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Harnessing e-Commerce Growth

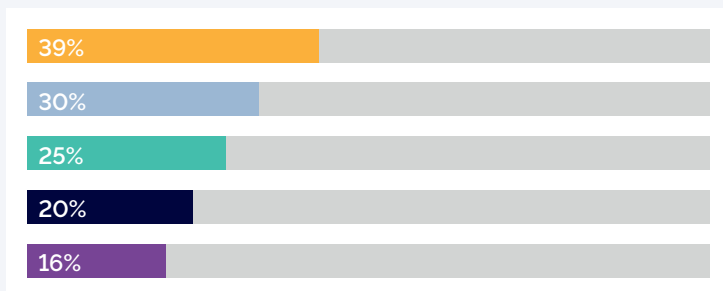## Posts plan to manage explosive growth in parcel volumes

The **2020 Future of Posts Report** survey showed the expectation of continued exponential growth in global e-commerce activity. Even more Posts this year have a project in mind to handle the future increase in postal volume.

These plans include increased automation, reorganization and strategizing, outsourcing, investing in facilities and staff, adding new services, and making last-mile investments.

Plans for handling the increase in e-commerce postal volumes
Percentage of postal operators

- Increased automation — **39%**
- Reorganization and new strategies — **30%**
- Increased handling capacity and staff — **25%**
- New services — **20%**
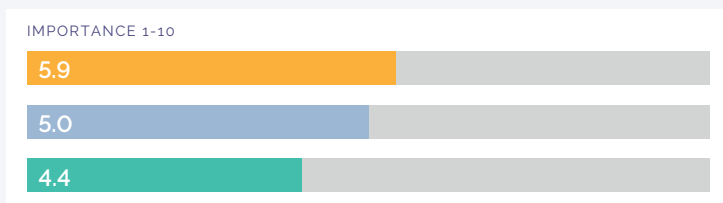- Last mile investment — **16%**

Going the last mile

In terms of logistics, Posts overwhelmingly perceive last-mile parcel delivery as the most important logistical part of e-commerce, while first-mile processing is considered least important.

Importance of e-commerce logistics initiatives
Average importance scores from postal operators

IMPORTANCE 1-10

- Last-mile parcel delivery — **5.9**
- APIs between core systems & e-commerce sites — **5.0**
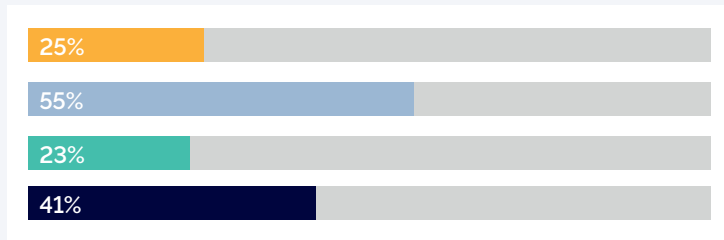- First-mile processing — **4.4**

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One surprising finding from the 2020 survey is that 41% of Posts do not have any new reverse logistics projects planned, and none of the respondents this year ranked reverse logistics as a top-investment priority. In fact, it was ranked last in overall importance.

Plans for new reverse logistics projects

Percentage of postal operators

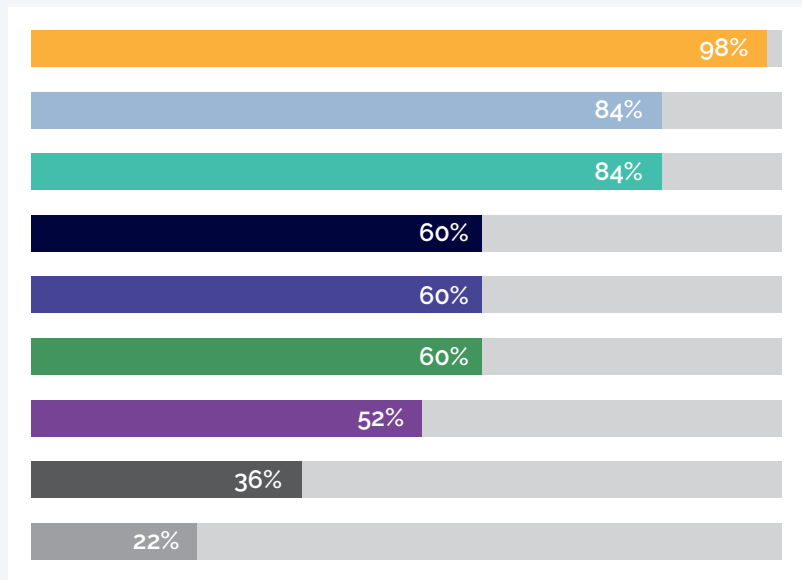|	
🟧 Within 12 months	25%
🟦 1 - 3 years	55%
🟩 3+ years	23%
⬛ No projects planned	41%

