



UPU POSTAL FORUM  
FROM TRENDS TO TRANSFORMATION:  
**CHALLENGING POSTAL  
ASSUMPTIONS**

OPENING REMARKS

**MASAHIKO METOKI**

Director General,  
UPU International Bureau

PRESENTATION

# GLOBAL TRENDS AND WHY DIVERSIFICATION MATTERS

Brody Buhler, CEO, Escher Group

# Postal Trends and Transformation Impacts

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escher

# Five Trends

The Postal industry is changing rapidly, impacted by several forces. Our research shows these 5 trends are having the most impact.

- 1 Parcel Deflation
- 2 Cross-Border Structural Destruction
- 3 OOH Becoming Choice Architecture
- 4 Returns as Second Supply Chain
- 5 Marketplaces Are Carriers



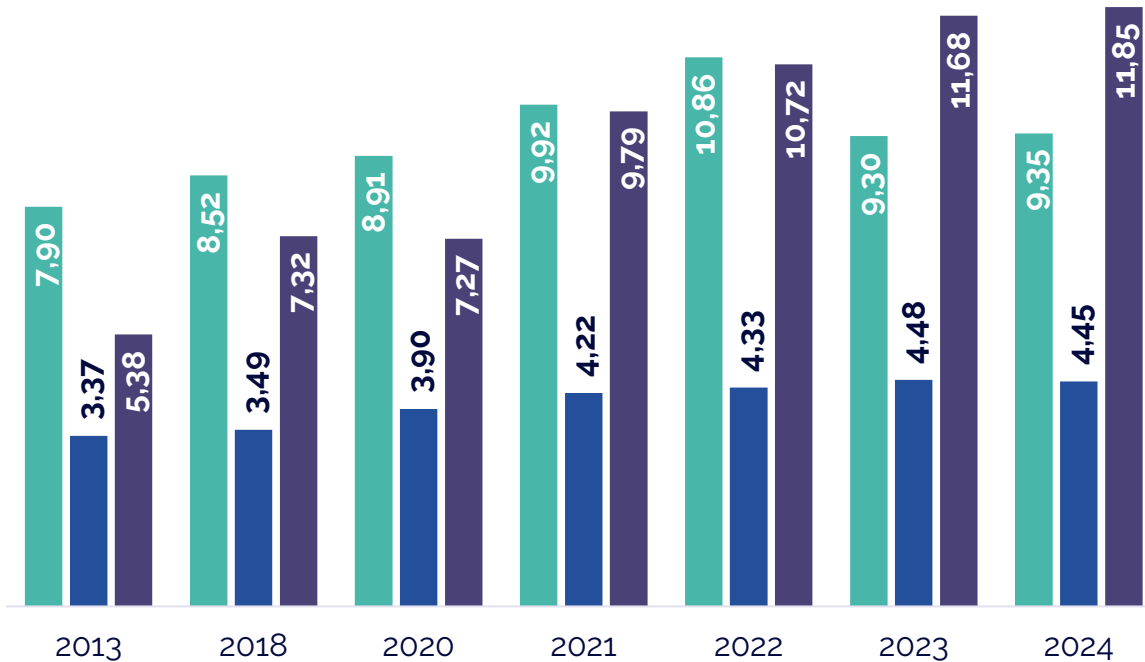


# Trend 1: Parcel Deflation

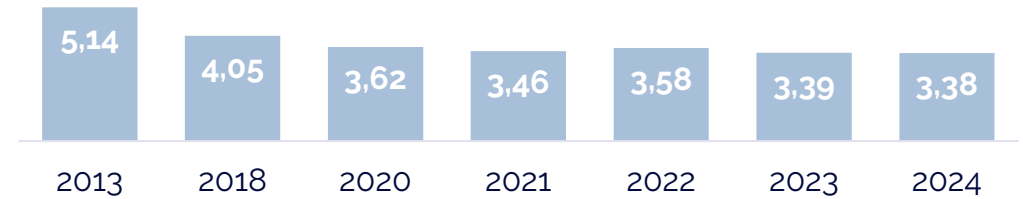
Globally, revenue per parcel is trending **down**.

## Revenue per parcel overtime in the US (USD)

■ UPS Ground ■ USPS Parcels ■ FedEx Ground



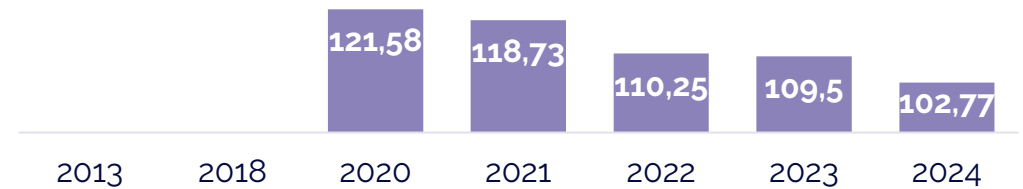
## Portugal Revenue per parcel over time (EURO)



