

## **Posts as E-Marketplace to Support the rural e-commerce farmers and entrepreneurs**

### **1. Introduction**

The postal sector is experiencing a major transformation through e-commerce, utilizing digital platforms to improve delivery speed, end-to-end visibility, operational efficiency, and overall customer experience improvement. As postal services adapt to the increasing demands of e-commerce, they are implementing new technologies and innovative solutions as well as diversifying their businesses in response to the customer changing behavior. The innovations and advancements in postal services as they evolve to meet the growing demands of e-commerce include collaboration with e-commerce giants, improvement of last-mile delivery solutions, enhancement of real-time parcel tracking and also setting up e-marketplace to support the rural e-commerce farmer and entrepreneur.

In this context, it focuses on the Posts functioned as the e-marketplace for rural e-commerce farmer and entrepreneur. As an e-marketplace, or electronic marketplace, Posts will be the digital platform that connect buyers and sellers, facilitating online transactions for goods and services, fulfillment service and last-mile delivery. It's essentially a virtual space where businesses and individuals can conduct commerce, exchange information, and collaborate, often offering features like product listings, secure payment processing, and communication tools. The main characteristics of the e-market place are as follows; 1) Online platform with websites or apps, 2) Multiple sellers with variety of products offerings, 3) Buyers-Sellers connection with various transaction facilitation process including product display, alternative payment processing and sometimes shipping, 4) Various models (B2B), B2C, C2C and D2C), 5) Increased Reach with wider target audience than traditional retail,

6) Convenience for browsing and purchasing from multi-sellers in one place, 7) Cost-effective for sellers with affordable than setting up the physical store or a dedicated e-commerce website, enhanced visibility for both sellers and buyers with real-time tracking, proactive notification on estimated day of last-mile delivery, 8) Competitive pricing with best deals with price comparison for buyers, 9) Market research facilitation for sellers from the market trend and customer preferences data analysis, 10) Streamlined operations by using the tools for inventory management, order processing and customer communication provided by e-marketplaces etc.

## 2. Importance of Posts as e-marketplace

Posts are crucial e-marketplaces for rural e-commerce farmers and entrepreneurs by leveraging their extensive logistical networks and local presence to provide reliable delivery services to remote areas, thus bridging the gap between rural producers and urban or global markets. They offer crucial last-mile delivery, overcome geographic barriers, facilitate market access, and provide essential infrastructure, enabling farmers and artisans to sell their products directly to consumers, increasing their income and promoting rural economic development. Posts are one of the vital organizations to support the rural e-commerce farmer and entrepreneurs for the rural economic development in each country.

The key factors that have led many Posts to try to diversify their business structures to support the farmers and entrepreneurs by transforming themselves into e-Marketplaces are as follows:

- Well established Networks:  
Post offices serve as established, trusted entities with existing infrastructure, including local branches and transportation networks that extend into remote areas.
- Last-Mile delivery nationwide coverage:  
Posts excel at providing reliable &last-mile delivery; services, connecting rural producers to the wider marketplace by physically transporting

goods to consumers, a vital component of e-commerce that is often a challenge in rural settings

- **Overcoming Isolation:**  
Posts help overcome the geographic isolation that often hinders rural businesses by connecting them to larger urban and international markets, transcending time and space limitations.
- **Facilitating Access:**  
Posts can act as physical access points for digital services and e-commerce participation, helping rural residents and businesses engage in the digital economy.
- **Access to Consumers:**  
By providing a reliable sales and delivery channel, Posts enable rural producers to bypass traditional middlemen and sell their products directly to consumers, improving their profit margins and pricing power.
- **Support for rural Artisans, farmers and entrepreneur:**  
Postal platforms empower farmers, artisans and entrepreneurs by giving them the means to sell their goods urbanely and nationally, leading to increased income and market stability.
- **Essential Physical Infrastructure:**  
Posts are a key component of the necessary physical infrastructure, including warehouses and transportation that supports e-commerce value chains in rural areas.
- **Low-Cost Solutions:**  
The low, often flat, fees associated with public postal services provide an affordable and accessible option for both buyers and sellers in rural areas, lowering the cost of entry into e-commerce.

### 3. **Business Diversification of Posts**

From many challenges faced by the Postal services, the majority of postal organizations have already diversified their businesses into many segments such as logistics, digital finance and banking, property management, technology as a service, retail business and fulfillment service. Many Posts diversified their business segments by using their existing network to

provide innovative services. For the logistics segment, diversifying into logistics depends on retaining a combined letter and parcel delivery network or developing a separate one for parcels based on demand from e-retailers and national/international competition. Some postal organizations have chosen to acquire an existing logistics company such as Japan Post with TOLL logistics. Some Posts establish their own logistics brands with joint cooperation such as Chronopost and Geopost which relies on the extensive use of franchising and subcontracting activities, the use of start-ups to support their international activities. Some post signed an exclusive contract with Amazon to deliver customers purchases such as Italian Post. Some posts decided to cooperate directly with an e-retailer providing warehouse services including storage, packaging and the shipping of goods such as Singapore Post. Some Posts offer supply chain solutions for big customers such as Deutsche Post DHL and Volkswagen.

