

# Self-Service Machines in Postal Retail Outlets

March 2010

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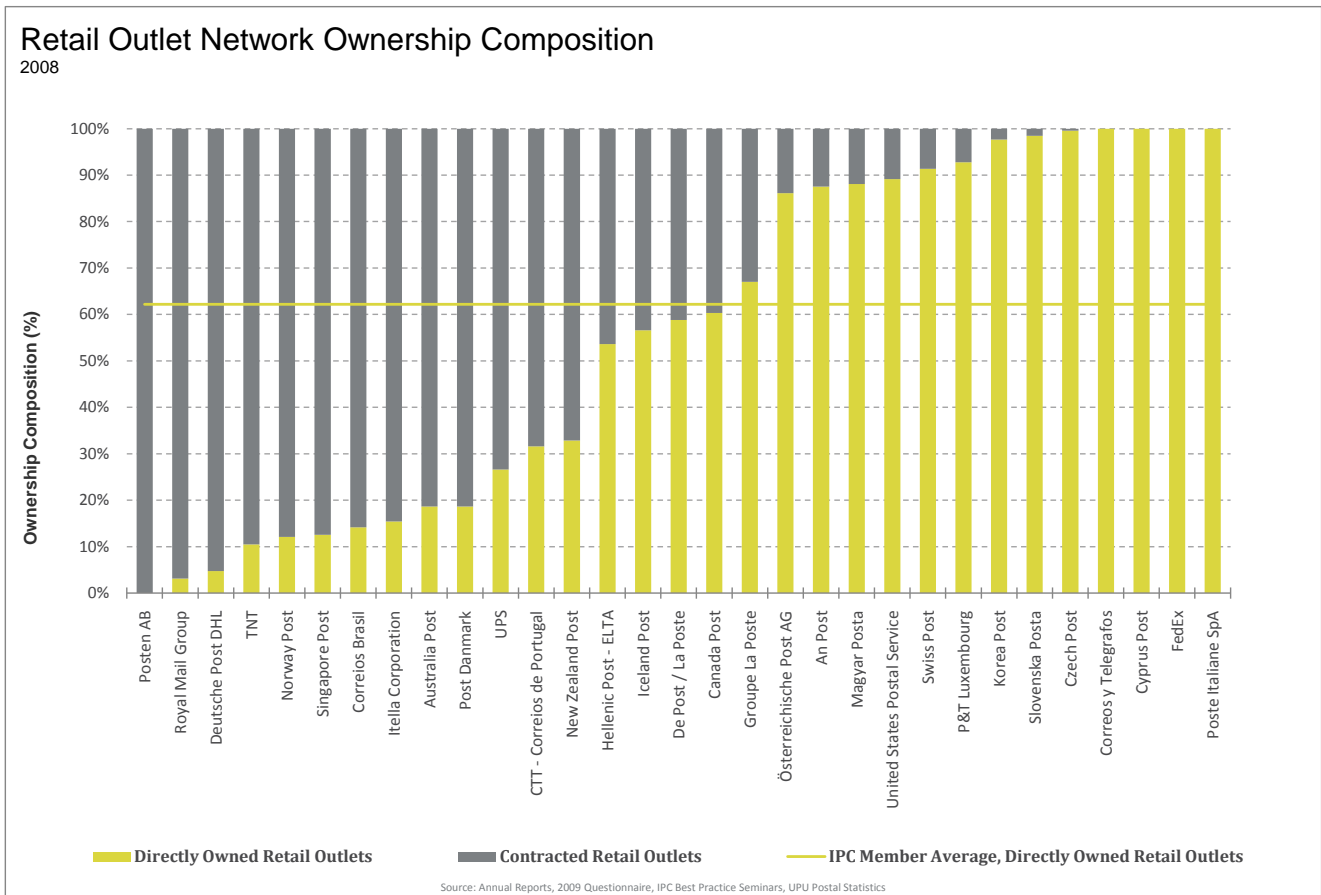
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### 1. Key Learning

- The large postal operators in Europe are investing in self-service machines to ensure accessibility of postal services and to improve customer satisfaction
- The investment in self-service machines complements on-going policies in modernizing postal retail outlets, often aligned with reducing the number of wholly-owned post office facilities
- Self-service machines are primarily located within post offices as a faster more convenient alternative to counter services. At this time, self-service machines are not being installed in premises of franchised postal retail outlets.
- Self-service machines are an integral part of providing an 'open-space' structure to post offices, where barriers between staff and customers are removed, facilitating communication and a more positive service culture.
- With traditional postal services being switched to the self-service machines, the focus in terms of business, staff training and expertise is in selling financial, insurance or telecommunication services.