## France Revenue per parcel over time (EURO)



## Denmark & Sweden Revenue per parcel over time (SEK)

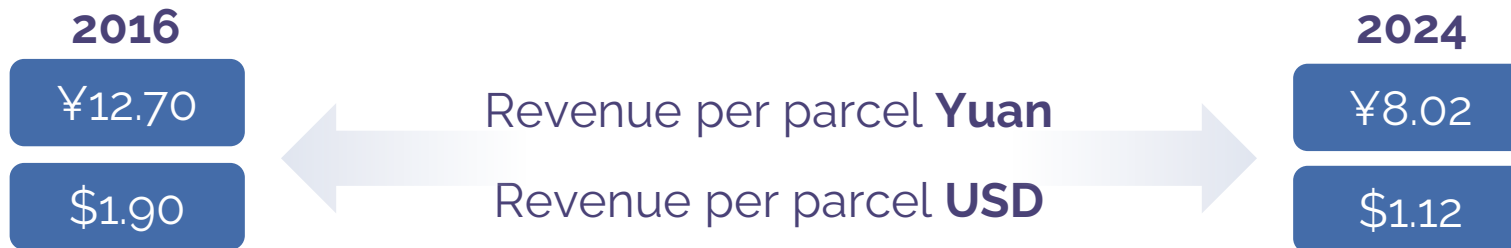
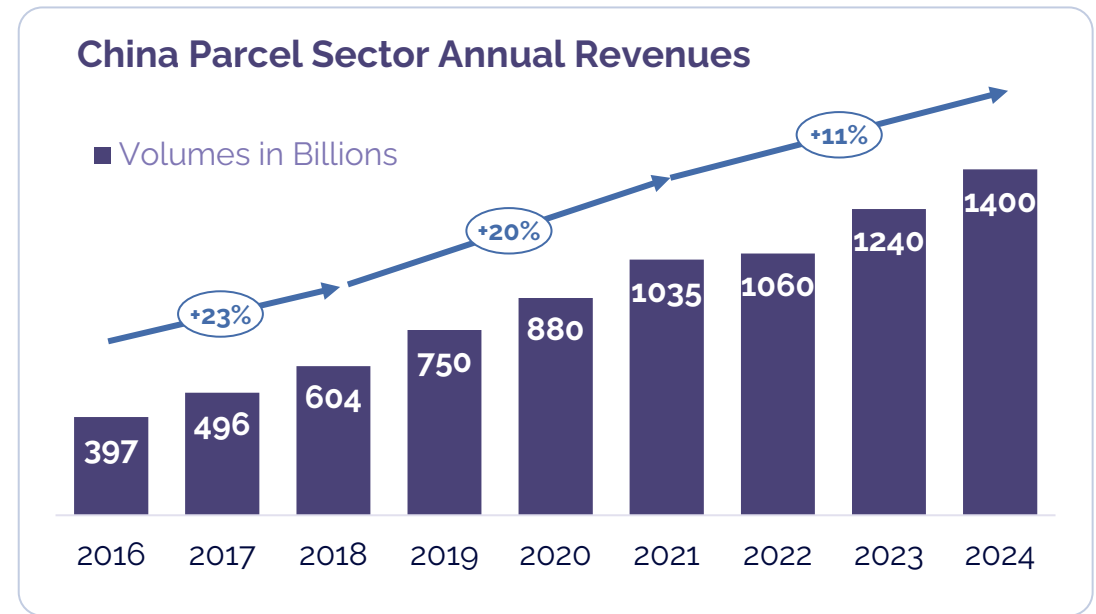
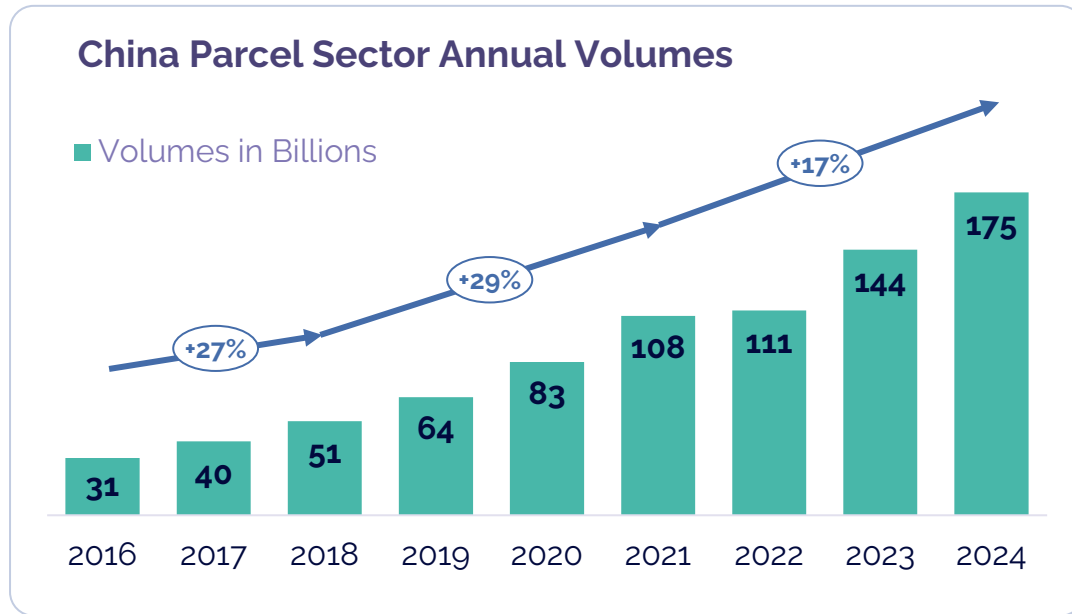


Analysis: **Pharand Advisors**  
Sources: Annual Reports

# Even China is Slowing



Overall, revenue and parcel volumes are **up**, but **revenue per parcel** is **declining**.



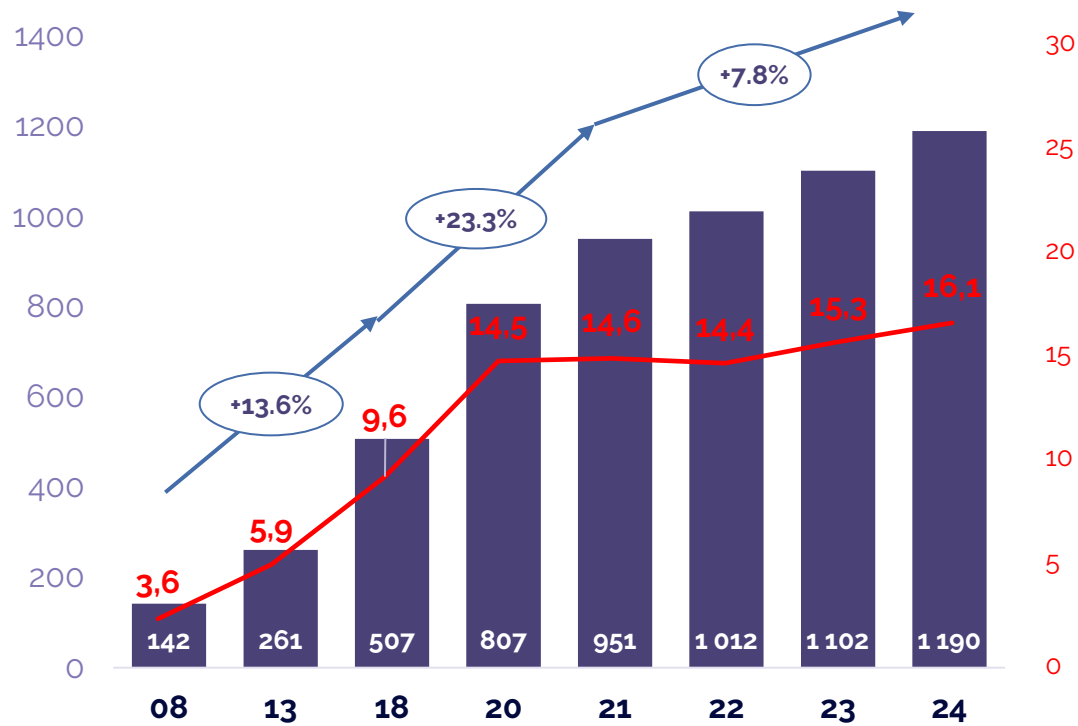
Analysis: **Pharand Advisors**  
Sources: State Post Bureau, Xinhua and Statista

# The Growth Divide

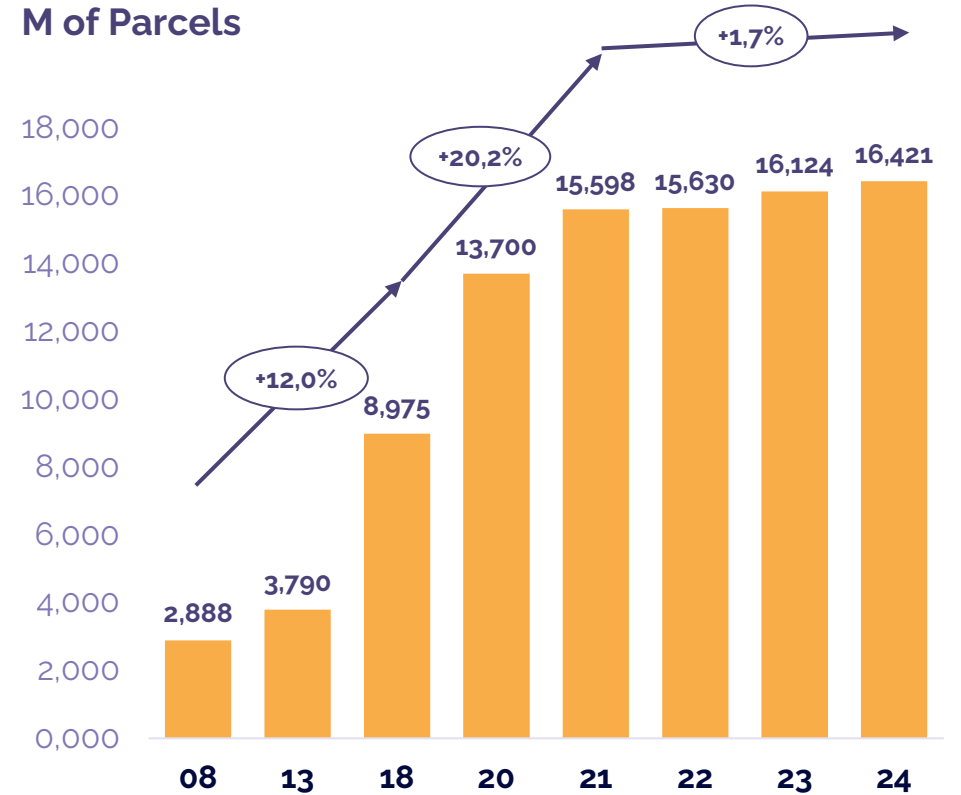


Parcel volumes are **no longer following** GMV growth.

