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ASSESSMENT OF DELIVERY SERVICES PROVIDED BY LOCAL COMMERCE PLATFORMS

INSIGHTS FOR THE EU DELIVERY ACT

DELIVERY PLATFORMS EUROPE
7 MAY 2026

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EXECUTIVE SUMMARY

The European Commission is currently considering an update of the European postal regulation, currently consisting of the Postal Services Directive (PSD)[1] and the Cross-border Parcels Regulation (CBPR).[2] The overall aim is to ensure that it reflects current and future market dynamics, taking into account important developments in recent years, such as the decline of letter volumes, the growth of e-commerce, and the emergence of new business models.[3]

As part of its modernisation and harmonisation efforts, the Commission also appears to be considering whether different types of delivery providers - beyond postal and parcel delivery operators - should fall within the scope of postal regulation. Such an inclusion would have potential implications for reporting requirements and other compliance with postal sector rules.

Against this backdrop, Delivery Platforms Europe (DPE), an association representing local commerce platforms operating in Europe[4], has asked Copenhagen Economics to compare and contrast the services and operations[5] of local commerce platforms with postal and parcel delivery operators as regulated under the current EU framework, and to assess whether including local commerce platforms in the scope of postal regulation is necessary to achieve the five policy objectives outlined in the Call for Evidence.

In our assessment, we reach the following three key findings:

First, local commerce platforms offer a **service** that is different from postal and parcel delivery operators, as well as vertically integrated e-commerce providers. In contrast to some other delivery providers, local commerce platforms do not provide delivery of regular postal items, i.e. letters or parcels that are packaged and addressed, but instead offer on-demand delivery of ready-to-eat food, groceries, and other retail items. While some other delivery providers have national networks, local commerce platforms provide delivery services only in hyper-local settings, where both sender and recipient are in close proximity. Furthermore, local commerce platforms provide mainly business-to-consumer (B2C) deliveries and have no cross-border services. In fact, the service of local commerce platforms is more comparable to when restaurants offer their own delivery.

Second, local commerce platforms have **operations** that are different from postal and parcel delivery operators, as well as vertically integrated e-commerce providers. The operations of a postal and parcel delivery operator include *clearance* activities (collection of postal items from senders, often in large volumes)[6], *sorting* in a sorting centre facility, *transport* from the sender's area to the recipient's area (often over long distances, potentially across borders), and *distribution* (another round of sorting, followed by delivery to a pick-up point or to the doorstep). The operations of vertically

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1 Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link

2 Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services, Link

3 European Commission (2025) New EU Delivery Act – EU to reform postal rules, Link

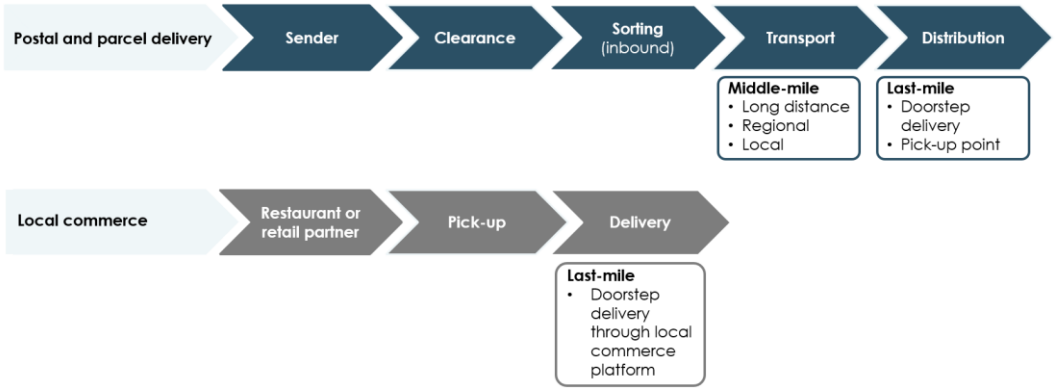
4 DPE Members are Bolt, Deliveroo, Delivery Hero, Uber Eats, and Wolt, Link.

5 For the purpose of this report, we consider the core service dimensions of delivery providers. For local commerce platforms, this means that we consider intra-city and hyper-local, on-demand delivery to customers from nearby merchants of ready-to-eat food, groceries, and other retail items. We do not consider ancillary services, such as B2B and C2X deliveries, or presence in the retail sector via 'dark stores'.

6 Clearance, as we use it here, is similar to collection based on the definition of clearance in the PSD as "the operation of collecting postal items deposited at access points", see Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link.

integrated e-commerce providers also include some of these activities, such as *fulfilment* (packing, addressing, and dispatching of items), *transport* from the sender's area to the recipient's area, and *distribution*. In contrast, the operations of local commerce platforms simply consist of *pick-up* (a form of 'collection' although not of postal items and only of individual items) and *delivery* – with no clearance, sorting or transport. Accordingly, local commerce platforms do not perform the activities that have traditionally been used to define postal services, see Figure 1.

Figure 1
Local commerce platforms have different operations than postal and parcel delivery operators
Illustrative



Source: Copenhagen Economics based on Case COMP/35.141- Deutsche Post AG, Link; UPU Terminology database, Link; ITA Consulting and WIK consult (2009) The Evolution of the European Postal Market since 1997, Link; Schorung (2024) Quick commerce and the evolving business models of the food retail industry - Investigating the quick commerce supply chain and the urban impacts of dark stores, Link; and Wolt (n.d.) Algorithmic Transparency: Courier Partners, Link.

Third, including local commerce platforms in the scope of the new EU Delivery Act is not necessary to achieve any of the five stated **policy objectives** in the Commission's Call for Evidence, see below Table 1. Namely, it would not improve the financial sustainability of the USO and would not address the European Commission's concerns in postal markets.

Well-designed regulation should be problem-driven, proportionate to the harms identified, and targeted at the activities that give rise to those harms. Against this benchmark, extending postal regulation to local commerce platforms would be disproportionate. The inclusion could introduce undue administrative burdens, unintended distortions in an evolving market, and overlapping regulatory obligations. Imposing a "one-size-fits-all" framework on such different business models would likely generate extra compliance costs compared to entities originally targeted by the regulation and create the risk of duplication. This would increase rather than reduce administrative burden, running counter to the aim of simplifying and clarifying the rules.

Table 1
Including local commerce platforms is not necessary to achieve the underlying targets in the Call for Evidence

#	STATED OBJECTIVE IN THE CALL FOR EVIDENCE	IS THE INCLUSION OF LOCAL COMMERCE PLATFORMS NECESSARY TO ACHIEVE THE OBJECTIVE?
1	Safeguard universal access to postal delivery services for all citizens and businesses at all points on EU territory, in financially sustainable conditions	**No** Local commerce platforms do not provide a basic postal service to which universal access should be safeguarded, and cannot cover all points on EU territory
2	Clarify, and where relevant, improve, users' rights by strengthening user protection	**No** Our understanding is that users' rights on local commerce platforms are already clarified and protected by horizontal and digital platform-specific regulation[7], and/or through commercial behaviour
3	Safeguard the level playing field in the postal delivery sector, by ensuring equal treatment of postal delivery service providers and effective market monitoring and enforcement	**No** Including local commerce platforms is not necessary to safeguard a level playing field since (i) local commerce platforms are not exposed to (unfair) competition from universal service providers, and (ii) local commerce platforms do not compete on services that are interchangeable[8] with the universal service
4	Support the development of cross-border delivery solutions, to ensure seamless and efficient services across the e-commerce single market	**No** Local commerce platforms do not perform any cross-border services, and their operations do not make this realistically feasible
5	Decrease the administrative burden by simplifying and clarifying delivery rules, while bringing about more effectiveness and harmonisation in oversight and regulation at Member State level	**No** Including local commerce platforms would increase rather than decrease administrative burden

Source: European Commission (2025) Call for evidence for an impact assessment, Link

[7] More information can be found in section 3.2. Key legislative instruments include the Digital Services Act, the Consumer Rights Directive, the E-Commerce Directive, the Unfair Commercial Practices Directives, the Accessibility Act, the Sale of Goods Directive, and the General Product Safety Regulation.

[8] Interchangeable postal services are alternative delivery options that, from a user's perspective, sufficiently substitute for traditional universal postal services. See, e.g., the definition provided by the European Commission: Link.

