

2015



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DIRECT MARKETING SPECIAL

> TOP STORY

INTERNET OF THINGS WILL BOOST SUPPLY CHAIN AND LOGISTICS OPERATIONS

DHL and Cisco have jointly released a new Trend Report focused on the Internet of Things (IoT) at the DHL Global Technology Conference in Dubai on 15 April. DHL and Cisco Consulting Services are also collaborating on a joint IoT innovation project that will improve decision making in warehouse operations with near real-time data analytics based on Wi-Fi connected devices.

The Trend Report, which estimates that there will be 50bn devices connected to the internet by 2020 compared to 15bn today, looks at the potential impact this technological revolution will have on business. The value at stake, combination of increased revenues and lower costs that is created or will migrate among companies and industries when new connections are made, reveals the huge potential when the internet and networks expand their connections to warehousing, freight transportation and other elements of the supply chain.

According to the report, over the next decade, the logistics industry could unlock higher levels of operational efficiency as the IoT connects in real time millions of shipments being moved, tracked and stowed each day. In warehousing, connected pallets and items will be a driver for smarter inventory management. In freight transportation, tracking and tracing of goods becomes faster, more accurate, predictive and secure while analytics of a connected fleet can help to predict asset failure and to schedule maintenance checks automatically. Finally, connecting delivery personnel with surrounding vehicles and people can become a way of optimising the return trip to improve efficiency and service in last-mile delivery.

Source: [Deutsche Post DHL](#)



AMERICAS

- Canada Post E-commerce Innovation Awards accepting entries
- Amazon expands one-hour delivery service to more cities as drone tests approach

CANADA POST E-COMMERCE INNOVATION AWARDS ACCEPTING ENTRIES

Now in its fourth year, the Canada Post E-commerce Innovation Awards is accepting applications. The Awards celebrate online retail strategies that exhibit exceptional entrepreneurship, originality and savvy, and which demonstrate a commitment to serving the customer with excellence throughout the entire e-Commerce experience.

The winners will be announced at a gala in Toronto on September 28. Companies that conduct all or a portion of their retail business online are invited to apply. Finalists will be announced in August, and will compete to win a share of more than CA\$1m in free shipping and marketing prize. The deadline to apply is 29 May 2015.

Source: [Canada Post](#)



AMAZON EXPANDS ONE-HOUR DELIVERY SERVICE TO MORE CITIES AS DRONE TESTS APPROACH

Amazon has further expanded its one-hour delivery service Prime Now to three more US cities, Atlanta, Austin and Dallas, and is getting closer to launching drone delivery tests in the US.

The e-Commerce company said that Amazon Prime members in various parts of Atlanta, Austin and Dallas can now choose from tens of thousands of goods through a mobile app and profit from the one-hour shipping service. The service was launched in parts of Manhattan in December 2014, extended to Brooklyn and then launched earlier this year in Baltimore and Miami. Further US cities are expected to be added during this year.

Meanwhile, Amazon's ambition to launch drone deliveries in the USA has been given a boost by the Federal Aviation Authority (FAA). In March the authority already gave the company permission to test a specific type of drone under strict operating conditions. But Amazon later disclosed that it had taken so long to get this permission that the prototype machine was no longer usable, and it submitted another application. This second application was approved late April. The FAA said it was giving the company permission until 30 April 2017, for more extensive tests, as long as the drones fly no higher than 400 feet from the ground and no faster than 100 miles per hour.

Source: [CEP-Research](#)



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WESTPAC CUSTOMERS CAN NOW BANK@POST

Westpac and Australia Post have entered into a partnership to enable Westpac customers to access banking services at an additional 3,300 participating post offices across Australia, including at more than 1,400 regional and rural locations.

The Australia Post agreement will give Westpac customers the ability to conduct traditional cash withdrawals, coin, cash and cheque deposits, in-store identity checks for new account holders and general account enquiries in participating post offices.

Source: [Australia Post](#)

AUSTRALIA POST DEVELOPS WEARABLE PARCEL DELIVERY APP

Australia Post today released its Apple Watch app, providing a new, innovative way for online shoppers to collect parcels and receive delivery status alerts. With a touch of their watch, shoppers will be able to view parcel delivery information and track their parcel.

Customers will also be able to use their mobile devices to open parcel lockers by scanning their watch.

Source: [Australia Post](#)

TNT OPENS STATE-OF-THE-ART HUB IN SYDNEY

TNT has opened its state of the art, 78,000m² 'super hub' at Sydney's Erskine Park. The new hub will handle domestic as well as international shipments.

The company's investment in the new facility is part of a broader investment in other hubs in Melbourne and Brisbane, both due for completion later this year.

Source: [TNT](#)

ALIBABA'S TMALL TESTS THREE-HOUR DELIVERIES

China's largest B2C website Tmall.com is exploring a 'bricks and clicks' delivery system that in some cases could allow online shoppers in major Chinese cities to receive their orders in less than a day.