Evolutions of eCommerce (online) sales as a percentage of total Retail



Total Annual B2C Delivery Volumes in US in M of Parcels



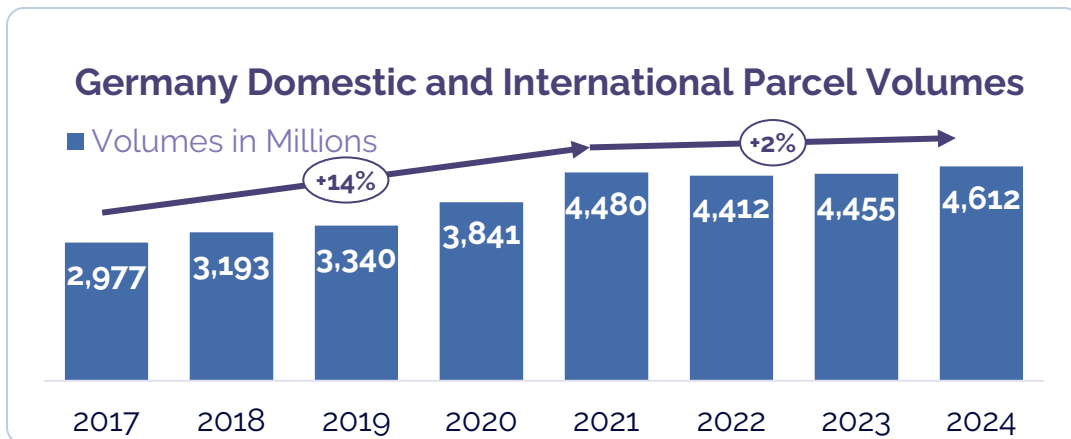
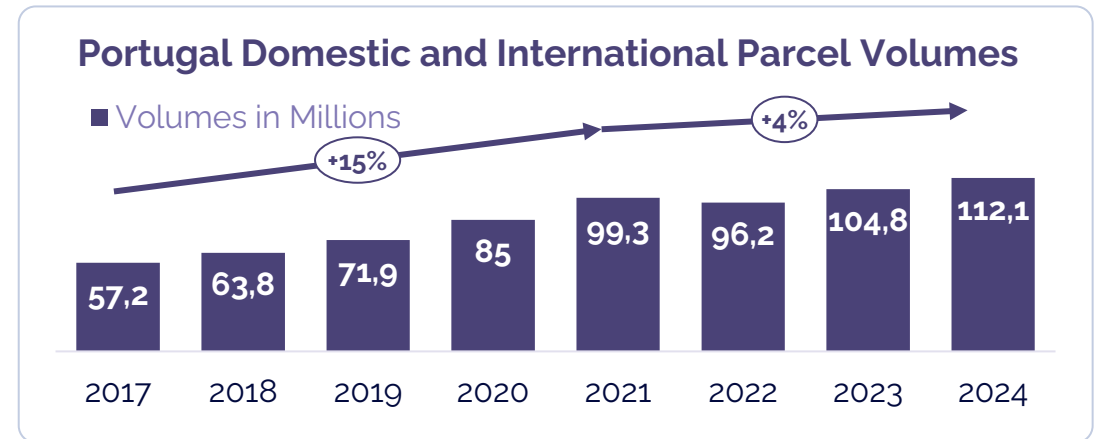
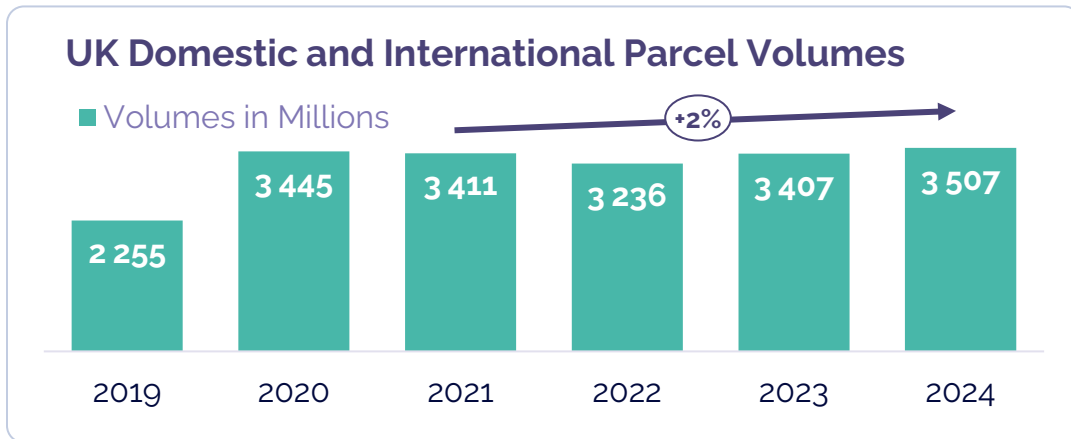
Analysis: **Pharand Advisors**

Sources: US Census Bureau, Volumes from annual reports, estimates and Capital One Shopping Research

# Partly Driven By Slow Growth



Volume growth has slowed **globally**.



