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UNION POSTALE



Universal Postal Union,
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MARCH 2015 / N°1

Mind-power
of mail
Innovation paves
the way

ISSN 0041-7009

Getting into the quality zone



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DOHA POSTAL STRATEGY

Four goals for Posts to reach by 2016

**1** Improve networks**2** Provide knowledge and expertise**3** Promote innovation**4** Foster sustainability**FOR MORE INFORMATION:**news.upu.int/insight/world-postal-strategy/doha-postal-strategy**March 2015****EDITOR-IN-CHIEF:** Faryal Mirza (FM)**COMMUNICATION PROG. MGR:**

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Union Postale is the Universal Postal Union's flagship magazine, founded in 1875. It is published quarterly in seven languages and takes a closer look at UPU activities, featuring international news and developments from the postal sector.

The magazine regularly publishes well researched articles on topical issues facing the industry, as well as interviews with the sector's leading individuals. It is distributed widely to the UPU's 192 member countries, including thousands of decision-makers from governments and Posts, as well as other postal stakeholders. All regard it as an important source of information about the UPU and the postal sector at large. Union Postale is also published in French, Arabic, Chinese, German, Russian and Spanish.

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240 million

small packets travelled in the letter-post stream in 2013.

POSTAL FINANCIAL SERVICES

UPU joins Better Than Cash Alliance

The UPU has joined the Better Than Cash Alliance, whose funding members include the Bill and Melinda Gates Foundation, the Citi bank, credit-card companies, Mastercard and Visa, and the United Nations Capital Development Fund. Membership will enable the UPU to promote the migration of cash to electronic payments as part of a global network of governments, companies and international organizations on digital payments.

The UPU has long supported the shift from cash to electronic payments for many years, as paper money orders become obsolete and new technologies enable the development of a worldwide electronic postal payment network among the world's Posts.

As an alliance member, the UPU will further its work in this area, while benefiting from knowledge, expertise and opportunities for collaboration with other members.

Important direction

UPU Director General Bishar A. Hussein says modern services are essential for bringing citizens into the financial fold and lifting people out of poverty.

"The global network of post offices – many of which are located in rural areas – is an important channel for formal remittance services and other financial offerings," he says.

"Moving these transactions from cash to electronic payment not only ensures the money gets into the right hands, but it provides better protection for consumers, makes money



A postal employee at a post office outside of Istanbul, Turkey, providing postal financial services to customers (Photo: Keystone/E. Oktay)

movements transparent and creates more opportunities to better reach and serve the un- and under-banked," he adds.

Dr Ruth Goodwin-Groen, managing director of the Better Than Cash Alliance, concurs.

"The UPU is in a unique position to promote and support its members in the shift from cash to electronic payments," Goodwin-Groen says.

"We applaud the work that the UPU has already and the steps it is taking to bring post offices globally into the 21st century," she adds.

Strategic direction

Some 70 Posts already use the UPU's International Financial System software to offer digital remittance services. More than 50 Posts also offer account-based financial services, managing more than 1.6 billion savings and deposit accounts. Several

hundred million people also use the Post to pay government or utility bills.

In 2013, postal financial services accounted for almost 14.5 per cent of global postal revenues worth almost 346 billion USD. In several countries, such as China, India and Italy, postal financial services generate more than 50 per cent of the Post's revenues.

Partnerships key

The UPU is increasingly working hand in hand with international organizations, lending institutions and donors to make remittances more accessible to the most disadvantaged populations. Projects with UN sister agency, International Fund for Agricultural Development (IFAD) have enabled such services to be developed in rural areas of Africa, Asia and Central Asia. IFAD is also a member of the Better Than Cash Alliance. **RL**

Take a long, hard look

Is there anyone out there, who really knows what it takes to make the supply chain work? That one fabled giant of a person, the fount of all knowledge, may not exist, but maybe, between you and me, we can name any number of experts from the field, who individually hold a piece of the elusive answer so many of our colleagues are looking for. The challenge is a strategic one: bringing these individuals and organizations together for an important purpose and then disseminating the crucial sum of their knowledge to all who would benefit in a language they understand.

That, in a nutshell, is the strategy behind this magazine. And this particular issue of *Union Postale* amply illustrates this approach. As the cover story reveals, recent research from the UPU, analysing the big data held by the organization, sheds a light on the uncertainties along the supply chain. These, in turn, are leading to delays in international delivery. The research provides powerful information to help designated postal operators analyze where problems lie and to take further action to improve quality of service.

But that's not all: supply-chain partners, such as airlines and customs authorities, are also very interested in the results as they too can find clues as to where their own difficulties may lie. It is a welcome development that the research has already received positive feedback from many of the UPU's diverse stakeholders.

People power

What or indeed who is the driving force behind improving the supply chain? The answer is human in more ways than one. The rationale for improving the quality of international mail services lies in the UPU's intergovernmental mandate to promote socio-economic growth of nations for human-development ends. Literally speaking, people in the shape of postal staff move the mail. The postal sector is one of the world's largest employers with 5.5 million employees and yet this human dimension of the postal sector is sometimes forgotten. That's why it is refreshing to learn that certain Posts are trying to ensure the mental well-being of their staff, as a feature on mental-health issues in the workplace reveals. An awareness-raising campaign in the United States is also trying to remind the public of how the Post nurtures a sense of community in the general population.

In other news, the postal sector continues to show its innovative streak. An interview with the CEO of Swiss Post highlights how the relevancy of a postal operator depends on its capacity for innovation. The Philippine Post and BotswanaPost are making waves in digital identity and payment cards. Last but not least, you can read about Royal Mail's latest publication on direct mail and benefits for customers and businesses alike based on neuroscience and other detailed studies.

FARYAL MIRZA, EDITOR-IN-CHIEF

2015 INTERNATIONAL LETTER-WRITING CONTEST

Youth to describe the world they want

The theme of the UPU's 44th International Letter-Writing Competition for Young People is: "Tell us about the world you want to grow up in". This links to the United Nations' post-2015 sustainable development goals, which are expected to be adopted in September by UN member states.

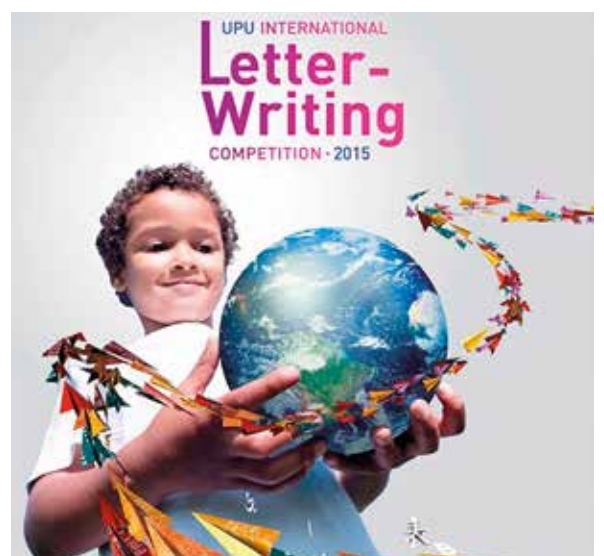
Words to inspire

For Director General Bishar A. Hussein, the UPU's competition gives youth an additional platform to air their views. "This year's theme will surely inspire many young people, but their letters will inspire us too, as we work together on building a

better-connected, inclusive and modern society," he says.

Participating countries have launched the contest nationally and have until 30 April 2015 to send the UPU the letter that will represent them at the international level. A jury of worldwide experts will select the best compositions. Winners will be announced this August, just before the UN's special summit on sustainable development in September 2015.

About 60 countries and more than 1.5 million school children are expected to take part in the UPU's annual competition. **RL**



Keep me safe to get me there faster



Did you know that dangerous and prohibited goods cannot be sent in packages travelling through the international mail network?

These include explosives such as fireworks and gunpowder, aerosol spray cans and other compressed gasses, lighter fuels, perfumes, matches and other flammable products, and corrosives such as mercury. Counterfeit and pirated items are also forbidden.

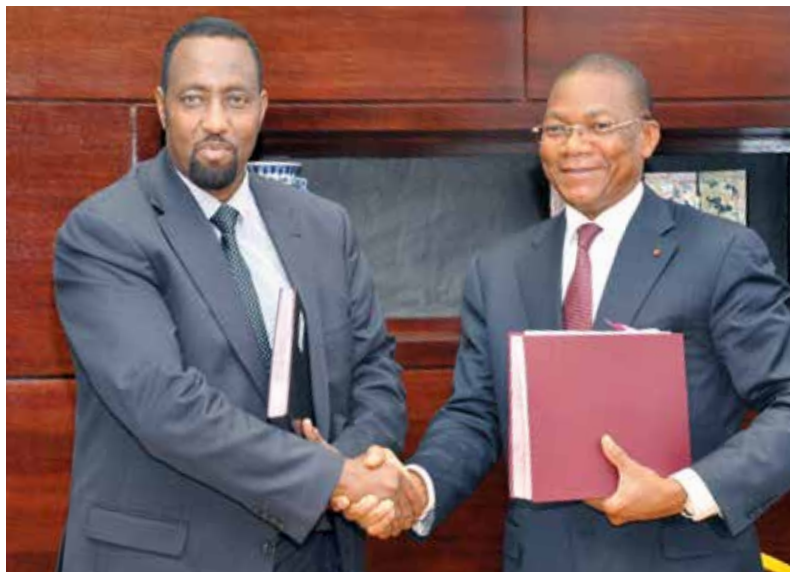
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WORLD STRATEGY CONFERENCE 2015

High-level speakers confirmed



The UPU World Strategy Conference is chaired by Côte d'Ivoire, whose minister of postal affairs and information and communication technologies, Bruno Koné (r.), is seen here with UPU Director General Bishar A. Hussein (Photo: La Poste (Côte d'Ivoire))

Postal and communication ministers, ambassadors, heads of international organizations and chief executives from across the globe will address finding solutions to the key challenges facing the public postal sector at the UPU World Strategy Conference in April. The conference is being held under the patronage of Côte d'Ivoire.

From April 13 – 14 2015 in Geneva, high-level interventions are expected as member countries deliberate on how they can leverage the postal network for socio-economic development of their populations. Member-state representatives include Fred

Matiangi, Kenyan minister of information, communication and technology, Yasuo Sakamoto, Japan's vice-minister of internal affairs and communication, and Csaba Polacsek from the Hungarian Prime Minister's Office, among others.

Different worlds

They will be joined by leaders from the postal business, represented by the chief executives of Canada Post (Deepak Chopra), La Poste France (Philippe Wahl) and Saudi Post (Mohamed Saleh ben Taher Benten). Regulators from Norway, Belgium, Lithuania and Argentina will also

bring their insights into the challenges and opportunities facing postal services around the world. Some 500 participants from the UPU community have also registered to attend.

International organizations

Global partner organizations of the UPU will also be speaking at the event. They include William Lacy Swing, the International Organization for Migration's director general, and Arancha González, the International Trade Centre's head. They will contribute to the discussions on migration, financial inclusion and trade facilitation. Amina Mohamed, special advisor to the United Nations' secretary-general on post-2015 development planning, will also take the floor.

Charged agenda

Some 40 speakers will take part in nine panels covering issues affecting the postal sector today and in future. The first day will set the scene and take stock of progress achieved so far by the UPU's current four-year roadmap, the Doha Postal Strategy. Participants will also survey the current economic environment and explore how the postal sector's use of innovation can ensure its future success.

