

# Market Flash **E-Commerce Special**

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## Top story

**Itella's result for 2013 weakened by declining volumes**

The year 2013 was challenging for Itella, as its newly released results for the 2013 full year and fourth quarter indicate. Itella's financial results decreased from the previous year and showed a loss before taxes.

Overall, Itella Group's net sales grew by 1.5% to €1.98bn compared to €1.95bn in 2012. Net sales decreased by 0.6% in Itella Mail Communications and by 2.5% in OpusCapita, but increased by 7.8% in Itella Logistics. Itella Group's 2013 operating result before non-recurring items was €26.3m, representing 5.0% of net sales. The operating result before non-recurring items improved to €34.3m in Itella Mail Communications and to € 4.3m in OpusCapita, but decreased to negative €7.2m in Itella Logistics.

The operating result decreased to €9.9m from 39.0m the previous year, or 0.5% percent of net sales. The operating result was affected by € 40.5m in non-recurring items, of which € 17.5m was related to personnel restructuring, with other non-recurring items totalling €23.0m. The operating result before taxes was negative €2.4m, down from 30.8m the previous year.

Source: [Itella](#)



## Americas

### Canada Post and Etsy team up to offer new online shipping solution

Canada Post and Etsy have teamed up to offer Canada Post shipping services to sellers running their independent, creative businesses on the Etsy platform. The collaboration will enable Canadian Etsy sellers to streamline the order fulfilment process by allowing them to create and print shipping labels directly from the website without having to leave the Etsy platform.



With the largest delivery network in the country and competitive shipping rates, Canada Post currently handles 95% of the shipments by Canadian Etsy sellers. The tools and processes developed through this collaboration will also help Etsy enhance order fulfilment in other markets, making shipping easier to handle throughout its operations. In the past year, Etsy's global community of one million sellers sold more than US\$1.35bn worth of creative goods, making it a major driver of e-Commerce.

Source: [Canada Post](#)

### FedEx Trade Networks announces Jack Muhs as President & CEO

FedEx Trade Networks, the freight forwarding arm of FedEx Corp, announced the appointment of James R (Jack) Muhs as the new president and chief executive officer (CEO) of the company. In his new position, Muhs is responsible for the leadership and strategic direction of FedEx Trade Networks, including the company's global operations and product portfolio.

Muhs has spent nearly thirty years in the international trade industry since beginning his career with FedEx in 1984. He has served in a variety of operations and executive management roles, building an in-depth knowledge of global freight movement and the evolving needs of international shippers.

Source: [FedEx](#)



JACK MUHS  
PRESIDENT & CEO, FEDEX  
TRADE NETWORKS



## Asia Pacific

### Australia Post provides financial support to Australian youth

Australia Post launched a range of financial and identity products designed to help Australian youth transition to independence.

The products include a Proof of ID card, support for Tax File Number applications and a range of travel products including travel insurance, travel cards and passport services.

These products are being offered, along with the recently launched Load&Go Visa Prepaid Card, in response to Australia Post research that shows the youth segment takes financial management seriously.

Source: [Australia Post](#)



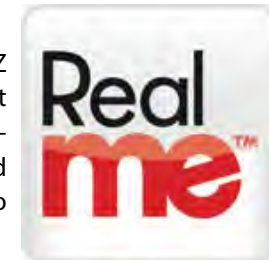
### BNZ to go live with RealMe

BNZ has boosted its online capability, announcing on 10 February that it is the first of the big banks to partner with RealMe. From mid-February, anybody with a verified RealMe account can use it to open a range of BNZ transactional accounts online.

The new capability means new BNZ customers with a verified RealMe account can now choose to complete the entire sign-up experience online. This removes the need to visit a store with identity documents to prove they are who they say they are.

Launched last year, RealMe is a partnership between the New Zealand government and New Zealand Post. Using biometric verification technology it boasts world-first capability in identity verification.

Source: [New Zealand Post](#)



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## Europe

### bpost optimistic after strong profits growth in 2013

bpost is expecting another good year in 2014 after announcing strong profits growth for 2013 driven by higher parcel volumes that outweighed the decline in mail volumes.



