

Postal Services & E-Commerce: Adjusting to Market Dynamics

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Executive Summary

Postal services business model

- Effective postal services are essential for the economic life of any country.
- The market for paper mail is rapidly shrinking, caused by the growth of digital communications, which has eroded almost every category of mail ranging from personal letters to bill payments.

Social media and social networks continue to drive engagement

- Social networks are increasingly influencing consumer behavior and thinking.
- Social media coupled with mobile phones have been the catalyst to a growing opportunity to engage consumers.

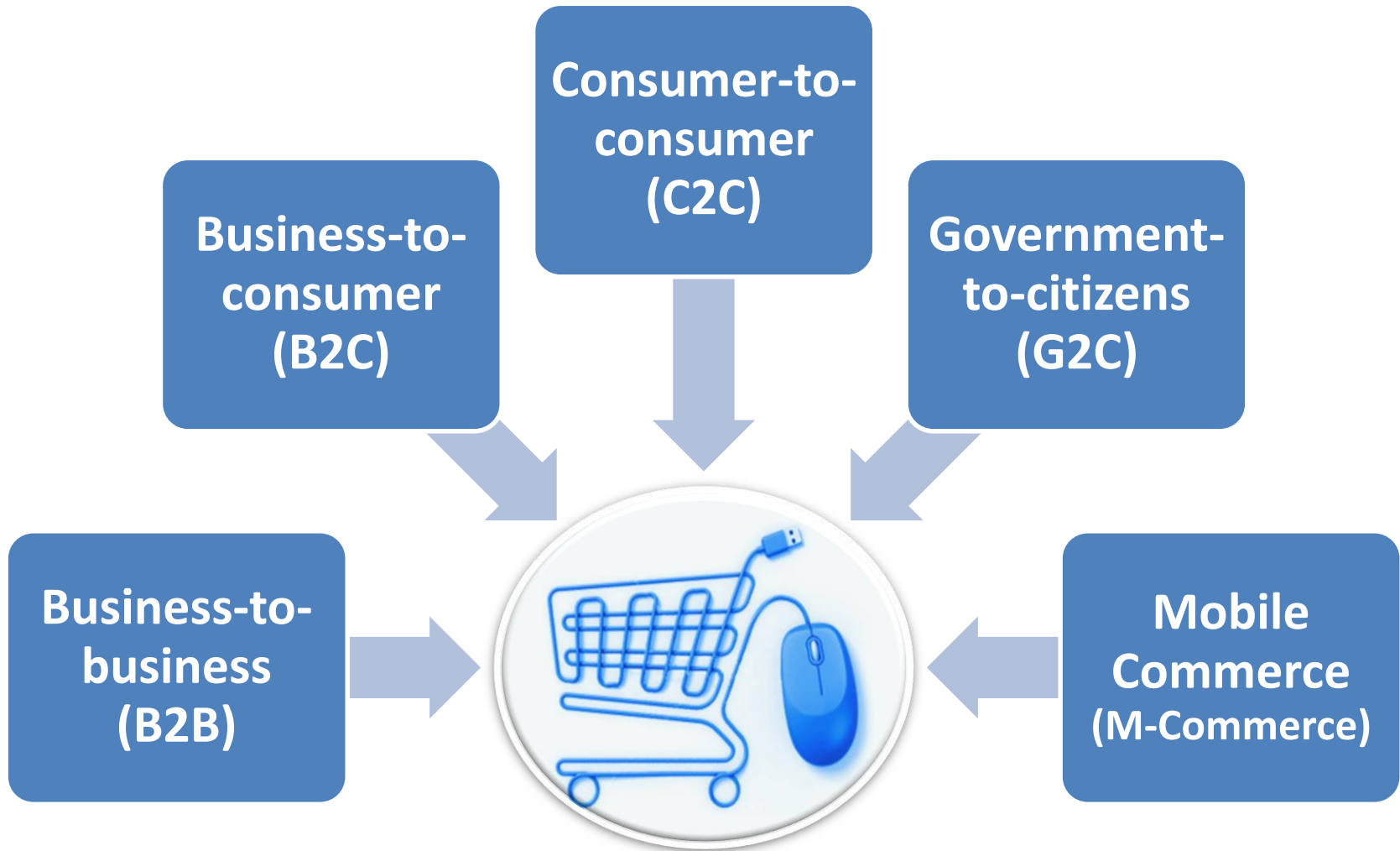
Changing consumer behavior

- Consumers are increasingly looking online to purchase goods and services – both domestically and across borders.
- The reality today is that both buyers and sellers expect more from service providers.

