

2016



MARKET INTELLIGENCE



International **Post**  
Corporation

# MARKET FLASH

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



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## > TOP STORY

### GERMAN E-RETAIL GROWS 12% TO NEARLY €47 BN IN 2015

Online retail sales in Germany grew by 12% to €46.9bn in 2015, according to figures released today by e-Commerce association bevh.

The €46.9bn figure represents nearly 90% of the country's overall €52.4bn interactive sales sector, covering e-Commerce and traditional mail-order sales.

The association said the e-Commerce figure confirms its forecast of 12% growth for 2015 which it made last March when it also predicted an overall increase of 5% to €51.6bn for the interactive trade sector. The €52.4bn overall total thus indicates that the declining mail-order business performed somewhat better than expected last year.

Bevh has not yet released figures for the peak Christmas season, but in mid-December stated that the German online retail sector increased sales by 13.6% to €9.6bn in the first nine weeks of the fourth quarter of 2015 (October – November). The association will present detailed figures for 2015 on February 16.

Source: CEP-Research

# > AMERICAS

## SELLERS ON AMAZON CAP OFF BIG YEAR WITH MORE THAN 40 % GROWTH

Amazon has announced that more than 23m items were ordered worldwide from sellers on Amazon on Cyber Monday, a more than 40% increase year-over-year. To help sellers on Amazon scale their businesses, the Fulfillment by Amazon (FBA) service delivered more than 1bn items worldwide in 2015. Amazon's Sponsored Products adoption by sellers worldwide grew more than 100% year-over-year as sellers advertised their products and built their brands on Amazon. During the holiday season, individuals and businesses selling on Amazon sold to more than 80% of Amazon customers worldwide who ordered a physical item.

Source: Amazon

## US START-UP GOSEND HELPS LOCAL RETAILERS TO SELL ABROAD

US e-Commerce and shipping start-up, GoSend has launched a new service, "GoSend Commerce" to help local retailers expand their business abroad and enable consumers around the world to save on sales tax and shipping costs when buying from the retailers in the US.

Small to mid-size retailers who don't ship enough parcels to get large volume shipping discounts can now use GoSend's bulk shipping rates of up to 80% off and offer them to their customers, thus driving more global sales. GoSend works with top carriers and bulk consolidators including DHL, USPS and FedEx and provides tracking for the consumer through its automated online system with e-mail notifications while a mobile app will also be released soon.

Source: CEP-Research

## UPS WRAPS UP HOLIDAY SHIPPING SEASON WITH EASIER RETURNS

American delivery company, UPS announced that 6 January 2016 was National Returns Day, as consumers ship over 1m packages back to retailers- 500,000 more than last year. According to the UPS Pulse of the Online Shopper study conducted in the US, 45% of consumers have returned an item by shipping it back to a retailer: 42% of those said they made a new online purchase during the process.

Returns now play an important role in purchasing decisions as 67% of consumers said they look at a retailer's return policy before they complete an order. Consumers also want a hassle-free returns experience: 66% want free returns shipping and 47% want an easy-to-print return label.

Source: UPS

## > ASIA PACIFIC

### ALIBABA GROUP WILL ANNOUNCE DECEMBER QUARTER 2015 RESULTS ON JANUARY 28, 2016

Chinese e-Commerce company, Alibaba Group has announced that they will report their unaudited financial results for the quarter ended 31 December, 2015 before the US market opens on 28 January, 2016, and will hold a conference call to discuss the financial results on the same day.

Source: Alibaba

### SINGPOST LAUNCHES SP COMMERCE FOR BRANDS AND RETAILERS

SingPost is integrating its e-Commerce division, with leading US-based providers TradeGlobal Holdings, Inc. which SingPost recently acquired, and Jagged Peak, Inc. to launch SP Commerce. The integration of TradeGlobal and Jagged Peak helps SingPost expand its e-Commerce logistics footprint in the US, the largest retail market in the world, connecting the dots in building a global e-Commerce logistics solution and a unique ability to provide access to China and the rest of Asia Pacific markets.

SingPost will now provide end-to-end e-Commerce logistics solutions to more than 100 mono-brands. The demand for omni-channel commerce is gaining momentum and it would require integrated technology, fulfilment capabilities on an international scale as well as strong localisation for brands and retailers to succeed in this arena.

Source: SingPost



## &gt; EUROPE

**AUSTRIAN POST DELIVERS RECORD 80M PARCELS IN 2015**

Austrian Post have delivered a new record in parcel volumes last year with 80m parcels which represents a solid increase of 8% compared to 74m parcels transported in 2014.

With regard to parcel volumes during the busy Christmas period, Austrian Post started registering parcel volume increase from October onwards, which meant an increase of 6.7% for the Christmas 2015 period.

