borderfree means access to the company's technology platform and expertise in the Canadian market, the largest foreign market for US goods. According to the company's CEO, identifying as Borderfree allows it to directly communicate its vision and mission to create an entirely 'border-free' global e-commerce experience for consumers and retailers.



Innovation

Itella orders Vanderlande sorting system for 'non-conveyable' parcels

Netherlands-based Vanderlande will be installing the new sorting system for Itella so that it can be in operation in time for 2013 Christmas peak season. The system will allow Itella to automate the sorting of parcels and irregular items previously considered as 'non-conveyable' in regard to conventional transport and sorting systems.

Itella Group is on a major cost-cutting campaign at the moment, as it looks to improve its profitability so it can secure the finance needed to invest in pursuit of parcels sector growth.

Sorting of large, odd-shaped items dubbed 'uglies' by some in the industry – even including items of furniture, carpets and tyres – is currently a big challenge when operators are looking to automate processing and reduce labour costs.

This specially designed system will sort all the irregular parcels and products that cannot be handled by the loop sorters which are already installed in the Itella hub. The new system for Itella features extra-high sorting shoes together with 25 chutes for output of sorted products for loading to their respective destinations.

The project for Itella will include pre-testing for the new system at its Innovation Centre, which will determine the optimum design. The resulting machine is said to have a relatively small footprint and a closed deck, while maintenance will be 'quick and simple' with a plug-and-play carrier design.

DHL launches high-fashion logistics centre in China

DHL Global Forwarding, the air and ocean freight division of DHL has invested €4.3 million in the 10,500m² facility in Jiuting, located on the outskirts of Shanghai, to meet the need of the fashion industry in terms of speed, security and safety.

The centre combines DHL's value-added services and a team dedicated to high-fashion and luxury to manage the entire fashion supply chain from origin countries in Europe and the USA to safe arrival at retailers across mainland China. It targets high-fashion retailers with a wide range of different products from ready-to-wear and leather goods to jewellery and watches, fragrances, cosmetics and accessories.

Value-added services at the facility include sorting and picking, labelling, stitching and knitting, visual quality control, re-packing, non-merchandise and sales order management as well as reverse logistics. Dedicated experts will design and manage solutions for import, safe storage and delivery all over China through DHL's infrastructure and network capabilities. Last-mile services include delivery and unpacking in-store by DHL employees who are also trained to stock shelves and racks. The entire process is visible on DHL Global Forwarding's integrated IT system.

According to research by McKinsey, China's luxury goods market will be worth RMB 180bn (€22.5bn) by 2015. As a result of anticipated growth, DHL Global Forwarding is currently evaluating the development of DHL Fashion Centres of Excellence elsewhere in China. Between 2006 and 2011, it launched a series of similar fashion centres in India, Hong Kong, Pakistan, Sri Lanka, Vietnam, Bangladesh and Cambodia. The challenge – and opportunity for DHL in a market with soaring demand – is providing the three high-fashion industry's priorities, speed, security and safe handling, cost-effectively in China.



Events

European Postal Services conference in Madrid



The recent European Postal Services conference in Madrid organised by Marketforce made clear that postal operators in Europe and overseas are focusing more than ever on growth opportunities from e-commerce, SMEs and digital services as physical mail volumes decline. The event, attended by Mark Harrison, Head of Markets at IPC, took place on 12-14 March and welcomed postal experts from more than 40 different countries. Below, we present the key take-away points from this event.

Increasing revenue

According to consultants from Accenture who presented their research at the conference, postal operators have to supplement their cost-cutting measures with innovative business expansion to counter slow revenue growth and lower profits. High-performing posts have been using product innovation and pricing to improve mail profitability, but they have not yet found attractive business models for digital mail and “continue to struggle with defining a compelling value proposition for both consumers and mailers” in this area.

In the parcel area, postal operators should take advantage of e-commerce trends by developing mobile technology solutions, cross-border delivery and simple returns. At the same time, they should also make sure they monitor the market as more and more retailers look into offering their own delivery options. In the view of posts developing consumer solutions with new features and products that directly add

value to the recipient, it was pointed out that monetising the recipient is the next area to increase revenue.

Correos Spain

President and CEO Javier Cuesta took the opportunity to present the Spanish postal group’s strategy, and admitted that the company is excessively dependent on the declining mail business which still accounts for about 93% of its €2bn of revenue. It has only a small share of the Spanish parcels market and has barely diversified into other business areas in recent years. Correos presented its diversification plan which included a major push into the online world, developing its parcels services and other new businesses, improving its commercial efficiency and streamlining operations. New online activities of the Spanish postal operator will focus on an electronic post box service, secure e-mail and building an online marketplace.

CTT Portugal

In 2011, CTT Correios de Portugal generated 73% of its €761m revenues from mail, 17% from express and parcel services, 7% from financial services and 3% from added-value corporate solutions. CTT’s strategy focuses on defending its mail business, growing its CEP activities to take advantage of e-commerce growth and strengthening financial services. The big goal this year, however, is its planned privatisation which is now expected in the second half of the year. The privatisation of CTT will help to accelerate growth and financial profitability.





Correios Brazil

E-commerce is booming in Brazil due to a combination of economic growth, a more affluent population and internet penetration, the CEO of Correios Brazil, Pinheiro explained. There are now more than 92m Brazilians with internet access and e-commerce sales soared over the last decade to reach R\$18.7bn (€7.1bn, US\$9.1bn) in 2011.

In response, Correios has expanded its e-SEDEX e-commerce delivery service, which saw volumes grow 25% to 21m items in 2012, he said. In total, the company delivered some 48m e-commerce items last year, which is an estimated 40% share of the Brazilian e-commerce delivery market. The Brazilian postal operator has also set up a CorreiosNet portal to offer a secure marketplace for online shopping. The company's next steps are to include introducing real-time tracking and tracing of parcels, a new service level agreement, integrated logistics, e-post services and a move into mobile telecoms.

bpost



bpost shared that Belgian consumers still prefer home delivery, with delivery to a neighbour as the preferred alternative delivery option ahead of collection from a pick-up point or post office. bpost currently has 39 bpack 24/7 parcel terminals in operation in major cities and more than 1,100 pick-up points with extended opening hours. A new 'consolidated delivery by appointment' service is currently being piloted in several towns by the Belgian national operator. This offers weekly deliveries of goods, including temperature-sensitive food, and other items at an agreed time along with returns and card-based payment on the doorstep.

IPC's e-commerce global services

Mark Harrison highlighted the rapid growth of the E-Parcel Group, the European cooperative cross-border delivery network now comprising 29 members with their cross-border priority parcel volumes grew by 10.7% last year. In 2012 the group saw three new members: Austria Post, Latvia Post and Malta Post and a new version of the tracking events system. After the creation of an international returns service, the next step will be to extend tracking-and-tracing to low value goods, he added. IPC is also looking to extend the UNEX system of measuring mail delivery quality to small parcels.

Watch a video interview with bpost's Nadine Devisch on the E-Parcel Group on IPC's YouTube channel



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