



Postal Services and New Technologies: A Course of Substitution or Convergence?

It is true that there have been many discussions during the past few years as to the mass substitution of postal services by new electronic services, resulting to a rapid decrease of the volume of items transferred through the post.

However, recent data show that we are now probably directed towards a course of convergence and joint development instead of substitution.

The main points of the theory on the substitution of postal services by electronic services are listed below:

- > The tremendous spread of electronic means of communication will result to the replacement of postal services by electronic services and the rapid reduction of the volume of postal items.
- > The great increase in household broadband connections will further contribute to the replacement of postal services by electronic services.
- > Information through all types of account balance statements will be soon carried out through the internet for the following main reasons:
 - A. Consumers shall prefer information in real time through the internet instead of periodic information through the post.
 - B. Businesses (banks, service providers) shall impose the use of the internet for reasons of cost reduction, applying additional charges for those who wish to receive their statements in printed form.

As a result of the above, dispatch of account statements in printed form through the post will soon be minimised.

Although there is a certain amount of truth in the aforementioned theories, recent information shows

that the situation might not be exactly as described above, since there is certain evidence that assist in the adoption of the theory of convergence and joint development of postal and electronic services. The main points of the theory on convergence of postal and electronic services are listed below:

- > Despite the tremendous increase of the number of electronic messages, the volume of items transferred through the post remains stable, while in some services and particularly in advertising post/direct mail, an increase is identified.
- > In the past we have seen a substitution of corporate mail by electronic mail. There shall be a further substitution only in case the use of digital signatures becomes established in the market.
- > In personal postal correspondence no further reduction is anticipated, since the use of the post has already been replaced by telephone, SMS and email.
- > The volume of parcels transferred through the post is expected to increase due to electronic commerce.
- > The effectiveness of electronic means of communication such as email presents a significant reduction. For example, in 2005, 69% of the total number of electronic mail send worldwide was spam mail that created severe problems to recipients.
- > Information coming from the American and British market

show that internet users (and particularly those with broadband connections) receive a significantly greater number of items through the post than non-internet users.

- > Although the use of the internet for information on account balances increases, consumers view the internet as a supplementary information medium and not as a way to replace their printed statements.
- > Moreover, many companies consider mailing their account statements as keeping their monthly appointment with customers and as a valuable marketing tool.

There are currently numerous examples showing that the use of new technologies is encouraging, facilitating and adding value to postal services, such as:

- > Electronic stores and mobile telephony services for sending orders which are processed through the post.
- > Internet sites where every user may "upload" digital photographs or other personal, digital files (e.g. cards, books), which are then printed and sent through the post.
- > Companies who send informative/advertising material to their customers on digital media (CD, DVD), through the post.

Therefore, we see that the increase of new technologies and electronic communications is rather complementing than replacing postal services and that both methods may co-exist in a multi-channel world.