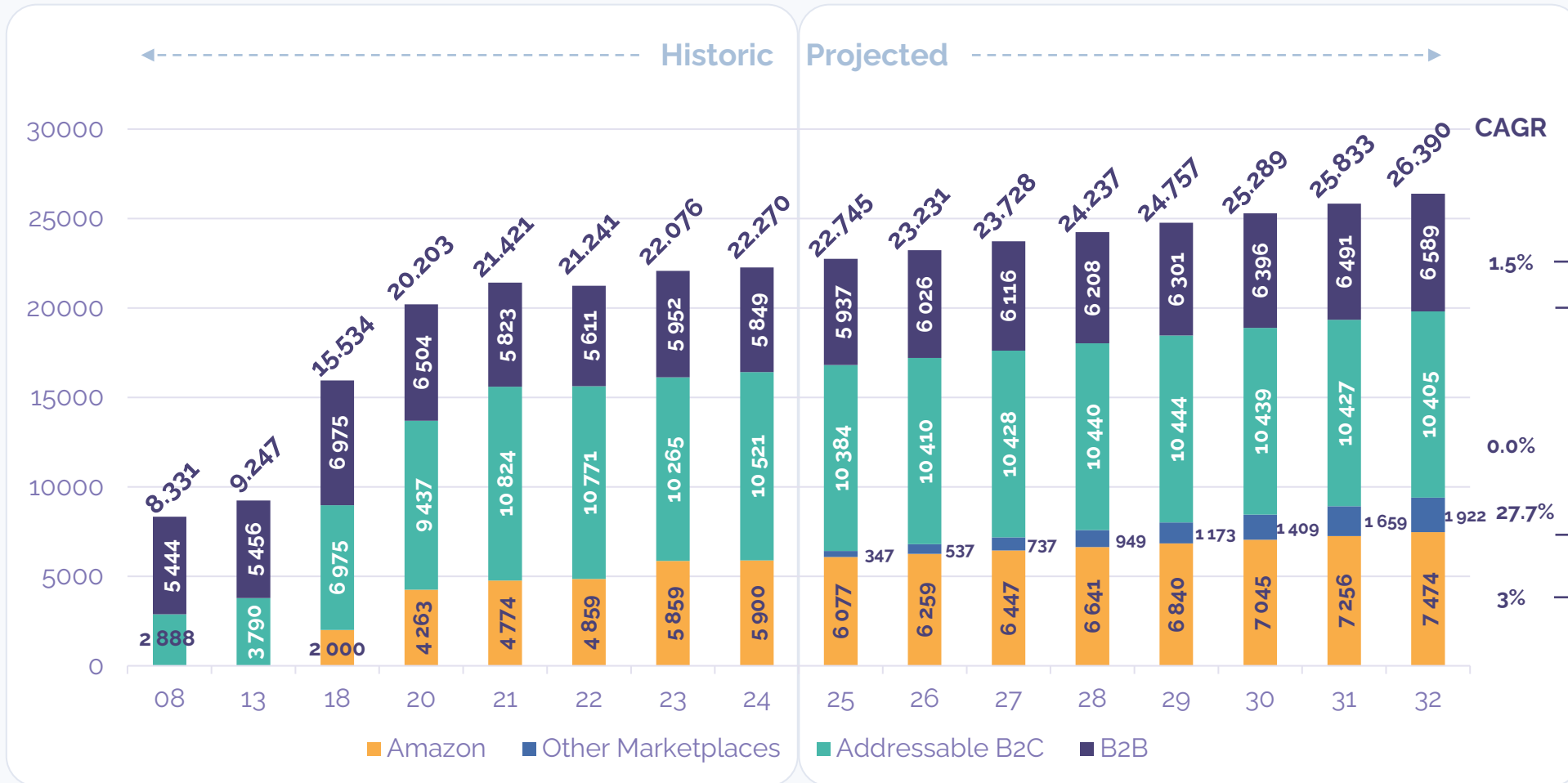
Analysis: **Pharand Advisors**

Sources: Effigy data – includes International I/B and O/B and Domestic as well as B2B and B2C

# Partly by new competitors



The addressable parcel market will be **flat** to **down** over the next eight years.



The **B2B segment** is growing in line with GDP

The **B2C segment** is on course to reach 12.3B parcels by 2032 ...

... but this will depend on Marketplaces

**Amazon** is no longer part of the B2C market and will continue to capture market share.

Analysis: **Pharand Advisors**  
Sources: Annual reports (incl estimates), US Census Bureau, Capital One Shopping Research

# The Profitability Trap

In response to yield pressures, strategies must shift from **more parcels and better economics**.



## THE SQUEEZE

**Costs are rising while revenue per parcel falls**

Labor, fuel, compliance, and technology costs continue to climb — moving in the opposite direction to parcel yields.



## THE BROKEN MODEL

**Scale economics no longer guarantee profitability**

More volume can dilute margins when it comes from low-yield traffic. The old playbook doesn't work..



## THE IMPERATIVE

**Strategy must shift from 'more parcels' to 'better economics'**

The winning response is not simply "grow volume." Operators must pursue higher-value, lower-cost, smarter strategies.



## Higher-value products

Returns, customs, cross-border compliance



## Lower-cost channels

Lockers and out-of-home delivery



## Better segmentation

Cost-to-serve based strategies



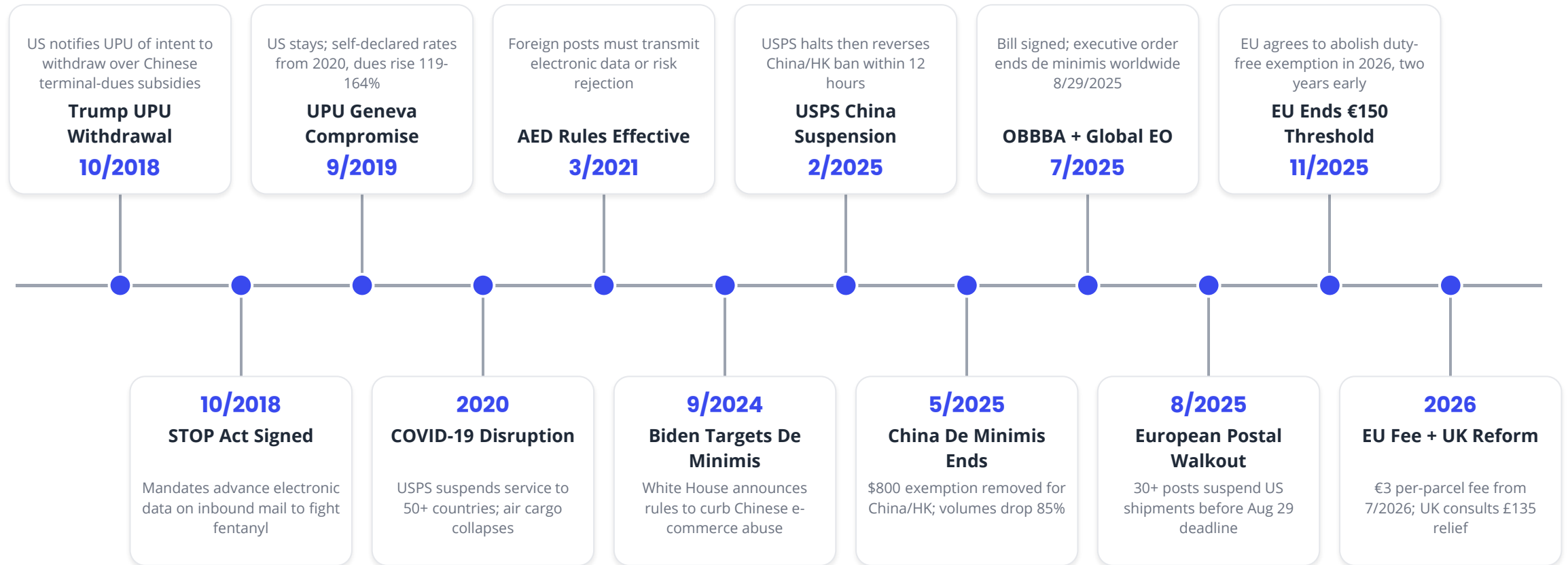
## Monetise data

Address intelligence and analytics

Sources: Annual reports (incl estimates), US Census Bureau, Capital One Shopping Research

# Trend 2: Cross-Border Structural Destruction

10 years of significant disruptions impacting the postal cross-border flows of parcels (sample only)



# The flows have permanently changed

The constant state of disruption has hurt the postal **small packet advantage** and those **volumes are lost**

## WHAT'S CHANGING



### Regulation raises friction

Security and compliance requirements create new barriers for small packet flows.



### Inventory moves closer to demand

Marketplaces and integrators shift to forward-positioned inventory to avoid regulatory fees.



### Flows arrive as injected domestic volumes

Cross-border items enter as domestic parcels, not classic postal small packets.

**~60%**

Decline by 2024 vs 2019 peak

**~66%**

Further decline from 2024 to H1 2025

## DOMINANT NEW MODEL

**B2B2C**

Posts become infrastructure providers in a business-to-business-to-consumer chain.

## THE NEW CHOKE POINT

**Data-first**

Customs and pre-advice data quality becomes the critical differentiator.

