

Sustainable same-day delivery: new business opportunities for local delivery operators

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Challenges for retailers, delivery operators, cities



- What is the role of local delivery operators to support local retailers?
- Are there profitable business models?
- Is there a need for green delivery?

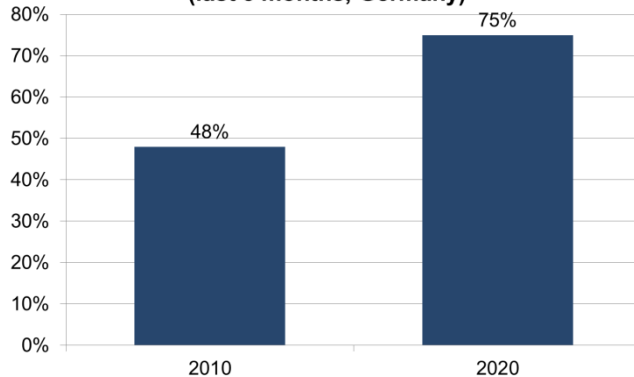
- Background: structural changes in retail markets
- New business chances for local delivery operators
- Case studies for local sustainable delivery in German cities
 - WüLivery
 - Boxbote
 - Wir sind Bochum
- Future outlook

Background Retail transformation

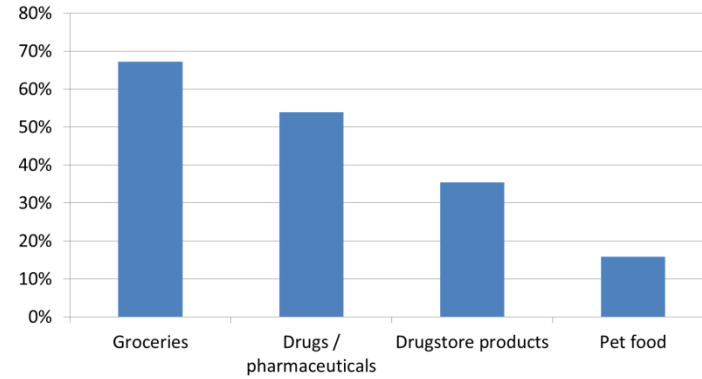


- Local shops under pressure from e-commerce
- Surge of new online customers and exploding e-commerce sales
- New players, in particular food/grocery delivery

% Online buyers
(last 3 months, Germany)



Increase in online sales by category 2019-2020
(Germany)



Source: bevh (2021)

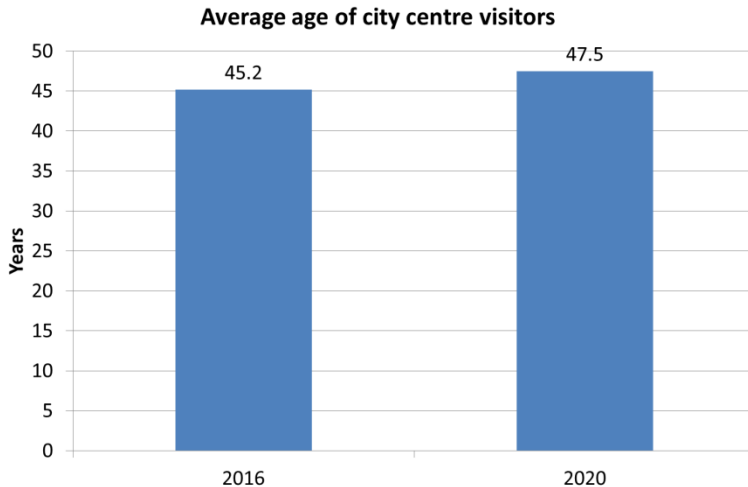
Background

COVID-19 accelerates structural changes



Young people shop less in local stores

- Survey among city centre visitors in 2016 and 2020 (n > 57,000)



