

# Postal sector transformation new services overview

### Context

Digital transformation of companies and correspondence is having an impact on the core business activity of postal services: the sending and delivery of paperwork. With volumes falling by 5% each year, postal service operators are making up for these losses by investing in new growth sectors: e-commerce, data collection, local services, digital identity... all fascinating fields that are bound to shape the postal sector's future!

### Overview

The postal services overview initiated by Sopra Steria seeks to understand and identify postal operators' strategies for developing and diversifying, mainly with regard to new services.

### Research scope

The research scope extends from Europe (France, Spain, UK, Germany, Belgium, Italy, Norway) to the United States, Canada and South Korea. Other innovative services have been listed outside the scope of research.

### A glimpse of today's postal sector

The shift towards paperless forms of documents and correspondence has brought about a **significant fall in mail**. Not only have private paper letters between individuals long been consigned to the past, but customers are now being offered e-mail versions of documents traditionally sent by post and which had until recently bucked the paper-free trend. These include invoices, bank statements and tax return forms. The volume of documents sent and delivered by post is unlikely to claw back ground. This will have an impact not just on the turnover of long-established postal services, but also the entire organisational structure of such operators, which includes their sorting and distribution centres, their networks of local post offices, and postal workers' activities.

Growth strategies in the postal sector now tend to bank on the parcel market, buoyed by the **rise of e-commerce**, which surged by **14.3%** in France in **2015** to represent 64.9 billion euros. This fiercely competitive market compels postal players to innovate, and offer value-added services in the face of aggressive competitors like FedEx, Mondial Relay, UPS, Amazon and Uber. The sector's current trends include a battle of **'last mile delivery'**, the roll-out of pick-up points and internet-connected lockers, and new modes of transport like **drones** or even eventually **autonomous vehicles**.

Beyond the traditional markets of mail, operators in postal services are **diversifying into other fields** like banking, insurance, mobile phones, e-services, e-commerce, local services, digital identity and the silver economy, as they seek to **rebrand themselves as attractive players in the service sector's myriad spheres of activity**.

The new services overview brings together all initiatives launched in Europe, the United States, Canada and South Korea to identify the development trends of the coming years.



### Modernisation of services

The La Poste Group is trying out many innovations in its distribution network: **beacon technology, 3D printing, touchscreen tablets and recently the highway code examination** being taken in post offices, and postal workers conducting driving tests. In the parcel market, **customers are being offered an enhanced experience** thanks to, for example, pick-up points that include third-party shops, internet-connected lockers and the sending of parcels from one's letterbox.

### Special services for the elderly

Postal workers enjoy a good reputation as "elderly people's favourite character", according to Jack Azoulay, director of postal workers at La Poste. This puts the group in an **advantageous position in the silver economy**. Cohésio is a service of friendly personal visits to the homes of fragile elderly people. It is developing as part of a whole range of local services that includes home-delivery of groceries and medicine, and remote assistance. More recently, the elderly have been given the possibility of asking their local postal worker to help them install their HD DTT equipment.

### The La Poste Group coordinates highway code examinations and driving tests.

Many ideas were spawned by the so-called *loi Macron* reform in France, which came into effect in 2015 to liberalise the highway code examination: **post offices will be playing host to those taking the highway code examination, while fifty or so postal workers will be trained to conduct driving tests**. These solutions draw on the close-knit nature of the postal network and on postal workers authorised to check applicants' identities.

### Local services for both individuals and businesses

In addition to making postal workers' rounds easier and improving the service delivered to customers, the Facticeo mobile device enables postal workers to perform other local services such as information-collecting: road conditions, meter readings, etc.

**The La Poste Group seeks to become the leading network of local services via postal workers.** These services, part of which are already being marketed, represent huge potential in terms of development.

## New Bpost services

### Bpost, a commercial partner for business

Bpost offers businesses integrated solutions, managing the chain from order to payment. Notably, the Belgian postal operator manages orders, stock, packaging and delivery of Belgian vehicle registration plates.

Thanks to this partnership with the Belgian body for vehicle registration, lead times have fallen from between two and four weeks to now only one day.

### Combo: home-delivery shopping

In the field of home-delivery shopping, Bpost has set up an **innovative platform**: for €9.90, customers can place orders online from different retailers, from bakeries to hypermarkets, and receive their items grouped in one delivery from their postal worker the following day between 6 pm and 9 pm. Both the items purchased and the service provided are immediately paid for via the postal worker's electronic payment device. This offer meets customer needs and makes retailers more noticeable while boosting their sales figures.

### Bpost and digital trust

Bpost is providing digital certificates for the *eID* Belgian electronic ID card. Taking the form of a chip credit card, the *eID* enables Belgian citizens to **quickly and securely identify themselves either physically or online via a card reader**. Similarly, Bpost is also offering a service of digital signatures and electronic date stamps.

### New local services

Bpost has launched several local services, including the e-commerce platform Combo. The company also supports the elderly through its 'bclose' offer: **postal workers visit elderly people to weigh up their needs and degree of isolation**.

Belgian postal workers are also called upon to deliver and collect requests for loans within a legal lead time for Buy Way, a consumer credit specialist.

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