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UNION POSTALE



Universal Postal Union,
a specialized agency
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DECEMBER 2013 / N°4

EDI messages help
human development

New stats
bring good news

Tracking the traces of postal big data



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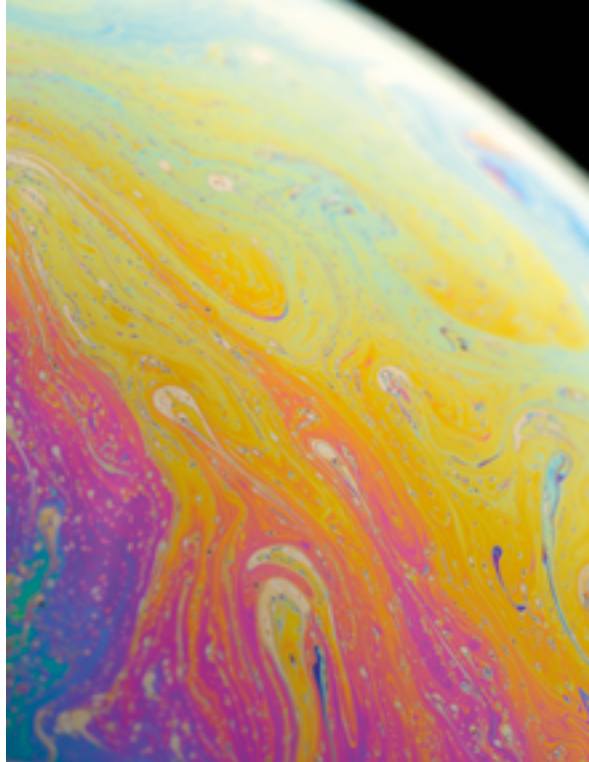
The postal community's dedicated top-level domain name opens up a unique, secure internet space for innovative postal applications to enable cross-border business.



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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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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

7.48

million CHF

was the total approved by the Quality of Service Fund's trustees in 2013 to finance projects in 31 countries.

WORLD POST DAY

Celebrations hit high and UN joins in



Yemeni postal staff took to the streets to mark the UPU's birth (Photo: Yemen Post)

World Post Day on 9 October 2013 was observed by more than 100 countries. Many Posts used the day to congratulate winners of the national heats for the UPU letter-writing competition. Others, such as Dominican Republic and Zimbabwe, took to the streets in processions. Postal employees were also honoured for their long service or competence on the job in a number of countries, including

Burundi, where they received mobile phones, and Bulgaria.

In some countries, the focus was on the clientele. In Rwanda, customers were given flowers, while in Pakistan, the Post took the opportunity to run customer-satisfaction surveys. El Salvador Post unveiled a new track and trace service for business mail, while Suriname's Surpost offered the first 10 customers the chance to

mail a parcel to the Netherlands free of charge. Schoolchildren were also invited into mail processing facilities and post offices, such as in Greece and Anguilla.

Bishar A. Hussein, the UPU director general, reminded all of the Posts' importance in making cross-border commerce easier and the business's inclusive nature in his annual message. For the first time, Ban Ki-moon, the UN secretary-general, published a video message on postal services, heralding the role Posts everywhere play in helping people communicate. Ban also underlined the postal network's importance to trade facilitation. **FM**



SLIDESHOW OF WORLD POST DAY HIGHLIGHTS

<http://news.upu.int/multimedia/slideshows/world-post-day-2013>

BAN KI-MOON'S VIDEO MESSAGE

<http://tiny.cc/ban-ki-moon>

BISHAR A. HUSSEIN'S 2013 MESSAGE

<http://www.upu.int/en/the-upu/world-post-day/2013-message-from-the-dg.html>

World wakes up to UPU big data

For almost 140 years, the UPU has been collecting data on global postal exchanges. For almost as long, there appeared to be little external interest in this veritable goldmine but this has recently changed irrevocably. The UPU is now turning heads as the realization dawns on the outside world that the Union may hold the planet's largest physical data set on a sector.

The public postal sector has been called a sleeping beauty but what if it were actually potential suitors, who had been asleep until now and have only just woken up to the charms of the real-time data the UPU holds?

One eligible suitor is the UN Global Pulse, an initiative to analyze big data to further human development. I met its chief of research, Miguel Luengo-Oroz, during his recent trip to Berne to find out why the UPU is seen as a suitable partner for this young and cutting-edge initiative from the office of the UN secretary general himself, Ban Ki-moon. Luengo-Oroz's enthusiasm for his work is infectious. Through the interview with him, you will discover why the UPU is excited about the Global Pulse's proposal.

Match made in heaven

This issue's love affair with data continues with the cover story, which focuses on an innovation anchored in UPU data, developed by the Postal Technology Centre, its technical arm. Global Track and Trace is enabling postal operators to offer customers the chance to follow their mail items online as the latter travels across borders to the final destination. Offered as an added-value service to postal operators, the tool costs nothing for Posts to embed on their websites and is free for customers to use.

But that's not all on the data front. Every year, the UPU collects statistics from its member countries on postal services. The results for 2012 are revealed in this issue, where some surprises are unveiled. Letter post still accounts for almost half of postal revenues, despite its downward spiral and the increase of income from other activities.

The Hungarian Post also shares its experience of diversifying the business on its home market. There is also elucidation on why a UPU standard for addresses known as S42 is garnering more adherents. And the results from the magazine's readership survey are finally available – thanks to all readers for showing us that we are on the right path and which pitfalls to avoid.

FARYAL MIRZA, EDITOR-IN-CHIEF

STRATEGY CONFERENCE 2014

Côte d'Ivoire to host meeting

Abidjan, Côte d'Ivoire's economic capital, will host the UPU Strategy Conference on 14 – 15 October 2014 after the Council of Administration (CA) formally accepted the Ivorian government's invitation to do so.

Bruno Koné, the Ivorian minister of post and information and communication technologies, was in Berne to thank member countries. "We are very happy with this decision to gather the global postal community in our country," said Koné.

UPU Director General Bishar A. Hussein welcomed the CA's decision. "Côte d'Ivoire has expressed its

commitment to organizing a successful Strategy Conference and we are looking forward to meeting there to discuss the future of postal services," he said.

The conference is held midway between the meetings of Congress, the highest forum of the Union, to take stock of the current world postal strategy. Member countries adopted the latest strategy last year in Qatar that serves as the postal sector's roadmap for 2013–16.

A delegation from the UPU International Bureau, led by Deputy Director General Pascal Clivaz, trav-

elled to Abidjan in 2013 to confirm that the country met the conditions for organizing and hosting the conference.

Ten years after being unable to welcome the 2004 Universal Postal Congress to Abidjan because of civil unrest, the country is thrilled at the opportunity to host a UPU summit. "Côte d'Ivoire has definitively turned the page on the crisis that pulled it out of the international arena for a full decade," Koné said. "Organizing an event of this scale will, undoubtedly, help erase the vestiges of that crisis," he added. **RL**

Special sessions mark CA 2013

The recent sessions of the Council of Administration (CA) and Postal Operations Council (POC) signed off on a number of key initiatives that will push forward the work under the world postal strategy for 2013-16. The POC met for the first time for an extraordinary session shortly before the CA gathered. "The most important achievement was that the decision-making cycle became swifter than before," said Japan's Masahiko Metoki, the POC chair.

Charged agenda

Some 50 proposals to amend UPU regulations on letter and parcel post were examined and adopted and the composition and work plan of the new POC group on micro, small and medium-sized enterprises business development was approved. The latter paves the way for an increased focus on trade facilitation for such enterprises through the postal network and enabled the new group to start work six months earlier than planned. "This plenary style was the first time for everyone involved, requiring careful coordination and preparation," said Metoki.

Regarding quality of service, the POC agreed to the conducting of a pilot project using radio-frequency identification technology on unregistered small packets. Five countries volunteered to take part. The .post group provided an update on its activities and revealed that two new associate members had joined: the Latin American association of private postal operators, ALACOPP, and the International Hybrid Mail Coalition.

Future

Looking ahead to the next POC session, Metoki emphasized that improved communications were on the cards. "Communicating actively with the CA will reduce the duplication of work among POC committees," Metoki said. He added that dialogue with the restricted unions would dwell on the current POC work plan and the two fora on e-commerce and postal financial services planned for 2014.

Strategy

During the CA, the strategy discussions covered the evaluation of achievements under the world postal strategy and refining the indicators set at Congress. Efforts to boost regional cooperation in the field took place with the first official meeting with the restricted unions. Some 17 restricted unions attended, expressing a strong desire to work more closely with each other and the UPU.

Tracks were laid for finding sources of funding for the regional development plans and collective postal financial services trademark. Plans to set up a carbon-offset fund were also announced, with 10 countries agreeing to set up a special foundation outside the UPU. The CA chair, Abdul Rahman Ali Al-Aqaily, was generally pleased with the progress achieved. "I noted a substantial convergence of views from the member countries," he said. **FM**



VISUAL PANORAMA OF 2013 HIGHLIGHTS PRESENTED AT THE CA

www.youtube.com/watch?v=IDjI9OWDjl0&feature=youtu.be

EMERGENCY AND SOLIDARITY FUND

PhilPost looks to UPU for help

The Philippine Post is appealing to UPU member countries to contribute to the Union's Emergency and Solidarity Fund to help it quickly re-establish postal services cut off by Typhoon Haiyan. "The Post has suffered major damage: we are asking for the UPU's financial support to rebuild our postal infrastructure," says Mama S. Lalanto, PhilPost's assistant postmaster general for operations.