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1 INTRODUCTION

EU postal regulation currently consists of the Postal Services Directive (PSD)[9] and the Cross-border Parcels Regulation (CBPR).[10] The European Commission (Commission) is now considering various policy options to modernise and harmonise these instruments, potentially in a "EU Delivery Act".[11] Several underlying market and policy dynamics explain why the Commission is now considering updating the regulatory framework:

- Letter correspondence has become much less important for users due to digitalisation and substitution. As a result, declining letter volumes[12] are putting pressure on the financial sustainability of the universal service obligation (USO).
- E-commerce has expanded rapidly, with parcel delivery gaining importance and raising new questions, particularly around consumer protection, transparency, and cross-border interoperability.[13]
- New logistics business models have emerged, including vertically integrated e-commerce platforms, challenging traditional distinctions between retailers, senders, and delivery providers and raising questions about the appropriate perimeter of postal regulation.

In parallel, postal regulators have been arguing that the future framework should be more 'recipient-focused', moving away from traditional sender-oriented definitions of postal services. The ERGP has stressed that "user needs are one of the most important topics for the future regulatory framework" and that "the shift from a sender-oriented to a recipient-oriented market should be addressed".[14] Moreover, postal and parcel delivery operators have highlighted the growing challenge of ensuring a financially sustainable USO, as well as administrative costs, and that regulatory burdens need to be reduced.[15]

In October 2025, the Commission launched a Call for Evidence on a new EU Delivery Act on its "Have Your Say" portal[16]. In December 2025, it opened a public consultation on the future of the EU framework for postal and delivery services. The Commission proposed three possible policy options on how to tackle the identified problems.[17] Policy option 1 proposes a revision of the PSD, policy option 2 proposes a wider revision of both PSD and CBPR (potentially merging the two Directives), whereas policy option 3 proposes a full revision, merging the PSD and CBPR in one legal act (creating an "EU Delivery Act"), see Box 1.[18]

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9 Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link

10 Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services, Link

11 European Commission (2025) New EU Delivery Act – EU to reform postal rules, Link

12 Commission staff working document evaluation of Directive 97/67/EC on common rules for the development of the internal market of Community postal services and the improvement of quality of service amended by Directives 2002/39/EC and 2008/6/EC (Postal Services Directive) accompanying the REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the application of the Postal Services Directive (Directive 97/67/EC as amended by Directive 2002/39/EC and 2008/6/EC), Link

13 European Commission (2025) Call for evidence for an impact assessment, Link

14 ERGP (2025) ERGP Report on the outline of the future regulatory postal framework, Link

15 PostEurop (2025) Contribution to the European Commission's Call for Evidence on the "New EU Delivery Act – Reform of EU Postal Rules" Initiative, Link. One of their main arguments is that the "parcel market is very competitive", and that there is no need to expand the scope of the PSD to regulate competition. In fact, imposing new sector-specific regulation in the already competitive parcel delivery market could potentially harm the functioning of the market

16 European Commission (2025) Commission seeks public feedback on postal deliveries, Link.

17 The Commission also identify "Baseline – No change" as a policy option. In this situation, the Commission could provide additional guidelines to clarify the application of the rules and improve alignment.

18 European Commission (2025) New EU Delivery Act – EU to reform postal rules, Link

Box 1 Policy options outlined in the Call for Evidence

Option 1: Limited review
Updates the existing Postal Services Directive to address known issues, modernise definitions, and give Member States more flexibility. It maintains the current framework and does not change cross-border parcel rules.

Option 2: Wider review
Introduces a broader reform of the PSD and the CBPR, potentially merging the two. It relaxes delivery requirements, improves transparency and tariff rules, and harmonises licensing and complaint systems across the EU.

Option 3: New scope
Replaces the current framework with a new, integrated system covering both letters and parcels. It focuses on parcel and goods delivery in an e-commerce context, while strengthening consumer protection, improving cross-border interoperability, and ensuring a level playing field across the EU. Under this option, additional elements could include redefining postal delivery based on its function, ensuring universal access to affordable delivery, and targeting universal service obligations towards vulnerable users. It could also guarantee at least one affordable cross-border parcel option for consumers and SMEs in each Member State.

Source: European Commission (2025) New EU Delivery Act – EU to reform postal rules, Link

As part of its modernisation and harmonisation efforts, the Commission also appears to be considering whether different types of delivery providers – beyond postal and parcel delivery operators – should fall within the scope of postal regulation, with potential implications for reporting requirements, and other compliance with postal sector rules. For example, operators falling within the scope of the current framework must often obtain an authorisation or a licence from the national regulator[19] and fulfil monitoring requirements, such as reporting annual turnover or number of parcels handled.[20]

In some countries, national postal regulators have considered or decided to classify local commerce platforms as postal services based on their operations[21] or the content of the package, such as non-perishable food[22,23]. Based on our research, this is only the case in a limited number of countries. There is a lack of clarity regarding the applicability of postal regulation in such cases, and the approach has not yet been widely tested in practice.

Generally, local commerce platforms play an increasing role in Europe's economy by connecting merchants, consumers, and couriers and by facilitating the delivery of goods and services at the local level, see Box 2. However, it is not clear whether including such platforms in the scope of postal

19 Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link

20 Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services, Link

21 National Media and Infocommunications Authority Hungary, Link, Case A-4350/2022 Decision from 3 January 2024, Link, Press release regarding judgment A-4721/2021, A-4350/2022, Link

22 ERGP (2020) Report on Postal Definitions, Link

23 We understand that in the few cases where local commerce platforms have been designated as postal operators, this concerns only the non-food part of their business, i.e., the delivery of retail items. We are not aware of any EU country that designates local commerce platforms as postal operators for the food delivery, which we consider the core services currently performed by local commerce platforms.

regulation is necessary to achieve the core policy objectives pursued by the European Commission in this area. The purpose of this paper is to assess this question.

Box 2 Economic impact of local commerce platforms

Previous research has shown that local commerce platforms are expanding overall demand, rather than merely competing with traditional delivery services. As such, they play an increasing role in Europe's economy by connecting merchants, consumers, and couriers. For example, Wolt contributed an estimated EUR 19 billion in economic output and EUR 3 billion in earnings for over 450,000 courier partners between 2014 and 2024 (Wolt, 2024)[24] and Uber Eats is estimated to stimulate an additional EUR 1.7 billion in demand for merchants in the EU.[25]

Reflecting this impact, the European market for local commerce platforms is valued at around EUR 71.8 billion in 2026 and is projected to reach EUR 100 billion by 2031, growing at an annual rate of nearly 7 per cent.[26]

The rest of the report is structured as follows. In Chapter 2, we compare and contrast the services and operations of local commerce platforms with those of postal and parcel delivery operators as currently regulated under the EU postal framework. In Chapter 3, we assess whether it is necessary and proportionate to include local commerce platforms within the scope of EU postal regulation and provide our concluding remarks.

2 SERVICES AND OPERATIONS OF DIFFERENT DELIVERY PROVIDERS

In this chapter, we compare and contrast delivery providers from an economic perspective to identify important differences which may be relevant in the context of designing effective and relevant regulation. Specifically, we compare **services** and **operations** of four types of delivery providers:

- *Postal and parcel delivery operators* such as UPS, Hermes or DPD, and including universal service providers (USPs)[27], such as La Poste, PostNL.
- *Vertically integrated e-commerce providers*, such as Amazon.
- *Local commerce platforms* (sometimes referred to as "food delivery platforms")[28], such as Bolt, Deliveroo, Delivery Hero, Uber Eats or Wolt.
- *Restaurants' own deliveries*, such as those offered by chains like Pizza Hut or Domino's Pizza, or offered by local restaurants.

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24 Wolt (2024) A Decade Delivered, Link

25 Uber (2025) The Impact of Uber in the European Union – Economic Impact Report 2024, Link

26 Mordor Intelligence (2026) Europe food Platform to consumer delivery market size & share analysis, Link

27 Universal Service Providers (USPs) are the designated postal operator fulfilling universal services as laid out in the PSD and translated into national law, see also Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link

28 We use the broader term "local commerce platforms" to reflect that most food delivery platforms also deliver non-food items. For this assessment, we focus on the core service dimensions and activities currently performed by local commerce platforms: hyper-local, on-demand delivery of ready-to-eat food, groceries and other retail items.