A summary of the product offering from the key manufacturers (other than Pitney Bowes) is included in this report as well as details of postal retail outlet strategies being implemented by IPC members. A few details are included with regard to Singapore Post and Hong Kong Post, early adopters of self-service machines.

## 2. Retail Outlet Network Ownership Composition - 2008



## 3. Main Postal Network Evolution 2005 – 2008

The tables below summarise the change from wholly-owned postal outlets to franchised business models among key postal operators in Europe.

<b>De Post / La Poste</b>	2005	2006	2007	2008
Self-owned postal outlets	1,300	1,073	950	796
Franchised postal outlets	-	227	350	558

<b>Itella Corporation</b>	2005	2006	2007	2008
Self-owned postal outlets	290	229	208	177
Franchised postal outlets	1,007	1,023	1,014	970

Iceland Post	2005	2006	2007	2008
Self-owned postal outlets	40	41	45	43
Franchised postal outlets	40	38	32	33

Poste Italiane	2005	2006	2007	2008
Self-owned postal outlets	13,881	13,893	13,944	13,991
Franchised postal outlets	-	-	-	-

Royal Mail	2005	2006	2007	2008
Self-owned postal outlets	14,376	14,219	13,852	11,952
Franchised postal outlets	-	-	-	-

Deutsche Post DHL	2005	2006	2007	2008
Self-owned postal outlets	5,657	5,566	5,440	600
Franchised postal outlets	7,014	7,062	8,083	12,000

#### 4. Manufacturers of Postal Self-Service Machines

**aCon** – Danish manufacturer offering a range of postal equipment and devices including self-service postal kiosks, the franking label printers and a prototype of the new postal kiosk developed for the Dutch TNT Post.

The aCon product range also includes self-post lockers which can be used for either parcel deposits or pickup and can be linked to the postal kiosk.



In 2007, the postal administrations of Denmark, Norway and The Netherlands were testing the aCon Self Post Units and its franking label printers. In early October 2008 a test began in the Faroe Islands - a new postal administration issuing variable value stamps.

**Fujitsu** - Multinational developing self-service postal kiosks, where the user can carry out some basic postal operations.



The postal kiosk is manufactured by the British company Integrex Ltd. and distributed by Fujitsu. During 2007 and 2008 this postal kiosk, along with other self-service postal units, was tested in a pilot scheme in some UK post offices.

**IER** – A French company specializing in the manufacture of interactive kiosks and self-service terminals for transportation networks, postal services and public administrations around the world. They are the manufacturers of more than 4000 thermal printing IER LISA 2 units, installed in French post offices.



Further developments for the current unit **LISA 2**, which meet conditions laid down in recent tender invitations by postal administrations, include facilities for parcels (shown on the right). The prototype of a new self-service

postal kiosk allows the shipment of parcels, and issue the stamp and the labels and forms with all the required shipping documentation.

**PESA** – part of the Bizerba Group produce a small module postal kiosk for Swiss Post. It includes computer equipment with a touch screen and a variable value stamp printer, and a scale for parcels and letters.



The user places the postal item on the scale, and using the touch screen selects the destination, type and other shipping options. Next, the stamp is issued and payment for, and deposit of, the shipment are made at the cash desk of the establishment.

**Wincor Nixdorf** - winner of the tender organized by the British Post Office for the installation and maintenance of the new Post&Go self-service postal kiosks, with variable postage capabilities, manufactured by the Portuguese company Newvision. In addition to this big installation planned in the UK, they currently have some postal kiosks installed in The Netherlands post offices, and they have started public pilot schemes in Austria and Ireland.



## 5. Retail Outlet Development among IPC members offering self-service machines France: Group La Poste



France's leading local network

- 17,082 public outlets, of which 5,632 in partnership
- 2 million customers served each day
- 90% of French people are no less than 5 km from a public outlet
- 8.58 minutes average waiting time in post offices with quality inspections in December 2008

Since 2004, Group La Poste has embarked on a programme to diversify its national postal retail network, the most concentrated network in Europe with 17,000 outlets, in order to adapt to demographic changes.