The postal operator is gradually compiling an inventory of damage in South Luzon and Central, Eastern and Western Visayas, originally home to 192 postal facilities. Initial estimates place the costs of property

damage at 500,000 USD. "The UPU plans to concentrate its efforts on rebuilding the main post office in Tacloban, a city that was hit very hard and was the transportation hub in the region before the disaster," says Abdel Ilah Bousseta, UPU director of development cooperation. Donations will be used to rebuild the post office and to buy postal vehicles.

Postal solidarity

Some Posts have already provided direct assistance. Three days after the typhoon, Deutsche Post DHL's emergency response team was on the ground. It has set up a depot at

Mactan Cebu Airport to facilitate the distribution of goods and supplies to victims.

The United States Postal Service has sent four satellite phones to the region so that postal employees in devastated areas can communicate with the capital, Manila. A team of postal workers from Manila has travelled to the areas of Iloilo, Capiz, Antique and Aklan with basic supplies for the 600 postal workers in the regions affected.

According to the latest official figures, the death toll from Typhoon Haiyan has reached 5,632. Damage to crops and infrastructure is estimated at nearly 700 million USD. **JD**

ADDRESSING

Five new countries get certified

Belgium, China, Tanzania, the Czech Republic and Belarus have joined 29 other countries that have become compliant with S42, a UPU standard that enables large mailers to generate accurately-formatted addresses for mail items.

S42 includes a break-down of postal address components as defined by the UPU along with country-specific templates. The latter serve as instructions on how to combine those components into properly-formatted addresses. They help mailers generate accurately formatted addresses when, for example, a company is printing invoices for cross-border customers. The mailer benefits from a better service, while the postal operator stands to reduce the time cost of work done by employees, who deal individually with badly addressed mail in processing centres.

High efficiency

The Chinese postal operator conducted extensive tests to create a China-specific address template that was finalized in 2011. "Standardized addresses are better for sorting machines, resulting in higher efficiency and shortens the total delivery time, which is always welcomed by Posts," says Rui Fan from China Post Group's division of postal standardization. "By embracing standardized addresses, Posts could save significant amounts of resources and time in human-aided mail processing, especially for international mail," says Fan.

For the Tanzania Communications Regulatory Authority (TCRA), the implementation of S42 is part of a larger effort to foster economic growth with a solid address network throughout the country. That project involves not only the Post but also national and local government authorities and private couriers, according to Rehema Makuburi,



Belgian addresses are now S42-compliant (Photo: Graham Richter)

TCRA director of postal affairs. "Address networks are infrastructures that facilitate the process of doing business and, consequently, the Post will increase its contribution to the country's economic development [through compliance with the S42 standard]," says Makuburi.

Encouraging the use of standardized addresses is also expected to speed up delivery times, minimize the volume of undeliverable mail and reduce the time consumed processing mail with an ambiguous address, she adds.

Advantages

This expectation of better service is frequently cited as an advantage of standardization. Since automated sorting processes are becoming increasingly important to postal operations, addresses must be machine-readable without misinterpretation, says Pascal Desmarets, an information technology specialist at bpost, the Belgian operator. The development of S42 by the UPU prompted the Post to formalize the national address system. "We had no published standard on where the house number should be positioned, in front or behind the street name until recently," says Desmarets.

It is hard to estimate how much revenue is lost by the Belgian Post annually due to incorrect addressing, says Desmarets. But he expects that standardization will generate savings if the use of S42 templates becomes widely adopted. To promote the practice of properly formatted addresses, the Post now offers a free web-based service that generates S42-compliant addresses for Belgian locations based on user-submitted data. And Desmarets adds that the cost of developing the new addressing standard for Belgium as a drop in the ocean when compared to the high price-tag for developing an algorithm for the address-reading technology that could better handle variations in address format.

Future hopes

Desmarets hopes that major mailers, including high-tech firms, will integrate S42 templates into their business software, making the practice of correct addressing more widespread. "That should be the long-term vision," he says. "The beauty of standards is that the more people adopt them, the more useful they become." **DK**



Customer tool is right on track

TEXT:
CATHERINE
MCLEAN

PHOTOS:
MARK
JOHNSON

A little more than a year ago, certain Posts could only offer their customers the option of tracking mail delivery within their own country. Today, a tool developed by the UPU and hosted on the .post platform is helping many Posts to offer a tracking service for mail items crossing borders.

Before the Barbados Postal Service introduced a tool called Global Track and Trace (GTT) to their website in late 2012, customers could only track the delivery of items sent to other countries through tools on the websites of other postal operators. That changed thanks to a little help from the Universal Postal Union. The UPU unveiled GTT at the Doha Congress in October 2012. This application proved that an online international item-tracking service for customers could be part of every Post's offerings. Some postal operators could now play technological catch-up with more advanced counterparts at little cost and strike a blow for customer service at the same time.

At the Barbadian Post, with the GTT tool directly embedded into its website, customers can now track the progress of their items to a wider number of countries, especially within the Caribbean region. "We are pleased to be associated with this initiative since it has enabled us to improve the quality of service to our customers without incurring additional costs," says Postal Superintendent Stephen Clarke. "When we adopted the system, it widened the range of tracking capabilities for our customers, thereby providing them with a better quality of service," he adds. Furthermore, the initiative has enabled the Post to better gauge customer behaviour. "More customers now call and indicate that they have already checked the status of their items on our website. As a consequence, we have reviewed and tweaked our

operational pipeline so as to achieve speedier processing and delivery," says Clarke.

Open access

While some large Posts may have already developed their own online international tracking tools, the UPU knew that many other postal operators did not have such a system at their fingertips. Such tools are vital components of customer service, empowering clients to follow the delivery of mail items on the internet, receiving updates about delays and delivery confirmation. Against this backdrop, GTT aims to enable Posts to keep customers in the loop.

The service is offered free of charge to postal operators and is simple to integrate onto a public website. Postal operators need only to introduce a line of code to install the tool on their websites. Technically, the service is currently available for parcels, registered mail and express mail services, better known as EMS. "There is no subscription charges and no costs for running the service as it is financed by the UPU," says Silviu Lita, a software architect with the UPU's technical arm, the Postal Technology Centre.

The concept has enormous potential for helping postal operators vastly improve customer service. The data serving the interface is taken from the UPU Post*Net network, which most designated postal operators use to exchange electronic data interchange (EDI) messages,





tracking the progress of international deliveries. "When we realized we already had the data, we thought that we should try to make use of it," says Lita. This data is only used for GTT purposes when its postal owner has given express permission to the UPU to do so, underlines Lita.

The UPU is only too aware that the barriers for certain Posts to create their own track and trace systems are high. "It is not easy to build a track and trace system," Lita explains. "You need the data to be stored locally in the country, an IT system that manages the data and finally, it requires technical expertise, such as a development team, that integrates all of these elements together," he adds.

From the customer's perspective, the service is both free and easy to use. At the time of posting a qualifying item, they are given a copy of the barcode number that is attached to their mail. All they have to do is to enter this number into the GTT tool on a participating Post's website. At the time of posting, staff scan the barcode, recording a series of events in that postal operator's IT system. The information is then forwarded via EDI to the country of destination. The item is then scanned several times as it makes its way to its final point of delivery, with the information sent in EDI messages and stored in the GTT database. These updates are what the customer sees when they enter their code into GTT.

Good take-up

As news of GTT spreads, the option of offering such a customer service has resonated well. So far, 153 designated operators have signed up to share their data on GTT. There have been more than 550,000 visitors to GTT this year alone, with the highest numbers coming from Lithuania, South Africa, United States, United Kingdom, Japan, Kenya, Cambodia, China and Germany. During the past year, a number of designated operators across the world have integrated GTT into their websites. They include Lithuania, South Africa, Cambodia, Kenya, Barbados, Saint Lucia, Paraguay, Tonga, Namibia, Jamaica and Bhutan.

LibanPost began offering customers the chance to track international mail through their website at the start of 2013. Prior to that, customers could only track the delivery of their packages within Lebanon offline. If clients required information about the delivery status of an item, they would need to submit an official inquiry, sometimes waiting weeks for a reply, according to Manale Azar, LibanPost's international affairs manager.



GLOBAL TRACK AND TRACE

<http://globaltracktrace.ptc.post>

Today, it's a different story. "Since tracking information at a global level is now available, this results in a more credible service and boosts confidence in the postal system," says Azar.

The new service has boosted the quality of customer service for participating postal operators around the world, a crucial improvement as they compete for business in an increasingly competitive environment. "Customers are satisfied as they need to ensure that their items are delivered properly and arrive at the destination," Azar adds.

Some Posts are especially convinced of GTT's benefits. Lithuania Post is currently switching to GTT from its existing system because the former is cheaper and easier to maintain. "It's a great idea," says Andrej Oresko, a specialist at its postal operations department. "As far as the GTT website is concerned, the information is there for the customer and it is simple to use," he adds.

