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MARKET FLASH

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latest news from the global postal sector



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> TOP STORY

E-COMMERCE PURCHASES TOTAL MORE THAN €21.9BN IN THE NORDIC REGION IN 2016

Nordic e-commerce consumers bought goods online with a total value of €21.9bn in 2016. Norwegians averaged the highest monthly sum per person at €173, closely followed by Danish customers, with an average of €162. Finnish consumers were the keenest to make foreign purchases, with no less than 46% making purchases from foreign websites each month.

More than one in three Nordic e-consumers buy from abroad and a quarter of the total Nordic e-commerce consists of purchases made on foreign sites. Britain and China are the most popular countries for such foreign purchases, followed by Germany, the US and Sweden.

Eighty percent of Nordic online shoppers consider that being able to choose the method of delivery after having made an online purchase is important. There are both similarities and distinct differences between the various countries in this regard. In Finland and Norway, the preferred option is to have goods delivered home in the mailbox, whereas picking up parcels oneself at collection points is most popular in Sweden and Denmark.

There are also national differences between countries regarding requirements for fast deliveries. Swedish and Danish consumers expect and also get the fastest delivery. Norwegians and Finnish consumers make more purchases from abroad, which is probably why they expect to receive deliveries on average one day later.

Source: PostNord



> AMERICAS

FEDEX EXPRESS EXPANDS FIRST OVERNIGHT SERVICE TO MORE THAN 4,400 ZIP CODES

FedEx has announced that they have expanded their FedEx First Overnight service to more than 4,400 zip codes across the US. With this expansion, the service now reaches more than 32,000 zip codes for next-business day delivery, representing 92% of the business population in the US.

The service provides next-business day delivery to most areas and deliveries by 10:00 and to additional extended areas by 14:00, depending on the destination's zip code.

Source: FedEx



COYOTE LOGISTICS EXPANDS BROKERAGE MODEL TO GUADALAJARA, MEXICO

UPS company, Coyote has opened a new office in Guadalajara, Mexico. Every day, the two countries exchange about US\$1.4bn in commercial trade. Consumer spending in Mexico has steadily risen over the past five years. Market opportunities in Mexico are projected to surpass US\$325bn by 2018.

Coyote will simplify cross-border shipping with its in-house technology products. Coyote offers a partial or fully outsourced supply chain management programme, Collaborative Transportation Management (CTM), and a suite of technology solutions in the region giving shippers greater control over their evolving supply chains.

A majority of freight in this trade lane moves northbound, from Mexico into the US. Coyote, with its dense carrier network, is able to provide efficient capacity by splitting volume among multiple carriers with diverse network needs. Shippers are positioning themselves to capitalise on Mexico's growth.

Source: UPS

CANADA POST JOINS DIGITAL MAIN STREET TO SUPPORT SMALL BUSINESSES IN TORONTO

Canada Post is joining with Digital Main Street (DMS), an organisation that helps local businesses and start-ups in Toronto find and implement technology solutions that can help their companies compete and grow.

Through this collaboration, more than 35,000 businesses in Toronto's 82 Business Improvement Areas will be able to directly tap into Canada Post's expertise. In particular, retailers will be able to better understand and access the shipping, logistics and e-commerce strategies and solutions that create a more competitive end-to-end online shopping experience. By accessing Canada Post's direct mail and targeting solutions, services, and research findings, local businesses can learn how to more effectively get their brands into their customers' hands.

DMS members will also benefit from an exclusive offer for Canada Post's Snap Admail service – an easy online tool that allows businesses to create direct mail campaigns on any budget – as well as access its Solutions for Small Business programme, which includes significant shipping and marketing discounts.

Source: Canada Post

> ASIA PACIFIC

NEW ZEALAND INTRODUCES FULL ELECTRIC VEHICLES TO COURIER FLEET

New Zealand Post has introduced its first fully electric vehicle to its fleet. The Paxster vehicles will primarily be used in New Zealand Post's PACE courier service.

New Zealand Post has the largest electric vehicle fleet in the country, with hundreds of Paxsters due to be released. This, in addition to other low carbon initiatives, will help New Zealand Post reduce the carbon footprint of every parcel delivered.

New Zealand Post has taken a number of measures to lower transport emissions. Initiatives include route optimisation, aviation network changes and early adoption of electric vehicles in 2011 with the trial of the Mitsubishi I-MiEV.

Source: New Zealand Post



UPS RELOCATES SERVICE CENTRE TO SUPPORT HIGH GROWTH AREAS IN KOREA

UPS has announced the relocation of its service centre from Korean neighbourhoods of Dangsan-dong to Docksan-dong with expanded capacity and enhanced services for customers. With the opening of the new centre, customers will benefit from later cut-off times for shipment pick-up, providing greater flexibility for businesses to process late shipments.

The new centre's larger space of more than 10,000ft² will significantly increase UPS's capacity to handle greater volumes. Businesses located in the Geumcheon and Gwang-myeong areas can now process more orders within a day with extended cut-off times for shipment pick-up by up to almost four hours. The centre's close proximity to the Gasan Digital Complex in the Geumcheon district also allows UPS to support growing small and middle market Korean business located in the thriving industrial complex.

