

POSTAL AND PARCEL TREND SURVEY

2024

POSTAL
INNOVATION PLATFORM





POSTAL

INNOVATION PLATFORM

www.postal-innovation.com

Email: bernhard@postal-innovation.com

Postal and Parcel Trend Report 2024 | This report provides original analysis, information and opinions on industry trends and developments.

The Postal Innovation Platform (PIP) is an open platform and forum which focuses on innovative postal and parcel services and studies the future of the postal and parcel industry with a solution oriented approach.

© Postal Innovation Platform (PIP) & Stamp Free Limited | March 2024

The Postal and Parcel Trend Report 2024 was supported and funded by [Stamp Free Limited](#)



OBJECTIVE AND METHODOLOGY



The postal and parcel market is in a huge transformation process. Trends, new technologies, changes in consumer behaviour, or global events play a significant role in this process. The 2024 Postal and Parcel Trend Report shall help to shed light on some of the trends and technologies which are re-shaping the industry.

We wanted to identify

1. the trends which play a crucial role,
2. new technologies that promise opportunities but also pose risks,
3. challenges which the market players are mostly concerned about, and
4. investment priorities in this and the next few years.

Over the past three months we have conducted interviews with postal and parcel sector executives and experts, organised a series of online events in which we discussed trends and new technologies with industry leaders and experts, and conducted a survey to confirm our findings. In addition, we used several sources of secondary research to support the identification of industry trends.

We have identified regional differences and highlight them in our report to the extent possible. We also realise that this is just a snapshot of the moment, and we don't claim that the report provides a complete picture - the global postal and parcel market is too complex. Even in quite homogeneous regions where countries have very similar characteristics, differences in trends can be quite significant. However, we hope that the findings can contribute to a better understanding of the current trends and technologies and can thus provide value to industry players and stakeholders.

EXECUTIVE SUMMARY I



The **main trends** in the postal and parcel market which will have the biggest impact in 2024 and the years ahead are **digitalisation, ecommerce, sustainability**, as well as competition and the tougher economic environment.

Ecommerce will remain the power engine of postal and parcel companies. The role of ecommerce in the development of postal and parcel companies is also underlined by our survey in which ecommerce is still seen as a top trend for the coming years. The ecommerce market is highly competitive, and the market structures are shifting. More ecommerce marketplaces are developing logistics activities and are transporting and delivering part of their volumes themselves. The most relevant development is the multiplication of B2B2C shipments, going hand in hand with the decline of international volumes in the traditional postal streams.

In our research we wanted to shed some light on two particularly interesting areas within ecommerce - **returns** and the growing **C2C market**, driven by marketplaces such as Vinted. While the C2C trend seems to be very strong in some countries, it is apparently much less so in others. However, we see the C2C trend as one which is growing considerably and will intensify the industry's focus on consumers and convenience. According to our survey, convenient access points (PUDOs, lockers etc.) as well as label free (printer free) solutions are the most important factors for a convenient returns solution for consumers or the growing C2C business.

The postal and parcel industry is undergoing a **digital transformation** process. The scope of digital tools, services, and applications is constantly growing, in line with the increasing complexity of supply chain processes and the need to offer fast, reliable, and customer centric services. **Digitalisation** is considered as the trend which will have the biggest impact on the postal and parcel industry in the coming years. However, when it comes to investments for the next one to two years, investments in digitalisation, including AI technologies, only ranks number four behind investments in ecommerce solutions, first- and last mile infrastructure, and sustainability.

Sustainability efforts include the reduction of CO2 emissions, the reduction of waste, and other elements. While sustainability plays a huge role in global logistics today, it plays a stronger role in some regions than in others. The importance of sustainability has been underlined in our survey where sustainability is ranked as one of the top three trends for the coming years. 100% of respondents indicated that sustainability is either moderately or highly important within their organizations. Within the carriers' sustainability agenda, the following areas have been named as the most relevant ones: delivery efficiency is seen as the most important element, including route optimisation, followed by fleet transformation, and ranking third out-of-home solutions, such as parcel shops or lockers. As very important is listed the reduction of waste, notably in the areas of packaging, wrapping, and label-free solutions.