Increasing diversity and capabilities of mobile technologies

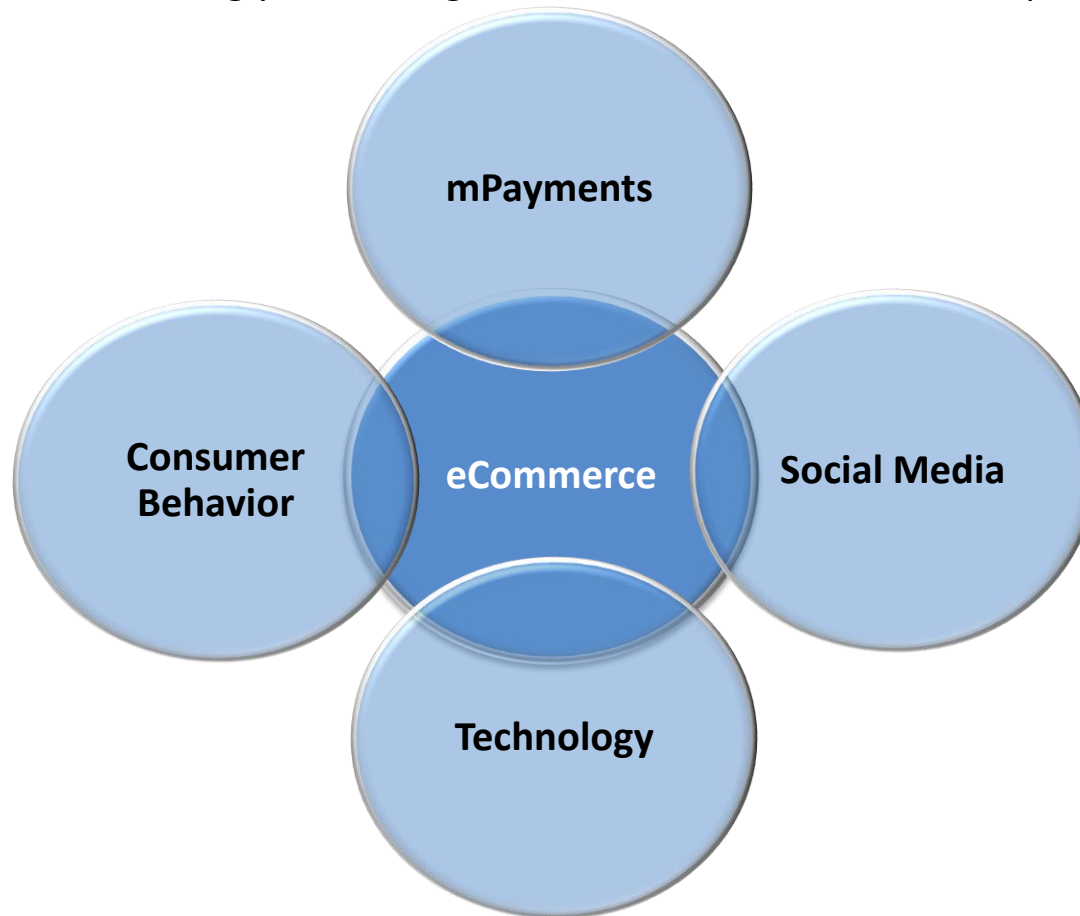
- Mobile technologies are significantly changing the way consumers and suppliers interact.
- As mobile technologies evolve and access to high-speed internet expands, the Digital Internal Market will continue to grow.

