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Top story

Le Groupe La Poste and Swiss Post launch their international mail joint venture

The planned international mail alliance between the French Le Groupe La Poste and Swiss Post came into effect on 06 July with all regulatory approvals in place.

The partners are now launching a joint venture company which will be owned equally by both. This joint venture, called ASENDIA, will specialise in business-to-consumer international mail.

The joint venture involves the activities of Swiss Post International and La Poste Global Mail but excludes import and export business in France and Switzerland. ASENDIA will despatch and deliver mail, catalogues, press and small packages weighing up to 2kg as well as upstream and downstream services.

The company will operate across Europe and in Hong Kong, Singapore and the United States. It will be headed by chief executive Marc Pontet and two deputy chief executives: Daniel Bättig, chief finance officer and director responsible for Asia, and Béatrice Roux, director responsible for Europe.



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Americas

USPS seeks to inspire innovation in product sampling

The United States Postal Service is working with advertisers and marketing agencies in the consumer packaged-goods (CPG) sector to develop innovative ways of offering product samples to consumers in their own homes.

The initiative to add value to traditional direct mail is one of the ways in which the Postal Service is seeking out new revenue sources. It organised the 2012 USPS Sampling Innovation Symposium where CPG companies and agencies took part in facilitated brainstorming sessions.

One attendee, Mike Head, a partner at the Fearless Group and a former worldwide vice president of Johnson & Johnson, said the symposium had provided an opportunity to sit down with the Postal Service and generate potential turnkey solutions to enhance the business and customer experience.



A pilot programme for product sampling already conducted by the Postal Service involved delivering about 500,000 boxes of mixed samples to homes in key markets. The boxes, branded Sample Showcase, invigorated the idea of shared sampling with other companies launching similar programmes.

Mark McCrery, executive manager for the Postal Service sampling programme, said mail was the only medium that allowed shared sampling. "It provides access to people's homes and it can be tracked to determine if the samples actually convert to sales", he said.

The Postal Service plans to capitalise on ideas that emerged at the symposium to launch sampling opportunities for CPG companies over the next year.

UPS Freight raises its rates

Less-than-truckload (LTL) carrier UPS Freight is implementing a general rate rise averaging 5.9% on 16 July.

The new rates cover non-contractual shipments in the United States, Canada and Mexico. They apply to minimum charge, LTL rates and accessorial charges.

On 09 July a 6.9% rate rise by FedEx Freight came into effect for interstate and intrastate traffic in the US and Canada.

FedEx Express realigns its US domestic air fleet

FedEx Express is to buy 19 additional B767-300 aircraft for delivery between fiscal years 2015 and 2019 in order to modernise its air fleet while aligning its United States domestic air network to current and anticipated future shipment volumes.

The aircraft will replace current MD-10 and A10-200 aircraft. The company said the 767s were more fuel-efficient and reliable, and would produce an approximate 30% increase in fuel efficiency for the same capacity. In addition, operating costs would be more than 20% below those for the current aircraft.

>>In Brief - Americas

Air freight demand declines in May

Demand for air freight traffic in May fell by 1.9% in North America and rose by a slight 0.2% in Latin America, according to figures released this month by the International

al Air Transport Association (IATA). European airlines reported a 5.7% drop in freight traffic and demand in Asia-Pacific declined by 4.1%.

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DHL set to generate a third of its revenue in Asia

Deutsche Post DHL is aiming for business in Asia Pacific to generate a third of DHL's top-line revenue by 2017.

The target was announced by chief executive Frank Appel at a press conference in Shanghai. He said the group planned to build on its presence in the region as a whole and to further expand its market-leading position in China.

Asia Pacific already accounts for almost 20% of DHL revenue. The company has invested more than US\$2.5bn (€2bn) in Asia during the past couple of years and all DHL divisions plan further investment. The soon-to-open DHL Express North Asia Hub at Shanghai Pudong International Airport would create the biggest express hub in Asia.

