

Q2 2024

THE INFORMATION SOCIETY WATCH:

BEYOND THE ENVELOPE



'creating a level playing field'



FOREWORD



The postal industry has a storied history, evolving from ancient messenger systems to modern postal systems, representing an enduring thread weaving through the fabric of societies and economies. As the digital revolution accelerates ceaselessly, this once-stalwart industry is at crossroads where modernisation must propel it forward, or obsolescence will leave it behind.

The digital revolution challenges the traditional paradigms of the postal sector, necessitating the need for strategic realignment in order to remain relevant and competitive. The transformation of postal services is not an option but an imperative, driven by the incessant speed of technological advancement and evolving consumer expectations. The postal industry, an emblem of connection, must now connect not just places, but also people and technologies, charting a course through the uncharted waters of the digital revolution. Our commitment, as POTRAZ, is to promote the development of postal systems and services as enshrined in the Postal and Telecommunications Act (Chapter 12:05).

This publication consists of research whitepapers that explore the profound impact of digital alchemy on the postal industry, offering valuable insights on reimagining the future of postal services. It also provides an important benchmarking analysis of postal development in Zimbabwe, in relation to other regional and global counterparts. Welcome to this exploration of the past, present and future of postal services. Let us navigate this journey together, merging technology and tradition for a resilient future.

A handwritten signature in black ink, reading 'G. K. Machengete'.

G. K. Machengete (Dr)
Director General

ABOUT THIS REPORT

The Information Society Watch is a quarterly publication by the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ). It is a collection of research whitepapers presenting information, expert analysis, and insights into emerging trends and critical issues as they relate to Information and Communication Technologies. It analyses quantitative and qualitative information gathered by the Authority from service providers, government, end-users, researchers, industry experts, policy experts, as well as reputable physical and online resources.

This quarterly publication of research whitepapers is in pursuit of the Authority's commitment to building intellectual capital, building knowledge societies, and inciting dialogue on pertinent Information and Communication Technology matters. In today's world, the creation, dissemination, and utilization of information and knowledge are essential, as knowledge is widely regarded as a vital factor of production. Furthermore, the white papers in this publication aim to inform policy on various Information and Communication Technology matters of interest, nationally and globally.

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1. INTRODUCTION:

Digital alchemy has transformed the technological landscape, reshaping traditional business paradigms and market dynamics. It encompasses a spectrum of technological advancements that have disrupted traditional industries, such as the postal industry. Before the digital revolution transformed information into bits and pixels, there was a postal revolution that facilitated the flow of information and facilitated commerce globally. The postal industry is now grappling with its greatest challenge yet: digital disruption. This white paper is a comprehensive exploration of the profound impact of digital alchemy on the postal industry. It is pivotal in empowering industry stakeholders and providing valuable insights into the digital transformation landscape. This paper also highlights the importance of strategically realigning the postal and courier industry by examining the historical context, technological disruptions, challenges, and imperatives of emerging trends.

2. POSTAL HISTORY AND EVOLUTION

The history of postal services is a fascinating journey marked by significant milestones shaping global communication. Early societies laid the groundwork for long-distance communication. In ancient civilisations, messenger systems were crucial in facilitating the exchange of written messages across vast territories. For instance, the ancient Egyptians used couriers to carry messages as early as 2400 BCE, a testament to the enduring need for communication (Bellis, 2019). From the runner networks of ancient Egypt to the sophisticated horseback courier systems of the Persian Empire known as Angarium, which utilised royal roads, however, around 550-330 BCE, the postal system was a privilege reserved for kings and influential leaders, a far cry from the inclusive and accessible services we have today (Sundqvist, 2022).

The postal concept evolved over millennia, transitioning to structured postal services in the Roman Empire era (Lemcke, 2013). During the Roman Empire, an extensive network of roads and courier stations facilitated communication and administrative control over its vast territories. This laid the foundation for an organised postal system with an estimated speed for messengers of 50 miles (80km) daily. As history progressed into the Middle Ages and Renaissance, messenger systems and relay posts became prevalent, facilitating trade and diplomatic correspondence. Noteworthy developments emerged during this period, notably in the Byzantine Empire and the Venetian Republic, where organised postal networks played pivotal roles in societal connectivity (Bruning, 2017).

The first international postal treaty was set in the 17th Century, governing mail transit among European countries (UPU, 2019). The subsequent era witnessed a shift towards government monopolies on postal services across Europe, with governments establishing formal postal services for official communication in the 18th and 19th centuries. This trend led to the establishment of national postal systems, with notable examples including the postal system of ancient China, the Persian Empire's Royal Road, and the Roman *cursus publicus*. This era was marked by transformative innovations, including the invention of prepaid postage and adhesive stamps, spearheaded by figures like Sir Rowland Hill, whose "Penny Black" stamp revolutionised postal communication in 1840 by allowing prepayment for mail delivery, thus making postal communication more accessible to the public.

The 19th Century also saw the expansion of railway mail delivery, enabling faster and more efficient mail transportation across vast distances. The Universal Postal Union (UPU) was established in 1874, marking a milestone in international postal service. The UPU standardised postal regulations and procedures among member countries, facilitating global communication and commerce. The first instance of competition within the postal sector occurred in the late 1960s when private companies began providing document and merchandise delivery services of notably superior quality to official postal administrations' traditional offerings (UPU, 2019).

The 1960s-1970s saw the solidification of competition through the emergence of global private courier companies such as DHL, FedEx, and UPS, offering faster delivery services. The rise of mobile communication, email and the internet in the 1990s marked the advent of technological disruption on the postal industry.

ZIMBABWE'S POSTAL HISTORY

Zimbabwe's postal industry has a rich history, originating in the late 19th Century under British colonial rule. The first post was established in 1888 by the British South Africa Company (BSAC), consisting of a route from Gubulawayo (now Bulawayo) in Matabeleland to Mafeking and Bechuanaland (now the Republic of Botswana) (Proud, 1997). Mail was initially carried by police riders and franked with the stamps of British Bechuanaland. Initially established by the BSAC to facilitate internal communication, the postal network evolved from rudimentary systems utilising runners (Bradshaw, 1975), to a more structured service employing post riders in 1890 and the use of the railway through the establishment of the Rhodesia Post and Telegraph (Collis, 1890). This evolution also saw the introduction of telegraphs and airmail to meet growing communication demands.



TULI POST OFFICE, 1896 (National Archives of Zimbabwe)

Following Independence, the Zimbabwe Postal Service Amendment Act was passed in 1980, with the Postal and Telecommunication Act being promulgated through Statutory Instrument 175 to create the Posts and Telecommunications Corporation of Zimbabwe (PTC). The focus of the postal network, under PTC, shifted towards national integration and social inclusion. Network expansion ensured wider service availability, while the introduction of services like money orders addressed the financial needs of the population.

As the wave of liberalisation swept globally, the Government enacted the Postal & Telecommunications Act Chapter 12.05 in 2000; The Act led to the demerger of the Posts and Telecommunications Corporation into three commercial entities, including ZIMPOST, as the designated postal operator. Various courier operators were also licensed ushering competition into the industry. The late 20th and early 21st centuries witnessed significant modernisation efforts, with the postal sector embracing electronic money transfers, online bill payments, and ecommerce platforms.

3.THE SOCIO-ECONOMIC VALUE OF THE POSTAL SECTOR

The postal sector is indispensable globally. The industry plays a vital role in the socio-economic fabric by facilitating the following:

- **Universal Access to Communication:**

As the most extensive integrated distribution network worldwide, post offices play a transformative role in bridging the digital divide. According to the UPU (2017), there are over 660,000 post offices globally. In Zimbabwe, the total number of postal outlets was 268 as of 31 December 2023 (POTRAZ, 2023). This unparalleled infrastructure ensures physical connectivity for everyone, regardless of the location or socio-economic background. They are essential to consumers in deprived urban and rural areas with limited access to alternative communication services.

- **Financial Inclusion:**

Postal networks often serve as a channel for financial services, especially in underserved areas where traditional banking infrastructure is limited. In many African countries, post offices have been providing payment and savings services for more than 100 years, with about 9.5 million Africans having postal savings accounts (WB, 2020). This makes post offices the region's second-largest contributor to financial inclusion behind banks. Postal operators offer financial services directly or in partnership with other financial institutions. For example, in Zimbabwe, pensions are distributed to the rural populace chiefly through post offices. Facilitating financial inclusion aligns with the 2030 Sustainable Developmental Goal (SDG). Posts are also critical drivers of financial inclusion for women, with twice as many female customers as other financial institutions in developing countries.

- **E-commerce and Trade:**

Beyond its traditional brick-and-mortar infrastructure, the postal network thrives on an electronic backbone that interlinks operators. This facilitates realtime data exchange, boosting interoperability and operational efficiency. The postal sector has also become a key e-commerce partner, accounting for a significant 8.7% of global retail spending, according to the (UPU, 2017), and this share is expected to rise. This vital role extends to empowering small and medium-sized enterprises (SMEs), which are the lifeblood of many economies. By leveraging global postal services, SMEs can reach new customers, fostering economic growth and job creation.

- **Disaster Response and Healthcare:**

The postal sector transcends its mail delivery function to become a critical partner in disaster response and healthcare delivery, especially in areas with limited resources. This stems from its unparalleled network reaching remote areas, where postal workers' local knowledge transforms them into communication lifelines during crises.

As exemplified by the 2019 Zimbabwe cholera outbreak, postal services collaborated with health officials to distribute crucial supplies and educational materials. The postal sector's extensive reach, local expertise, and collaborative

infrastructure position it as an indispensable player in disaster response and healthcare delivery.

