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**GENESIS AND DEVELOPMENT
OF COURIER SERVICE MARKET
IN POLAND**

ABSTRACT. Socio-economic transformations that took place in Poland after 1989 caused a dynamic development of new service types. An example of such domain is courier service which world history goes back to the beginning of the 20th century. Courier services are known in Poland from 1982, but their real development began at the early 90ties years of the 29th century. The biggest world companies appeared on the Polish courier service market and took over 80% of foreign deliveries, while Polish firms dealt mainly with domestic and local service.

KEY WORDS: services, courier services.

The genesis of courier service is connected with establishing postal service system, which is considered a generating factor of this market segment. The origins of postal service go back to the ancient Rome. The Romans built a network of roads and necessary transport infrastructure. Then a world "courier" meant a horse messenger who was supposed to deliver a package or letter (or a verbal information) from a sender to a receiver. In 1558 Zygmunt August, a king of Poland, established postal service responsible for delivering packages and letters (Zimowski, 1972).

The development of market economy depends on customers' needs, sales level and thereby production of commodities and service. Customers seek for information concerning offered goods while sellers try to meet their expectations. Well functioning market is regarded as a regulator of economic processes, stimulates activities of market participants, competition between them and management ef-

fectiveness (Kamerschen et al., 1993). Market economy causes higher demand for fast, safe and punctual delivering of goods and documents. In Poland except for Poczta Polska (Polish Postal Service) this kind of service used to be provided by shipping companies however none of them was able to meet higher demands of customers. The customers' demands concerned speed and punctuality of delivery (Rymanowska-Simpson, 1994). Therefore the market niche was taken over by smaller companies, which became more competitive and gained appreciation of their business partners. Those companies were the courier companies.

Except for shipping and courier companies multi-branch firms (e.g. taxi corporations) also deliver parcels and documents. In their case courier service is not the main subject of their activities. It means that different companies make attempts to get their business offer versatile thereby the same market segment is flooded by numerous and similar service at a very competitive price. It makes an impression that structures of this market part are not clear enough and overlap. However a precise analysis proves that courier companies and a range of their activities significantly distinguish from the others. A unique feature of courier companies is a special care concerning the time of delivery and providing best quality. The main task of courier companies is delivering packages in possible shortest time to any place in the world.

A basic platform of courier companies activities is transport of packages, which should reach the receiver safe and fast. Delivered goods include: documents, business agreements, disquiets, CDs, samples, small size, valuable equipment such as computers or electronic devices, spare parts (usually car or computer ones). The companies also provide additional services such as delivery of animals, medicines, plants what means providing special conditions for delivered goods. Some Polish companies offer additional courier service that includes:

- Cross-docking – collection of fresh food products from customer and delivery to an appointed location,
- Pharma Pack – delivery of medicines and medical products in special hygienic and temperature conditions,
- Thermo Box – packaging and delivering in special thermal containers (two kinds of packaging available, they provide temperature 2–8° and –18°C).

In order to meet higher demands of customers courier companies introduced “door to door” service what means collecting a package at the customer's office and delivering it to a receiver. Competition on courier service market made the companies introduce additional services such as duty clearance, storage facilities and goods confectioning, delivering packages in specifically defined time (day and hour), different forms of package insurance and compensation system in case of poor service.

Using advanced computer techniques is a relatively new subject of interest of courier companies. A company, which is interested in attracting new customers must invest in modern software (Simpson, 2000). A “tracking” service,

which uses GPS system to identify package location, is an excellent example illustrating this situation. Almost all leading Polish courier companies provide www pages service including general information, price lists and options to book delivery or send documents concerning their order.

The history of courier companies reaches the beginning of the 20th century. The very first courier company was the American Messenger Company, established in Seattle, USA in 1907 by J. E. Casey. Through restructuring process it evolved into United Parcel Service (UPS), the second courier company in the world regarding market share.

The history of courier companies in Poland is much shorter. The oldest Polish courier company is Servisco, established in 1982. The idea of establishing a courier company was connected with the unsatisfactory efficiency of Poczta Polska (Polish Postal Service). At the beginning of the eighties Poczta Polska did not manage to deliver packages from different charity organizations, which helped Polish people to survive the difficult economic breakdown. Servisco appeared on the market in conditions of centrally planned economy proving there was some economic niche providing grounds to develop new enterprise. It also meant a competition for the national monopolist. The second element of developing market niche was an agreement between the Polish shipping company Cargo and the biggest courier company in the world DHL Worldwide Express in 1994. The company took over a great part of foreign express deliveries. Those facts influenced the decisions of Poczta Polska (Polish Postal Service) that implemented new services – foreign express delivery in 1987 and domestic express delivery EMS Pocztex in 1991.