The company's obligations in terms of national planning are specified in the 2008-2010 contract for national postal presence and financed through a dedicated fund, providing 140 million euros each year. Investment priority is given to rural, mountain and sensitive urban zones as well as to France's overseas departments.

At the same time, La Poste continues to expand its network of partner service points in order to:

- ensure the continuity of the rural network in the context of appeased relations with the populations and elected officials,
- reduce the operating costs of the network by replacing post offices with insufficient business with Agences Postales (postal agencies) or Relais Poste (postal intermediaries),
- contribute to providing an offer of quality, with accessible services adapted to the locations and lifestyles of its customers.

A key element in meeting its goal of satisfying 95% of customers by 2012, by reducing waiting times is the deployment of automated machines for basic transactions and self-service sales. 4400 LISA (*Libre-service d'affranchissement*)– stamps and postal labels vending machines are already deployed in French post offices.



In 2008, Group La Poste signed a contract for 50 stand-alone postal kiosks from Pitney Bowes. The contract includes the design, installation and servicing of postal kiosks that will be located in post offices in some of France's largest cities, beginning in 2009.

[http://news.pb.com/article\\_display.cfm?article\\_id=4421](http://news.pb.com/article_display.cfm?article_id=4421)

Group La Poste is also introducing new model post offices organised around:

- a bank area (financial advisors and client managers),
- a sales area with: a self-service section, an automated machine area, multifunctional island booths (quick transactions, pickup & deposit of pending mail, Financial Services, Pro Services).

In this new system, the counter staff are available to greet customers in the sales area, direct, support and advise them, and developing sales.

### Belgium: De Post / La Poste

De Post is introducing Points Poste / Post Punts whilst closing post offices, thereby maintaining the total number of postal service outlets at 1300 across Belgium, thereby assuring accessibility of its services. In 2007, 250 post offices were closed and 267 Points Poste opened, increasing total opening hours by 23% compared to 2006.

Point Poste offers the most popular postal products and services. This type of postal outlet situated in high traffic areas such as supermarkets, newsagents, libraries, council offices, will be extended across Belgium.



Stamps	Sending	Collection	Financial Services
Stamps (national and limited range of international stamps)	Parcels up to 10 kg (within EU only)	Parcels	Payment of bills up to €300
Stamps Kilopost (international)	Registered mail (up to 2kg)	Registered mail Legal documents	

De Post screens potential partners which work as representatives of the postal service and are subject to legal and financial requirements. The postal service provides all the infrastructure (internal and external) required for the Point Poste including a self-contained Postcorner as well as training and quality monitoring services to the retailer.

In 2007, De Post launched its STORE project (Simplify transform Optimize the Retail Expérience), completing the modernisation of its remaining 650 post offices by the end of 2011.

Key objectives are to update external fascias, re-organise counters service areas to include self-service zones, strengthen security and improve the work environment for postal workers. The new layout includes seated

waiting areas, open counters, access to ATMs and self-service machines for mail and parcels. Payment would be completed using prepaid, debit or credit cards only.

## Netherlands : TNT

In 2008, Amsterdam-based architects [Merckx + Girod](#) designed new postal stores for TNT.

Employees at the new postal stores work at Corian service desks in the centre of the shop, rather than behind counters as in traditional post offices. Logistics that would normally be hidden away are visible to customers.

The stores also incorporate self-service machines in black units around the edge where customers can weigh, stamp and post their own mail. Customers can also design their own stamps and send digital postcards.

The stores are designed on the concept self service where possible and full service if required. TNT employees are active inside the store, no longer behind large counters but operating from centrally placed full service desks. DIY machines are integrated in the black surroundings.





Posted on Tuesday, June 10th, 2008 at 4:45 pm by Rose Etherington. See our [copyright policy](#).

### Italy: Poste Italiane

Poste Italiane invested 712 million euros during 2008, 50% was used for expenditure on IT and telecommunications networks and 35% of the amount invested was spent on the restyling and upgrading of Post Offices and Delivery Offices.

Work was carried out at 452 offices, including 297 that were completely renewed. Further work was carried out on improving the customer friendliness of Post Offices and expanding the range of services provided, including the allocation of space to the PosteBusiness and PosteShop sales networks.



