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MARKET FLASH

**A fortnightly newsletter covering the
latest news from the global postal sector**



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> TOP STORY

ROYAL MAIL PLC INTERIM MANAGEMENT STATEMENT

On 22 July, Royal Mail plc issued its Interim Management Statement covering the financial position and trading performance of the Group for the three months ended 29 June 2014.

Moya Greene, Royal Mail's Chief Executive Officer, said: "In the first three months of our financial year we have delivered low single-digit revenue growth in line with our strategy. Trading has been characterised by a good performance in letters, with the decline in addressed letter volumes (3%) better than our expected range (4-6%), but a weaker than expected performance in UK parcels (1%), largely driven by the intensifying competitive environment in the account, consumer/SME and export channels. GLS continues to perform well in Europe. On costs, performance is better than expected."

Greene went on to state that "given the increasing challenges we are facing in the UK parcels market, our parcels revenue for the year is likely to be lower than we had anticipated. However, through cost control measures and with continued good letters performance we expect to be able to offset the impact on profit such that our overall performance would remain in line with our expectations for the full year."

Source: [Royal Mail Group](#)

AMERICAS

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ALIBABA TARGETS CHINA-BRAZIL E-COMMERCE WITH CORREIOS COOPERATION DEAL

Chinese e-Commerce giant Alibaba Group is targeting e-Commerce flows between China and Brazil through a new partnership with Brazilian postal operator Correios.

The cooperation agreement was signed by Correios president Wagner Pinheiro and Alibaba's Michael Lee in Brasilia last Thursday in the presence of Brazilian president Dilma Rousseff and Chinese president Xi Jinping, who was on an official visit to the country following the BRICS summit in the coastal city of Fortaleza.

The aim of the international trade memorandum of understanding is to provide Brazilian companies, especially SMEs, with access to the large Chinese market through the Alibaba Group's various businesses, including the B2B platform alibaba.com, AliExpress Tmall.com and the group's financial services through Alipay.

Source: [CEP-Research](#)

UPS AGAIN EXPANDS EARLY MORNING DELIVERIES TO US BUSINESSES

UPS today again expanded its early morning delivery coverage in the USA.

Another 766 ZIP codes were added to the UPS Next Day Air Early A.M. service coverage following the addition of more than 400 new areas earlier this year. According to UPS, the 'Early A.M.' service now guarantees service to more than 87% of US businesses.

Source: [CEP-Research](#)



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DHL INVESTS AU\$23M IN AUSTRALIAN SUPPLY CHAIN CAMPUS EXPANSION

DHL Supply Chain has invested AU\$23m to expand its Australian 'logistics campus' near Sydney, taking overall spending at the multi-sector site to some AU\$120m.

The new 32,000 m² facility, which opened last week, is the fourth addition to the company's industrial 'Campus' in Sydney's western suburb of Horsley Park. The new facility will welcome three key retail customers and will be fitted out with a fully automated retail solution in April 2015.

The 'campus' is an industrial park exclusively leased by DHL, offering 90,000 m² of warehousing at four facilities. Source: [CEP-Research](#)

NZ POST TO SELL AUSTRALIAN EXPRESS PARCELS BUSINESS COURIERS PLEASE

New Zealand Post is to sell its Australian express parcels business Couriers Please, despite a stated plan to expand its parcels and logistics business to meet growing e-Commerce opportunities.

The company offered no details on the value of the sale or its reasons for putting the Australian courier business on the market.

Couriers Please became part of NZ Post in 2000, although the business was operated as a joint venture with DHL until NZ Post bought its partner's stake in 2012.

Source: [CEP-Research](#)

DHL LAUNCHES NEW LOGISTICS SERVICE FOR LIFE SCIENCES PRODUCTS

DHL Global Forwarding enhances its cold chain logistics offerings through the transport of shipments at frozen or cryogenic temperatures. Designed for customers from the life sciences and healthcare industry, this service is maintained by LifeConEx, DHL's temperature management specialist, in collaboration with Cryoport, a provider of complete global frozen shipping services.

The new service combines express delivery speed and Cryoport's solution for shipping temperature-sensitive products and biological materials in a deep-frozen state. The solution will include a temperature monitoring tool and customers can track their shipments via an online platform.

Source: [Deutsche Post DHL](#)

NZFOREX SIGN UP FOR REALME ONLINE IDENTIFICATION

NZForex has engaged in a partnership with New Zealand Post and signed up to the post's RealMe online identification service.

NZForex, a wholly owned subsidiary of the ASX listed OzForex Group Ltd (ASX: OFX), enables thousands of New Zealanders to transfer money every year. Through RealMe, a New Zealand government and New Zealand Post initiative, new NZForex customers can avoid having to go through physical identification processes when signing up to send money overseas.

Source: [New Zealand Post](#)



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UPS REBRANDS KIALA LOCATIONS IN FRANCE, SPAIN AND NETHERLANDS

UPS has started rebranding its Kiala locations in France, Spain, and the Netherlands as UPS Access Points after introducing B2C cross-border delivery options between France, Germany, the Netherlands, Spain and the UK last week.

The rebranding of the UPS B2C subsidiary Kiala is due to be completed by 2016 and represents its further integration as part of the company's efforts to align its parcel shop network under one brand. The unified branding is in line with the recent introduction of the B2C cross-border shipping for e-retailers and consumers in five major markets covering France, Germany, the Netherlands, Spain and the UK. The Belgium and Luxemburg branches are not being rebranded at the moment.

