



The express parcels industry under pressure as never before

21st September, London, UK: The express parcels industry is coming under pressure as never before. Fundamental changes in the market structure, caused by e-retailing, technological disruption and macro-economic upheaval, have created opportunities and challenges for express companies in equal measure.

This is the conclusion of Ti's latest report ['Global Express and Small Parcels 2015'](#) which includes in-depth analysis of the market trends and how express parcels carriers are responding to them.

According to the report's authors, the massive growth of e-retail volumes has characterized the industry in 2015. e-retail has led to more sophisticated delivery strategies, which better take into account the requirements of the final recipient. Home deliveries are costly and inefficient and hence express carriers have been developing more flexible solutions which allow the recipient to choose the time and location of delivery.

As well as this, alternative delivery locations are being developed. This includes smart lockers which can now be found at car parks, petrol stations, railway stations and supermarkets; locations which are designed to make it more convenient for recipients to collect (and return) their parcel.

The growth, particularly strong in Asia Pacific (where the express market grew by nearly 16% in 2014) has not necessarily resulted in profitability for express players, especially those exposed to the domestic market. Even the largest carriers, such as UPS, have struggled to find a solution to deal with the surge in demand at peak times of year, including the so-called Black Friday.

In addition to this, competition is also arising from unlikely sources. Many disruptive technology companies, such as Uber and Nimbr, have become massive businesses and the possibility that one will emerge in the logistics industry should never be ruled out.

However, these start-ups are not an imminent threat to national or international networks, due to their greater levels of efficiency. They are also largely aimed at consumer markets, rather than B2B. They could

even become a useful tool for many incumbent express companies to better utilise assets in niche sectors or geographies.

The changes in the market are not all driven by changing patterns of consumer demand. The biggest shake up will be caused by the likely acquisition of TNT, by FedEx, reducing the number of large, global express players from 4 to 3.

John Manners-Bell, Ti's CEO, commenting on the findings of the report said, "*E-retail, new business models, disruptive technologies and the volatile global economic environment are transforming the express parcels industry. The future is overwhelmingly positive – but only for those companies which work out how to take advantage of this systemic change.*"

Notes to Editors

About Global Express and Small Parcels 2015

Ti's annual analysis and market overview of the global express and small parcels sector containing unique market sizing and forecast data. In addition, the report includes company profiles of post offices, LSPs and the integrators showcasing their differing strategies as the market develops, as well as insight into what factors are shaping the market we know today.

About Transport Intelligence

Transport Intelligence (Ti) is one of the world's leading providers of expert research and analysis dedicated to the global logistics industry. Utilising the expertise of professionals with decades of experience in the mail, express and logistics industry, Ti has developed a range of market leading web-based products, report, profiles and services used by all the world's leading logistics suppliers, consultancies and banks as well as many end users of logistics services.