Dimensions Of E-Commerce



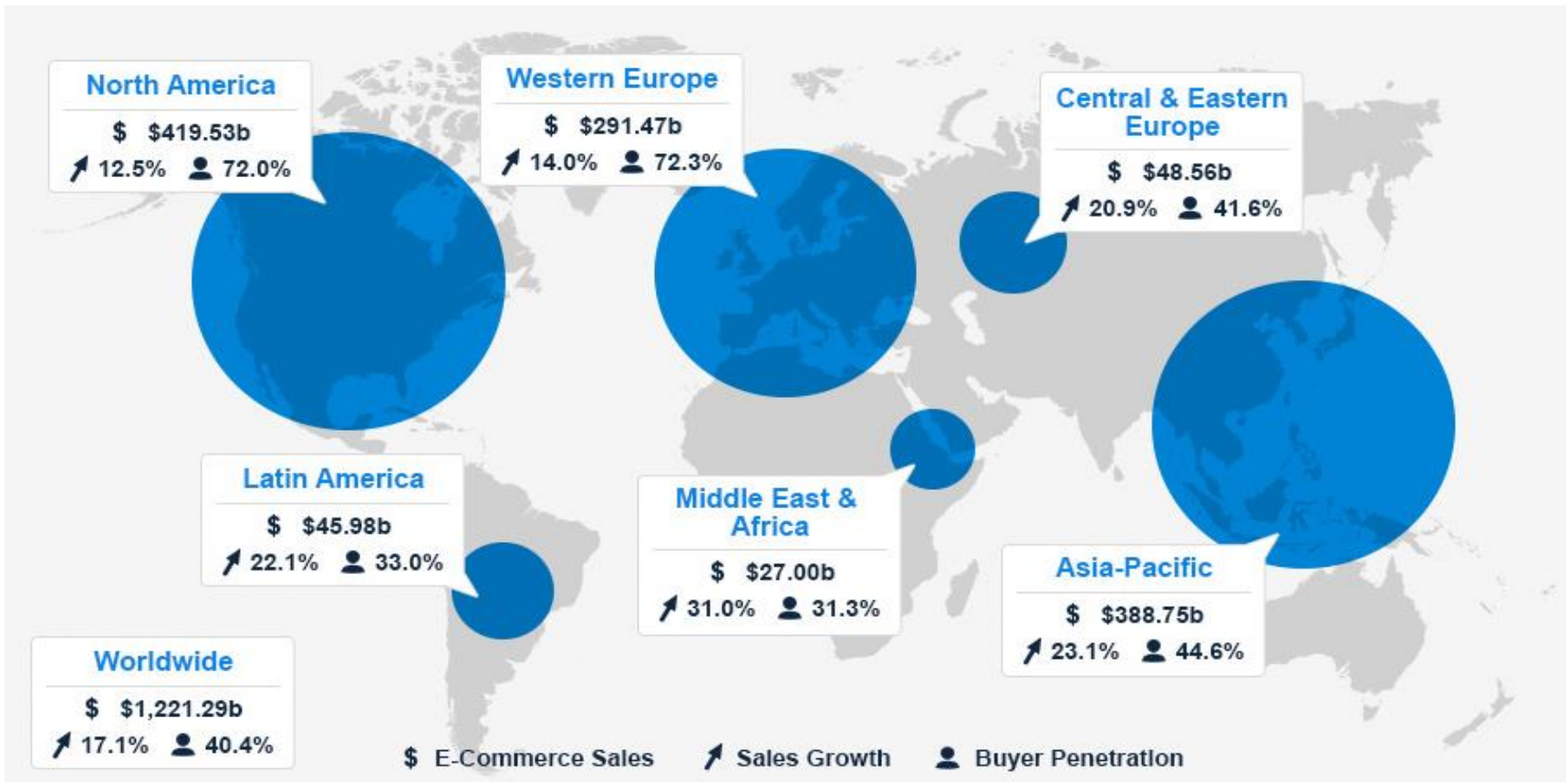
E-Commerce Drivers

- ❖ E-Commerce growth is being fueled by a combination of improved retailer websites and increased consumer adoption of mobile tools, such as smartphones and tablets, which are making spending easier than before.
- ❖ Social media is increasingly becoming a means to influence consumer purchase behaviors.



