

Apex
Insight

European Parcel Shops

Insights from Interview Research

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About this report

What does the report contain?

- This report contains the findings from a series of 117 interviews that we carried out with parcel shops in the UK, Germany, France and Belgium.
- Interviews covered the main operators in each market:
 - UK (52 interviews): Collect Plus, Hermes, DHL, UPS
 - Germany (30): DHL, Hermes, UPS, GLS, DPD
 - France (18): Kiala, Mondial Relay, Pickup Services
 - Belgium (17): Kiala, GLS, B Post
- Most interviews were carried out by telephone but we conducted 17 site visits to UK parcel shops (from several chains in towns and cities across the south and west of England) to gain more in-depth insights.
- The report summarises how handling parcels works from the point of view of the parcel shops. Areas it focuses on include:
 - Why they do it and what they see as the benefits
 - How many parcels they handle: collection vs receipt
 - What works well and what goes wrong
 - What spare capacity they have to cope with increased volumes
 - To what extent parcels customers buy other things
 - Whether they expect to carry on doing parcels in future
- We also include detailed transcripts from seven of our site visits.

Why is it important?

- Parcel shops are staffed locations, most commonly found in convenience stores with long opening hours. They typically have a data link – usually in real-time – to update the system of the network operator or parcel carrier when an event, such as a delivery or collection, has occurred.
- Parcel shops offer benefits to a range of parties:

- For consumers who are not at home all day, they can provide a better and quicker way to get a parcel than a pure home delivery service, as well as a cheap and convenient way to send a parcel.
 - For parcels carriers they provide potential for significant cost reduction, not just from eliminating failed deliveries but also from providing consolidation of deliveries and collections.
 - For retailers they offer not only a potential to share in the cost reduction but also an additional click-and-collect channel to enhance their proposition to their customers
 - The host stores gain from both the incremental revenue and increased footfall
- Our May 2014 report revealed that, at that time, there were almost 100,000 parcel shops across the continent.
 - We believe that parcel shops have succeeded, and continue to do so, because they have potential to offer benefits to a range of different parties through a combination of increased convenience and lower cost.
 - The research, and subsequent discussions with clients, threw up several interesting questions. These included:
 - How much capacity is there in the parcel shop network? Could networks become a victim of their own success with operators unable to scale up quickly enough and customers finding that there was no space for their parcel?
 - With retailers are increasingly relying on parcel shops to be part of their customer experience, how well do the systems and processes work in practice? What things do go wrong and how often?
 - Does operating a parcel shop make commercial sense for the host locations? Do they generate the hoped-for additional footfall and what level of incremental sales does it translate into?
 - What are the differences between how the main parcel shop chains operate?

Who might the report be useful for?

- The report is designed to provide insights for a range of parties involved in the operation of parcel shops and in the broader processes of home delivery.

European Parcel Shops: Insights from Interview Research

- It is likely to be of interest to:
 - Operators of parcel shop networks
 - Operators of secure locker networks
 - Operators of convenience store chains and other potential host sites
 - Parcels carriers
 - Internet and multi-channel retailers, especially those who make use of parcel shops to provide a click-and-collect delivery channel for their customers
 - Investors in these sectors and their advisors (consulting firms, banks, etc).

About Apex Insight

Company background

- Apex Insight is an independent provider of research, analysis and advice
 - Founded in 2012 by a team with experience of working in strategy consulting and the transaction advisory team of a Big 4 firm
 - Particular focus on parcels and logistics
 - Publish market reports and carry out consulting work to address more specific requirements

Consulting services

Custom market analysis

- Research and evaluation of your required market to your desired scope.
- Market quantification, competitor insight and intelligence, analysis of drivers and forecasts

Commercial / operational due diligence

- Experience of leading c.100 transactions.
- Work includes assessment of market attractiveness, competitive position, customer relationships, information systems and operational performance.

Primary research

- We have deep experience in conducting face-to-face interviews with senior-level decision-makers and managing large-scale surveys, plus even more experience in analysing findings to provide insights and actionable results

Growth strategy

- Outward looking and fact-based: market entry strategies, search and screening programmes for new partners, customers or acquisition targets, benchmarking.

Related research

- UK Express Parcels (September 2014) <http://www.apex-insight.com/product/uk-express-parcels-market-insight-2013/>
- UK Consumer & Small Business (C2X) Parcels Services (August 2014) <http://www.apex-insight.com/product/c2c-parcels/>
- European Parcel Shop and Locker Networks (August 2014) <http://www.apex-insight.com/product/european-parcel-shop-and-locker-networks-market-insight-report-2014/>
- European Parcels Market Insight (February 2014) <http://www.apex-insight.com/product/european-parcels-market-insight-report-2014/>
- UK e-fulfilment (February 2014) <http://www.apex-insight.com/product/uk-e-fulfilment-market-insight-report-2014/>
- European Airport Catering (February 2014) <http://www.apex-insight.com/product/european-airport-catering-market-2014/>
- UK Express Parcels: In-depth Carrier Profiles (<http://www.apex-insight.com/product/uk-express-parcels-in-depth-carrier-profiles/>)
- UK Truck Leasing (<http://www.apex-insight.com/product/truck-leasing/>)
- UK Car Leasing (<http://www.apex-insight.com/product/car-leasing/>)

Research subscriptions

- For clients who require access to multiple reports plus report updates and analyst time for further research, presentations, etc.
- Can be tailored to meet individual requirements cost-effectively

Contents

- About this report2**
 - What does the report contain?..... 2
 - Why is it important? 2
 - Who might the report be useful for? 2
- About Apex Insight4**
 - Company background 4
 - Consulting services 4
 - Related research 4
 - Research subscriptions 4
- List of charts and tables6**
- Background7**
- Network maturity..... 10**
- Customer profile 11**
- Benefits of operating a parcel shop..... 12**
- Service issues 13**
 - UK..... 13
 - Germany..... 13
 - France..... 14
 - Belgium..... 14
- Parcel volumes 15**
- Parcel shop capacity and utilisation 17**
- Collection / dispatch split..... 19**
- Cross-selling to parcels customers 20**
- Comments from parcel shop visits 21**

- Background..... 21
- 1. Newsagent, UPS Access Point 22
- 2. Newsagent, Collect Plus..... 24
- 3. Londis Store, UPS Access Point. 26
- 4. Staples store, DHL Service Point. 28
- 5. Off-licence store, Collect Plus. 30
- 6. Ryman store, DHL Service Point..... 32

List of charts and tables

1. Parcel shop
2. Number of parcel shops interviewed per country by network
3. How long have you done parcels for? / months
4. Average weekly number of parcels per shop
5. Average weekly number of parcels per shop by network
6. Average parcel shop capacity by country / parcels per week
7. The average overall weekly capacity by network / parcels
8. Average parcel shop utilisation by country
9. Average parcel shop utilisation by network
10. Collections as a percentage of total parcel shop volume by country
11. Average overall percentage of collections by network
12. Average percentage of parcels customers buying something else by country
13. Percentage of parcels customers buying something else by network