The Belgian postal operator's fourth-quarter operating profits rose by 19% year on year to €86.8m while net profits soared by 78% to €52.7m. Revenues were stable compared to the same period the previous year with a slight 0.6% rise to €641m, and the EBIT margin improved to 13.5%. For 2013 as a whole, operating profits improved by 8% to €436m and net profits were 20% higher at €273m. Revenues rose fractionally by 0.5% to €2.43bn, while the operating profit margin improved to a high 18%.

In its outlook for 2014, bpost said it "prudently" expected a domestic mail volume decline of 5% this year but parcel growth should be higher than last year. "We are confident to be able to at least maintain operating results on a normalised basis," the company stated.

Source: [CEP Research](#)

### Swiss Post could end Saturday deliveries, CEO says

Swiss Post could cut Saturday mail deliveries in the future due to declining letter volumes in an attempt to save costs as it is not legally obliged to maintain the six-day delivery service, according to CEO Susanne Ruoff.

She claimed that it was not enough to automate operational processes. "We also need to review the tasks we are legally obliged to fulfil and those we are doing on a voluntary basis."

Source: [CEP Research](#)

### Change in PostNord's Board of Directors

As a result of new duties within the Ministry of Finance in Sweden, Director Jonas Iversen has resigned as a member of the board of PostNord AB. For the period until PostNord's Annual General Meeting on 23 April, the Swedish Ministry of Finance has proposed Patrik Jönsson, Deputy Director at the Ministry of Finance, to be co-opted to PostNord's Board of Directors.

Source: [PostNord](#)



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## POST Luxembourg acquires majority stake in ICT company

POST Luxembourg announced that it was to acquire a majority stake in the Luxembourg company InTech S.A., a move which will be finalised over the coming months.



InTech is specialised in the design and implementation of ICT business solutions for major client accounts, particularly in the financial services, manufacturing and institutional sectors.

Through this shareholding, POST Luxembourg underlines its desire to diversify its services on the local and international markets and to offer ICT solutions, which are perfectly adapted to the business needs of the various sectors of activity.

Source: [POST Luxembourg](#)

## DPD Germany appoints Boris Winkelmann as CEO

DPD today announced that Boris Winkelmann will take over as Germany CEO on 1 March from long-serving Arnold Schroven who will move to a new post with DPD's French majority shareholder GeoPost as Executive Vice President.

Winkelmann, who joined DPD as Chief Operating Officer (COO) in March 2013, will assume overall responsibility for DPD in Germany as Chief Executive Officer (CEO) of DPD Dynamic Parcel Distribution GmbH & Co. KG and DPD GeoPost (Deutschland) GmbH.

Schroven, who has been Germany CEO for 13 years, will take responsibility for international projects at the group level as Executive Vice President, reporting to Paul-Marie Chavanne, President and CEO of GeoPost. He will continue to support DPD as a member of the supervisory board.

Source: [CEP Research](#)

## PostNord wins Nordic distribution contract with Swedish retailer Clas Ohlson

PostNord has signed a long-term cooperation agreement with existing customer Clas Ohlson, a Swedish hardware store chain and mail-order firm, for retail distribution in the Nordics and deliveries from Clas Ohlson's Nordic suppliers.

The Swedish-Danish postal group already manages distribution to Clas Ohlson's 76 stores in Sweden and 30 stores in Finland. The partnership has now been expanded to include distribution to the company's 64 stores in Norway as well.



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As part of the expanded cooperation, PostNord will also be responsible for deliveries from Nordic suppliers to Clas Ohlson's central warehouse in Insjön, central Sweden.

Source: [CEP Research](#)

### FedEx Express launches SenseAware in Europe and Canada

FedEx Express announced the expansion of its high-value, time-sensitive service, SenseAware, into Canada and 14 new countries across Europe – Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Norway, Poland, Spain, Sweden and Switzerland.

The expansion of the SenseAware service in Europe and Canada means the FedEx ShipmentWatch service will also be rolled out in those. FedEx ShipmentWatch, a service of FedEx Custom Critical, leverages SenseAware for a range of sensitive shipments, including one-time and non-FedEx shipments.

SenseAware combines an online application with a multi-sensor device to provide customers that ship high-value or environmentally sensitive products with near real-time visibility, insight and collaboration across their supply chains. In addition to location monitoring, the service can also

monitor temperature, light exposure, relative humidity, shock and barometric pressure.