# What Differs by Region



## ● North America

### ROUTING MODEL

De minimis → cargo injection → domestic networks

### KEY STATISTIC

**1.36B+** de minimis (FY2024)

### IMPLICATION

Win via **customs/data** + returns orchestration

## ● Western Europe

### ROUTING MODEL

Domestic fulfillment → preclear → DDP → dynamic owned network/ OOH

### KEY STATISTIC

**4.6B** low-value items (2024); 91% from China

### IMPLICATION

**Compliance-as-a-service** becomes differentiator

## ● Eastern Europe

### ROUTING MODEL

Hubs and gateways → DDU and DDP → domestic or partner network

### KEY STATISTIC

Romania shoppers **51%** order from China

### IMPLICATION

**OOH + returns node** to capture routing

## ● C & S America

### ROUTING MODEL

Marketplace logistics + customs variability

### KEY STATISTIC

LatAm eCommerce **~\$215B** (2026 est.)

### IMPLICATION

Offer predictability: **clearance + reach** + returns

## ● Africa

### ROUTING MODEL

Two-speed lanes; infrastructure constraints

### KEY STATISTIC

Ranks **lowest** on e-commerce readiness

### IMPLICATION

**Tracking + address intelligence** as moat

## ● Asia

### ROUTING MODEL

Export industrialization → forwarding inventory

### KEY STATISTIC

**~2.6–2.7T RMB** cross-border (2024)

### IMPLICATION

Partner on injection; **monetize inbound** + reverse

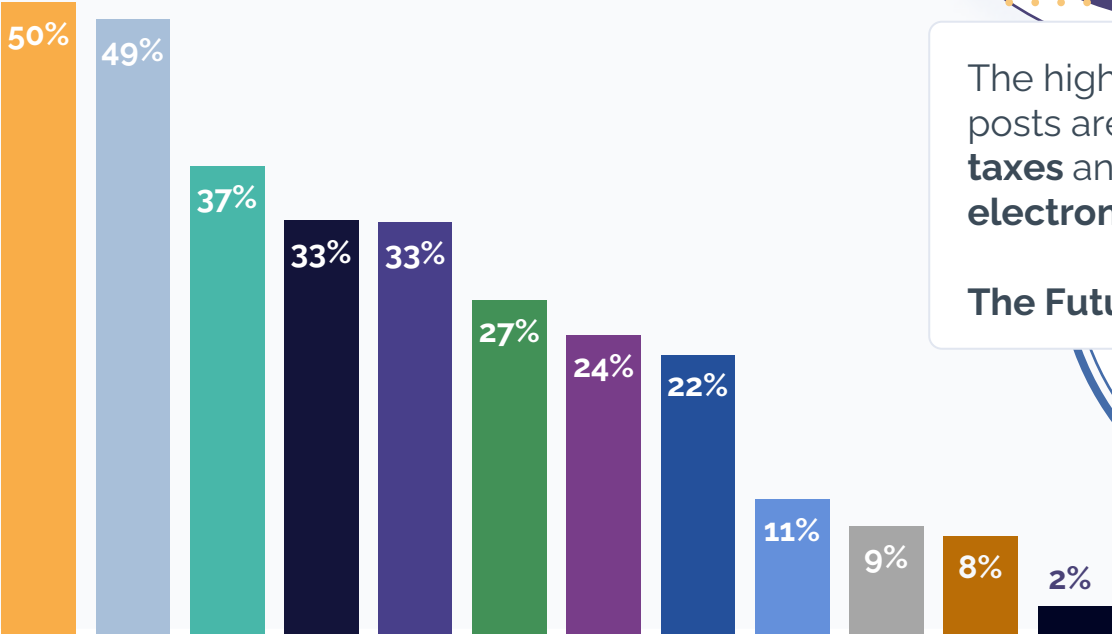
# Chasing DDP

The market is shifting to **require DDP**, but Posts have been slow to respond.

What is the main obstacle to **cross-border e-commerce** growth?

Percentage of postal operators

- Real-Time Tax and Duty Estimation
- Transit Times
- Partial or incorrect electronic data
- New Competitors
- Compliance new regulations
- Documentation Difficulties
- Cost Transparency
- Manual processing
- Product Restriction Screening
- Solutions for Cross-Border Product Repair
- Product Classification
- Denied Parties Screening



**#1** investment priority

**77%**

The least profitable Posts are **twice** as likely to be focused on **transit times**.

**The Future of Posts 2025**

for the next 3 years

The highest priorities for profitable posts are **real time duties and taxes** and improving **advance electronic documentation (AED)**.

**The Future of Posts 2025**

**2027**

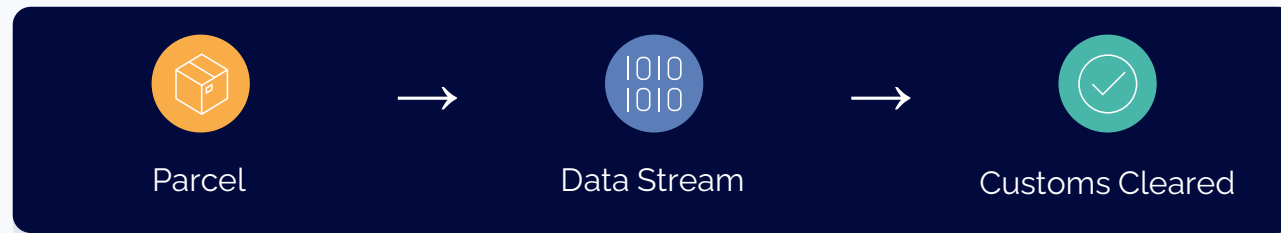


# Clearance is the Differentiator

**Regulatory redesign** turns data quality into **routing power** (especially EU 2026 low-value reform).

## WHAT'S CHANGING

- **Border agencies are overwhelmed;** 'good data' clears faster
- **Marketplaces will route to the operator** who can guarantee clearance predictability
- **Compliance is not overhead** — it is a product



**4.6B**

EU low-value items (2024)

**12M/day**

Average low-value items/day

**€3**

Planned low-value duty (from July 2026)



# Trend 3: OOH becoming choice architecture

Out-of-home networks **shift routing power**, but only if utilization is **engineered**.

## WHAT'S CHANGING



### OOH lowers cost and improves success

Reduces last-mile cost and improves first-time delivery success rates.



### Lockers are a platform, not a box

Returns, ID services, retail partnerships — an ecosystem beyond parcel collection.



### Utilization beats footprint

Strategic placement and high throughput matter more than deploying the most lockers.

**60–70%**

Last mile's share of total delivery cost

**44%**

European e-shoppers choose OOH when offered

**155k+**

Parcel lockers deployed across the EU (end-2023)