UPS acquired Kiala in February 2012. There are some 7,000 Kiala locations in Belgium, France, Luxembourg, the Netherlands and Spain. The overall UPS Access Point network now includes over 12,000 locations in seven European markets, with 2,600 UPS Access Point locations in the UK and some 2,500 'PaketShops' in Germany. The UPS parcel points are located within retail outlets such as kiosks, newsagents, grocery stores and petrol stations.

Source: [CEP-Research](#)

ITELLA PUBLISHES H1 AND Q2 FINANCIAL RESULTS

Itella Corporation has published its Interim Report for the second quarter and first half of its 2014 financial year.

For the second quarter, Itella Group reported decreased net sales to €461.9m compared to €495.1m during the same period the previous year. The decrease was due to the weakening and the intense competition of the logistics market as well as currency depreciation. Mail delivery volumes continued to decline substantially. The operating result before non-recurring items decreased, amounting to €2.9m, or 0.6% of net sales. The second-quarter operating result was weighed down by non-recurring items totalling at €5m. The result for the period showed a loss of €3.8m, or 0.8% of net sales.

Itella Group's net sales in the first half year running from January to June 2014 showed a 6.0% year-on-year decrease to €931.9m compared to €991.1m the previous year. The decrease was due to lower volumes in mail delivery, the decline and intense competition of the logistics market as well as currency depreciation. At comparable exchange rates, the decline in net sales was 4.0%. The half-year operating result before non-recurring items improved and amounted to €20.5m. The operating result including non-recurring items improved to €2.2m, or 0.2% of net sales.

Source: [Itella](#)

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BERLINERS CAN ORDER GROCERIES AT DHL PACKSTATIONS

Online shoppers in Berlin can now order groceries direct from DHL Packstations by snapping pictures of different goods complete with QR codes in a new marketing campaign by All You Need, the German online supermarket partly owned by Deutsche Post DHL.

As part of the service, customers living in the German capital can now use 16 selected DHL Packstations until the end of the year to order fresh fruits and vegetables from the Allyouneed.com supermarket while picking up a parcel.

They just need to scan the QR code of their selected product displayed on a "market stall" style giant poster on the front side of the locker and place it in the shopping cart of the Allyouneed.com app. The entire purchase will be delivered on the desired day to the customer's doorstep. Customers can choose between two delivery time slots in the evening, with the delivery being made via DHL Kurier.

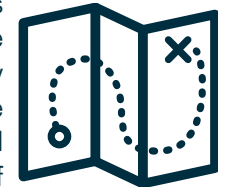
Source: [CEP-Research](#)

DPD GERMANY UPGRADES DELIVERY TIME

DPD is cutting down its delivery time slot to 30 minutes and launching map-based live parcel tracking for customers.

With this service enhancement, DPD Germany is halving the one-hour time slot provided on the morning of delivery down to 30 minutes once the delivery round has started and the parcel is on its way to the recipient.

In addition, the live-tracking tool shows the recipient in real time on the map where their parcel currently is and how many stops the driver still has to make before reaching the destination. The map-based tool represents a central component of DPD's service expansion.



Source: [CEP-Research](#)

INPOST AGREES DELIVERY PARTNERSHIP WITH BRITAIN'S P4D

British courier aggregator platform P4D has agreed a delivery partnership with fast-growing parcel locker network provider InPost to allow customers to use its 1,000 lockers in the UK as a delivery and pick-up option.

P4D's parcel delivery platform re-sells the capacity of major carriers including TNT, DHL, Yodel, City Link and Parcelforce. To send a parcel, the customer enters the parcel dimensions on the website and then chooses InPost as a delivery provider. Once selected, a label is provided that has a barcode, which is attached to the item. The parcel is then taken to the InPost locker and the barcode is scanned at the locker, causing a locker door to open. The package is placed inside the locker and will be delivered to the recipient within 48 hours.

Source: [CEP-Research](#)

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RUSSIAN POST AND EBAY AIM TO SPEED UP PARCEL DELIVERIES TO RUSSIA

Russian Post and the global e-Commerce giant eBay will cooperate to speed up international parcel deliveries to Russia, especially from China, and improve the overall delivery service quality.

On 23 July, a memorandum of understanding and cooperation between the two companies was signed by Russian Post CEO Dmitry Strashnov and eBay Inc. Vice-President Wendy Jones. The two parties intend to develop technologies and logistics for goods delivery from online stores to customers and carry out joint activities to support service users with information and advice. The central part of the cooperation is the new project 'ePacket' which aims to improve delivery times for goods ordered on eBay in Russia from foreign websites.

The Russian postal operator explained that developing cross-border trade is one of its strategic priorities as part of which it is starting direct interaction with online retailers.

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 is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. Over the past two decades IPC has provided industry leadership by driving service quality and interoperability, supporting its members to ensure the high performance of international mail services and developing the IT infrastructure required to achieve this. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms for member post CEOs and senior management to exchange best practices and discuss strategy, and gives its members an authoritative, independent and collective voice. IPC also manages the system for incentive-based payments between postal operators. With members delivering some 80% of global postal mail, IPC represents the majority of the world's mail volume.

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