2.1 Core services offered by different delivery providers

We compare the services of different delivery providers across several dimensions. Although all of them offer "delivery", we find that their services differ significantly. For the purpose of this report, we consider the core service dimensions of local commerce platforms, see Box 3.

Box 3 Core service dimensions of local commerce platforms

Local commerce platforms are multi-sided digital platforms that facilitate on-demand transactions between local merchants and consumers, typically integrating ordering, payment, and last-mile delivery services within a limited geographic area. They are sometimes referred to as "food delivery platforms", even though their business models are not limited to the delivery of ready-to-eat food.

In this report, we consider the core service dimensions, currently performed by local commerce platforms: intra-city and hyper-local, on-demand delivery to customers from nearby merchants of ready-to-eat food, groceries, and other retail items. We therefore do not consider ancillary services, including those provided only on a limited scale or through affiliated companies, such as B2B and C2X deliveries or presence in the retail sector (i.e. where local commerce platforms operate "dark stores").

Based on our assessment, services offered by local commerce platforms differ from those of postal and parcel delivery operators and vertically integrated e-commerce platforms in six key aspects:

First, local commerce platforms offer hyper-local delivery, by matching nearby demand and supply – basically matching the supply and demand of independent couriers, merchants and customers. Availability of their service in any given area depends on whether enough local merchants want to partner up and whether order volumes are sufficiently high to attract couriers and make operations viable. This generally means that local commerce platforms offer service only in sufficiently densely populated towns and cities. In contrast, postal and parcel delivery operators and many e-commerce logistics providers serve scheduled delivery routes and generally offer next-day or multi-day delivery using national or multinational networks, sometimes also in rural areas.

Second, local commerce platforms deliver ready-to-eat food, groceries, and other retail items. Local commerce platforms do not deliver postal items, i.e. letters or parcels that are packaged and addressed.[29] Instead, the items are often delivered in unsealed bags, with no addressing aside a merchant receipt. This contrasts with the items delivered by postal and parcel delivery operators and vertically integrated e-commerce providers, but closely resembles the items delivered by restaurants that offer their own delivery.

Third, local commerce platforms offer temperature-controlled deliveries, using e.g. thermal bags. This relates to the types of items delivered, which are often perishable goods[30] that require specific handling and temperature-controlled conditions to ensure quality[31]. Postal and

[29] Postal item: "an item addressed in the final form in which it is to be carried by the universal service provider. In addition to items of correspondence, such items also include for instance books, catalogues, newspapers, periodicals and postal packages containing merchandise with or without commercial value" (Postal Service Directive 97/67/EC, Link)

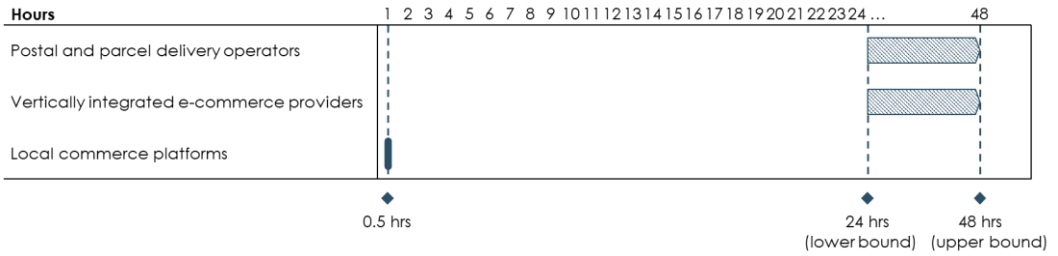
[30] Perishable goods are items that can spoil, deteriorate, or become unsafe if not stored or handled under proper conditions.

[31] Foodstuffs are subject to food safety regulation, see for example Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs, Link. See also Food safety in the EU, Link.

parcel delivery operators and vertically integrated e-commerce providers do not offer temperature-controlled deliveries as a core service.[32]

Fourth, local commerce platforms offer delivery within less than 1-2 hours, typically around 30 minutes. The recipient can track the order and delivery in real time. This again reflects the types of items delivered, where customers would have a need for immediate delivery, e.g. ready-to-eat food. Postal and parcel delivery operators and vertically integrated e-commerce providers often offer delivery within one or two days, see Figure 2.

Figure 2
Illustrative examples of average delivery speed (based on limited sample)
Hours



Note: This figure is illustrative and based on a limited sample. The numbers for postal and parcel delivery as well as for vertically integrated e-commerce providers are based on individual delivery providers for domestic standard parcel delivery, and do not represent the average delivery speed across all delivery providers. For postal and parcel operators and vertically integrated e-commerce providers, delivery speeds measure the time from dispatch to delivery to the consumer. For local commerce platforms, the average delivery speed measures the time from order placement to delivery to the consumer.
Source: Postal and parcel delivery operators: PostNord, bpost, GLS, bring; Vertically integrated e-commerce providers: Amazon within Germany; Local commerce platforms: Deliveroo for Ireland.

Fifth, local commerce platforms have no cross-border services. Local commerce platforms offer point-to-point delivery with a hyper-local focus: Senders and recipients are in the same local areas. The limited geographic radius, usually at city or neighbourhood level, also means that local commerce platforms do not operate cross-border networks, and their operations are not designed to support cross-border delivery. In contrast, postal and parcel delivery operators offer cross-border delivery that enables letter and parcel flows between Member States and with third countries. This again reflects the nature of the items delivered, i.e. parcels and letters.

Sixth, local commerce platforms provide mainly business-to-consumer (B2C) services. Local commerce platforms are almost exclusively geared towards B2C delivery - that is, the organisation of deliveries from businesses (local merchants, restaurants) to customers, typically in small order sizes. In this respect, local commerce platforms operate in a much narrower, strongly customer-facing part of the market. In contrast, postal and parcel delivery operators generally serve more client segments, such as business-to-business (B2B) and consumer-to-everyone (C2X).

To sum up, local commerce platforms only provide intra-city and hyper-local, on-demand delivery of ready-to-eat food, groceries, and other retail items, but do not offer nationwide delivery of regular postal items. Overall, their services are in many respects distinct from, and generally narrower in scope than, those provided by postal and parcel delivery operators and vertically integrated e-commerce platforms, see Table 2.

[32] We understand that some postal and parcel delivery operators offer specialised temperature-controlled services, typically as niche solutions with specific service conditions, rather than as part of their core offering.

Table 2
Comparing core service dimensions across delivery providers

DIMENSIONS	POSTAL AND PARCEL DELIVERY OPERATORS	VERTICALLY INTEGRATED E-COMMERCE PROVIDERS	LOCAL COMMERCE PLATFORMS	RESTAURANTS' OWN DELIVERIES
Geographic scope	Nationwide collection and delivery networks, including rural areas	Delivery networks focused on commercial areas, especially densely populated areas	Intra-city and hyper-local, especially neighborhoods within towns or cities	Intra-city and hyper-local, especially neighborhoods within towns or cities
Types of items	Postal items*, including letters and parcel	Postal items*, mostly parcels	Ready-to-eat food, groceries, other retail items	Ready-to-eat food
Temperature-controlled deliveries	No	No	Yes	Yes
Speed of delivery	D+1 to D+X days	D+1 to D+X days	Less than 1-2 hours, typically around 30 minutes	Less than 1-2 hours, typically around 30 minutes
Cross-border	Yes	Yes	No	No
Client segments	B2B, B2C C2C, C2B	B2B, B2C	B2C	B2C

Note: In this overview we focus on the core service dimensions across delivery providers. * Postal item: "an item addressed in the final form in which it is to be carried by the universal service provider. In addition to items of correspondence, such items also include for instance books, catalogues, newspapers, periodicals and postal packages containing merchandise with or without commercial value", cf. (Postal Service Directive 97/67/EC, Link)
Source: Copenhagen Economics

2.2 Operations of different delivery providers

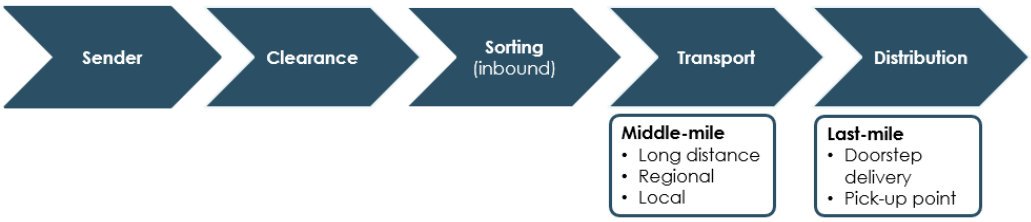
In the following, we describe and compare the operations of the four types of delivery providers, highlighting where operations overlap and where they do not. We find that the four types of delivery providers also differ with respect to their operations. These differences matter for regulatory design, because applying the same requirements to inherently different business models risks distorting productive, allocative and dynamic efficiency.

