

Development of courier services in Poland

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Abstract The article presents the genesis of courier services in Poland, since the first such businesses in 1982. Courier companies in Poland are relatively short on the market, holding the prominent place in the economy of the country. The courier services in comparison with the countries of Western Europe are still in the development stage. After 2000 began the process of merger of best organised national courier companies by the largest global companies. In the article are presented factors affecting development of courier service in Poland, as well as the changes, which occurred within a few years, such as the level of employment, enterprises operating range and their generated revenue.

Keywords courier services, transport, logistics

JEL L87, L91

1. Introduction

Courier services are of crucial importance and an integral element of global logistics services market, they rely on an efficient, safe, timely and reliable transport of goods or documents between the sender and recipient. Potential to provide transport services in Poland is higher than the reported demand. In this respect, a constant struggle for customer and competing for it with other companies, operating on the market, can be noted. This will keep the prices of freight on a fairly low level.

Changes in the world economy (transport globalisation) cause that logistics and transport are increasingly more important in the organization and management of goods with the least cost and in the shortest possible time. Economic effectiveness of car use in a transport company is one of the numerous measures used in the evaluation of transportation services [5].

Supply chain management refers to the management of materials, information and funds for the entire supply chain, from suppliers, through production and distribution, to the final consumer [7]. More and more we can meet the contract outsourcing, where manufacturing companies give up their own transport for another entity by outsourcing their own transport to a courier company. A similar situation on the market of courier and postal services observed authors [7, 8, 14] on the Slovak market.

Despite many legal and economic determinants of industry courier service, there are real opportunities for developing such enterprises. From a legal point of view courier and express services are such type of postal activity, which does not require a license [12]. This is regulated by provisions of the Law of 2nd July 2004 on the freedom of economic activity.

The segment of courier services without any doubt is one of the fastest growing sectors – both in the world and in Poland. Here are offered tailored service for individual and institutional customers. Courier services industry is often referred to as barometer of the Polish economy, and this is due to the fact that, it was the first one feels fluctuations in the domestic market.

2. The courier services in Poland

Polish courier services industry has 20 years. Consignments were initially supported by national operator PSM C. Hart-wing, which acted as an intermediary for all foreign carriers. In those times Polish law prevented the foreign capital on the domestic market. In the late 80s and early 90s were set up companies, which for a long time played a key role in CEP industry (Courier, Express and Parcel Delivery Services). The first national courier companies were such companies as *Servisco* (1982) or *Masterlink Express* (1991). The beginning of their activities were aimed at creating an operational network and technical-organizational facilities. Then operators built sorting plants and subsidiaries and invested in car fleet [11]. In works [2, 3, 4, 5], authors analyzed of data related to the costs of repair of delivery vans used by the Polish Mail Company.

Courier services market in Poland in the first half of nineties grew rapidly. Competition between companies primarily came down to price competition. In order to standardise courier services, and in particular to protect fundamental interests of *Poczta Polska*, in 1995 was introduced an obligation to have a license to perform this type of service. It significantly restricted the development of competition in the parcels and letters delivery and complicated the process for setting up new companies, but as a whole it has not been stopped. After the introduction of obligation of

having license were set up further, significant companies in the Polish market such as: *Siódemka* (1998), *Szybka Paczka* (1998) and *Opek* (1999). In the second half of the 90s the companies began to compete by means of modern information technologies, which resulted in automation of certain operations, and as well providing customers with information on packages carried. Polish courier companies very quickly caught up with global companies, both in terms of quality and technology [11].

3. Dynamics of courier services in Poland

The development of national courier services sector is primarily affected by a large demand for this type of service, the size of the Polish market, as well as attractive geographical location. In addition, boosting factors are: development of infrastructure, the reduction in charges for services, new flight services, and also the growing customer requirements concerning the diversity of services and an increase in e-commerce. CEP services market is one of the fastest growing market sectors, both in the world and in Poland. It is worth noting that carriers are increasingly willing to invest, which applies to both staff, infrastructure and technology.

With the increase in delivery services, there is growing a desire to increase market attractiveness, among both large companies and smaller institutions [6]. It is important that the operators not only invest considerable amounts in order to modernise and expand their branches, but also operate so-called hubs, which are an important link between the national and global operational network.

The market of courier services has a twofold impact on development of the domestic economy, through an increase of employment and remuneration, as well as indirect, increasing Polish business attractiveness. Together with the dynamics of CEP industry, changes the level of employment, which is set out in the graph in Figure 1.