EXECUTIVE SUMMARY II



The top **four technology trends for 2024** are **automation, Big Data, Artificial Intelligence (AI), and cybersecurity.**

Respondents to our survey indicated that **Artificial Intelligence** will be one of the top three technologies that will have a significant impact on the postal and parcel market, behind automation and Big Data. Considering that **data** is the basis for successful AI applications, it shows that postal and parcel companies have clearly understood the need of data generation, data analysis, and AI driven solutions. However, the survey has also revealed that postal and parcel executives see the adoption and integration of new technologies as one of the top challenges which they are facing this year.

We can identify many areas where data is gathered, cleaned, and used. Visualisation of processes and identification of events or problems support optimized decision making, thus allowing optimisation of processes, better customer management, and efficient communication. Its value depends on real, reliable, and clean data, the right questions asked, and a proper analysis that can identify patterns, allow real-time insights, and helps to make predictions and forecasts. In our survey we have seen that **Big Data and AI are among the biggest challenges which postal and parcel operators will face over the coming years.** Data gathering requires important investments, including cameras, sensors, and other technologies. Saving and storage of data is another challenge.

In our survey, **automation** and **robotics** are considered important, but we see considerable differences between regions. Investments in robotics and automation are substantial. Therefore, we can see investments and testing of automation and robotics solutions mainly in countries with high labour costs. Several postal and parcel companies also commented that when staffing becomes a real problem, automation and robotics solutions need to be in place. Whereby automation is considered as the major technology trend today, robotics solutions rank in place five of our survey. While robotics solutions require a substantial investment, their benefits are currently not always clear as the ROI can still be limited. With the current pace of technological advancements, the business case will become clearer in the coming years.

Postal and parcel companies are fully aware of the risks associated with cyber threats. The industry ranks **cybersecurity** high among technological trends which will have the biggest impact on the industry, at the same level as Big Data and Artificial Intelligence. It is seen as one of the big three challenges which the industry will face this year, ranking right after competition and market shares, and the adoption and integration of new technologies.

EXECUTIVE SUMMARY III



Autonomous solutions, Blockchain, and extended reality are currently viewed as having a lower impact on the industry. While all three technologies have already been discussed and analysed over several years, the technologies don't seem to be ripe enough or the relevant use cases are either missing or are still too limited.

Our survey results show that **competition and market shares are at the forefront of postal and parcel companies' challenges this year.** Competition is high and business models are changing, with new market entrants and ecommerce platforms bypassing traditional postal and parcel streams and often building their own delivery networks. Right after competition, the **adoption and integration of new technologies** as well as **cybersecurity** have been identified as the biggest challenges.

The **priorities** for this year as well as the areas where the highest investments will be made provide insights into ongoing efforts and the development of new solutions or capabilities. The top priority for this year is still **ecommerce**. This supports the general survey findings that are also reflected under key trends. Investments **in the first and last mile**, such as PUDOs, lockers or new delivery models, rank in second place. **Sustainability** comes in third place and investments in digitalisation, including new technologies such as AI, and C2C market developments are ranked in places four and five.

KEY TAKEAWAYS

TRENDS & PRIORITIES 2024

- 1) The **key trends for the postal and parcel sector in 2024** are **digitalisation, ecommerce, sustainability**, and the **tougher economic environment combined with strong competition**.
- 2) The **technologies** which will have the greatest impact on the industry are **automation, Big Data, Artificial Intelligence**, and **cybersecurity**.
- 3) **Competition and market shares** are at the forefront of postal and parcel companies' **challenges** this year, followed by the adoption and integration of new technologies, talent and workforce, as well as cybersecurity.
- 4) The **top priority** where the postal and parcel industry will invest most resources this year will be **ecommerce**, including fulfillment solution, marketplaces, returns, and consumer convenience. Investments in first and last mile solutions rank in second place, followed by sustainability, digitalisation, and C2C solutions.
- 5) **Digitalisation** is considered as the trend which will have the biggest impact on the postal and parcel industry in the coming years. However, when it comes to investments for the next one to two years, investments in digitalisation, including AI technologies, only rank number four behind investments in e-commerce solutions, first- and last mile infrastructure, and sustainability.
- 6) The **C2C market** is growing, mainly driven by some prominent C2C marketplaces, and is gaining considerably in importance. However, while this market segment is very strong in some countries, it is still developing in others.
- 7) **Returns** are a crucial element in today's ecommerce environment, and consumers will favor those marketplaces or brands which offer easy returns solutions. **Convenient access points** (PUDOs, lockers etc.) as well as **label free (printer free) solutions** are the most important factors for a convenient returns solution for consumers as well as for offerings in the growing C2C market.