Austrian Post normally delivers about 250,000 parcels a day throughout the year, and their average daily volumes amounted to around 400,000 parcels in December 2015. On its busiest day of the year, the postal operator shipped more than half a million parcels. In addition to growth in the B2B segment, the growth in online trade has been the main driver for the parcel volume increase.

Source: CEP-Research

**POSTNORD ANNOUNCES NEW COLLABORATION WITH ALIBABA**

PostNord Denmark has announced that it has entered into a new collaboration with Chinese e-Commerce company, Alibaba.

The agreement has given PostNord the opportunity to establish a Nordic platform on the shopping portal Tmall Global. Alibaba has also been working with other national posts, to establish country platforms on Tmall Global.

Source: [Post and Parcel](#)

**DEUTSCHE POST DHL GROUP ACQUIRES MINORITY STAKE IN FRENCH E-COMMERCE LOGISTICS SPECIALIST**

Deutsche Post DHL Group has announced plans to invest in a minority stake in Relais Colis, a French e-Commerce logistics specialist, in order to enhance access for its DHL divisions and their customers to Europe's third largest e-Commerce market. With a 27.5% stake in Relais Colis, Deutsche Post DHL Group will support the further development of the French e-Commerce logistics specialist's network of pickup points and its customised delivery solutions for end customers. This will allow DHL's divisions, primarily DHL Parcel, to open up additional channels and expand its offering of value-added logistics services for e-commerce customers to the French market. Relais Colis will also benefit from additional volumes of the Deutsche Post DHL Group's networks and the knowhow of the innovation leader in the German parcel market.

Source: [Deutsche Post DHL](#)



## &gt; EUROPE

## EUROPEAN COMMISSION UNCONDITIONALLY APPROVES FEDEX INTENDED ACQUISITION OF TNT EXPRESS

FedEx Corporation and TNT Express have announced that they have obtained the unconditional approval of the European Commission in connection with the Offer. After its investigation, the European Commission has concluded that the deal does not raise any competition concerns.

FedEx and TNT Express continue to work constructively with the regulatory authorities to obtain clearance of the transaction in the remaining jurisdictions, including Brazil and China. FedEx and TNT Express are making timely progress and continue to anticipate that the Offer will close in the first half of calendar year 2016.

Source: TNT

## HERMES GERMANY'S TWO-MAN HANDLING UNIT POSTS 15% GROWTH IN DELIVERIES OF HEAVY ITEMS

Hermes Germany's two-man handling unit Hermes Einrichtungs Service (HES), recorded a shipping volume increase of 15% last year with over 4.5m deliveries to German consumers. By 2020, the business expects to increase its shipping volumes by 2m to 6.5m.

To respond to the increasing number of administrative staff, Hermes built new headquarters in Löhne, a town in North Rhine-Westphalia, with 170 employees moving into the new offices at the end of 2015. The new building provides space for 40 additional jobs with expansion capacity.

In addition to 43 locations in Germany, the two-man teams from ten depots in the neighbouring countries ensure deliveries to private customers and additional services such as furniture assembly and device connection.

Source: CEP-Research

## UK SME E-RETAILERS REVEAL GROWING BUSINESS CONFIDENCE FOR 2016

Royal Mail's annual tracker study into UK SME e-retailers reveals growing business confidence: eight out of ten SME e-retailers are confident they will increase sales in 2016. This is up from seven out of ten e-retailers who expressed confidence last year.

The confident outlook builds on the sales success of 2015. More than seven out of ten (74%) SME e-retailers increased their sales last year. This is the highest level in the last three years: The most common factor in driving customer satisfaction is on-time delivery, voted by two thirds (66%) of SME e-retailers. This is more than the number of SME e-retailers who consider the quality of products (62%) and the price of goods (57%) as key drivers of customer satisfaction.

The UK's SME e-retailers also recognise the importance of a good returns process. They believe it will make consumers more likely to be more satisfied with their service (49%) and more likely to become repeat customers (40%). As a result, one in four SME e-retailers plan to simplify their returns process in 2016.