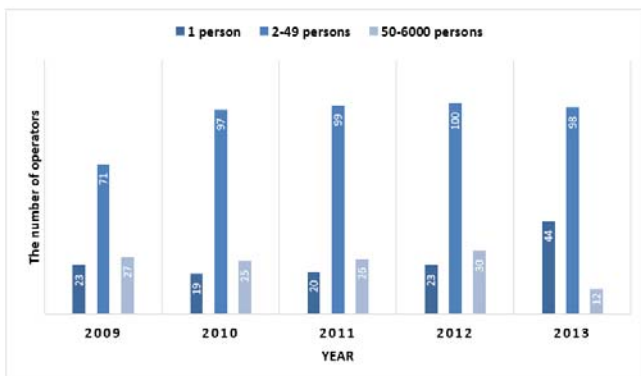


Figure 1. Number of employees in alternative postal operators (status on 31st December each year) [10].

Employment status in the group of alternative postal operators was very varied. In recent years can be noted a significant increase in conducting a single business.

In Poland there are two types of courier companies. The first of these is a large company with foreign capital. Mostly these companies buy smaller local enterprises, creating their own affiliates in this place. This gives them an easier orientation on the local market and take over their customers. There are also many relatively small companies, operating mainly in the local market, or the national one, employing up to several dozen people. Figure 2 shows the range of courier operators over the years 2009-2013.

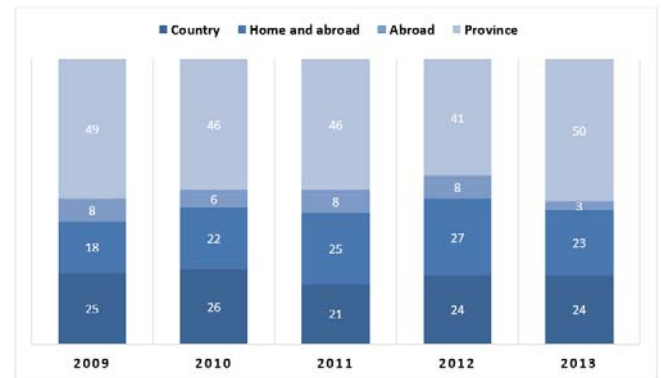


Figure 2. Operating range of courier companies over the years 2009-2013 [10].

Observing the changes that have occurred in the period 2009-2013, it can be said that the Polish market is dominated by local companies, and there is increasingly less companies being active only in a foreign market.

In the development of companies from the CEP sector an important feature is the ability to expand the offered suite of services. The company must be open to new solutions, in order to meet increasingly complex customer needs. High chance is also an increase in interest in e-commerce, both by business customers, as well as by individual ones.

The courier sector becomes lately one of the most important aspects of modern logistics systems, as well as supply chains, thus allowing for lower costs in customers enterprises, and above all it gives current business customers more and more flexibility. Courier services with its fundamental features are attractive from the point of view of logistical challenges [1].

Shipping industry in Poland is developing. It's not easy to define and identify companies, implementing this type of service. The range is also high in identifying companies, declaring courier services, as a basis for or part of their activities. This is difficult to determine the value and dynamics of growth of this market. In a certain way can be helpful estimates of Office of Electronic Communications.

The data presented in the table 1, show that over the years 1996-2013 occurred more than eighteen fold increase in the number of private operators. The largest percentage increase in comparison to the last year was recorded in 2002 (about 73 %).

Table 1. Number of registered alternative postal operators in the years 1996-2013 (as at 31st December each year) [10]

Year	Number of private operators on the Polish market	Increase in relation to the previous year	
1996	15	-	-
1997	17	2	13,00%
1998	18	1	6,00%
1999	21	3	17,00%
2000	21	-	0,00%
2001	30	9	43,00%
2002	52	22	73,00%
2003	58	6	12,00%
2004	90	32	55,00%
2005	113	23	26,00%
2006	157	44	39,00%
2007	164	7	4,00%
2008	182	18	11,00%
2009	209	27	15,00%
2010	244	35	17,00%
2011	247	3	1,00%
2012	267	20	8,00%
2013	274	7	3,00%

Not all registered operators take shipping activities. According to the survey conducted by Office of the Electronic Communications at the end of 2013, the largest number of postal operators have been found in the Lubelskie voivodship, where there were operating 63 out of 102, however, the least number was in Opole province. Only one out of two registered operators was active.

