



Royal Mail results comment from ParcelHero

Industry expert Roger Sumner-Rivers fears Royal Mail's 6% profit rise masks a lack of investment

Royal Mail's 6% rise in profits is the result of short-term cost cutting rather than responding to market opportunities, says international courier ParcelHero. Discussing Royal Mail's latest figures, parcels industry expert Roger Sumner-Rivers, founder of ParcelHero, comments on the 4% fall in letter volumes: 'The failure of Whistl is, of course, welcome news for Royal Mail; however I fear it's only a short term glimmer of sunshine on an otherwise gloomy horizon. It's well known that mail volumes continue to decline and Royal Mail's parcel business, Parcelforce, is not growing in line with the market, because of a lack of innovation and competitiveness.

And Parcelhero believes parcels revenue growth of just 1% is very disappointing in a fast growing market. Says Roger: 'Until Royal Mail becomes more responsive to customer needs we fear they will continue to be the laggard in a sector that grew by [9.5%](#) last year.'

Explains Roger: 'As ParcelHero's recent report [Amazon's Prime Ambition](#) reveals, even Amazon, one of Royal Mail's key customers has weighed-up the cost of continuing to use Royal Mail's obsolete parcels infrastructure and decided to develop its own Amazon Logistics service significantly over the last year. We believe this will weigh heavily on Royal Mail and also has consequences for the wider market.

Roger adds: 'Royal Mail has a long and proud history; but it needs to invest significantly and innovate faster.' He cites a number of examples where Royal Mail needs to develop its offering more. 'Click & Collect access points, 1-hour delivery slots and pro-active SMS notifications are all examples of innovations that are changing our market place'

Concludes Roger: 'It's ironic that the parcels market ParcelHero operates in is booming as a result of the growth of internet based e-commerce, but the same technology has effectively sounded the death knell for the traditional service Royal Mail once delivered.'

For more information please contact David Jinks, Head of PR, on david@parcelhero.com or by phone on 0208 7584962 (07772 055748 out of office hours)

Leading international online courier ParcelHero® strategically partners with the world's leading, logistics companies, including DHL, UPS and DPD to provide a flexible, cost-effective range of parcel delivery services to over 220 countries worldwide. Huge bulk purchasing power allows ParcelHero® to offer highly competitive pricing with no compromise in service quality.