However, it is crucial to have as many countries as possible participating in GTT for it to be an effective customer service tool, says Oresko. To improve this state of affairs, he suggests a radical solution. "It should be obligatory for all designated operators to provide the data," Oresko says. "This would ensure that everything is really working in a proper manner. You are giving and you are getting. It's a win-win situation."

Improvements

As GTT marks its first anniversary, the UPU is aware that it is a work in progress. "We still need all Posts to agree to share their data to provide a full worldwide service to customers," says Lita. While 153 operators have permitted the UPU to use their POST*Net data to feed GTT, another 76 have yet to participate. This means that, for now, customers can only use GTT to track the delivery of items to participating countries only. Those sending items to non-participating postal operators are redirected to their individual websites when using GTT.

The UPU has already planned to carry out important improvements to the application in 2014, based on operator feedback. Among them is a longer data storage time as records are currently only kept for five days after delivery. Another is the ability to search for more than one mail item at a time to help bulk mailers track their items, as well as the ability to retrieve information from the GTT system via a web service.

As the project gathers momentum and improves functionality, postal operators are encouraged to step up to the plate and participate. And customers already benefitting from GTT in some shape and form can look ahead to a much improved service in 2014. **CM**

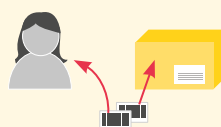
Catherine McLean is a freelance journalist.

HOW IT WORKS

Tracking a parcel from South Africa to Brazil



The customer in South Africa (*Precious*) goes to the post to send a little parcel to her friend in Brazil (*Mario*).



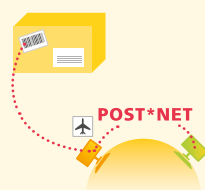
At the postal counter, the clerk sticks an S10 standard international barcode on the parcel and gives the customer a copy.



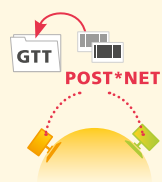
The barcode is scanned and the event "A-item posted" is recorded in the local IT system of South Africa.



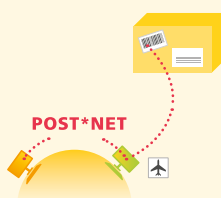
The system then sends the information through EDI (Electronic Data Interchange) on the UPU's POST*Net to Brazil.



When the parcel arrives at the outward office of exchange in the airport, the event "C-departure from outward office of exchange" is scanned and recorded in the local IT system, then sent to Brazil via EDI.



The EDI information travels from origin to destination via the UPU and a copy of it is stored in the Global Track and Trace database.



When the parcel arrives in Brazil, it is scanned at the office of exchange in the airport. The event "D-item arrived at inward office of exchange" is recorded in the local IT system of Brazil then sent via EDI to South Africa.



Finally, Mario receives the parcel and may be required to sign for it. The local system in Brazil records the event "I-item delivered", which is sent to South Africa via EDI.





Postal big data holds key to global development

TEXT:
FARYAL
MIRZA

PHOTOS:
JOSÉ
MIGUEL
MÉNDEZ /
QUÉ
PASA
MAGAZINE

Every day, humans interact with mobile phones, the internet or access digital services, leaving behind a gigantic digital footprint. What if elements from these large volumes and varieties of data could be analyzed and the results used to help public policy-making and shape the development agenda? This is the mandate of the United Nations Global Pulse, an initiative from the UN Secretary General's Office. The UPU is set to join the initiative, whose mission is to harness innovation to protect the vulnerable. Miguel Luengo-Oroz, Global Pulse's chief of research, was recently in Berne to provide a snapshot of their intentions.

Union Postale: What is big data for development?

Miguel Luengo-Oroz: Big data refers to the massive amount of data produced as people go about their daily lives. Whenever we make a phone call, send a letter or buy something, we leave behind data footprints all the time. Taken together, millions of transactions can reveal larger trends. While all this data is out there, it is not generally analyzed or used to make data-driven decisions by governments and international organizations.

We take for granted that the private sector is taking fast decisions as it knows what customers are doing, what they are buying and selling. The private sector use this information to optimize its operations. In our case, we want public policy-makers to benefit from the same kinds of data inputs for international development, to gain early warning of global shocks, real-time awareness of people's

well-being and feedback on whether aid and development programmes are working. Specific insights might be anything from identifying real-time price spikes in staple foodstuffs before official statistics become available to mapping regional poverty levels by analyzing mobile phone traffic to understanding populations movement patterns following a natural disaster to help improve the distribution of emergency resources.

Why has this topic caught the attention of Ban Ki-moon, the UN secretary-general?

The Global Pulse initiative resulted from the global economic crisis of 2008-9 when countries realized that they had lost in a few months what it had taken years to build in terms of development. In response to a request from a G20 meeting, the UN secretary-general's executive office created



the Global Pulse in late 2009 with the idea of enhancing the international community's capacity to use real-time information to inform policy-making and thus better protect populations from emerging vulnerabilities.

People use digital services for their needs; when these needs change, so do their use. But how can we learn to analyze digital data in the public-policy context? By creating a space where people can innovate and test new things. At Global Pulse, we bring UN agencies and member states together with academic experts, private-sector companies and other actors to work on joint innovation projects and research. We do this through our network of innovation labs in New York, United States, and Jakarta, Indonesia. By the end of the year, we will open another Pulse Lab in Kampala, Uganda.

More recently, the UN's High Level Panel, formed by Secretary-General Ban Ki-moon, published their report on the Post-2015 Development Agenda, which called for a data revolution to underpin the need for new sources of data, and real-time feedback on development.

What kind of data is the Global Pulse interested in?
We are advocating that big data is a public good and are broadly interested in two types of data. First,

information which is available publicly online, for instance from social media. It's the digital footprint of what people or organizations publish themselves. We never look at private or confidential information.

Second, there are other types of digital footprints that are usually in the hands of the private sector, for instance, mobile-phone traffic data. We are not interested in the content of conversations but patterns of communication. After a natural catastrophe, you can see how the population migrates by tracking the number of phone numbers that are moving from one place to another. Such information may help to improve the allocation of resources after disaster strikes. Postal data would also fall into this category.

How can the private sector be persuaded to share its data with the initiative?

With the right level of aggregation and anonymity applied to the data, you can protect the right to privacy of individuals and make the case for companies to share their data as a public good. Take again the example of natural disasters. The data from mobile-phone use can provide guidance on where to install shelters, which, in turn, saves the lives of customers. So, there is good reason to share data.

Opportunities for big postal data

More than 100 billion records are available from the main source of big postal data in the shape of electronic data interchange (EDI) messages on POST*Net, which is managed by the UPU's Postal Technology Centre. EDI messages are also exchanged by designated operators with supply-chain partners, such as airlines and customs.

Annually, international postal exchanges generate more than 2 billion events, which are captured in real time. Each event can contain from 20-100 records as separate pieces of information, such as the weight of postal item or dispatch, country code, city name, postcode, time and so on. By extrapolating this figure for international postal exchanges to all postal exchanges, a figure as large as 10 trillion records or more can be estimated for the whole sector, including domestic postal exchanges.

Real time

The most powerful uses of big postal data are to be found in real-time high-frequency analysis, now-casting and forecasting. A number of critical elements, yet to be developed, could feed a global dashboard on international postal exchanges. These include:

- Testing, in real time, of the impact of quality improvement as well as new product and services features (e.g. return services), or a number of integrated solutions (e.g. controlled experiments);
- Estimating intra- and interregional mail flows, monitoring them in real time, forecasting them, finding key bottlenecks in international postal routes and corridors, searching for untapped corridors and identifying critical barriers to international postal exchanges and their impact over time by continuously analyzing millions, or even billions, of data points; and
- Cooperation and development policy evaluations.

Why is the UN Global Pulse interested in data from the postal world?

In discussions with the UPU's postal economics team, we discovered that the UPU has the biggest harmonized physical data that is real time in the world. These are footprints of what global populations are doing. So far, the data has been exploited only for postal operational reasons. But one could find patterns in postal flows, which are real-time proxy indicators of socio-economic behaviour. We believe that there is potential for global development policy-makers to use this information, if we can get anonymous access to the data.

Particularly in countries where there is a digital divide, postal data could fill the gap. In countries where mobile-phone ownership and internet penetration rates are low, people are still creating digital footprints through interactions with the postal system and the idea of this as a proxy is very promising.

What factors need to be in place for this collaboration to be a success?

We need several players at the table. Once the UPU joins Global Pulse, we will bring to the table expertise in big-data analytics with resources and broker connections with other UN agencies and relevant stakeholders.

But the most important element is the participation of UPU member states, that they give their approval to share data for a pilot project. Once we have found a safe way to share small samples of data for research, we will start working to find correlations and proxy indicators by matching the postal data against information like gross domestic product.

What is your key message to our member countries?

They have huge assets in their countries and can be at the forefront of innovation by collaborating on pilot projects with Global Pulse and the UPU. Any country can be part of this, and that is one of the great things about the UPU – postal data is generated by all countries. That means that any country that decides to participate can be a leader in the new frontier of big data for development. Join us!

As a data scientist, what kind of recent examples really stand out of where such data was used for the public good?

IBM researchers recently demonstrated how to optimize public transport in an African city by matching bus routes to traffic from mobile phones. Not only could they see exactly how long it took to go from A to B, but, more interestingly, through simulations, they could propose new routes that would result in

"More than 100 billion records are contained in data held by the UPU."

passengers spending 10 per cent less time in transit. This shows that it is possible to optimize public services by analysing data that is not generated for that purpose.