The significant impact on the development of the courier service sector have also occurring globalization processes. Extending of common customs territory of European Union contributes to creating new solutions in improving delivery systems, which is closely related to decreasing time of transport in international relations. Thanks to such solutions courier companies are able to offer their customers new standards of services. In this way, institutional customers and sometimes individual ones decide to send small batches of loads, rather than large, integrated packages. As consequences of such actions change also storage systems and reduce stocks [6].

In Poland there are headquarters of the biggest world's leading courier service (DHL, DPD, TNT). They are working on the market long, while having a developed infrastructure, that consists of warehouses, or various means of transport (cars, planes).

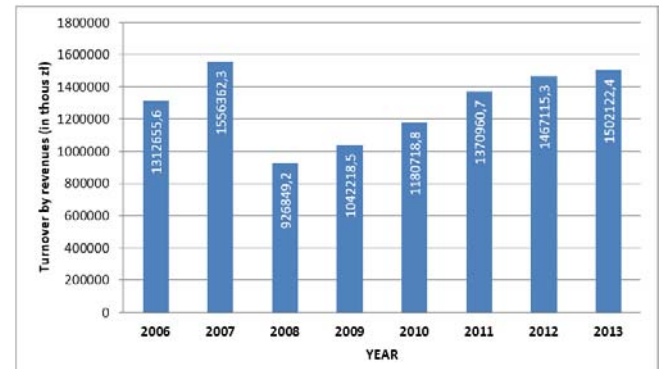
Domestic market of transport services, conducted by means of automotive vehicles has a significant impact on transport system of the country, its marketing and European

Union economy. Since the accession of Poland to the EU can be noticed a significant evolution in this sector.

In recent years have appeared on the market also new entities, the so-called brokers. Their task is to consolidate and offer (mainly by the Internet) services of large carriers. They offer low cost and easy way to order, however, such services have unclear legal status, and because of the addition of intermediary company increases communication risk [13].

Over the past years have significantly changed the expectations and needs of customers against courier companies and their employees. The market is full of competing businesses, offering the same goods in a similar price and quality, so it is important to fine-tuning details or points which would distinguish such a company. The most important factor, which changed expectations of the customers against CEP business is development of the internet and modern technology. Courier companies increasingly become both business partner, as well as an advisor. Thus, one of the lines of the development is differentiation and simplifying [9].

Figure 3 shows income reached by courier companies operating in Poland, from 2006 to 2013.

**Figure 3.** Domestic and foreign turnover of operators in courier industry in Poland over the years 2006-2013 [10].

By analysing a chart in Figure 3 can be seen that this sector has developed rapidly. The only collapse of this segment was due to economic crisis (in 2008), which had contributed to reduce turnover of the companies. However, after 2008, companies started to recover with more and more revenue.

4. Prospects for market growth of courier services in Poland

Impetus for development of the market courier is currently observed and forecast increase in B2C segment, which is an individual customer service. Worth highlighting is the fact that even though the number of parcels in the B2C in Poland is almost twice lower than in the countries of Western Europe, in Poland is the highest increase of number of persons benefiting from e-commerce in Europe [9].

Development of CEP companies is also influenced by:

- creation of the appropriate investment conditions, i.e. appropriate legal regulations;

- road and air infrastructure, which is a direct costs of courier companies;
- trends in the implementation of environmentally preferable solutions (reduction of fuel consumption, reduction of emissions into the atmosphere and noise dampening).

The trends in the CEP market for the coming years include also slowing down of supply chains, due to the high pressure on price and segmentation of B2C market. A drop in weight of a single consignment will be also significant, and connection of supply volume [13].

There are predictions that in the Polish sector will be especially rapidly developed domestic mail market, and in international transport – a segment of road consignments. From the observation of the market, it appears that customers more and more pay attention to the quality of ordered service and less and less to the price.

5. Conclusions

Courier services in Poland are relatively short, and even though it is a perfect sometime in the national economy. Inclusion of Poland to the European Union has helped to open new markets for companies with foreign capital. Nowadays are present in the country both global and local companies. A steady increase in number of new courier services companies may provide a dynamic home market. Progressive globalization processes, the tendency to outsourcing and development of integrated supply chain have resulted in changes in logistics systems. Currently there is greater demand for specialized courier operators.

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