- **Employment and Economic Impact:**

The postal sector is a significant employer, providing approximately 5.4 million employees globally (UPU, 2017) and 67,000 employees in Africa (WB, 2020). In Zimbabwe, the postal and courier operators employed a total of 1,107 employees on a full-time basis as of 31 December 2022 according to the POTRAZ 2022 Annual Sector Performance Report. The employment encompasses various roles, including logistics personnel, customer service representatives, and administrative staff. The sector's impact extends beyond direct employment, supporting employment in related industries such as transportation, packaging, and printing.

- **Contribution to the fiscus:**

The postal sector significantly contributes to economic development, estimated to contribute 0.1% to the global GDP (UPU, 2023). This impact is driven by the postal network's role in connecting people, businesses, and communities, fostering innovation, and providing essential services to millions of users worldwide. Postal services generate government revenue through taxes, fees, and licensing arrangements, which can fund public services, infrastructure development, and social welfare programs.

4. TECHNOLOGICAL ADVANCEMENT AND E-SUBSTITUTION

E-substitution is a rising trend in the postal sector characterised by the significant shift from traditional mail to electronic communication methods. A confluence of factors drives this phenomenon, particularly the proliferation of the Internet, mobile telephony, and changing consumer preferences. These factors present challenges as well as opportunities. The challenges include:

Figure 1: Challenges Posed to Postal Operators



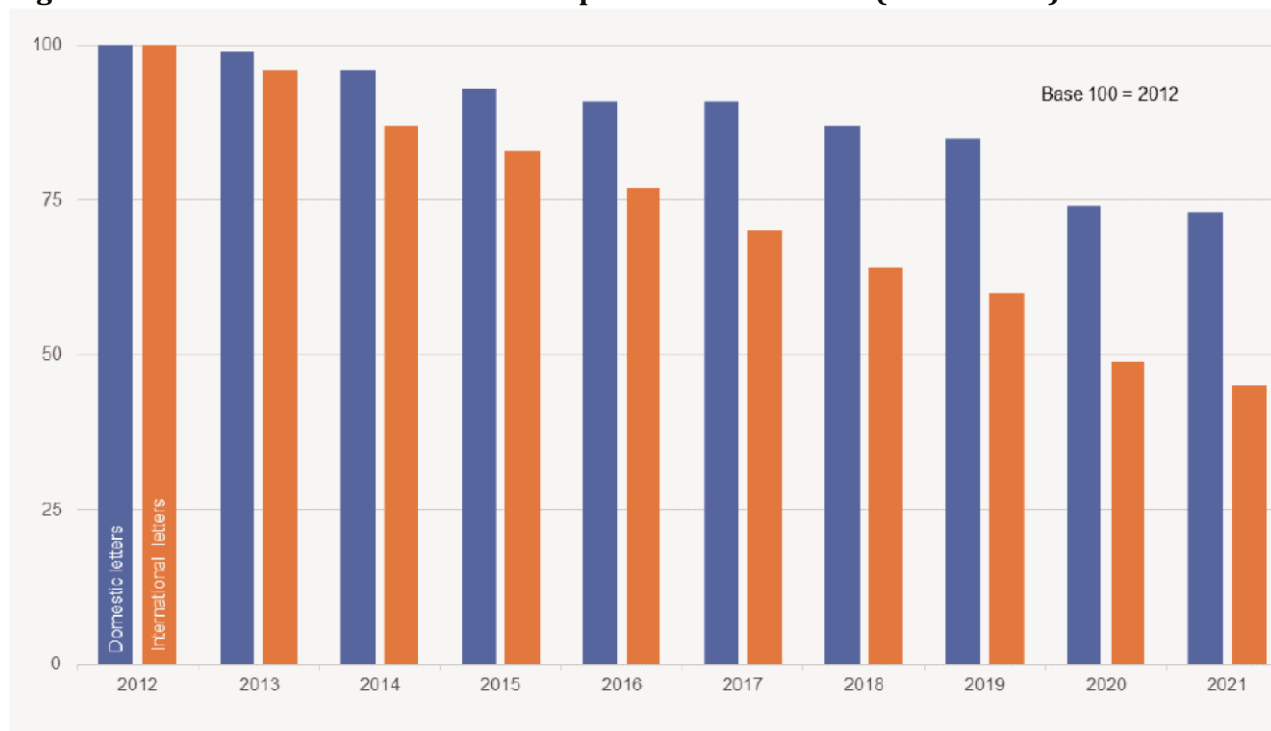
1. Decline in Mail Volumes:

The widespread adoption of email has provided a faster, cheaper, and even more convenient alternative for business-to-customer (B2C) communication, leading to a decline in letter mail volume. The booming e-commerce industry has also contributed to this shift. While online shopping fuels a surge in parcel deliveries, it often bypasses traditional letter mail that may have accompanied physical purchases in the past. The increasing adoption of e-billing and e-statements by companies and government agencies further diminishes the need for paper documents traditionally sent via postal services.



The decline in global letter volumes is shown in Figure 1 below:

Figure 2: Evolution of letter-post volumes (2012–2021)

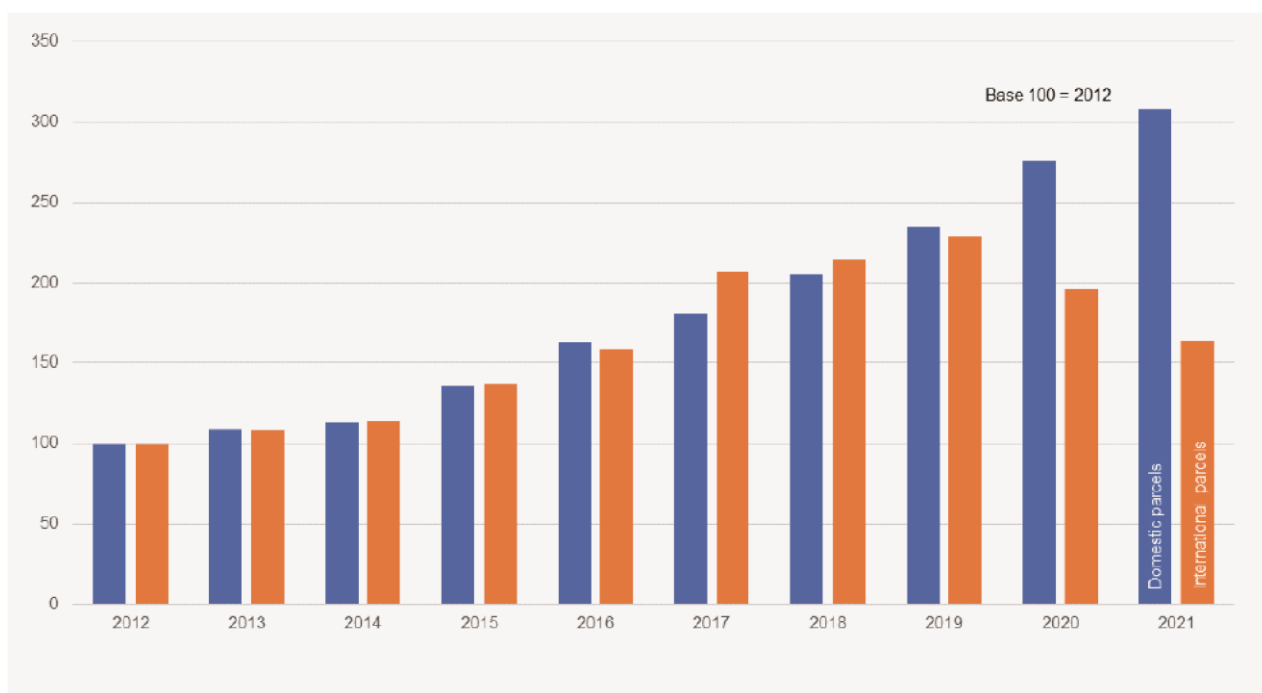


Source: UPU (2023)

The letter was the product on which the postal sector was historically premised. However, the market has changed. As shown in Figure 1 above, global letter post volumes have been on a consistent declining trend for domestic as well as international letters; the rate of decline of international letter items was steeper. Falch and Henten (2018) reported that in Denmark, the use of letters has declined to levels lower than when the postal service was introduced in Denmark in the 17th Century. They posited that the main contributing factor was that government communication was almost exclusively done electronically.