Many local shops expected to close

- Estimate: structural change accelerated by 7-8 years by COVID-19
- Additional ~80,000 local shops may close until 2023 (source: Institut für Handelsforschung)
- Fashion shops: sales areas (sqm) could decline by up to 50% in 2030 (source: KPMG, Fashion 2030)

New business opportunities for local delivery operators



~2.3 billion B2C parcel and express items in 2020



Local delivery operators
- mostly active in (local) B2B



Local online marketplaces bring together local delivery operators and local retailers

Local online marketplaces

Logistics value chain for local online marketplaces



Case studies for local sustainable delivery

Overview



WIK did research on 20 local online market places with local delivery

- Boxbote / Augsburg
- Bringoo / Hamburg
- Compravo / Bielefeld
- Flobee / Arnsberg
- Friesennetz / Nordfriesland
- Gronau inside
- Hofladenbox / Roßtal
- Kiezkaufhaus / Bad Honnef
- Knoblauchland Gemüse / Nürnberg
- Landkorb / Rohrlack
- Lozuka / Siegen
- Mainlokalshop / Lohr a. Main
- Marktplatz Donau
- Mein Marktstand / Oldenburg
- Monheim
- Münster bringt's
- Rottenburger Lokalhelden
- Vu-do Sonthofen
- Wir sind Bochum
- Wülivery / Würzburg

3 criteria

- Local retailers only
- Digital sales channel
- Local delivery

Case studies

Local online marketplaces in three German cities



Würzburg



Bochum



boxbote

Augsburg

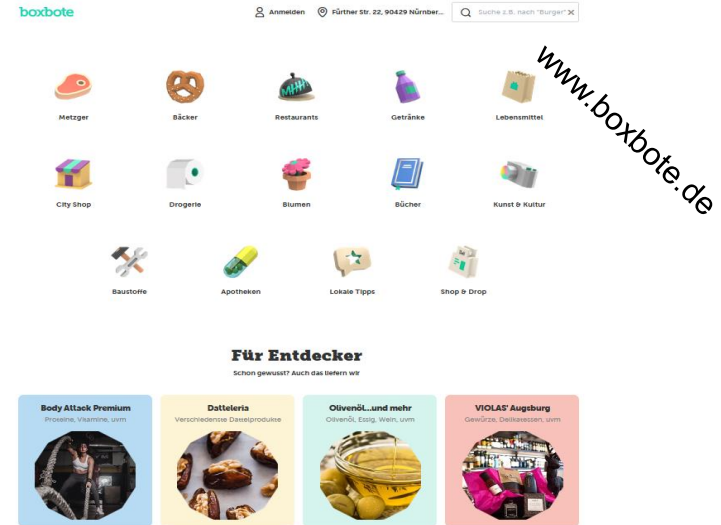


City	Inhabitants
Bochum	370.328
Augsburg	299.021
Würzburg	129.405

Case study ,Boxbote‘

- Started in 2015 as delivery platform for restaurants
- 2 cities: Augsburg, Nürnberg
- Augsburg: > 50 local retailers with customised product range
- Up to 200,000 users per month
- Delivers parcels for nationwide operators in off-peak times

Boxbote	
Publicly supported	No
Delivery quality	Same day
Days/week	7
Vehicles	Bikes and cargo bikes
# Delivery staff	80-90
# Hubs	1 (another planned)



- Consumers pay between 0 € and 5.90 €, depending on location
- Retailers: monthly fee plus revenue share

Case study ,WüLivery‘

- Started in November 2020
- Würzburg
- > 100 local retailers, no restaurant deliveries
- Logistics partner: bike courier operator (B2B)
- Plan to extend delivery area to rural region around Würzburg with electric vehicles

WüLivery	
Publicly supported	Yes
Delivery quality	Same day
Days/week	6 (Mo-Sa)
Vehicles	Bikes and cargo bikes
# Delivery staff	13
# Hubs	1

