

# A roadmap to facilitating e- Commerce

Mark Harrison

Head of Markets

International Post Corporation

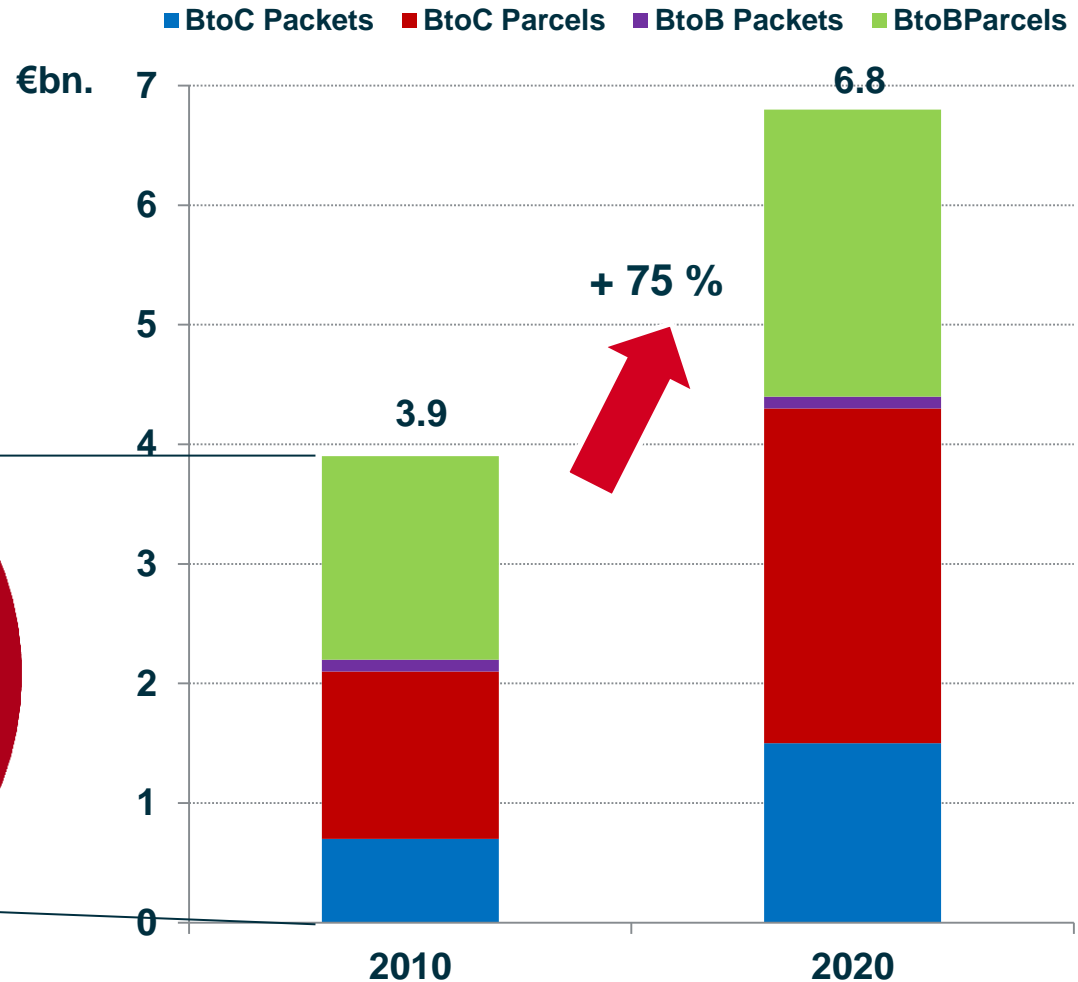
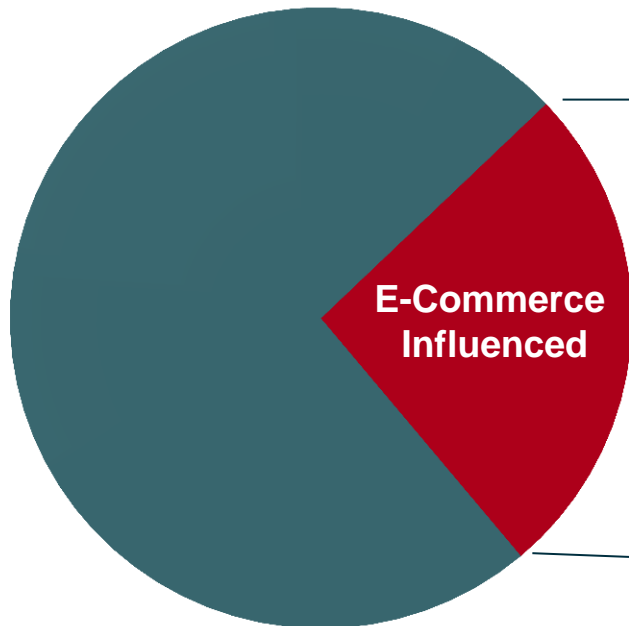
## A roadmap to facilitating e-Commerce

