

Courier and Express Delivery - UK - April 2019

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“The courier and express delivery market is booming, much of which is underpinned by surging online retail sales. However, the marketplace remains hugely competitive, marked by slim margins and a growing expectation to provide more for less.”
– **Marco Amasanti, B2B Analyst**

This report looks at the following areas:

- **Increasing strain of returns**
- **The growth of delivery subscriptions as a sustained source of demand**

The courier and express delivery market maintained double-figure growth across both volume and value in 2018. This was largely thanks to the continued expansion of the B2C channel as the boom of online retail has increased demand for parcel delivery. The industry has also been boosted by activity within the C2C sector, as express delivery windows become increasingly popular in online marketplaces.

Couriers' margins remain under significant pressure, however, sustained by price competition, the rise of returns and unlimited delivery subscriptions. These factors have resulted in a widening gap between value and volume growth, as the latter increasingly surpasses value, intensifying margin pressure.

Looking forward, the market is expected to continue its trajectory over the next five years, rising in line with continued online retail sales increases. However, margins are set to remain under pressure, ensured by mounting demand for convenience and value. Accordingly, couriers will be expected to deliver more for less, with the expectation of increasingly fast, flexible and precise deliveries at lower prices.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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