Postal and parcel delivery operators
For postal and parcel delivery operators, operations typically consist of *clearance*[33], followed by *sorting*, *transport*, and *distribution* to the addressee.[34] This chain is designed to handle large volumes and benefit from economies of scale. It prioritises national geographic coverage and uniform service conditions, often to fulfil a universal service obligation.[35] This results in large national asset bases: Postal and parcel delivery operators rely on capital-intensive physical infrastructure, including sorting centres, delivery depots, vehicle fleets, and nationwide logistics networks.

33 Clearance, as we use it here, is similar to collection based on the definition of clearance in the PSD as "the operation of collecting postal items deposited at access points", see Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link
34 ITA Consulting and WIK consult (2009) The Evolution of the European Postal Market since 1997, Link
35 Crew and Kleindorfer (2008) Multi-National Policies for the Universal Service Obligation in the Postal Sector under Entry

Specifically, clearance refers to the collection of postal items,[36] such as letters and parcels. Items are often collected in large volumes, from bulk mailers, such as e-commerce retailers and/or from post offices. Inbound sorting[37] often occurs before transport and involves an initial, often rough, separation to prepare items for transport, e.g. between parcels and letters or by region. Transport represents the middle-mile, where postal items are carried between logistics hubs. These routes can be cross-border, regional, or local. Finally, distribution refers to the outbound sorting preparing items for final delivery, and delivery in which the postal item reaches the addressee,[38] either through a pick-up point such as a parcel locker, or through doorstep delivery,[39] see Figure 3.

Figure 3
Operations of postal and parcel delivery operators
Illustrative



Source: Copenhagen Economics based on Case COMP/35.141 — Deutsche Post AG, Link and UPU Terminology database, Link, ITA Consulting and WIK consult (2009) The Evolution of the European Postal Market since 1997, Link

Vertically integrated e-commerce providers

The operations of vertically integrated e-commerce providers generally entail *fulfilment*, *transport*, and *distribution*. Specifically, the operations typically begin when a customer places an order through an online shop or marketplace.[40] The ordered item is usually stored in a centralised warehouse, covering a specific market or several markets, operated by a vertically integrated e-commerce provider, where orders from various merchants are stored in higher volumes. The ordered item is then picked, packed, and dispatched at a fulfilment centre. The next step, transport, describes the middle-mile, where the parcel is carried through regional, national or cross-border logistics networks to regional distribution centres.[41] At a regional distribution centre, operators sort the parcel by delivery route or address to prepare it for last-mile delivery, where the parcel reaches the customer either through a pick-up point, such as a parcel locker or through doorstep delivery,[42] see Figure 4.

36 Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link

37 UPU Terminology database, p. 253, Link. Note, there is no official definition of sorting in the Postal Service Directive, see ERGP (2020) Report on postal definitions. Link

38 UPU Terminology database, Link

39 ERGP (2022) ERGP Report on access to the postal network in a context of booming e-commerce, Link

40 For the purpose of this report, we consider mostly the core service of B2C. We are aware that some vertically integrated e-commerce providers also provide B2B services.

41 Amazon shipping (2025) First, middle, and last mile delivery, Link

42 Amazon News (2024) How does your Amazon order get to your doorstep? Watch the journey of a package, Link

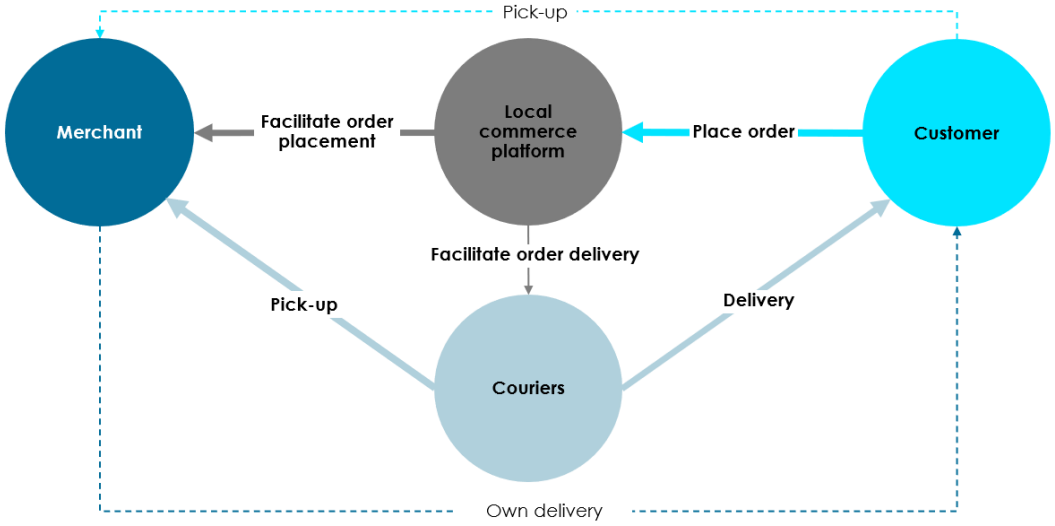
Figure 4
Operations of vertically integrated e-commerce providers
Illustrative

Note: Vertically integrated e-commerce providers may have sorting facilities, and there is an ongoing discussion on whether they perform sorting activities, see also ERGP (2020) Report on postal definitions, Link.
Source: Copenhagen Economics based on Amazon (2025) Amazon Shipping, Link, Business Tech (2025), Link, and Amazon News (2024) How does your Amazon order get to your doorstep? Watch the journey of a package, Link

Local commerce platforms

Local commerce platforms coordinate the order fulfilment process between merchants and customers. The platform can operate in two ways. In the first, it acts as an intermediary and also facilitates delivery. In the second, it only connects merchant and customer, while the merchant facilitates delivery itself or the customer picks-up the order; in this case the platform's role ends after matching, as no independent courier delivers the order,[43] see Figure 5.

Figure 5
Multi-sided business model of local commerce platforms



Note: Illustrative
Source: Copenhagen Economics

For many volumes, the platform both acts as an intermediary and facilitates delivery. Customers place an order on the platform, which assigns an independent courier to collect the order from the merchant and deliver it directly to the customer,[44] without performing any sorting or transport

43 Wolt (n.d.) Algorithmic Transparency: Courier Partners, Link and Schorung (2024) Quick commerce and the evolving business models of the food retail industry - Investigating the quick commerce supply chain and the urban impacts of dark stores, Link

44 Chen et al. (2022) Food Delivery Service and Restaurant: Friend or Foe?, Link

activities. Hence, the merchant keeps or prepares the items at its premises, then packs them and hands them over to the courier, see Figure 6.

Figure 6
Operations of local commerce platforms including delivery
Illustrative

Source: Copenhagen Economics based on Schorung (2024) Quick commerce and the evolving business models of the food retail industry - Investigating the quick commerce supply chain and the urban impacts of dark stores, Link and Wolt (n.d.) Algorithmic Transparency: Courier Partners, Link.

In contrast to postal and parcel delivery operators and vertically integrated e-commerce providers, local commerce platforms do not operate the infrastructure-intensive steps of the value chain,[45] such as large-scale sorting, transport, and distribution networks. As a result, they do not benefit from the same economies of scale that arise from handling large, consolidated volumes through such infrastructure.[46] Local commerce platforms operate asset-light, platform-based models. Their core assets, such as technology, algorithms, and brand value, are typically held at group level, while local entities hold only limited operational assets, such as cash and receivables.