And indeed, if this approach works for data from mobile phones, it might also be applied to postal data.

When did your passion for big data actually begin?

My passion started a long time ago but it was always about data and patterns in different sectors. Personally, I haven't had a very straightforward, normal career so I call myself an "anti-disciplinary" scientist. I have worked in cognitive science, using data analysis applied to cognitive science, neuroscience, automatic writing and genetics. I wrote my PhD in biomedical data analysis. Then, I moved into to data for development, which is an interesting field that is gaining momentum all the time.

At the end of the day, the line structure of data and patterns is the same for a lot of science, including development. When you quantify things, you see how things move and how patterns change; whether it concerns data from the Post or mobile phones or genetics or biogenesis, most methodologies are ultimately common across all these things. **FM**

CASE STUDY

Real-time bread prices

Inflation of the cost of basic food items disproportionately affects those who are struggling financially. Can mining the internet for data on food prices provide a real-time indicator of commodity price dynamics? UN Global Pulse, in partnership with the technology company PriceStats, completed a pilot project which entailed the construction of a daily "bread price index" for six Latin American countries to show how a tool might be created to identify real-time changes in the prices of essential food items. The tool measures daily retail prices as published by online supermarkets and e-commerce websites, and combines this information with the availability of products to create the daily price index. The relationship between web-extracted prices and the official food price index (CPI) proved to be closely correlated. This has the potential to help policy-makers detect excessive price volatility on people's wallets in real-time.



UN GLOBAL PULSE

<http://www.unglobalpulse.org>

MOBILE-PHONE DATA STUDY

<http://www.technologyreview.com/news/514211/african-bus-routes-redrawn-using-cell-phone-data>



Consumer spend on postal services rises

TEXT:
DAVID
KOCH

The UPU numbers from 151 member countries show continuity in a sector that has been rocked by global forces, including the decline of letter-post volumes and economic uncertainty, but buffeted by the rise of e-commerce.

The latest statistics on the public postal sector from the UPU reveal that consumers spent more on postal services in 2012 than during the previous year – expenditure was up four per cent in nominal terms to 227.6 billion SDR (349.8 billion USD) or one per cent in real terms.

Letter post generally remained the chief source of income for Posts in 2012 – accounting for a worldwide average of 43.9 per cent of revenues. This despite letter-post volumes continuing their downward slide last year. Total worldwide letter-post traffic declined by an estimated 3.5 per cent to 350.9 billion items. International items – which represent about one per cent of this total traffic – fell by 7.3 per cent to an estimated 3.7 billion items.

But this drop conceals the fact that weight of items in the letter-post stream is steadily increasing as this category includes small packets weighing up to two kilogrammes. "With the development of cross-border e-commerce, there are more and more goods being transported through the international letter-post stream," said José Ansón, a UPU economist. "This could be related to consumer choice in times of economic uncertainty, preferring basic letter-post services rather than expensive premium services according to our real-time monitoring of market evolution," added Ansón.

Weighty considerations

This commercial activity was also apparent in the sustained rise of global cross-border parcel traffic, which grew by an estimated 6.5 per cent, almost reaching 60 million items last year for incumbent postal operators.

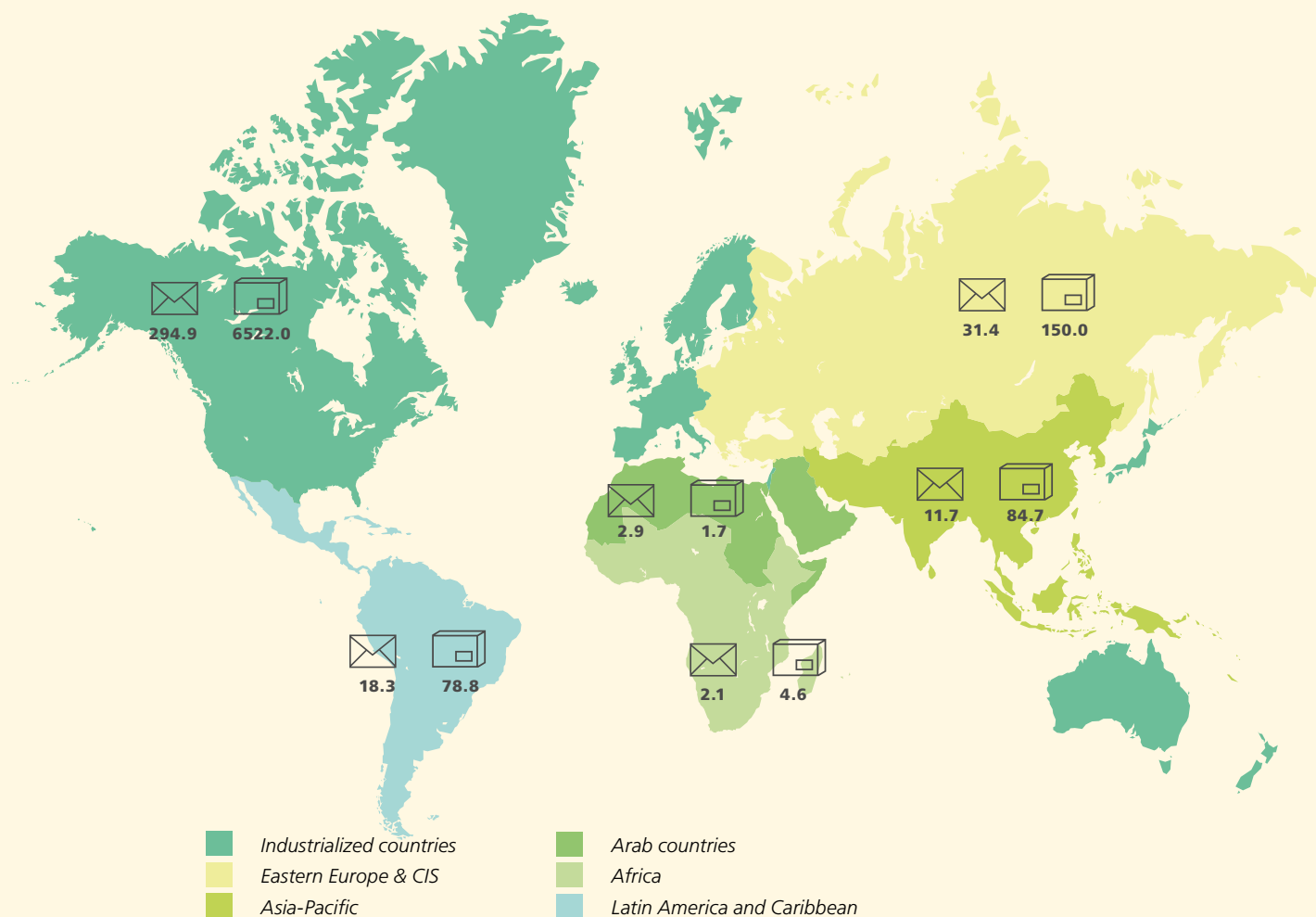
This growth was largely due to the bustling economies of certain emerging countries.

Domestic parcel traffic, however, fell by 1.5 per cent to an estimated 6.4 billion items in 2012, breaking with two decades of nearly constant growth. But this slight decline is unlikely to signal a prolonged cooling of the domestic parcel service, said Ansón, who attributed the dip to vigorous competition among courier firms and the economic uncertainty still afflicting Europe. With exponential growth in e-commerce, and Posts restructuring to accommodate changing consumer demand, domestic parcel volumes will grow apace, Ansón predicted.

Regional variations

Global trends of falling letter-post volumes and swelling parcel traffic largely mirrored what happened among Posts of industrialized countries, where the income share of letter-post declined from 65.7 per cent in 2002 to just under 53 per cent in 2012. Meanwhile, parcels and logistics in industrialized economies grew from a mere 13.4 per cent of income share to 22.1 per cent.

Feeding much of that increased parcel traffic was the Asia-Pacific region, where Posts saw parcels and logistics grow by more than 20 points since 2002, reaching 32.5 per cent of income share last year. The need for efficient logistics domestically in rapidly growing economies also contributed to growth in this domain, said Ansón. Fast economic growth also means that Asian-Pacific countries are quickly developing their Express Mail Services, or EMS – which appears in the parcels and logistics category – since businesses often use this courier service



✉ Number of letter-post items posted per capita, 2012 (world average in 2012: 49.3)

📦 Number of postal parcels posted per 1,000 inhabitants (world average in 2012: 922)

for their communications and packages.

In the Arab region, the boom in parcel traffic was muted, rising less than 2 percent to reach 6.1 per cent of revenues in 2012. But this region saw the largest increase in financial services, which grew from 23.7 per cent in 2002 to nearly 40 per cent last year. Anson attributed these dynamics to the limited physical delivery services of some Posts in the region. "For a number of these Posts, it may be that their comparative advantage is more in access to post offices for financial services rather than in managing the logistics of domestic and international trade," he said. "It's a different strategic use of their network assets."