The establishment of proper courier service market converged with the beginning of social and economic transformations introduced in 1989. Free market economy rules, competition and individual economic initiatives created favorable conditions to develop. Within the first years of transformations there were domestic courier companies established such as: Masterlink (1991), Kurierse-rvis (1992), Stolica (1993 later known as Messenger Service Stolica S.A.) and Opec (1994). The opening of Polish market to foreign capital effected in an immediate interest of the leading courier companies, which decided to establish branch offices in Poland: in 1990 TNT Express Worldwide, in 1991 DHL Worldwide Express and RGW Express, and UPS in 1992. In the following years FedEx (Federal Express) and Airborne Express also established branch offices. It is worth mentioning that the companies, which established their business in Poland took over 80% share of foreign deliveries. In 2002 OSC, the biggest Japanese courier company established their business in Poland what confirms the fact that the Polish market is considered both attractive and absorptive.

The Polish courier service market developed dynamically and spontaneously at the beginning of the nineties. In order to regulate it and protect the interests of Poczta Polska (Polish Postal Service) the authorities obliged the companies to

get a concession. However it caused some difficulties to establish new courier companies, but did not stop the process. After introducing new regulations there were new, big courier companies established: Siódemka (1998), Szybka Paczka (1998), Riders Express (1999) and numerous smaller companies such as: Arrows Service (1999), Speedex (2000), Wota (2000) and Raffo (2002).

By the end of 2002 there were 51 courier companies registered in Poland. All of them were granted a concession issued by Urząd Regulacji Telekomunikacji. There was also a great number of multi-branch companies providing local courier service or co-operating with leading companies from courier deliveries branch.

At the end of 2002 there were 51 courier firms registered in Poland which had concessions from the telecommunication regulation office. Besides them, there were many multisectoral firms, which executed services except other additional courier services, they most often were local or cooperated with bigger firms from this sector. It was difficult to find out the right number of them.

In the structure of the Polish market of courier services, four groups of firms differ distinctly from the others (Table 1):

- Offices or departments of foreign firms,
- Polish firms which execute a full range of services (foreign, national and local),
- Polish firms which execute national and local services,
- Other Polish firm which execute miscellaneous services, among them courier services.

In Poland, the biggest world firms in the courier sector have located their headquarters there. They act on the market long, they have their advanced infrastructure and means of transport confirm, they are characterized by very good work organisation, wide range of offered services and high quality, which is confirmed by international certificates (e.g. ISO 9002). The extension of personal outpost network in the world firms cooperating with them, it causes, that they have taken possession in fundamental part the market of foreign package. According to BOS estimated economic information, foreign firms localised in Poland serve about 80% of all foreign packages.

Foreign firms functioning in Poland except cooperation with native firms try to include the best companies into their structures from the same sector. That's what has happened with firms such as Polkurier, which was bought in 2001 by UPS and Servisco, and which was appropriated later by DHL Worldwide Express in 2003.

The biggest and the best Polish courier firm was Servisco. It had a well organized network of district offices, it owned 3 newly built and very modern package sorting (in Głuchowo, Warsaw and Zabrze) and it kept 120 constant car connections between chosen cities in the whole country. The high quality of services offered by this firm has been confirmed by conceding it the ISO 9002 certificate. The overtaking of Servisco by DHL Worldwide Express caused that the biggest potential courier firms acting on the Polish market are currently foreign firm.