## United Kingdom: Royal Mail

Royal Mail have started to introduce new automated self-service kiosks: The Post Office Post & Go Kiosks aim to be the quickest and simplest way to send mail and buy stamps. The initial roll out will see 175 Post & Go kiosks in 80 Post Offices spread around the country.

All customers need do is place their item on the scale and follow the step-by-step instructions to send their item paying with cash with the option of card payments for transactions over £2.00.



The Network Change Programme is a Government led initiative to modernize and reshape the Post Office® network and put it on a more stable footing for the future.

Over an 18 month period commencing in October 2007, approximately 2500 branches have been closed, with more than 500 of them replaced by outreach services. The changes were delivered across the UK on an area by area basis following a detailed pre-public consultation planning stage and a six-week period of local public consultation on the proposed changes.

Outreach services provide customers with access to Post Office® products and services in communities where a traditional Post Office® is not viable or practical. For the majority of Outreach services, an established subpostmaster (known as the “core” subpostmaster) will travel to, or oversee service at, a nearby community to provide a local Post Office® service in addition to running their own Post Office® branch. This enables Post Office Ltd to maintain a service in smaller communities in addition to supporting existing branches.

Mobile Post Office® have also been introduced. A mobile Post Office® is a modern, fully equipped van offering Post Office® services. There are more than 168 villages currently visited by a Mobile branch across the UK today. These communities are visited at set times and days each week, and the majority of Post Office® products and services are available through the Mobile service. These vehicles have an access lift at the back to assist elderly or disabled customers.

The partner service is combined in an existing retail premises and the local partner (such as the shop-owner), provides 80% of the full range of Post Office® products and services are available through the partner service and services are generally available during the same opening hours as the partner’s retail business.

## **Norway: Norway Posten**

Norway Post have increased the accessibility of their services through the establishment of Post i Butikk (In-Store Post Offices) and longer post office opening hours. Posten's sales and service network consists of 1 500 post offices and Post i Butikk branches.

There were five percent fewer customers in the Post office network compared with 2007. The conversion of the Post office network began in 2008. A total of 124 Post offices will be converted to Post in Shops over a three-year period.

Post in Shops have also become popular for the store chains. Calculations from analysis agency ACNielsen show that shops that include Post in Shops win the fight for customers. The figures also document the fact that shops with postal services increase revenues by an average of 8 percent.

Simultaneously, modernisation work is planned in 179 post offices from 2009 to 2012. Through a pilot project, Norway Post modernized nine post offices in 2009, with a further 65 planned for 2010, including using self-service machines.

The reorganisation means that more post offices will be moved to new, smaller premises. All the post offices' operations and range of goods will be adapted to suit the demands of customer. More efficient shop solutions will allow Norway Post to reduce the floor space it rents by 35,000 square meters.

## **6. Retail Outlet Development among IPC members NOT offering self-service machines** **Australia : Australia Post**

Australia Post is a large and diverse organisation providing customers with various channels to source its products and services. Australia Post is required to operate 4000 retail outlets nationwide. Of these, 2,500 must service remote and rural areas. The challenge it faces is to continue providing access to a range of products and services when the nature of traditional retail and call centre channels is changing and alternative outlets are being developed.

Currently, Australia Post customers can access products and services through postal outlets, call centres and online services. Australia Post's physical network is currently made up of 827 corporate owned stores, 2,941 licensed post offices, 28 franchises and 637 community outlets.

The type and location of a post office is decided upon by market size, demographics, the level and type of businesses to be serviced, accommodation opportunities and existing outlets in the area.

Franchise Outlets sell Australia Post products and services exclusively. They are usually located in markets with approximately 800 to 1000 customers. Australia Post has the lease for all franchise outlets, pays for their fit out and owns the inventory. Franchises are set for a fixed ten year period. Operators pay a fee for the licence and receive an exit fee when they end the lease.

Licensed Post Offices act as agents for Australia Post products and operate in large and small markets. Approximately half operate in association with another business. There is no fixed period for a licence and outlets are bought and sold on the open market. Licensees are responsible for the premises and own the inventory in the post office. They are independently owned businesses and their retail merchandise range is traded on a wholesale basis. Licensees are only obligated to stock a core product range which is primarily mail service related.