DHL Supply Chain will soon open a 'megahub' in Hong Kong and DHL Global Forwarding is to inaugurate a new operations hub to consolidate export shipments from customers in various Asian markets for onward shipment.

Revenue from operations in China – more than €4.2bn (US\$5.1bn) – accounts for more than half of DHL's Asian revenue.



New Zealand Post buys back stakes in express businesses

New Zealand Post is breaking up its joint venture with DHL, buying DHL's 50% stake in Express Couriers Limited (ECL) in New Zealand and in Parcel Direct Group (PDG), which owns Couriers Please Pty Limited (CPPL) in Australia.

ECL and PDG Australia will be wholly-owned subsidiaries of New Zealand Post. The company said it wanted to match its product offerings to customer needs by aligning New Zealand Post fully with ECL. It will now also explore potential benefits of further courier network alignment.

To replace the joint venture, New Zealand Post and DHL have signed a strategic commercial agreement under which they will support each other's express delivery operations: globally through DHL; domestically in New Zealand and Australia through ECL and CPPL.

New Zealand Post chief executive Brian Roche said the relationship with DHL would remain strong.

Australia Post rolls out its new-style superstores

Australia Post plans to have 30 of its new 'superstore' post offices in operation across the country by August this year.

These new retail outlets combine self-service, counter service and online shopping tools under one roof, facilitating e-commerce by providing parcel collection lockers accessible 24 hours a day, seven days a week.



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The first superstore opened in Brisbane last November; the most recent addition is the superstore in Perth, which opened on 09 July.

The Perth store has seven counters, each one tailored to different services, plus a 'digital essentials' zone where customers can shop online. Self-service terminals provide bill payment and weighing and posting of domestic mail. A travel services area offers passport application, travel insurance and travel goods, plus foreign currency from an in-store American Express outlet.

Also in Perth, a dedicated counter serves customers seeking to apply for or renew their driving licences. This results from a partnership with the Western Australia Department of Transport.

Vietnam Post and DHL launch affordable service

Vietnam Post and DHL Express have enhanced their five-year joint venture by launching VNQuickpost, a new international express service aimed at medium-sized companies and available at post offices in city centres.

VNQuickpost offers track and trace and a 24-hour customer hotline.



DHL subsidiary Blue Dart sweeps the board in Indian awards

India's Blue Dart, a subsidiary of DHL Express, and its executives have gathered a number of prizes from different awards schemes in the country.

The company won the Environmental Leadership and Sustainable Education Strategy awards at the Responsible Business Awards, where its parent company also gained the award for Responsible Supply Chain for its GoGreen carbon-neutral parcel service.

Blue Dart's managing director, Anil Khanna, took the Responsible Business Leader award at the Responsible Business Awards and the Best CEO award at the Corporate Excellence Awards 2012, where Blue Dart's chief operating officer and finance director, Yogesh Dhingra, also won the Best CFO award.

Finally, Anil Khanna was named CEO Thought Leader at the Thought Leaders Awards.

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Extra capacity at Pudong for FedEx Express

FedEx Express has expanded its distribution centre at Shanghai Pudong International Airport by 50%, increasing sorting capacity for international shipments to 9,000 parcels an hour. The company operates 68 flights in and out of Shanghai each week.

New Zealand Post supports active children

New Zealand Post is to sponsor 'Small Sticks', Hockey New Zealand's national junior programme for children aged between four and 13, for at least two years. The sponsorship is part of the company's ActivePost programme to encourage New Zealanders to get involved in community sports.

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Royal Mail's MarketReach aims to grow direct mail

Royal Mail has embedded direct mail within the wider direct marketing environment with the launch of MarketReach, an initiative to provide advertisers and their agencies with a physical mail element to their increasingly digital-led campaigns.