Table 1. Chosen messenger services in Poland

COMPANY NAME	CITY (COMPANY SEAT)	SERVICE		
		LOCAL	COUNTRY	FOREIGN
1. AGENCIES OF FOREIGN MESSENGER SERVICES				
Airborne Express	Warszawa			x
DHL Worldwide Express	Warszawa		x	x
Federar Express Corporation (FedEx)	Warszawa			x
OCS	Warszawa			x
RGW Express	Warszawa			x
TNT Express Worldwide	Warszawa		x	x
United Parcel Service (UPS)	Warszawa	x	x	x
2. POLISH MESSENGER SERVICES RENDERING FULL RANGE OF SERVICES				
East Express-Kurier	Wrocław	x	x	x
Kurierservis	Warszawa	x	x	x
Masterlink Express	Warszawa	x	x	x
Messenger Service Stolica S.A.	Warszawa	x	x	x
Opek	Warszawa	x	x	x
Poland Express	Warszawa	x	x	x
Riders Express	Warszawa	x	x	x
Siódemka – Przesyłki Ekspresowe	Warszawa	x	x	x
Speedex	Warszawa	x	x	x
Sprinter	Warszawa	x	x	x
Szybka Paczka	Warszawa	x	x	x
X-Press Bikers – Przesyłki Kurierskie	Warszawa	x	x	x
3. POLISH MESSENGER COMPANIES RENDERING COUNTRY AND LOCAL SERVICES				
AGAP – logistyka miejska	Warszawa	x		
Argus – Usługi Kurierskie	Łódź	x		
Arrows Service	Warszawa	x	x	
Astra – Logos Express	Kraków	x		
Beta Sprint	Warszawa	x	x	
Citi Bike	Gdańsk	x		
City Plus - Przesyłki Kurierskie	Warszawa	x		
City Service - Usługi Kurierskie	Warszawa	x	x	
Delta Express	Warszawa	x	x	
Fast-Bike S.C.	Gdynia	x		
Hermes Express	Warszawa	x	x	
Speedex	Warszawa	x		
STM Szybki Transport Miejski	Poznań	x		
Wisła - Przesyłki Ekspresowe	Warszawa	x		

Among national (domestic) courier firms, 12 firms have particular meaning (Table 1, point 2), which execute services in full range, foreign, national (domestic) and local. However, currently only two of them have the biggest importance on the market of courier services – Messenger Service Stolica and Masterlink Express.

The biggest national (domestic) courier firm is Messenger Service Stolica. It owns 46 branches located in the biggest cities of Poland. According to the firm's data, it has a transport base of 1,600 cars, in which there are 150 lorries. The Firm keeps regular car connections type of line-haul on 24 domestic routes, and it employs over 2.5 thousand persons. It serves over 40 thousand packages a day. In the range of foreign turnover, it represents the interests of Federal Express and Airborne Express. The development of the firm and its potential services can be shown by its turns, which has grown from 9 million zloty in 1999 to 175 million zloty in 2001.

The second firm, which is characterized by its big activity on the market of courier services is Masterlink Express. After a period of difficulty, which almost drove the firm on the edge of bankruptcy, it took up cooperation with two mails companies – the French la Poste and the Swedish Posten AB. After its connection with these subjects, the firm now belongs to the biggest carrier group in Europe. It owns 43 departments in Poland, keeps 14 constant imported line and is the representative of Federal Express and DHL Worldwide Express in the range of foreign turn.

The third group is made by small courier firms which present their services inside the country, but they concentrate on local services mainly in the area of one city and its closest region. The essence of city service is to supply packages within the borders of cities in possible shortest time (from 0.5 to 2 hours). The big intensification of road traffic in cities makes it necessary to search for other solutions. A popular kind of courier services is executed on cycles, mopeds and motorcycles, which allow to bypass communication barriers. These type of services are provided by firms in the biggest polish cities (Warsaw – X-Press Bikers, beta sprint, in Gdańsk – Citi Bike, in Gdynia – Fast Bike, in Poznań – Peleton, which has been included with Masterlink Express in 2003). Small firms of courier services that are situated in a limited territorial range are well organised with a good courier services system. Due to their unconventional manners in doing services, they fill the blank in which they are not in a state at least in the present period of development, to develop big firms.

The fourth group presents firms, which execute different services, but mostly shipping as well as courier services. They don't have the concession of the telecommunication regulation office. They only provide local service based on cooperation with smallest local enterprises and also cooperate with bigger courier firms. They execute some of their orders on definite fields. Such firms function e.g. in Kolno, Krosno, Płock, Zamość, Zdzieszowice.

Courier firms act in Poland for relatively short time, but nevertheless some of them has earned permanent place in the economic system of the country. They are essential for the proper functioning of many modern enterprises, which are connected with long terms agreements to provide services. However, a great range of problems exists, which can appear after accession the structures of the European Union by Poland. The most important of them is the opening of the Polish market for new foreign service providers, and also the chance to correct the transport infrastructure and they will effect the civilisation advance of our country (Rydzkowski, 2003).

Courier firms which have been emerged relatively in a short time in Poland, are a serious competition for the two national (domestic) monopolists in the sphere of packages and transport Polish Mail and Polish State Railroad (by rail). Their competitiveness towards the state carriers appears, first of all in the wide range of provided services, short time of realization and considerably high quality. This is in the interest of the society, who is the consumer of these services.

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