

Parcelforce Worldwide - Brief

Using the marketing mix to drive change

Introduction

Parcelforce Worldwide is a leading parcel delivery business. It is part of the Royal Mail Group. It provides a range of services including next day delivery. For international deliveries it uses partner networks to extend its reach worldwide. Parcelforce Worldwide works in three markets:

- Business-to-Business (B2B) - these are often repeat orders.
- Business-to-Consumer (B2C) - these are often single transactions.
- Consumer-to-Consumer (C2C) - this covers items such as birthday gifts and eBay sales.

In 2007, a customer survey showed that Parcelforce Worldwide needed to make customers understand more clearly what its services were. Parcelforce Worldwide used the marketing mix - the four Ps - to look at what it needed to change.

Product

Parcelforce Worldwide looked first at its product. Market research helped it to decide what products and services would best meet customer needs. Market research data is either:

- primary – from original sources, for example, questionnaires or interviews
- secondary – from sources that already exist, for example, reports or books

Parcelforce Worldwide used primary research from web interviews to find out what customers thought about its services. It discovered a number of issues:

- For some customers speed was often more important than price.
- The range of products Parcelforce Worldwide provided was too complicated. Customers were not clear about what they were getting.
- Customers wanted a quality service. This included factors like speed, reliability, good customer service and services such as tracking.



Parcelforce Worldwide designed a new range of services. The new services focus on either price or speed of delivery. Each is named to show what the service does. For example, Global Express is for urgent items, Global Value is lower priced for non-urgent parcels.

Price

Various factors affect the price of an item. These include market share, competitors' prices and costs. Price also depends on the customer's idea of value. The parcels market responds quickly to price changes as consumers have a choice. Parcelforce Worldwide's new Global Express service leads on speed so the service costs more than a non-urgent delivery. Its non-urgent Global Value service has large numbers of customers. This means this service can have a lower price and still make money.

Place

Place includes the channels used to get the product or service to market. Customers can access Parcelforce Worldwide services through:

- depots in convenient places across the UK
- Post Office branches
- booking a collection on its website
- its international partner networks.

In 2007, Parcelforce Worldwide set up a new electronic tracking system which can follow every stage of a parcel's journey.

Promotion

Promotion is the way a business informs customers about products or services and persuades them to buy. It is either:

- above-the-line – directly paid for, such as television or cinema advertising
- below-the-line – such as direct mail or sales promotions.

Parcelforce Worldwide uses direct mail and email to promote its services.

Conclusion

Parcelforce Worldwide's vision is 'to be the UK's most trusted worldwide express carrier'. It looked its marketing mix to decide how it could improve its international services and respond to customer needs. It has a new *product* range, *price* structure and improved access to services (*'place'*). Through *promotion* of its products, it has also strengthened its market position.