The service is currently only available to Beijing consumers through the Tmall flagship store of Jack & Jones, a male apparel retailer, and enables buyers to receive orders more quickly because merchandise ordered online is shipped directly from physical stores located near buyers instead of from central warehouses.

Under the system, when a Beijing shopper places an order through Jack & Jones on Tmall, the company searches its chain of Beijing outlets to locate the desired merchandise at a store closest to the shopper. When goods are available, orders are picked up by couriers of Winshine Logistics, a partner of Alibaba's logistics arm Cainiao, and delivered to buyers' homes.

Source: [CEP-Research](#)



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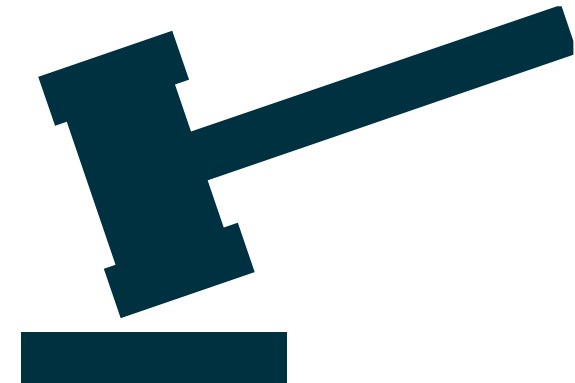
GREEN LIGHTS FOR JAPAN POST'S TAKEOVER OF TOLL GROUP

Japan Post has received an important go-ahead for its planned US\$5.1bn acquisition of Australia's Toll Group which will transform it into a major international logistics player.

Under the agreed AU\$6.5bn (US\$5.1bn) deal announced in February, Japan Post will become owner of Australia's leading express, freight and logistics group and gain a strong regional platform for further international growth as it gears up for a planned IPO later this year.

In future, Toll Group will become a Japan Post division, operating its express and freight services under its own brand, and positioned as the Japanese group's "key growth platform" in the worldwide logistics sector. Japan Post executives have already signalled they are interested in more acquisitions in Asia and could also look to Europe and the Americas for further expansion.

Source: [CEP-Research](#)



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UPU CHIEF TELLS POSTS TO 'MOVE OUT OF COMFORT ZONE'

The world's postal operators need to 'move out of their comfort zone', critically review their activities and jointly shape their future, according to Bishar Hussein, Director General of the Universal Postal Union (UPU). Addressing some 750 delegates from 135 UPU member countries at the start of the organisation's two-day 'World Strategy Conference' in Geneva, Hussein issued a 'wake-up call' against the background of a deep transformation in the postal sector driven by digital technology and the rise of e-Commerce.

Postal activities increasingly focused on logistics and financial services instead of traditional mail, the growth of e-commerce and the rise of parcel volumes, and changing consumer behaviour are among various phenomena forcing public postal services to redefine themselves for the 21st century. Changing consumer habits brought on by new technological applications is perhaps one of the greater challenges facing the postal sector, according to the UPU.

The innovation challenge facing postal operators worldwide dominated discussions on the first day of the conference as postal executives, government representatives and private companies debated how to best respond and adapt to the rapid changes thrust upon the sector by technological change. The rapidly expanding e-Commerce sector was of particular interest. While it promises great growth for postal operators, it brings many challenges as well, such as changing consumer needs.

Source: [CEP-Research](#)

UPS DRIVES ON WITH US\$1BN EUROPEAN INVESTMENT PLANS

UPS is keeping to its plans to invest US\$1bn in Europe in the coming years despite FedEx's planned €4.4bn acquisition of TNT that will step up pressure on the Atlanta-based firm. The Atlanta-based parcels and freight company now aims to grow in Europe through a mix of organic expansion and small, targeted acquisitions.

The planned takeover of the Dutch firm by FedEx means that UPS will be competing with a much stronger competitor in Europe in future as well as with market leader DHL in a three-way battle in the European express market.

UPS announced the US\$1bn investment programme for Europe last year. The company is investing mostly in sorting centres and also parcel shops for consumer deliveries, and wants to have 20,000 access points in Europe and South America by the end of this year. It already has about 3,000 consumer parcel pick-up locations in Germany, its second-largest market behind the US.

Source: [CEP-Research](#)

ASENDIA LAUNCHES E-COMMERCE WHITE PAPERS

Asendia – the joint venture between La Poste and Swiss Post – has compiled a series of comprehensive white papers aiming to help businesses better face the challenges related to entering some of the key e-Commerce destinations, including France, Germany, Switzerland and the USA.

Source: [Asendia](#)

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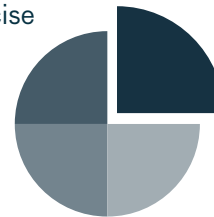
AUSTRIAN POST SEEKS STRATEGIC PARTNER FOR TRANS-O-FLEX

Austrian Post is seeking a strategic partner for its underperforming German subsidiary trans-o-flex and plans to buy a majority stake in Turkey's Aras Kargo next year, according to CEO Georg Pözl.

