FSR 7th Conference on the Regulation of Infrastructure

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Paula Gori and Pier Luigi Parcu
INTRODUCTION

- Postal operators are the first communications companies
- Disruptive impact of the Internet on most business models
- Postal sector one of the first that was affected: e-substitution
- But on the other side: e-commerce: with impact on parcel delivery
- It has proved to be resilient, reacting in different ways
- Which are the assets of the Postal Operators?
- How did 5 big European Postal Operators reacted?
- Postal operators as ground based online platforms?
ASSETS OF POSTAL OPERATORS

- Strong brand / trust
- Physical presence on the whole national territory / large number of employees
- Social role within the community
- Vehicles
- Large databases
5 BIG EUROPEAN POSTAL OPERATORS

- Royal Mail, Deutsche Post DHL, Le Groupe La Poste, Poste Italiane and Correos Group

- Different business strategies (focus on the 2016 Annual Reports)

- They all profit from digitalisation and technological development to improve their services

- The 26th Conference on Postal and Delivery Economics as an opportunity to gather feedback and fine-tune the analysis.
Royal Mail:

- mainly focused on traditional delivery services
- Improvement of the quality of the service
- Geographic expansion
Deutsche Post DHL:

- Mainly focused mail and logistics
- Improvement of the quality of the service
- Geographic expansion
- Also looking at new services such as food logistics, health care, etc.
Le Groupe La Poste:

- Still large focus on traditional delivery services
- But also diversification: banking, insurance and asset management and telecommunications
- +: sharing economy/smart cities: co-mobility, paper recycling, health products delivery
Poste Italiane:

- Reduced focus on traditional delivery services
- The most diversified postal operator in the world
- Banking, Insurance Services and Assets Management
- major MVNO
Correos Group:

- Still large focus on traditional delivery services
- Building partnerships with online platforms (e-commerce)
- Acting as enabler for e-commerce businesses
| **Table 2** Operating revenues of five EU major Postal Operators, percentages |
|-----------------|-----------------|-----------------|-----------------|
| **Royal Mail**  |                 |                 |                 |
| UKPIL (letters) | Express         | GLS (parcels)   | Other Services  |
| 78,3            | 0,0* (included in UKPIL and GLS) | 21,7 | 0,0 |
| **Deutsche Post DHL Group** |                 |                 |                 |
| Post, E-Commerce, Parcels | Express | Global Forwarding, Freight | Supply chain |
| 28,7            | 24              | 23,4            | 23,8            |
| **Le Groupe La Poste** |                 |                 |                 |
| Services Mail-Parcels | GeoPost | La Banque Postale | Digital Services |
| 47,4            | 26,2            | 24,0            | 2,1             |
| **Poste Italiane** |                 |                 |                 |
| Postal and business services | Financial services | Insurance Services | Other services |
| 11,5            | 16              | 71,8            | 0,7             |
| **Correos Group** |                 |                 |                 |
| Postal, telegraph and parcel services | Services to third parties and of banking services | Money transfer | Other |
| 95              | 1,2             | 1,4             | 0,9             |
Online platforms in a nutshell:
- Mix of a stable core component plus a set of always growing complementary components
- Generally part of a larger ecosystem – integration and interoperability
- Direct and indirect network effects

BUT
- Trust, physical presence, large number of qualified employees normally are all missing
POSTAL OPERATORS AS GROUND-BASED PLATFORMS:

- Complementarity offline/online
- Partnerships rather than challenge
- Part of an ecosystem
- Active role in digital transition and literacy
LITERATURE REVIEW:

Adra M., Asher D. and Marsh B., Universal Service 2.0 on a Digital Postal Platform.
Asher D., Callan J. and Marsh B. (2011), The Postal Service Role in the Digital Age - Expanding the Postal Platform.
We look forward to receiving your feedback!