Other services

The African region was the site of income-share fluctuations across all categories of services, marked especially by a major expansion of income share in 'other services', which leapt by 21 points, reaching 43 per cent in 2012. This rise was likely due to the growing tendency for Posts to operate as agents for private money-order companies and other financial services providers. Revenues from these activities fall under the 'other' category because the Post provides the service on behalf of a third-party, not the Post itself.

The region also saw modest growth in the income share of parcels and logistics, a rise of about six points to 14.4 per cent. The biggest winner in the Eastern Europe

and the Commonwealth of Independent States (CIS) was the financial services category, which grew nearly 10 points in income share to reach 25.6 per cent last year. This most likely results from Posts ending their activity as agents for third parties in the past decade and instead starting to offer financial services independently.

The small increase in parcels and logistics in this region – just three points up, reaching 10.4 per cent last year – reflects the difficulty of competing with private-sector players in countries such as Russia. One of the difficulties facing Posts in the age of e-commerce – in this region and elsewhere – is the need for the modern equipment required for efficient parcels and logistics operations. These Posts often require massive capital investment to accommodate growing parcel volumes, since their postal infrastructure is largely outdated. This is a major challenge following what Anson describes as a "postal collapse" in Eastern Europe and the CIS that accompanied the fall of the Soviet Union. "They are now trying to rebound with the modernization of their postal infrastructure and are mobilizing investments for this purpose," he said.

Posts in the Latin American and Caribbean regions saw their share of letter-mail decline by less than one per cent in the past decade, although parcels and logistics grew rapidly. In this region marked by rapid economic growth, the average income share of parcels and logistics swelled from 8.9 per cent in 2002 to 19.9 per cent in

World

23.3	9.2	51.8	15.7	2002
21.0	17.3	43.9	17.7	2012

Latin America and Caribbean

18.1	8.9	65.3	7.7	2002
8.5	19.9	64.6	7.0	2012

Industrialized countries

9.6	13.4	65.7	11.3	2002
10.5	22.1	52.9	14.5	2012

Eastern Europe and CIS

38.2	7.4	38.5	15.8	2002
25.9	10.4	38.1	25.6	2012

Asia-Pacific

18.2	11.3	51.9	18.7	2002
18.2	32.5	28.8	20.4	2012

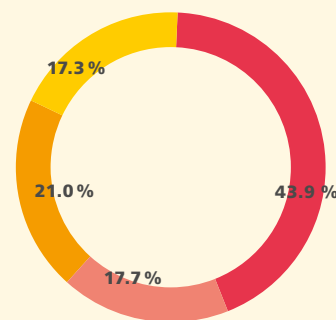
Arab countries

33.5	4.2	38.5	23.7	2002
31.8	6.1	22.2	39.8	2012

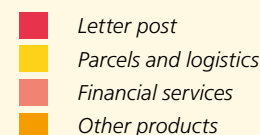
Africa

22.0	8.7	49.3	20.0	2002
43.0	14.4	30.9	11.7	2012

Postal income by business line in % by region: comparison of 2002 and 2012
(Simple average of designated operators in every region)



Breakdown of postal consumption revenues in % (world estimate, 2012)



2012. But much of the postal growth in Latin America can be attributed to Brazil whose designated operator is unusually strong in a region where the postal sector is still recovering from a period of radical deregulation. This era of market liberalization resulted in severe fragmentation of the postal sector, making good economies of scale impossible to achieve, explains Ansón.

Network access

The accessibility of post offices was marked by continued regional disparity in 2012. Globally, 9,264 inhabitants on average were served by one post office. However, the same average figure for Sub-Saharan Africa was 71,389 inhabitants, while in Northern Africa, it was 21,427. Eastern Europe fared somewhat better with 4,470 inhabitants per post office.

The global postal network comprised an estimated 642,000 post offices last year, a decrease of 1.2 per cent on 2011. Almost 55 per cent of postal establishments were located in Asia-Pacific. Just 1.5 per cent of the world's post offices are found in Africa, with the network remaining more widely dispersed in developing areas of this region than any comparable network, including banks and courier companies, said Ansón.

Staff numbers too are down. Globally, there were some 5.31 million employees, a decrease of about 1.2 per cent on the previous year. The combined workforces of postal operators in Latin America and the Caribbean, Africa and the Arab region together accounted for less than 10 per cent of the global total. The vast majority of

postal employees worldwide – about 80 per cent – were full-time workers but this number was down by about 2.2 per cent. Part-time workers filled the breach. This category of worker grew by 3.2 per cent to reach 1.05 million people in 2012.

These trends reflect the efforts of Posts to reduce expenses by seeking a more flexible labour supply – a continuation of trends in recent years. In addition to reducing work hours, hiring part-time workers allows operators to lower expenses including those associated with staff benefits. "You still need people to deliver something, whether it's a parcel or letter," said Ansón, noting that postal services are inherently labour-intensive with their current business model. "Reducing costs is critical in a situation where mail volumes are decreasing," he added.

Diversify or integrate?

Despite the diversification of services by Posts over the past decade, inflation-adjusted postal income has generally remained flat, leaving postal executives searching for savings. Ansón believes the answer to this puzzle may be for Posts to offer services in a more integrated manner, by combining trusted and reliable communications platforms, payment systems and physical delivery services of online purchases. "The integration of all these features and further facilitation of postal exchanges for all parties could reverse the story," he said. **DK**

David Koch is a freelance journalist.



Posts have what it takes

TEXT:
KAYLA
REDSTONE

PHOTOS:
PIERRE
ALBOUY/
KEYSTONE

Experts at a UPU forum recognized the role Posts play in opening up access to financial services but the sector must still modernize itself and innovate.

Some 200 representatives from Posts, government, central banks, United Nations and non-governmental organizations, donors and financial inclusion experts came together in October in Geneva, Switzerland, to discuss the Posts' role as a key player in financial inclusion. "Financial inclusion as a subject may have caught the world's attention only in the last decade but it has been one of the primary preoccupations of the postal sector for the past 140 years," UPU Director General Bishar A. Hussein said during the opening of the global forum on financial inclusion for development, organized by the UPU, Swiss government and the International Organization of la Francophonie.

Participants agreed that the postal sector's long history of financial services and expansive network of more than 630,000 post offices made Posts important partners in bringing an estimated 2.7 billion unbanked people into the financial fold. More than 1 billion people already hold an estimated 1.6 billion postal accounts, but there is potential to increase this number if Posts build on their strengths, innovate and form strategic partnerships.

Playing on strengths

With more than 230 million migrants globally – at least half of which are economically active, according to the International Labour Organization – cutting the cost of sending remittances is an important step in aiding devel-

oping world. "The importance of reducing remittance transfer costs cannot be overstated," said William Lacy Swing, the International Organization for Migration's director general. "If current transfer prices could be cut by 5 per cent, this would mean an extra 16 billion US dollars a year could go the intended recipients," he added. Posts are already the least expensive provider of such services, according to the World Bank. The network's reach meant that "Posts play a large role in reducing costs in the last kilometre of delivery", said Stéphane Gallet from France's ministry of foreign affairs. Some 30-40 per cent of remittances are sent to rural areas, according to the International Fund for Agricultural Development.

Modernizing systems

UPU Deputy Director General Pascal Clivaz urged more Posts to take advantage of their far-reaching networks to upgrade payment systems to reach even more migrants and at lower costs. He noted that the UPU's projects to modernize the payment networks of several African postal operators had helped decrease remittance tariffs across the board by 30–50 per cent in some cases. During the forum, Posts were advised against signing exclusivity agreements with private money-order providers as this decreases competition and drives up prices.



Bishar A. Hussein, director general, UPU: "Poverty eradication and financial inclusion are intertwined themes that occupy a central place in the UN's current Millennium Development Goals. They will continue to dominate the post-2015 agenda on international migration and development."



William Lacy Swing, director general, International Organization for Migration: "We need to recognize what a wealth we have in our migrant community, both in terms of social and monetary capital."



More than 200 delegates from 70 countries attended the Geneva conference.

As countries develop, so do their need for appropriate financial services. However, postal financial services are still quite limited in some countries. The forum heard how central banks could help change this. "[The central bank] must update its regulations frequently to allow innovation," says Innocent Ndabarushimana of Burundi's central bank.

South Africa's Postbank has already banked 6.3 million people through its savings accounts. But it has not reached its full financial inclusion potential because it cannot offer as many services as a fully licensed postal bank, said Roelof Goosen of the South African National Treasury. Goosen added, that with a banking licence, the Postbank would be expected to operate at the same levels as the commercial banks. "Financial inclusion must be sustainable in terms of service provider and it needs to benefit and continue to benefit the customer," he emphasized.

Central-bank expectations of Posts will depend on a country's existing level of financial inclusion, explained José Ansón, a UPU economist, but he is optimistic.

"There is an institutional willingness on the part of central banks to accommodate the postal network in the financial system to take advantage of this network in financial inclusion," he said. "The central banks realize their frameworks must be flexible enough to allow innovation but rigorous enough to avoid economic risk." He urged Posts to take advantage of central banks' flexibility while the postal sector is still on their minds.

Partnerships

Innovation requires investment and expertise, which is where donors and other partners can come into play. But experts warned that, while Posts have an asset in their network, they may appear outdated, which might keep potential partners away. "Let me tell you, Post Offices, everybody wants you, you are everywhere, but people don't understand you," explained Tillman Bruett, manager of the mobile money for the poor programme at the United Nations Capital Development Fund. "You have to modernize and you have to make yourself attractive to donors and others from afar," he added.