Restaurants' own deliveries

The operations of restaurants' own delivery services, such as chains like Pizza Hut and Domino's Pizza as well as local pizza, and other restaurants, typically consist of an order placed by phone or via a digital interface, followed by direct delivery to the customer. The restaurant manages both the ordering process and the delivery.[47] Specifically, operations begin when a customer places an order through the phone, the restaurant's website, or an ordering system. The restaurant then prepares the food at its premises and, once the order is ready, an in-house courier delivers it directly to the customer, see Figure 7.[48]

45 UPU (2025) State of the postal sector 2025, Link. See also Ofcom (2013) Review of Postal Operator Efficiency, Link, for examples of postal operators increasing economies of scale along the value chain

46 Local commerce platforms can benefit from economies of scale, e.g. in app development and maintenance, as well as from network effects driven by attracting more merchants, couriers and customers, see OECD (2020) Competition Economics of Digital Ecosystems, Link

47 McKinsey (2021) Ordering in: The rapid evolution of food delivery, Link

48 While grocery delivery is not treated as a distinct business model here, some grocery providers and supermarkets operate their own delivery services. Unlike restaurants' own delivery, these services typically rely on dedicated logistics infrastructure, such as centralised warehouses or dark stores closed to the public and optimised for online fulfilment. These facilities are often supported by upstream distribution centres and enable efficient picking, packing, and dispatch, resembling vertically integrated e-commerce logistics models. However, important differences remain. Supermarkets deliver hyper-locally and require temperature-controlled logistics, see for example Carrefour, Link. In this respect, their operations more closely resemble local commerce platforms.

Figure 7
Operations of restaurants' own deliveries
Illustrative

Source: Copenhagen Economics

2.3 Comparison of operations

In this section, we compare the activities performed by different delivery providers along the value chain. The Postal Services Directive (PSD) defines four steps in the postal value chain, namely, clearance, sorting, transport, and distribution.[49] Comparing these steps shows that the operations of local commerce platforms differ substantially from those of postal and parcel delivery operators and more closely resemble restaurants' own delivery services.

Of the four stages, local commerce platforms perform at most only one: distribution, where delivery *is* the key activity. They do not perform clearance (in a way comparable with a typical postal service), sorting, nor transport activities, see Table 3.

Table 3
Local commerce platforms are not active within all four basic stages of a traditional postal service

DELIVERY PROVIDER	CLEARANCE	SORTING	TRANSPORT	DISTRIBUTION
Postal and parcel delivery operators	Yes	Yes	Yes	Yes
Vertically integrated e-commerce providers	*Fulfilment**		Yes	Yes
Local commerce platforms	No**	No	No	Yes***
Restaurants' own deliveries	No	No	No	Yes***

Note: * Fulfilment describes the picking, packing, and preparation of orders for the next step in the operations.[50] Vertically integrated e-commerce providers may have sorting facilities, and there is an ongoing discussion on whether they perform sorting activities.[51] ** Clearance is usually, in a traditional postal value chain, understood as the collection of postal items in bulk. Local commerce platforms neither collect postal items nor do they collect them in bulk. They collect individual, non-postal items directly from nearby merchants *** Delivery is considered a key part of distribution.
Source: Copenhagen Economics

First, local commerce platforms do not perform the same clearance activity as postal and parcel delivery operators. They do not coordinate the collection of large volumes of postal items from warehouses or fulfilment centres. Instead, local commerce platforms collect individual,

49 Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link
50 Amazon (2025) Why Amazon warehouses are called fulfilment centres and how many are in the UK, Link
51 ERGP (2020) Report on postal definitions, Link

non-postal items directly from nearby merchants upon accepting an order from a consumer. By contrast, postal and parcel delivery operators and e-commerce logistics providers collect and process bulk postal items consolidated in e.g. fulfilment centres, warehouses or large mailers.

Second, local commerce platforms do not perform a sorting activity. Sorting reflects the need to handle heterogeneous postal items and organise them across national and cross-border networks connecting senders and addressees. This operational requirement arises for postal and parcel delivery operators and e-commerce providers but is absent in the hyper-local, point-to-point operations of local commerce platforms.

We note that ERGP have suggested that local commerce platforms perhaps perform a kind of "digital sorting"- presumably, via the algorithm which assigns independent couriers to orders. However, sorting, often performed in a sorting centre, is typically considered a physical activity under the PSD, as it includes a physical element[52]. In fact, *physical* sorting (in a sorting centre) has been deemed the defining feature of a postal service, as the definition of postal services *"should exclude local delivery from shops and food delivery: a postal service includes at least one processing in a sorting centre."*[53]

Third, local commerce platforms do not perform a transport activity. Due to the hyper-local nature of the service, there is no need to transport items between logistics hubs; therefore, local commerce platforms do not perform a middle-mile function. By contrast, the operations of postal and parcel delivery operators and e-commerce logistics providers include middle-mile transport as part of regional, national, and cross-border logistics networks.

Fourth, local commerce platforms perform only the delivery part of distribution activity. Typically, distribution includes an inbound sorting activity ahead of the last-mile delivery. However, local commerce platforms provide only the last part of the process: delivery. In some cases, customers may also choose to collect the order themselves from the merchant's premises. In these situations, the local commerce platform does not perform any of the steps along the postal value chain and no independent courier is involved.

3 APPLICABILITY OF POSTAL POLICY OBJECTIVES TO LOCAL COMMERCE PLATFORMS

In this chapter, we assess whether it is necessary to include local commerce platforms within the scope of EU postal regulation, in line with the principle of proportionality. This principle implies that extending regulation to these operators can only be justified if it is necessary to achieve the policy objectives set out in the Treaties and in EU postal policy, and does not impose disproportionate burdens on economic operators.

First, we set out the historical background of EU postal regulation, including the problems the initial framework sought to address, and the objectives described in the recent Call for Evidence, together with the key market and regulatory trends leading up to the current revision.

Second, we assess whether including local commerce platforms in the new EU Delivery Act would in practice contribute to achieving the five policy objectives stated in the Call for Evidence. We find this is not the case.

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52 ERGP (2020) Report on postal definitions, Link

53 WIK (2021) User Needs in the Postal Sector and Evaluation of the Regulatory Framework, a study for the European Commission, Link

Third, we provide concluding remarks on proportionality and the risk of negative effects. We explain why extending postal regulation to local commerce platforms would be neither necessary nor proportionate, and why it could introduce undue administrative burdens and unintended distortions in an evolving market.

3.1 The rationale behind postal policy and its ongoing revision in the European Union

The foundation of the current postal policy in the European Union (EU) dates back to 1992, when the Commission initiated a debate on the Community's postal sector. At the time, postal markets were largely organised along national lines, and the Commission identified several problems concerning variation in the quality of universal services between Member States. More specifically, the Commission identified problems related to inconsistent universal service standards, fragmented national regulation, and inefficient cross-border services, see also Box 4.

Box 4 The 1992 Green Paper identified three main problems in the postal sector

First, Member States applied widely different definitions and standards for universal service obligations. These differences concerned the scope of services, delivery frequency, pricing principles, and quality requirements. As a result, citizens and businesses did not benefit from an equivalent baseline level of postal access across the Community.

Second, the postal sector remained organised along fragmented national regulatory lines. Divergent authorisation regimes, opaque tariff systems, and limited cost transparency reduced competition, weakened incentives for efficiency and innovation, and created uneven investment conditions across Member States.

Third, cross-border postal and parcel services were slow, costly, and poorly coordinated. Limited operational integration and distortive terminal dues arrangements were counter the European objective of a single market, which aims to reduce economic disparities and encourage cross-border economic activity within the EU.