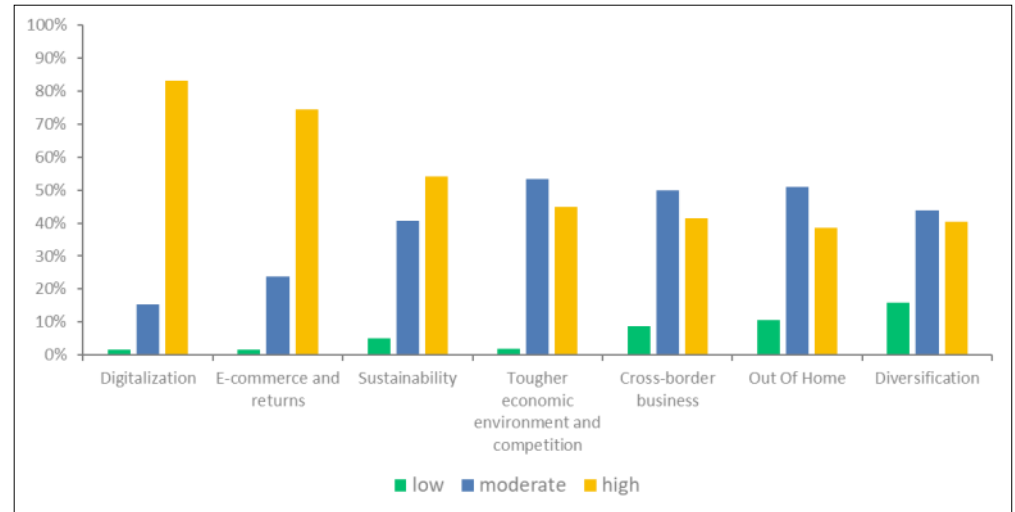
KEY TAKEAWAYS

TRENDS & PRIORITIES 2024

- 8) The importance of **sustainability** has been underlined in our survey where sustainability ranks as one of the top three trends for the coming years.
- 9) Within the carriers' sustainability agenda, the following areas have been named as the most relevant ones: **delivery efficiency** is seen as the most important element, including route optimisation, followed by **fleet transformation**, and on place three **out-of-home solutions**, such as parcel shops or lockers. As very important is listed the reduction of waste, notably in the areas of packaging, wrapping, and label-free solutions.
- 10) **Automation and robotics** are key technology trends, but we see considerable differences between regions. Automation of postal and parcel processes can have a much higher priority in countries with high labour costs.
- 11) **Big Data** and **AI** are among the biggest challenges which postal and parcel operators will face over the coming years. Data gathering, storing, and cleaning require considerable resources, which currently pose significant obstacles for the implementation of powerful solutions, such as AI powered solutions.
- 12) Postal and parcel companies are fully aware of the risks associated with cyber threats. The industry ranks **cybersecurity** very high among technological trends which will have the biggest impact on the industry, at the same level with Big Data and Artificial Intelligence. It is seen as one of the big three challenges which the industry will face this year, ranking right after competition and market shares as well as adoption and integration of new technologies.
- 13) **Autonomous solutions**, **Blockchain**, and **extended reality** are currently viewed as having a lower impact on the industry. While all three technologies have already been discussed and analysed over several years, the technologies don't seem to be ripe enough or the relevant use cases are either missing or are still too limited.

TRENDS 2024

The main trends in the postal and parcel market which will have the biggest impact in 2024 and the years ahead are **digitalisation**, **e-commerce**, **sustainability**, as well as **competition and the tougher economic environment**. Further down the line we can find cross-border business, out-of-home solutions (OOH), and diversification.



TECHNOLOGIES 2024

The technologies which will have the biggest impact on the postal and parcel market over the coming 3 to 5 years are **automation**, **Big Data**, **artificial intelligence**, and **cybersecurity**. Robotics and IoT solutions follow right after, while autonomous solutions, blockchain, and extended reality are expected to (still) play a less important role in the coming years.