"We live in an era
of unprecedented mobility.
One in seven
persons is a migrant."

William Lacy Swing, director general, International Organization for Migration

Bruett advised Posts to address their weaknesses and enlist help to build on their strengths. "Pick one or two things you can do really well, given your current state, and focus on those," he recommended. "Don't just be the place where people just want to come and get their money. Be the place where people want to spend their money."

Megan Oxman, programme officer with the Bill and Melinda Gates Foundation, said Posts still find it difficult to identify the most cost-effective means to reach some of their poorest customers. "Form strategic partnerships,

whether it's with mobile operators or banks, work with them and really get your services out there," she advised.

During his closing speech, the UPU deputy director general thanked participants for their enthusiasm and insight. "Together, let us continue the dialogue and undertake concrete and far-reaching actions to drastically reduce money transfer costs by linking service to access for those populations excluded from the banking system," Clivaz said. **KR**

Kayla Redstone is a freelance journalist.

CASE STUDY

Offering innovative insurance in Mali

One example of how developing original services helped the Post tap a market unreached by banks is La Poste du Mali. Chief executive officer, Wandé Diakité, says the Post had a virtual monopoly on cheque and savings accounts in the 1980s, but after a change in regulation, it was forced to shut down its financial services for two decades.

In 2011, the designated operator was allowed to resume its financial services and it now partners insurance company, NSIA Mali. "With the loss of postal financial services, we saw an increase in competition," says Diakité. "With the return of these services, we have had to look at how we could inject life back into them."

The Post now offers a unique insurance policy for Muslim widows, who cannot work during a mourning period of four months and 10 days. "We had to assess what already existed and design products that made

up for shortcomings on the market," explains NSIA director general, Basile Worou. "If you offer customers a product, which you want them to trust, you have to give them one that responds to their needs," says Worou.

Worou adds that NSIA and Mali Post consult with village chiefs while developing products. Since chiefs have the moral authority in communities, the commercial partners can properly address any problems with financial products before they reach the consumer, he says.

The company would also like to develop repatriation insurance through the Post, which would address the country's diaspora. According to Worou, the product would provide funds for families to repatriate the bodies of deceased relatives living abroad as well as funds for migrants to return to Mali for funerals of loved ones. **KR**

Leaving the box to diversify

TEXT:
ANDRÁS
PATAI

Innovation is essential to protect the physical network and can be done by developing new services that were previously not part of a postal portfolio, as Magyar Posta has discovered. In a global economy, postal operators need to adapt to these changes and cut lead times in developing new ideas and finding new markets.

The digital revolution and declining mail volumes has re-routed postal operators into various directions. At operators offering financial or retail services, branches can be transformed into commercial units. Others have strengthened their parcel and logistics division and focused on developing their own web shops or e-commerce solutions. Some operators are increasing their business activities in governmental and civil services. They base the offering of such services on their assets, such as their address databases and exceptional business relations they have with the public sector (i.e. country's government and municipalities).

Although the picture looks very colorful when looking at the different initiatives, it proves that 'going digital' is not easy and definitely not a simple decision for postal operators. It is simply not enough to develop a digital service portfolio.

Magyar Posta came across the following barriers that had to be considered about going digital: organizational structure and hierarchy slows down decision-making; during a long development phase, the market can move away from the originally detected trends; and concepts developed over a longer period of time in-house may not reflect clients' needs.

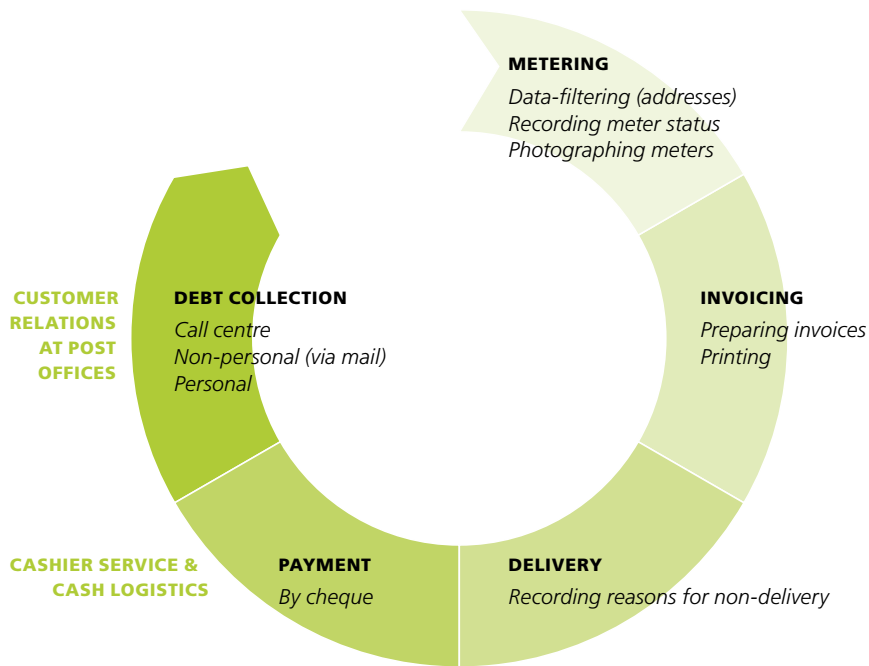
Realizing this, as part of an organizational restructure, Magyar Posta established a new unit in 2012, called the non-traditional business directorate. It consisted of six product management and development professionals, mandated to plan, develop and implement new projects.

Strategic customers

As a first step, Magyar Posta mapped its client base to define the most endangered client segments it should try to protect. It found that its competitors were most likely to target clients within the public utility sector. These firms contribute significantly both to Hungarian economic growth as well as to the financial stability of Magyar Posta. Utility companies generate significant



Letter carriers are reading gas and electric meters, helping the Post to enter a niche area (Photo: Magyar Posta)



Outcome of Magyar Posta's supply chain analysis, 2013

revenues for traditional postal services: in 2012, the overall contribution of public utility firms to Magyar Posta's revenues reached 4 per cent.

The Post then identified its key values. These include a nationwide network of branch offices, that can also be offered as customer-relations units; feet on the ground, i.e. letter carriers fulfilling various tasks (from delivery of mail and parcels through sales of various postal products at our retail customers' door towards offering financial services when handing over pensions); and a wide scope of services that can be fitted into the processes of utility firms. As an example, Magyar Posta established the largest printing house in Central and Eastern Europe, using state-of-the art technology.

By looking at the core activities of these utility companies, Magyar Posta arrived at the conclusion that its network of offices and letter carriers could be fitted very well into these processes and that these new services could be offered bundled with our traditional postal offerings.

Development process

To start off with a quick win, the least time consuming development was to launch metering services. In Hungary, gas and electricity providers have to check customer meters at least once a year by law. Additional

checks need to be conducted when a customer changes service provider.

This task requires a large-scale network of people that are on-site, performing regular or one-off readings of gas and electricity meters. To react quickly to these needs, Magyar Posta started testing the process by introducing pilot projects in pre-defined areas with the gas-service provider with pre-defined key factors for success.

Based on a pre-set schedule, Magyar Posta captures the data made available to us for our assignment from the client's server, which is then imported into Magyar Posta's database. With the help of software to clean and repair the data, the number of problematic addresses can be reduced significantly. Should there be further addresses with problems or should the file's format not match our needs, the data is handed back to the client.

After quality control is performed, meter IDs and addresses are distributed among the smartphones in operation. Each smartphone is linked to coordinating post offices assigned to this activity that are responsible for a certain number of towns. With the meter IDs on their smartphones, letter carriers can work their route to check and record the status of meters at the given addresses.

As a result of the pilot projects, Magyar Posta refined its operational processes and a detailed IT-concept of the

metering system was developed. The IT system consists of two components: a central software dedicated to support data capture, job distribution, sorting by addresses, creating reports and extrapolating statistical data; and a mobile application for the smartphones.

Apart from the IT-infrastructure, human capital plays an important role. The work is supervised centrally by the non-traditional business directorate, but the tasks related to everyday monitoring are delegated to operative levels. The meter-reading service is supported by regional coordinators whose responsibility it is to supervise the distribution of tasks, monitor performance and support the administrative processes of the meter-reading staff.

Thinking ahead

Looking at long-term perspectives, postal operators

cannot lean back in their chairs. The competition will soon react to their initiatives as all types of delivery firms may discover the business potential in this new area of activity. It is imperative for postal operators to map the future trends of electronic and digital markets and to define the paths that can be followed to discover new service areas. It is even more important to scan non-postal benchmarks to find innovative services and activities that can – by becoming profitable – ensure that the values of the operator are sustained, which include its nationwide physical network of properties, logistics and human capital. **AP**

András Patai is a senior product manager in Magyar Post's business development department.

CHECKLIST

Non-traditional business directorate's tips

☐ Be proactive and react fast

Improve the time to react to strategically important client needs and establish stronger business relations with them

☐ Define which clientele is strategically important

Analyze their processes and look for needs that can be met by the services you can offer.

☐ Approach the client

When a new idea for a service is born, initiate negotiation with a client and test it. Try to get as much information and feedback as possible.