Source: European Commission (1992) Green paper on the development of the single market for postal market, Link

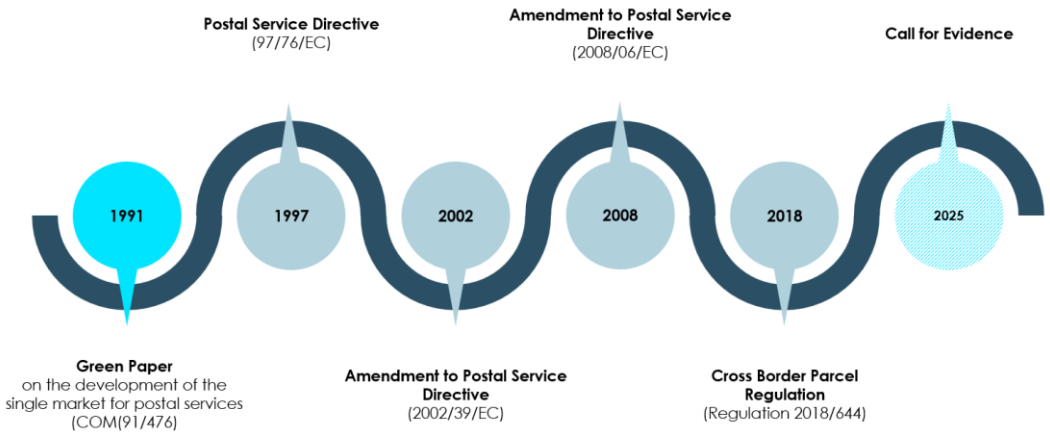
As a response to concerns relating to the lack of a single market for postal services and varying service quality across Member States, the EU adopted the Postal Services Directive (PSD)[54] in 1997, establishing a regulatory framework for postal services within the internal market. The PSD established minimum universal service standards, sought to reduce regulatory fragmentation and strengthen cross-border delivery performance. The PSD was subsequently amended in 2002 and again in 2008. The regulatory framework was complemented by the CBPR[55] in 2018, which sought to improve the functioning of cross-border parcel markets by enhancing price transparency and strengthening regulatory oversight. Taken together, the development of EU postal policy aimed to support economic cohesion and enhance the functioning of the internal market.

54 Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link

55 Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services, Link

Most recently, the Commission issued a Call for Evidence to revise the postal regulatory framework,[56] see Figure 8.

Figure 8
Timeline of the EU postal regulatory framework



Source: Copenhagen Economics

Several underlying market and policy dynamics help explain why the Commission is now considering updating the current, "outdated and ineffective"[57] regulatory framework. Such dynamics relate to three factors:

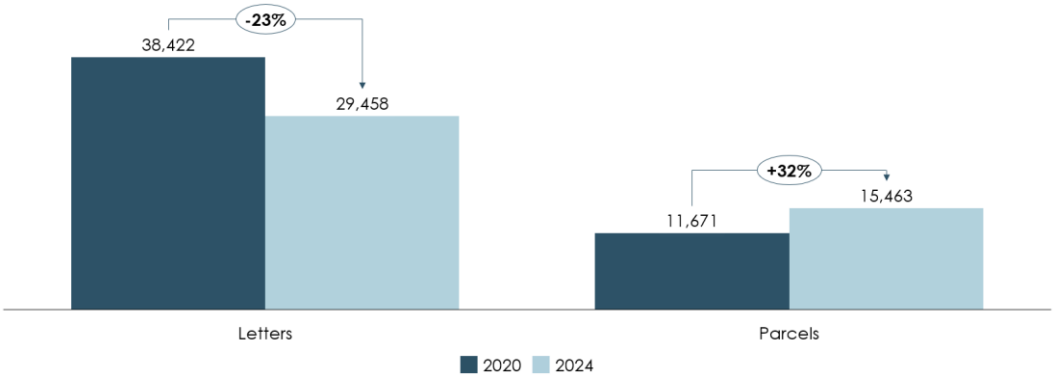
- Declining *letter volumes* due to digitalisation. Between 2020 and 2024, letter volumes decreased by 23 per cent, corresponding to an average annual decline of 6.4 per cent.
- Increasing *parcel volumes* driven by e-commerce. Between 2020 and 2024, parcel volumes increased by 32 per cent. This corresponds to an average annual growth rate of 7.3 per cent, see Figure 9.
- The emergence of *new business models*. Postal and parcel delivery operators are losing share in parcel delivery, as competitors with different operations expand across the value chain.[58]

[56] The Commission seems to consider three policy options: Policy option 1 proposes a revision of the PSD, policy option 2 proposes a wider revision of both PSD and CBPD (potentially merging the two Directives), whereas policy option 3 proposes a full revision, merging the PSD and CBPD in one legal act (creating an "EU Delivery Act"), see European Commission (2025) New EU Delivery Act – EU to reform postal rules, Link.

[57] European Commission (2025) Call for evidence for an impact assessment, Link

[58] European Commission (2024) Prospective study on the future of the postal sector, Link

Figure 9
Letter and parcel volume trends
Million items, 2020 and 2024



Note: Total change in volumes between 2020 and 2024.
Source: Copenhagen Economics based on ERGP (2025) Report on core indicators for monitoring the European postal market, Link

3.2 Is the inclusion of local commerce platforms in the EU postal regulation necessary to achieve stated policy objectives?

The underlying objectives of supporting economic cohesion and enhancing the functioning of the internal market presumably still underpin postal regulation, despite changing market dynamics. This notwithstanding, the Commission identifies five overall objectives which the new EU Delivery Act should aim to achieve, see Table 4.

Table 4
The Call for Evidence lists five objectives

#	STATED OBJECTIVES IN THE CALL FOR EVIDENCE
1	Safeguard universal access to postal delivery services for all citizens and businesses at all points on EU territory, in financially sustainable conditions
2	Clarify, and where relevant, improve, users' rights by strengthening user protection
3	Safeguard the level playing field in the postal delivery sector, by ensuring equal treatment of postal delivery service providers and effective market monitoring and enforcement
4	Support the development of cross-border delivery solutions, to ensure seamless and efficient services across the e-commerce single market
5	Decrease the administrative burden by simplifying and clarifying delivery rules, while bringing about more effectiveness and harmonisation in oversight and regulation at Member State level

Source: European Commission (2025) Call for evidence for an impact assessment, Link

In the following, we assess whether including local commerce platforms within the scope of the new EU Delivery Act is necessary to achieve the stated objectives. For each of the five policy objectives, we find that this is not the case.

Objective 1: Safeguard universal access to postal delivery services for all citizens and businesses at all points on EU territory, in financially sustainable conditions

Context for our assessment: This objective relates to the first problem identified by the Commission, namely, the financing of the universal service obligation (USO) becoming gradually unsustainable, potentially affecting accessibility. As a result of the letter mail volume decline, the requirements for delivery frequency and the quality of universal service for letter mail make universal service costs unsustainable. Also, due to the emergence of alternative communication channels, the current minimum requirements for letter mail delivery may be set too high relative to modern user needs. This objective aims to adapt the minimum service requirements set out in the PSD to ensure universal access to postal delivery in financially sustainable conditions.

Our conclusion: Including local commerce platforms is not necessary to achieve Objective 1. Local commerce platforms do not provide a basic postal service to which universal access should be safeguarded and cannot cover all points on EU territory.

Generally, the USO aims at covering a social need that would not be covered by the market on commercial terms in the absence of regulation. It should guarantee that basic postal services remain available for all users across the EU. This is to ensure that anyone can reliably send and receive essential letters and parcels regardless of where they live. This links back to the principles of universality, uniformity and ubiquity.[59] By ensuring this otherwise unmet need is covered, the USO generates a benefit to society. At the same time, supplying services that are not economically viable on their own imposes a cost on the designated operator.

Over the years, what can be considered a basic postal service has changed alongside the significantly changed user needs. These changing user needs are particularly evident in the widespread shift to digital communication. Users no longer depend on regular daily letter delivery as they did in the past,[60] which generally reduces the need for fast delivery under the universal service. Thereby the provision of the universal service may result in a financial burden for the USP[61].

However, the basic postal services provided by the USO are not comparable with the services offered by local commerce platforms, see also section 0. The services of local commerce platforms are best understood as convenience services, which do not align with the principles of universality, uniformity or ubiquity. Thereby they are not a suitable instrument for safeguarding the basic postal needs the USO are meant to protect: Local commerce platforms provide on-demand delivery with a hyper-local focus, where senders and recipients are in the same local area and delivery is typically within 30 minutes. The services are dependent on matching the supply and demand of couriers, merchants and customers. This means that availability in any given area depends on whether enough local merchants want to partner up and whether order volumes are sufficiently high to attract couriers and make operations viable.

A clear aim of the universal service has been to safeguard access to basic postal services to all parts of the territory, particularly in rural and remote areas. Local commerce platforms cannot

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59 Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service, Link

60 Commission staff working document evaluation of Directive 97/67/EC on common rules for the development of the internal market of Community postal services and the improvement of quality of service amended by Directives 2002/39/EC and 2008/6/EC, Link, ERGP report on core indicators for monitoring the European postal market (2024), Link

61 European Commission (2018) Postal services in the EU, Link

meaningfully operate in these areas as they have a hyper-local focus within densely populated urban areas. If the number of local merchants and/or order volume is insufficient, there are not enough "senders and recipient" in that given area: operations are simply not viable.

