

Perspectives for the development of courier services in post-pandemic reality

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Abstract: Logistics is the most important element of e-commerce market, because in self existence supports the broad activity of enterprises development. Expanding knowledge in this area allows for a broad look beyond the basic framework of the market. It is possible by developing ICT systems and new technologies. Virtual activity of the organizations shows the complexity of market development systems. The article present perspectives for the development of couriers services in post-pandemic reality and evaluates Smith`s management system under changing lockdown condition.

Keywords: Logistics, e-commerce, pandemic, economic development, econometrics

Introduction

The entire world has faced the challenge of operating under the constraints of a pandemic. Companies had to look for alternative ways of doing business. The expectations and needs of clients (buyers) have changed rapidly. The company`s that managed to adapt to changing conditions could survive. Unfortunately, many of them have fallen. Observing the economy, we saw a clash two global concepts of making a business and operating on the market. The collapse of the economy based on the industrial model forced the formation of risk management solutions by effectively responding to changes. Thus, John Keynes forecasts for the economic future have devalued. Keynes mistakenly assumed a gradual increase in the level of production and a higher standard of living. His model did

not include many variables that currently significantly affect the everybody, such as emerging crises (economic, society, cultural, biological), armed conflicts, protests and devastation or population problem. To the detriment of Keynes postulates, the above-mentioned factors have been at a very low level for years, which prevents the development and improvement of the quality of life of the population. To enable development, we must be taken more factors into account, such as ability to microeconomic management with macroeconomic policy (A. Smith rules), so that the growing potential can be fully used.

The e-commerce industry has shown that development tools can be found in a changing socio-economic environment.

Logistics and the e-commerce industry

E-commerce is an area that is still developing and becoming present in many economic entities. Attention should be paid to the distribution channels needed to sell the ware (commodity) and meet consumer needs. Thanks to analyzes using BigData , Internet of Things concept (IoT) and Industry 4.0 concept, entrepreneurs gain an overview of what areas of operation should pay special attention to, how to increase the number of consumers and how to encourage customers to make shopping. In the case of e-commerce, it is important to shorten distribution channels (increase efficiency) by the skipping the warehouse process and selling in retail stores. Distribution working in real time and the commercial offer is much wider than in traditional stores. Internet shops can sell products in any territory.

Logistics is a most important element of this type of trade, as it is used to deliver goods ordered on the Internet (mainly in online stores). The supply chain, which is created for the purpose of distributing goods to consumers (at the time, place and conditions determined by them) is largely based on courier services. The development of e-commerce has been observed for several years and thus the high activity of courier entities. Initially, couriers cooperated with several large online stores and the dominant position was the provision of standard services for current customers. The dynamic growth of online customers forced the interest in e-commerce of large logistics operators dealing with full service of online stores and cooperating with carriers. In e-commerce we can distinguish three basic forms of logistics organization, which assume cooperation with the carriers services market [Kawa, 2014, p. 37]:

- own logistics,

- dropshipping,
- one stop e-commerce.

The first approach is common. The entities carry out all logistics activities independently (except for delivery). This solution is effective for small businesses (no need to spend money on logistics outsourcing). This allows them to effectively control their own business and become independent from external service providers. In this case, it is extremely important to be well prepared for the sudden development of the company. When the level of sales (orders) increases, employment or warehouse space increases. Dropshipping in turn, it is based on the shipment of the product directly from the external warehouse belonging to the manufacturer, specialized entity or distributor - to the customer. This type of service is mainly interested in medium-sized entities that avoid the risk of freezing cash in inventories, especially when they plan to increase the number of assortment items. The process consists in storing goods, accepting and completing orders, generating sales documents and sending them to online customers (Internet users, e-customers). This model enables greater involvement in acquiring new customers. Comprehensive service of online stores by specialized organizations refers to the one stop e-commerce model. On behalf of the client, we accept deliveries to the warehouse, manage the stock, accept orders from e-customers, pack parcels, prepare documents (receipts, invoices, waybills), handle returns and cooperate with carriers. One stop e-commerce model assumes extensive support, both in the field of logistics, but also customer service, IT solutions, marketing activities, financial organization and accounting by one organization. This solution is very flexible, as a specialized operator is able to adapt to the volatility of demand depending on the needs. The operator of the one stop e-commerce model generates reports on its activities for the customer, such as sales volume, complaints, returns, etc. There are entities on the market that (in addition to the aforementioned services) undertake the repair, recycling or disposal of returned and advertised goods. This form of cooperation with one partner enables high coordination of activities and communication between the parties thanks to the integration of processes in one place [Kawa, 2014 p. 38].