Source: [FedEx](#)

### UPS continues global healthcare expansion

UPS today announced it has completed the purchase of UK-based Polar Speed, a provider of temperature-sensitive pharmaceutical supply chain solutions in the UK. The acquisition further strengthens UPS's healthcare network across Europe and is part of UPS's healthcare strategy.

Polar Speed specialises in active temperature-controlled deliveries to hospitals, pharmacies, wholesalers and surgery centres as well as end patients. Polar Speed also offers unique capabilities within the growing homecare direct-to-consumer delivery market.

Polar Speed utilises a fleet of 118 actively monitored temperature-controlled vehicles for transporting both 2-8°C refrigerated and 15-25°C products in accordance with the UK's Medicines and Healthcare products Regulatory Agency (MHRA) guidelines. The fleet is outfitted with advanced



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technology, including on-board temperature recorders and alarms to alert drivers of potential temperature excursions as well as a PolarTrack, an online portal linked to a satellite navigation system allowing customers to access real-time delivery status and temperature conditions of their products.

Source: [UPS](#)

### TNT Express releases fourth-quarter results

TNT Express released its results for the fourth quarter of its 2013 financial year. The company reported an operating income of €88m, up from €52m during the same period the previous year. Reported revenues were however down by -4.6% to €1.7bn. Adjusted operating income show a year-on-year increase to €76m, while adjusted revenues were €1.7bn – a minor decrease of -0.7% compared to the same period in 2012.

Profitability was higher in all of TNT Europe's Europe Main division, except for Italy and UK Fashion activities. Its Europe Other & Americas continued to show strong performance with solid revenue growth. Revenue remained negative for the Pacific division, but results stabilised over 2013.

Over the entire 2013 financial year, TNT Express' adjusted revenues decreased by 1.9% and adjusted operating income

declined by €34m. In Europe Main, the difficult trading environment continued to affect results, especially in Italy. Europe Other & Americas benefited from the positive effect of commercial measures and cost control. Pacific performance was significantly impacted by changes in product mix and higher wage and other cost inflation. Despite lower revenues, AMEA performed better. Brazil Domestic improving trend continued.

Source: [TNT Express](#)

### Business confidence at record high among British exporters

On 11 February, the British Chambers of Commerce published new research in conjunction with DHL Express looking at the health of the UK's export market. The BCC/DHL Trade Confidence Index, which measures both UK exporting activity and business confidence, shows that turnover confidence among exporters is now at the highest level on record (72%). Confidence was particularly strong among exporting manufacturers, with 69% believing that their turnover is likely to improve, compared with 66% last quarter.

The volume of exports for goods fell slightly this quarter – representing a decrease of 3.1% compared with Q3 2013 and

0.9% compared with the same quarter last year. However, businesses remain confident.

Of those businesses surveyed, 72% are service sector firms and 28% were manufacturing firms.

Source: [DHL UK](#)

### Britain's DX Group plans IPO to fund further growth

British mail, parcels and freight delivery operator DX Group plans to float on the stock exchange to help finance future growth plans. It will join Royal Mail and UK Mail as UK-based listed postal and parcel delivery firms.

DX, established in 1975, is best known for its premium document delivery service targeted at governmental, legal and financial clients but also has several other businesses, including an end-to-end letter and parcels delivery service that competes with Royal Mail. The group delivered approximately 170m items in 2013, increased revenues by 48% to £306m and made an operating profit of £34.4m in the year ending June 2013.

Source: [CEP Research](#)





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## Cross-border expansion

**Royal Mail launches international Tracked and Signed delivery service for B2C deliveries**

Royal Mail unveiled a new premium International Tracked and Signed delivery service for businesses and individuals shipping goods to online shoppers in 43 destinations worldwide.

The postal operator said the new combined end-to-end tracking and signature-on-delivery service is part of its improved and simplified range of international services, developed to help online retailers better meet the delivery needs of overseas shoppers ordering goods from the UK.

From 31 March, UK-based customers posting items abroad will be able to choose from five simple outbound products that provide greater clarity of the service provided.