On trans-o-flex, the CEO said that Austrian Post is seeking "a strategic partner" for the company which "is at about break-even", and added that talks are taking place but there had been "no breakthrough" yet. However, he ruled out a complete sale of the German company. Trans-o-flex, which was acquired by Austrian Post in 2006-08 in two stages for a total of €79m, now has a book value of €49.4m following significant major writedowns, including €38.9m in 2014 and €27m in 2013. It is unclear whether Austrian Post wants to sell a majority or minority stake in the company.

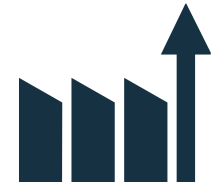
Meanwhile, Austrian Post will exercise its call option for a further 50% stake in Aras Kargo next year which was agreed when the present 25% stake was acquired for €50m in 2013. The Turkish company has annual revenues of about €280m and delivers some 100m parcels and documents.

Source: [CEP-Research](#)



ESTONIAN POSTAL OPERATOR OMNIVA GROWS REVENUES ON PARCELS AND E-COMMERCE

Estonian postal operator Omniva, rebranded from Eesti Post last year, increased revenue by 7% to €59.9m in 2014, with e-Commerce related services being the main growth driver, and made a net profit of €1.3m.



The group's logistics services grew by 15% while revenues from advertisement services rose by 11% and periodical services increased by 3%. In 2014, Omniva processed over 11m sales and purchases invoices. The percentage of e-invoices from all invoices grew to 40%. In contrast to the booming parcels business, the letter volumes are steadily decreasing, Omniva confirmed. In 2014, the domestic mail business revenues decreased by 8%.

The company said the introduction of the new international brand Omniva in June 2014 had also been a turnaround point in its history. The introduction of the new trademark is related to the internationalisation of the company and the domestic market's expansion from Estonia to Latvia and Lithuania.

Source: [CEP-Research](#); [Omniva](#)

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POSTI GROUP SELLS ITS SCANDINAVIAN ROAD FREIGHT OPERATIONS

Posti Group continues to improve the profitability of its logistics business operations in line with its strategy by selling Scandinavian road freight business operations to Danish Nordic Transport Group (NTG). The transaction includes also international road, air, and sea freight operations in Finland. The plan is to realise the transaction by the end of Q2 2015.

The transaction does not include Posti's operations in Finland, the Baltic countries and Russia. Posti will continue to provide logistics services in Finland in parcel services, company transport services, and supply chain solutions. In Sweden, Posti will continue in parcel operations that will keep growing thanks to e-Commerce, as well as the existing storage services in Norway. In the future, Posti will provide international freight services to its customers through a partnership network.

Posti expanded in the Nordic Region in 2005 as part of its internationalisation strategy in logistics. The decline of the economy and intense competition have, however, weakened the profitability of logistics operations. In accordance with the new strategy published in 2013, Posti is focusing its operations on Finland, Russia and the Baltic countries. Posti's market share of the Scandinavian international freight business has been small. In Scandinavia, Posti operated under the brand Itella Logistics.

Source: [Posti](#)

DHL PARCEL TO CONSOLIDATE BRANDING FOR ITS SHOPPING PORTAL

DHL plans to expand its MeinPaket.de and Allyouneed.com shopping portals to other European markets. In the first step, Allyouneed is set to become the umbrella brand under which DHL Parcel will bundle these activities in all countries.

The first shopping portal under this new name began operation in Poland in March and offers online merchants and consumers a platform specially adapted to the needs of the Polish market. Now the MeinPaket.de marketplace is also operating under the Allyouneed umbrella brand in Germany, used by 3.5m private customers. The Allyouneed online supermarket is now operating under the Allyouneed Fresh brand name in a conscious effort to direct the attention of private customers to the online supermarket's extensive array of fresh produce.

Parallel with the rebranding in Germany, the Allyouneed shop established for the Chinese market is also switching to the new brand. DHL Parcel plans for both platforms, the Allyouneed marketplace and the Allyouneed Fresh online supermarket, to provide innovative impulses for its logistics capabilities and to secure its leading position in the German parcel market for all business customers.

Source: [Deutsche Post DHL](#)



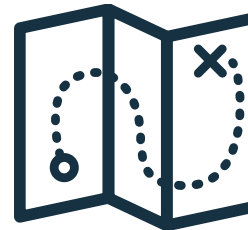
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CAR BECOMES MOBILE DELIVERY ADDRESS FOR PARCELS

In May 2015 DHL Parcel, Amazon and Audi will team up to launch a Germany-wide pilot project for a brand new service that will allow car owners to use their cars as mobile delivery addresses for their parcel shipments. The three project partners plan to conduct their joint pilot project over the course of several months in the greater area of Munich, during which selected customers will have the chance to test the new delivery solution. Customers taking part in the early stage of the pilot will be registered by Audi.

Using a specially developed smartphone app, the DHL delivery agent receives the exact location of the car as well as access to the vehicle's trunk. After the deliverymen have placed the item in the trunk and closed its door, the car is then locked automatically. DHL receives confirmation via the app and the car owner is informed of the successful delivery via email.



