

## HOW ARE POST AND PARCEL OPERATORS ADAPTING THEIR OPERATIONS?

31 Mar 2020

In less than 4 weeks Europe has seen Coronavirus take hold and change the social and commercial landscape of most of the world. Postal operators like other sectors has had to quickly adapt their networks, services and business priorities. To ensure the safety of employees and the communities they serve. After a short time, some key trends are already starting to appear and it's important that PostEurop members understand how these trends progress and their impact on their postal services.

**Delivery models are changing:** The delivery models have been shaped by Government policies to stem the progress of the pandemic. Operators have had to change their delivery times, change the deliver processes introducing new social distancing measures such as staggered shift times, contactless deliveries, spacing operations and times of operation like customer service points to reduce the risk of physical contact.

**Impact on mail volumes:** Across the board, domestic and international **letter volumes are experiencing significant declines**, far beyond the typical decline rates seen for both business and advertising mail, as customers rein in their expenditure. **B2C parcel volumes are up**, particularly in key sectors such as health, electronics, books, food and grocery and DIY, but B2B volumes are suffering due to business closures.

Experience from countries, where the Government have restricted travel and are ensuring people remain at home shows that demand for ecommerce is increasing as customers use the network to purchase goods as well as key items. Postal networks are under increasing pressure from absenteeism, the pressure to keep the network consumer points clean and hygienic, personal protection materials are in short supply, and of course as the number of confirmed coronavirus cases increase so the pressure mounts. some posts have urged their business customers to stop all but essential letter and parcel shipments. some have suspended all non-USO domestic services. Whilst some are asking customers to entrust them only with urgent shipments, and those with a good chance of successful first-time delivery.

**Impact on employees:** Postal companies are seeing **high absence rates** (above 15% of the workforce) among staff and some are moving to a shorter working week. Government owned La Poste is gradually reducing its workers' hours to four days this week, then three days a week from Monday 30 March, but has said it will maintain pay for its workers. Many postal operators have been designated as "critical workers" meaning a national service has to be maintained, this puts additional pressures on staff who operator in an open environment 6 days of the week. The health and well-being of postal staff is the key high priority of postal operators, which has meant new Initiatives are needed to support staff.

**Changing service standards:** Poste Italiane has temporarily suspended all un-signed-for business mail and direct mail this week, and has closed its customer service centre to new complaints until the beginning of April. Several companies are suspending their delivery guarantees, including private couriers).

Posts are also initiating cost savings measures, primarily impacting staff costs, and stopping all non-time-critical projects. The cost of hygiene operations, personal protection equipment as well as operational and asset costs will impact on the profitability operators.

**Challenges in the provision of Cross Border:** Many airlines have restricted air passenger services with some of the largest airlines have ceasing services completely. In many cases cargo/freight are the only transport links available and at premium prices. Other routes are serviced by sea transportation such as Australasia, USA and other long-haul destinations. Road services is the norm for most EU destinations which has led to some customs issues/delays.

**The PostEurop coronavirus webpage brings you a range of news and update articles under the "Latest news" banner. These provide insights and articles based on the experiences from other posts. The core focus is ensuring operators follow Government health advice on social distancing, and hygiene.**