Whilst domestic and international letter volumes have been declining, parcel volumes have been on an upward trend globally. Wolak (1996) highlights that this trend started in the mid-1980s with the advent of the Internet. The evolution of global parcel volumes is shown in Figure 3 below:

Figure 3: Evolution of Parcel Volumes (2012–2021)



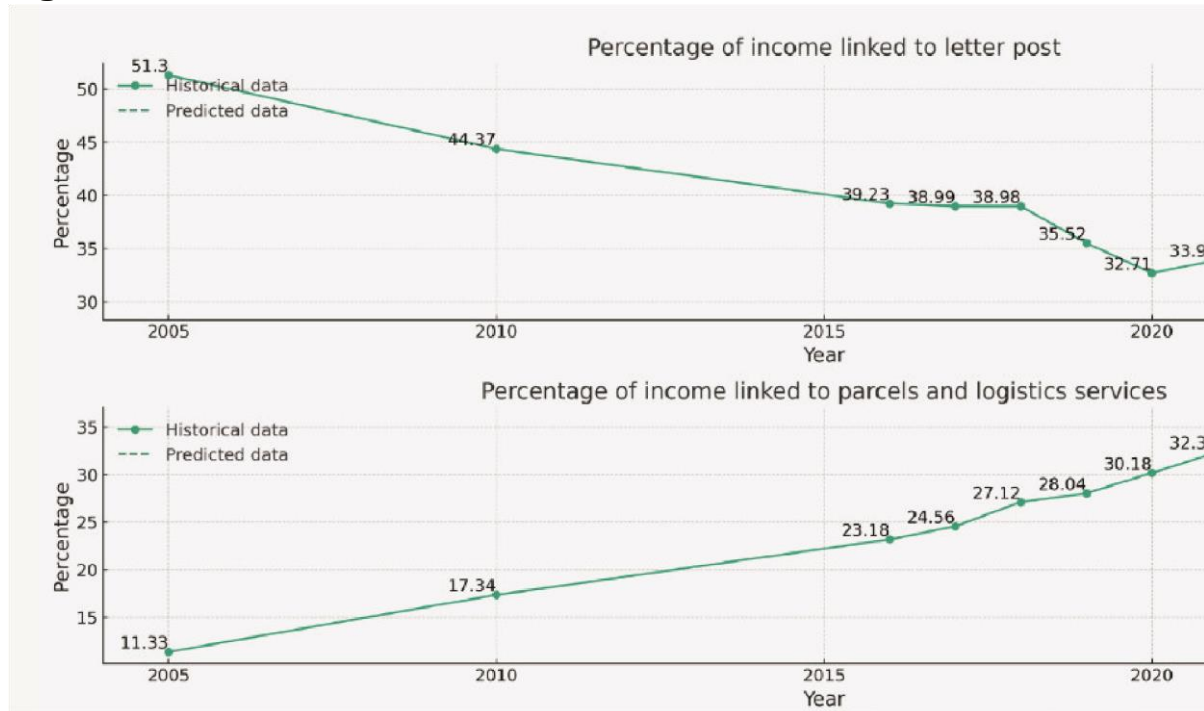
Source: UPU (2023)

Parcel services have become an integral part of our lives, especially in this age where online shopping has become the norm. However, on close analysis, it is clear that domestic parcels were the only growing segment from 2019 to 2021, as depicted shown in Figure 2 above. Encouragingly, the number of international parcel items has recovered post COVID according to UPU (2023). However, this optimistic data is tempered by the reality that international parcel post still constitutes a relatively modest portion of traditional international postal transactions.

2. Decline in Traditional Revenues:

Traditionally, mail was the long standing cash cow for incumbent postal operators. The decline of the mail business, due to e-substitution, has led to a shift in the revenue volumes and revenue structures of incumbents globally. The proportion of income linked to letter-post has been declining whereas the proportion of income from parcels has been growing as shown in Figure 4 below:

Figure 4: Evolution of the Postal Revenue Structure



Source: UPU (2023)

As shown above, the declining trend of the contribution of letter post is evident, falling from above 50% in 2005 to below 34% in 2021; in contrast the income from parcels and logistics has shown a steady increase. However, growth in parcel volumes is yet to fully compensate for the decline in letter revenues, hence, the short term impact has been a decline in overall revenues in developing countries such as Zimbabwe, as shown in Figure 5 below:

Figure 5: Postal Operating Profit in Special Drawing Rights (SDR)

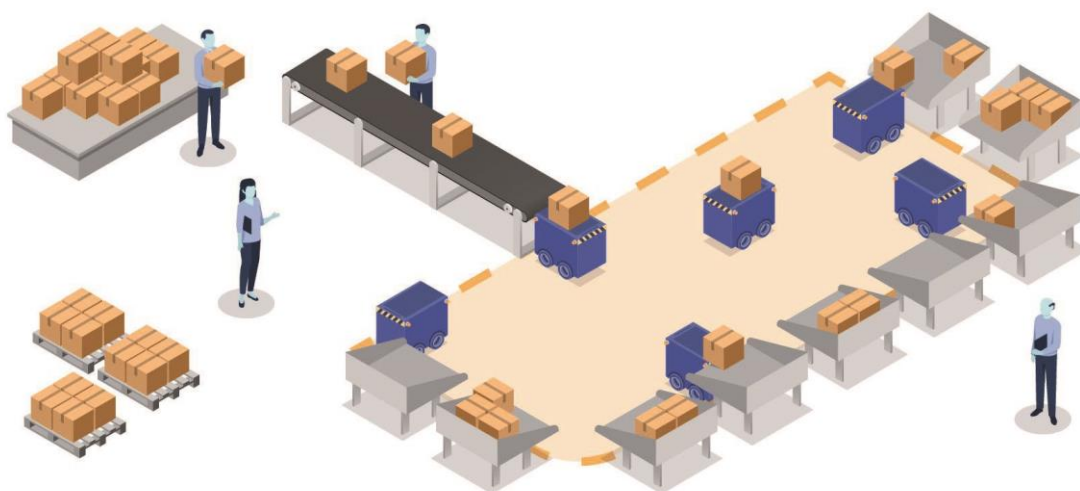


3. Increased CAPEX Requirements:

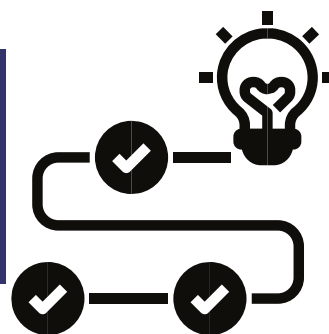
The ever-evolving technological landscape has made investment in technology by the postal sector very pertinent. The very same disruptive technologies present an opportunity for the postal industry to reinvent itself. However, adapting to the digital transformation demands significant investments in infrastructure, technology, and last-mile delivery capabilities. Postal operators, the world over, are scaling up their capital expenditure in order to address technological gaps. According to the UPU (2019), 73% of postal operators indicated increased investment in digital postal services. In the 2025-2028 business strategy, Swiss Post announced that they will invest CHF 100m (US\$109m) in integrating their digital and physical services in line with changing market conditions (King, 2024). Many other postal operators are increasing their investments in technologies such as:

- Automation: implementing automated processes for sorting, tracking, and delivering mail and packages;
- Internet of Things (IoTs): incorporating IoT devices, such as sensors and trackers, to monitor the movement and conditions of packages in real-time.
- Blockchain Technology: implementing blockchain for secure and transparent tracking of shipments, reducing the risk of fraud and ensuring the integrity of the supply chain.
- E-commerce Integration: Adapting postal services to accommodate the growing e-commerce market by providing seamless integration with online retailers.

However financial constraints loom large, particularly in developing countries, as limited budgets and competing priorities within postal and courier enterprises constrain funding for digital adaptation and transformation initiatives.



CONCLUSION AND RECOMMENDATIONS



It has not been business as usual for the postal industry since the advent of mobile telephony and the Internet in the 20th Century. Further advancements in technology coupled with changing consumer preferences and increased competition signalled a shift in traditional business models.

Darwinism taught us that when times change the choice is to adapt or die; that is the predicament that postal operators find themselves in today. Based on this white paper, the following recommendations were made:

- Postal and courier services may continue to invest in digital capabilities, such as automation, AI, and data analytics, to enhance operational efficiency and

- There is need to foster collaborations and partnerships with technology providers and e-commerce companies to leverage innovative solutions and expand service offerings.
- There is a need to comprehend and adjust to modern consumers' evolving expectations. Continuous research is essential to understand the changing landscape and improve evidence based decision-making.
- As digitalisation increases, postal and courier services may strengthen data protection and cybersecurity measures to protect sensitive customer information and data.
- As digital transformation progresses, the sector may also focus on sustainability initiatives.
- Government should establish a supportive framework that promotes innovation and investment in digital technologies focused on the postal sector.

customer
satisfaction.

- With the rise of e-commerce, there is a growing demand for efficient last-mile delivery services. Postal and courier companies may prioritise optimising last-mile delivery to meet customer expectations.

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1. Introduction

Following the recognition of the significant role of postal services and the imperative need to evaluate and enhance postal service development, benchmarking becomes a critical aspect. Benchmarking allows for the assessment of a country's performance against global and regional peers, thereby identifying areas for improvement and adaptation. This analysis not only fuels internal growth but also

contributes to a more efficient and competitive postal sector. By delving into postal development benchmarking, we aim to explore how we fare as a country and how we can ensure the sustained development of the postal industry amidst the challenges and opportunities of the digital age.

2. Methodology

This benchmarking analysis of postal development leverages a comprehensive methodology that merges established indices to paint a clear picture of postal service maturity. The cornerstones of this approach are:

- the Universal Postal Union's (UPU) Integrated Index for Postal Development (2IPD) and
- the Digital Postal Services Capacity Index (DPSCI).

The 2IPD is a robust index that provides a multi-dimensional framework, encompassing factors such as network reach, quality of service, and financial sustainability. On the other hand, the DPSCI assesses a nation's digital postal infrastructure and service capabilities. This index focuses on areas e-commerce integration, online service offerings, and digital delivery solutions. By combining these established indices, we gain a strong foundation for benchmarking postal development.

3. Understanding the Integrated Index for Postal Development (2IPD)

The 2IPD offers a standardized approach to gauging postal development across diverse countries. Its primary aim is to assess each nation's stage of postal development [UPU,2023]. Computationally, the index comprises four dimensions: postal reliability, reach, relevance, and resilience as shown in Table 1 below:

Figure 1: Computation of 2IPD

Integrated Index for Postal Development	Reliability(R1)	+ Reach (2)	+ Relevance (3)	+Resilience
	Assess the development of quality of service from a speed and predictability perspective	Evaluates the level of postal connectivity of the country with the rest of the world from an outbound perspective	Measures the relative success of different postal business models and activities from a demand perspective	Estimates the postal capacity to overcome eco-nomic, social, technology and environmental shocks in a sustainable way.

