THE ESSENTIAL NETWORK TOOLS TO COMPETE AND WIN IN GLOBAL E-COMMERCE
International Post Corporation (IPC) is a cooperative association of 23 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.

Through its 2025 Strategy, IPC aims to help its members keep and even gain a competitive advantage for cross-border e-commerce delivery through greater cross-border cooperation. The ultimate goal is to sustain posts strength in the face of mail volume decline, competition and disruption beyond 2025. To achieve this, IPC aims to enhance existing solutions and develop new critical shared services in close interaction with members. The aim is to allow posts to fully benefit from the growth of cross-border e-commerce and take the lead in the e-commerce market.
INTERCONNECT

The global postal e-commerce end-to-end network

Why INTERCONNECT?
To enable posts to play a leading role in cross-border e-commerce delivery.

Global e-commerce sales have grown by over 20% per year on average since 2007. Global internet retail sales are predicted to more than double over the next five years.

Today’s customers prize a fast, flexible and reliable service. When shopping online cross-border, e-commerce customers have the same expectations as for domestic e-commerce, although operationally it is significantly more complex. IPC’s Cross-Border Shopper Survey conducted in 2018 confirms increasing importance of cross-border tracking, returns and clear delivery costs.

In order to offer an up-to-date consumer experience, end-to-end service standards and high quality need to be provided. INTERCONNECT is a comprehensive response to meet and exceed the demands of the cross-border e-commerce market, achieved through building postal solutions, streamlining processes, utilising advance electronic data and delivering high reliability and quality.

Posts in the INTERCONNECT network deliver 64% of postal e-commerce items to a market of 544m consumers.

What INTERCONNECT offers

Service levels

<table>
<thead>
<tr>
<th>Economy</th>
<th>Standard Packet</th>
<th>Standard Parcel</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Untracked (sampling)</td>
<td>• Barcode tracked RFID + barcode</td>
<td>• Barcode tracked</td>
<td>• Barcode tracked</td>
</tr>
<tr>
<td>• 0-2kg</td>
<td>• 0-2kg</td>
<td>• 0-30kg</td>
<td>• 0-30kg</td>
</tr>
<tr>
<td>• No confirmation of delivery</td>
<td>• Confirmation scan upon delivery</td>
<td>• Confirmation scan upon delivery</td>
<td>• Scan + signature upon delivery</td>
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A data-rich, fully featured end-to-end network with three service levels.

- **End-to-end service reliability:** process all mail flow data of all mail streams interchanged between IPC and INTERCONNECT members into business intelligence providing operational and customer facing information and reporting
- **End-to-end tracking:** offer a reliable tracking solution for all cross-border e-commerce items through barcode or passive RFID
- **Harmonised label:** use a set of standardised address elements, icons and layouts based on the existing standard barcode to avoid over-labelling of inbound postal items
- **ITMATT and data provision:** validation of electronic data for cross-border customs clearance
- **Delivery choice:** provide cross-border e-commerce buyers with a full range of delivery options, in line with domestic solutions
- **Return services:** enable collaboration for an easy to use return process for cross-border e-commerce items through a priority postage paid label for customers
- **Notification services:** offer cross-border e-commerce customers the same notification service experience cross-border and domestically (e.g. through email or sms)
- **Customer services:** quickly resolve cross-border customer queries through a global customer service system that exchanges information on barcoded items
Data capture at source

Advanced Electronic Data (AED) is an integral part of INTERCONNECT and drives visibility, reliability and efficiency.

Data becomes increasingly important, and particularly so in the e-commerce supply chain. Being a data driven network, INTERCONNECT not only focuses on proper ITMATT provision (a requirement for cross-border traffic as from 2018), but also on obtaining and using data to better meet customer needs (e.g. through tracking, delivery choice and notifications). In general, INTERCONNECT’s emphasis on data capture, preferably captured “at source” (i.e. sending customer) renders a variety of efficiencies throughout the entire supply chain: enhanced control of international transport, reduced data-entry and, most importantly, a seamless customs process.

