

DHL EXPRESS INDIA



DHL is the global market leader in international express, overland transport and air freight and it is also the world's number one in ocean freight and contract logistics. DHL was founded in 1969 and is currently owned by Deutsche Post World Net (DPWN). The company has an international network that links more than 220 countries and territories worldwide. It employs 285,000 people providing services to customers at around 120,000 destinations across the world.

DHL offers a full range of customised solutions, from express document shipping to supply chain management, i.e. from a 50 gm letter to a 40-foot-long container. It offers a wide range of standardised services as well as tailor-made industry solutions, provided by DHL Express, DHL Freight, DHL Exel Supply Chain, and DHL Global Forwarding.

DHL is the largest air express service provider in India

DHL Express is the No.1 international air express services provider in India, a position it has held since it began its India operations in 1979. DHL Express offers its customers the entire spectrum of express services from international air express to high-end logistics solutions, including repair and return, strategic inventory management and direct express inventory distribution.

DHL Express India has over 30,000 customers serviced through DHL's national network with its 1100 strong ground staff, fleet of over 250 vehicles and dedicated service centres in Ahmedabad, Bangalore, Chennai, Cochin, Coimbatore, Jaipur, Hyderabad, Kolkata, Mumbai, New Delhi, Pune and Tirupur.





DHL Express India has many firsts to its credit, including India's first and only 24-hour customer service call centre in the express industry, being the first to introduce customised solutions such as Jumbo Box, Junior Jumbo, Import Express and Fashion First for customers in the air express industry, as well as the first to provide track-and-trace services in India via email, SMS or the Internet and WAP phones.

Spotting the market potential early and taking a long term view has paid off

The global parent (DPWN) was able to spot the opportunity that the Indian market had to offer at a very early stage. Even though initially the company entered the Indian market at a lower price position and suffered losses, now India is one of the fastest growing markets for DHL. According to DHL's Senior Vice President for South Asia and Indo-China, Stephen Fenwick, India is one of three key strategic markets in Asia, the other two being China and Japan.

Indian operations witnessing rapid growth, exceeding global rate

DHL sees a lot of growth opportunity in the Indian market. The total size of India's air express market is estimated to be US\$ 450 million. Currently DHL Express India is growing at a rate of 20-25 per cent per year when the average industry growth worldwide is around 16 per cent. Delhi, Mumbai and Chennai are the three largest markets.

The company has been investing significantly in its Indian operations, to leverage the market potential. It has already set up 20 service centres in India, amounting to 11,000 square metres in operations space. Since 2002, DHL has invested US\$ 250 million in its India operations.

Keys to success

DHL has adopted an approach to address specific strengths and characteristics of the Indian market. From identifying key local markets, developing customised services and partnering with strong local players, the company's strategy has been aimed at developing a deep understanding of the Indian market and leveraging this for growth. This has enabled the company to reap significant success.

Selecting Critical Indian Markets

DHL targets key Indian cities and develops new products and services to suit the needs of its customers there. For instance, DHL recently introduced a flight from Bangalore to Kuala Lumpur, allowing Southern India a closer link with DHL's global network thereby speeding up shipments to the USA and North Asia. This facility is expected to specially benefit Bangalore's time-sensitive, sizeable IT and garment/textile industry and will enable them to better organise their supply chain with improved inventory planning and predictability. Similarly, Chennai Service Centre was launched in September 2005 to cater to Chennai customers.

Investments in Technology

DHL launched the new generation scanners for its 'on-the-go' customer service agents in 2004. India was one of the first countries in the DHL International Network to adopt this new technology, which was being rolled out at an investment of US\$ 620,000. These wireless, handheld scanners equip the DHL field force with



the most up-to-the-minute shipment tracking information.

Partnering with Local Indian Players

A wide distribution network and knowledge about the local market are the keys to success in the courier business and these are the greatest challenges for any new player entering the market.

DHL India entered into a sales alliance with Indian express courier company, Blue Dart, in 2002. This helped DHL to increase its penetration in the Indian market as Blue Dart already had an extensive distribution network in place. DHL now owns 81 per cent of Blue Dart.

Innovative Services

DHL has launched several services specially designed to cater to niche needs. For example, in 2004 it launched 'Mango Express' to enable its customers in India to airfreight the season's Alphonso mangoes abroad. The one-stop service took care of everything from selecting the best mangoes to packing them, shipping them and managing all relevant documentation. To ensure that its customers get the best mangoes, DHL tied up with India's largest mango exporters to offer the highest quality of mangoes. These could be shipped through DHL Mango Express to many major countries like the UK, Canada, Germany, Switzerland, Singapore, Hong Kong etc.

Future Plans

Based on its strong performance in India in air express services, and in view of the potential it sees in the market, DHL plans to gradually boost the activities of the other DHL businesses in the Indian market, with the aim of being number 1 in the express and logistics industry in India and to provide customers with the best possible service and products.

DHL Express India: At a glance

- Parent company is currently owned by Deutsche Post World Net
- Investments in India include:
 - DHL Express (100 per cent)
 - Exel Logistics (100 per cent)
 - Blue Dart Express (81 per cent)
 - DHL Danzas Lemuir (49 per cent)
- For DHL, India is one of the fastest growing markets in Asia Pacific
- Factors for success: Partnering with local Indian players, Selecting critical Indian markets, Investments in technology, Visionary owners with deep pockets, Innovative services.