## OOH AS ROUTING ARCHITECTURE

Sorting hub

Route split

Locker

PUDO

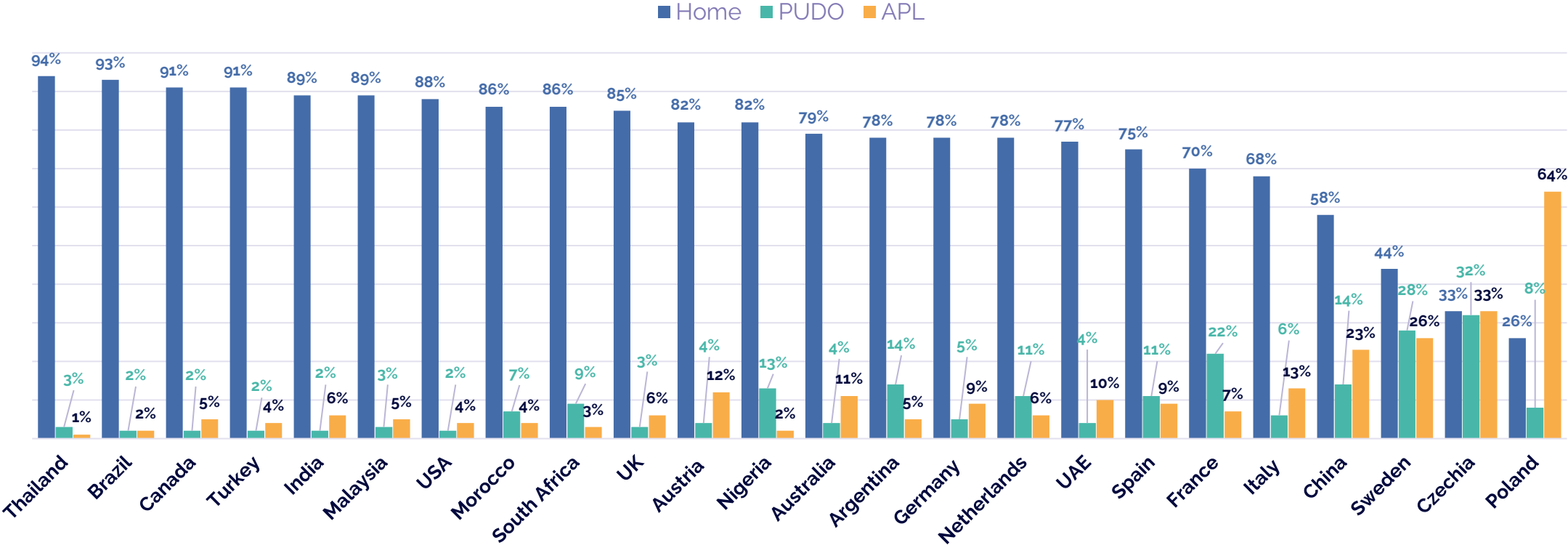
Home



# Give them what they want

**Home delivery** is the preferred delivery method in most countries, with some exceptions typically based on factors like **delivery quality**, **urban density**, and **security**.

Delivery Preference by Country, 2024



Analysis: **Pharand Advisors**  
Sources: DHL Online Shopper Trends, 2024; Effigy Consulting

# OOH Growing Unevenly



Company	2020 Lockers	2025 Lockers	Growth	Av. Utilization
● Asia				
Hive Box	100,000	330,000	230%	72%
Cainiao	80,000	170,000	113%	65%
● Europe				
InPost	12,500	61,000	390%	68%
Nova Post	2,600	28,600	1,000%	46%
DHL	6,000	15,500	158%	55%
● North America				
Amazon	15,000	40,000	167%	45%
Parcel Pending	10,000	18,000	80%	60%
UPS	12,000	25,000	108%	50%

# OOH Considerations

## 1 Recommerce changes the game

Consumer to Consumer drives most of the utilization today and may change the adoption curve.

## 2 Locker networks become shared and agnostic

Open-access models replace closed proprietary networks — any carrier, any locker.

## 3 Returns move to OOH faster than delivery

Consumers already prefer OOH for returns — this is the leading edge of adoption.

## 4 OOH evolves into neighbourhood infrastructure

Lockers evolve into multi-service community hubs beyond just parcels.

## 5 Competition shifts from footprint to utilization

Winning is no longer about deploying more lockers — it's about throughput per unit.

### RETURNS LEAD OOH ADOPTION

**25%** of shoppers receive parcels at OOH locations

**66%** already return items through OOH channels

**79%** use OOH for returns in Europe specifically

#### THE GAP

**Returns adoption is 2.6\* ahead of delivery**

This is the entry point — operators who capture returns capture the network effect

# Trend 4: Returns as the second supply chain

Returns are now macro-scale; **whoever controls returns controls loyalty and inventory velocity.**

## WHAT'S CHANGING



Returns create dense pickup flows and profitable processing services



Posts win by leveraging retail footprint as returns nodes



Triage at induction: resell, refurbish, recycle

● Return → ● Triage → ● Resell ● Refurbish ● Recycle

**\$890B**

U.S. retail returns (2024 est.)

**16.9%**

Share of all sales returned (2024 est.)

**Label-less**

Returns experience becomes the competitive battleground

# The Returns Problem

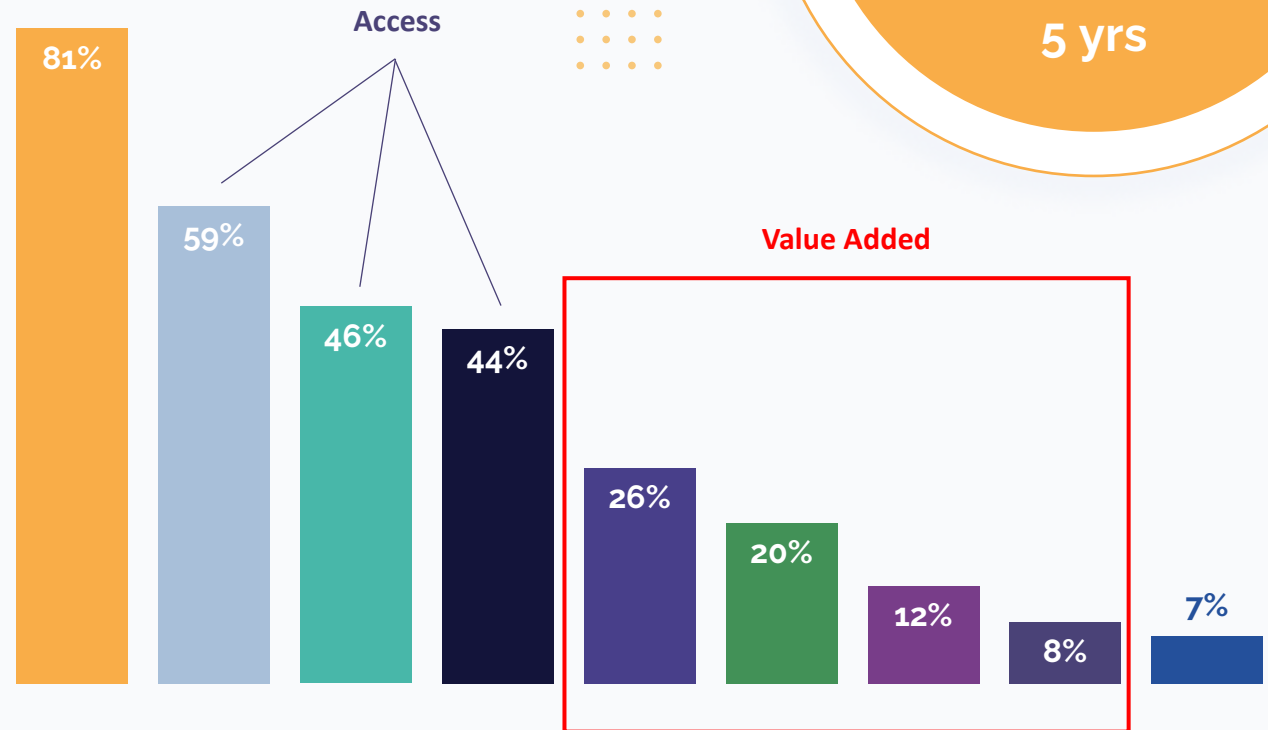
**Access** remains the focus, but **value-added services** are the differentiator.

Only **7%** of Posts believe that **returns** will have a significant impact on their businesses over the next **5 yrs**

How is your organisation dealing with rising **reverse-logistic** demands?

Percentage of postal operators

- We are not seeing rising reverse-logistics demand
- Offering alternative locations (i.e Lockers, PUDO)
- Home pick-up
- Start at home finish in-branch (i.e QR Code)
- Dynamic rerouting of parcels in transit
- Loss prevention analysis
- Dedicated returns self-service kiosk
- Dynamic disposition (categorising, initiating and processing returns)
- Other





# Maturity Varies by Market



# What next

The **future of returns** is not about **sending it back**.