☐ Launch pilot projects

Apart from calculating return on investment and setting the stage for a large-scale investment, try to establish a mini-project. With the help of a pilot project, you will also be able to tell whether the idea is marketable or not!

☐ Roll out the service quickly

In certain situations it is better to appear on the market with a solution that is 'almost ready' rather than waiting for and planning the perfect application. Author Eric Ries defines this as the 'minimum viable product' (MVP): "A new product, which allows a team to collect the maximum amount of validated

learning about customers with the least effort."

The MVP's goal is to test fundamental business hypotheses (or leap-of-faith assumptions) and to help entrepreneurs begin the learning process as quickly as possible.

☐ Involve the right people

It is imperative to involve both the relevant professionals and management in certain stages of the development. It is always easier to present a project with tangible features to management than to let them read through a feasibility study.

☐ Build new products and services based on traditional postal values

These are:

Trust and goodwill

According to a survey carried out in 2011 by GfK Research on Trust Index related to various professions, postal operators are the second most trustworthy service providers. Only firemen managed to outperform letter carriers, who are followed by teachers and lecturers.

Nationwide coverage

Magyar Posta reaches out to all towns and villages in Hungary. It has the highest number of branch offices, namely more than 2,700 units.



Readers show trust in *Union Postale*

TEXT:
FARYAL
MIRZA

The results of the readership survey 2013 are in, revealing how well the magazine hits the mark and providing insights into how it can be improved.

Union Postale magazine is viewed by its readers as a trusted source of information. Not only did its content areas score highly in a recent survey, but also almost 90 per cent of respondents said that the magazine's content was highly relevant to their professional life.

Nearly all participants agreed that the UPU's strategy and activities were covered well in the magazine, that the quality of the content and writing was rated highly and the design and layout were considered eye-catching.

"Of all the other postal news and updates, the magazine is not boring," said one reader. Respondents also found that the magazine gives them a good overview of the UPU's activities and developments within the postal sector. Furthermore, the journal even has an interesting effect on staff motivation: it helps motivate employees

from the postal world to believe in the sector and fosters a sense of solidarity within the postal community.

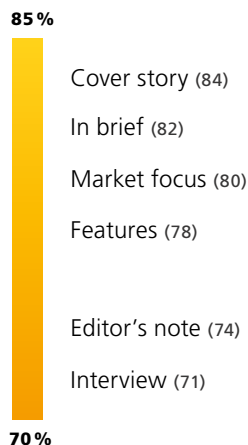
Popular read

Almost 40 per cent of survey respondents said that *Union Postale* was their only or main source of postal news. Almost 85 per cent said that they either always or frequently read the cover story, the most popular rubric, followed by In brief, Market Focus and features.

Three-quarters of readers regularly read the magazine in print, with the overwhelming majority coming out in favour of continuing to do so. Interestingly, they came from both sides of the digital divide. For many, reading the print magazine means not relying on electricity and access to a computer. "I read the magazine in print

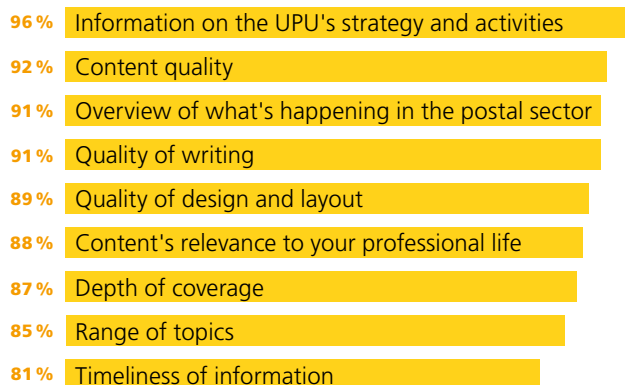
Content

% of readers reading the following 'frequently to always'



Quality

% of readers rating the following as 'very good to excellent'



because sometimes there is a power cut or there is a problem of internet connectivity while reading it online in our country," said one respondent. Another added: "I like the printed one very much so that I am free to carry and read it anywhere either in transit or sometimes resting in my garden or in public transport."

Other side of divide

In countries where an internet connection and a steady electricity supply are the norm, there was also a bias towards the print magazine. "It is much easier to read on paper and I don't have to depend on having a charged iPad with me to access the content," said one respondent. "I prefer resting my eyes whenever possible," said another.

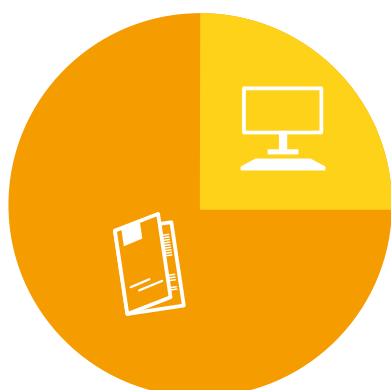
The magazine is also well circulated internally in postal organizations. Almost 15 per cent of respondents said that a copy in their place of work was read by 10-30 individuals. However, in one organization, one copy was read by as many as 60 people.

As far as interest in a *Union Postale* app was concerned, while two-thirds had a smartphone or tablet, more than half were not interested in reading the magazine on a mobile device.

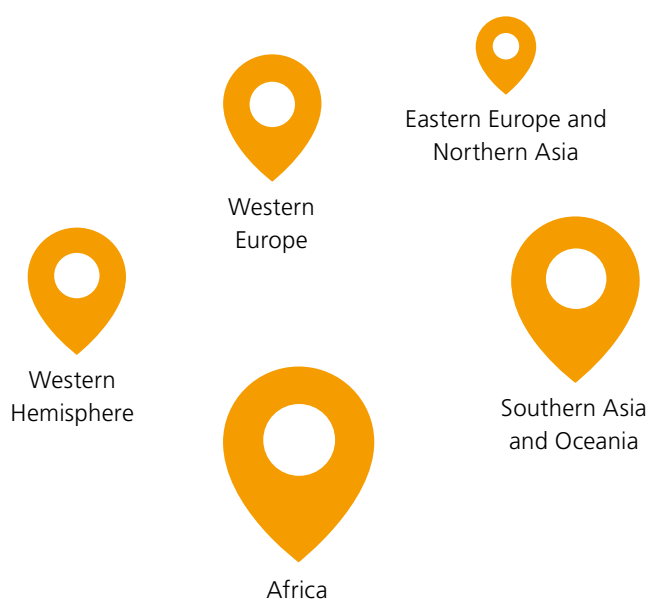
These important results will help us fine-tune *Union Postale* further to maintain our standing with our readers in the long term. "Keep the flag flying at full mast but don't get swollen-headed," advised one reader and we will do our best to rise to the occasion. **FM**

Medium

75% read *Union Postale* in print, 25% online



Origin of respondents



What readers say about *Union Postale*



IT'S INFORMATIVE

"It gives me ideas and permits me to stay up to date with the postal world."

Argentina

"It covers a wide variety of interesting information and has a personal touch."

Suriname

"It is an excellent representation of the current postal environment."

Canada

"Through *Union Postale*, I can find the answers to questions that preoccupy the sector the most."

Hungary



IT'S INTERESTING

"I like *Union Postale* because of its relevance to the postal global market and operational issues which are covered in a very professional manner."

Kenya

"The writing is captivating for people that have very short attention spans."

Malaysia

"It is a very rich source of information that focuses on the evolution of the postal sector throughout the world and equally permits information-sharing with all stakeholders on a global level."

Morocco



IT'S EDUCATIONAL

"I like *Union Postale* because I am still new... and am trying to learn as much as I can as quickly as possible. It is helping me with that as well as giving me ideas about how to improve our country's postal service."

Bermuda

"For me, *Union Postale* is a magazine for managers who want to learn from each other. Case studies, managerial and legal questions are important."

Aruba

"The magazine educates me on postal matters and it provides a platform to learn more about activities of postal services in other postal administrations."

Nigeria



IT CREATES SENSE OF SOLIDARITY

"It makes me feel part of the UPU family."

Netherlands

"It is a magazine that covers all postal subjects in an independent manner, giving the opportunity to all postal players without discrimination to express themselves."

Mauritius



IT'S MOTIVATIONAL

"It is my link with Posts all over the world, helping me to know trends and people and makes my work easier."

Spain

"It enables the gathering of information on other postal organizations and opens up new horizons. And all of that motivates me a lot in my job."

Madagascar



IT'S A TRUSTED MAGAZINE

"I like *Union Postale* because I can trust it."

Iran



Australia Post launches world's first video stamp

TEXT:
CATHERINE
MCLEAN

Just in time for Christmas 2013, Australia Post has launched the 21st century equivalent of the singing telegram: the video stamp. Those who can't be with family or friends during the holidays, can use the video stamp to send a 15-second video of themselves singing, talking or dancing to their loved ones. The service is free for customers sending an Express Post or Express Courier International item. Talent, however, is not included.

Australia Post launched the video stamp, the first of its kind in the world, on November 11 in a bid to "eliminate the tyranny of distance" during the holiday season. Michelle Skehan, external affairs adviser at the Post, recommends that customers treat their video stamps like postcards: it's a message that can be viewed by others along the journey.