A country's final 2IPD score (0-100) is derived by aggregating scores from these four components, with equal weighting assigned to each. These normalized scores, ranging from 0 to 100, serve as crucial indicators for identifying areas necessitating improvement or highlighting successes, thereby guiding policy decisions aimed at fostering sustainable economic growth. This analysis yields critical values used to delineate Postal Development Levels (PDLs), categorising countries into ten tiers of postal development clusters. Table 2 below provides detailed descriptions of these PDLs:

Table 2: Categorisation of 2IPD Scores to PDLs

2IPD scores	Postal development level and economic growth impact	Cohort characteristics from a postal and economic development perspective
86.51 to 100	10	PDL 10 represents the pinnacle of postal development, comprising top-performing postal operators that are most likely to boost their countries' economic growth and social inclusion. Here, we expect that the impact of postal excellence on sustainable economic development and eco-systemic value creation is at its peak.
76.51 to 86.50	9	Postal operators of countries in this group are close to achieving their maximum potential. They positively impact economic development, leveraging their strengths while mitigating the effects of possible remaining weaknesses. Their eco-systemic value proposition could be strengthened.

66.51 to 76.50	8	With an additional step towards reaching excellence, Countries at this level typically provide their citizens with a strong value proposition through their postal services portfolio, decisively contributing to higher economic growth. There is potential to achieve greater eco-systemic value creation.
56.51 to 66.50	7	Countries at this level have probably achieved new milestones in their postal development journey. They play a prominent role in their respective markets and are likely to do so from a general economic development perspective as well. Eco-systemic value creation should be considered.
45.51 to 56.50	6	Countries at PDL 6 are taking steps to accelerate their development. They work intensively on improving performance in critical areas to ensure consistent performance. Their economy will reap the benefits of these investments, achieving higher growth and reducing inequalities.
36.51 to 46.50	5	The core requirements for postal success are in play and a brighter postal future seems possible, in turn enabling positive impacts on the country's economic growth and poverty reduction in the coming years, if the current postal development efforts are maintained.
16.51 to 36.50	3 and 4	Countries in PDLs 4 and 3 are approaching, at different speeds, the conditions that are necessary to better serve their current and potential customers, with PDL 3 signalling some postal difficulties. Their contribution to economic development could become larger if sufficient investments are made.
6.51 to 16.50	2	Countries in this group primarily focus on operations and must significantly improve services and business models in order to be better positioned to seize future opportunities. Only then can they begin to contribute to inclusive economic growth and development in their country.
=0.00 to 6.50	1	PDL 1 countries are either just starting out or underachieving in terms of postal development. They urgently need to address critical structural issues for their survival, and quickly update their basic postal infrastructure to aid

Source: UPU, 2023

From the data presented in the table 2 above, it can be observed that countries attaining a ZIPD score of 36.5 or above are classified within PDLs 5 to 10, denoting upper-middle to high levels of postal development. Conversely, nations with scores below 36.5 are categorized within PDLs 1 to 4, indicating low to lowmiddle performance in postal development.

4. Understanding the Digital Postal Service Capacity Index(DPSCI)

Digital postal services encompass the delivery of services by postal entities to their end users, whether individuals, businesses, or governments, through digital

platforms. The digital postal service capacity index, in accordance with UPU guidelines, serves multiple purposes including benchmarking the development of digital postal services across countries, evaluating the impact of potential barriers and trends on postal development, assessing global-level development and establishing a framework for digital postal service strategies. The Index assesses that are offered by designated postal operators as well as those still under development. The array of services that are assessed in coming up with the index, are grouped into 4 groups: support services, digital finance, e-commerce as well as e-post including e-government. This Index for digital postal service capacity is determined by a weighted linear combination, with services under development accounting for 40% and e-services offered by the designated operators accounting for 60% (Daniel Nieto, UPU 2019). The calculation of the index can be summarized as:

- Ranking Index = (Number of services under development x 0.4) + (Number of services provided via a mobile app and interoperable with one or more other designated operators(e-services) x 0.6)

The above computations mean the best ranked designated operator attains a normalized score of 1, while the less ranked acquires a normalized minimum score of 0. The scores represent the relative position of each operator among all countries analysed. That is all scores can be assessed considering their distance from 1:

- Score of 1: Best performer
- Score above 0.5: Intermediate performer
- Score of 0: Worst performer

5. ZIMBABWE'S SCORES AND RANKINGS

5.1 2PID REGIONAL PERFORMANCE IN CONTEXT

High-income countries typically boast the most advanced postal systems, exacerbating the disparity in global postal development. Unfortunately, Africa is experiencing a decline in average/median scores over the years, with most African postal systems considered to be at very basic stages of development. The following table presents global statistics on 2IPD scores and PDLs across UPU defined regions worldwide, offering insights into the current state of postal development across regions:

Table 3: 2PID Regional Scores

	Region						
	Africa	Arab States	Asia-Pacific	Europe and CIS	Latin America and the Caribbean	Developed Countries	World Average
Average 2IPD score	19.1	31.9	34	52.7	19.6	68.9	36
Average 2IPD score change (2021-2022)	-0.3	2.7	2.7	1.1	-0.1	-1.5	0.6
Median 2IPD score	15.7	31	30.6	53.9	18.2	69.3	31.8
Median reliability score	4.8	44.8	37.3	79.9	11.7	86.6	32.2
Median reach score	4.7	26	23.1	43.5	11.4	68.2	25.1
Median relevance score	0.3	1	5	12.2	2.3	27.7	3
Median resilience score	52.9	52.8	49.5	73.8	43.5	84.7	56.6
Median PDL	2	4	4	6	3	8	4
Percentage of countries in PDL 1, 2 or 3	77.5%	50%	46.7%	3.3%	76.7%	0%	45.3%
Highest PDL	5	6	9	8	6	10	10

NB: The above analysis is based on data provided by UPU (2023)

As shown above, Africa had the lowest average 2IPD score (19.1) of all the regions. This score was way lower than the global average of 36. Furthermore, 77.5% of African countries were in Postal Development Levels 1, 2 and 3, indicating low levels of postal development. Africa lagged behind in terms of reliability and reach indicators, scoring 4.8/100 and 4.7/100, respectively. Moreover, Africa's relevance indicator, with a score of 0.3, is the lowest among all global regions, indicating a pressing need for improvement. Despite these challenges, the region exhibited commendable resilience, with a median score of 52.9, showcasing it's a modest ability to overcome obstacles within its postal infrastructure.

It is also important to note that while the continent experienced a decrease in its average 2IPD score from 2021 to 2022, other regions witnessed improvements, underscoring the need for continuous efforts to enhance postal services across the continent. These findings underscore the imperative for developing countries, particularly those in Africa, to re-evaluate and modernize their postal business models.

The table below provides a snapshot of Zimbabwe's performance on the latest Integrated Index for Postal Development (2PID) of 2022, that was released in 2023:

Table 4: Zimbabwe's 2PID Performance

Country/ Region	PDL	2PID Score	2022-21 difference	Reliability	Reach	Relevance	Resilience
Zimbabwe	2	11.4	-0.4	0	0	1	46.1

Source: UPU, 2023

The table above shows very poor performance by Zimbabwe's postal sector. The 2PID score was 11.4 out of 100. Zimbabwe was also placed in Postal Development Level (PDL) 2, which is the second lowest PDL. Zimbabwe's reliability and reach scores were rated 0, signalling concerning gaps in postal dependability as well as ubiquity gaps in national and international connectedness, as compared to other countries. It is also important to note that Zimbabwe performance in 2022 was even lower than its 2021 performance as the 2PID score declined by -0.4 points. A trend analysis of Zimbabwe's performance over the years is shown below:

Figure 1: Trend Analysis of Zimbabwe's 2PID Performance



NB: Compiled from historical UPU Postal Development Reports

As shown in Figure 1 above, Zimbabwe's postal development, relative to other countries, has declined over the years, from 23.97/100 in 2017 to 11.4 in 2022.

It is also important to note that Zimbabwe was in PDL 3 in 2017; the PDL has since been downgraded to PDL 2, which is concerning. This calls for more concerted effort to revive the postal industry.