Using the car as a mobile delivery address is an especially attractive alternative for commuters. Whether parked in the company parking lot or at a Park & Ride lot, the postman can use the app to locate the automobile and place the item securely in the trunk of the car.

Source: [Deutsche Post DHL](#)

DHL EXPRESS STARTS BUILDING NEW FACILITY IN FREIBURG

DHL Express Germany has started the construction of a new facility in the region of Freiburg, south-eastern Germany, with an overall investment of around €10m, in response to growing shipping volumes in the region.

In the last two years alone, DHL Express has seen an annual increase in shipment volumes of around 7% there. The express operator now sees itself well prepared for the anticipated regional increase over the next 15 years, he added. The move to the Freiburg facility is scheduled for autumn this year.

Source: [CEP-Research](#)

GLS OFFERS FLEXIBLE DELIVERIES IN LUXEMBURG

GLS has extended its FlexDeliveryService for consumer parcel deliveries to 13 countries with the addition of Luxembourg. Recipients in Luxembourg can now select the time and place of their parcel delivery to suit their personal requirements for orders from senders using the free service.

Under the FlexDeliveryService, GLS informs recipients by e-mail of the day and expected delivery time of their parcel. They can then select an alternative delivery day or address or re-direct the delivery to their preferred GLS parcel shop.

Source: [CEP-Research](#)

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LITHUANIA POST UNIT INCREASES PARCEL VOLUMES BY 17%

Lithuania Post subsidiary Baltic Post recorded double-digit shipment volume growth of 17% in the first quarter of this year, with the strongest growth being delivered through its self-service parcel terminals LP EXPRESS 24.

In Q1 2015, the parcel volumes delivered via the LP EXPRESS 24 network were multiplied by 2.5 times. This was the main growth driver for Baltic Post driving its sales revenues up 26% during this period, compared to Q1 2014. Based on the number of parcel volumes Baltic Post recorded during Q4 2014, the company now holds a 19.5% market share in the Lithuanian courier market.

Lithuania Post acquired Baltic Post in 2012 to expand its presence and activities in the domestic parcels market taking over its network of automated parcel terminals "SIUNTOS24" that it later rebranded to LP Express 24.

Source: [CEP-Research](#)

PROFITABLE RUSSIAN POST PLANS ONLINE MARKETPLACE FOR E-COMMERCE GROWTH

Russian Post plans to launch its own online marketplace, similar to eBay, in 2016 to target stronger e-Commerce growth after improving its financial results, Aleksey Vaisberg, Director E-Commerce, told journalists at the 'Online Retail Russia 2015' conference in Moscow. The online marketplace that will be integrated with payment systems and its logistics infrastructure.

It is assumed that the product portfolio of the online marketplace will be changing dynamically while the range of the seasonal printed catalogues will be fixed for a certain period. The partners of the marketplace will be responsible for the pricing while Russian Post will give recommendations focusing on its target group.

The marketplace is due to be implemented in several stages. In the first phase, only three to six major e-commerce market players will be selected. In the second stage, it is planned to extend the number of the participants and consequently increase the product portfolio. It will also be possible to link international partners to the website including direct cooperation with domestic product manufacturers. At the final stage, it is planned to link automatically any online retailer or services to the platform as well as to involve all sales channels.

Source: [CEP-Research](#)

DHL INVESTS IN NEW SWEDISH AIRPORT FACILITY

Swedish airports operator Swedavia said it has signed a ten-year agreement with DHL Express, equivalent to SEK 110m, for a brand-new 7,500 m² terminal facility with offices at Göteborg Landvetter Airport, the country's second-largest airport.

The existing but outdated 1,700 m² logistics terminal will be demolished and a brand-new 7,500 m² facility will be built. The new property will be located near the terminal adjacent to the northern section of the airport area. Construction work is expected to begin in the spring of 2015.

Source: [CEP-Research](#)

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SWISS POST TO TEST DRONES FOR PARCEL DELIVERIES THIS SUMMER

Swiss Post will test drones for parcel deliveries in a pilot project due to start this summer with Swiss Airlines and US-based drone manufacturer Matternet.

Tests by Swiss Post would follow numerous other drone parcel delivery trials by other companies including DHL, La Poste, Amazon, Google, China's Alibaba and S.F. Express.

Source: [CEP-Research](#)

UK CITIES ARE HIDDEN 'EXPORT EPICENTRES', FEDEX SURVEY FINDS

Regional cities across the UK are hidden champions when it comes to international trade according to new research from FedEx Express, with surprisingly high levels of exporting by local small and medium-sized businesses (SMEs).

According to the new UK Export Epicentres Report, the majority of SMEs across the country are doing business overseas. Exporting confidence within the capital has spread throughout the UK's cities, with lesser-known export epicentres now emerging to lead the race for international clients and custom.



The report showed there is no shortage in positive thinking about the UK's exporting future. 94% of SMEs feel optimistic about the year ahead; with eight in ten believing their export sales will increase again over the same time period.