Day Two will focus on the need for effective policy and regulation to keep the postal sector as relevant as ever in the 21st century and strengthen its capacity for social, financial and economic inclusion. **FM**



UPU STRATEGY CONFERENCE 2015
strategy2015.upu.int

GLOBAL TRADE

Keeping the customer top of mind



Posts need to ensure they can respond to customer needs in challenging times (Photo: Canada Post)

As consumer and business habits change and global e-commerce sends more goods through the postal network, Posts must provide customers with services they actually need instead of services Posts think they need.

"We have to look at our complex range of services through the customer's eyes and be prepared to review and change these to meet the ever-increasing marketplace changes and requirements," said Chris Powell, from Great Britain's Royal Mail, chair of the UPU's products strategy and integration group.

The group recently met at UPU headquarters ahead of the upcoming session of the Postal Operations Council (POC) to review progress and discuss next steps.

Simplification

Simplifying the UPU's range of global services is an important activity during the UPU's current work cycle.

It is essential to keeping the network sustainable, said Powell, especially as the organization deploys its new e-commerce programme, ECOMPRO.

Designed to foster confidence in global online purchases and deliveries, ECOMPRO provides the building blocks Posts need to provide solutions to many of today's e-commerce challenges in areas of delivery, customs processing, merchandise returns, quality of service and payments, among others.

Work done

In late 2014, the UPU made progress when the POC adopted specifications for a new optional parcel service covering goods up to 30 kg and offering track-and-trace features. Efforts are now focusing on making this service operational by January 2016, with pilot projects expected to start by July. Proposals for a remuneration model and delivery standards linked to the new service will also be

presented at the upcoming POC session in April.

Risky status quo

For Terry Dunn, co-chair of the POC's committee on physical services, modernizing, integrating and ensuring the viability and sustainability of the UPU's physical product portfolio must be done in parallel to the development of regulations to foster global e-commerce.

"The world is changing. Are we [postal services]? The status quo carries risks," he said, recalling that satisfying customers' changing needs was central to the UPU's mission of stimulating "the lasting development of efficient and accessible universal postal services".

The POC is set to meet from 15 April to 1 May immediately after the UPU's World Strategy Conference in Geneva. **RL**

SAVE THE DATE!

Regional strategy conferences 2015

AFRICA

31 May – 1 June
Khartoum, Sudan

ASIA-PACIFIC REGION

24 – 25 August
Bangkok, Thailand

EUROPE

3 – 4 June
Minsk, Belarus

ARAB REGION

7 – 8 September
Bahrain

LATIN AMERICA

10 – 11 June
Santo Domingo, Dominican Republic

CARIBBEAN REGION

15 – 16 September
British Virgin Islands

COUNCIL OF ADMINISTRATION

UPU welcomes new chair representative

Qatar, the chair of the UPU's Council of Administration, has named Faleh Mohammad Al-Naemi as its new representative. Currently CEO of QPost, the Qatari postal operator, Al-Naemi was recently in Berne visiting the International Bureau for the first time. "I am very much looking forward to accompanying and guiding UPU member states in their deliberations and activities to help the postal sector evolve and react better to customer demands and the expectations of all stakeholders," Al-Naemi said.

Ministry

A former assistant secretary general at Qatar's ministry of communications and technology, Al-Naemi has a long and varied career behind him, covering human resources, accounting and digital inclusion, especially of disabled people. He became QPost's chief executive in late 2014.

"Qatar has always been very supportive of the UPU and believes firmly in the value of this august institution," Al-Naemi said.

Technology

Al-Naemi underlined that these are interesting times for the UPU and the Post. With the postal sector gaining in



Faleh Mohammad Al-Naemi (l.) with UPU Director Bishar A. Hussein

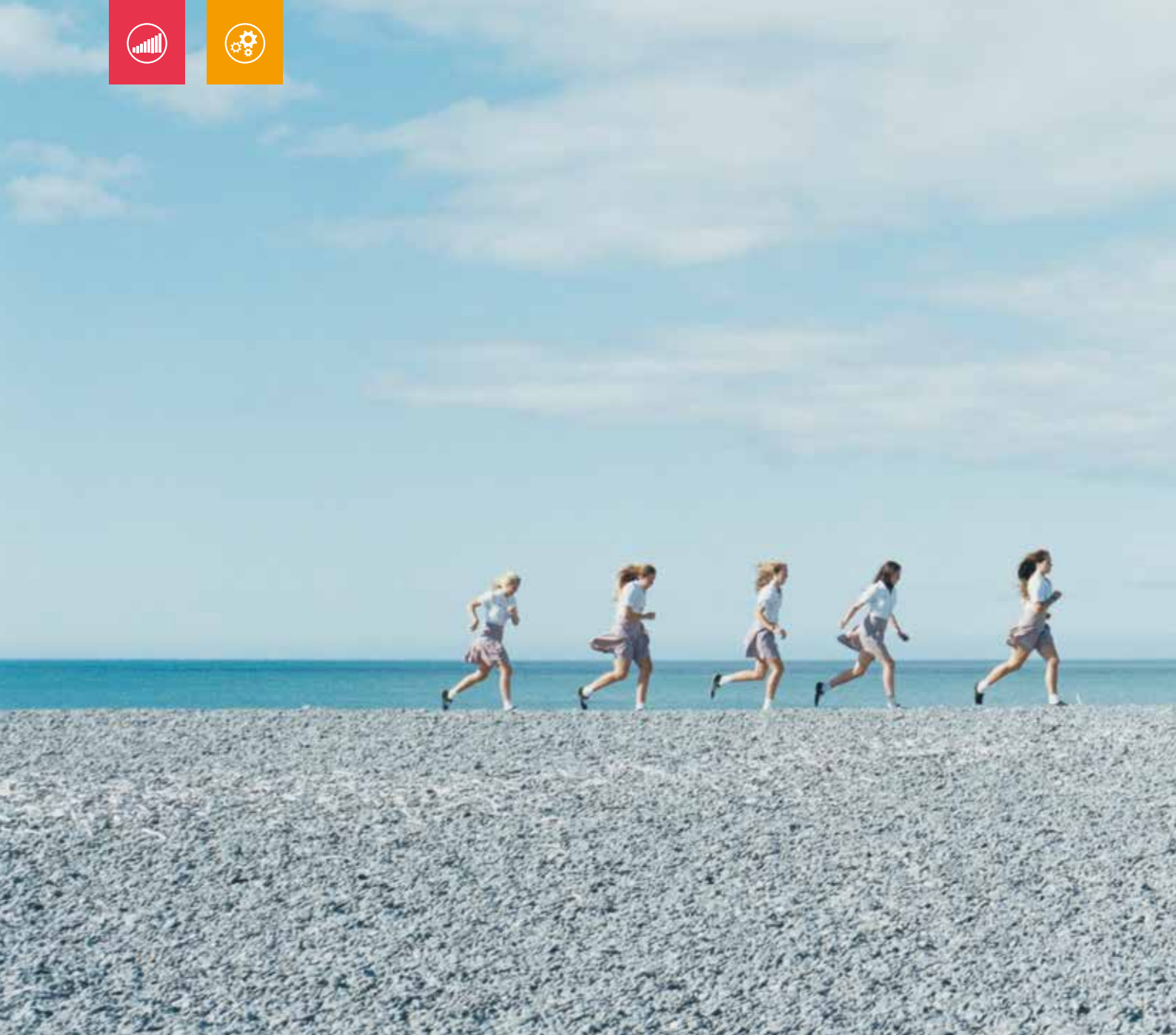
importance as a delivery partner for companies across the globe, governments are facing real prospects for boosting national economic growth and social development.

"The fast-evolving economy and e-commerce boom are game-changers, which the postal sector should exploit fully for the opportunities it offers," he said.

Posts could gain a competitive edge by increasing their use of technology, Al-Naemi explained, embedding digital solutions that are already

available and ensuring the supply chain is better integrated.

"Technology is a means to an end and we should fully utilize them to ensure Posts are more and more relevant," he emphasized. "This will result in increased customer confidence in postal services," he added. **FM**



Posts need to pull their socks up to achieve better quality-of-service results

Getting into the quality zone

With delivery speeds coming under increased scrutiny as Posts try to achieve faster service levels to meet customer demand, the UPU International Bureau has been putting mail-tracking data under the microscope to determine where hold-ups may exist.



TEXT:
DAVID
KOCH

PHOTOS:
OSAMU
YOKONAMI

The number of days spent in delivery is an important part of measuring service quality but, given the complicated nature of the supply chain and the existence of multiple partners, this is no easy task. A new UPU study, however, offers some insight into where delays may be creeping in by analysing the electronic data interchange (EDI) messages generated as mail travels to its destination.

For the purposes of this study, mail items are said to fall within the quality zone if they travel from sender to recipient within a certain number of days set as quality thresholds. For EMS – the courier service of public Posts – the standard was set at five days and at nine days for small packets and parcels.

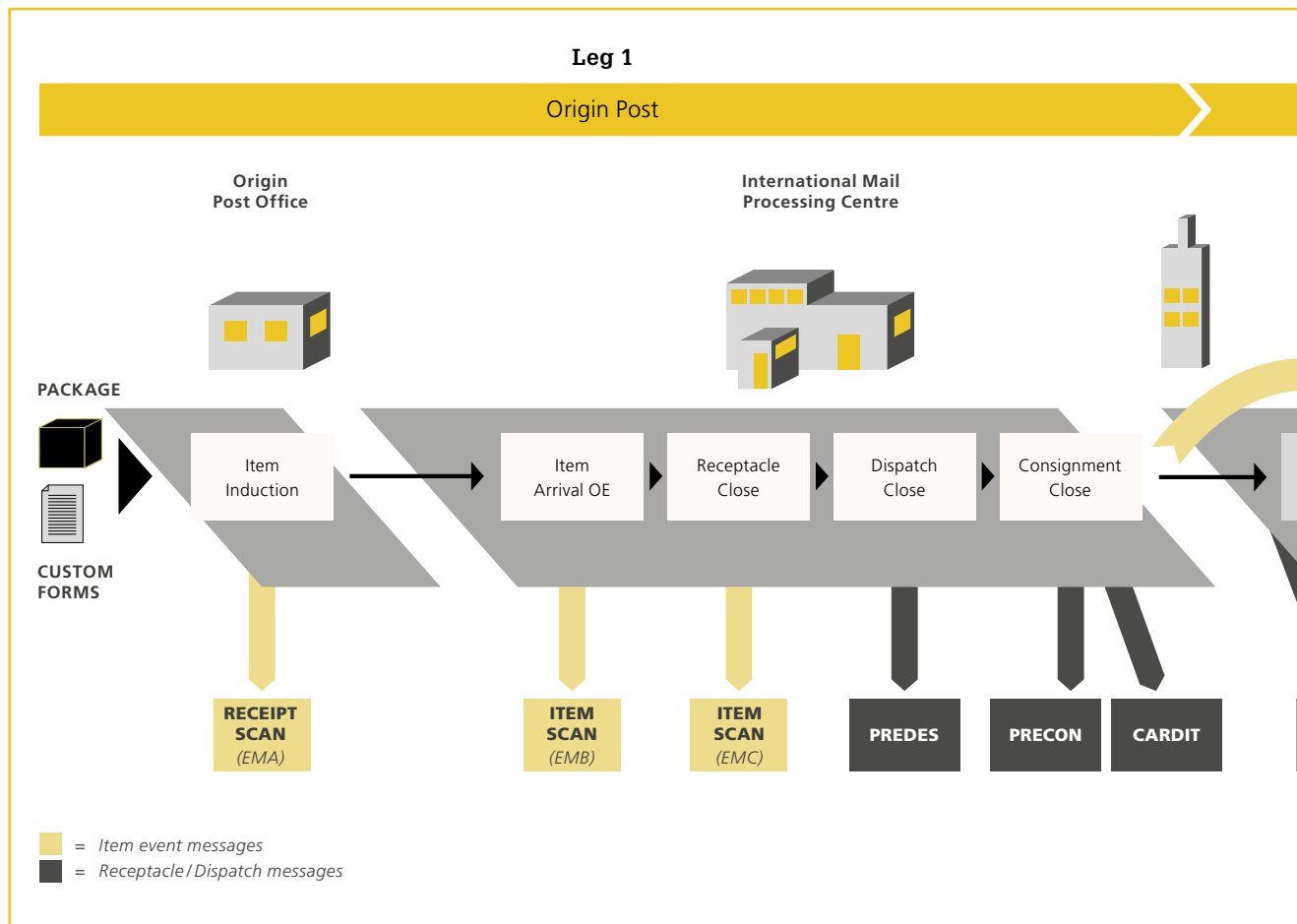
The research shows that, in most international mail corridors, the speed of delivery appears within the quality zone – but only if the time elapsed during Leg 2 of the voyage (see graphic on pg 12–13) is removed from the equation. This stage – which involves international air-

lines and postal operators – has emerged as a source of uncertainty for ensuring quality of service. And the number of corridors within the quality zone also drops significantly when time spent in Customs is factored in.