5.2 ZIMBABWE'S 2PID PERFORMANCE RELATIVE TO OTHERS

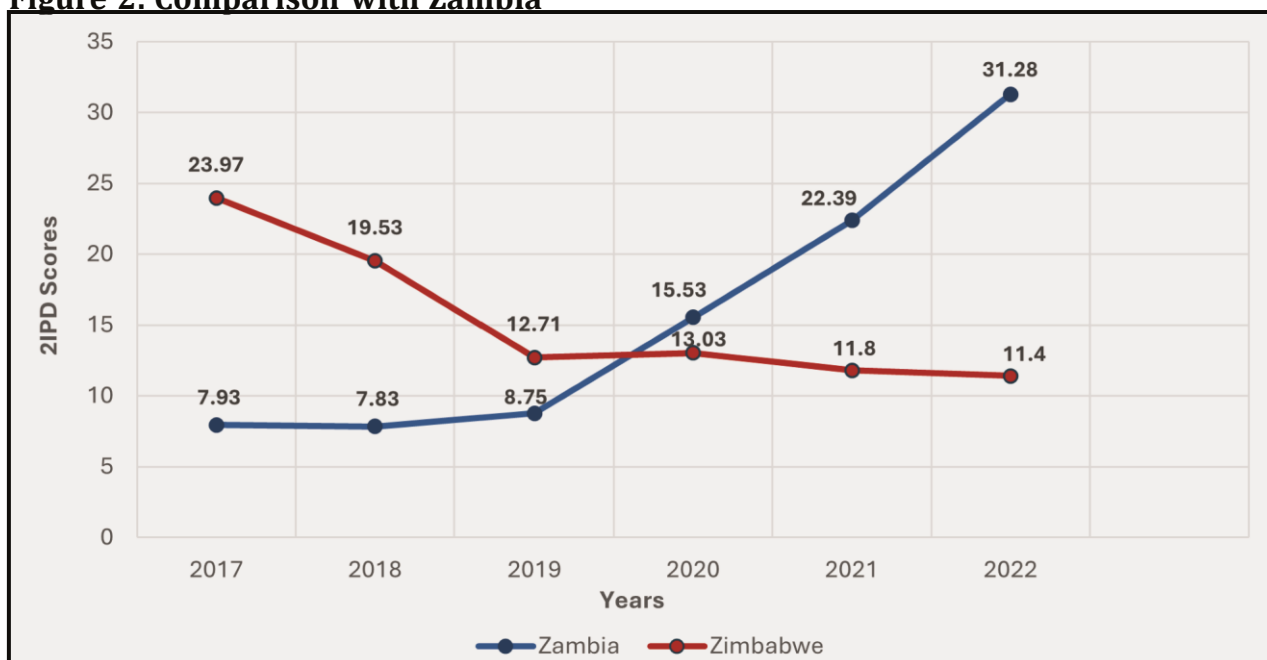
Examining Zimbabwe's performance requires benchmarking against other countries, particularly those in the Africa region, which, as previously indicated, was characterized by relatively poor performance. The table below provides a detailed comparison of Zimbabwe's 2IPD component scores and PDL against regional mean scores:

Table 5: Zimbabwe's 2PID Scores Relative to the Africa Region

Country/ Region	PDL	2IPD Score	2022-21 difference	Reliability	Reach	Relevance	Resilience
Zimbabwe	2	11.4	-0.4	0	0	1	46.1
Africa (Average)	2	19.1	-0.3	4.8	4.7	0.3	52.9
Best of Africa (Ethiopia)	5	44.8	4.9	85.9	32.4	0.4	52.8

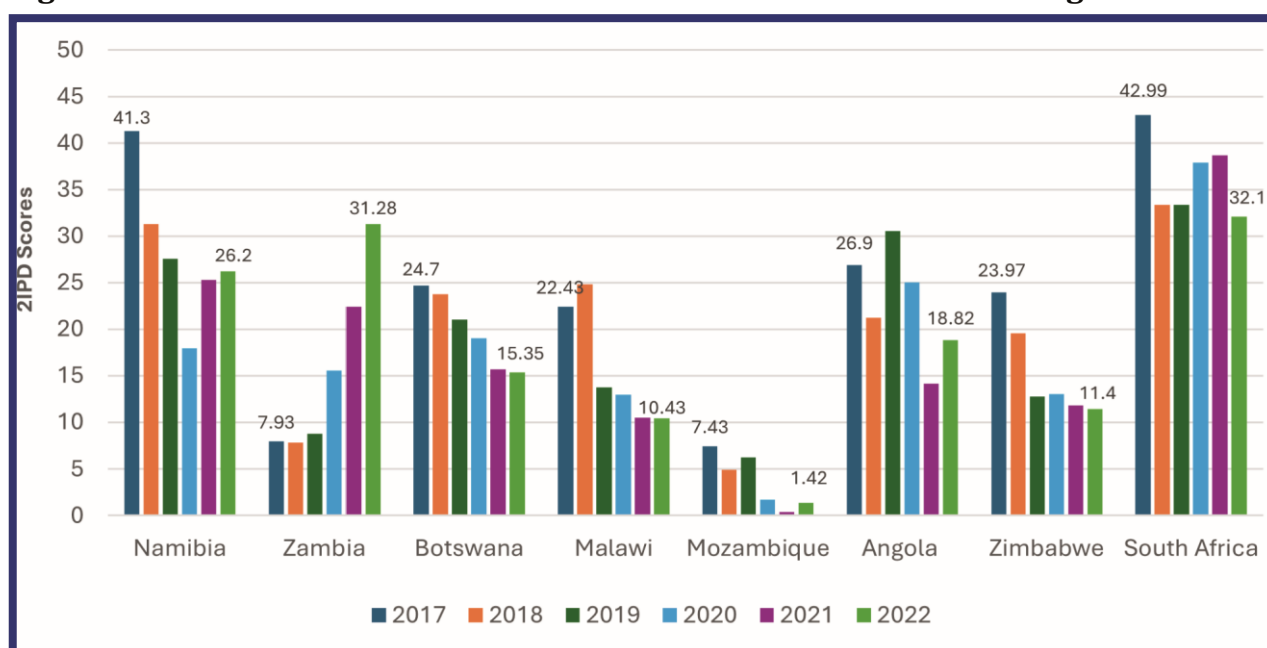
As shown above, Zimbabwe's performance (11.4) was lower than the regional average (19.1). Zimbabwe's PDL of 2 reflects a poor performance, trailing behind the modest standards set by the best in Africa (Ethiopia). A comparison between Zimbabwe and its close counterpart in terms of demographics, Zambia, is shown in Figure 2 below:

Figure 2: Comparison with Zambia



As shown in figure 2 above, the 2IPD scores for Zambia and Zimbabwe exhibited contrasting trends from 2017 to 2022. In 2017, Zimbabwe started with a 2IPD score of 23.97, much higher than Zambia's 7.93, but experienced a marked decline, dropping to 12.71 in 2019. By 2020, Zambia had exceeded Zimbabwe. Whilst Zambia's 2IPD score has been consistently rising, the 2PID scores of Zimbabwe has been on a declining trend. This stark divergence highlights a substantial improvement in Zambia's postal development over the six-year period, in contrast to Zimbabwe. A comparison of Zimbabwe's postal development to other Southern African countries is shown in Figure 3 below:

Figure 3: Zimbabwe's 2PID Scores Relative to the Southern Africa Region



NB: Compiled from historical UPU Postal Development Reports

As shown above, Zimbabwe fared lower than South Africa, Zambia, Namibia, Angola and Botswana in terms of postal development in 2022. South Africa had the highest 2PID scores from the 2017 to 2022 period. In general, the 2022 2PID scores for SADC countries, with the exception of Zambia, were lower than 2017 scores, implying a decline in performance by the region. Zambia, as previously noted, was the only country to record significant improvement over the period. Zimbabwe's performance suggests that it has faced persistent challenges, resulting in stagnation at lower postal development scores compared to our neighbours. A whole of Africa comparison shows that Zimbabwe was ranked 31 out of the 40 African UPU member states in 2022.

5.3 ZIMBABWE'S PERFORMANCE ON THE DIGITAL POSTAL SERVICE CAPACITY INDEX

As explained earlier, the Digital Postal Service Capacity Index (DPSCI) serves as a benchmarking tool for the development of digital postal services across UPU member countries. According to the latest rankings, Switzerland scored the highest globally with an index of 1, signifying the pervasiveness of digital postal services. The countries in the top 10 rankings are as follows:

Table 6: DPSCI: Global Top Ten

Rank	Country	Score
1	Switzerland	1
2	Kazakhstan	0.84
3	Morocco	0.84
4	Germany	0.81
5	France	0.81
6	Austria	0.78
7	Italy	0.73
8	Australia	0.65
9	Portugal	0.65
10	Hungary	0.62

As shown above, no African country was in the top 10. Zimbabwe had a very low score of 0.14 and a global ranking of 81 out of the 125 surveyed countries. Within the African region Zimbabwe's ranking was 14 as shown in Table 7 below:

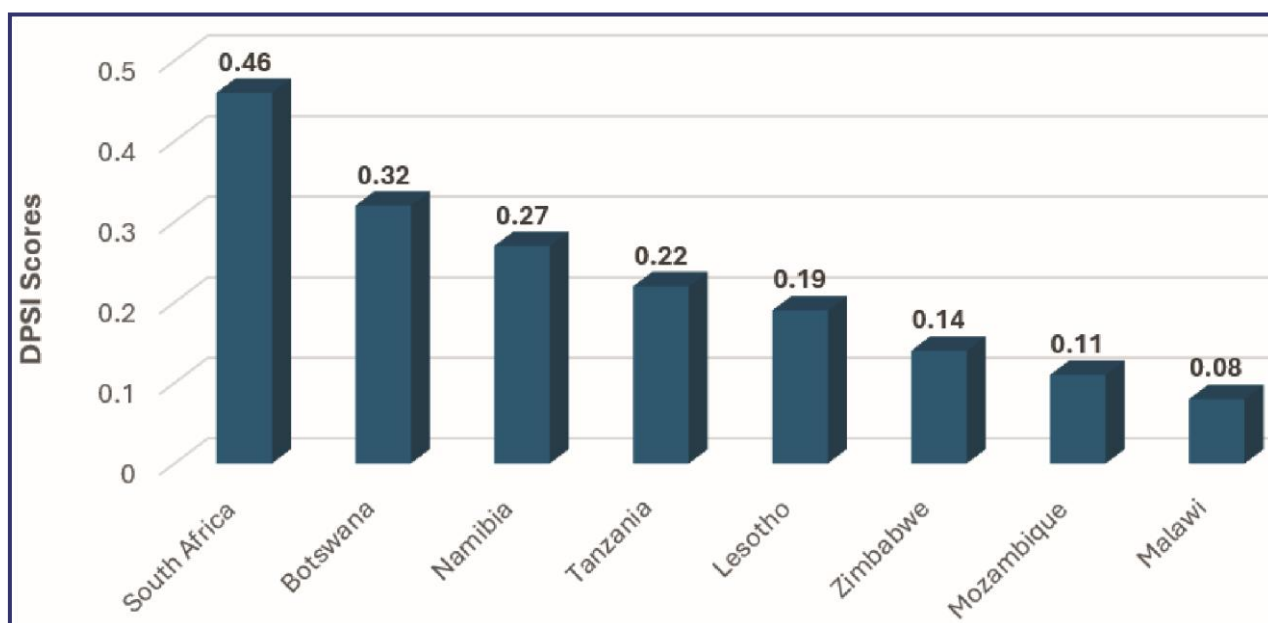
Table 7: DPSCI: Africa Top Fifteen

Africa Rank	Global Rank	Country	Score
1	28	South Africa	0.46
2	38	Algeria	0.35
3	39	Botswana	0.32
4	42	Kenya	0.30
5	43	Senegal	0.30
6	46	Namibia	0.27
7	49	Benin	0.24
Africa Rank	Global Rank	Country	Score
8	54	Egypt	0.22
9	64	Tanzania	0.22
10	65	Côte d'Ivoire	0.19
11	66	Uganda	0.19
12	67	Lesotho	0.19
13	77	Burkina Faso	0.14
14	81	Zimbabwe	0.14
15	89	Togo	0.11

NB: Compiled from UPU data

The table above shows overall poor performance by the Africa region as none of the regional countries surpassed 0.5. This implies low adoption of digital technologies by the region's designated postal operators. South Africa had the highest ranking in the Africa region with a score of 0.46. A comparison of Zimbabwe's performance with some of the countries in the Southern African Development Community is shown below:

Figure 4: Zimbabwe's DPSCI in Relation to Southern Africa



Comparatively, Zimbabwe's performance was poorer than that of regional peers such as South Africa, Botswana, Namibia, Tanzania and Lesotho.

Zimbabwe's performance was very low in the E-commerce as well as E-Post & EGovernment indices as shown in Table 7 below:

Table 7: E-Commerce, E-Post & E-Government Indices

Country	DPSCI	E-Post & E-Government Index	E-Commerce Index
South Africa	0.46	0.43	0.71
Botswana	0.32	0.21	0.14
Namibia	0.27	0.07	0.14
Tanzania	0.22	0.00	0.43
Lesotho	0.19	0.00	0.00
Zimbabwe	0.14	0.00	0.00
Mozambique	0.11	0.00	0.00
Malawi	0.08	0.00	0.00

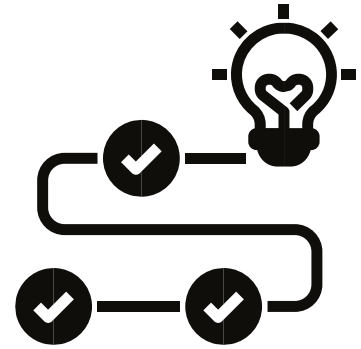
As shown above, Zimbabwe had scores of zero on the E-Post & E-Government Index as well as the E-Commerce Index, respectively. The E-Post & E-Government Index assesses services such as digital identity services, e-cards, electronic mailboxes

amongst others. On the other hand, the e-commerce index assesses the following metrics amongst others:

- Integration of postal webservices with e-merchant's sites
- Online postal portals
- Online customs declaration
- Virtual international address services

A score of zero implies that the basic expected digital services, as per the UPU classifications, were not offered by the designated postal operator, ZIMPOST. Overall, Zimbabwe's level of digital development in relation to the postal sector was very poor.

CONCLUSION AND RECOMMENDATIONS



Benchmarking not only helps and nations find areas for improvement, but also motivates them to act. Indeed, if you benchmark your performance against your counterparts, you are not basking in self-deception.

The comprehensive development benchmarking highlighted progress as well as areas for improvement in Zimbabwe's landscape.

Particular gaps in speed, reach as well as digital integration identified as major development challenges in comparison to regional standards.

The gaps reflect the need for concerted efforts by the nation at large to promote development. Based on this paper, the following recommendations were made:

- **Foster Innovation and Invest in**

- Digital Infrastructure:**

- Embracing innovation and leveraging digital technologies can help to modernise postal services, improve operational efficiency, and meet evolving customer demands. Government may also continue to promote innovation in digital technologies, focusing on the postal sector.

- **Capacity Building:** The industry is dynamic, therefore investing in continuous training and capacity building initiatives for postal personnel can help enhance service quality and efficiency, ensuring the postal sector's longterm viability and sustainability.

- **Collaboration:** The postal sector needs to actively pursue collaborations and partnerships with technology providers and ecommerce companies to leverage innovative solutions and expand service offerings.

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1.Introduction

The postal services industry is undergoing significant transformations driven by technological advancements, changing customer expectations, and environmental concerns. This paper explores the challenges and developments in postal services, the drivers shaping their future, and the adaptive strategies that can be employed to thrive in the evolving landscape. It highlights key challenges such as declining letter volumes due to digital communication platforms and the complexities of last-mile delivery. However, it also acknowledges the opportunities presented by e-

WHAT DOES THE FUTURE HOLD FOR THE POSTAL INDUSTRY?

commerce, technological advancements, and the increasing focus on sustainability. To navigate these changes, postal operators are diversifying their offerings, embracing digitalisation, prioritizing customer centric approaches and adopting sustainable practices amongst other measures in order to remain relevant, competitive and efficient in the years to come.

2. Developments in Postal Services

Postal services are encountering several challenges in the face of technological advancements. These include:

a) Declining letter volumes

Postal services have long been a vital communications tool for individuals and businesses, but the landscape has shifted dramatically in recent years. The rise of email, instant messaging, and social media platforms has led to a significant decline in traditional letter volumes, impacting the core revenue stream of postal services (European Commission, 2021). The volume of domestic letter mail has dropped substantially due to the growing popularity of digital communication channels, as people now prefer to send emails or use messaging apps to communicate (Ofcom, 2024). This shift in consumer behaviour has posed a significant challenge for postal services, which have traditionally relied on letter

¹ PhD Business (Vaal University of Technology), MSc Strategic Management (CUT), BSc Economics hnr (UZ),
Research & Development Department, POTRAZ, Email:

mail as a primary revenue source.

(b) E-commerce growth

The rise of e-commerce has presented both opportunities and challenges for postal services in Zimbabwe. While the growth of online shopping has increased the demand for package delivery services, it has also intensified competition as other logistics providers and courier companies enter the market to meet the evolving needs of e-commerce customers (Lee et al., 2020). To stay competitive, postal services companies, have had to adapt by introducing services like track and trace capabilities, faster delivery options, and convenient pick-up points to provide a seamless and efficient e-commerce experience (Lee et al., 2020). Additionally, they have partnered with popular e-commerce platforms to offer integrated solutions, enabling sellers and buyers to have a streamlined delivery process (Lee et al., 2020). However, the decline in traditional letter volumes, which has been accelerated by the growth of e-commerce, has not been fully compensated by the revenue generated from package delivery, as the profit margins in the e-commerce logistics space can be highly competitive.

(c) Last-mile delivery complexities

The growth of e-commerce has led to a surge in customer expectations for faster and more convenient delivery options, particularly in the last-mile of the delivery process (Universal Postal Union, 2023). This has posed significant challenges for postal operators, as the final leg of the delivery can be complex due to geographical and infrastructural challenges (Universal Postal Union, 2023). Customers now demand prompt and hassle-free delivery of their online purchases, putting pressure on postal services to adapt their operations and logistics to meet these evolving needs.

3. Drivers of developments

Several drivers are shaping the future of postal services and these include:

(a) Globalisation

The need for effective and dependable international shipping and delivery services has increased. The European Commission (2021) reported that the majority of mail

services in the EU postal markets are experiencing considerable growth in international packages and shipments. The trend is expected to continue growing. Ofcom (2024) further predicts an increase in the package segment's volume by more than double, and a 46% growth in revenues therefrom by 2025. This trend amplifies the need for seamless cross-border logistics as more companies engage in online trade and spread their reach across national borders. Recognizing this development, postal services have been driven out as companies prefer specialized services to meet the demands of customers and e-commerce firms. Due to this, postal markets will be significantly impacted by the expansion of e-commerce and globalization, which have created new prospects and also challenges for postal services.

(b) Technological substitution

Businesses in highly digitalised countries consider letters to be time-consuming and onerous, and a comparatively large percentage of people no longer write physical letters. It should come as no surprise that using postal services has become less important to people and businesses than it was in the past. According to European Commission (2021) 89% of respondents (business users and associations) to the WIK stakeholder online survey confirmed that they only or mostly used digital solutions for communication, while 11% confirmed that they were still sending letters, but deemed them as not very important. Businesses and public agencies now have more chances to use digital communications instead of postal mail (Ofcom 2024). This is due to the growing availability and use of faster broadband and mobile connections. Therefore, there are now more options available to organisations, including government agencies, to use digital communications tools and systems.