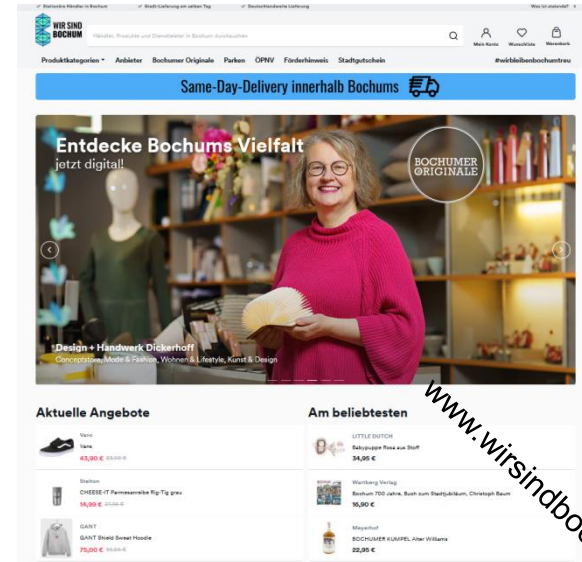


- No platform
- Originally: delivery of shopped items from stores to customers' home/hotel
- Consumers order via social media, phone, or email
- Retailers pay 4.50 € per delivery / free of charge during first 2 months
- Consumers pay what retailer charges

Case study ‚Wir sind Bochum‘

- Started in 2018
- Bochum
- > 30 local retailers, no restaurant deliveries
- Logistics by local operator specialised in e-vehicles

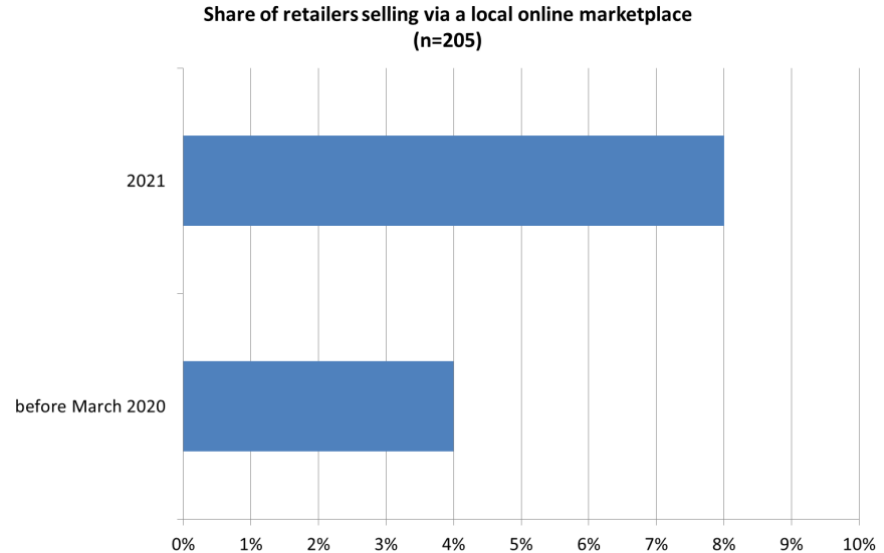
Wir sind Bochum	
Publicly supported	Yes
Delivery quality	Same day/Bochum, national delivery (D+2/4)
Days/week	6 (Mo-Sa)
Vehicles	Cargo bikes for collection, electric vehicles for delivery
# Delivery staff	2
# Hubs	1



- Retailers' fee 4.50 € per delivery
- Monthly retailer fee plus revenue share
- Consumers pay what retailer charges

Local online marketplaces experience growth on low level

- In Germany: number of local online marketplaces growing, but on low level
- Impact of COVID-19
 - Many initiatives to support local retailers
 - Local online marketplaces: number of local deliveries surged during pandemic



Retail is changing

- Retail is changing. Local delivery may help local retailers to
 - combine advantages of in-store personal advice and e-commerce
 - meet customer expectations on availability and convenience
 - become more sustainable

