

PROSPECTS AND TRENDS OF THE EXPRESS AND POSTAL DELIVERY MARKET

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The essence of the express and postal delivery market, their prospects and trends were analyzed in this thesis. Nowadays logisticians need to understand what they should be ready for and what directions to follow in their work. Also, the emphasis was made on Ukrainian and world markets separately.

First of all, we would like to note that the field of postal services is evolving and changing under the influence of global trends. Therefore, companies must quickly adapt to new market demands. Personalization, mobilization, social commerce, multichannel, growth rate Internet penetration in the last few years has led to an increase in mail traffic.

The volume of the domestic market of postal services and express delivery is 432 million items. The main domestic operators are Nova Poshta, Ukrposhta, Meest, Justin. As of 2020, the market has the following structure: Nova Poshta - 63%, UkrPoshta - 16%, Meest - 2%, own 8% of e-commerce services, the rest - others [1]. According to the State Statistics Service of Ukraine, the volume of services sold in 2021 is more than UAH 24 billion [2].

It is appropriate to consider the competitive analysis of express delivery market operators to determine the current state of development and prospects of the market as a whole (Table 1).

Table 1. Competitive analysis of postal operators of Ukraine [1]

Criterion	 #	 #	 #	 #
Focus on segment	eCommerce; C2C B2B express	eCommerce C2C	eCommerce	eCommerce
Number of post offices	Ukraine and foreign countries - 8700 branches; 1000 post offices	About 11,000 branches	2815 representations, including post offices	More than 600 branches
Delivery speed	1-2 days	2-6 days	1-6 days	1-2 days

Undoubtedly, the table shows that one of the main trends is development of the e-commerce market in Ukraine, which in turn stimulates the market of postal and express transport. During the pandemic, there was a significant increase in online shopping, which necessitated an appropriate number of postal deliveries. The Ukrainian express delivery market is a profitable offer for marketplaces, online stores, retail and others. Thus, during 2020, the demand for delivery increased by 10-20%.

Currently, there is a tendency to increase the requirements for postal operators from customers.

Delivery speed is the main trend and requirement for postal services. This is a relatively new service of using quick commerce [3]. The competition that delivers the order the fastest wins the competition. The table shows that currently two operators, Nova Poshta and Justin, will win in terms of speed. Leading postal services set the trend to meet customer needs - digitalization. This is an opportunity to use the mobile application for: registration, tracking, non-cash delivery.

Robotization is another modern method of establishing fast delivery. The example of European countries has shown the effectiveness of, for example, unmanned delivery, the use of drones. The new post office has already conducted training services and is preparing to provide this service.

The pandemic necessitated the contactless operation of the post office. Therefore, delivery of goods to post offices is important. These are automatic terminals for receiving and sending parcels. They work around the clock, without the need for contact with people or people. This is primarily an opportunity to pick up the parcel safely and conveniently.

Increasing demand for small parcels. In the delivery system there is a tendency to increase the number of small shipments. This is due to the increase in online shopping, which often weighs up to 30 kg. The second reason is the tendency to abandon the B2B system [3].

Focusing on the European level of quality and security of postal operations is the goal of public services [4]. The key event at the moment is the adoption of a new version of the Law on Postal Services. It regulates the provision of modern and accessible services to every citizen, sets the European integration direction for the

development of the postal sector. The document creates equal market conditions for all its participants, allows for cooperation. The law allows the use of electronic stamps, legitimizes and recognizes full-fledged courier services. The adoption of the bill allows people with disabilities to join the work.

In general, development trends are the same for both public and private operators. After all, today they work on equal terms and are fighting for supremacy in the market. Summary Table 2 shows the main trends in the field of postal services.

Table 2. Trends in the global postal market [1]

Trends	Description
E-commerce	- delivery of online orders - weight reduction of parcels
Speed	- quick commerce
Contactlessness	- delivery to post offices - use the application to place an order
Introduction of modern technologies	- digitalization - robotics
European integration processes	- adoption of the bill according to European standards

The global express delivery market was estimated at about \$262.9 billion and is forecasted to be \$484,4 billion by 2030 [5]. The global service market that includes different ways of intercontinental transportation, such as air, water and land transport, is highly affected by the increasing B2C market share, a rapid growth in international trade services and development of e-commerce. These issues are the reasons for the appearance of major trends. Tendency in the development of express delivery in the period 2017-2026 are shown in the graph (Figure 1).