(c) Sustainability and environmental concerns

There is global pressure on individuals and organisations to lower their carbon footprint and embrace eco-friendly policies. Likewise there is growing demand for

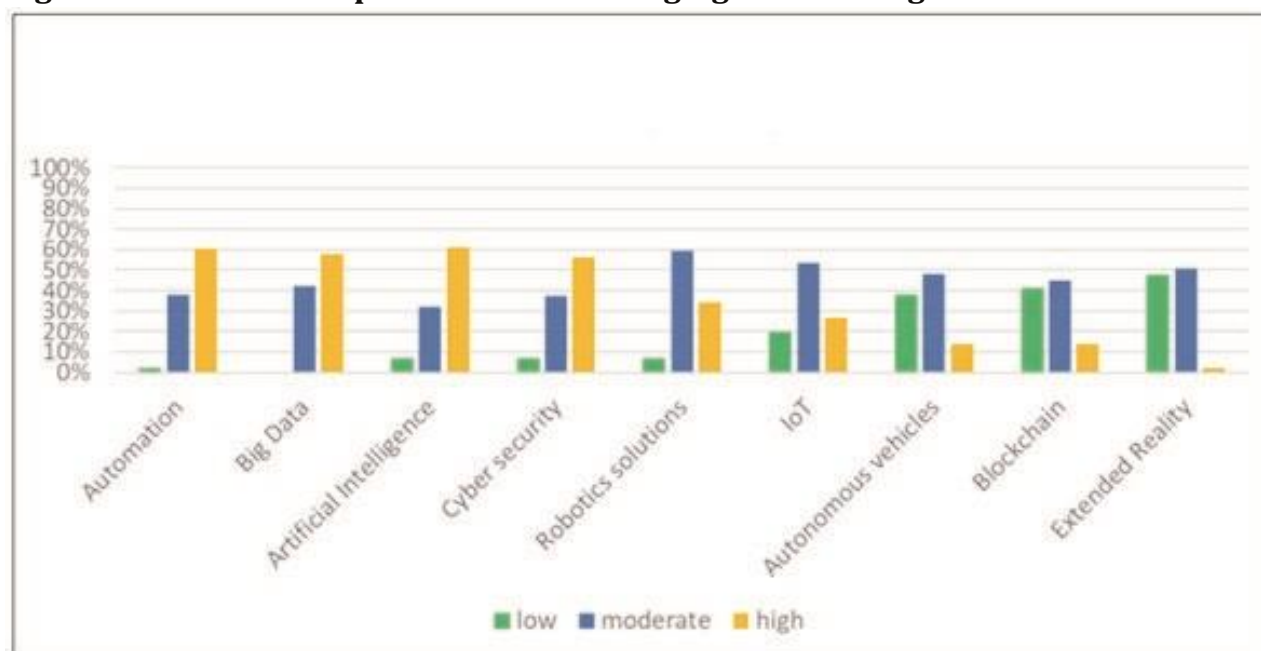
postal services to reduce their carbon footprint and implement ecologically friendly procedures in order to address sustainability and environmental issues. According to Ofcom (2024) there is evidence that environmental factors are becoming more relevant to consumers' choices of postal services. For example, the design of the Universal Service Obligation (USO) allowed Royal Mail to contribute to national

targets to reduce its impact on the environment. Additionally, postal services in developing countries, with Zimbabwe not an exception, are exploring sustainable packaging solutions, such as using recyclable materials and minimizing packaging waste. As the postal sector is traditionally paper based, the growing global environmental consciousness has driven consumers to use digital alternatives. The alignment of to green solutions by postal operators entails additional operating costs.

(d) Emerging Technologies

Over the next three to five years, automation, big data, and artificial intelligence will be the technologies that have the most effects on the postal and parcel business. In the upcoming years, autonomous solutions, blockchain, and extended reality are predicted to (still) play a less significant role than robotics and IoT solutions.

Figure 1: Adoption of Emerging technologies



Source: United States Postal Service Office of Inspector General (USPS OIG). (2019b)

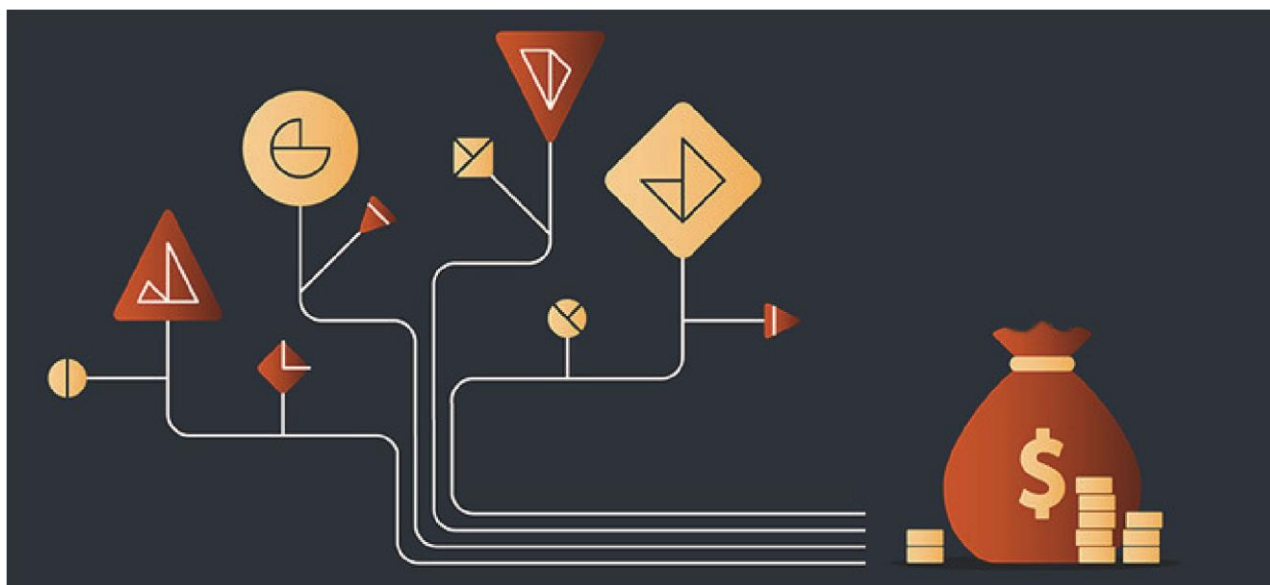
4. Future of postal services

Letters will be viewed more and more as the communication method of last option in the future, one that is utilized only in the absence of more practical digital alternatives for a certain use case. Never-the-less, demand for letters will not be

totally discarded, but there will still be some demand by some user groups. The future of postal services will be characterised by the following:

(a) Diversification of services

European Commission (2021) reported that given that paper-based communication is shifting to electronic communication, postal operators are increasingly realising that in order to meet evolving customer needs and create new revenue sources, they must expand their offerings beyond traditional mail delivery. This means that postal services should think about collaborating with banks to provide services like bill payment, money transfers, and mobile banking, making use of their vast nationwide network of post offices. Postal services should also look into the potential in e-commerce fulfilment and logistics. This implies that companies can provide e-commerce merchants with end-to-end solutions, such as warehousing, inventory management, and last-mile delivery by utilizing their current infrastructure and delivery networks. Therefore, with this calculated diversification, postal services may enter new markets, create new revenue streams and continue to be relevant in the rapidly evolving market landscape.



(b) Digital transformation

In response to technological evolution, postal operators have to adapt and modernise their operations, leveraging technological advancements to improve efficiency and deliver a more customer-centric experience (European Commission, 2021). This involves integrating emerging technologies such as Artificial

Intelligence, Block-chain, robotics and data analytics amongst others. Postal operators will also need to adopt emerging solutions centred on automated sorting and delivery to enhance processing speed and accuracy. The adoption of AI and machine learning will revolutionize sorting and delivery processes. For example, drones will not only deliver packages but also collect data to optimize routes and improve service efficiency. By harnessing these advancements, postal services can modernize their operations, improve efficiency, and adapt to the changing needs and expectations of their customers, which will be crucial in maintaining their relevance and ensuring their long-term sustainability as the digital landscape continues to evolve. Utilizing digital technologies, postal services will increase tracking and transparency, improve operational efficiency, and provide cutting-edge services like electronic identity verification and digital mailboxes. The use of digital mailboxes is another important component of this change.

According to a research by the European Commission (2021), hybrid mail offers a means of effectively managing the transition from letter-based to electronic-based consumer communication. Customers may access, manage, and receive their mail online with these digital platforms, which decreases the need for physical mail and increases convenience. Postal services should also think about putting electronic identity verification systems in place to improve security and expedite procedures in areas like package delivery and financial services. This means that postal service companies may boost efficiency and speed up delivery times by automating certain of its activities, such sorting and tracking, by utilizing digital technologies. KPMG International (2019) suggested the incorporation of sophisticated tracking systems is made possible by digital transformation, giving clients real-time updates on the whereabouts and status of their shipments.

Evidence from studies by Kyle (2021) and Nguyen (2020) indicates that major postal services around the world, including the United States Postal Service, Deutsche Post, Swiss Post, and Australia Post, have successfully transformed their mail operations through the adoption of artificial intelligence (AI) technologies. These postal giants have demonstrated their ability to adapt to changing market demands and consumer preferences, positioning themselves for long-term sustainability in the face of growing competition and the decline of traditional mail volumes.

(c) Collaboration and partnerships

According to Parcu and Silvestri, (2017) there is need ensure that postal service is sustainable, able to meet the needs of the public, and future-proof. To expand their skills and reach, postal services must collaborate and cooperate with other industry participants, such as technology suppliers, e-commerce sites, and logistical firms. In order to improve their capacities and reach a wider audience, postal service companies have to work together and form partnerships. For example, postal service companies may increase the effectiveness and dependability of their delivery operations by partnering with logistics firms and taking advantage of their knowledge in warehousing and transportation.

