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Americas

USPS direct mail boosts mobile marketing

The United States Postal Service is using its direct mail promotion this summer to convince mailers that personalisation linked to mobile devices is the way to enhance mail. It believes that the integration of direct mail with mobile marketing will improve the long-term value of direct mail while increasing returns for merchants.

During July and August, the 2012 Mobile Commerce and Personalisation Promotion will offer a 2% discount on the postage cost of Standard Mail and presort and automation First-Class mail to mailers using marketing tools designed for mobile devices.



To qualify, mailers must incorporate on their mailpieces a two-dimensional barcode such as a QR code, or print/mobile technology that can be scanned by a mobile device. The technology must activate a direct link when scanned, either to a mobile-optimised web page where users can purchase a product or service, or to a mobile-optimised web page tailored specifically to the mail recipient and accessible by a personalised URL.

Mobile technologies are one of the fastest-growing marketing sectors. During the 2011 Christmas holiday period, purchases in the US using mobile devices were up to 11% of e-commerce sales, from 5.5% the previous year, according to the Postal Service.

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USPS to close mail-processing units

The United States Postal Service is moving ahead with its plan to consolidate its mail-processing network.

On 17 May, two days after the end of the moratorium on the closure of mail-processing centres and post offices, the Postal Service announced it would close 229 of its 461 mail-processing locations in two phases.

When fully implemented in late 2014 the consolidation is expected to generate 28,000 job losses and about US\$2.1bn of annual cost reduction.

The first phase beginning this summer will see 140 closures, 48 before September and the remainder in January and February next year as closures will be suspended during the election period between September and December 2012. The second phase involving 89 closures will begin in February 2014.

A new rule, due soon to be published in the US Federal Register, will cut back the current service standard for overnight letter delivery to cover only mail sent and delivered locally. That change in service standard will make it possible to achieve the mail-processing consolidation planned for 2013, according to the Postal Service. The new rule is expected to tighten the overnight delivery standard further in 2014 to enable more mail-processing consolidation.

The Postal Service is moving ahead on consolidation in the face of a projected US\$14bn net loss in the 2012 financial year. Postmaster General Patrick R Donahoe said the lower mail volumes now generated in the US could not justify maintaining the current mail processing footprint.

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UPS delivers early to more places

UPS has extended its early-morning delivery service to more areas of the United States, claiming to cover more than 80% of all businesses in the country now.

The expansion relates to the 08:00 and 10:30 services

FedEx receives award for online customer relations

FedEx has received an award for achieving customer excellence through the use of new and emerging channels of customer engagement such as social media, web 2.0 and digital and mobile marketing.

The 'Voice of the Customer' award was made to FedEx TechConnect Customer Service Operations at the Customer Response Summit 4 in Texas.

In 2010 FedEx expanded its interactive channels to include proactive chat on its website. Its Blog Response Unit influences customer sentiments about FedEx by engaging authors on Twitter, Facebook and blogs and addressing their concerns.

FedEx and UPS reach out to small businesses

Small Business Week in the United States saw both FedEx and UPS stepping up their activity by addressing the small-business community directly.



FedEx offered special promotions, launching the FedEx Office Business Edge Program to give up to 30% off some of its products. Its chairman, president and chief executive, Fred Smith, called for less regulation and more free trade to help small businesses operate in the global market.

Meanwhile The UPS Store published the results of a survey indicating that direct mail is still a key marketing strategy for 31% of small-business owners. The survey also found that small businesses want to work with other small businesses that understand their needs.

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PostNL invests in e-commerce parcel network



PostNL is investing €240m in a new logistics infrastructure to support strong growth in e-commerce. It is replacing four sorting centres and 37 distribution centres with 18 depots carrying out both sorting and distribution.

Depots have already opened in Utrecht, Elst, Waddinxveen and Den Bosch and 14 more will open in the next few years.

PostNL said its new structure would allow it to meet the rapidly changing needs of both senders and receivers, enabling them to use services such as its Checkpay, PakjeGemak (parcel collection points) and Checkout.

Last year Dutch consumers placed more than 77m online orders, worth around €9bn.

PostNord gets go-ahead for two acquisitions

The Swedish competition authority has given the go-ahead for two acquisitions by PostNord, one in logistics and the other in the mail business.

With approval from the authority PostNord expects to finalise its purchase of Green Cargo Logistics, a subsidiary of Green Cargo, by the end of June.

The company said the acquisition would strengthen its third-party logistics operations in line with its strategic focus. Green Cargo Logistics will be integrated into PostNord's logistics business area and renamed.

In the mail business, PostNord subsidiary Tidningstjänst will take over morning newspaper delivery in a deal lasting 'several years'.

The competition authority decided not to review the agreement between Tidningstjänst and media groups MittMedia and Västerbottens-Kuriren, whose Svensk Morgondistribution unit currently delivers morning newspapers.

PostNord said the takeover of Svensk Morgondistribution was in line with its strategy to develop new businesses which would support the mail business. According to the company, newspaper distribution will increase mail vehicle utilisation and establishes new fields of application for existing postal resources.

Royal Mail offers tracked packet service to Australia

Royal Mail has extended its international tracked service, Airsure, to recipients in Australia in order to capitalise on a 19% year-on-year increase in the number of packets sent to the country from the United Kingdom.

Airsure, which provides tracking from time of posting to delivery, is now offered on shipments to four Australian gateways with a view to facilitating fast delivery across the country.

UK government statistics show that exports from the UK to non-European Union countries rose by 16% (£1.9bn) in the 12 months up until March 2012. Globally, more consumers are shopping on websites overseas: 50% of Chinese online shoppers, as well as 25% of Korean online shoppers and 18% of online shoppers in Japan are purchasing from overseas.