International mail can be broken down into three stages or legs. Leg 1 takes the item from posting to dispatch, when it reaches the origin office of exchange (OE). Leg 2 is the international transport stage, from origin to destination OE. Leg 3 takes the letter to its destination, and includes passage through Customs.

Global vs regional

This tendency is the same across the board: both the customs impact and international transport impact take a toll on service quality in all categories of international tracked mail, which are EMS, parcels and small packets weighing less than 2 kg. The trend is also found in all world regions, although considerable variations exist.



The mail process flow

Normally, an item is scanned when it reaches the OE in the country of origin and again at the OE in the country of destination. What actually happens in between is not that clear. More scanning events would be required to pinpoint exactly which party is responsible for a given slow-down.

Inefficiencies may stem from all quarters. Delays may result when postal operators hand items over to the airline or when the carrier move items onto the transport. Ground handlers may also play a part.

"If postal operators, transporters, ground handlers and Customs could all better coordinate their respective work, service levels would improve," says the research's author, the UPU's José Ansón.

Consider the case of small packets, which travel in the letter-post stream. Worldwide, there are nearly 1,400 international mail corridors providing reliable end-to-end tracking information for this service. Of those corridors, 81.7 per cent (1,143 corridors) fall into the quality zone before the impact of Customs and international transport. That number falls to 63.8 per cent (893 corridors) when the customs-clearance impact is added. But it falls to just 22.9 per cent (320 corridors) after the international-transport impact is also factored in.

Regional breakdown

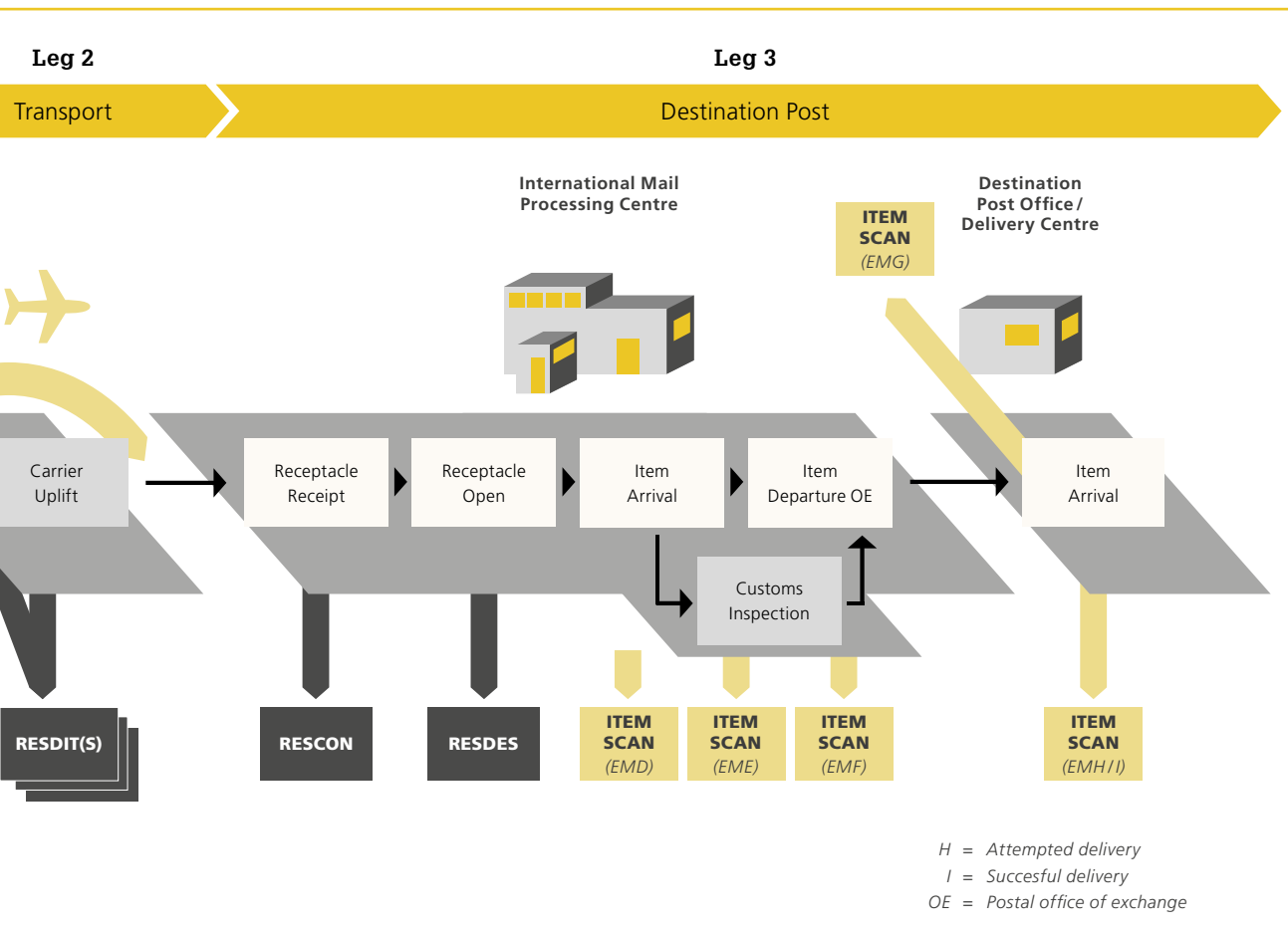
Region by region, the data throws an interesting light on how quality of service is faring (see infographics on pg 18 – 19). Among African countries there are 142 inbound postal corridors with reliable end-to-end

tracking information for small packets. About 48 per cent (68 corridors) fall within the quality zone initially. That number tumbles to 34.5 per cent (49 corridors) after including the customs-clearance impact. But, more dramatically, the additional impact of international transportation brings that number down to just 2.1 per cent (three corridors).

In Asia-Pacific, there are 222 inbound corridors with reliable end-to-end small-packet tracking; 83.3 per cent (185 corridors) initially fall within the quality zone. The customs-clearance impact causes that number to decline to 72.1 per cent (160 corridors), but it plunges to 14.4 per cent (32 corridors) with the impact of international transport.

The Latin American and Caribbean region has a total of 159 inbound small packet corridors with reliable end-to-end tracking. Of those, 66 per cent (105 corridors) are in the quality zone before the customs and transport impact. Adding the customs-clearance impact pushes it down to 46.5 per cent (74 corridors). After adding international transport, only 3.1 per cent (5 corridors) occupy the quality zone.

The Eastern Europe and CIS region contains 282 inbound corridors with reliable end-to-end tracking for small packets, of which 85.5 per cent (241 corridors) are in the quality zone before customs and transportation. It slides to 63.1 per cent (178 corridors) after the customs impact, and all the way to 33.7 per cent (95 corridors) after adding transport.



For the Arab region, there are 84 inbound corridors with reliable end-to-end packet tracking. Those in the quality zone account for 83.3 per cent (70 corridors) before Customs and transport are considered. That number descends to 58.3 per cent (49 corridors) after the customs impact, and reaches 14.3 per cent (12 corridors) with international transport.

Finally, 508 inbound corridors with reliable end-to-end packet-tracking exist among industrialized countries, of which 92.9 per cent (472 corridors) belong to the quality zone before Customs and transport. That figure dips to 75.2 per cent (382 corridors) with customs clearance, and then dives to 33.9 per cent (172 corridors) after adding transport.

Ground-handling

Ironing out coordination problems at the local level is crucial for the swift passage of international mail, says Stefan Alfter, senior director of aviation security and UPU affairs at Deutsche Post DHL. The German postal operator has experienced delays at a major national airport during peak periods of activity. If that was due to capacity problems on the ground handlers' side or because inbound mail received a lower priority than other forms of cargo can only be speculated on, Alfter says.

Ground handlers – subcontractors that handle logistics for carriers or freight forwarders at airports – routinely unload mail containers from the aircraft, place them onto dollies and haul them away from the plane. But, instead of pulling the mail directly to the OE, the handlers would,

in some cases, drop these containers off the dolly directly onto the tarmac and use the dolly to move cargo from another aircraft.

"To put it back on a dolly, [the ground handlers] need a forklift to be available on the ground," says Alfter. "This causes significant delays."

The ground handlers – and there are several that compete at this airport – may make their own decisions on how they treat and prioritize their customers in case of capacity constraints, he says.

"It really very much depends on the capacities and the priorities, which the players involved give to mail and how they are coordinated," says Alfter. The postal operator has brought up the problem with the parties concerned, including the airport authority and ground handlers. According to Alfter, this matter is primarily a local issue that requires local alignment rather than more sophisticated data-sharing.

But, on the international level, he says that the UPU contributes notably through its cooperative work with the International Air Transport Association (IATA). Furthermore, UPU technical solutions help identify problems in the supply chain. The UPU also helps improve the perception of mail among air carriers that have regarded mail as a dying business in the past.

"I think that the airlines are now starting to realize that, even though transactional mail or correspondence is declining, there is booming e-commerce traffic," he says. "This may be interesting for them and give them additional volumes."

“We need to facilitate and enable e-commerce, which did not exist at the time when the traditional processes of the air-cargo supply chain were developed.”

Chris Goater, IATA's corporate communications manager

Airline contracts

When it comes to Posts choosing airline partners, La Poste (France) advises considering a variety of qualitative factors, not just pricing. The selection process at La Poste is based on a combination of criteria, such as scheduling, flight frequency and delivery speed. These criteria are ranked according to their importance for the different categories of mail. The process involves an annual call for offers, says Jean-Paul Forceville, La Poste's director of regulation, institutional affairs and European affairs. This has allowed the French postal operator to increase the total number of carriers it uses from just one 15 years ago to about 70 airlines today, says Forceville, also chair of the UPU Postal Operations Council's Committee 1.

