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## **Development trends of postal logistics in Ukraine**

*The main trends in the postal logistics industry in Ukraine have been considered in the paper. Based on created by DHL Logistics Trend Radar was highlighted the main future trends in postal operator's activities give an opportunity for adaptation of innovative trends taking into account national specific of postal logistics market development.*

Today's postal services operate in a highly competitive climate across all nations. The circumstances necessary for the regular operation of the production and circulation of goods and services, as well as human life at the current level of social development, are referred to as the effectiveness of postal communication. Along with other European nations, Ukraine's postal sector is going through a thorough transition and is still growing [4].

According to Adrian King, the founder and partner of the STRATEGY GROUP analytical company, in the next five years the postal industry must solve the following tasks [7]:

1. Offer universal services and options for reducing the delivery time to one day without involving any subsidies. After all, such a standard will become sustainable and turn into a competitive advantage only when it brings profits.

2. Digital tracking of shipments at all stages.

3. The application of machine learning, especially in the planning of production processes.

4. Improvement of personnel management according to the need to attract more or less labor resources in different seasons.

5. Improvement of sorting technologies.

6. Innovations in the delivery system, including improvement of cargo consolidation with better transportation dynamics.

7. Continuation of digitization of document circulation.

Therefore, in order to have competitive advantages in the postal logistics market, digitization must become a way of thinking, a fundamental basis for sustainable development of postal, carriers and logistics operators.

Leading market operators, such as the DHL company, determine development trends for other participants, forming a strategic model for the development of this industry and determining the impact of these trends on the global economy.

Created by DHL Logistics Trend Radar, that are shown in fig.1, acts as a "strategic road map", which by analyzing the current situation, gives an opportunity to predicts, form, develop and implement future directions of logistics market development. This provides an opportunity for professionals in the field of logistics, and in particular, postal logistics, to transform the strategic and operational models of the company, to adapt supply chains to the new realities of conducting business based on innovative technologies.

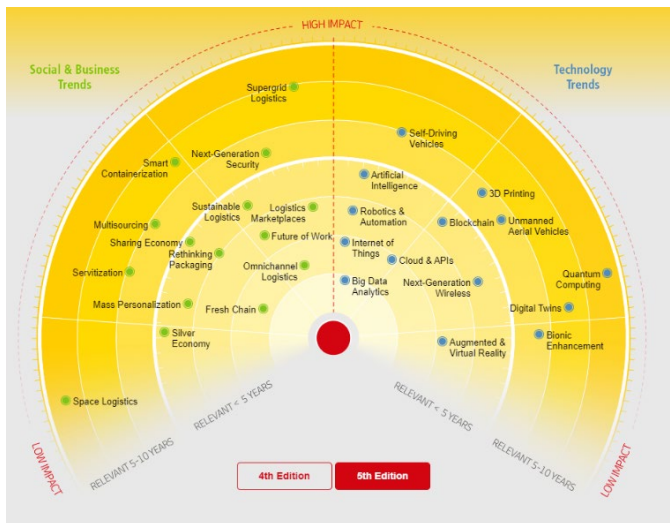


Fig.1 Logistics Trend Radar 2022 [3]

The innovative trends proposed on DHL Logistics Trend Radar are global for the entire logistics services market. Taking into account the conditions of economic development in each country, this trend radar can be adapted to the postal logistics development strategy in a specific country.

With the support of the EBRD, the main operator of the postal services market "Ukrposhta" is developing projects that will contribute to the reorganization of the network of "Ukrposhta" branches for ensuring stable provision of modern delivery services, retail trade and other services to the population living in rural areas of the country. Other projects relate to the transformation of the logistics model of "Ukrposhta" with the aim of improvement of operational efficiency and quality of services in the field of delivery. The identified projects are necessary for the improvement of the strategic and operational activities of the company, but it cannot be considered that they correspond to the daily trends of market development.

In contrast to "Ukrposhta", another operator of the postal logistics market - the company "Nova Poshta" - develops projects related to the implementation of certain trends.