#### **4. Challenges of Posts as e-marketplace**

The challenges for the Postal Service acting as an e-marketplace include intense competition, managing vast amounts of inventory from diverse sellers, securing online transactions against fraud and cyber threats, ensuring fast and reliable order fulfillment and returns, navigating complex multi-channel logistics, and addressing the "chicken-and-egg" problem of attracting both buyers and sellers to the platform. Additionally, it faces difficulties in building brand loyalty and differentiation, controlling costs, and providing personalized customer experiences without direct customer data access.

##### **Challenges related to Competition and Sellers**

- Intense Competition: A postal service e-marketplace would face stiff competition from established private e-commerce platforms, requiring unique selling propositions to attract users.
- Attracting Sellers: The "chicken-and-egg" problem is significant: without enough sellers, buyers won't be interested, and without buyers, sellers won't join.
- Seller Differentiation: It's challenging for individual sellers to stand out on a large platform with many competitors, making branding and customer relationship building difficult.

### **Challenges related to Operations and Fulfillment**

- **Inventory and Order Management:** Managing a diverse and vast inventory from numerous sellers, along with complex logistics for shipping and returns, presents a huge operational challenge.
- **Fulfillment Delays:** Ensuring timely and efficient delivery of orders, which is a critical customer expectation, is difficult to achieve at scale, especially for a service not traditionally designed as a marketplace.
- **Handling Returns:** A smooth and efficient process for handling returns, refunds, and customer service is a complex requirement for a multi-seller platform.

### **Challenges related to Technology and Data**

- **Data Security and Fraud:** Protecting customer data, preventing cyber threats, and mitigating online fraud are critical concerns for any online marketplace.
- **Customer Data Access:** A postal service acting as a marketplace may have limited access to direct customer data, which hinders personalization and the ability to build strong customer relationships.
- **Technology Investment:** To compete, the postal service would need to invest heavily in advanced technologies like AI, sophisticated matching systems, and robust transaction capabilities.

### **Challenges related to User Experience and Trust**

- **Customer Loyalty:** Building a loyal customer base can be difficult when users have many other e-commerce options and when branding is diluted.
- **Customer Experience:** Providing a seamless, personalized, and trust-building customer experience is essential but challenging when relying on third-party sellers and potentially complex platform structures.
- **Platform Control:** Sellers have limited control over the user experience and platform policies, which can impact their ability to deliver a superior experience and control their brand identity.

## **5. Benefits of sellers and buyers under the postal platform**

The benefits of an e-marketplace for sellers include access to a vast customer base, lower operating costs, reduced marketing effort,

and streamlined operations through a shared platform. For buyers, e-marketplaces offer convenience, a wider selection of goods, transparent pricing, and access to customer reviews, all within a centralized, competitive environment that fosters efficiency and fair pricing.

### **Benefits for Sellers**

- **Wider Reach:** sellers can connect with millions of potential customers nationally and internationally, including those who prefer to shop on centralized platforms.
- **Reduced Costs:** Operating costs are significantly lower compared to traditional retail, with less need for high-street stores and staffing.
- **Streamlined Operations:** Marketplaces provide a centralized platform for product listing, order management, payment processing, and customer communication, simplifying complex tasks.
- **Increased Credibility:** A presence on an established marketplace can boost a business's credibility and customer trust, especially when leveraging positive reviews and ratings.
- **Focus on Core Business:** Sellers can outsource backend tasks like payment processing and logistics to the marketplace, allowing them to concentrate on product development and customer service.

### **Benefits for Buyers**

- **Convenience and Accessibility:** Buyers benefit from 24/7 access to products, flexible delivery options, and the convenience of shopping from one platform.
- **Greater Selection and Fair Prices:** The wide competition among sellers on a marketplace drives fair pricing and offers consumers a broad range of choices.
- **Transparency and Information:** Marketplaces provide easy access to product information, stock levels, and, importantly, customer reviews, which helps buyers make informed decisions.
- **Consolidated Shopping:** Buyers can often find and purchase products from multiple vendors in one place, making shopping more convenient and potentially leading to bulk discounts.
- **Enhanced Trust:** Positive customer reviews and high ratings on a marketplace build trust and confidence in the products and sellers.

## 6. Example of Posts

This paper will highlight examples of Post as e-marketplace in Asia and the Pacific region where postal services are e-marketplaces that support farmers and entrepreneurs. The examples of Posts are Vietnam, Thailand, Japan, Korea and Fiji.



### Vietnam Post

Vietnam Post is involved in the e-commerce market through its owned platforms, notably the agricultural e-commerce platform [Postmart.vn](http://Postmart.vn) and the more general [nongsan.buudien.vn](http://nongsan.buudien.vn) platform, which aims to connect producers and consumers, especially for high-quality agricultural products and OCOP (One Commune-One Product) goods.