Apart from the premium Tracked and Signed service, Royal Mail will offer a Tracked service that provides tracking from arrival at a UK mail centre to arrival in the destination country. This service is available to 33 countries worldwide. There is also a Signed service providing signature capture on delivery in 190 countries worldwide, but without any tracking function.

The standard international Parcels and Mail service, with the option of two delivery speeds, will be available to 269 countries worldwide, while there is also a parcel returns

service available to 26 countries covering most of Europe, plus New Zealand.

Royal Mail has also expanded the availability of tracking to customers posting to an additional 12 countries including Iceland, Greece, Hungary, South Korea, Thailand, India (Delhi, Mumbai and Chennai) and the Cayman Islands, through the International Tracked and International Tracked and Signed Services.

The enhanced international services follow recent research from Royal Mail which revealed that 68% of UK small and medium-sized e-retailers who export will be targeting new international markets to help them to expand in 2014. The USA is the top target market, followed by Canada, Germany, Russia, Spain and France.

**Source: Royal Mail**

**PostNord focusing on e-Commerce**

PostNord is making a series of structural changes to address current market trends and create greater financial value. The group's strategy is being further developed and a new organisational structure introduced. Country units are being set up to improve uniformity versus customers and to establish integrated production models.

At the same time, a Nordic Mail & Communication business area and a corporate strategic unit for e-Commerce, responsible for market and service development in each area across the Nordic region, are being formed. Strålfors will continue to operate as a subsidiary and will be strongly aligned with business area Mail & Communication.

The initiatives taken will enable PostNord to offer end-to-end solutions within e-Commerce, improving the company's capacity to strengthen its customers' businesses as well to develop innovative solutions on the Nordic market. One of the changes to be implemented is a new brand structure that gives the Group a clearer, more uniform profile. The Group's PostNord brand will be given greater scope together with existing commercial brands. PostNord's goal is to be the first choice for senders and receivers of e-Commerce items.

The new organisation will take effect as of 1 April 2014.

**Source: CEP Research; PostNord**



## Emerging markets

The global e-Commerce market continues to expand with 18% year-on-year growth in Europe in 2013 and 16% growth in the US. In Southern Europe, the e-Commerce market has shown even more remarkable growth and is estimated to have grown by 27.9% to €39.5bn in 2013 .

This region, consisting of Spain, Italy, Turkey, Greece, Portugal, Croatia, Cyprus and Malta, is, along with Eastern Europe, the fastest growing e-Commerce market in Europe. In the region, about 30% or 40m out of 128m active internet users buy goods or products online. Spain is the strongest e-Commerce market in Southern Europe with sales reaching 12.9bn in 2012, followed by Italy (€9.5bn) and Turkey (€5.4bn). In particular, Turkey shows an enormous market potential with a 90% increase in 2012 and expected 40% year-on-year growth for 2013. In terms of growth, the country is thus ahead of all other e-Commerce markets in the region.

In 2012, online shoppers in Southern Europe spent €833 on average which is below the EU28 average of €1,347 and the European average of €1,402. The Greek were the biggest internet-enabled buyers of the region with an average of €1,347 in 2012. While being the largest e-Commerce market in Southern Europe, Spain ranks only fourth in terms of spending with an average of €864, behind Greece as well as Portugal (€979) and Cyprus (€885).

**Source: CEP Research; Ecommerce Europe**





**Eugenio Martin Peña** has been working in the logistics industry for the past fifteen years. His most recent experience includes managing international e-Commerce customers and promoting cross-border flows for Spanish e-retailers. His responsibilities also feature: managing strategic customers in the international area, negotiating contracts and agreements, developing the e-Commerce channel, negotiating international logistics, and supervising the supply chain.

## Interview

**IPC presents an interview with Eugenio Martin Peña, International Parcels Manager at Correos sharing his thoughts on the e-Commerce developments in Spain and beyond.**

**What is the cross-border e-Commerce traffic structure in Spain? Which country/region is your number-one export/import partner?**

E-Commerce is growing really fast, especially in the small packets sector. France and Germany are our main partner countries when it comes to volume, but Latin America is also an important piece of the pie for us. Additionally, Portugal is from the logistic point of view part of the Iberian market and so the exports are managed as domestic flows. Madrid, Valencia and Cataluña are our main e-Commerce exports regions.