Source: [CEP-Research](#)

UK ONLINE RETAIL SALES POST FIRST-EVER QUARTERLY SINGLE-DIGIT GROWTH IN Q1 2015

UK online retail sales continued a slow start in 2015 with only 9% growth year on year in March meaning single-digit growth for each month during the first quarter of this year, which has not happened in any other quarter before, according to the British e-Commerce association IMRG.

In Q1 2015, e-retail sales growth in the UK reached only 7% year on year, compared to a 17% rise during the same period a year ago, the latest figures from the IMRG Capgemini e-Retail Sales Index revealed. This is the first quarterly single-digit growth recorded by the index so far.

In a monthly comparison with February, UK online retail sales showed double-digit growth of 11% in March. Last month's growth was mainly driven by mobile sales made either via a tablet device or a smartphone, which increased 9% on the previous month and showed spectacular year-on-year growth of 46%, compared to March 2014. During the first quarter of 2015, sales via mobile devices also rose by remarkable 38% compared to Q1 2014.

Source: [CEP-Research](#)

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UK MAIL PROFITS SUFFER AS VOLUMES BOOSTED BY CITY LINK COLLAPSE

UK Mail Group issued a profit warning for the financial year ending 31 March 2015 after an unexpected rise in volumes following the bankruptcy of rival carrier City Link resulted in higher than normal operating costs.

In the re-close trading update, it said reported group revenues for the three months to 31 March (excluding Pallets) were expected to show an increase of some 5% compared to the same period in the previous year, giving total reported revenue growth for the financial year (excluding Pallets) of around 1%. The sudden increase in volumes reportedly forced UK Mail to rely on more-expensive agency staff, short-term hires of trucks and trailers, and additional facilities, which raised operating costs. Meanwhile, UK Mail said its Mail business also achieved good volume and revenue growth in the quarter, with volumes rising 5% compared to the same period last year. The group's Courier business saw a decline in revenues in the fourth quarter, although it has achieved revenue growth for the full year.

As a result of these factors, UK Mail said its overall performance for the fourth quarter and the full year was expected to be around the lower end of the current range of expectations.

Source: [CEP-Research](#)

DPD WINS HIGH-PROFILE BRITISH INNOVATION AWARD FOR PREDICT SERVICE

DPD has won the highly coveted innovation prize in this year's 'Queen's Awards for Enterprise' in the UK for its successful one-hour delivery service Predict and also gained a sustainability award in Austria.

Launched in 2010, Predict gives parcel recipients advanced notification of their exact one-hour delivery slot by SMS or email, so that they do not have to wait in all day for their parcel. The service includes a full range of 'in-flight' options allowing the customer to divert their parcel at any time to a specified neighbour or arrange the delivery for another day if they can't be at home.



Predict was developed in the UK by DPD's own IT department and operations team in close association with local depot managers. It uses a bespoke route optimisation system which is fully integrated with the driver's handheld device. That same device also enables the driver and the customer to communicate in real-time about the delivery.

Source: [CEP-Research](#)

2015



MARKET INTELLIGENCE

International **Post**
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DIRECT MARKETING SPECIAL

Quarterly newsletter on events, trends
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LOCATION-BASED MARKETING

A geographic approach to marketing answers one of the key questions about your customers and prospects – where they are at a specific point in time. By collecting the location information and being able to act on it, ideally, in a real-time way, companies can increase their sales and serve their customers better by offering more relevant and timely offers.

Transportation services, such as public transport providers and taxis, are areas where location-based apps have already been adopted and used successfully over the last years. Thanks to their location being shared, users can check the nearest bus stop and view the timetable, or order a private taxi service which will pick you up from where you are. The patterns analysed from the collected information can be invaluable to third-party companies, which could use them to offer their products and services at the right time and location.

Increasingly, very precise location measurement is seen as an opportunity by marketers to be able to learn more about customers and to offer them better-tailored offers. While GPS signals combined with a Wi-Fi or data connection can indicate in which area customers are, GPS and data connections are often blocked or simply unavailable indoors. Beacon technology is set to breach this gap by enabling offline indoor hyper-location or very precise location tracking.

Beacons – technology often described as GPS for indoor spaces – has gained momentum over the past years, partly thanks to Apple's inclusion of beacons in its operating systems since 2013. With Bluetooth Low Energy (BLE) wireless



> FEATURE STORY

transmitters, beacons can track a mobile device's location and notify apps when a device approaches or leaves a location; mobile data does not have to be enabled. By knowing whether customers – particularly those who already have the company's app installed on their devices – are close to a store or product display, companies can deliver hyper-contextual content to users based on location instantly.

Beacons are a technology enabler, but they have to be integrated with existing data gathered in a back-end data systems. Beacon data can be combined with existing customer data provided by customers in order to engage with the customer through personalised messages.

OPPORTUNITIES FOR MARKETERS

In retail, companies can use the information about a customer's location together with their purchase history to send personalised offers to them as soon as they walk into a store or find themselves in a location relevant to the company's product range.