Ecommerce Growth Worldwide

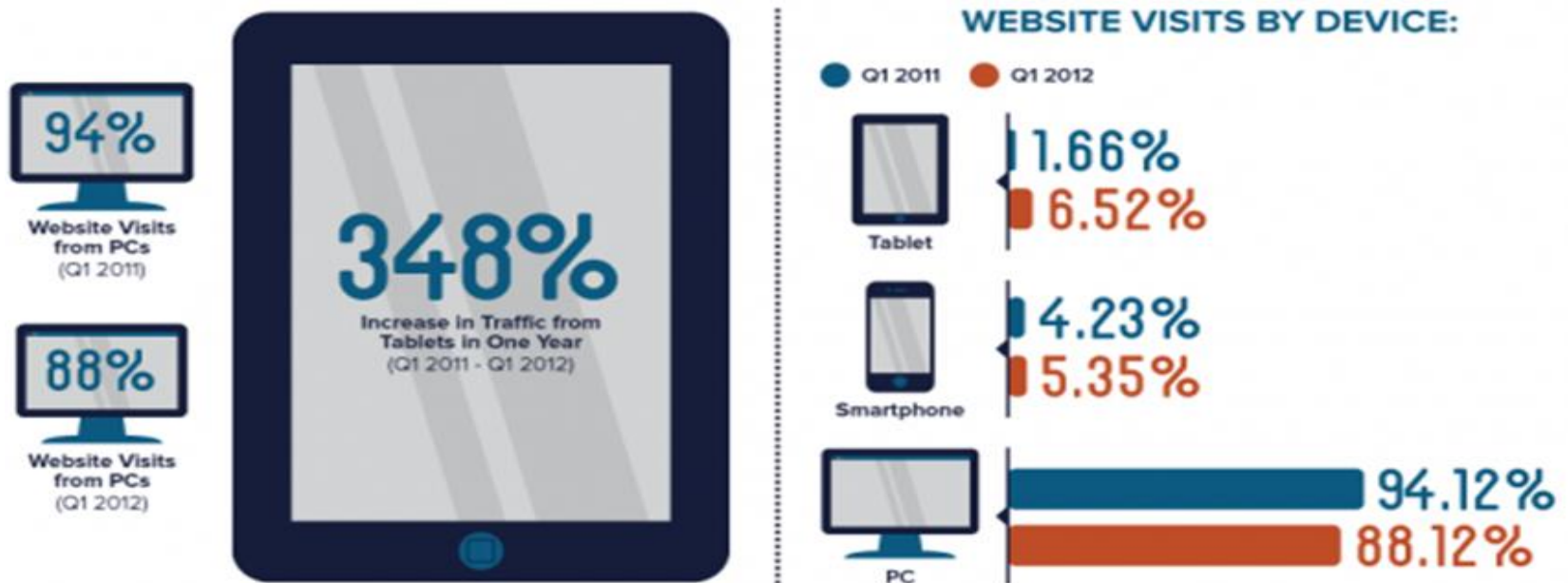
- ❖ Global eCommerce penetration increased from 4.0% in 2008 to 6.5% in 2012 and is anticipated to reach 9.3% by 2016. (eMarketer)
- ❖ Online business-to-consumer sales are expected to hit 2 trillion USD by 2020, according to the latest estimates. (UPU)



Source: eMarketer, Global E-commerce, 2014

Mobile Closing the Gap

- ❖ Mobile combines all the traditional power of the internet with a smooth and convenient point-of-sale (PoS) experience.
- ❖ According to Juniper the value of mobile commerce transactions conducted via mobile handsets and tablets will exceed \$3.2 trillion by 2017, up from \$1.5 trillion in 2013.
- ❖ In 2014, the percentage of traffic and total online orders placed via mobile devices are set to increase in virtually every market worldwide, and a growing number of brands will launch new mobile websites and apps in response. (Juniper)
- ❖ The introduction of mobile wallet services is providing for the first time financial access in many emerging markets where the proportion of unbanked adults exceeded 50%.