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Austrian Post revenue rises 6% in first quarter

Austrian Post increased its total first-quarter revenue by 6% above the same period last year to €605.7m. Its earnings before interest, tax, depreciation and amortisation (EBITDA) were up 7% to €75.8m and its earnings before interest and tax (EBIT) were €55.8m. Group profit after tax for the period was €41.4m.

Operating expenses for raw materials, consumables and services rose by 4.4% to €190.9m owing mainly to transport costs and the cost of restructuring the branch network. Staff costs rose by 6.6% compared with the previous first quarter to €284.4m owing mainly to restructuring costs, according to the company.

The Mail & Branch Network division was formed at the beginning of 2012 by merging the two previously separate divisions.

The new division generated overall revenue of €385m. Letter mail revenue rose by 13.3% year-on-year to €205.2m on account of an additional working day compared with the same quarter last year and changes in the product portfolio including a volume shift in e-commerce from parcels to letter mail packets.

Revenue from branch services fell to €34.4m owing both to the reclassification of 'value logistics' to the Parcel & Logistics division and declining revenue from retail products and financial services.

EBITDA from the division as a whole was €81.8m for the quarter and EBIT was €74.4m. The former branch network

element of the division produced a negative earnings contribution.

The Parcel & Logistics division saw sales rise by 5.9% above the previous first quarter to €220.8m (6.6% including operations in Benelux sold to PostNL). Next-day parcels increased their revenue by 4.1% to €169.4m, with German subsidiary trans-o-flex accounting for about 75%. Standard parcels revenue rose by 7.2% to €43.6m.

The first-quarter EBIT for the Parcels & Logistics Division was €7.6m.

Austrian Post said it expected revenue to remain stable or rise slightly on a comparable basis over the full year. The group would aim for an EBITDA margin of 10% to 12%.

An Post secures Aviva insurance business

An Post's insurance and personal finance subsidiary, One Direct, has won the tender to take over Aviva's branch-based private motor and home insurance business in Ireland.

One Direct, which operates online and at post offices, already has its private motor and home insurance underwritten by Aviva.

The two companies expect the transfer of business to take place by mid-September. The agreement includes the transfer of 59 Aviva staff, some of whom will work from post offices near their current branch. One Direct will also take over a number of Aviva branches in the Dublin area.

Royal Mail makes clear who made the delivery

The United Kingdom's Royal Mail is to incorporate a 'Delivered by Royal Mail' mark on more than 80% of the letters and parcels that it handles each year, making it clear to recipients that Royal Mail rather than one of the other licensed postal operators in the British market has delivered their mail.

Introduction of the mark on stamped, franked, postage-paid and downstream access mail (where Royal Mail delivers the 'final mile' for other operators) will take place over six months.



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The move to incorporate the words 'Delivered by' into the existing Royal Mail cruciform image follows eight months of discussions with customers and trade bodies. The design of the Printed Postage Impression (PPI) mark on envelopes will change to accommodate 'Delivered by Royal Mail' within the existing PPI area.

The new mark will start to appear on 23 June but mailers will have until 2 January 2013 to use up their envelope stocks. Stamped mail will carry the 'Delivered by Royal Mail' mark from the end of June while franked mail will carry it as part of the cancellation mark from 2 January.

Guy Buswell, the chief executive of private postal operator UK Mail, said his company accepted Royal Mail's decision to introduce the mark and would work with its posting customers to help them implement the change.

DPD launches delivery alert service

DPD in the Netherlands is providing parcel recipients with advance information on their parcel's delivery time, offering the opportunity to reschedule to a more convenient time.

'Predict', as the service is called, is being launched within DPD's consumer delivery service, DPD Home. Recipients are notified the day before delivery is due and receive on the delivery day the time period in which the delivery will occur.

The company plans to expand its Predict service by allowing recipients to specify an alternative delivery address or to request delivery to a DPD parcel shop.

DHL Global Forwarding builds new centre at Brucargo

Air and ocean freight specialist DHL Global Forwarding is to build a new €27m logistics centre at Brucargo within Brussels Airport to bring all its air freight activities under one roof.

A new 23,000m² warehouse will include a 1,750m² temperature controlled area for life science customers.

Environmental technologies employed in the construction of the centre include solar panels and water recovery systems.

DPD Germany develops parcel hub at Aschaffenburg

DPD Germany is to develop its Aschaffenburg parcel distribution centre into one of its key European hubs with a €40m investment in expansion and modernisation.

The construction of new buildings is due to start this summer and to be completed by mid-2014. DPD will install conveyor technology capable of sorting 20,000 parcels an hour. Additional handling capacity and loading bays will increase the number of long-distance domestic and linehaul operations from the centre.

Heating and air-conditioning systems based on air-to-water heat pumps, together with solar panels, will help to minimise energy consumption, DPD says.

PostNord seeks new financial chief

PostNord has announced that its executive vice-president and chief financial officer, Mats Lönnqvist, will resign on 01 June.

The company has begun recruiting a successor and in the meantime its deputy chief financial officer, Torsten Fels, will take on the role of acting chief financial officer.

>> In Brief - Europe

Twenty years of mail for military personnel

Deutsche Post and Bundeswehr, the German military forces, held a joint celebration on 22 May in Bonn to mark 20 years of postal service to military personnel stationed abroad. Currently Deutsche Post is handling mail for personnel in Kosovo, Uzbekistan and Afghanistan.

German postage rate below Europe's average

The 2012 letter price survey carried out by Deutsche Post has shown that the €0.55 postage price for a standard letter in Germany is below the European average. The postage rate for a standard letter has not risen for the past 15 years

ABOUT THIS PUBLICATION

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