- **Cross-border Market Opportunity**
- **Gross Profit Opportunity**
- **Background**
- **Aims**
- **Objectives**
- **Customer Needs**

# A roadmap to facilitating e-Commerce

## Cross-border Market Opportunity

Global Cross-border  
market €15bn.



# A roadmap to facilitating e-Commerce

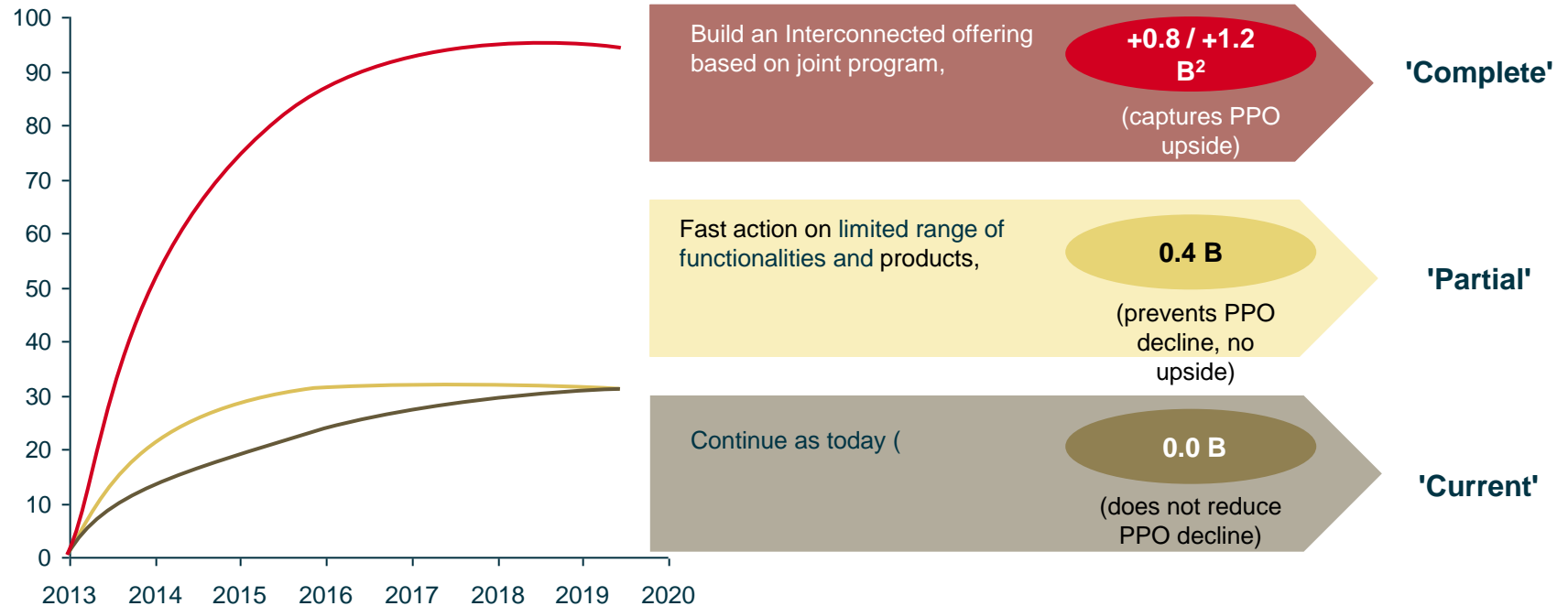
## Gross Profit Opportunity €1.2bn p.a.

