

Parcelforce Worldwide - Summary

Using the marketing mix to drive change

Introduction

Parcelforce Worldwide is a leading provider of parcel deliveries. It is part of the Royal Mail Group and its services cover every address in the UK. Parcelforce Worldwide's international partner network extends its delivery reach worldwide. Parcelforce Worldwide operates in three distinct 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 like birthday gifts.

In 2007, an analysis of the business suggested it needed to improve the way it presented its international services to customers. Parcelforce Worldwide also needed to deal with competition and changes in the external environment. It achieved this through a better marketing mix (or 4Ps – Product, Price, Place and Promotion).

Product

Parcelforce Worldwide first looked at its product - the service offer it brought to the market. Market research helped it to decide what changes it needed to make to meet customer needs. Market research information is either:

- primary – from original sources
- secondary – from existing or published sources.

Parcelforce Worldwide used primary research, through web interviews, to see what customers thought about its services. It discovered some key issues:

- Speed was often more important than price.
- Parcelforce Worldwide's product portfolio was complex and confusing.
- Customers wanted a quality service that offered speed, reliability, good customer service and other guarantees, such as tracking.

To meet these needs, Parcelforce Worldwide designed a simplified portfolio giving a clear choice, particularly in the B2B sector. The new services are differentiated by price and speed and have names and brands that help customers identify what they need.

Price

Price is determined by factors including market share, competition, material costs, product identity and the customer's idea of value. Businesses use different pricing strategies for various purposes as each strategy gives different impacts. New competition affected Parcelforce Worldwide's pricing strategies. Parcelforce Worldwide operates in a market that is very price sensitive and where consumers have a choice. Parcelforce Worldwide has differentiated its products by offering a balance between speed and price. Its express service leads on speed, its non-urgent product leads on price. With large volumes of customers in the non-urgent sector, this clearly sets Parcelforce Worldwide as the price leader in this category.





Place

Place includes the channels that are used to reach the market. Good distribution is defined as getting the right product to the right place at the right time. Methods of access to Parcellforce Worldwide services include:

- strategically located depots in the UK
- easy availability of Post Office collection points
- direct collection by Parcellforce Worldwide if customers use the online ordering service
- international partner networks for global coverage.

New technology allows Parcellforce Worldwide to track parcels. In 2007, a single IT platform was created which can follow every event of a parcel's journey. The international partnerships have also widened Parcellforce Worldwide's service offering.

Promotion

Promotion represents the ways a business informs customers of products and persuades them to buy. It is either:

- above-the line – directly paid for, such as TV or cinema advertising
- below-the-line – such as promotions, PR and direct mail.

For example, Parcellforce Worldwide uses direct mail and email to promote its services.

Conclusion

Parcellforce Worldwide's vision is: *'To be the UK's most trusted worldwide express carrier'*. By changing the marketing mix, it has developed a new *product range*, *price structure*, improved access (*'place'*) and *promotion* for its range of services. By responding to external changes, it has improved its market position and can meet potential competition.