**What are the Spanish customers' expectations regarding delivery and how have these changed over recent ten years?**

Spanish customers are very keen on having the flexibility to collect their parcels if they are not at home at the time of delivery. They expect a high level of service and low rates, and competition has been tough on the Spanish market over the past few years.

**Are there any new challenges for e-Commerce delivery in 2014?**

If we take into account only those who are not currently buying on internet, 42% of them intend to buy in the next 12 months. Correos is swiftly adapting to the new market changes, focusing

on having the best delivery solutions for e-Commerce in Spain. Correos is also implementing new ideas for international shipments, thus helping Spanish e-Commerce companies to export. Additionally, direct-entry solutions allow foreign companies to access the Spanish market as locals. Europe is small and needs to be interconnected.

**Across Europe, there is a growing parcel locker base – what is the current situation regarding parcel lockers in Spain?**

We are evaluating all delivery options. Other logistics operators have tried to implement parcel locker solutions in Spain but did not succeed. However, the German market, where the parcel locker system is more developed, is very different from the Spanish one.

**Are there innovations in delivery process or product range you are currently implementing or planning to implement in 2014? Can you describe them briefly?**

We are continuously working on innovation – it is part of our corporate spirit. For instance, we are improving our domestic express parcel 'postal express' with upgraded skills regarding track and trace, text message and email notification to the addressee when the parcel is about to be delivered, etc. We have just bought 9,000 PDAs (personal digital assistant) with an Android operative system to collect the addressee's signature in real time and we have recently finished the automation plan with 14 sorting machines (Van der Lande and Cinetic).



## E-Commerce seasonality

**Parcel volumes seasonality on the rise**

A successful 2013 festive season for both e-sellers and delivery service providers in the UK saw parcel volumes grow about 15% year on year for a third year in a row. This dramatic seasonal increase in parcel traffic, though profitable, leaves both parties struggling with managing a multi-channel approach to delivery according to Global Freight Solutions (GFS).

The GFS Review looked at the two busiest months of the year for the UK parcel industry, and warned that the growing complexities of multi-channel delivery could prove an obstacle for future growth. According to the study, volumes grew week by week until the peak day on 16 December.

For CollectPlus, a UK-based parcel shop collection and returns operator, parcel volumes in December 2013 were 115m, a like-for-like increase, peaking at 10m delivered on the busiest day. This was more than any other carrier in the UK parcel market, and in total parcels accounted for 51% of CollectPlus revenue. Increased interest in using parcel collection points is a clear sign that more and more consumers are willing to give up on the convenience of receiving their e-Commerce purchases straight to their homes to make sure the goods purchased arrive on time.

However, delivery to home or work address, if flexible and reliable, could be the first choice for a modern busy customer. A different solution to address the seasonal variations would be to offer seven days a week delivery during high-volume seasons. One industry player, B2C delivery operator Hermes UK declared that as of February 2014 it would introduce a seven-day delivery throughout the year, becoming the first operator to offer such broad delivery options. We are yet to see which solution for the peak parcel periods will be the customers' favourite, however, with the seasonal parcel volumes increasing year on year, the industry is certainly to stay in constant 'innovation mode' for the years to come.



## Alternative delivery

## Developments in alternative delivery

## South America



Polish postal group Integer.pl Group has won a contract to provide its InPost parcel lockers for the national postal service in Colombia. The firm has agreed to install 100 of its parcel terminals in Colombia under the '24-7' brand by the end of 2014.

According to Integer.pl Group, e-Commerce in Colombia has grown by 41% in the past five years, creating an increased demand for convenient and fast delivery of goods.

The group is currently aiming to expand its operations across the entire South American continent and has already installed parcel terminals in Chile in collaboration with the Chilean national postal operator, Correos de Chile.

Integer.pl currently provides its services in 18 international markets including 12 European counties – UK, Ireland, Estonia, Iceland, Lithuania, Latvia, Slovakia, Ukraine, Poland, the Czech Republic, Russia and Cyprus – as well as Australia, Chile, Costa Rica, El Salvador, Guatemala; and Saudi Arabia .

## UK

Picking up shopping whilst commuting is set to become available for thousands of London Underground customers as

Transport for London (TfL) announced that it is entering into a partnership with several major retail and parcel companies.