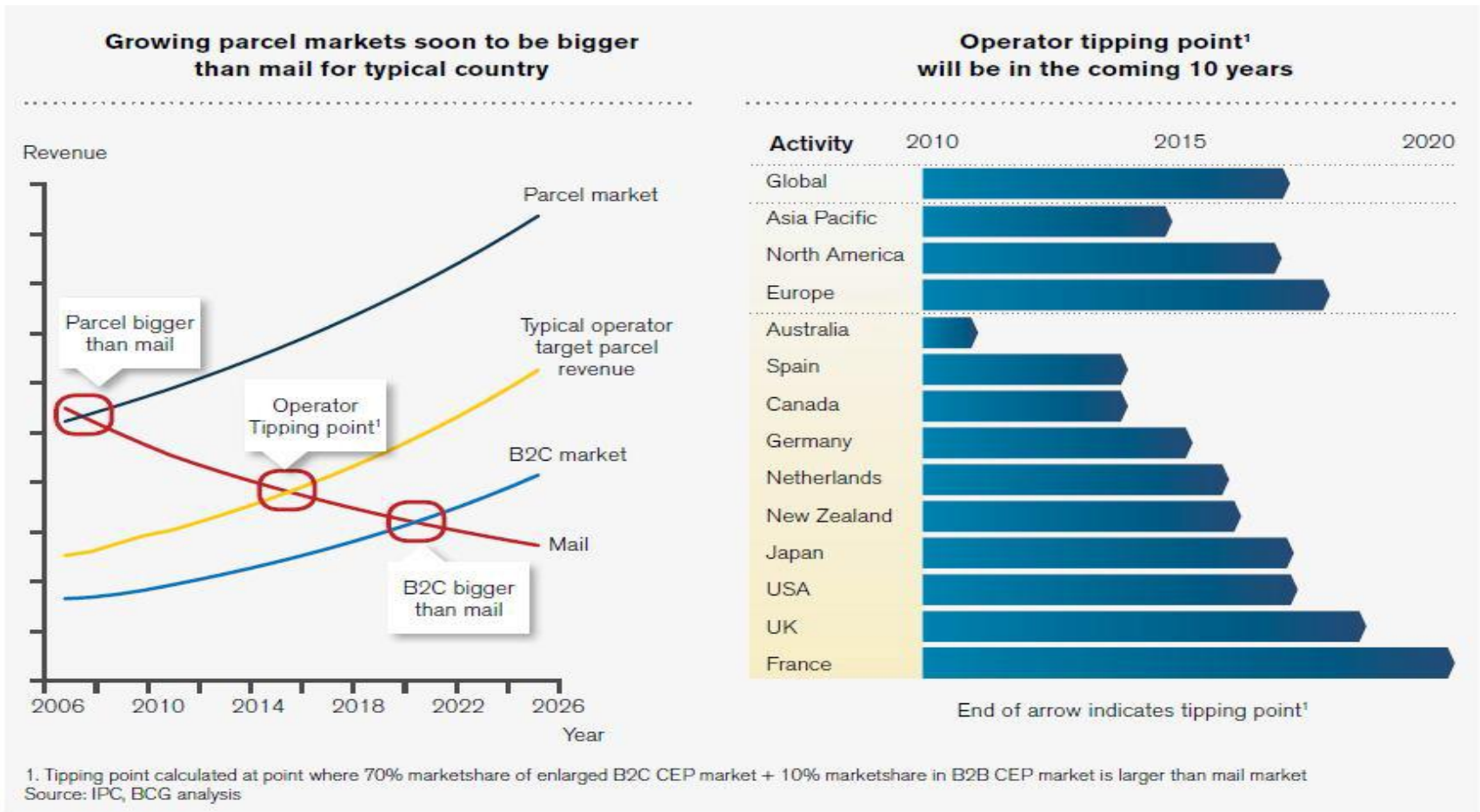


What are we e-buying?