Since 2010, La Poste is awarding longer contracts, lasting three years, to airlines that guarantee the use of EDI messages, which enables the Post to check the status of shipments more precisely. The contracts also include penalty provisions if things go wrong. Forceville also pointed to the importance of data-synchronization efforts and ongoing international cooperation efforts.

Cooperation

The need for better coordination in a rapidly changing postal marketplace has not gone unnoticed by IATA, which represents some 250 airlines that make up nearly 85 per cent of all air traffic. And mail products account for about 10 per cent of their cargo business. The boom in e-commerce has also brought with it new demands. “We need to facilitate and enable e-commerce, which did not exist at the time when the traditional processes of the air-cargo supply chain were developed,” says Chris Goater, IATA's corporate communications manager.

Better data-sharing is a major challenge for the entire air cargo industry, Goater adds. This new environment

requires a higher level of electronic interoperability between actors, he says, adding that this is a responsibility that must be shared across the air-cargo supply chain. Various initiatives by IATA are meant not only to reduce transport times but also to improve services generally, including better supply-chain transparency. One example is the *Cargo 2000 Initiative*, which allows participants to identify failures in the efficient routing of cargo by harmonizing data between freight forwarders and airlines.

A key challenge is that airmail involves a different set of electronic messaging standards than air cargo, says Goater. The standard EDI messages exchanged between Posts and airlines for airmail are known as CARDIT and RESDIT. CARDIT messages are sent by the origin Post to the airline, providing carriage instructions and also serving as a final booking of transport space. RESDIT messages are sent by the airline and provide updates including confirmations when the transport departs and arrives at its destination and when it reaches the handling facility.

Efforts have been underway for years to integrate mail with cargo data, which is increasingly being handled in the form of electronic air waybills (e-AWB) for transactions between senders (such as freight forwarders) and airlines. These replace paper cargo waybills, the essential contracts of carriage that bind airlines to transport goods for senders from airport to airport. Total monthly e-AWB consignments at 48 airlines reached 350,000 by the end of 2014.

Contact committee

The UPU is working closely with IATA on such issues. A special contact committee is tasked with facilitating dialogue between airlines and postal operators to foster understanding of issues linked to quality of service and



Are we there yet?

security. They are also working towards better integration of their separate electronic messaging systems.

"Growing international parcel traffic, driven by e-commerce, is creating major challenges for Posts and air-transport operators alike," says Bilal Khan, the UPU's customs and transport programme manager.

"An integrated and coordinated approach with all partners is vital," Khan adds.

The two organizations are developing a paperless postal air waybill number (PAWB), distinguished from the ordinary 11-digit code of cargo air waybill number with the postal handling code, MAL. PAWBs would allow air carriers to manage mail in their regular cargo systems, while still distinguishing mail from other types of cargo. Other advantages cited include better visibility for mail once it has entered the cargo environment. Posts, for example, would be able to check the status of PAWB consignments through an online portal. And the reams of paperwork currently involved in the international transport process could be eliminated. The PAWB system has yet to be implemented.

Improvements in air-cargo efficiency appear to be a high priority for IATA. One of the goals of the organization in 2015 is to review the transport processes of

mail and cargo and identify new ways of harmonizing these flows, says Goater. And the importance of "cutting shipping times" was noted in a February statement by Tony Tyler, IATA's director general and CEO.

Customs

After the mail has safely arrived at the airport of destination, it must pass through the important stage of Customs clearance. This can be time-consuming due to the multiple regulations that border officers are expected to carry out with limited resources and the lack of advance data, says Pashupati Nath Pandey, technical officer with the compliance and facilitation directorate of the World Customs Organization (WCO). The WCO has been working closely with the UPU and other industry stakeholders to reduce waiting times.

In the vast majority of international corridors, postal items are physically presented at Customs bearing a declaration form (CN 22 or CN 23) for inspection before clearance is possible. One major exception is the corridor between Canada Post and the United States Postal Service, which recently began electronic exchanges of pre-advice data, enabling an expedited clearance of low-risk items by Customs (see cover story, *Union Postale* 3/2014).



“You get an opportunity to look at the information [on the declaration] for the very first time only when the parcel is physically before you,” says Pandey. “So, your [waiting] time starts counting then onwards.”

Following inspection, officers must then decide whether to examine the item further and/or charge duties and taxes. Customs might also be responsible for implementing a range of other regulations, such as restrictions and licensing requirements for foods and plants. And, at times, they may be forced to wait for the go-ahead from another government agency before an item can be cleared.

This slew of regulations, combined with the manual nature of inspection, helps explain why postal items may give the impression of lagging at the border. Technical solutions, such as the UPU’s Customs Declaration System or CDS – currently being piloted by a number of Posts – are expected to help hasten the clearance process for low-risk items, allowing Customs to focus scarce resources on shipments of greater concern. “Customs is not only the revenue authority,” Pandey says. “It has a much larger mandate to secure and protect the health of society, so all those matters have to be implemented at the border.”

Postal customers – both the sender and receiver – may also be unaware of regulations, leading to problems at the border. “Postal and Customs authorities need to collaborate to create greater awareness and disseminate all the requirements, including their publication on respective websites,” says Pandey.

A public awareness campaign about dangerous goods banned from the shipment is one initiative being planned by the UPU, with the support of the WCO and other stakeholders. This sort of initiative should help reduce such snags at the border, says Pandey. “I think that such initiatives would certainly help in expediting the shipment.”

Dynamic data

Looking ahead, member countries must strive for better coordination throughout the supply chain. That means that Posts must go further in synchronizing their operations with airlines and Customs by using advance data-sharing systems, says the UPU’s José Ansón. “If you cannot anticipate what is going to happen in advance, it is difficult for both airlines and also Customs authorities to better manage what is coming from the postal operators.”

In particular, postal networks could use dynamic routing, based on the real-time sharing of data, to move goods into freight channels where capacity is available, says Ansón. “If we are able increasingly to share this information among the different partners, we are likely to be able to reduce this uncertainty,” he adds.

With the goal of an improved e-commerce experience for consumers in sight, things can only get better... and swifter. **DK**

NEW TOOL FOR QUALITY CONTROL

Public postal operators can now benefit from a new reporting tool to help them improve quality of service by providing visibility into Leg 2 of international mail flows based on EDI messages. In a report generated with the new tool, the planned local time of arrival for a given dispatch appears in a column directly beside the actual time when the first receptacle from that dispatch is scanned or processed. The next column indicates the number of hours that have elapsed between those two benchmarks.

This is potentially a giant leap forward for postal operators as they can now easily identify corridors where service failures happen regularly and those where mail flows smoothly. This, in turn, means that postal staff can concentrate their efforts on rooting out systemic problems in the supply chain.

New visibility

While the tool cannot always precisely define where the problem lies because other partners in the supply chain are involved, it can help postal operators at both origin and destination to analyze and optimize their international service. It enables the origin and destination postal operators to collaborate using a common information source.

Called the *Dispatch – service and volume report*, the tool makes use of data from barcodes attached to mail receptacles, typically mail bags, from the origin OE. Data about these receptacles and their contents – the number of receptacles, their weight, total number of items and details about trackable items – is sent electronically from origin to destination OE in the form of an EDI message.

Known as a PREDES message, it serves as pre-advice of a dispatch for the recipient Post. It also includes data about transport, including the planned arrival time. When those mail receptacles arrive in their country of destination and are handed over to the office of exchange, the barcodes are typically scanned when the receptacles are opened. This results in an electronic message sent back to the origin Post, known as a RESDES.

A copy of each message – the PREDES and RESDES – goes into the Quality Control System or QCS, an IT system developed by the UPU. The new reporting tool is integrated into QCS.

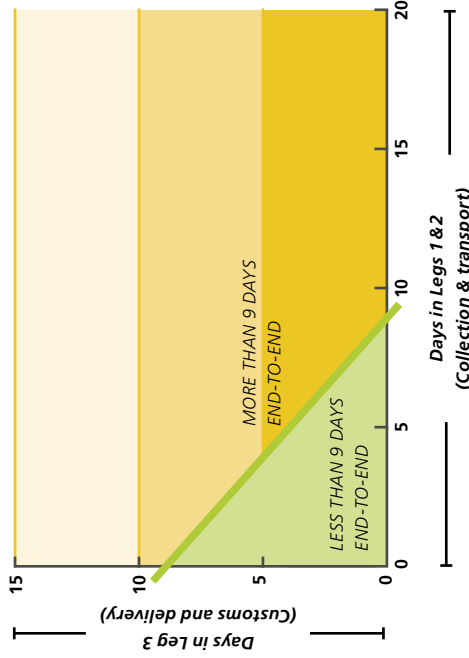
For more information, contact:

*Bilal Ahmad Khan, UPU Customs and Transport Programme manager (bilalahmad.khan@upu.int). **DK***

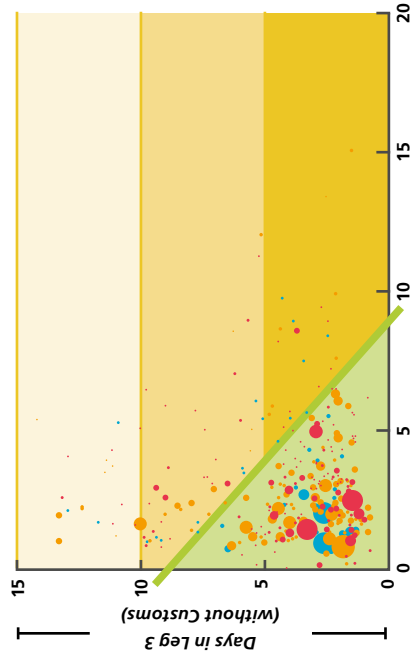
Explaining the figures

Charts produced by the UPU show a multitude of dots – each one representing a postal corridor – that become scattered outside of the quality zone after factoring in time spent waiting for Customs clearance and international transport (the latter includes time in offices of exchange). Described by UPU economist José Anson as a “big bang” due to the explosive appearance on the graphs below, the effect is especially pronounced when international transit time is considered.