Additionally, this partnership makes it possible to smoothly include delivery and logistics services into the e-commerce ecosystem, improving the general consumer experience. Furthermore, collaborating with IT companies can result in cutting-edge solutions like digital platforms, data analytics tools, and track and trace systems, which can improve customer satisfaction and operational effectiveness even more. Therefore, through these alliances, postal service companies may be able to provide a greater range of services, such expedited delivery or package handling tailored to particular needs. As e-commerce grows globally, postal services will need to form international alliances, streamlining cross-border deliveries and customs procedures, much like airlines have done with code-sharing agreements.

(d) Reinventing the last mile

Postal organisations are at a pivotal moment. Retailers are transforming their supply chains to enable the fast and free shipping customers expect. However, postal organisations have not responded accordingly. As consumer preferences shift toward online shopping, the demand for efficient and reliable delivery services has never been higher. While price remains a key factor, customers place increasing emphasis on consistent delivery performance and convenient pickup options. The surge in e-commerce activities, driven by giants like Amazon, Alibaba, Shein etc., has been transformative. This growth underscores the critical role of last-mile delivery in delivering and enhancing the overall online shopping experience. This increased

interest requires postal operators to innovate and expand their delivery networks to meet these heightened expectations.

In the future, there will be need for cutting-edge delivery solutions to overcome the difficulties associated with last-mile delivery, such as drones, self-driving cars, and locker systems. These cars can be configured to deliver packages precisely and on schedule while navigating through traffic. Widmer, (2020) suggests that locker systems are also being thought of as a safe and practical delivery solution. This implies that customers can pick up their products at their convenience from these strategically positioned lockers, which offer flexibility and cut down on the number of delivery attempts. It is advisable to set up convenient sites for clients to pick up their shipments at their convenience. In order to adapt to customers' changing needs, postal services will also need to offer flexible delivery choices such package rerouting and delivery rescheduling. *e) Customer centricity*

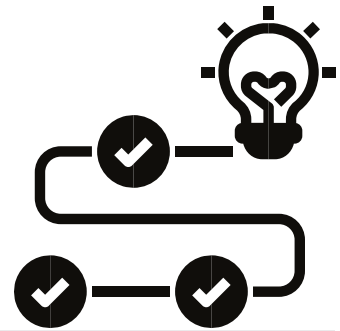
Customer-centricity is a mindset that puts the customer at the centre of everything a business does. Customer-centricity is a vital aspect of any business, but it is especially crucial in the postal industry. The postal service industry is undergoing a profound transformation in the digital age, as customers demand more convenience, personalisation and transparency from their service providers. To meet these expectations, postal operators need to adopt customercentric approaches that focus on delivering value and satisfaction to their customers, rather than merely providing products and services. However, this is not an easy task, as postal operators face challenges due to the non-homogeneity of postal consumers. For example, some customers may value speed and reliability, others may be more concerned about price, while others are more concerned about environmental impact. Furthermore, postal consumers are increasingly exposed to digital alternatives, such as e-commerce, e-mail, and egovernment, that offer more convenience, choice, and customization than traditional postal services.

To compete and retain customers, postal operators need to innovate and differentiate their services by offering value-added features. Equally important, to satisfy changing consumer expectations, tailored services, handy pick-up locations, and adaptable delivery choices are being developed. Strenitzerova, (2023) noted that some postal operators were already taking a client-centric approach by creating individualized services, handy pick-up locations, and flexible delivery

alternatives in response to changing customer expectations. The postal network must adapt in order to better meet customer needs and guarantee that it will remain economical and sustainable in the long run.



CONCLUSSION AND RECOMMENDATIONS



Traditional postal organisations are at a moment so pivotal that it will determine who remains profitable for decades to come, and who finds themselves obsolete within years. The future of postal services is dynamic and shaped by various factors, including e-commerce growth, technological advancements, and sustainability concerns. Where letters once meandered through a slow pace of delivery, they now zip through digital channels, and parcels are dispatched with precision, guided algorithms.

Postal services, like, Royal Mail, United States Postal Service, Deutsche Post, Swiss Post, and Australia Post are proactively addressing these challenges and embracing opportunities for growth. By diversifying their services, leveraging digital technologies, and forming strategic partnerships, they aim to meet evolving customer expectations and enhance operational efficiency. These adaptive strategies position postal services to thrive in the changing landscape while contributing to a greener and more sustainable future.

As the postal services industry continues to evolve, the successful integration of these strategies will be instrumental in ensuring the continued relevance and success of postal services in Zimbabwe and beyond. Therefore, the future of postal services lies in their ability to adapt to the changing dynamics of the digital era. Therefore, embracing digitalization, diversifying their services, and leveraging strategic partnerships, postal services can overcome challenges and seize opportunities in e-commerce, globalization, and technological advancements.

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1. Introduction-

Swiss Post is the national postal service provider in Switzerland. It is a public company owned by the Swiss Confederation. The group is based in Bern, Switzerland, and has branches in over 25 countries. Swiss Post is Switzerland's second-largest employer, employing approximately 54,000 people¹. Switzerland's postal service has been ranked top in the world for three years, according to the UPU's Integrated Index for Postal Development (2IPD). Among 172 countries, Switzerland achieved standout results for the resilience and relevance of its network, with strong demand for its products and services and a capacity to innovate, diversify its revenue streams, and develop sustainably.²

Despite its achievements, Swiss Post has been working towards improving its profits, which had been declining for some years due to the global trend of a rising gap between letter mail and parcel volumes amidst a low postal-interest environment. To turn around the dwindling profits, Swiss Post launched the 'The Swiss Post of Tomorrow' strategy in 2020; the Swiss Post of Tomorrow's strategy focuses on providing first-class quality public service, focusing on accessibility through capitalizing emerging technologies and digital solutions. The strategy also³ focused on customer centricity and building modern, self-sustaining public postal infrastructure.

2. Key Initiatives

The key initiatives under Swiss Post's transformation strategy included the following, amongst others:

•IoT Integration for last-mile delivery

In 2021, Swiss Post transformed how it offers postal services to households in remote villages where there was no longer an economic incentive for a postal office branch with the rollout of one hundred thousand (100,000) SmartButtons.⁴ SmartButtons enable people to order postal services on demand. They also run off-grid, using batteries,

and do not need a SIM card as they operate the LoRaWAN protocol. To use the device, a customer places the SmartButton Reader directly on a product code icon on a printed list of codes associated with specific postal services like ordering parcel pickup; the orders will be immediately transmitted to the Swiss Post cloud server for processing. If ordered before 7:30 am, a mail carrier will deliver the requested services on the same day. The Smart⁴ button has proven revolutionary in that it is a convenient way to order services without using a smartphone or a computer. Hence, it is effortless for people who are not as familiar with smartphones to order products and services online, thus promoting universal access to postal services.

•Harnessing Artificial Intelligence & Robotics

Swiss Post made its in-house processes more efficient by incorporating robots in logistics. Robotic process automation (RPA) means automating tasks with the assistance of software robots. More than eighty (80) RPA processes were⁵ introduced by Swiss Post. One example is the incorporation of robotics into the processing of missing customs clearance documents: the robot initiates contact with the customer digitally, gathers the necessary information via an online form, and attaches it to the consignment as a PDF. Customers who have items to⁵ declare also receive support via AI algorithms trained using over eight (8) million imported letter and parcel consignments. The system reports whether a consignment can be regarded as subject to duty or duty-free. They also incorporated chatbots in customer service. The aim was to structure the service provision more efficiently and respond to changing customer requirements. Swiss Post handles customer queries around the clock using AI chatbots and language models.

•Establishment of an in-house Digital Innovation Centre

Swiss Post developed a Digital Innovation Center to drive innovation across all business units. The cross-functional team supports Swiss Post's various units in developing digital solutions and acts as a bridge between the technology and business worlds. Through the Digital Innovation Centres, various interface⁵ platforms were introduced, such as:

- 1.The ePost OneAPI interface for all written communication streams.
- 2.Digital Identification using Yellow Identification and SwissID App.
- 3.Various eGovernment services such as eVoting.
- 4.Digital health services.

•Embracing Hyper-Collaboration

An analysis of Swiss Post's operations reveals an innovative approach to collaboration. They have not only partnered with technology providers but also with service providers across various economic sectors. This unique strategy demonstrates that enhancing service quality or viability is not just a technical issue, but also a collaborative one. One such pioneering partnership is in the area of healthcare, where Swiss Post has joined forces with various hospitals to use robots for logistics support. A standout example is the collaboration with Triemli City Hospital in Zurich, where four robots work autonomously throughout the night to distribute medical consumables to the hospital's thirty-four (34) floors and dispose of used materials. These robots, capable of carrying more than 450⁵ kilos of goods and operating independently for up to 10 hours, significantly reduced the medical staff's workload, allowing them to focus more on patient care. Swiss Post also benefited through new revenue streams from the partnerships. On the technical front, Swiss Post has successfully collaborated with various technology providers. Such technology partnerships have been instrumental in the development of emerging technology solutions.

3. Conclusion

Thanks to the above initiatives and more, Swiss Post not only recovered faster than expected from the financial impact of the Corona Virus pandemic but also managed to achieve a impressive financial results in the 2021 operating period:⁶ • Operating income stood at 6,877 million francs, exceeding the previous year's total by 329 million francs.

- At 515 million francs, operating profit (EBIT) increased by 257 million francs from the previous year's figure.

- Group profit for 2021 totalled 457 million francs, up 279 million francs over 2020 figures.

This resilience in the face of the pandemic is a testament to Swiss Post's robust business strategies and effective collaboration efforts, which can be emulated.

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