	Category	Percentage
1.	Clothing and shoes	18 %
2.	Toys-sport	14 %
3.	Books	10 %
4.	Electronics	9 %
5.	Perfumes & cosmetics	4 %
6.	Jewelry	4 %
7.	Paper articles	3 %
8.	Vehicles parts	3 %
9.	Leather articles and handbags	3 %
10.	Plastics articles	3 %

Changing Postal Business Model

- ❖ Postal operators are no longer just a mail company, as mail volumes have declined over time.
- ❖ Package services is increasingly becoming a promising business as more people shop online and need carriers to deliver their goods services.



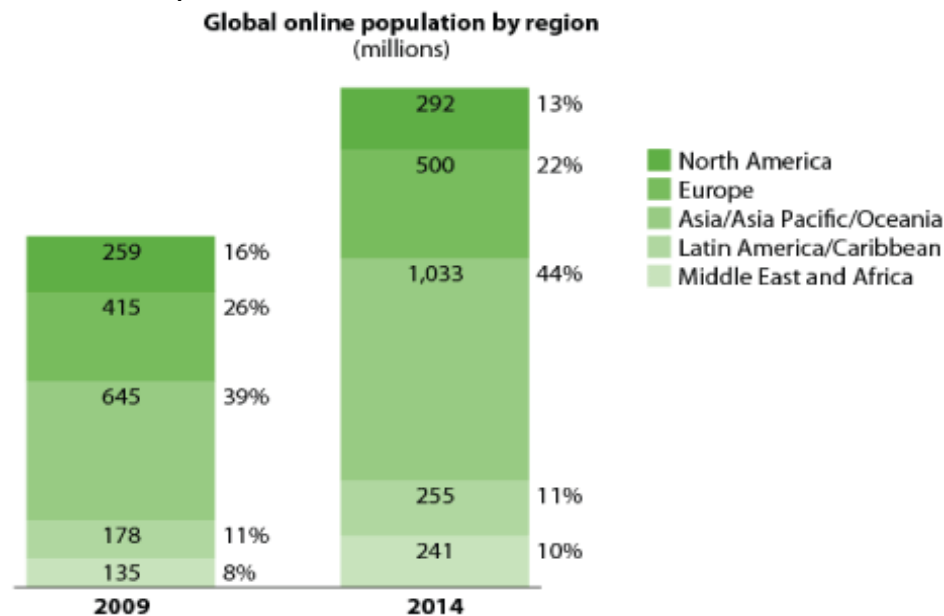
Postal Operators in E-Commerce

- ❖ Postal operators are an essential element of the e-Commerce value chain.
- ❖ The digital era of communications provides unprecedented opportunities for postal operators to develop innovative solutions to deliver efficient and high-quality service.
- ❖ Postal operators may capitalize on their footprint and interconnections to facilitate international commerce, enabling SMEs to maximize reach and connect with a broader audience than their website alone.



Barriers to Overcome

- ❖ Inadequate legislation that would protect consumers and suppliers and ensure trust in the market.
- ❖ Customer resistance to changing from a real to a virtual store. People not yet sufficiently trust paperless, faceless transactions.
- ❖ Expensive and/or inconvenient Internet accessibility for many would be users.
- ❖ Innovation capabilities and appropriate market development in order to ensure sufficient number of sellers and buyer to ensure profitable operations.
- ❖ Perception that e-commerce is expensive and unsecured, which is exacerbated by increased cyber security threats.



Source: Forrester Research World Online Population Forecast, 2010 To 2014 (Global)

Closing Remarks

- ❖ Global eCommerce still exhibits strong, long-run growth potential with worldwide eCommerce penetration rates projected to increase substantially in the coming years.
- ❖ Through creative solutions postal operators have a valuable role in ensuring a positive shopping experience for consumers.
- ❖ Postal operators should leverage on the advancement of cross-border e-commerce with increasing benefits for consumers, SMEs, large businesses, and the economy as a whole.
- ❖ Postal operators are present in all of the CPLP Member States. Operators can leverage on the network to overcome barriers and ensure that cross boarder e-commerce can flourish.
- ❖ To succeed, Postal Operators must identify and address priority needs of the e-commerce market.



Obrigado