Structural change in city centres

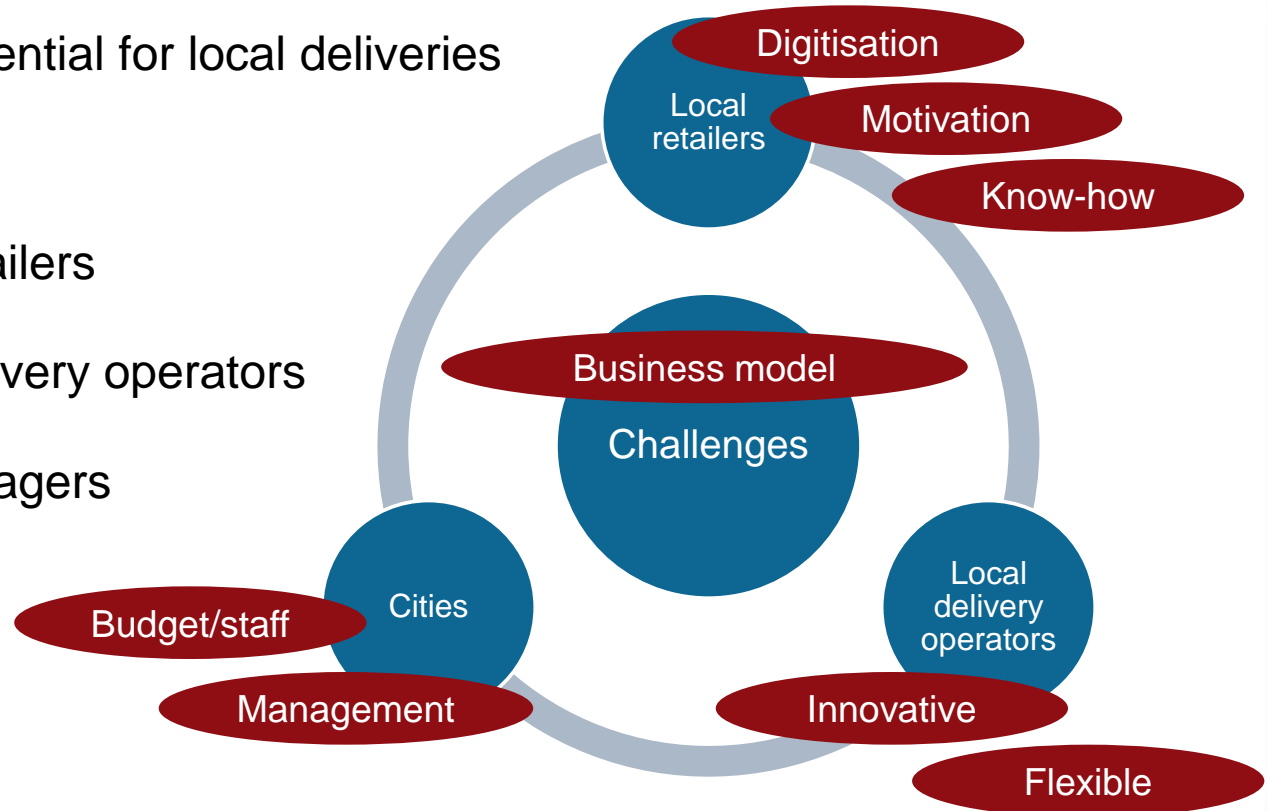
- City administrations are looking for solutions to
 - promote local trade
 - reduce congestion / traffic problems
 - reduce emissions
 - become more attractive to visitors / tourists

Growth potential for local deliveries

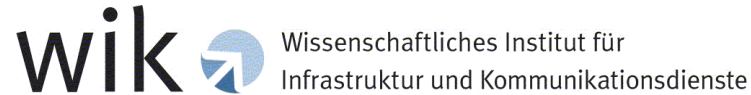
- Same day delivery as unique selling point for local retailers
- Sustainable delivery will become more important

Future outlook Challenges

- Huge growth potential for local deliveries
- Challenges
 - for local retailers
 - for local delivery operators
 - for city managers



Thank you for your attention!



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