Objective 2: Clarify, and where relevant, improve, users' rights by strengthening user protection

Context for our assessment: This objective relates to the second problem identified by the Commission, namely, consumer protection in e-commerce supply chains, especially in situations where multiple partners may be involved in the process, e.g. both a retailer and a delivery provider. The objective aims to address potential legal gaps in consumer protection in e-commerce supply chains and grant consumers the right to seek redress directly from the delivery provider.

Our conclusion: Including local commerce platforms is not necessary to achieve Objective 2. Consumer rights are already adequately protected on local commerce platforms. Firstly, because consumer rights are to an extent already covered by other horizontal regulation that governs digital platforms, such as e.g. the Digital Services Act and the Consumer Rights Directive. Secondly, despite the fact that these regulations do not explicitly grant consumers the right to seek redress, our understanding based on input from DPE is that local commerce platforms effectively already address this on a commercial basis, e.g. offering compensation in cases of delivery issues. This means that there is no "regulatory gap" in consumer rights which needs to be addressed.

Local commerce platforms operate within a comprehensive consumer protection framework. Key legislative instruments shape how platforms function and interact with consumers, including the Digital Services Act[62], the Consumer Rights Directive[63], the E-Commerce Directive[64], the Unfair Commercial Practices Directives[65], the Accessibility Act,[66] the Sale of Goods Directive[67], and the General Product Safety Regulation[68]. Moreover, regulations governing local commerce platforms as digital e-commerce intermediaries already set clear standards for complaint handling. Platforms must provide a single point of contact and an internal complaint-handling system[69], and they must clearly

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62 Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act), Link

63 Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council, Link

64 Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market ('Directive on electronic commerce'), Link

65 Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive'), Link

66 Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (Text with EEA relevance), Link

67 Directive (EU) 2019/771 of the European Parliament and of the Council of 20 May 2019 on certain aspects concerning contracts for the sale of goods, amending Regulation (EU) 2017/2394 and Directive 2009/22/EC, and repealing Directive 1999/44/EC, Link

68 Regulation (EU) 2023/988 of the European Parliament and of the Council of 10 May 2023 on general product safety, amending Regulation (EU) No 1025/2012 of the European Parliament and of the Council and Directive (EU) 2020/1828 of the European Parliament and the Council, and repealing Directive 2001/95/EC of the European Parliament and of the Council and Council Directive 87/357/EEC, Link

69 Regulation (EU) 2022/2065 of the European Parliament and of the Council of 19 October 2022 on a Single Market For Digital Services and amending Directive 2000/31/EC (Digital Services Act), Link

inform customers who is responsible for service delivery[70]. In addition, it is the trader – not the customer – who bear the risk until goods reaches the customer[71], and customers are entitled to remedies such as repair, replacement, or refund for defective goods[72], as well as fast access and low-cost dispute resolution mechanisms[73]. Together, these instruments already seek to address many consumer protection issues across the EU.

Based on information provided by DPE members, we understand that platforms also compensate consumers in cases of failed delivery or unmet expectations. This reflects local commerce platforms' commercial incentives. Hence, the commercial behaviour of the local commerce platforms ensure that consumers can seek redress directly from the delivery provider, even though this is not specifically addressed by legislation. Box 5 includes an example of how complaints are handled and consumers are compensated.

Box 5 Example of a complaint handling mechanism of a local commerce platform

First, the local commerce platform confirms that the case meets the basic conditions: that the customer is not flagged as fraudulent, that the order is either a food order or retail, and that the customer has not already received a refund.

Second, if these conditions are met, the local commerce platform confirms with the customer that the delivery address is correct.

Third, the local commerce platform reviews the available system information to help locate the order. This includes the courier-customer transcript, comments from previous agents, and proof of delivery, such as a photo uploaded by the courier showing the receipt and order number.

Fourth, the local commerce platform calls the courier to understand what happened during the delivery.

Fifth, if, after these checks, the customer still reports that the order has not been found, the local commerce platform refunds the customer.

Source: Example of complaint handling process shared by DPE member with Copenhagen Economics.

[70] Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive'), Link

[71] Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council, Link

[72] Directive (EU) 2019/771 of the European Parliament and of the Council of 20 May 2019 on certain aspects concerning contracts for the sale of goods, amending Regulation (EU) 2017/2394 and Directive 2009/22/EC, and repealing Directive 1999/44/EC, Link

[73] Commission Recommendation (EU) 2023/2211 of 17 October 2023 on quality requirements for dispute resolution procedures offered by online marketplaces and Union trade associations, Link

Objective 3: Safeguard the level playing field in the postal delivery sector, by ensuring equal treatment of postal delivery service providers and effective market monitoring and enforcement

Context for our assessment: This objective relates to the third problem identified by the Commission, aiming at preserving effective competition in the postal sector. Given recent market developments, including the growth of e-commerce, and the emergence of new business models, the Commission seeks to ensure that rules are applied fairly and equally, especially in postal services that may be interchangeable with universal services, and thus affected by regulation of the universal service, such as parcel delivery services.

Our conclusion: Including local commerce platforms is not necessary to achieve Objective 3, as it does not help safeguarding a level playing field. Firstly, local commerce platforms are not exposed to any (unfair) competition from universal service providers as there is no evidence of the risk of cross-subsidisation from the USO network. Secondly, local commerce platforms do not compete on services[74] that are interchangeable with the universal service.

According to economic theory, a level playing field is best preserved by avoiding unnecessary intervention. This is because, in the absence of market failures, firms can compete on the merits – essentially 'on a level playing field' – to offer low prices and high quality to customers.

Postal regulation that is necessary to safeguard universal access or achieve other policy objectives, inevitably risks distorting that level playing field. This is because specific operators, in particular the USP, receive special benefits (such as subsidies or VAT exemptions) and are subject to specific rules (for example on labour or reporting).

In this context, two main risks arise:

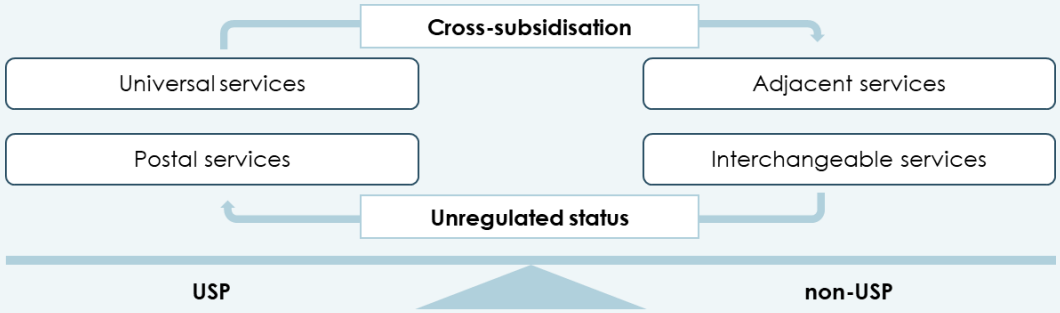
- One is that USPs may engage in **cross-subsidisation** by using benefits linked to the USO network to compete unfairly in adjacent services, e.g. by using the subsidised USO network to offer commercial parcel services at prices that rivals cannot match.

- The other is that commercial players may exploit their **unregulated status**, e.g. by not being subject to labour or reporting obligations, which could allow them to 'unfairly' undercut the USP and ultimately undermine the financial sustainability of the USO.

Safeguarding the level playing field therefore requires targeted rules for the USP to prevent cross-subsidisation, including cost accounting requirements and regulatory oversight of prices. It also requires that interchangeable services provided by commercial operators are subject to similar rules as those applied to the USP. In practice, this can be achieved by designating commercial operators as "postal service providers" and subjecting them to obligations similar to the USP. For a visualisation of this careful balance, see Figure 10.

74 Interchangeable postal services are alternative delivery options that, from a user's perspective, sufficiently substitute for traditional universal postal services. See, for example, the definition provided by the European Commission: link.

