



Swiss Post among European frontrunners for parcel prices

Background

Customers of Swiss Post enjoy affordable prices while at the same time receiving top-quality postal services. An average Swiss household spends around 80 Swiss francs a year on mailing parcels and letters. A current comparison of European countries reveals that Swiss Post is ranked third in Europe for parcel prices – and thus stands on the winner's podium.

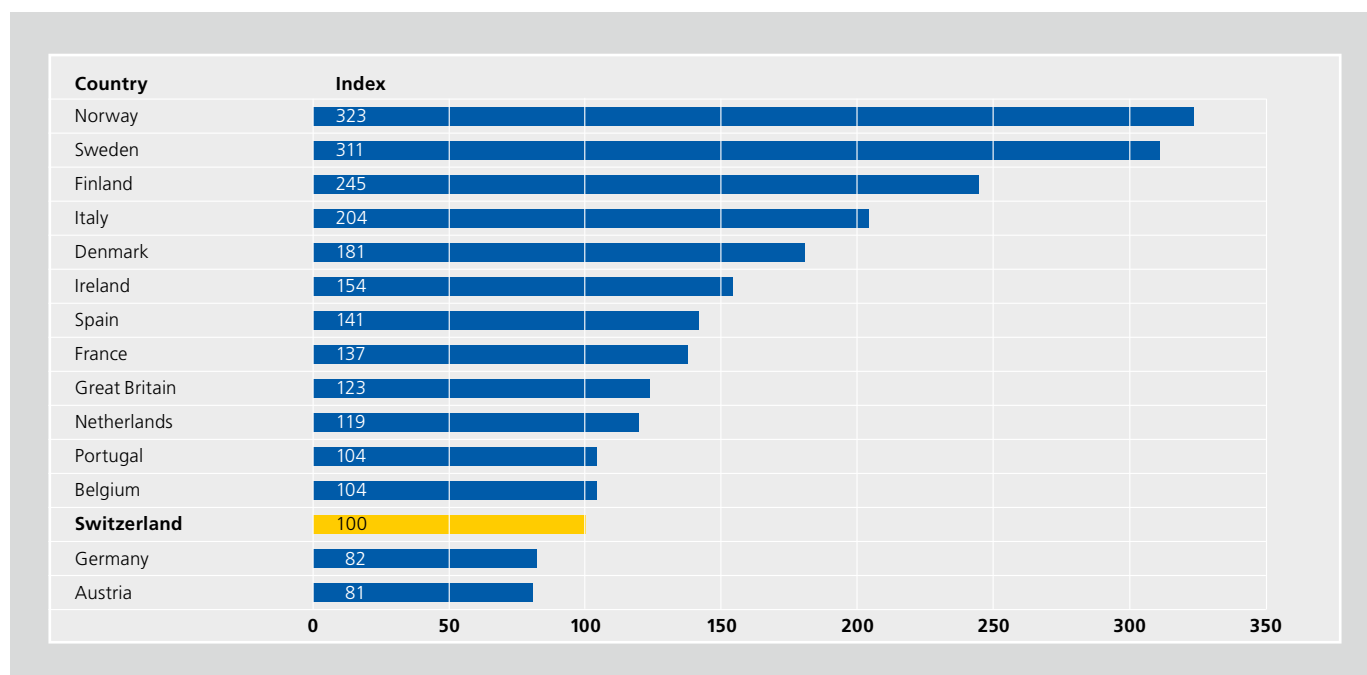
Facts and figures

In order to gain a meaningful picture of parcel prices, all parcel categories must be included and weighted according to their relevance. This is precisely what the parcel post index does. The individual parcel categories are weighted according to the frequency with which they are actually used by Swiss consumers. Counter prices are taken into account. This method is based on the Laspeyres index concept, which has been used to compare prices throughout the world for many years. In 2006, Swiss Post commissioned Professor Hans Wolfgang Brachinger, Head of the Centre for Research in Economic Statistics CESTat.ch at the University of Fribourg Switzerland, to develop the letter post index, allowing for a Europe-wide com-

parison of letter prices. Since then, the letter post index has been used by the Federal Department of Environment, Transport, Energy and Communication (DETEC) to measure target attainment and has been published by the Postal Services Regulation Authority in its annual report. In 2008, Swiss Post asked Professor Brachinger to develop an index for parcel prices and first published it in early 2009.

The revised parcel post index is based on parcels in the «Priority» and «Economy» categories with weight classes of 1–20 kg. The values seen in Fig. 1 are the results for the 15 countries compared. A country's index value shows by how many percent its parcel prices are above or below parcel prices in Switzerland (index value = 100).

Swiss Parcel Post Index 2011



Parcels taken into account up to 20 kg (excluding additional services); list prices for individual items (exchange-rate-adjusted). Index Switzerland = 100.

This chart shows that Swiss Post's parcel services are very reasonably priced overall. Only in Austria and Germany are parcels less expensive. In Belgium and Portugal, services are more expensive but still «within range» of Swiss prices. The prices in the other countries in the comparison are much higher. Prices for mailing parcels in Scandinavia are particularly high.

Direct price comparison

The strength of the Swiss post price indices is their validity. The current parcel post index is based on parcel prices as of 1 November 2010 and takes into account parcel prices adjusted by Swiss Post on 1 April 2010. The last time Swiss Post revised its parcel prices was back in 2003. When evaluating the current index, readers should bear in mind the strong position of the Swiss franc compared to the euro. Furthermore, postal services in the countries compared are not all provided to the same quality standard. High-quality Swiss postal products may well be compared with products of inferior quality.

Swiss Post regularly achieves very good results for its parcel delivery services: 97.7% of all PostPac Priority items and 97.5% of all PostPac Economy items were delivered punctually in 2010. As a result, Swiss Post holds a leading position by international comparison.

The direct price comparison, which has been adjusted for exchange rates, does not factor in Switzerland's high salary costs. Moreover, an adjustment for differences in purchasing power would improve Swiss Post's ranking even further.

As announced in December 2010, Swiss Post will be introducing certain adjustments to services and prices as of 1 April 2011 as part of the ongoing revision of its product range. These adjustments are necessary in order to achieve results in line with the industry. The adjustments will affect niche products and specific services for business customers, however there will be no impact on parcel prices. The parcel post index will also remain unaffected by these measures.

Customer-focused services

With the online WebStamp service, customers can prepare their parcels, pay for them in advance and have them collected by the postal carrier at a location of their choice. The PickPost points enable parcel recipients to collect their consignments at the most convenient location. They provide the sender with the desired PickPost point as the delivery address and are notified by text message or e-mail as soon as the parcel has arrived. Swiss Post's network of PickPost points is being continuously expanded.

Swiss Post's position

- The parcel post index shows that Swiss Post offered the third-lowest prices in Europe for parcels on the key date.
- The parcel post index is based on the scientifically recognized Laspeyres index method for international price comparisons.
- If factors such as exchange rate fluctuations, quality, salary level and purchasing power were taken into consideration, Swiss Post would fare even better in international comparison.