### Thailand Post

Thailand Post has an e-Marketplace platform called ThailandPostMart, which is a website and application that allows businesses to place their products for sale. Thailand Post plays a role in selecting quality products as well as offers convenient and fast delivery services, along with channels for people to easily purchase various products, both online and at over 16 ThailandPostMart stores nationwide. The objective is to support entrepreneurs, community enterprise groups, and farmers to have channels to sell products on digital platforms. For sellers, they can apply to open a store on the platform for free to expand their sales channels. For buyers, they can order products through the website [www.thailandpostmart.com](http://www.thailandpostmart.com) or the application, or visit and purchase at any of the 16 ThailandPostMart branches nationwide.

### China Post

China Post has set up a joint-venture company with Hong Kong-based media and online retail organization Tom Group, to control and develop the Chinese

B2C shopping platform Ule. Ule provides an integrated online-offline shopping platform and offer flexible purchase methods, including direct customer purchase, via internet, mobile internet and customer service hotline, and retail via China Post's distribution outlets. Ule.com is an innovative e-commerce platform that combines online shopping with offline services, focusing on delivering high quality products directly from their origins. It offers a wide range of goods, including local specialties and everyday items, ensuring a seamless shopping experience for users. Ule.com identifies itself as a modern e-commerce platform that prioritizes local products and community involvement, backed by the reliability of China Post. Ule.com provides a unique shopping experience by connecting consumers directly with high-quality agricultural products and local specialties, ensuring authenticity and value. Direct sourcing of high-quality agricultural products; Community marketing through Ule stores; Live streaming platform for unique agricultural products; One-stop community group buying service.

### **Japan Post**

Japan Post has its own e-marketplace service called Rakuten Ichiba , a large online shopping platform operated in partnership with Rakuten Group, Inc. In addition, Japan Post also provides other online trading-related services, such as shipping and customs clearance, for those wishing to purchase goods from overseas. Platform: One of the largest online marketplaces in Japan with wide Product Range from consumer goods to electronics and fashion Services. Japan Post works with Rakuten to provide shipping services for items ordered through the platform. You can access Rakuten Ichiba through the website [www.rakuten.co.jp/](http://www.rakuten.co.jp/)

### **Korea Post**

Korea Post operates an online marketplace called PostKmall through its ePOST portal to promote sales of local SMEs and provide a shopping channel for consumers to buy local specialties and commercial goods from Korean producers. This e-commerce platform offers sales channels for local businesses, allowing them to reach a nationwide customer base while providing consumers with a secure and affordable way to shop for goods. Key aspects of the Korea Post marketplace:

- Focus on Local Products: PostKmall serves as a platform to promote and sell products from small and medium-sized businesses (SMEs) and local producers in Korea.
- Consumer Benefits: It offers consumers a safe, reliable, and cost-effective channel to purchase a wide range of local specialties and commercial goods from across the country.
- Part of the ePOST Portal: The marketplace is accessible through the (ePOST) portal, which integrates postal services, shipping, and shopping into a single online platform.
- Integrated Services: The ePOST portal provides an integrated account for accessing various services, including postal services, parcel delivery, EMS, and the PostKmall open market. Visit website: <https://mall.epost.go.kr/intro.html>

### **Fiji Post**

Fiji Post acts as an e-marketplace in Fiji, providing an online platform (Post Fiji Online Shop) for businesses and consumers to buy and sell goods, alongside other e-commerce services. This platform complements their traditional postal services, offering online retail for various products and supporting local businesses and remote communities by facilitating digital access to goods and markets.

- Online E-shop: Post Fiji operates its own e-commerce platform, allowing customers to purchase products directly from the Post Fiji website.
- E-commerce Integration: They facilitate online sales for vendors, enabling them to reach a wider customer base beyond their physical locations.
- Support for Local Businesses: The platform supports micro, small and medium-sized enterprises (MSMEs) by providing a dedicated channel to showcase and sell their products online.
- Digital inclusion: By converting physical post offices to online ones and establishing online agencies, Fiji Post extends e-commerce services to remote and rural communities, helping to connect them to the national and international markets.

- Logistical Support: As a postal service, Post Fiji also offers reliable delivery of online purchases, both domestically and internationally, ensuring goods reach customers efficiently.

## **7. Conclusion**

Posts as e-marketplace is changing retail value chains, eliminating the middlemen and creating new categories of products with higher margin. Although selling online has helped merchants increase their volumes and reach a bigger market, the biggest advantage seems to come from specialization-moving away from selling a basic product (essentially a commodity) to wholesalers, to selling higher quality products directly to customers or via an agent at a higher price. As buyers, they could access a wider range of goods with alternative payment option. The logistics networks are fully supported by the posts with the integrated platform and seamless data transaction. Direct marketing on e-commerce platforms using pictures, videos and livestreaming can increase prices by demonstrating the quality of goods. Sometimes the Postal platforms themselves run marketing campaigns to drive sales, and merchants are encouraged to participate.

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