Tesco, Waitrose and automated parcel locker company InPost are all set to establish 'click and collect' facilities at stations, transforming the services on offer to customers as they move around the transport network. TfL has been developing click-and-collect services at London Underground station car parks since November 2013, including a six-month trial with Asda Grocery Click and Collect services on six locations.

Click and collect enables customers to place orders online, which they can pick up from stations or station car parks on their way home. With the rise in smartphone devices and the introduction of Wi-Fi at over 120 Underground stations, customers can also make their purchases while they are on the move. As well as providing convenience to customers, these agreements will secure commercial revenue for TfL, which will be reinvested into improving the transport network.

## Italy

In Italy, a parcel locker provider is working with Poste Italiane to broaden their delivery option array. Poste Italiane is planning to introduce self-service parcel terminals from Australian parcel lockers supplier TZ Limited.

After winning Poste Italiane's tender, TZ was contracted to supply five Smart Parcel Lockers as part of the initial pilot programme set to be deployed at the beginning of this year, including associated software and integration services. If the



pilot phase is a success, the Italian postal operator plans to roll out the parcel terminal network throughout Italy.

In 2013, TZ partnered with Nike.com, Tony Bianco, Glue Store and Pamper Hamper Gifts in its home market Australia, in cooperation with the software group Temando to offer them an efficient alternative for shipping parcels ordered online to their customers. It also signed up TNT, Toll Group and Fastway Couriers as its delivery partners that are either integrated or have interfaces with TZ's platform. In Singapore, it was awarded a parcel terminal contract by Singapore Post to supply and install five initial 'POPStations', to be extended up to 100 lockers within one year.

### Denmark

Austrian firm KEBA will install 300 self-service indoor parcel terminals in branches of the retail chain Coop across Denmark in 2014 under an order from Post Danmark. The automation specialist has already installed 175 of 190 planned 'Pakkeboksen' parcel stations at various outdoor locations in Danish towns and cities for the postal operator. The latest contract means Post Danmark will operate 490 parcel terminals in total by autumn 2014.

The Pakkeboksen will be installed in 300 Coop branches and operated by Post Danmark, which will enable customers to collect and send their packages. The machines are KEBA's KePol LS automats with Post Danmark branding, are fully compatible with the outdoor terminals and will be integrated into the Post Danmark network.

This project represents a classic win-win situation for both end customers and operators, KEBA said. Post Danmark clients can collect and send their parcels while shopping at the Coop, and Coop customers can pick up the items that they have ordered online at their local store. The management hopes that customers will be attracted to the branches by automated parcel collection and that this will create loyalty in what is an increasingly competitive market.

KEBA will install and commission the 300 parcel lockers ordered within twelve weeks and towards the end of the roll-out, as many as 50 lockers are to be installed weekly, which represents a significant challenge for the entire KEBA and Post Danmark project team.

For Post Danmark, the launch of a full-coverage parcel locker network is crucial to satisfying customer needs as an addition to their approximately 780 post offices. With over 3,000 KePol parcel lockers, including the extensive Packstation network in Germany, KEBA has one of the world's largest installation networks.

Source: CEP Research



## News

**French e-Commerce sales saw 13.5% growth in 2013**

E-Commerce sales in France increased by 13.5% to €51bn last year despite the slowing economy, with the number of online transactions rising by 17.5% to 600m, including more cross-border purchases, according to figures from the country's e-Commerce association Fevad.

The strong performance of e-retailers during last year's Christmas period contributed to the good overall annual result; Christmas sales surpassed the €10.1bn mark with 12.5% growth. More consumers opted for express home delivery in December to ensure their goods arrived in time, while collection from parcel pick-up points is also becoming more popular.



However, the average spend per purchase in France continued to drop by 3.5% to a new record low of €83 in the final quarter of 2013. The average spend for 2013 as a whole declined to €84.5 from €87.5 in 2012.

The number of listed French web shops increased by 17% in 2013 to currently 138,000 with 20,000 new websites created in just one year. This has been driven by the number of online shoppers growing 5% last year and by the increase in purchase frequency with an average of 18 transactions per buyer in one year (16 in 2012).