Country-to-country flows / trade: parcel volumes and quality of service



Parcel Post

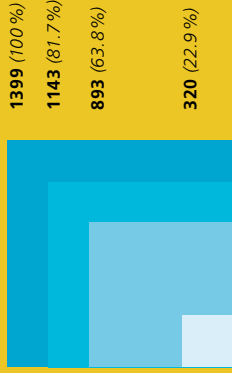


Insight into where quality lies

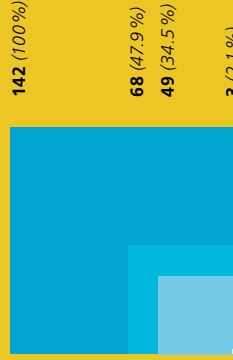
International letter post (small packets)

Quality zone: 9 days end-to-end

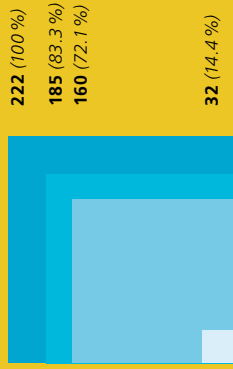
- = (100%) Total corridors with reliable end-to-end tracking information
- = Number of corridors in quality zone before customs & transportation
- = Number of corridors in quality zone after adding customs clearance impact
- = Number of corridors in quality zone after adding int. transport impact



Global



Africa

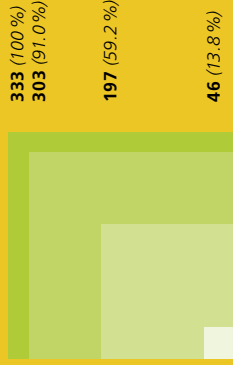
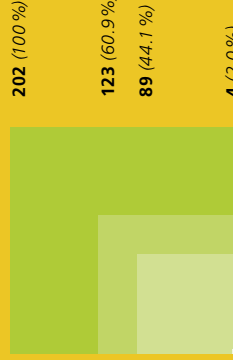
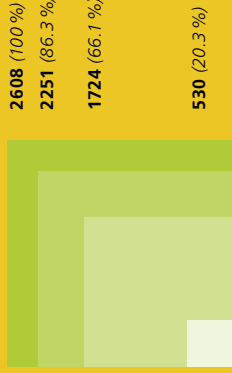


Asia-Pacific (developing countries)

International parcels

Quality zone: 9 days end-to-end

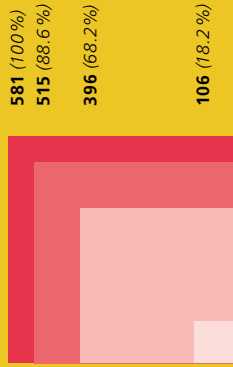
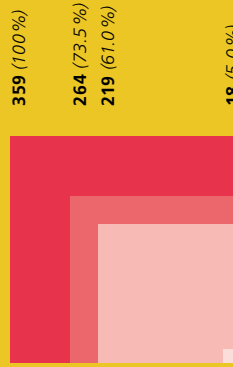
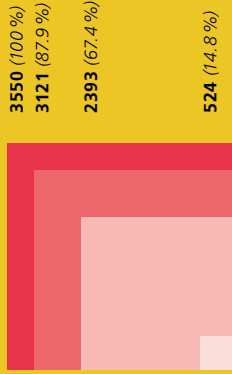
- = Total corridors with reliable end-to-end tracking information
- = Number of corridors in quality zone before customs & transportation
- = Number of corridors in quality zone after adding customs clearance impact
- = Number of corridors in quality zone after adding int. transport impact

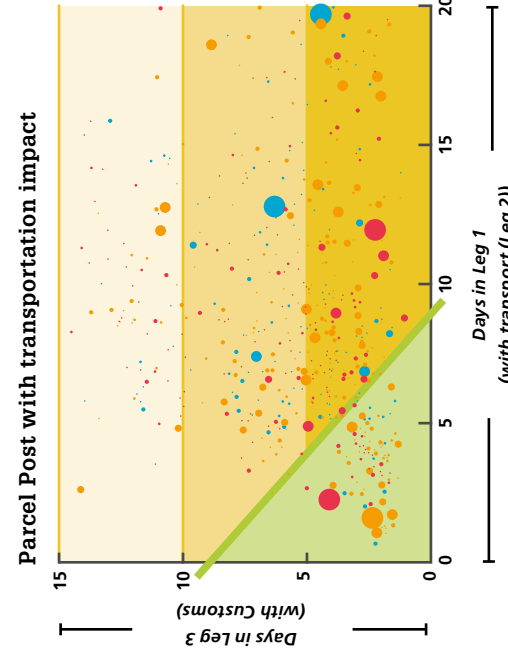
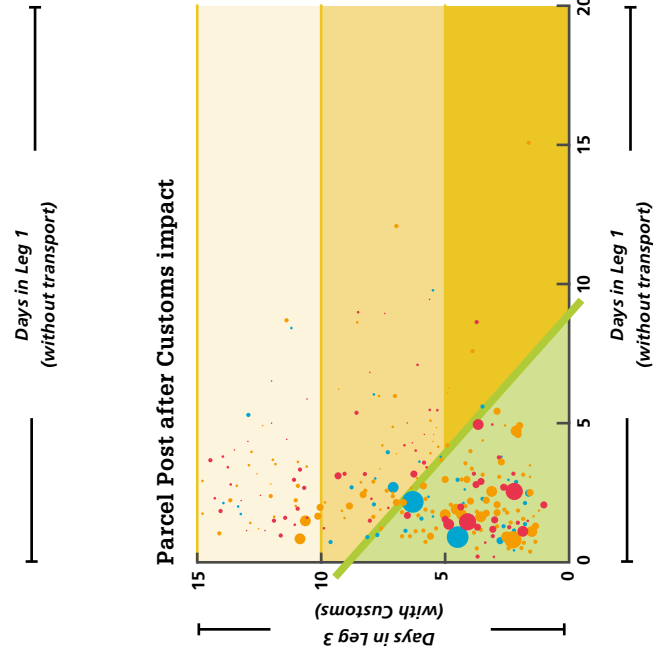


International EMS

Quality zone: 5 days end-to-end

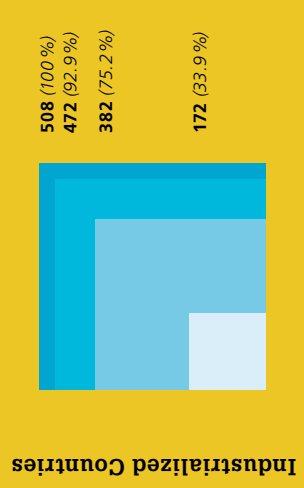
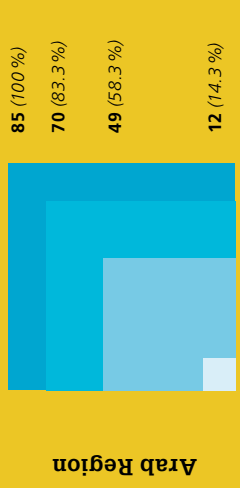
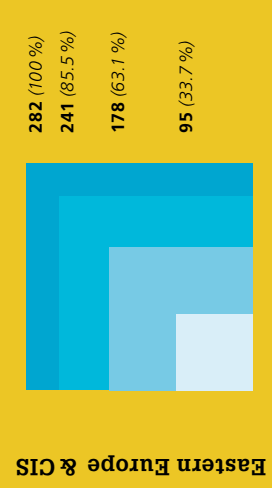
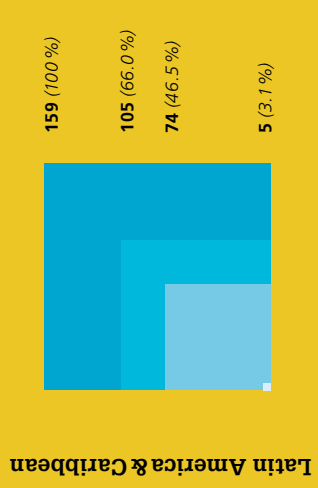
- = Total corridors with reliable end-to-end tracking information
- = Number of corridors in quality zone before customs & transportation
- = Number of corridors in quality zone after adding customs clearance impact
- = Number of corridors in quality zone after adding int. transport impact





- = 2014/11 average annual growth > 10%
- = 0% < 2014/11 annual growth < 10%
- = 2014/11 annual growth < 0%

All graphs refer to bilateral flows > 1 tonne (Q1 – Q3, 2014)







Innovation leads the way

Susanne Ruoff, Swiss Post CEO, is leading a business that is undergoing constant change internally. With extensive experience in managing people at technology companies, Ruoff is pushing for innovation to run through the Post's veins.

TEXT:
FARYAL
MIRZA

PHOTO:
SWISS
POST

Union Postale: What is the overall business direction Swiss Post is heading in?

Susanne Ruoff: The main strategic goal is to be a market leader in our core business areas and in e-commerce.

It is critical that we continue to move from our historical position, with 160 years behind us, to a market-focused company that responds to customer needs.

And who better than our customers can teach us what these effectively are? In response to their needs, we build bridges between the physical and digital worlds and show that we are one of the most innovative postal companies in the world. This is why it is important to keep offering new innovative services in addition to our core business activities with a strong focus on quality and reliability.

Which particular area is a strategic focus?

Let's take e-commerce, which is not just about parcels. It also involves direct marketing, e-fulfillment, payment and return logistics, for example, or, in other words, the entire value chain, which we have

carefully built. By doing this, we are able to respond to the Swiss government's requirement that we offer value-added services to our customers.

What are the special traits of Swiss customers?

The Swiss population is very sensitive to quality. They will not tolerate that an A-post or priority letter or parcel is not delivered the next day after posting. We achieve very high on-time delivery levels for letters and parcels and exceed the requirements set by postal legislation. The expectations are high and heterogeneous, so we have to watch customer needs carefully. And we do not tell the customers what they need, they tell us and we then help make their lives easier through the Post. This is part of the change the Swiss Post is undergoing.

How important is being part of an international postal network to Swiss Post?

It is extremely important. Under the UPU treaty, Posts around the world have clear rules and defined procedures on how to handle international letters and parcels, but this has to go further. We, the Posts, can and should further optimize our delivery networks to enable all countries to ensure that the end customer has a great e-commerce experience. We are all part of one large postal network but we are also competitors and partners at the same time. I frequently have good exchanges with other Posts, especially in Europe. Of course, challenging discussions can arise because of different expectations and the very diverse economic and regulatory conditions and frameworks around the globe. But that's fine. We have to have these discussions to find the right way together.

I am also fighting for a more competitive

CV

Susanne Ruoff has been the CEO of Swiss Post since 2012. She has more than two decades of management experience across a number of firms, including British Telecom and IBM. She has held positions on the following boards: Geberit, Bedag, IBM pension fund, the Industrial Advisory Board of the Department of Computer Science at the Federal School of Technology Zurich. Ruoff is a trained teacher, has a degree in management and business economics and holds an MBA from the University of Fribourg.

“I have been managing people for many years now and have learnt that it is extremely important to keep staff engaged and focused on goals. This requires committed employees, who have a certain passion.”

Post. All around the world, customers want to receive their orders in a quick, reliable and cost-effective way. This is the key success factor for us.

How are staff dealing with this change in mindset to look more outwards than inwards?

At Swiss Post, this change started back in the early 1990s and it is still not finished. Of course, it is a culture change but it is something that the Post must do. Constantly striving to improve oneself and one's surroundings is extremely important for managing staff. It is an indicator that can be measured over time.

Customer feedback already shows that the staff are already well regarded; they are considered highly committed and not bureaucratic. We should always put the customer first and never neglect them. As chief executive, my credo is: if the customer has a problem, we will help them solve it with easy-to-use products and solutions.

How has this change been internalized within the firm?

We have a new vision, which is: Each employee has a responsibility towards customers and colleagues alike. A certain level of trust in others is critical, as is flexibility. Technology is changing at a relentless pace and brings something new each day. For the employee, this means always adapting to clients' new needs.

As an enterprise, we can never stand still but must go continuously forward as part of an evolutionary process. This is what I wish the personnel to internalize. Each and every one of our 60,000 employees should understand this, even if this is not easy to do so. Ultimately, the customer has to sense this change, otherwise it serves little purpose.

How important is innovation?

Innovation in the Post is crucial and driving our culture change. We have a structured process within

certain product areas but the innovation area is directly under my leadership. The idea is to infuse innovation throughout the entire enterprise.

An executive committee meets every month to look at how the most innovative projects are progressing. These have already been subjected to a process, whereby employees put forward proposals in certain areas earmarked for business development, such as mobile banking, direct marketing, e-commerce, e-post or document management. Seed-financing is available from a fund to develop such ideas.

What other measures are in place to aid staff development?

The challenge is how to develop postal employees in a sustainable way. To know where we want to lead our people in the future, we all have to improve ourselves and learn constantly. We have to bring out employee skills and competences because we have to respond more quickly to the market. I have now put a talent-management scheme in place. Succession-planning is important too.