One of the companies embracing geolocation applications is the worldwide coffeehouse chain

Starbucks. The apps wirelessly detect the location of remote devices, such as tablets or smartphones, and collect large amounts of data about their owner. Subsequently, the data is used to personalise the communication with the customer and sell products with tailored offers. The ability to identify a customer's location at key times and to push a communication towards them in near-to-real time opens sales opportunities previously untapped.

Rosetta Stone, a global language learning software provider, used to have a team of salespeople offering demos of its software within kiosks located in airports and shopping malls. Recently, however, knowing that the majority of its traffic came from mobile devices, Rosetta Stone changed its tactics with demo strategy, moving to 150 unmanned interactive kiosks in airports as well as retail chains such as Best Buy. Outfitted with beacons, the redesigned kiosks enabled passers-by to try the software and explore its features at their own pace, around the clock, while enabling Rosetta Stone to interact with their prospects instantly via a real-time push notification regardless of the time of day or traffic. Initial sales results showed that interactive kiosks boosted sales.

A typical scenario for beacon technology: a consumer carrying an enabled smartphone walks into a store. Apps installed on a consumer's smartphone check for beacons. When an app finds a beacon, it communicates the relevant data to its server, which then triggers an action on the consumer's smartphone.

The full article on location-based marketing will appear in the 2015 Direct Mail Guide, due to be published in May. Look out for it on the [IPC website](#).



NEWS



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USPS PARTNERS WITH SALESFORCE TO GET 360 DEGREE VIEW OF CUSTOMERS

In April 2015, the US Postal Service VP of Sales, Cliff Rucker, detailed an effort to make the 1,100 sales representatives – 400 dedicated to direct mail – more responsive to individual customer needs by partnering with Salesforce. com, reported DMNews.

In response to the comment that many mailers lack direct relationships with USPS salespeople and are forced to find their own answers, Rucker agreed and said it was something the new CRM technology was meant to address. With the addition of Salesforce’s services, customer issues are expected to be more visible across the postal organisation, including the sales department.

This move is another step towards a 360-degree view of the customer for USPS. Rucker also disclosed plans to use predictive analytics to anticipate such problems as part of a new sales retention effort.

Source: [DMNews](#)

AUSTRIAN POST LAUNCHES BETTER NO LETTER CAMPAIGN

The campaigns focus on the risk of privacy violations inherent to electronic communications vs. the safety of physical letters. The Austrian Post launched the ‘Better No Letter’ and ‘Schreib-Weise’ campaigns in December 2014 to raise consumer awareness about the risks of the increasing use of electronic communication in terms of their privacy and its protection.

The ‘Better No Letter’ campaign showcases the possibility of privacy violations unknown to consumers in a video made by the fictional United Secret Service Agencies, resembling a message from the US National Security Agency (NSA), known for gathering controversial headlines regarding privacy in recent years. In the video, a United Secret Service Agencies agent walks through a secret service compound explaining how the initiative Better No Letter can increase the security of all. Pointing to the high privacy nature of letter communication, the agent encourages all citizens to scan their letters before they send them to make the agency’s work easier. At the end of the video, when the viewer hears “better no letter” yet another time, the real key message of the video is revealed: when it really needs to stay confidential, it is better use the post.

The connected ‘Schreib-Weise’ campaign provides background information regarding the issue and focuses on the positive aspects of physical mail and its advantages over electronic communications for both personal and business matters. Additionally, the Schreib-Weise website contains information on the legal situation in Austria regarding the privacy of correspondence, as well as a guide on the ‘art’ of writing letters itself.

Find more information on the Austrian campaigns at www.better-no-letter.org and www.schreib-weise.at.

Source: [Austrian Post](#)



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CLOSER COOPERATION IS NEEDED TO PROMOTE ADMAIL

Interview with Asier Monzon Hoyos, mccgraphics



Could you please introduce your company within the marketing value chain?

In the marketing chain, mccgraphics mainly plays the production role. We help our customers in the production process of their marketing campaigns (direct marketing, emailing and offset printing). Our aspiration is to become more and more relevant in the value chain and help our customers not just to produce, but to build the campaign, or even in the future help them in the creation and concept-building stage.

In which ways does mccgraphics cooperate with postal operators? (What does this cooperation look like before important national events such as elections?)

During the last years, mccgraphics has participated in the production of electoral marketing materials for some political parties. Spanish postal operator Correos meets regularly with all production providers to inform them on how to proceed in order to guarantee a success in delivery. The postal operator also gives instructions on how to place material in the mail stream, how to sort and group the material, and periods to make the deposit.

What are currently the biggest challenges for you in promoting physical channel advertising?

One of the biggest challenges is that only big companies can afford physical advertising such as direct mail or brochures. A lot of our clients are SMEs and they get discouraged when they see that, even with low- to medium-volume campaigns, distribution costs per mailing are higher than the entire production process.

Another point is the limited response measurement possibilities of the physical channel. Thanks to digital media, advertisers have grown to expect advanced response analytics at no additional cost. With postal ad mail, however, the response measurement mechanisms are either not available or they are offered at a high premium.