Source: Royal Mail

2016



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# DIRECT MARKETING SPECIAL

Quarterly newsletter on events, trends  
and news in the direct marketing sector



21 January 2016

[www.ipc.be](http://www.ipc.be)

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- The efficiency of cross-channel marketing

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- Festive mail campaign drives 59% response rate

## > NEWS

You cannot predict the future without looking at what already happened. In 2015, postal operators entered the conversation of marketing channel choice with exclusive independent research and renewed approach. Here's an overview of the IPC DM Special newsletters:

- IPC Direct mail guide for marketers published together with members' support - [read more](#)
- Location-based marketing offers new opportunities for highly targeted messages - [read more](#)
- Direct mail as the special ingredient of a delicious marketing recipe OgilvyOne Global at IPC Annual Conference - [read more](#)
- A Bias for Action, neuromarketing study from Canada Post – interview with Manager, Market Development DM - [read more](#)



## NEWS



## DIGITAL ADS VIEWABILITY A KEY CHALLENGE FOR MARKETERS IN 2016

Digital marketing has created significant opportunities in the omni-channel advertising environment. Channel attribution is well developed, with marketers being able to see how specific channels and campaigns resonated with their audiences. However, the actual definition of viewability and ad fraud cases continue to undermine the efficiency of digital advertising vehicles such as email, video and display.

In November 2015, AdAge reported that nearly US\$3bn may have been spent on digital advertising which targeted simulated audiences – in other words, those ads were never seen by a human being, yet the advertiser had to pay for them and it probably distorted their marketing analytics results. This means that, as digital ad spend is growing, less and less of actual people may be exposed to the advertising messages.

Similar challenge exists with video ads, as there are no uniform standards on when advertising video content should be considered viewed. In 2014, the US Media Rating Council took the first step toward making viewable impressions a standard by lifting its advisory to refrain from transacting on viewable impressions as a digital advertising currency for display. Looking at the biggest players in advertising,

Facebook and Google, their approaches still differ quite a bit. Facebook charges advertisers for all video ad units that have appeared on a screen, regardless of the length of time they have been in the view of a consumer. At Google, however, the viewability for display advertising is seen as “a minimum of 50% of the ad is in view for a minimum of one second”.

Although Facebook introduced a new buying option called “in-view impression” in September 2015 which gave advertisers option to purchase video ads that are 100% visible on screen. However, there is no requirement on how long an ad would need to be in view before an advertiser is charged.

None of these approaches seems to be offering the opportunities marketers were hoping for, bearing in mind that users tend to skip or scroll video ads as soon as possible. WPP chief executive Sir Martin Sorrell recently described Facebook approach to measure video viewability as ludicrous.

As the online advertising vendors are increasingly under pressure to apply ever-more stringent standards when it comes to the measurement of viewable ads and multi-billion ad fraud cases, 2016 will hopefully see establishment of uniform definitions and a more reliable advertising metric.

Source: AdAge, The Drum

## WHO ARE MILLENNIALS REALLY?

Millennials are the holy grail of today's marketers. Below, we present two takes on understanding this important demographic.

1. The UK digital agency Turn claims that within millennials, there are highly specific audiences, each with its own motivations and opportunities for marketers to connect with them and the biggest mistake that marketers can make is treat this group as a uniform demographic. Turn's research identified four leading sub-segments of millennial demographic: struggling aspirational, successful homeowners, active affluents and comfortable TV watchers. In total, advertisers are spending 500% more on this group than on others, with 600% more on video ads. Learn more [here](#).

2. They are trending. They are social media savvy. They are changing the marketing reality. Millennials are a complex demographic. 40% of millennials are parents! Low-brow content such as college pranks and epic fail lists are not the only way to engage millennials. In this video, Anne from StumbleUpon reveals what she has learned from curating 60 trillion web pages for millennial consumption in this DMA's & THEN 2015 video.

Source: YouTube

# > INTERVIEW

## INTERVIEW WITH JIM FITZGERALD, FOUNDER AND CEO OF TARADEL, ON THE COMPANY'S ROLE IN THE FUTURE OF DIRECT MAIL MARKETING.

### Please describe Taradel briefly.

Our company started in the printing industry and was initially involved in processing print orders from newspapers for physical advertising. Over time, our company's most important assets were developed: web-to-print engines and good price points. We then decided to upgrade our website and become an internet print advertising centre, accessible to anyone and offering more products, such as direct mail. In 2011, when the US Postal Service introduced their simplified advertising mail solution under the name Every Door Direct Mail (EDDM), Taradel built a turnkey online solution that enabled us to manage the entire process and worked with the USPS to simplify our mail products further. Since then, we have provided direct mail marketing services to over 10,000 SMEs across the US and Canada. On average, we manage campaigns between 5,000 and 10,000 mailpieces, however we also manage larger campaigns such as 250,000 mailpieces.

### How have Taradel's partnerships with the Canada Post and the US Postal Service developed?

Canada Post wanted to make it easier for businesses to use its unaddressed mail product. They were aware of the existing partnerships that Taradel had for unaddressed mail products in the US, however, they were interested in a slightly different approach. They were looking for an exclusive turnkey solution that they could brand and offer directly from their website. Taradel built this solution and in late 2014 it launched as part of Canada Post's marketing solutions for small businesses, under the name of Snap Admail.