Community Postal Agents are small operations usually located in rural and remote areas. They provide mail delivery services and are also required by Australia Post's community service obligations to sell stamps and

accept mail from people living in rural and remote areas. These facilities are outsourced and operators receive payment based on their volume of activity.

Australia Post's Retail Merchandise sells boxes, padded bags, bubble wrap, general merchandise such as CDs and DVDs, books, souvenirs, gift cards, traditional stationery and a small selection of technology products. Retail services such as electronic recharge for mobile and Internet and international phone cards are also sold.

Australia Post operates a flexible quality staffing model to manage peaks in demand. The number of part time staff has increased to manage the peaks and troughs of customer flows in retail outlets. Over a number of years the labour mix at Australia Post outlets has changed from predominately full time staff to include over 40% part time. Staffing at corporate outlets is optimised by using computer modelling that determines the number and mix of staff required for a particular outlet. This modelling also provides suggested rosters to manage daily and hourly variations in customer visits.

New store layouts and configurations are also being trialled so as to enhance customers' in store experiences and promote Australia Post's expansion into identity verification services. A \$200m point of sale upgrade has been employed to support future retail product and service offerings. Australia Post does not currently employ self-service units as part of its in store service model. An appointment booking system has been implemented so as to allow customers to book a time for a passport interview via the Internet at any passport outlet in Australia.

### **Ireland: An Post**

In 2008, An Post introduced postal vending kiosks on a pilot basis in high density locations as part of its investing in retail infrastructure program.

## **7. Self-Service Machines among non-IPC members**

### **Singapore: SingPost**

S.A.M.<sup>™</sup> (Self-Service Automated Machine), a 24-hour payment booth, were introduced in Singapore in 1997, offering an extensive range of postal and payment services – for example payment of taxes, fines, bills. Over 230 Self-service Automated Machines are located island-wide offering 24 hour access. The machines can be found in post offices lobbies, shopping centers, hospitals, MRT stations, and housing complexes.

### **Hong Kong: Hong Kong Post**

The Automatic Mailing System was introduced in 1998 to improve service to customers. Customers can also choose the display of either Chinese or English instructions on the screen. The system is capable of accepting both registered and ordinary letters, postcards, printed papers or packets for either local addresses or overseas destinations, sent by air or by surface.

The system can automatically assess the postage required and print the amount of postage paid on the mail item. For registered items, it can issue a certificate of posting to the sender. It can also answer customers' enquiries on letter postage rates.

### **Jersey: Jersey Post**

In November 2009 Jersey Post became the first postal operator in Europe to introduce new self-service post and pay kiosks supported by YESpay's payment processing service, throughout three of their sites. The introduction of the kiosks in Jersey Post's Broad Street and Central Market post offices was provided in partnership with Fujitsu.

Previously, the Channel Isle of Jersey's national postal operator was using bank-owned terminals to accept credit and debit card payments once customers had weighed their packages and parcels. With the introduction

of the Fujitsu Postal kiosks and on-board self service application, integrated with YESpay's payment processing service, customers are now able to weigh, stamp and pay for packages to be posted quickly and efficiently, all at one small space-saving kiosk.

In addition to the postal capabilities, the Fujitsu postal application has an additional function of allowing customers to pay electricity and water bills, whilst reducing a huge amount of customer and staff time. This has led to a fourth kiosk being introduced at the Jersey Electricity Company's Power House store in the island's capital, St Helier.

Following the success of the four current kiosks, Jersey Post has decided to introduce an additional two kiosks to Broad Street. The transaction reporting aspect that YESpay's payment processing solution allows for tracking and reporting the number of transactions through each point of sale. 7,000 transactions were performed at just one kiosks at its Broad Street office in St Helier in the lead up to Christmas 2009.

Jersey Post Office's main philosophy is to increase access for our customers. YESpay's payment processing service is fully integrated with the Fujitsu kiosk, boosting the kiosk's overall efficiency."

<http://www.prlog.org/10429317-jersey-post-adopt-first-selfservice-postal-kiosks-in-europe-with-yespay-and-fujitsu.html>

## 8. Sources

This report was compiled in February / March 2010 from Posts 2008 Annual Reports, corporate websites as well as secondary research in self-service machine manufacturers.

Retail Outlet Ownership data is sourced from IPC Database Machines