3 potential implementation trajectories...

... resulting in different value creation impact<sup>1</sup>

Roadmap

Features % rolled out at all participating members



1. Value created is 2020 yearly impact in B euro and does not equal PPO gross margin; total 2020 PPO gross margin estimated by adding downside risk (-0.4B) and value creation impact

2. 'Complete' margin impact depends on extent we can partner with other companies to resolve non-postal issues

Source: IPC – BCG e-Commerce Interconnect Analysis March 2013

# A roadmap to facilitating e-Commerce

## Background

- **Postal operators are an essential element of the e-Commerce value chain, meeting the needs of consumers and supporting SMEs to develop their own e-Commerce offerings**
- **Postal operators are committed to ensure that customers do not feel the difference between buying online domestically or from another country**
- **Through IPC, world leading postal operators are cooperating to boost cross-border e-Commerce**

# A roadmap to facilitating e-Commerce

## Aims

- **Set the foundations for a seamless cross-border e-Commerce network**
- **Enable end-customers and e-retailers from consistent and reliable cross-border delivery services**
- **Directly answer consumer and e-retailer demands for fully benefiting from e-Commerce**

- Visibility through track and trace
- Predictable and day-certain transit time
- Consistent reliability
- Choice of delivery locations
- Easier return solutions
- Customer service process



# A roadmap to facilitating e-commerce

## Customer Needs by Priority

Need Ranking	Customer Need
8.1	<b>(Consistent) visibility through track &amp; trace</b>
8.0	<b>Simple and reliable return process</b>
7.9	<b>Reliable delivery time from provider</b>
7.3	<b>Ability to choose delivery location (i.e. home/retail outlet/drop box) at time of order</b>
6.0	<b>Offer consistent (i.e. same features) delivery services to key markets</b>
5.9	<b>Predictable (i.e. between day x and day y) transit times for cross-border deliveries including customs processes</b>
5.6	<b>Offer simple international shipping options (integrated into site)</b>
5.5	<b>Choice of transit times / price levels for shipment</b>
4.9	<b>Pre-paid (free) return solutions</b>
4.6	<b>Offer rapid response customer service: track &amp; trace enquiries/claims handling</b>
4.4	<b>Offer information on final cost (after VAT / import duties) of purchase</b>
3.8	Delivery service to include delivery confirmation
3.1	Delivery confirmation information sent to sender
3.0	Receive push track and trace information by SMS or email
2.9	Offer delivery cost consistent with order value / transit time
2.9	Tracking of returns
2.5	Shorter transit times from delivery providers
2.2	Consolidated low cost return service
1.8	Provide insurance in case of damage to goods
1.6	Information on how / where to return goods
1.5	Ability to select time of delivery (specific time during the day or evening delivery)
1.5	Proof of return to facilitate quick refund
1.4	Ability to choose re-delivery location
1.2	Offer delivery prices integrated into list price
1.2	Specify definite (precise) delivery date
0.6	Ability to pre-pay any import duties
0.4	Offer pre-advice of delivery
0.1	Ability to pay on delivery
0.1	Ability to change delivery day/location while goods are in transit
0.1	Use trust marks to identify quality trustworthy delivery services

# A roadmap to facilitating e-Commerce

## Objectives

- **Secure consensus among member posts upon the long-term product and service specification for cross-border packet and parcel services**
- **Respond to stretching aspirations – e.g. all cross-border packet flows between IPC members will be tracked**