Is there a magic formula for success?

No, but continuity and persistence are crucial to our goal to develop user-friendly products and solutions matching customer needs. Always thinking one step ahead helps. Also remembering that you cannot change what has already happened, only what still lies ahead.

I have been managing people for many years now and have learnt that it is extremely important to keep staff engaged and focused on goals. This requires committed employees, who have a certain passion. And I believe that a postal worker has this passion because they are working to serve the public and not for a stock-market-listed enterprise. **FM**



Checking up on stress and mental health

Several European postal operators are working together to create healthier workplaces for their staff.

**TEXT:
DAVID
KOCH**

The project involves research and the sharing of best practices between Posts to help the workforce adapt to rapid change. It is also helping Posts gain insights into psychological issues that not only affect productivity but also lead to conflict in the workplace. Funded by the European Commission's *Leonardo da Vinci* programme, the Posts of Switzerland, Germany, Greece, Iceland, France and Belgium are among its participants.

The project is focused largely on middle management, according to Nathalie Ganzel, European affairs manager at La Poste (France). She says that this group risks getting sandwiched between the demands of workers and upper management. One major aim is to help managers identify and remedy stress among employees.

As part of the project, an evaluation of stress-related risks using a framework developed by Swiss Post was conducted among participating Posts. This risk matrix ranks the most important sources of strain and the resources that may be lacking. Although individual country results are confidential, the overall rankings indicate that many sources of stress are common across borders.

Top stressors

Based on 2014 data, the study revealed that "time pressure and workload" was among the top three task-related stressors at participating Posts. That means that employees feel unable to cope with the rapid pace of work or burdened with too many tasks in a narrow time-frame. Another task-related stressor that ranked highly was "mental overload" resulting from activities that are

too complicated or demanding. "Work anticipating difficulties" was another major source of task-related stress, meaning that employees experience or perceive a lack of control owing to their inability to anticipate events affecting their work in the short-term.

The study also measured social-stress factors and general organizational conditions. In three of six countries, a major stressor was "work-life imbalance". Another was "uncertainty about the future", which indicates a sense of job insecurity stemming from factors that include restructuring measures. Also on the list was "organizational justice", which is linked to the sense of unequal treatment and conditions at work.

A third category ranked resources that are least available in the workplace (see pg 26). Top stressors here included the lack of "general appreciation" by superiors, colleagues and clients. Another resource found to be lacking was "participation in decision-making", meaning that employees lack the ability to shape their own situation.

Burnout

The idea for the project came about in 2013, when members of PostEurop, a UPU restricted union representing 52 Posts, found that workers were struggling to adapt to new roles as their organizations restructured.

"Changes are more complex and more frequent," says Ganzel, who also chairs PostEurop's training working group.

As the group investigated new skills that postal workers would need in the changing workplace, it became

“A worker with a personality disorder will lack insight and fail to notice their mistakes, leading to repeated conflicts with colleagues.”

Niklas Baer, psychiatric researcher specializing in mental health in the workplace

clear that stress management and burnout were major problems.

“This was really an issue for everybody,” says Ganzel. She notes that, aside from changes brought about by information technology, external issues contributing to employee stress include ongoing economic problems in Europe. And, while postal operators strive to attain higher levels of efficiency, stress can make the workforce less productive.

“These difficulties for employees lead to an issue of performance for the company itself,” says Ganzel.

National problems

ELTA, the Greek postal operator, has not been spared by the national economic crisis, which has afflicted the country since 2008. The impact of the economic crisis includes a recruitment freeze that has been in place for the past eight years and internal restructuring, says Thalia Giannaki, ELTA’s head of international relations. Economic factors external to the Post have also aggravated employee stress.

“ELTA, with approximately 6,800 employees, is directly affected by the climate of uncertainty in Greece and consequently in the country’s workplaces,” says Giannaki. “Being labour-intensive, the Post needs to find sustainable solutions to manage complex human resources

issues and undertake support actions on situations related to stress, conflict resolution and burnout,” she adds.

ELTA has implemented two stress-management programmes since 2010, including one geared towards providing support to employees after traumatic incidents, such as robbery in the workplace. This programme involves on-site crisis support, a 24-hour support and crisis line and follow-up evaluation and assessments. The other programme is meant to help middle managers identify and deal with conflicts and burnouts and is currently being piloted.

Another participant, Swiss Post, saw the benefits of knowledge exchange.

“The *Leonardo da Vinci* project was a good opportunity to share experiences with other European postal operators and to learn from each other,” says Markus Zuberbühler, head of health care management at Swiss Post.

Ongoing initiatives at Swiss Post include a campaign meant to sensitize managers and employees about mental-health issues. As part of the *I Feel Good* campaign, which was launched in 2012, the company is offering workshops for employees across the country. The Post has also offered written and online questionnaires to employees to help them rate their well-being and established a 24-hour hotline both for “simple questions and urgent cases”, says Zuberbühler. Training for managers in



"Chasing angels or fleeing demons, go to the mountains," says Jeffrey Rasley, a writer. (Photo: www.unsplash.com/Joshua Earle)

dealing with employees showing signs of mental illness is on the cards.

Mental disorders

Niklas Baer, a psychiatric researcher specializing in mental health in the workplace, says that it is true to a certain extent that changes in the workplace can lead to stress. However, he sees gaps in the way employees with mental disorders are treated in the workplace. As background, he explains that there are two major characteristics of mental illness. "First, mental illness starts very early in life – on average at 14 years," he says. "This means that, by the age of 25 years, 75 per cent of all mental disorders have already started, so people come into the labour market with their mental vulnerabilities," he says. Furthermore, as most of these problems are chronic, they can be stabilized but not stopped.

Increasing awareness

The most common mental disorders include anxiety, substance abuse and depression, says Baer. While there is more awareness of mental-health issues in European countries today, managers may still not act on their realization that an employee may have a personality disorder, which is often forgotten as a mental illness. A worker with a personality disorder will lack insight and fail to notice their mistakes, leading to repeated conflicts with colleagues.

"The worker with the personality disorder always thinks others are guilty of mistakes, not themselves. They externalize problems," explains Baer. It may ultimately lead to the exclusion of the employee with the mental-health issue. Managers may identify that a problem exists but do not deal with it until tensions reach a boiling point in the workplace.

Baer argues that the crux of the problem here is not stress caused by change. Rather, it's the inability of managers to deal appropriately with people suffering from common mental disorders.

"Normally, managers can identify out-of-the-ordinary behaviour or reduced performance. They may talk to the employee but feel uncertain how to react and don't give clear targets to the person affected," Baer says.

Managerial inability

Managers then wait too long to react, hoping that the person with the disorder will gain self-insight and seek treatment but Baer underlines that this approach does not work. After identifying a problem, a manager should act fast by recommending that the worker seek treatment. If the employee does not take action on this advice, the manager should request that the former seek help, before finally demanding it, he says.

Organizations should provide more training to managers to deal with these scenarios, adds Baer.

"In really difficult mental disorders, the manager can be a bit lost," he says, adding that putting doctors in direct contact with managers could help.

In Switzerland, the unemployment rate for people with mental disorders is three times higher than for mentally healthy people, says Baer, who shared his insights with participating Posts at a recent *Leonardo da Vinci* meeting at UPU headquarters in Berne.

By working together towards better mental health, the postal sector could deal more effectively with psychological problems on the job. Given the human dimension of the postal network, having happier workers could lead to business gains. **DK**

Resources that help staff cope

Job control

This is a very important resource in the workplace. It describes the extent to which employees can decide by themselves when and how they deal with tasks. Sufficient job control can help reduce stress.

Sense and job utility

Understanding the usefulness of their position within the organization and meaning [the organization] gives to a person's work. This dimension is about the meaning an employer gives to their work, the value they assign to it and the effect of coherence between the person and the work they do. Several studies demonstrate that the meaning of work positively influences psychological well-being and emotional engagement in the organization.

General appreciation

This describes how strongly one feels appreciated by superiors, colleagues and clients. Feeling appreciated is an important resource, e.g. for dealing with stress. A lack of appreciation may impair job satisfaction, motivation and well-being.

Task completeness

Complete tasks can be carried out by oneself from the beginning to the end, i.e. one plans the task oneself, carries it out under one's own responsibility and receives direct feedback on the outcome and impact of the accomplished task once it has been carried out. Complete tasks are motivating and promote employees' commitment to their jobs.

Self-efficacy expectation

This describes the extent to which employees believe they can really make a difference and find a solution to a problem at

work, even in difficult or unclear situations. This belief is an important personal resource, which can ward off stress and generally has a positive influence on a person's health and well-being.

Participation in decision-making

This concerns the extent to which employees in a company have the opportunity to actively participate in decision-making processes concerning their own situation.

The opportunity to actively influence and shape one's own situation has a positive influence on one's well-being. Participation, on the one hand, means that one can input one's own personal strengths and acquire new skills, while, on the other hand, it helps to identify and improve stressful conditions at work in the long term.

Supportive leadership behaviour

This encompasses the relationship between an employee and their superiors. It analyzes the extent to which an employee's superior gives them direct feedback on their performance or support when they need it, the interest they show in the well-being of their employees, the extent to which they acknowledge them and how approachable they are towards their employees on a personal level.

Skills development

This is the opportunity to develop their skills and knowledge. This concept concerns the inability or low possibility for the employee to use his/her own skills or develop new ones.

Source: *Swiss Post*



Campaigners celebrate the USPS

A public campaign, highlighting how important the United States Postal Service (USPS) is to the nation, has been launched, involving the support of Hollywood star and political activist, Danny Glover.



Actor Danny Glover, a former postal worker, puts his own stamp on the campaign (Photo: Americal Postal Workers' Union)

TEXT:
PAULA
DUPRAZ-
DOBIAS

The new drive to highlight how the Post keeps communities together is spearheaded by more than 60 members representing some 20 million people represented by postal workers unions, workers' unions and community organizations. The launch of the *Grand Alliance to Save Our Public Postal Service* coincides with a change of guard at the head of the USPS.

An actor and political activist, Danny Glover's own family worked for the USPS.

"The postal service is an anchor, a symbol of community," Glover poignantly says in the campaign's promotional video. "The postal service bridges social, racial, geographic and economic divides," he adds

Resonance

Dena Briscoe, an African-American postal worker, with 34 years of service, can identify with the Glover's campaign message. Originally from a low-income community, Briscoe was 20 and had a four-month-old baby

when she first joined the service after being recruited from high school.

"I was excited to work there. I heard great things about the postal service, was happy to be part of the organization and to be a federal worker," she says.

In 2001, she was a clerk at a postal office in Washington, DC, where an anthrax attack killed two of her co-workers. After speaking on behalf of employees at the sorting office following the incident, she was nominated union president. Like many of her co-workers, she is now concerned about changes in the public postal system.

"I feel disenfranchised," she says. However, she is drawing strength from the alliance's existence.

"We feel that we are not alone and that others care," Briscoe explains.

New leadership

The USPS is the second largest employer in the US with some 635,000 staff members. A moratorium on the closure of postal facilities is expected to end in April and 82 more units are set to be shut down this year. The new postmaster, Megan Brennan, took up her position in March, the organization's first female chief. "The challenge for the Postal Service is to embrace a faster pace of change" in the digital world," said Brennan in her inauguration speech. Brennan, herself a postal employee for the past 29 years and whose father spent 43 years in the service, said the USPS had to "pursue marketplace opportunities... invest in better use of data and technology... invest in our employees, our processes and infrastructure". **PD**

 **WATCH DANNY GLOVER'S MESSAGE**
vimeo.com/119284262



Royal Mail researches the mind-power of mail

With the help of neuroscience, Royal Mail has launched a major new initiative to convince businesses that there is still value in using the Post to connect with consumers as it seeks to improve the performance of its letters business.