Courier services market in the face of markets lockdown

In its specificity, courier services include the transport of various groups of goods (loads) along with the service selected for them. Many imperfections in the operation of national postal entities contributed to the creation of a market niche that is currently occupied by specialized courier

companies. In this case, the key factors are the time, quality of the service provided, convenience as well as the effectiveness and timely delivery of shipments. Courier entities offer their clients international or global services, although they usually operate on a national basis. Couriers rely on a wide range of distribution networks and cargo transport broken down into bulky goods and smaller weight and limited size shipments. The system of operation is focused on reducing the time of delivery of parcels to a minimum, taking into account, for example, distance. The main element of the courier service is delivering the parcel from the point of sending to the point of collection with a guarantee of service performance within a specified time. In addition, important elements are placing orders by phone or via the Internet, completing orders, processing returns, controlling the location of the shipment and collecting payments for the ordered goods.

Since the establishment of the first entities offering courier services, express mail and parcels⁴ (SEP) the market is developing powerfully. Currently, operators place emphasis on development using new technologies and a high level of customer service. When carrying goods, couriers in addition to performing their tasks, also provide additional services, such as picking up the parcel directly from the sender. This is a very useful solution, because the distance from the sending point can be even several kilometers. The possibility of placing an order via the Internet has become a great help. This allows customers to be more convenient and time-saving and allows to monitor, locate and track the route of the cargo. Financial settlements were corrected (non-cash settlements). The interest in express and courier services in Poland appeared much later than in other countries, but it is developing very quickly. In 2015, the market of courier and express services in Poland reached the value of PLN⁵ 4.5 billion. The following year brought an increase to PLN 5.1 billion, which accounted for 2% of the European market and had a huge impact on economic development. In 2019, the SEP market was reaching value in Poland over 7,9 billion PLN [1]. Such a huge growth of the Polish market was caused by the constantly growing volume in the e-commerce market. Polish society is more and more willing to buy goods via the Internet, guided by the convenience of buying, a large selection of goods, better prices and flexibility of deliveries. This poses many challenges for the courier services industry. On the one hand, they have to meet the ever-growing volume of shipments, and on the other hand, the growing expectations of consumers. Such a situation leads to the need to implement various types of innovations (optimization of deliveries, use of drones, RFID technology, etc.). In addition to the currently known pick-up and drop-off points, alternative solutions are being tested, such as the possibility of leaving the parcel in a vehicle, garage or delivering it to individual points.

According to the data of the Office of Electronic Communications, almost 300 courier entities operate in Poland. On the top is DPD (29% market share) with a network of 2,200 points. In addition, this group includes Polish Post Office (18% market share), UPS (14%), DHL (12%), GLS (10%) or FedEx (8%)[1]. The structure of the express and courier parcels industry in Poland is similar to the

⁴ UPS was established in 1907, TNT in 1946, DHL in 1969 and Fedex in 1971.

⁵ PLN is a polish value (1 PLN – 3,8 USD)