Returns become a separate profit pool



Returns becoming OOH-based



Label-less and box-less returns become standard



Reverse logistics merges with recommerce



Cross-border returns become the next major battleground

IN MATURE MARKETS BY 2030

60-

of returns through lockers and parcel shops

80%

7%

of Posts believe returns will significantly impact them

QR

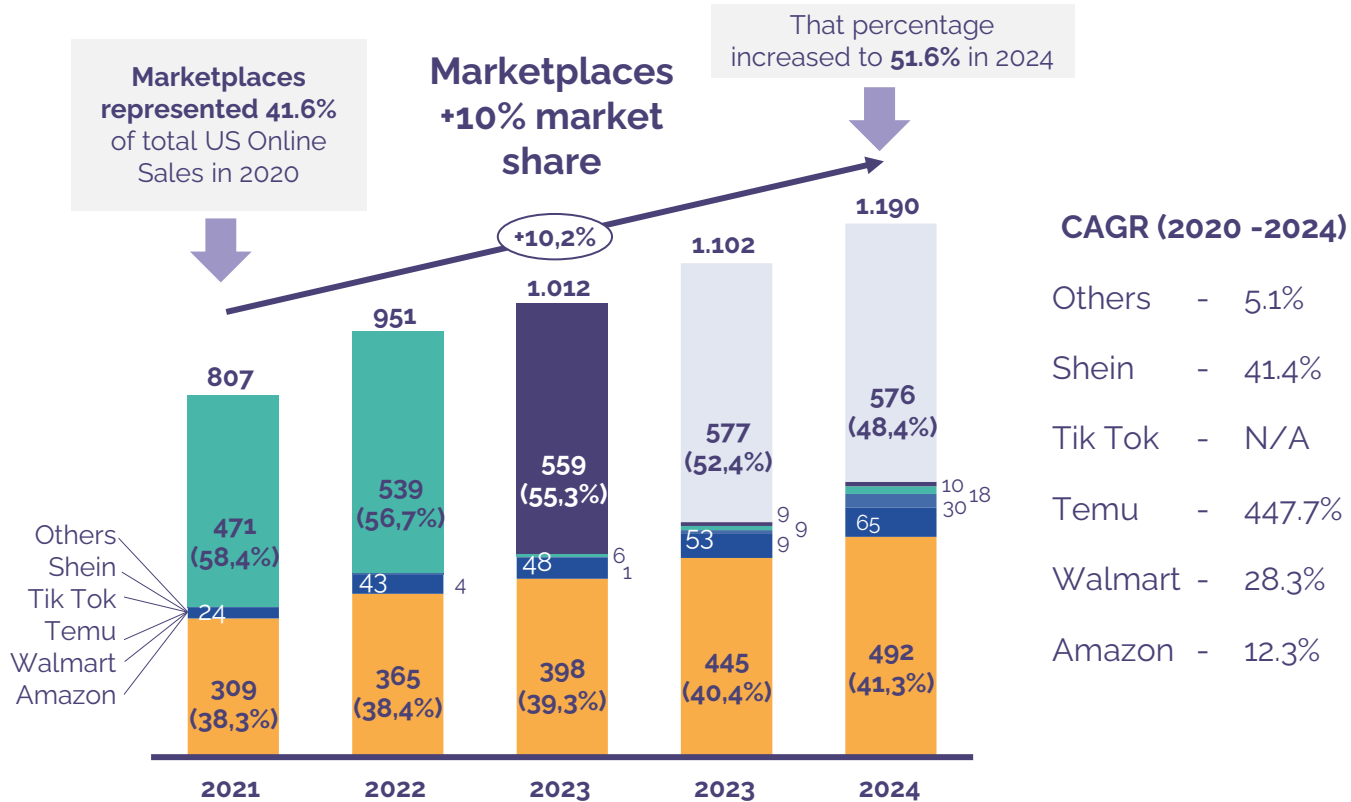
code or app authorization replaces the printed label

» Posts that sort, inspect, and resell — not just transport — will win »

# Trend 5: Marketplaces are Carriers



Online Sales & Market Share Top eCommerce Marketplaces, in the U.S. '20-'24



Walmart+ has seen a 4x increase in membership from 2021 to 2024.

## Which Retail Membership Services Do US Adults\* Pay For?

% of respondents, Feb 2021-Feb 2024

	Feb 2021	Feb 2022	Feb 2023	Feb 2024
Amazon Prime	68%	62%	65%	60%
Costco Wholesale	29%	23%	29%	24%
Walmart+	6%	5%	14%	23%
Sam's Club	26%	24%	26%	22%
DoorDash DashPass	-	10%	10%	12%
Instacart+	4%	6%	6%	9%
Best Buy	-	9%	9%	9%
Uber One	-	-	6%	7%
FreshDirect DeliveryPass	1%	2%	2%	2%
Sephora	na*	na*	na*	2%
Shipt	2%	3%	2%	2%
Other	5%	2%	3%	1%
None of the above	19%	18%	16%	19%

Note: ages 18-65; Sephora added in Feb 2024; \*or any member in the household  
Source: "The EMARKETER Ecommerce Survey" conducted in February 2024 by Bizrate Insights, Feb 29, 2024

285289



Despite declining memberships, Amazon's Market Share of eCommerce keeps climbing

Analysis: Pharand Advisors

Sources: eMarketer, annual reports, revenue estimates for TikTok Shop, Temu and Shein for 2024

# Marketplaces are changing the equation



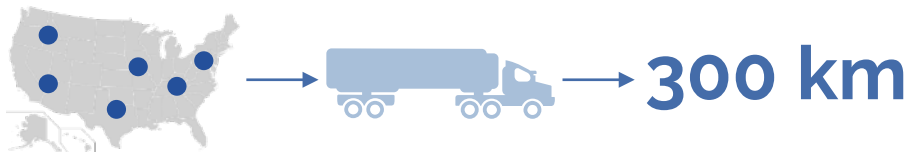
As **distances shrink**, the importance of efficiency in **last-mile** grows. Will **AI** change the game?

If we assume that parcels travel using these modes and distances ...