Figure 10
Regulators must ensure that market distortions due to the USO do not undermine the level playing field

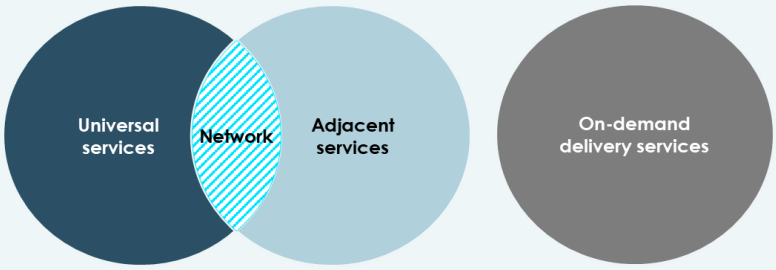


Source: Copenhagen Economics

There are two main reasons why including local commerce platforms in the scope of the EU Delivery Act is not necessary to safeguard the level playing field.

First, local commerce platforms are not exposed to (unfair) competition from USPs. USPs rely on nationwide or cross-border networks with high fixed costs, which can in principle raise cross-subsidy concerns for other network-based operators, such as vertically integrated e-commerce providers, but not for local commerce platforms that do not operate such networks. Thereby USPs cannot leverage their USO nationwide or cross-border networks to compete in the on-demand delivery services offered by local commerce platforms – these are not adjacent services to the universal services,[75] see Figure 11 for an illustration.

Figure 11
USO providers rely on different networks than local commerce platforms
Network costs



Note: Illustrative. Networks cover nationwide and cross-border networks.
Source: Copenhagen Economics

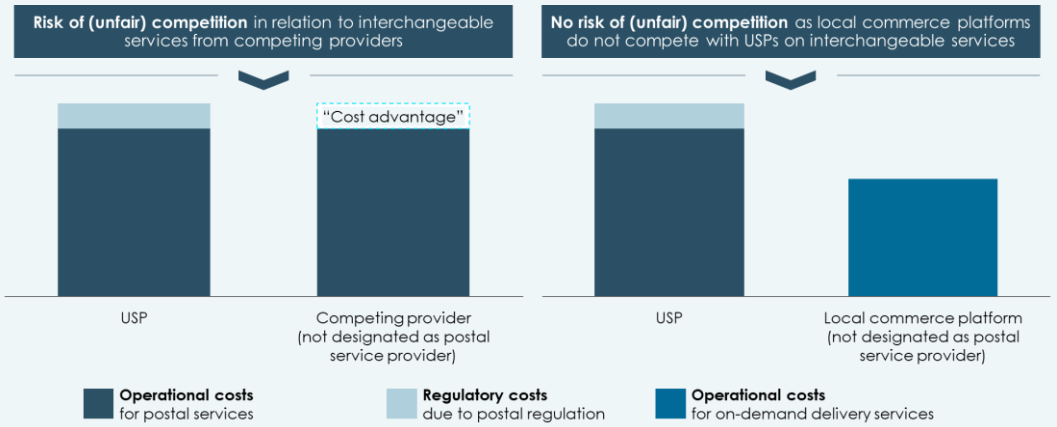
Second, local commerce platforms do not compete with USPs on interchangeable services.[76] They therefore cannot (unfairly) undercut the universal services provided by the USP or threaten the financial sustainability of the USO. Local commerce platforms provide hyper-local, on-demand delivery of ready-to-eat food, groceries and other retail items, which is fundamentally different from the

[75] If USPs were to ever offer on-demand delivery services, they could do so via separate commercial units that would not rely on the USO network and which would not be subject to any rules related to their status as USP.

[76] Interchangeable postal services are alternative delivery options that, from a user's perspective, sufficiently substitute for traditional universal postal services. See, for example, the definition provided by the European Commission: link.

universal postal service based on nationwide collection and delivery of postal items via a USO network, see sections 2.1 and 2.2. Extending regulation could be justified where there is direct competition, but this is not the case for USPs and local commerce platforms, see Figure 12 for an illustration.

Figure 12
Local commerce platforms do not compete with USPs on interchangeable services
Costs



Note: Illustrative
Source: Copenhagen Economics

Case precedent supports this distinction. Competition and merger cases in Norway[77], Finland[78], Spain,[79] and the United Kingdom[80] defined relevant product and geographic markets for local commerce platforms. In their assessments they did not consider that local commerce platforms were competing with postal and parcel delivery operators. Instead, they examined whether at most restaurants, with or without their own delivery or digital ordering, were competing in the same space as local commerce platforms.

Finally, as argued by postal and parcel delivery operators, a level playing field can be achieved without expanding the scope of postal regulation but instead via effective enforcement of horizontal legislation applying to all players, such as general competition law.[81]

77 KT (2022) Vedtak V2022-1, Link
78 FFCA (2025) Dnro KKV/900/14.00.00/2022, Link
79 CNMC (2019) C/1046/19 Just Eat/ Canary, Link
80 CMA (2017) A report on the anticipated acquisition by JUST EAT plc of Hungryhouse Holdings Limited, Link
81 PostEurop (2025) Contribution to the European Commission's Call for Evidence on the "New EU Delivery Act – Reform of EU Postal Rules" Initiative, Link

Objective 4: Support the development of cross-border delivery solutions, to ensure seamless and efficient services across the e-commerce single market

Context for our assessment: The objective relates to the fourth problem identified by the Commission, on the interoperability and consumer protection in cross-border e-commerce parcel delivery.

Our conclusion: Including local commerce platforms is not necessary to achieve Objective 4, as local commerce platforms do not have any cross-border services.

Local commerce platforms provide point-to-point, hyper-local delivery within a limited geographic radius. They do not operate cross-border or even inter-city networks, see also sections 2.1 and 2.2.

The operations of most local commerce platforms are not designed to offer seamless, nationwide or cross-border services comparable to that of postal and parcel delivery operators. Their role is largely limited to facilitating communication and contracting between merchants, couriers, and customers. Local commerce platforms are dependent on both merchants and couriers to offer their delivery service, and thus have limited control over geographic reach, including cross-border. Therefore, they cannot ensure market coverage equivalent to that of traditional postal and parcel networks.

Objective 5: Decrease the administrative burden by simplifying and clarifying delivery rules, while bringing about more effectiveness and harmonisation in oversight and regulation at Member State level.

Context for our assessment: The objective relates to the fifth problem and aims to simplify and streamline the regulatory framework such that both regulators and operators face fewer, clearer and more coherent obligations. The aim is to achieve more harmonised and effective oversight without imposing unnecessary compliance costs on businesses.

Our conclusion: Including local commerce platforms is not necessary to achieve Objective 5, as it would increase rather than decrease administrative burden.

Extending postal regulation to local commerce platforms - whose services and operations differ from those of postal and parcel delivery operators - would create significant additional complexity for regulators and platforms.

Imposing a “one-size-fits-all” framework on such different business model, see sections 2.1-2.3, would likely generate extra administrative burden compared to entities originally intended by the regulation. Specifically, being subject to postal regulation add compliance costs, reporting obligations and licensing requirements that are not aligned with the services and operations of local commerce platforms. This would increase rather than reduce administrative burden, running counter to the aim of simplifying and clarifying the rules.

3.3 Concluding remarks

When designing regulation, it is important to follow basic principles of good regulatory design. Interventions should be problem-driven, proportionate to the harms identified, and targeted at the activities that give rise to those harms. Based on the analysis provided in this report, we find that extending postal regulation to local commerce platforms would not meet these principles and could be disproportionate.

Local commerce platforms offer services and have operations that are fundamentally different from those of postal and parcel delivery operators. A framework developed for universal postal services and/or traditional delivery networks may therefore not be directly applicable to hyper-local, on-demand delivery. At the same time, including local commerce platforms in the scope of postal regulation is not necessary to achieve the policy objectives of the existing framework: it would not improve the financial sustainability of the USO and would not address the concerns raised by the Commission. Even if policymakers saw some potential benefits for specific objectives (for example, in relation to user protection), proportionality would require weighing any limited gains against the administrative costs and the risks of dampening growth and innovation.

Moreover, extending postal regulation to local commerce platforms would impose additional regulatory burden on platforms and could create further obligations for their partners, such as restaurants and retailers, e.g., if they were required to contribute to reporting or compliance processes.

In sum, broadening the scope of postal regulation to cover local commerce platforms risks not only unnecessary regulatory costs and administrative burdens; it also risks distorting the development of a sector that has become an enabler for local businesses and consumers across the EU. In rapidly evolving industries such as local commerce delivery, policymakers should take care not to introduce unnecessary distortions that could have unintended consequences for growth and innovation.