E-retailers selling consumer products (including marketplaces) have showed strong growth during Christmas, at 9% compared to the previous year. The growth rate for the whole year, dragged down by the slower first quarter of 2013, amounted to a 6% year-on-year increase. B2B sales recorded an annual growth of only 1%, despite a dynamic increase of 5% during the second quarter of 2013.

Mobile commerce remains a dynamic growth factor in France, with sales from mobile devices (smartphones, tablets, mobile websites and apps) increasing by 97% during the fourth quarter of 2013 compared to the corresponding period in 2012.

According to Fevad, 33.8m internet users in France shopped online during the fourth quarter of 2013 which is 1.65m more than during the previous year. Its separate survey on Christmas online shopping showed that nearly 8 out of 10 internet users (72%) used the internet to research their Christmas shopping.

Overall, 98% of the shoppers aged between 18 and 74 declared themselves satisfied about their Christmas gifts purchased online last year which indicates strong growth potential for e-Commerce in 2014.

Evaluating the behaviour and satisfaction of the internet users in France in terms of their Christmas purchases, the study showed that the number of people buying their presents online further increased in 2013 with 61% compared to 57% in 2012. Furthermore, 40% of internet shoppers said they bought a larger part of their gifts online in 2013 compared to the previous year. Among French online shoppers, 28% said they had purchased goods from an international website.





Home delivery has become normal with three out of four French consumers favouring it, especially the majority (81%) of persons aged 35-49. To be sure their gifts arrived on time before Christmas, nearly a third (28%) of the buyers turned to express home delivery at the end of 2014.

Apart from home delivery, an increasing number of shoppers have ordered deliveries to a parcel shop with 59% picking up one or several orders from there in 2013, up from 48% in 2012.

Source: Fevad, CEP-Research

### Hermes launches nationwide Sunday deliveries in UK

Hermes UK is set to become the first home delivery company in Britain to offer a nationwide, year-round, seven-day-a-week service with their launch of a Sunday delivery service in February 2014. Sunday delivery will initially be available as a next-day service for customers placing orders on a Saturday, and will be fully tracked.

In early 2014, Amazon launched deliveries on a Sunday for members of its Amazon Prime scheme in seven UK cities, provided via Amazon Logistics, which operates a number of delivery stations that act as hubs for deliveries in their local area. Amazon Logistics uses national and regional delivery partners to deliver items to customers.

The option is said to be available nationwide in the UK to all customers, rather than being linked to a specific individual retailer. According to Hermes UK this service has been expected by the customers as the retail sector has been trading seven days a week for some time already. Research commissioned recently by Hermes UK found that two-thirds of online shoppers found Sunday deliveries appealing. Royal Mail also offers Sunday deliveries in the run-up to Christmas but not on a year-round basis.

While surveys have highlighted an interest among customers in weekend and evening deliveries, research has suggested most customers are unwilling to pay significantly more for weekend delivery.

Source: Hermes UK, CEP-Research

### German e-retailers go cross-border with easy and low-cost returns

German e-retailers are increasingly trading beyond national borders on the European level, focusing on simple and low-cost returns for customers, a joint survey by the German e-Commerce association bvh and Deutsche Post DHL found.

The report conducted between October-December 2013 examined the return activities of German retailers in 2013. The survey revealed that two-thirds of the over 150 companies surveyed are already trading internationally, nearly all of them for at least four or more years. However, only 28% currently offer international return solutions, it showed. Interestingly, the majority of German e-retailers (69%) offer their customers a free returns solution on the domestic level for a product value below €40.

The survey revealed three requirements in terms of returns that are particularly important for e-retailers. These include simple returns handling for customers, 'track and trace' availability and low charges.

Source: [CEP Research](#)

*The survey revealed three requirements in terms of returns that are particularly important for e-retailers. These include simple returns handling for customers, 'track and trace' availability and low charges.*



### German e-Commerce forecast to grow 25% this year

The German interactive retail sector is expected to continue growing at double-digit rates in 2014, including a further 25% surge in online sales, after strong growth in 2013, according to the German E-Commerce and Distance Selling Association (bvh).

This year, the bvh expects the overall interactive trade in Germany to increase sales by 15.4% to €55.8bn. E-Commerce sales are forecast to further increase by 24.8% to €48.8bn while the fast declining traditional mail order sector will make up the rest.