What potential solutions does mccgraphics see for direct mail to be a more attractive and powerful advertising channel?

We strongly believe that mail rejections data needs to be shared digitally in an accessible and actionable format. The postal service, in reference to marketing, finds a great competitor in email. This medium is immediate, interactive and helps the customer to trace the user behaviour and the effectiveness of a campaign.

In the offline world and with a better integration with the information available by postal operators, mail too, could be a huge improvement of the service that can be offered to marketing departments. In combination with technologies such as QR codes, landing pages, augmented reality, etc. paper can become a good substrate to achieve an excellent user experience and to trigger call to action in final consumers.



NEWS



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Another solution would be better postal rates for agencies/SME senders. Printing companies and content creation providers are making great efforts to convince their customers to see direct marketing as a powerful advertisement channel, but this effort is not effective if we cannot count with postal providers with better rates and more services.

The benefit for postal operators is clear: by stimulating the market and getting tighter integration with direct marketing players they can increase their admail volumes as it would be reconsidered by communication and marketing decision makers as a valid and affordable advertisement channel. Now that emailing is failing in its effectiveness, postal admail have the potential to become an unexploited niche for marketers.

Learn more about mccgraphics at www.mccgraphics.com.



ASIER MONZON HOYOS
MCCGRAPHICS

STAMPS.COM TO ACQUIRE SHIPPING SOFTWARE FIRM ENDICIA

US-based online postage and shipping business Endicia is set to be acquired by an online postage provider Stamps.com at the end of 2015. Newell Rubbermaid, the parent company of Endicia had entered into a definitive agreement to make the sale for about US\$215m.

Endicia was founded in early 1980s as a technology consulting company and its early work involved helping the US Postal Service to automate and improve its processes, including address cleansing and use of the POSTNET barcode. The company's work led to the development of electronic postage technology in the early 1990s.

Stamps.com was founded in 1996 to offer individuals, small businesses and corporations the ability to print US postage using any PC, a standard printer and an internet connection. It currently claims to hold more than 80% of the total PC postage subscription market.

Source: Post&Parcel; Newell Rubbermaid; Stamps.com



RESEARCH



- Advertising mail still popular with French consumers, confirms recent study

ADVERTISING MAIL STILL POPULAR WITH FRENCH CONSUMERS, CONFIRMS RECENT STUDY

Advertising mail is still popular with French consumers, according to a study on the readership of advertising mail commissioned by GIE Balmétrie and conducted by institute IPSOS in collaboration with the Centre for Media Studies Advertising (CEPA) throughout 2014. A total of 10,015 people were interviewed, with 106,341 reading instances reviewed. A hybrid technique was used to collect the responses, and 76% responses came from online while 24% came through paper-based channel.

According to the study, French read 6.8 flyers and 3.1 addressed mail pieces per week on average. In 2014, 93.9% of French read at least one advertising mail piece during a typical week.

The breakdown by type of mail received every week:

- 69.2% of French people read at least one printed advertisement
- 61.2% of French people read at least one addressed mail piece
- 46.8% of French people read at least one flyer from not-for-profit organisations (from local authorities or associations)
- 74.8% of French people read at least one administrative mail piece

The first-reading rate of mail advertising was high: 93.2% on average for all types of mail. This figure highlights the importance of creativity in the design of campaigns as the French rarely give a second chance to advertising mail they receive.

Regarding read rate, with people reading at least one piece of unaddressed mail on average per week, the top sectors for unaddressed admail were: food hypermarkets (57%), furnishing stores and decoration (35.2%) and DIY gardening sector (32.9%).

The top sector for addressed admail was VAD (distance selling) with a 16.8% weekly penetration.



CASE STUDIES



ARJOWIGGINS GRAPHIC RAISES BRAND AWARENESS FOR ITS PAPER RANGE

BACKGROUND

Arjowiggins Graphic is a leader in the development of innovative environmental paper solutions and a manufacturer of creative high-tech materials and papers. The company focuses on the development of recycled papers using technological innovation and a pioneering network of manufacturing plants, to bring environmental paper solutions to printers, designers and corporates worldwide.

IDEA

In June 2014, Arjowiggins Graphic revealed a new look and feel for its leading Cyclus paper range, as well as a brand new Cyclus logo. The global campaign aimed to communicate the paper's new image and emphasise the modernity and relevance of the Cyclus brand. Furthermore the campaign wanted to sustain the brand's environmental and ethical messages, and raise awareness of Arjowiggins Graphic's partner charity, SOS Children's Villages, France.



SOS Children's Villages is an independent private development organisation, which offers support to children in need. Through a network of over 500 villages it provides family-based care to orphans or children in 133 countries. It helps provide a safe, loving home, health and education.

CHARITY PARTNERSHIP

Focusing on both the brand's message and the charitable aspect of the campaign Arjowiggins Graphic partnered in the UK with Antalis, a distributor of the Cyclus range and one of the leading distributors of communication support materials in the UK and Ireland.