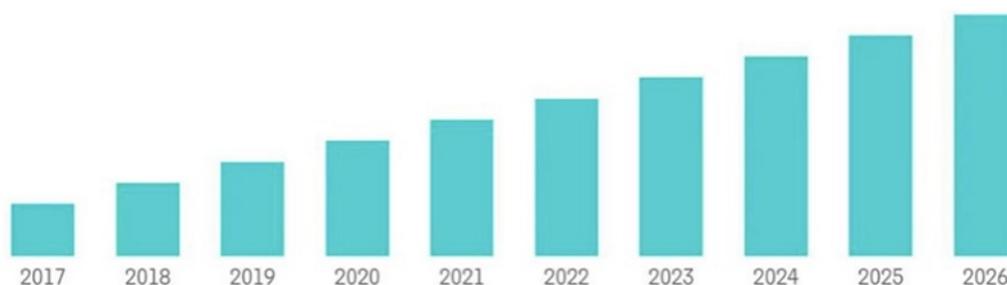


Figure 1. Express delivery market, value in USD Billion, Asia-Pacific, 2017-2026 [5]

As it was said above, the development of E-commerce is the core trend nowadays globally. Asia-Pacific and North America are the leaders of the regional totals for both retail and retail E-Commerce sales. This region accounts for 42.3%, North America - for 22,9% and Western Europe makes up about 16,2% of worldwide retail sales [6]. For E-commerce, China's dominance means that 62.6% of all digital sales are in Asia-Pacific. E-commerce still has an impact on B2B and B2C companies. Global delivery companies around the world constantly test and develop solutions to meet new consumers' needs and wishes. As online platforms mature and consumer's needs of how and when the product must be delivered change. Trends in the development of E-commerce in the period 2014-2020 are shown in the graph (Figure 2).

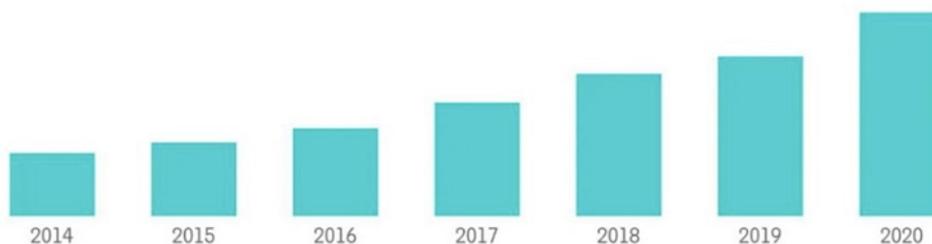


Figure 2. Retail E-commerce sales, value in USD Billion, Global, 2014-2020 [5]

Since the competitiveness is growing and companies are competing in the same field, they are trying to embrace as many of the regions as possible. The international companies are doing strategic investments to build up a regional logistics network, such as smart warehouses, having new distribution centers, etc. At the same time local

companies have to deal with high competition with multinational organizations that have a well-developed infrastructure as a main competitive advantage.

Moreover, companies become focused on building the trust connection among postal and parcel customers. It has been seen that when the amount of available postal and parcel services is broader, the customers are more likely to choose the brand they are familiar with [7]. If the connection is built, then retain and build on that trust through digitally savvy strategies and alliances.

In addition, as the world is getting more conscious the trend of sustainability arises. People become more worried about environmental changes and how their actions can lead to improvement or damage. So are postal delivery companies which are keen on attracting customers. That is why more and more new packages appear, why organizations look for better paths of delivery that will not affect nature.

To sum up, possible prospects of the delivery market, no matter if it is a country or worldwide, have common ways of development. Either it is the development of E-commerce, robotization or embracing larger regions. All this factors and trends may lead to a huge improvement of delivery systems not only in A-list companies of big countries but also those that are situated in small countries and have a potential to continue their progress.

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