In 2013, the interactive retail sector increased sales by 22.9% to €48.3bn. Online sales accounted for 81% of these sales with a dramatic year-on-year increase of 41.7% to €39.1bn. The internet thus increased its already dominant share of distance sales from 70% in 2012.

Source: [CEP Research](#)

### DPD Germany targets major network expansion from 5,000 to 8,000 parcel shops

DPD Germany is continuing its parcel shop expansion with the goal to increase its network to 8,000 locations from over 5,000 shops at present. Over 95% of the German population now have a DPD parcel shop within ten minutes' reach, according to the company. With the network expansion, DPD wants to ensure that in urban areas no one will have to walk more than five minutes in order to reach a shop.

DPD Germany has already made a first step towards parcel shop expansion by equipping all of its shops with state-of-the-art electronic manual scanners. The new technology makes it possible to cut the time required to hand in or pick up a parcel to 30 seconds. In addition, this technical equipment also provides a direct link to DPD's IT network. As a result, it is now possible, for example, to inform recipients proactively via SMS or e-mail as soon as their parcel has arrived at a DPD parcel shop.

Moreover, DPD has set up a central operations centre where staff can control the pick-up and delivery of parcels at the parcel shops in a targeted way with the help of the data recorded via the manual scanners. This way, for example, capacity shortage can be identified in good time to redirect the affected parcels to a different location nearby. The employees at the operations centre also provide support for shop operators who have questions or need information.

Source: [CEP Research](#)

### Interactive B2B trade in Germany grows strongly in 2013 with optimistic outlook

The interactive B2B retail sector in Germany grew strongly in 2013 despite a general economic slowdown with retailers expecting further growth in 2014, a new study by the German e-Commerce association bvh showed.



The survey, which asked more than 120 German B2B mail-order and online retailers about their current economic situation, revealed that the majority (52.5%) of the companies assessed their business development as 'very good' or 'good' in 2013, up from 47.5% in 2012. In particular, nearly 64% of companies employing over 100 staff assessed their business situation as extremely positive.

The positive assessment of the economic situation is also reflected in sales posted by German distance-sellers in 2013, with 43% of the companies surveyed generating higher sales than during the previous year. They also remain very optimistic towards the current year as every second firm (46.3%) surveyed expects to further increase its sales, up from only 40.8% in 2012. The results of the B2B interactive trade in Germany in 2013 confirm the positive trend in the country's overall interactive trade as the B2C retail business also recorded strong growth last year.

### InPost continues international expansion with 400 parcel lockers in Italy

The fast-growing Polish parcel terminal provider InPost is pushing forward its international expansion with another 400 parcel lockers to be established in Italy by June 2014 as part of its agreement with the major Italian e-Commerce platform Banzai.

InPost's investment in the Italian terminal network exceeds €30m. The machines will be located initially in the northern and central parts of the country, including big cities like Rome, Milan and Turin, and later extended to most Italian provinces. The first terminals will be installed in Italy in the coming weeks, with InPost expecting to set up the entire network in the first half of the year.

InPost said it sees enormous potential in the Italian e-Commerce sector which is developing rapidly with increasing growth year by year, similar to the European leaders such as the UK, Germany and France. According to an eMarketer study, online sales in Italy grew by nearly 18% to €11.3bn in 2013.

Source: [CEP Research](#)

### City Link is on its way to customers with new two-hour delivery slot

British parcels firm City Link has enhanced its B2C delivery service by providing private recipients with an estimated two-hour delivery time slot for their ordered shipments including the option of re-arranging delivery, if necessary.

Called 'On Our Way', the new, free service is being rolled out from mid-February and should be fully implemented in early summer this year. It offers private customers more control, transparency and flexibility in terms of delivery of their parcels, including an improved International offering, enhanced customer reporting and parcel tracking. City Link also plans major investments in its IT infrastructure.

The first trials for the service were conducted in November and during the Christmas season last year enabling customers to test it by checking the predicted delivery time via the Track Your Parcel tool on the company's website or via the City Link customer care team. "This proved so popular that it was quickly followed by a pilot of an extended service that offered text message & email alerts and online delivery rescheduling," the company said.

Source: [CEP Research](#)



# Market Flash



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## About this publication

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