**TEXT:
CATHERINE
MCLEAN**

Royal Mail debuted its *MAILMEN* campaign in January, which showcases the results of a number of research into consumers and their relationship with the mail conducted over an 18-month period. Key findings include that homes in the United Kingdom keep advertising mail for 17 days, on average, and that mail provokes a more powerful response in the brain than email or TV.

Marketing or direct mail has come under pressure in recent years as businesses shift advertising spending to other channels, such as social media or email. Nevertheless, direct mail accounts for around 13 per cent of Royal Mail Group's total revenues and is an important part of the company's business, says spokesman, James Eadie. The *MAILMEN* campaign aims to demonstrate the benefits of marketing mail to advertisers, Eadie explained.

"As it flows through the household, a single piece of mail represents multiple opportunities for people to engage with a brand, reminding them of it and reinforcing its values and ultimately becoming part of everyday life," Jonathan Harman, managing director of MarketReach, Royal Mail's direct marketing service, said.

Main findings

The in-depth research, entitled *The Private Life of Mail*, used a variety of techniques to examine the relationship between consumers and mail, and the return on investment for advertisers. The research can be broken down into four separate areas: mail in the home, heart, head and wallet. For the mail-in-the-home segment, Royal

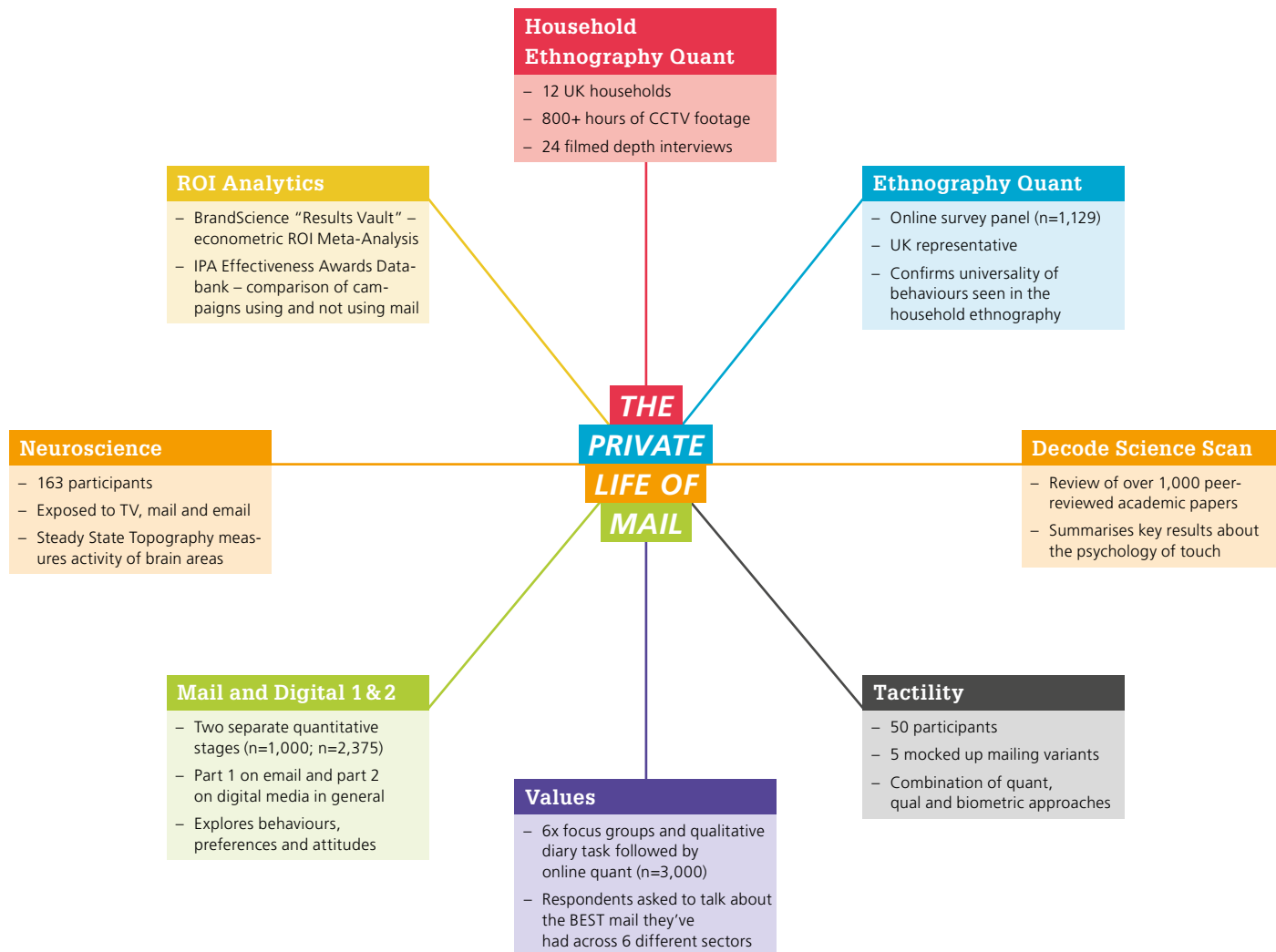
Mail set out to probe the importance of mail in everyday life. It examined more than 800 hours of footage from motion-triggered CCTV cameras set up in 12 households in London and Leeds. The aim of this was to observe people acting in a natural way with their mail. The households represented a wide range of demographics, including young families and retired couples. They were filmed for about a week. The researchers then conducted follow-up interviews with the participants. Royal Mail further delved into those findings with support from an online survey of 1,129 individuals.

One of the key findings was the average length of time that households kept their mail: 17 days for advertising mail; 38 days for door drops; and 45 days for bills. In addition, the research found that nearly a quarter of all mail is shared and discussed among people living together.

"This means a single piece of mail can have a big impact and presents multiple opportunities to be seen, often over days or weeks," the company explained.

Power of touch

Another crucial finding came from the mail-in-the-head part of the survey, where Royal Mail used a neuroscience technique called Steady State Topography. The 163 participants wore a headset that measures activation levels in the brain. Researchers looked at three specific areas: engagement, emotional intensity and long-term memory encoding. The latter measures to what extent the brain



Eight strands included in 'The Private Life of Mail' research (based on an original image from Royal Mail)

stores information, which makes it more likely that further exposure to the stimulus will result in stronger recall. They found that physical mail invoked a greater response in the brain than email or television, regardless of a person's age.

"This suggests that the effects we are seeing may be both biologically and culturally determined and therefore potentially universal," Royal Mail noted in its study.

ROI

Royal Mail also set out to prove that investing in marketing mail made financial sense for companies. The mail in the wallet segment examined three key studies from recent years, which included a large number of client cases. Royal Mail found that the return on investment increased for both TV and print campaigns when direct mail was also used. Mail performs "not just in terms of sales and direct response but also on a number of other metrics, including incremental reach, efficient growth of

market share, brand switching and cost per new customer acquisition", the study found.

Campaign

The *MAILMEN* campaign will likely run until July, according to Eadie. It features black and white photos inspired by *Mad Men*, the American television series, and endorsements from big names in UK public relations and marketing experts. It is also offering discounts to new clients.

At the time of writing, a few weeks after the campaign's launch, there have been more than 12,000 visitors to the website, and more than 200 initial meetings set up with companies or their advertising agencies as a result, Eadie says. While they may no longer be sending many letters, some consumers still welcome the right kind of mail. Or as one expert says in the campaign: "On your 100th birthday, you'd be disappointed if the Queen only sent you an email." **CM**





BotswanaPost delivers social payments by card

**TEXT:
CATHERINE
MCLEAN**

BotswanaPost has signed up a greater-than-expected 103,000 people for its new PosoCard service since the official launch last July, a promising start for the postal operator as it tries to diversify its revenue sources. Roughly half of Botswana's population does not have access to financial services, and BotswanaPost would like to reach more of the so-called unbanked.

"The response from the general public is overwhelming," says Lebogang Bok, head of strategy and communications at BotswanaPost. "To date, we have 90 per cent of beneficiaries enrolled and using this new system compared to a target of 80 per cent," added Bok.

First phase

The initial stage of PosoCard's launch focused on individuals receiving payments from the Department of Social Protection, including World War veterans, pensioners and people, who are socio-economically disadvantaged. Instead of receiving their payments via vouchers, they can now use their PosoCard to collect their benefits anywhere in Botswana. With the old voucher system, recipients often faced long queues at the post office. The card has also enabled the Post to cut costs as it no longer has to print the vouchers for 140,000 beneficiaries each year.

One of the most attractive features for users is the enhanced security compared with the low-tech vouchers. The PosoCard uses a fingerprinting system to authorize payments. Under the old voucher system, someone claiming to be a relative could potentially receive the money, according to BotswanaPost.

"We increased security to minimize fraud activities and to ensure that the benefits reach the intended and rightful recipients," Bok says.

Perhaps the PosoCard's most important attribute is

that it functions as a kind of deposit account. Instead of collecting all their money at once, as was the case with the voucher system, users can instead keep some money on their card until they are ready to withdraw it at a later date.

Rural challenges

While the PosoCard is in use throughout the country, the Post admits it has faced some challenges in the enrolment process due to network coverage in remote areas, as well as the nomadic life of some beneficiaries, according to Bok.

The PosoCard is part of a growing global trend from Botswana to Peru to deliver social protection payments in a more financially inclusive way. Technology, including mobile phones and point-of-sale devices, is enabling this shift, experts say. Postal operators play an important role when it comes to financial inclusion, offering everything from basic savings accounts and international money transfers to insurance and government-to-person (G2P) payments.

New PosoCard services will be launched in the future, allowing users to pay utility bills or buy groceries, according to Bok. "BotswanaPost is looking at new revenue opportunities that are presented by PosoCard, which will be introduced at a later stage in the project," Bok says. **CM**



PHLPost unveils new postal ID

TEXT:
EMMANUEL
DUH

The Philippine Postal Corporation (PHLPost) has started issuing a modernized postal identification card in 260 centrally located post offices in the country. Launched in November 2014, the wallet-sized plastic card has digital security features infused with the owner's biometric data. The new card replaces the old paper-type laminated ones whose credibility became questionable following revelations about their ease of being faked and duplicated. Many banks and government agencies were also declining to accept them as valid proof of identity. "The postal ID has a track record of giving disenfranchised citizens better access to public services and opportunities," said Postmaster General Josefina Dela Cruz. "It is a card anyone can get, so the postal ID helps make Filipino society more inclusive" she added.

She explained that, even among the employed, it makes sense to own a postal ID. "All Filipinos are required to present more than one valid ID for important transactions when we open a bank account, encash a cheque, buy property or apply for a passport."

Four million cards

The operation has allowed PHLPost to issue close to two million IDs annually. Already, some four million Filipinos now use the postal ID as their primary form of identification. The postal ID is one of the government's identification cards recognized by major institutions as proof of identity and address. The Philippines' Department of Foreign Affairs also accepts the postal ID as a valid passport application requirement. Public and private establishments in the country also accept the new ID when conducting various transactions, according Dela Cruz.

