

Getting the basics right: Modernizing postal services for the e-commerce era

At the 28th Universal Postal Congress in Dubai, the Universal Postal Union's 192 member countries will take key decisions to strengthen the global postal network and better serve cross-border e-commerce customers. The UPU is presenting three integrated plans that together modernize products, remuneration, and service quality across its global network:

- Integrated Product Plan (IPP)
- Integrated Remuneration Plan (IRP)
- Integrated Quality of Service Plan (IQP)

Together, these plans provide a unified roadmap to keep postal services affordable, reliable, and customer-centric in an increasingly digital economy. By doing so, they also enhance the sustainability of the postal network's universal service.

Why this matters:

- International mail flows are shifting from documents to goods.
- Lightweight e-commerce packets are giving way to heavier items which are more difficult and more expensive to handle.
- E-sellers are turning to alternative delivery models and partners that provide visibility, flexibility and affordability that their customers expect.
- Declining volumes challenge the sustainability of universal postal services.

Integrated Product Plan (IPP): Fit-for-purpose postal products

The IPP reimagines the UPU's postal product portfolio to better respond to changing market conditions and serve today's e-commerce customers. The 2026-2029 IPP will:

- **Finalize the transition to content-based classification:** All Postal products will be categorized by documents or goods to reflect the changing composition of international postal flows. This makes handling and security checks more efficient.
- **Focus on customers and e-commerce requirements:** Products are designed to meet the needs of e-sellers and their buyers who demand visibility, convenience, delivered duty paid, easy returns, and control over how their items are delivered (home, office, lockers, neighbour, communal post boxes etc.).
- **Focus on service improvements and compliance in service features:** Products are designed in compliance with supply chain requirements and are based on a menu-driven approach so customers get a range of service levels and optional features.
- **Leverage technology and digitalization:** Incorporates the use of smart digital technologies and big data in the design and operational processing of postal services to enhance product appeal, customer experience, and operational efficiency.
- **Consider environmental sustainability in the provision of postal services:** Integrate sustainable practices into physical postal services (eco-friendly packaging, recycling, energy-efficient transportation, waste reduction, etc.) to build customer loyalty, strengthen brand value, and secure long-term market advantage.
- **Ensure progressive implementation of product changes:** Supports the gradual implementation of the changes to product design, features, and specifications, allowing capacity and operational fine tuning to ensure full adoption by all UPU members.

Integrated Remuneration Plan (IRP): Fair and sustainable postal remuneration

The IRP and its associated Integrated Remuneration System (IRS) modernize how designated operators pay one another for the handling and delivery of international items. The IRS proposed for 2026-2030 creates a fairer, more transparent, and sustainable system adjusted to the actual costs of mail handling, keeping universal postal services affordable, while strengthening the postal sector's competitiveness in global e-commerce.

Key reforms:

- **Integration:** Responding to a longstanding commitment to a country-specific remuneration system for letters and small packets, the transition of the remaining group of countries to the target remuneration system will be completed by 2027.
- **Accuracy:** accurate and fair compensation through:
 - o **Content-based remuneration:** Documents and goods will be separated and apply rates specific to the contents of the items, thereby ensuring their remuneration reflects their actual handling and delivery costs.
 - o **Per-item remuneration:** Significant steps are proposed to further move away from bulk weight-based averages to more accurate, item-based costing for small packets, which are typically used to transport e-commerce goods.
- **Modernization:** Postal operators will gradually be able to self-declare rates for incoming parcels based on their domestic tariffs for equivalent services – similar to the approach to small packets rates.
- **Driving quality of service:** Reliable, timely delivery of parcels will be incentivized by linking delivery performance to remuneration, as is already the case for letters and small packets.
- **Alignment and coherence:** All items containing goods will be remunerated based on a methodology linked to member countries' domestic service rates.
- **Inclusion:** Ensures affordability and fair access for all members, including those with low international flows or that have set domestic reference tariffs low for social reasons.

Integrated Quality of Service Plan (IQP): Raising service standards

The IQP is the first comprehensive plan to enhance postal quality of service globally, especially for e-commerce deliveries. By modernizing quality measurement and improvement tools, the IQP enhances customer trust, improves reliability in delivery times, and strengthens the competitiveness of the global postal network.

Key elements:

- **Harmonized quality measurement and reporting:** A unified system to assess reliability across all goods-containing items.
- **More tracking events:** Mandatory increase in scans, providing customers with full visibility throughout the end-to-end supply chain.
- **Performance-linked incentives:** New service attributes tie operator remuneration to service quality and predictability.
- **Continuous improvement:** The Integrated Quality of Service Management Methodology (IQMM) offers member countries and their postal operators a process for identifying weaknesses, implementing solutions, and monitoring improvement.
- **Certification:** Postal operators will be ranked via KPI-based quality scores, feeding into the UPU's global postal development index (2IPD) and its awards system.

A Unified Roadmap

Taken together, the IPP, IRP, and IQP deliver on the UPU's goal of getting the basics right by:

- Offering modern, flexible products aligned with customer needs.
- Ensuring fair, sustainable remuneration that reflects real costs.
- Raising quality standards to meet the demands of global e-commerce.

These reforms ensure that the UPU's international postal network continues to provide reliable, affordable, and universal services – just as it has for over 150 years – while equipping it for the digital and e-commerce age.