Addressed and unaddressed direct mail already accounts for about £1.1bn (€1.4bn, US\$1.7bn) of Royal Mail's revenue. The company believes mail can increase its share of the £16bn (€20bn, US\$25bn) advertising market by working across the value chain. Royal Mail is telling advertisers that the return on investment from mail campaigns has increased to more than £3 (€3.8, US\$4.6) for every £1 (€1.3, US\$1.5) spent, matching the return achieved by digital advertising.



Royal Mail said MarketReach provides a full suite of mail solutions and expertise ranging from planning and creative design to print, delivery and response evaluation. It is combining its in-house experience with external expertise, aiming to add value for customers at each point along the value chain.

A planning tool, Diode, is claimed to enhance campaigns by offering effective solutions based on intelligence, data and insight. A creative component of MarketReach arises

from a partnership with Amstore, whose VideoPak enables advertisers to integrate a television screen, video and soundtrack into a mail pack.

Royal Mail says marketing mail currently accounts for 11% of total advertising spend in the United Kingdom, and believes there is potential to grow its share.

Royal Mail sees big rise in profits in 2012

Royal Mail Group has reported a much increased operating profit of £211m (€267m, US\$326m) for the year to 25 March 2012 compared with just £39m (€49m, US\$60m) last year.

The result includes modernisation costs but not other operating exceptional items; no pension deficit payment was made into the Royal Mail Pension Plan (RMPP) during the year. Operating profit margin after modernisation costs was 2.2%, an increase over the previous year but low compared with other major postal operators.

Parcels and marketing mail (direct mail) now account for 55% of total revenue, while letters excluding marketing mail account for 37%.

The core United Kingdom Parcels, International and Letters (UKPIL) business saw its external revenues rise to £7.2bn (€9.1bn, US\$11.1bn) from £6.9bn (€8.7bn, US\$10.7bn) last year. Operating profit for UKPIL was £23m (€29m, US\$36m) compared with a loss of £120m (€152m, US\$185m) last year.

Traditional letter volumes declined by 6%, while domestic parcel volume rose by 6%. Revenue from UKPIL parcels increased by 10% to £2.6bn (€3.3bn, US\$4bn), driven by growth in e-commerce. However the UK parcels operation was loss-making.

Royal Mail said in its full-year results statement that cost allocation for UK parcels was under review. "We recognise that steps must be taken to grow margin, revenues and volumes and to make the operation more efficient", the company said.

Profitable Parcelforce Worldwide, the express business, earned revenues of £400m (€507m, US\$618m), increasing volume by 5%.

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The European parcels business, GLS, increased its revenue by 5% to £1.6bn (€2bn, US\$2.5bn), producing an operating profit of £128m (€162m, US\$198m), £10m (€13m, US\$15m) more than last year and the biggest single contribution to Royal Mail Group profit.

Royal Mail International generated revenue of £500m (€663m, US\$772m). Post Office Ltd increased its revenue to £801m (€1bn, US\$1.2bn) from £776m (€983m, US\$1.2bn) last year, generating an operating profit of £59m (€75m, US\$91m), the second biggest single contribution to overall profit.

On 01 April, after the end of the 2012 financial year, the UK Government took over almost all of RMPP's pension liabilities and assets, leaving the pension fully funded. Ongoing pension costs will be material, however, Royal Mail said.

Commenting on the results, group chief executive Moya Greene said Royal Mail Group was cash positive for the first time in four years; profitability was improving and the group no longer had issues about its position as a going concern.

Portugal's first-quarter postal volume falls 9.4% year-on-year



CTT Group of Portugal has reported a 9.4% fall in total postal volume in the first quarter compared with the same period last year, although volume was 4.6% higher than in the previous three months.

The reserved area accounted for 79.2% of total volume. Reserved services were 6.6% above the previous quarter but 10% less year-on-year. Liberalised volume was 2.2% down on the previous quarter and 7.1% down year-on-year.