structure of Western European countries. It includes, among others SEP industry integrators with many years of experience and global reach (UPS, DHL, FedEx), carriers operating in the area of Europe (DPD, GLS) and Polish Post Office as the national operator of postal items. There are also companies that provide domestic services (Siódemka, InPost), local and courier brokers. The activities of the latter are aimed at accumulating the offers of several courier operators in order to facilitate access to them and enable price comparison. Almost half of all parcels in Poland are delivered in the B2C (Business to Customer) segment as part of e-commerce, and the percentage of Internet users buying online is growing year by year [5]. The courier services market is developing well and there is no indication that growth will collapse. It is one of the few industries on the market that has not experienced a downturn or a downturn in recent years (even in the face of an epidemic). The dynamic development of e-commerce is affected by increasing mobility and the high popularity of mobile devices. Consumers order goods at a convenient time for them and expect a quick execution of their orders. For e-commerce logistics professionals, the high volatility of demand is very problematic. **Nobody is referring to a trend or a classic seasonality for certain products, but on a large accumulation of orders on certain days. In addition, there is an accumulation of seasonal peaks (cultural, religious or occasional events), which are most often triggered by promotions.** The requirements and expectations of e-commerce customers regarding SEP services are characterized by a slightly different specificity compared to other sectors of the economy. Namely, SEP services must be tailored to the needs of both the seller and his client. For the sender, quality, reliability, system integration are important, and for the recipient, convenience, flexibility and price are important. In addition, senders expect extended delivery times - ideally at the end of the business day, and customers expect flexibility with regard to delivery times [5]. Courier market operators, even in the face of government restrictions, changing health care guidelines and the closure of many industries, can still count on sustainable development. This is due to the fact of looking for and finding innovative customer service solutions. Option of sending and collecting parcels outside the place of residence or work (PUDO) it is convenient not only for customers but also for couriers. They can deliver more than one package to the address indicated, where someone is always available. Thus, the number of undelivered shipments is reduced. The number of consumer questions is also reduced, as each of them receives feedback on the status of the shipment. With the development of the off-site delivery network (out of home delivery – OHD) operators of the courier services market introduce further improvements. InPost implements the collection of shipments at a regulated temperature, city branches implements DPD, where customers can check ordered goods (e.g. equipped with fitting rooms) or use materials for packing goods. Access to devices and points by more than one SEP operator is also developed, which allows for the expansion of the network and increased availability for customers. In the case of operators, it is associated with the need for system integration and generating an additional shipping label, which causes costs. The society closed at home (due to the coronavirus) quickly adapted to new solutions from the courier services market and contactless lifestyles. DHL has

reorganized the parcel delivery system (On Demand Delivery – ODD). These are solutions that allow the recipient to change the place, term and date of receipt of the shipment or even transfer it to another person, change the method of delivery and deliver it without a signature. Another way to deal with the problem of the so-called last mile (final delivery to the recipient) is the use of customers' cars as mobile points. When ordering products, the customer indicates his vehicle as the place of delivery. The courier opens the trunk with a single-use digital key and places the parcel in it. Then the delivery information is sent to the customer. Such solutions are used by both retailers (Amazon) and car manufacturers (Volvo, BMW, Audi) or operators (DHL). Thanks to creativity and the implementation of innovations on the courier services market, during the lockdown period, a large part of consumers used couriers (67%) [2].

There are many indications that the courier services market will continue to develop, and the structure of this market is becoming more and more filled with e-commerce. Therefore, constant improvement of B2C services is required. The role of courier operators is no longer limited to ensuring a reliable and efficient supply chain. The quality of delivery is of great importance (especially in e-commerce), where the courier entity directly affect the position and image of the seller (customer experience). Despite functioning in conditions of uncertainty, the belief that the client changes his behavior under the affect of limitations (e.g. health safety) has changed. If the choice is not limited by anything, the convenience of purchasing becomes a necessity that determines the choice of the delivery option. In the case of the courier services market, where the operator acts as an intermediary between the seller and the buyer, innovations and their adaptation on the so-called last mile determined their survival in turbulent and uncertain times. The increase in volume for the courier services market was sudden and difficult to predict. Operators had to make quick decisions related to changes in procedures to keep customers and employees safe, as well as implementing innovative solutions with tangible results.

Conclusions

In this article defines the basic logistics mechanisms on the e-commerce market. It shows how to deal with a pandemic. An analysis was made of the supply chain management, which continues to evolve in the e-commerce market. The aspect of the e-consumer in the market analyzed in this work is characterized by a wide range of access to information. The disadvantage of users is the lack of anonymity, due to the fact that when making purchases on many sales platforms, you have to register and provide your personal data. The information presented about the specificity of the market functioning and its development tendency shows how the industry quickly adapted to the changing conditions. The e-commerce market, despite its short operating time, has a very rich commercial offer. This is evidenced by the number of users, the diversity of companies and the huge amount of articles available. E-commerce can be considered a very young and fresh market, which grows in strength and

dynamically along with the development of technology. This means that he can use everything related to the Internet, thanks to which e-commerce platforms are able to adapt advertisements to an individual customer and reach the products he or she browsed. In the time of thirty years, convincing a large number of people in the world to buy on the Internet is stunning. This market will develop and it is also likely that new instruments will emerge to support this trading model. E-commerce is not only a place for shopping, but also creating new jobs, acquiring new contacts, perceiving new brands and creating a future that is a kind of utopia presenting a perfect market, without problems, errors or flaws.

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