In one of the interviews, Nova Poshta's director of research and development, Serhii Sukhanov, stated: "In the more distant future, I expect the advent of self-driving cars that will resemble postmen and that will run on a timetable in residential neighborhoods. In 3 to 5 years, such mobile postmen might already be a reality. Drones will probably be utilized for delivery in difficult-to-reach places and in one-story structures where it will be possible for them to land safely. Within the next five to ten years, drone deliveries will become the norm"[5].

It should be noted that the postal service "Nova Poshta" started its own airline to transport foreign packages, and now "Nova Poshta" started developing robot sappers in partnership with the State Emergency Service of Ukraine [6]. This leads us to the conclusion that Posti Deutsche Post's (DHL) Logistics Trend Radar is also applicable to the Ukrainian postal sector, albeit with a few minor modifications, as seen in Figure 2.

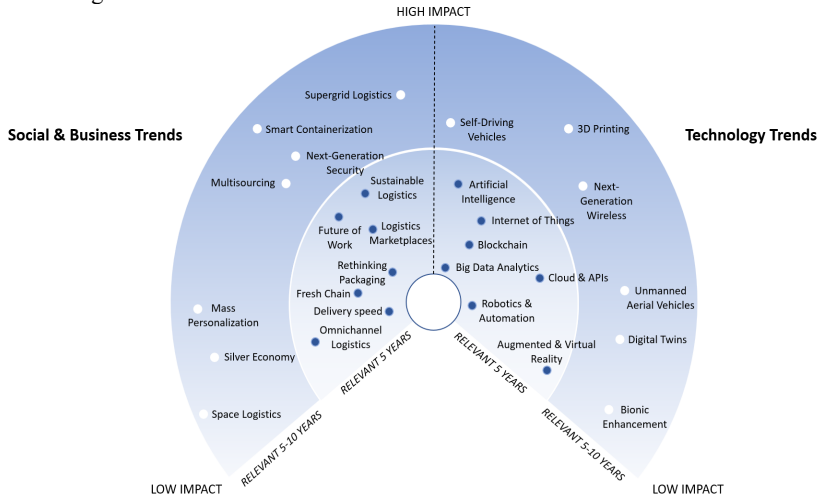


Fig. 2. Ukrainian LTR 2022

According to the Ukrainian Logistics Trend Radar that determine direction of innovation and development in the specific field of logistics such as postal logistics, we can depict the main trends in Logistics Trend Radar focusing on the specifics and opportunities of the Ukrainian market.

The positions of some trends from DHL Logistics Trend Radar have changed in the Ukrainian market, according to market data and its development. In this way, the trends, Delivery speed, and Rethinking Packaging can be predicted in the near future, as well as aspects of Social & Business Trends. On the contrary, the situation is somewhat different, as there can be seen a gradual growth in the field of technology, this can be justified by recent news in the market. Also, some of them did not appear on the Ukrainian radar at all, because they need more than ten years of development and implementation.

In our opinion, the following trends that will influence the development of the postal logistics market in the medium term deserve attention, namely:

Prospects from COVID-19 and the new situation in Ukraine driven growth in the number of online prescription drugs and grocery delivery and other products. Since the percentage of orders has increased, this should be used to improve logistics routes and organicity, as well as introduce new packaging.

Through data-driven optimization, increase capacity while lowering costs and emissions. But at the same time, we have an obstacle in the form of significant investments in infrastructure to manage the circular flow that reusable packaging systems require.

Ukraine's postal logistics remain lag behind those across the world despite several advances. Unfortunately, the postal service is competing feebly for the customer and for the services market since it has not yet learned how to properly utilize the chances at hand.

## Conclusion

Thus, the market for postal and logistics services is one of the fastest growing and, like many others, subject to changes against the background of global events, and these events often influence its development.

Today's players in the postal and logistics markets need to carefully study the expectations of their customers in order to provide them with services that fully meet these expectations. Postal operators must make significant investments in expanding their networks if they want to meet the expectations of today's world. And at this point, there is no doubt that the business will take this action. Most suppliers, including Posti, Deutsche Post (DHL) and Nova Poshta, have already expanded or are planning to do so.

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