Data provision and quality is actively measured through IPC’s reporting tools and is at the core of its improvement programme and support activities.

<table>
<thead>
<tr>
<th><strong>Sender</strong></th>
<th><strong>Operations</strong></th>
<th><strong>Features</strong></th>
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<tbody>
<tr>
<td>Sender details</td>
<td>Outbound processing</td>
<td>Tracking</td>
</tr>
<tr>
<td>Sender address</td>
<td>Inbound processing</td>
<td>Delivery Choice</td>
</tr>
</tbody>
</table>

**Addresssee**

- Addresssee details
- Delivery address
- Alternative address

**Item data**

**Content piece data**

**Unique item ID**

**Electronic Document**

**Visibility**

**Efficiency**

**Service Reliability**

**Accounting**

- Terminal Dues
- Invoicing

**Customs & Security**

- Fiscal Clearance
- Security Risk Assessment

**Features**

- Tracking
- Delivery Choice
- Returns
- Notification

**Operations**

- Outbound processing
- Inbound processing

**Quality of Service**

A collective improvement programme, in line with market and industry demands, lies at the heart of INTERCONNECT.

As a market driven network, the INTERCONNECT participants have defined competitive Key Performance Indicators (KPIs) and ambitious targets across a range of metrics:

- End-to-end quality of service
- Tracking compliance
- Data compliance (EMSEVT V3 and ITMATT)
- Timeliness of data transmission

INTERCONNECT includes network management services and forums, where IPC actively supports posts in their endeavors to improve quality across all KPIs:

- Operations Upgrading Committee (OUC) / INTERCONNECT Performance Improvement Committee (IPIC) meetings
- Peer-to-peer dialogue at senior executive level
- Proactive Performance Management (PPM)
- Dedicated analysis and reporting team
Growth

Helping postal operators to grow

Based on market and industry demands, predominantly in the area of e-commerce, and with increased standardization, better quality of service and streamlining of processes, INTERCONNECT is the preeminent growth generator for posts.

IPC helps posts to further increase volumes through key pillars:

- **INTERCONNECT expansion plan**: enlarging the network by engaging more posts worldwide to join and supporting them in their efforts to meet the requirements.

- **IPC Dynamic Merchant Platform (DMP)**: Suite of in-cart solutions in which all INTERCONNECT e-commerce services are made available through an API portal, allowing e-retailers to integrate postal cross border solutions and improving the online shopping experience.

- **Postal Delivery Duties Paid (PDDP)**: is a service which supports payment of taxes, duties and handling charges at the point of purchase by the e-buyer on the e-seller’s website, and makes available the payable amount to the destination post for payment to customs.

**INTERCONNECT Benefits**

With INTERCONNECT, posts will be in a position to grow their share of e-commerce volume and traffic by offering a service which corresponds to e-retailers and e-consumers’ expectations. INTERCONNECT will also allow posts to gain in efficiency and save costs.

**How to join INTERCONNECT**

Becoming a member of INTERCONNECT is easy!

Each post with the ambition to become a key-player in e-commerce delivery can join INTERCONNECT. There are only a few prerequisites a post needs to meet before items can be exchanged in the INTERCONNECT network. Apart from signing the agreements (including a remuneration agreement and a Data Sharing Agreement) every post must have the capability to send and receive EMSEVT V3 and ITMATT messages and ensure that items can be measured in accordance with the end-to-end calculation rules (by submitting standards and including location codes/post codes in EMSEVT V3 events).

Posts enrolling in INTERCONNECT should change dispatch codes and use the existing bilateral agreement or join IRA-E.

Although quality of service is one of the main pillars under INTERCONNECT, IPC does not require posts’ performance results to be immediately on target – instead, through its performance improvement programme, IPC will work closely with new joiners to implement services, upgrade performance and organise training sessions for the tools and systems in use.