PHLPost delivers the IDs to the address of applicants for a fee of 414 PHP (9.22 USD), inclusive of 12 per-cent



Even the postmaster has one (Photo: PHLPost)

value added tax and postal delivery, down from the 700 PHP that was initially charged. "We are not only after the revenues," said Dela Cruz. "PHLPost was also making money from the old ID but we are moving forward with a new and improved version because the postal service wants to better serve the public," she added.

Smartcard

Under a public-private partnership agreement, an enterprise established the infrastructure, while PHLPost retains a share in the per-piece revenue/fee. The initial cost of deploying the infrastructure nationwide is about 100 million PHP. The new ID is envisioned to become a flexible "smart card" in conducting various banking transactions. **ED**



Food delivery keeps its cool

TEXT:
CATHERINE
MCLEAN

Austria Post has found a way to keep both the temperature and costs low when fulfilling online grocery orders, a breakthrough that makes the burgeoning food delivery business in Austria more attractive for the postal operator.

When it launched a project dubbed Food4all@home with grocer Pfeiffer Handelsgruppe and other partners in November 2013, one of the project's goals was to explore if food could be delivered without using expensive, actively cooled vehicles. The answer? So-called cool boxes, which protect food from both the heat and cold, which are reusable containers made from expanded polypropylene (EPP). They hold a total volume of 48 litres. The temperature inside the box remains between 2 and 8 degrees Celsius, just like a fridge, for up to 48 hours. Electricity-free cool packs ensure the food inside remains cool even if it isn't stored right away in a fridge. That flexibility makes it a more convenient option for consumers, who no longer have to wait at home to receive their order.

Popularity

In response, Pfeiffer Handelsgruppe's Unimarkt grocery chain, in partnership with the Austrian Post, started offering a grocery home delivery service in Upper Austria in November 2014. More than 600,000 households in the region have since ordered groceries on the website.

Customer feedback has generally been positive so far, according to Kathrin Schrammel, a spokeswoman for the postal operator. "The Austrian Post is confident that grocery delivery will be a big topic in coming years, which could revolutionize the food supply chain," says Schrammel.

The Food4all@home project also led to other improvements in food delivery, according to Austrian Post. In the city of Linz, the postal operator can deliver groceries the same day they are ordered online until 9:00 pm. In other parts of Upper Austria, groceries are delivered the following day or customers can pick them up at a nearby Unimarkt.



*This box keeps food cool for up to 48 hours
(Photo: Austria Post)*

Optimization

An external supplier developed a last-minute delivery simulation framework as part of the Food4all@home project, which takes current traffic conditions into consideration. This lets Austrian Post optimize its delivery routes, ensuring customers receive their groceries during their slotted delivery time even during rush hour. Another partner in the project, the University of Applied Sciences Upper Austria in Steyr, examined various factors including the operational model's feasibility, market acceptance and efficiency.

The Unimarkt delivery service is free for orders above 40 EUR (45 USD), while it costs 4.90 EUR for orders between 20 and 40 EUR, and 9.90 EUR for orders less than 20 EUR. A 4.90 EUR surcharge is added for same-day orders. Customers can pay with a credit card or an immediate money transfer. It will be possible to pay by PayPal and payment by invoice in the future.

The cooperation with Pfeiffer Handelsgruppe is not exclusive and collaboration with other partners is "conceivable," according to Schrammel. **CM**



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bpost bids for stake in Romania Post

TEXT:
EMMANUEL
DUH

The Belgian designated operator, bpost, has made a non-binding bid to buy a 51-per-cent stake in Romania's postal service. The offer was confirmed by Piet Van Speybroeck, bpost spokesperson, who was unable to disclose further details. bpost has emerged as the only bidder that met the stipulated criteria in the privatization process.

The decision to privatize Romania Post is part of the government's sell-off plan of state-owned companies negotiated with the International Monetary Fund and other international financial institutions under an economic stimulus package in 2009. The postal operator entered into a supervision process to lower its historical debt and search for a private investor.

"The privatization process of Romania Post is not a distress transaction but an opportunity, intended for a big investor with ambitious plans of development in a country with a huge potential of becoming a regional leader in postal services and parcel traffic," said Romania Post spokesperson, Cosmina Croitoru.

Romanian Post is currently owned by the government with a 75 per-cent shareholding, while the remainder is held by a state fund. The deal is expected to meet the investment and development needs of Romania Post, says Croitoru, thus providing the financial resources required to make the company a modern, well equipped and performing entity. It will help the company secure and increase its market shares in core activity segments, diversifying the business model and responding to an ever higher technological component in all business deals, says the Post.

The launch of the acquisition process raised the latter's profits to 16 million EUR (19 million USD) in 2014, compared to a loss of 6.6 million EUR in 2013. The Romanian Post has a network of more than 5,600 offices. As part of its cost-cutting measures to maintain profitability, it was forced to slash its 32,000 labour force by about 12 per cent. **ED**

Swiss spend billions online in 2014

TEXT:
FARYAL
MIRZA

Swiss shoppers spent 6.7 billion CHF on online shopping during 2014, an increase of 7.2 per cent on the previous year. The lion's share or 1.46 billion CHF was spent on home electronics. The second most popular category was fashion and shoes, which generated sales of 1.34 billion CHF.

All in all, some 4.9 billion CHF were spent by private persons in business-to-consumer or B2C transactions. Online auction and marketplaces also sold 850 million CHF worth of goods, while some 900 million CHF were spent on cross-border websites.

Big spenders

Despite the popularity of online shopping, only 12 per cent of customers paid by credit card or PayPal, an online payment service. In a quirk of the Swiss market, more than 80 per cent of customers paid after the receipt of goods by invoice.

In country with a population of some 8 million, the results confirm the large appetite for e-commerce among Swiss-based consumers. The entire retail market in Switzerland in 2014 is estimated to be worth 98.1 billion CHF, according to GfK, the research company. It conducted the latest survey on behalf of the Swiss distance-selling association or Verband des Schweizerischen Versandhandels (VSV) and Swiss Post.

Parcel volumes

Survey participants included 140 VSV members and a further 117 retailers. According to its website, the VSV represents more than 200 online retailers in Switzerland, accounting for some 60 per cent of national B2C sales. Furthermore, it says these purchases generate 25 per cent of Swiss Post's parcel volumes. **FM**



FRANCE

LA POSTE said full-year net profit declined 17.7 per cent to 513 million EUR (576 million USD) in 2014, weighed down by a one-time provision and higher income tax. Revenue advanced 2.1 per cent to 22.16 billion EUR, fueled by growth at its GeoPost parcel delivery service.

GERMANY

DEUTSCHE POST DHL will invest 114 million EUR (130 million USD) in a new hub at Brussels Airport. DHL is modernizing its sorting techniques to triple its hourly shipping capacity as international express shipments continue to grow. The new hub will create 200 new jobs by 2020.

ICELAND

ICELAND POST is the latest postal operator to launch a network of parcel lockers across the country, making it more convenient for customers to pick up items purchased online. The lockers, which operate under the Póstbox brand, are located in large cities, as well as petrol stations.

JAPAN

Online retailer **RAKUTAN** is teaming up with **JAPAN POST** to launch a new locker delivery service in April 2015. Yu-Pack parcels will be sent to lockers set up at 30 different sites throughout Tokyo by the Post, including post offices. Clients can choose where they want the item delivered.

INDONESIA

Consumers and businesses in Indonesia will receive goods they order online from **ALIEXPRESS** much quicker thanks to a new partnership formed with **SINGPOST** and **POS INDONESIA**. While shipments from China to Indonesia used to take more than 35 days, they will now arrive within two weeks.

ITALY

DHL's Italian business is adding electric vans from **NISSAN** to its fleet as part of a company-wide program to reduce carbon dioxide emissions. DHL has ordered 50 e-NV200 electric vans, which were launched by Nissan in 2014. DHL will use the vans for deliveries in major cities across Italy.

NETHERLANDS

The city of Delft aims to cut down on large

delivery trucks travelling through its centre thanks to **POSTNL**'s new logistics centre at the edge of town. Packages will be dropped off at the logistics centre, and then delivered via electric vehicles to addresses throughout the centre of Delft.

POSTNL swung to a profit of 226 million EUR (254 million USD) in 2014 from a loss of 170 million EUR a year earlier. Revenue at the Dutch postal operator rose 2 per cent to 4.25 billion EUR. The parcel business should drive 2015 revenue growth, while the mail business will fall.

NORTHERN EUROPE

POSTNORD, the postal operator for Sweden and Denmark, reported a 42-per-cent drop in net income to 176 million SEK (20.9 million USD) in 2014 amid restructuring and other charges. Revenue rose 1 per cent to 39.95 billion SEK. The firm could cut up to 800 more jobs.

ROMANIA

ROMANIAN POST has equipped its vehicle fleet with GPS technology, the state-owned company announced in January. The investment cost 400,000 EUR (455,441 USD) and is part of its plan to modernize operations. The move should help trim costs related to fuel, vehicle maintenance and driver overtime.

SINGAPORE

Growth remains on track at **SINGPOST**, which reported a 7.3 per cent increase in net income to 42.2 million SGD (31.1 million USD) in the fiscal third quarter ended December 31. Revenue rose 7.6 per cent to 239.6 million SGD.

SINGPOST is further expanding its logistics business through the purchase of a 90-per-cent stake in New Zealand's **FAMOUS PACIFIC SHIPPING (NZ) LIMITED**. The purchase gives SingPost a foothold in New Zealand. Famous Pacific provides air and sea freight forwarding services, and is present in seven countries.

UNITED KINGDOM

PARCELFORCE WORLDWIDE is expanding its e-commerce services. The new *Parcelforce Select* service lets online retailers offer more delivery options for clients. If clients know they will be out, they can request that an item be

left in a certain place on their property or with a neighbour.

ROYAL MAIL has unveiled a new shipping solution for **EBAY** sellers. With *Click & Drop*, eBay sellers can buy and print a postage label with one click instead of manually entering the address for each package. eBay sellers can use **PAYPAL**, debit or credit cards to pay.

UNITED STATES

Higher operating expenses wiped out revenue gains in the fiscal 2015 first quarter, leading the **UNITED STATES POSTAL SERVICE** (USPS) to post another loss. The loss widened to 754 million USD in the quarter ended Dec. 31, 2014 compared with a loss of 354 million USD a year earlier.

As letter volumes shrink, USPS aims to generate new revenue by raising international shipping rates. USPS wants to raise rates by 6.8 per cent for Priority Mail International and by 6.7 per cent for Priority Mail Express. Rates remain unchanged for domestic Priority Mail and Priority Mail Express.

FEDEX closed its acquisition of **GENCO DISTRIBUTION SYSTEM INC.** in January, expanding its logistics business. Genco is among North America's largest logistics providers, processing more than 600 million items each year that are returned from well-known brands. It employs more than 11,000 people at some 130 sites.

Faced with swelling expenses during the Thanksgiving/Christmas shopping season, **UPS** will introduce peak-period surcharges. UPS delivered 1.3 billion packages in the fourth quarter of 2014, an 8.1-per-cent gain from a year ago. Net income in the period fell 61 per cent to 453 million USD.

ASENDIA USA, a joint venture between **SWISS POST** and France's **GROUPE LA POSTE**, unveiled a new partnership with **SHIPSTATION** in January. The latter provides shipping software that lets online retailers better manage, process and ship orders. Asendia said clients would be able to ship packages faster thanks to the partnership.

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