**AIR** (Overnight, Next Day, Deferred)



**GROUND**

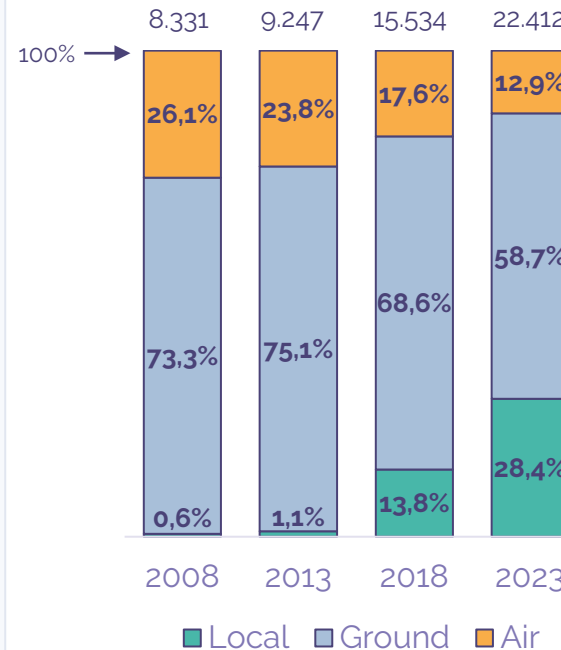


**LOCAL** (Fulfilment Center or Delivery Station)



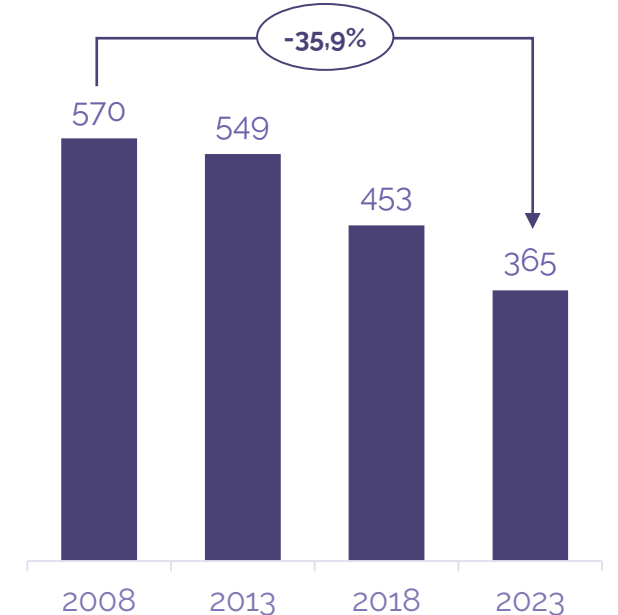
... and we apply these to the parcels (B2B and B2C) product mix...

Percentage and total volume in M of the US CEP market



... then the Average Distance travelled by a parcel has declined

Average distance travelled by each parcel in the US



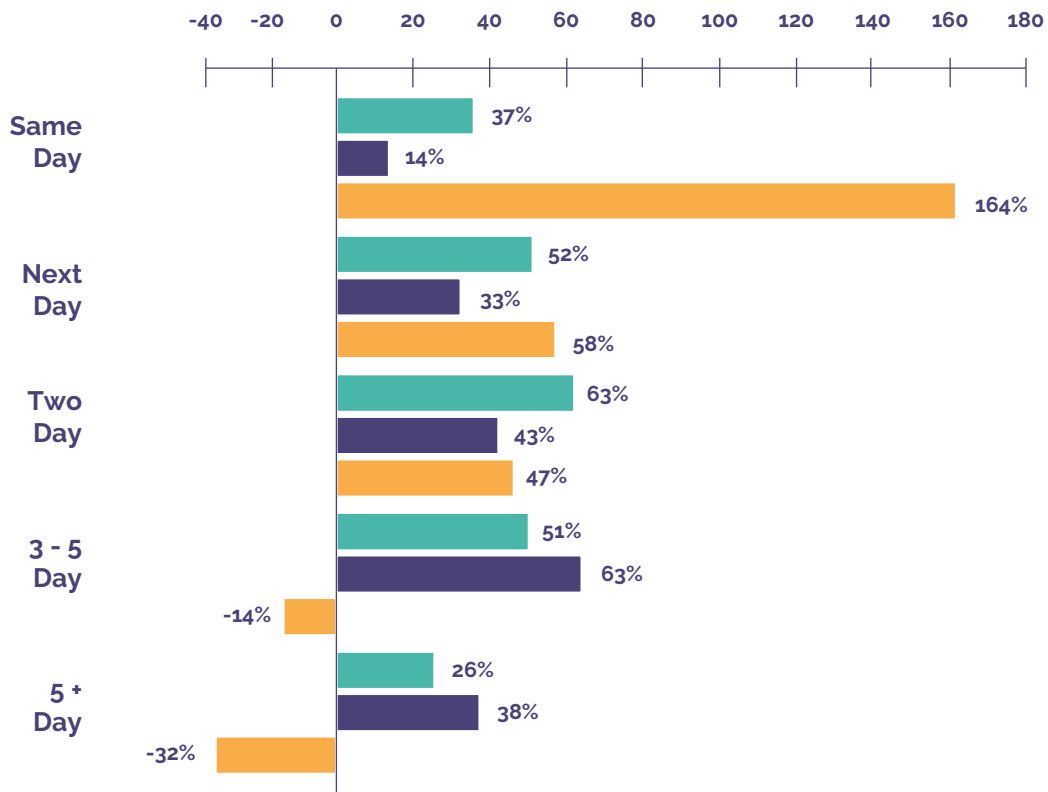
Analysis: **Pharand Advisors**  
Sources: Annual reports

# Driving Conversion with Speed



Same day has increased by **164%** and next day by **58%** in the last five years.

## Changes in delivery options over 5 years



## Top 3 reasons Merchants offer expedited shipping

- 1 Customer Demands **76%**
- 2 Competition with Direct Competitors **50%**
- 3 Competition with Big Box Retailers (i.e. Target, Walmart) **48%**

## Consumer POV: When shipping beats cost



# Postal Growth Archetypes



## The Traditionalist

- Focus on domestic mail and parcels



## The Regionalist

- Regional expansion, focus on logistics



## The Globalist

- Focus on global logistics



## The Diversifier

- Balanced portfolio of services and logistics



## The Retailer

- Heavy investment in banking and retail

# Postal Growth Archetypes



The Traditionalist

The Regionalist

The Globalist

The Diversifier

The Retailer

Revenue CAGR  
2022 - 2024

**1.1%**

**-1.0%**

**-4.5%**

**2.9%**

**5.7%**

EBIT Margin (Avg)  
2022 - 2024

**-5.1%**

**1.1%**

**6.9%**

**4.9%**

**8.3%**

# New Research!



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PRESENTATION

# WHICH TRENDS MATTER MOST

Brody Buhler, CEO, Escher Group

Your screen ⓘ

Join at [menti.com](https://menti.com) | use code **3505 9226**

## Which trends matter most?

CTA  
14.65%  
+ 10.6%

Quality Score  
9.38  
-0.1%

Cost per conversion  
673.27

0 of 1 responded

Next slide

Participant's screen ⓘ

## Which trends matter most?

Short responses are recommended. You have 200 characters left.

You may submit multiple responses

**Submit**

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PANEL 1

# DIVERSIFICATION SUCCESS STORIES

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PANEL 1

# DIVERSIFICATION SUCCESS STORIES



# **IDENTIFYING KEY ASSUMPTIONS BLOCKING DIVERSIFICATION**

# IDENTIFYING KEY ASSUMPTIONS BLOCKING DIVERSIFICATION

- <https://146883489.fs1.hubspotusercontent-eu1.net/hubfs/146883489/escher-groupporthodoxy.mp4>

Join at menti.com | use code 1772 5709

**What is the long standing believe/assumption, about your business or market, is holding you back from success ?**

Responses can be up to 200 characters and will appear here.

You can group responses if you get more than 10.

Turn on voting so people can flag their favorite responses.





PANEL 2

# FROM ASSUMPTIONS TO DIVERSIFICATION ACTIONS

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# DONG WANG (JUSTIN)

Director of International,  
China Post



# TAWNEE STEINKE

VP of Products and  
Partnerships at BoxC



# DAVID BU

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PANEL 2

# FROM ASSUMPTIONS TO DIVERSIFICATION ACTIONS

# ISAAC GNAMBA-YAO

<https://youtu.be/QFN3j8zXr1E>



CLOSING REMARKS  
**MARJAN OSVALD**

Deputy Director General,  
UPU International Bureau

# Key takeaways

- Transformation requires a willingness to challenge assumptions, even long-standing ones.
- Diversification must start with real customer needs, not only with what we are used to offering.
- Trust remains one of the biggest strengths of the postal sector. We should use that trust better, together with simple tools, practical partnerships and more agile delivery models.
- Move from discussion to action



Thank You

Merci

# Feedback time