In the US, the USPS introduced a simplified unaddressed mail product under the name "Every Door Direct Mail" (EDDM). They soon noticed that Taradel had developed a solution that was able to manage the whole print and delivery process all the way down to the destination post office; they invited us to work on improving the product even further. Thanks to the cooperation of the USPS, we were able to further improve the product and included a feature that allowed every printer the ability to become an EDM solutions provider. By implementing this change, we were able to reduce the printers' waste by around 40%. This cemented our relationship and Taradel is now one of the EDM affiliates, which USPS' sales team recommend when approached with

a mail advertising request.

### As well as national postal operators, you also have partnerships with international Fortune 500 companies. How do these partnerships work and are there other partnerships planned in the future?

We have over 30 active marketing ecommerce portals that we built and now manage for channel partners, franchisors and marketing agencies. Two of our retail partners with a significant number of brick and mortar stores were looking to leverage their existing copy and print customers. We had an out of the box solution that allowed them to offer direct mail services to their retail and ecommerce buyers.

A number of franchises were looking for a complete solution for local targeted mail advertising. Partnering with Taradel provided them with a fully branded solution built around targeting technology designed to deliver to the mailing routes with the highest percentage of potential buyers. Currently, we are working with other brick and mortar print providers to support them with our EDM solution.

Read the complete interview at [www.ipc.be](http://www.ipc.be)

# > RESEARCH

## THE EFFICIENCY OF CROSS-CHANNEL MARKETING

For marketers, the ability to reach consumers at any point in time is the Holy Grail. Despite the technological advancements, however, there are still many hurdles on the way to combine all the data that is produced nowadays and translate it into an actionable, cross-channel campaign. This report from Econsultancy and Oracle looks at the considerable challenges that remain in delivering cohesive marketing campaigns and how important mobile is becoming.

Key insights include:

- Over two-thirds of responding companies agree their 'priority is for all key marketing activities to be integrated across channels', however, only 39% say they 'understand customer journeys and adapt the channel mix accordingly'.
- Only 5% of respondents say their organisations are 'very much' set up to deliver effectively orchestrated cross-channel marketing activities.
- Over a quarter (28%) of respondents say their organisations do not have a strategy for integrating mobile into broader marketing campaigns, up from 24% last year.

Access the full report at [Econsultancy](#)

# 39%

OF COMPANIES ADAPT THEIR  
CROSS-CHANNEL MARKETING  
METHODS FOR CUSTOMERS

## > CASE STUDIES

### FESTIVE MAIL CAMPAIGN DRIVES 59% RESPONSE RATE

Latcham Direct delivers digital print, tailored marketing and customer communication solutions to the private and public sector. The company wanted a Christmas campaign sent to their current clients to thank them for using their services and welcome them into the festive period as well as showcasing a highly personalised cross media campaign which would be engaging for the client. They also wanted to make their clients aware of Latcham Direct's charitable donations at Christmas and enable them to participate in choosing the beneficiaries.

The Cross Media Campaign began with a personalised direct mail greetings card displaying an image of a snowman holding a sign engraved with the client's name. Inside the card was a URL which directed the client to a personalised Christmas landing page, giving them the option to choose from one of three charities to which Latcham Direct would donate on their behalf. The clients additionally had the option to choose one of three gifts to receive which would be delivered by one of the sales team. On the personalised landing page, the client was asked to enter a Uniform Resource Name (URN) into the box in order to be able to choose a charity for Latcham to donate to. This URN was found on an additional smaller card inside the greeting card. This way Latcham was able to track which client wished to donate to which charity and to lock the database record to prevent the URN being used again.

[Read more at www.ipc.be](http://www.ipc.be)



# 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 Marketing department of International Post Corporation.

If you would like to contribute to this publication or require further information, please contact: [publications@ipc.be](mailto:publications@ipc.be).

# ABOUT IPC

International Post Corporation (IPC) is the leading service provider of the global postal industry that provides leadership by driving service quality, interoperability and business-critical intelligence to support posts in defending existing business and expanding into new growth areas. It is a cooperative association of 24 member postal operators in Asia Pacific, Europe and North America. IPC's solutions and services are used by over 180 posts worldwide. Since 1989 IPC has set standards for upgrading quality and service performance and developed technological solutions that help members enhance service for international letters, packets and parcels. IPC engages in industry research, creates business-critical intelligence, provides a range of platforms and programmes for member post CEOs and senior management to exchange best practices and discuss strategy. IPC also manages the system for incentive-based payments between postal operators.

For more information please visit our website [www.ipc.be](http://www.ipc.be) or contact us at [info@ipc.be](mailto:info@ipc.be).

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