Ease of use is of course crucial for a new service. The postal operator uses a quick response or QR code to attach the video to the stamp. Customers receive the stamp when they send an 'Express Post' or 'Express Courier International' parcel, which they then attach to their item. Using the 'Australia Post Video Stamp' app, they scan the stamp and record a video with their smartphone. Customers have 12 hours to record the message after mailing their parcel. Users must abide by the terms of use for the service, which includes a long list of banned content, including videos that are illegal, fraudulent or obscene.

Record it

When the recipient receives the parcel, they can download the Video Stamp app and scan the stamp with their smartphone to view the video. Another option is to enter

the stamp's code on the Australia Post website to view it on a computer. The content is available for 90 days and customers can download the video stamps to keep them or longer.

Innovation

The new feature is an example of how postal operators are turning to technological innovations to improve customer service and differentiate themselves in a tough competitive market. Australia Post was so excited by the idea of the video stamp that it took just five months to bring it from the drawing board to the product launch. "When we were planning our Christmas campaign, we knew we wanted something different for this year," explained Skehan. "The concept felt like the logical step for a stamp in the digital age and fulfils our objective of constantly finding ways to help people better connect."

Australia Post's innovative video stamps will be available until December 24. While it was too soon to comment on the uptake at the time of writing, Skehan called the response to the video stamp "phenomenal". **CM**

Catherine McLean is a freelance journalist.



VIDEO STAMP

<http://auspost.com.au/parcels-mail/video-stamp.html>



AUSTRALIA

AUSTRALIA POST saw a 10.9 per cent increase in after-tax profits, reaching 312 million AUD (293 million USD) in 2012-13. The success was largely due to a growth of 29.1 per cent in parcel profits, helping offset 218.4 million AUD in losses from traditional mail. The Post's chief executive officer said cost management and investments in logistics will soon not be enough to make up for such losses.

BELGIUM

BPOST generated 44.9 million EUR (60.6 million USD) in net profits during its third quarter, a 39.7 per-cent increase compared with the same period last year. The Post owes most of this success to its thriving parcels business, which saw a 7.7 per-cent increase in domestic parcel volumes and revenue growth of 9.8 million EUR.

DENMARK

POS DANMARK renewed its deal with the Federation of Merchants (DSK) for another two years, meaning customers can continue picking their post up at convenience stores and supermarkets registered with the federation. DSK members make up about a third of the Post's 700 agents. With the deal, the Post anticipates a significant increase in parcel volumes as more customers prefer picking up their parcels themselves to avoid missed home deliveries.

GERMANY

DEUTSCHE POST DHL reported its third-quarter earnings were up 7 per cent to 646 million EUR (872.2 million USD) thanks to its strong parcels and express business. This growth comes despite a 2.5 per cent decline in revenues due to exchange rates and other inorganic factors. When adjusted, revenues showed an increase of 3.4 per cent compared to the same period in 2012.

IRELAND

The Irish ministry of communications announced that the government has finally approved plans to develop a national postcode

system by the spring of 2015, which will consist of a seven digit letter-number combination. Ireland is currently the only OECD country without postcodes.

ITALY

POSTE ITALIANE launched a new digital identity service, **postelD**, which will provide a secure method of making online payments and engaging in government e-services on affiliated websites, particularly with mobile devices. Customers must register on the Post's website and then download the application from the iTunes AppStore or Google Play to create their personal six-digit code.

NETHERLANDS

POSTNL saw a 22 per-cent year-on-year increase in underlying operating income to 60 million EUR (81 million USD) in its third quarter, despite a 12.2 per-cent drop in addressed mail volumes. The Post credits cost-cutting measures, price increases and growth in parcels and international mail for offsetting the loss in traditional mail. Parcel revenues were up 5 per cent to 192 million EUR, while international revenues increased by 2 per cent to 415 million EUR.

NEW ZEALAND

The government has approved **NEW ZEALAND POST**'s proposal to cut mail delivery services to as little as three days per week in urban areas beginning July 2015. Delivery to rural areas will still operate at least five days per week and premium mail services will continue to be operated six days per week. The decreased service is an attempt to cope with continually falling letter-mail volumes.

On the same front, the Post announced its plans to cut 18 per cent of its workforce - to 2,000 jobs - over the next three years as part of a five-year strategy to make up for losses in letter post, which has experienced a 30 per-cent drop in volumes since 2006. Most of the cuts will affect corporate, processing, retail and delivery.

POLAND

In an effort to combat declining physical mail volumes, **POLISH POST** launched its new digital mail platform, **envelo.pl**. Customers now have access to hybrid postcard and letter services, as well as printable postage. The Post hopes to expand the platform to offer secure digital mail services such as online invoicing, letter scanning, e-signatures and e-contracts.

PORTUGAL

The Portuguese communications authority, **ANACOM**, reported a 9 per-cent year-on-year drop in the country's mail volumes in the second quarter of 2013. Non-express items, which account for 95.4 per cent of total mail volumes, dropped 9.7 per cent year-on-year in the same period. Despite this, express mail fared well with volumes rising 9.9 per cent year-on-year.

SCANDINAVIA

POSTNORD reported it now expects a 10 per-cent year-on-year decline in letter volumes in Denmark and a 4 per-cent decline in Sweden in 2013, compared to a previous estimate of 12 and 6 per cent, respectively. Thanks to acquisitions, the Post saw a 4 per-cent year-on-year increase in net sales in its third quarter but said it must continue cost-cutting efforts to make up for volume losses.

SINGAPORE

SINGPOST announced it would invest 100 million SGD (80.2 million USD) in service, innovation and productivity, as well as continuing investments in cross-border e-commerce, as cost increases outpace revenue growth. In the first half of the year, there was a 32.7 per-cent increase in revenues to 405.2 million SGD, with net profit up 2.9 per cent to 73 million SGD.

SWITZERLAND

SWISS POST customers will soon have the choice as to whether they receive their letters physically or digitally. The designated operator is running an in-house pilot of its secure digital platform, **ePostOffice**, which will allow customers to choose how they receive mail from

different senders. Users can archive mail and pay invoices on the platform.

UNITED KINGDOM

JERSEY POST customers may now have delivery notifications sent via text message. Those who sign up for the new Text & Collect service will receive an SMS once their parcel or packet is ready to be picked up at their designated collection point, avoiding the 24-hour waiting period when a customer misses an attempted home-delivery.

ROYAL MAIL expanded the size range for its small parcels service, now including deeper packages measuring up to 35 cm x 25 cm x 16 cm. The Post says the change reflects the growing parcels business and could cut e-commerce companies' shipping costs in half.

OTHER

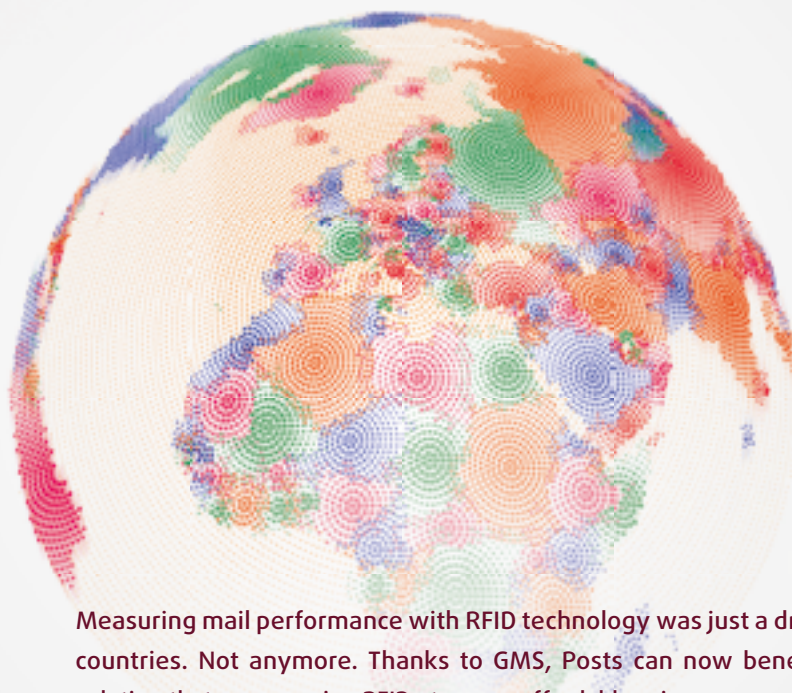
American-owned e-commerce giant **EBAY** announced its acquisition of Shutl, a British-owned same-day courier service, which offers local delivery within 90 minutes. The acquisition is part of the company's plan to expand its rapid local delivery service, eBay Now, across the US and parts of the international market. The service, launched last year in San Francisco, US, offers delivery between local retailers and customers within an hour.

LA POSTE and **SWISS POST**'s joint cross-border delivery venture, **ASENDIA**, launched a new range of traceable e-commerce products. The company will now offer three levels of tracking: basic notifications when a smaller package leaves or enters a country; tracking across sev-

eral stages, insurance, and delivery with or without signature for smaller packages; and several notifications per day and higher insurance coverage for more expensive or heavy items up to 30 kg. **ASENDIA** also announced its purchase of a 40 per-cent stake in eShop-World, an Irish software company offering e-commerce solutions. The software offers retailers services such as currency conversion, duty and taxes calculation and order payment processing. Asendia says the software helps merchants provide a more transparent shopping experience.

All texts by Kayla Redstone, a freelance journalist.

Quality information from innovation



GMS


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