CTT Group said it held a 93.7% share of non-express mail by volume and a 30.3% share of express mail.

Deutsche Post acquisition expands its online portfolio

Deutsche Post has expanded its portfolio of online marketing services, particularly in search engine advertising, with the acquisition of IntelliAd Media, a provider of bid management tools and multichannel tracking for international advertisers and agencies.

Search engine advertisements are placed via auctions involving bids by keyword and other factors that determine their position on the search results page. IntelliAd has a bid algorithm which, it said, determines the optimal bid for any given situation, giving advertisers the best position for the least investment.

The IntelliAd platform also offers multichannel tracking integrated into a single user interface. This allows advertisers and agencies to map the customer's path from first contact to purchase.

The company said the tracking facility would reveal the relationships between the different promotional activities within individual online and offline channels. Advertisers would be able to identify synergy effects between channels and manage their budgets more effectively.

Deutsche Post already provides advertisers and agencies with technology to help them place advertisements online more effectively. The company has acquired two other online marketing specialists: nugg.ad, a targeting platform, and Adcloud, a specialist in performance marketing solutions for online advertising.



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Post Danmark and DPD Danmark merge

PostNord has merged its Post Danmark and DPD Danmark parcel operations to create a single network, reduce costs and create growth opportunities.

DPD Danmark is owned by PostNord under a franchise agreement with GeoPost, the international holding company of Le Groupe La Poste, France. PostNord is also the franchise partner for DPD in Sweden and Norway and recently signed a long-term cooperation agreement with DPD.

Post Danmark has taken over the DPD employees. Parcel processing will take place at Post Danmark's distribution centres and its two logistics centres in Brøndby and Taulov. DPD's Kolding terminal will be retained as a transit and sorting centre for international traffic.



Swiss Post's hybrid service delivers for Deutsche Bahn

Deutsche Bahn has chosen Swiss Post's hybrid mail service, ePostSelect, to process and deliver confidential documents and pay slips to employees around the world.

Swiss Post receives the document data digitally and gives Deutsche Bahn employees a choice of delivery methods: traditional mail printed by its German subsidiary Swiss Post Solutions LLC, or digitally encrypted email via Swiss Post's IncaMail secure email service.

With IncaMail, recipients are able to receive secure emails at their usual email address.

Directors to stay on board after TNT Express takeover

TNT Express directors Marie-Christine Lombard and Bernard Bot will remain on the executive board following the company's takeover by UPS.

The agreed takeover began officially on 22 June with the launch of public cash offer for €9.50 (US\$11.59) per share recommended unanimously by both the executive and supervisory boards of TNT Express. The offer is also supported by PostNL, which has undertaken to sell its 29.8% stake in TNT Express.

The offer period closes on 31 August. UPS and TNT Express said the takeover would create a global leader in logistics with annual revenues of more than €45bn (US\$55bn).

DPD acquires Hungarian operator

DPD Hungary, a subsidiary of Le Groupe La Poste's international holding company GeoPost, has acquired GTR Logistics Kft from Central Fund Kockázati Tőkealap-kezelő Zrt, which restructured the company prior to its sale.

DPD said it expected the transaction to bring a significant increase in parcel volume and market share. It will manage the two companies in parallel initially with a view to changing the name and corporate identity of GTR Logistics at a later date.

The company described the acquisition as one of its most significant this year, creating a combined workforce of more than 500 employees and subcontractors and a fleet of more than 300 vehicles. The DPD network of 18 depots in Hungary will be extended by one central and nine rural warehouses.

FedEx completes its purchase of TATEX in France

FedEx Corp has completed its acquisition of French business-to-business express company TATEX in line with its growth strategy for Europe.

The acquisition gives FedEx access to a national ground network carrying 19m shipments a year and generating about €150m (US\$183m) in revenue.

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FedEx has been broadening its European network and has already acquired Polish courier company Opek.

