

Innovative Postal Services – Hybrid Mail

As a rule, Postal Service providers in recent years have proceeded with the incorporation and offer of new innovative services of high added value, in order to respond to the stagnation or even the reduction in volumes, and thus the reduction of revenues produced by their traditional services. “Hybrid mail” is one of these services which is considered rather attractive for the providers as regards return on investment.

Hybrid Mail

Hybrid mail is a service based on new technologies which allows the sender to send the message to the provider in physical or electronic format, who in turn transforms it to electronic format (if necessary), processes it as appropriate and finally transforms it to printed form, namely a usual object of letter mail for delivery

When so required by the National Legislation and if requested by the user of the service (sender), the delivery procedure of the object may comprise the use of other means, such as FAX, e-mail, etc. If delivery is effected at the recipients address in the form of a letter mail object, the initial message is transferred in electronic format to as great a distance as possible, and then transformed to printed form at a location as close to the point of delivery as possible. In other words, hybrid mail uses advanced information systems in order to achieve sorting and routing of the message to a location close to the point of delivery, where the message is reproduced – printed, put in an envelope and stamped.

The benefits involved for enterprises – users of the service, particularly those approaching their customers with printed material, yet not mainly involved with printing, are multiple as they are given the opportunity to assign printing of their correspondence to the postal services provider, who will use specialized high quality equipment for this purpose, thus achieving a significantly lower cost.

In any other case, the fixed cost involved

for the enterprises would be a lot higher, whereas the enterprises would have to invest great amounts to the constant upgrading of their printing centers. In conclusion, the benefits offered by the service to the users are:

- Reduction of the time required for preparation of the correspondence and the relevant cost, while at the same time ensuring very high quality.
- Assignment of collection, sorting and handling of correspondence directly to the provider.
- Greater reliability as regards delivery times and possible reduction thereof.
- Ability to distribute correspondence both in printed as well as in electronic format using the same procedure.

The benefits involved for service providers are very important and multileveled. In particular:

- With the establishment of a unit that will undertake the task of printing and completing correspondence, capable of catering not only one, but a large

number of customers, the provider is able to achieve significant economies of scale, by installing the most advanced equipment at the lowest cost possible.

- By properly distributing the volume of orders, the provider can achieve the optimum utilization of the equipment, whereas with the distribution of the cost of utilization of new technology to multiple customers – users, the provider has the ability to invest on new technologies a lot sooner than any other isolated user.
- The provider has the ability to control the validity of the recipient address data before printing the correspondence. Thus, after consultation with the sender, any correspondence that cannot be delivered due to wrong or invalid address data can be exempt from the printing process, thus significantly reducing the administrative cost.
- By understanding the business procedures of a customer and the content of the data they handle, the provider is able to exploit potential business

opportunities in due time and extent the range of the services offered so as to cover the needs of his customers, as well as offer integrated content administration services to them.

- The establishment of a standardized communication channel with the customer, through which data is exchanged in electronic format, presents the provider with a significant business advantage as he may use the same channel for providing new services based on the use of Electronic Communications.
- Finally, together with the offer of a qualitative and extremely reliable service, the provider can standardize

Regulatory Issues: Licensing

Pursuant to Law 2668/1998, “texts transferred through the electronic mail procedure are also considered mail objects from the moment they are closed into an envelope in their final form, in order to be delivered”.

Thus, the same legislation guiding the provision of Postal Services in Greece, also applies for the provision of hybrid mail services. In particular, aside from the Global Service Provision Organization (GSPO), services of this type can also be provided by those providers licensed by EETT.

Hybrid Mail in Greece

In Greece, ELTA will complete the installation of infrastructure for the provision of hybrid mail services. This investment aims at improving the competitiveness of the enterprise and the reduction of the respective operating cost. According to ELTA, the operation of hybrid mail services is expected to produce revenues of at least 40 million Euros in the first two years of implementation.

correspondence (using paper size and quality as well as envelope size that match his needs), incorporate bar-coding according to the specifications of automatic sorting systems that he may be using and determine the correspondence printing sequence so as to be printed in batches corresponding to the routes of postmen, without any need for further sorting. As a result of the above, the position of the provider in the postal market is strengthened.



Environmental benefits

Hybrid mail’s environmental benefits are obvious, as it contributes to the reduction of the number of itineraries required for the collection and transportation of correspondence. Once we take into consideration the fact that the main customers of the service are companies sending large quantities of correspondence (advertising mail, account statements, etc.), it is easily understood that hybrid mail can lead to the reduction of an enterprise’s carbon footprint.

Competition Issues

On the 18th of June 2008, the European Commission sent a warning letter to Slovakia requesting clarifications as to whether the recent amendments of the respective National Legislation could be in violation of articles 82 and 86 of the Treaty on the Establishment of the European Union.

The specific amendments extent the monopoly of the GSPO (Slovenská Pošta) in the stage of the provision of hybrid mail services. It is noted

that before these amendments, this activity was open to competition. The Commission claims that according to the Law, the providers who were already involved in the specific market are no longer permitted to offer these services, therefore their viability is threatened. ►





unit in Holland, where the data were processed, printed, enveloped and sent to Germany and anywhere else.

Deutsche Post opposed this procedure as only terminal dues were paid for these objects, and requested the payment of the total amount corresponding to domestic postal fees (higher than the terminal dues).

CJEC ruled that since no agreement is in effect between the postal services of the interested member states for the determination of terminal dues in relation to the actual handling and distribution fees for incoming cross-border correspondence, a member state may grant the legislative right to its Postal Services to impose the payment of domestic postal fees, when senders established in this state deliver themselves, or by means of a third party, mail objects in large quantities to the postal services of

another member state, in order for the mail objects to be delivered to the first member state.

In any case, such postal services may not ask the senders to pay any more than the difference between "terminal dues" (paid by the postal services of the mailing member state) and the domestic postal fees, otherwise, this would constitute an abusive use of a dominant position in the sense of the European law on competition.

- ▶ Slovakia proposed changes in the pertinent Law but the Commission did not consider these changes to be satisfactory. The case is still open.

On the 10th of February 2000, the Court of Justice of the European Communities (CJEC) announced its ruling on the cases of Deutsche Post AG versus Gesellschaft für Zahlungssysteme mbH (GZS) and Citicorp Kartenservice GmbH (cases C-147/97 and C-148/97). Both cases concerned A-B-A remail cases. For instance, Citibank sent the data related to customer accounts of various companies issuing credit cards to a central data processing



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