Postal Operators as «ground based» online platforms?

26th Conference on Postal and Delivery Economics

Split, 31 May 2018
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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 Telekom 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

<table>
<thead>
<tr>
<th>Royal Mail</th>
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<tbody>
<tr>
<td>UKPIL (letters)</td>
<td>Express</td>
<td>GLS (parcels)</td>
<td>Other Services</td>
<td>78,3</td>
</tr>
<tr>
<td>0,0* (included in UKPIL and GLS)</td>
<td>21,7</td>
<td>0,0</td>
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<table>
<thead>
<tr>
<th>Deutsche Post DHL Group</th>
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<tbody>
<tr>
<td>Post, E-Commerce, Parcels</td>
<td>Express</td>
<td>Global Forwarding</td>
<td>Supply chain</td>
<td>28,7</td>
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<tr>
<td>24</td>
<td>23,4</td>
<td>23,8</td>
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<thead>
<tr>
<th>Le Groupe La Poste</th>
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<tbody>
<tr>
<td>Services Mail-Parcels</td>
<td>GeoPost</td>
<td>La Banque Postale</td>
<td>Digital Services</td>
<td>47,4</td>
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<tr>
<td>26,2</td>
<td>24,0</td>
<td>2,1</td>
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<tr>
<th>Poste Italiane</th>
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<tbody>
<tr>
<td>Postal and business services</td>
<td>Financial services</td>
<td>Insurance Services</td>
<td>Other services</td>
<td>11,5</td>
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<tr>
<td>16</td>
<td>71,8</td>
<td>0,7</td>
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<thead>
<tr>
<th>Correos Group</th>
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</thead>
<tbody>
<tr>
<td>Postal, telegraph and parcel services</td>
<td>Services to third parties and of banking services</td>
<td>Money transfer</td>
<td>Other</td>
<td>95</td>
</tr>
<tr>
<td>1,2</td>
<td>1,4</td>
<td>0,9</td>
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</table>
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:


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 you feedback!