In its 2012 financial year ending in May, FedEx said it opened 38 new stations across Europe and launched five B757 flights on intra-European routes, plus a B777 on long-haul routes.

Swiss Post revamps its post office product range

Swiss Post is expanding the range of goods sold through its post offices, focusing increasingly on PostFinance, telecommunications and Apple products.

Post offices will receive a facelift, rationalising the range of products sold via kiosks and providing updated display materials such as interactive product demonstrations and direct comparison between different mobile phones.

The company plans to have refreshed 170 post offices by November this year. The presence of PostFinance will be strengthened by dedicated areas displaying product information and a PostFinance adviser based at each outlet.



DHL system supports automotive recalls

DHL has developed a logistics service for product recall in the automotive sector. It said its DHL Recall Solution incorporates IT tools, a flexible network of service providers, fast deployment and effective execution.

The service is available worldwide, providing customers with a dedicated team of recall experts with knowledge of regulatory compliance for automotive recalls.

The company said its platforms such as its registration website could be integrated with a car manufacturer's website and a call centre could be deployed at short notice to manage information flow between manufacturers and their dealers.

Automated data exchange with manufacturers' IT systems would give transparency throughout the project.

New CFO takes over at Austrian Post

Walter Oblin has been promoted within Austrian Post to succeed Rudolf Jettmar as chief financial officer (CFO).

He moves from the position of head of strategy and group development, which he held for three years. Prior to that, he was commercial director of a German technology company.

Walter Oblin began his career as a McKinsey & Company consultant rising to be a managing partner with managerial responsibilities at the company's Austrian subsidiary.

Rudolf Jettmar, who is retiring, was appointed chief financial officer in 1999. Chief executive Georg Pölzl said Rudolf Jettmar made a significant contribution to the success of Austrian Post's public listing.

PostNord names its next CFO

PostNord will have a new chief financial officer (CFO) on 07 August: Henrik Rättzén, who will join from insurance group Codan Trygg Hansa where he was Nordic chief financial officer.

He gained a Masters in Business Administration at Uppsala and worked at KPMG, becoming a partner.

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DPD volume up but trading figures down in Czech Republic

Parcels operator DPD says it increased its shipment volume in the Czech Republic by 15% in 2011 with the main growth coming from business-to-consumer volume.

The company added, however, that ongoing stagnation in the business-to-business market had a negative impact on its overall trading figures. Distribution of IT equipment and related products saw a decline.

The international business produced good results, the company said, owing partly to changes in the organisation of shipment to neighbouring countries, particularly Slovakia.

MyDHL portal aids small business to import and export

DHL has launched a portal called MyDHL providing a single login for small- and medium-sized import and export businesses.

MyDHL accesses DHL shipping and tracking services providing tools such as: WebShipping for label printing, arranging courier pick-up and tracking; ProView for enhanced online tracking with text or email notification, and Import Express Online for account holders wishing to prepare and manage their import shipments.

>>In Brief - Europe

Swiss Post restructures is third-party authorisation

Swiss Post has restructured its authorisation service for collection of postal items by a third party. A data cleansing exercise removed about a third of all authorisations from the database because they were no longer required. The service costs CHF36 (€30, US\$36.5) for 12 months but a free service is due to launch in 2013 for customers needing an occasional authorisation.

Royal Mail staff choose charity of the year

Royal Mail has selected Prostate Cancer UK as its charity of the year after more than 36,000 employees chose it in a staff vote.

Employees will engage in fundraising activities hoping to meet an initial target of £1m (€1.3m, US\$1.6m) and Royal Mail will match the amount they raise.

Financial authority approves PostNord bond

The Swedish Financial Supervisory Authority has approved and registered PostNord's prospectus for the issue of Medium Term Notes with a limit of SEK6bn (€700m, US\$853m). The bonds to be issued on the Swedish market will raise funding to reorganise operations, secure profitability in the mail business and develop the company's position in logistics, PostNord said.



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