PUDO and cross-border solutions

Not surprisingly, 52% of Posts count PUDO solutions, which enlist third-party partners to expand Posts' reach, availability, and offerings, as one of their current POS channels. Another 48% of Posts are planning to add PUDO over the next five years.

Current usage of Point of Service channels

Percentage of postal operators

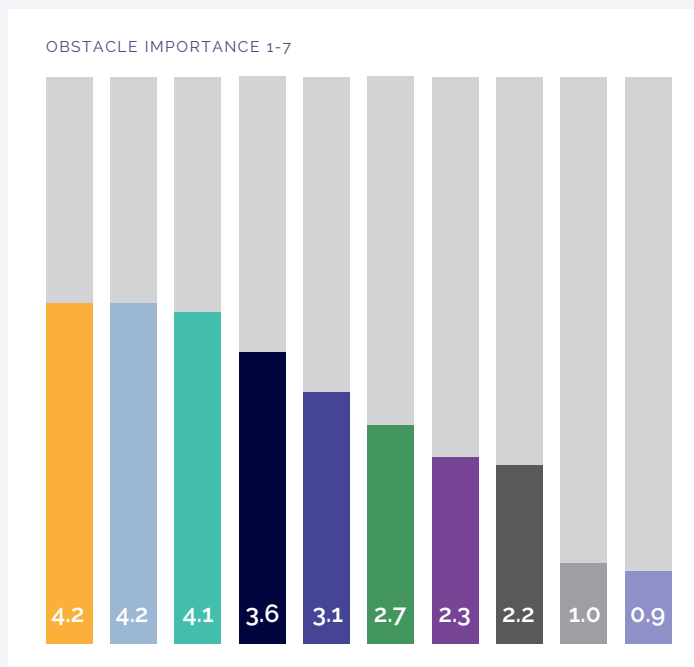|	
🟧 Post office counters	98%
🟦 3rd party agency/franchises	84%
🟩 Delivery staff	84%
⬛ Self-service kiosks (SSKs)	60%
🟪 Online store	60%
🟩 Mobile apps	60%
🟪 Pick up drop off (PUDO)	52%
⬛ New retail POS systems	36%
⬜ In-store mPOS	22%

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In addition, Posts will need to prepare for similar growth in international shipments, possibly by implementing a Taxes Duties & Compliance solution that ensures positive customer experience.

Main obstacles to cross-border e-commerce growth

Average importance scores from postal operators

- 🟧 Real-time tax and duty estimation
- 🟦 Cost transparency
- 🟩 Transit times
- ⬛ Documentation difficulties
- 🟪 Compliancy risks
- 🟩 Product restriction screening
- 🟪 Product classification
- ⬛ Solutions for cross-border product repair
- ⬜ Denied parties screening
- 🟪 Risk reduction

OBSTACLE IMPORTANCE 1-7

| 4.2 | 4.2 | 4.1 | 3.6 | 3.1 | 2.7 | 2.3 | 2.2 | 1.0 | 0.9 |

Download the *full* 19-page
Future of Posts 2020 report to learn more.

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The Future of Posts
GROWTH
STRATEGIES
FOR 2020
AND BEYOND

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Escher is transforming courier and postal operations worldwide, enabling posts to engage today's digitally savvy customers across all points of engagement. With Escher's unique, purpose-built customer engagement platform, posts drive superior customer experience, with greater speed and better economics.

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