Source: UPS

> EUROPE

POSTNORD IS TO FURTHER ENFORCE THE TRANSFORMATION IN DENMARK

In line with the strategy laid out by PostNord three years ago, the company is adapting to digitisation. The Danish postal operator has made a decision to reduce its total staff by 3,500–4,000 over the next three years. It is estimated that transformation of the Danish business will cost around SEK 3bn.

During the period of transformation, PostNord is expected to report an operating loss, although it is estimated that this can be financed via operational earnings. In addition, to further secure PostNord's competitiveness in all markets, the Group's administrative costs are to be further reduced by more than SEK 1bn over the next three years.

PostNord does not foresee any further need for ownership support following the restructuring in Denmark. PostNord has no need for capital contributions from the owners for the operations that are conducted outside the universal service obligation. Alongside the extensive restructuring in Denmark, a substantial reduction of more than SEK 1bn in the Group's administrative costs will be carried out over the next three years, mostly in 2017 and 2018.

Source: [PostNord](#)

DEUTSCHE POST DHL GROUP COMMITS TO ZERO EMISSIONS LOGISTICS BY 2050

Deutsche Post DHL Group will reduce all logistics-related emissions to net zero by the year 2050. The target applies both to the company's own activities and to those of its transport subcontractors. The mission of zero emissions logistics is supported by four interim milestones to be achieved by the year 2025 as part of the Group's environmental protection programme GoGreen.

Globally, Deutsche Post DHL Group will increase the carbon efficiency of its own activities and those of its transport subcontractors by 50% compared to the 2007 baseline.

Deutsche Post DHL Group will operate 70% of its own first and last-mile services with clean pick-up and delivery solutions e.g. by bike and electric vehicle. More than 50% of sales will incorporate Green Solutions, making customers' supply chains greener. The Group will train and certify 80% of its employees as GoGreen specialists by 2025, and actively involve them in its environmental and climate protection activities. The company also plans to join with partners to plant 1m trees every year.

Source: [Deutsche Post DHL](#)

DEUTSCHE POST DHL GROUP ENDS FINANCIAL YEAR 2016 WITH RECORD EARNINGS

Deutsche Post DHL Group has concluded the 2016 financial year with record earnings. The Group's operating profit climbed by 45% to €3.5bn, delivering the earnings before interest and taxes (EBIT) target for 2016. The Group's fourth-quarter EBIT of €1.111bn represented operationally the best quarterly result in company history. Deutsche Post DHL Group had already posted record figures in the preceding quarters.

The company continued to benefit from its outstanding market position in global growth segments - particularly in the e-commerce business. EBIT in the Post - eCommerce - Parcel (PeP) division increased to over €1.4bn compared with €1.1bn in the previous year. The DHL divisions generated operating profit of €2.4bn compared with €1.7bn in 2015. The positive earnings trend reflects strong business operations in all divisions as well as the absence of one-time charges incurred in the previous year.

Source: [Deutsche Post DHL](#)

> EUROPE

GEOPOST ACQUIRES STUART DELIVERY LTD.

GeoPost, the international express delivery subsidiary of Le Groupe La Poste, has announced that it has acquired 100% of Stuart Delivery Ltd.'s share capital. GeoPost was an early investor in Stuart, having acquired a 22% share in 2015.

Stuart adds the final piece in the delivery value chain formed by GeoPost subsidiaries Chronopost, DPD, SEUR and Pickup. Combined with its new sister companies, Stuart's platform allows retailers and their customers a suite of the fastest delivery options performed by an environmentally friendly fleet. Indeed, 90% of Stuart's deliveries in France are performed on foot, by bike or by electric vehicle. Strong corporate coordination will accelerate Stuart's development and increase its synergies with GeoPost's other subsidiaries. Stuart will remain an independent brand and subsidiary in order to maximise its strengths, most notably a dynamic management team and vigorous commitment to technological innovation.

Source: DPD



SWISS POST DELIVERS SOLID RESULT AND INCREASES INVESTMENTS

Swiss Post is continuing to face pressure in its core business due to the accelerating pace of structural change. As a result, Swiss Post recorded an operating profit (EBIT) of CHF 704m for 2016. That is CHF 119m less than in the previous year. Operating income is solid at CHF 8,188m. In a highly competitive market environment, Group profit fell from CHF 645m to CHF 558m.

With the boom in online retail, momentum in the logistics market continues to grow. The volume of parcels processed by PostLogistics rose by 5.7% year-on-year (2015: +3.0%). PostLogistics generated an operating profit of CHF 117m, down CHF 28m year-on-year. This is due to the high pressure on margins in a fully liberalised market and – on the basis of a strategy revision – higher expenses arising from the transfer of product responsibility for private customer parcels from Post Offices & Sales.

As of 31 December 2016, Group equity stood at CHF 4,881m (before appropriation of profit).

Source: Swiss Post

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 (IPC) is the leading service provider of the global postal industry that provides leadership by driving service quality, interoperability and business-critical intelligence to support posts in defending existing business and expanding into new growth areas. It is a cooperative association of 24 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.

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