Along with 56,950 mailers, which included the fortune teller, the campaign communicated its messages through a new swatch brochure, notebooks, web banners, adverts and a dedicated website. For each customer who ordered a free Cyclus notebook, Arjowiggins Graphic gifted one child from Vontovorona SOS Children's Villages their school fees for one complete academic year. This mechanism enabled the company to send samples of Cyclus paper to their target audience while supporting the charitable message.

The Cyclus global campaign lasted for nine weeks, reached 36 countries and utilised 12 different languages including Spanish, French, English, Swedish and German. The campaign's underpinning narrative of childhood was a universal theme that appealed to the international market and generated interest worldwide. Throughout, the campaign targeted a diverse audience, from corporate end-users and print managers to agencies and printers across the globe; reaching a range of individuals and organisations who were eager to engage with both the Cyclus brand and the campaign's charitable messages.

- Arjowiggins Graphic raises brand awareness for its paper range
- The Salvation Army: an award-winning multi-media campaign

CASE STUDIES



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RESULTS

The campaign was a success, reaching all targets and funding the education of 500 children in Madagascar. Further to the charitable success of the campaign, the updated Cyclus brand message reached a significant audience:

- 173, 939 contacts were made through 56,950 mailers and 116,989 emails
- 6,114 customers visited the website
- 63% of the website users, a total of 3,874 customers, requested a notepad, sample pack or meeting

Following the success of the Cyclus campaign, Arjowiggins Graphic has committed to continue its partnership with SOS Children's Villages France. Arjowiggins Graphic planned to launch a new campaign in April 2015 to help extend preschool access in Madagascar.

Source: B2B Marketing

THE SALVATION ARMY: AN AWARD-WINNING MULTI-MEDIA CAMPAIGN

Advertiser: Salvation Army, UK

Industry: Fundraising

Media used: Direct mail, TV

THE ORIGINAL CAMPAIGN

From 1987 to 2007 the charity relied on a six-week burst of activity running up to Christmas to recruit its new donors. They used only print media: mail, door drops, press and

inserts. In 2007, Salvation Army had market-leading but declining returns on their control mix of mail, door drops, press and inserts.

THE FIRST CHANGES

In 2008 and 2009 they started to test a different model, adding both broadcast and digital media to their media mix. Broadcast was designed to increase the reach of the total campaign, and digital media to provide an additional response channel for donors. In both years they saw successful increases in numbers of donors recruited. In 2009 they also noticed that response from mail and door drops, which had been in decline for years, had increased.

STRUCTURED INSIGHT

By 2010, Salvation Army saw a step change in online income: it had quadrupled in just four years. With just a few thousand pounds invested in search it was clear that online activity was not driving this income. To enable these digital donations to be attributed to the correct offline channels, and to understand the relationships between the channels used, they turned to econometrics. Once the understanding of this model had been achieved, working with Mike Colling & Company (MC&C), Salvation Army turned to the challenge of exploiting its profitability. A planning tool was built, powered by the econometric equations; enabling The Salvation Army to forecast income and donor numbers from different investment scenarios. This tool showed mail and TV driving online response, with strong positive interactions between the two. The Salvation Army's findings not only matched Royal Mail MarketReach research but also reinforced the learnings from the IPA Databank. The 2014



CASE STUDIES



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IPA Effectiveness Award case study highlights:

1. The effectiveness of combining acquisition of new customers with activation of existing customers.
2. The benefit of significantly increasing advertising investment, along with the continued effectiveness of TV.
3. The dangers of focusing too strongly on ROI as the key metric, rather than targeting to maximise the absolute net income generated from marketing.

The paper also created surprising new learnings, specifically around the role of mail in a digital age:

- Mail can be the most effective channel in an integrated multi-channel schedule.
- Integrating mail with both broadcast and digital media enables incremental value to be realised from both new and existing customers.

RESULTS

In the years from 2005 to 2007, the cost of donors recruited via mail rose by 20%. Between 2008 and 2012, cost per new donor fell by 16%, whilst the number of new donors recruited grew from 50,000 to more than 136,000. MC&C attribute this extraordinary improvement in results to the six key learnings below, the most important of which is the integration between mail, broadcast media and search.

Key learnings from this campaign included:

- Plan channels together, with recognition of the role each plays in the mix
- Accurate and effective measurement is required to understand the value of mail
- Choose measurement KPIs carefully
- Tailor the creative to the individual
- Do not say the same thing over and over again. If you repeat mail then continue the story
- Understand how consumers behave with mail

The Salvation Army increased volume in both addressed mail (2.7x) and door drops (1.6x) over five years. By integrating mail with digital and broadcast media, and by accurately attributing results and understanding the roles each channel plays in the media mix, MC&C increased their clients net income and profitability. MC&C were awarded at the IPA Effectiveness Awards (Silver, 2014), to follow their DMA Award for Media Strategy (Gold, 2011).

Access the detailed case study [here](#).

ABOUT THIS PUBLICATION

IPC MARKET FLASH is a fortnightly newsletter providing a comprehensive look at new developments emerging in the international postal marketplace. It is published by the Markets and Communications department of the International Post Corporation.

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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