

AirAsia eyes RM30m revenue from new courier

Targeted at SMEs and individuals, Redbox service offers 50% lower shipment rates

KUALA LUMPUR: AirAsia Bhd expects its newly launched low-cost courier, Redbox, to contribute RM25 million to RM30 million revenue to the group next year.

Its group chief executive officer Datuk Seri Tony Fernandes said the courier service, which offers on average 50% lower shipment rates than the market's, was targeted at small- and medium-sized enterprises and individual customers.

"I honestly think it's a massive market. I think that many people would like to use a courier service but it's just too expensive. The market is huge because we are not looking at the existing market. We are looking at growing the pie.

"Obviously with our network, we are also providing courier service to places which would have been hard to get to before," he told reporters after the launch of Redbox here yesterday.

Redbox's low-cost model was made possible as it would leverage on AirAsia's existing network and infrastructure, such as online transactions, Fernandes said. He added that 11% of AirAsia's total aircraft belly space was used for cargo.

"Our tie-up with DHL and MBE (Mail Boxes Etc) also means that we can utilize other people's infrastructure as opposed to setting up our new infrastructure," he said.

For a start, Redbox offers services between the central region of Peninsular Malaysia, namely Kuala Lumpur, Selangor and selected parts of Negeri Sembilan, and the East Malaysian cities of Kuching, Miri, Sibul, Kota Kinabalu, Labuan and Sandakan.

Redbox delivers parcels weighing between 5kg and 25kg, with shipment rates ranging from RM47 to RM192 per parcel.

In the partnership, DHL provides the "first mile" and "last mile" services, namely the pick-up and delivery. Customers could also drop off their parcels at any MBE outlets in the central region and the six East Malaysian cities.

Meanwhile, the DMSBT Group, a Google Enterprise Partner, provides online parcel tracking services using the Google Maps interface.

Fernandes said Redbox would expand to all the other destination that AirAsia and AirAsia X fly to early next year.

Commenting on news reports that AirAsia was looking at merging with its sister airline AirAsia X, Fernandes said the plan was his idea and the matter had not even been discussed at the board level.

"I have mentioned before that it is logical for us to do but it's not my decision. It's for the board of the company to decide," he said.

By GAN YEN KUAN