The Growth of Collection Points in Europe

Is out-of-home delivery the new norm in this post-pandemic world?

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Last-Mile Delivery Landscape in Europe

Last-mile delivery is no doubt an integral part of the order fulfillment process but is also the most challenging to coordinate. Today, it takes more than just competitive pricing and quality products to win over customers and keep them coming back. Today's customers want **fast, accurate and reliable order fulfillment** without compromising on product quality. Many of them also demand **transparency and regular updates about their parcel's whereabouts** without having to pay an additional shipping fee.

A Shift Towards Unconventional Last-Mile Delivery Methods

In the world of e-commerce logistics, many consider the traditional option of home deliveries to be inefficient and outdated. The pandemic-induced e-commerce boom, coupled with the ever-changing expectations of modern customers, has prompted several retailers and carriers to explore unconventional delivery methods in fulfilling their e-commerce orders. This is in tandem with the growing e-commerce space that is projected to drive **package deliveries to $665 billion in market value by 2030**.

One key trend we observed was the rising prevalence of Pick-up and Drop-off (PUDO) points in Europe. According to Last Mile Experts, there are more than **336,000 PUDO location**s available throughout the region, of which **43,000 are automated parcel machines (APMs).** Research also shows that there has been a **40% growth in PUDO points in the European Union and the United Kingdom since mid-2019**.

In this report, we examine the use of collection points in three key European PUDO markets, namely Belgium, the Netherlands and the United Kingdom (UK). Join us as we unpack insights such as preferred pick-up times (and days) among customers, the percentage of parcels collected within the first 24 hours, and much more.

References:
"40% growth in pick-up/drop-off points in Europe," Ecommerce News - Europe 2021
"Out-of-home delivery in Europe 2021", Last Mile Experts & UPIDO 2021
"The Evolution of Last-Mile Delivery: From Traditional to Unconventional Methods", Parcel Monitor 2022

Collection Point Usage in Europe 2021: Belgium, the Netherlands & the United Kingdom

Out of the three European countries, **Belgium had the highest collection points (CP) usage in 2021 (8.9%),** followed by the Netherlands (6.4%) and the UK (3.9%)**.** With reference to our past data, we saw a decline in parcel deliveries to Belgium's collection points from 10.1% in H2 2020 to 8.9% in 2021. The downward trend was also observed in the neighboring UK where the CP usage went from 4.5% to 3.9% over the same time period.

Meanwhile, the **Dutch population increased its use of CP services by 0.4%**, which corresponds with PostNL's recent efforts to expand its Pick-up and Drop-off (PUDO) network. According to the NL Times, the company is looking to invest **approximately 450 million euros to set up 1500 PUDO points by 2024**, allowing more customers to send off and receive parcels at their convenience.

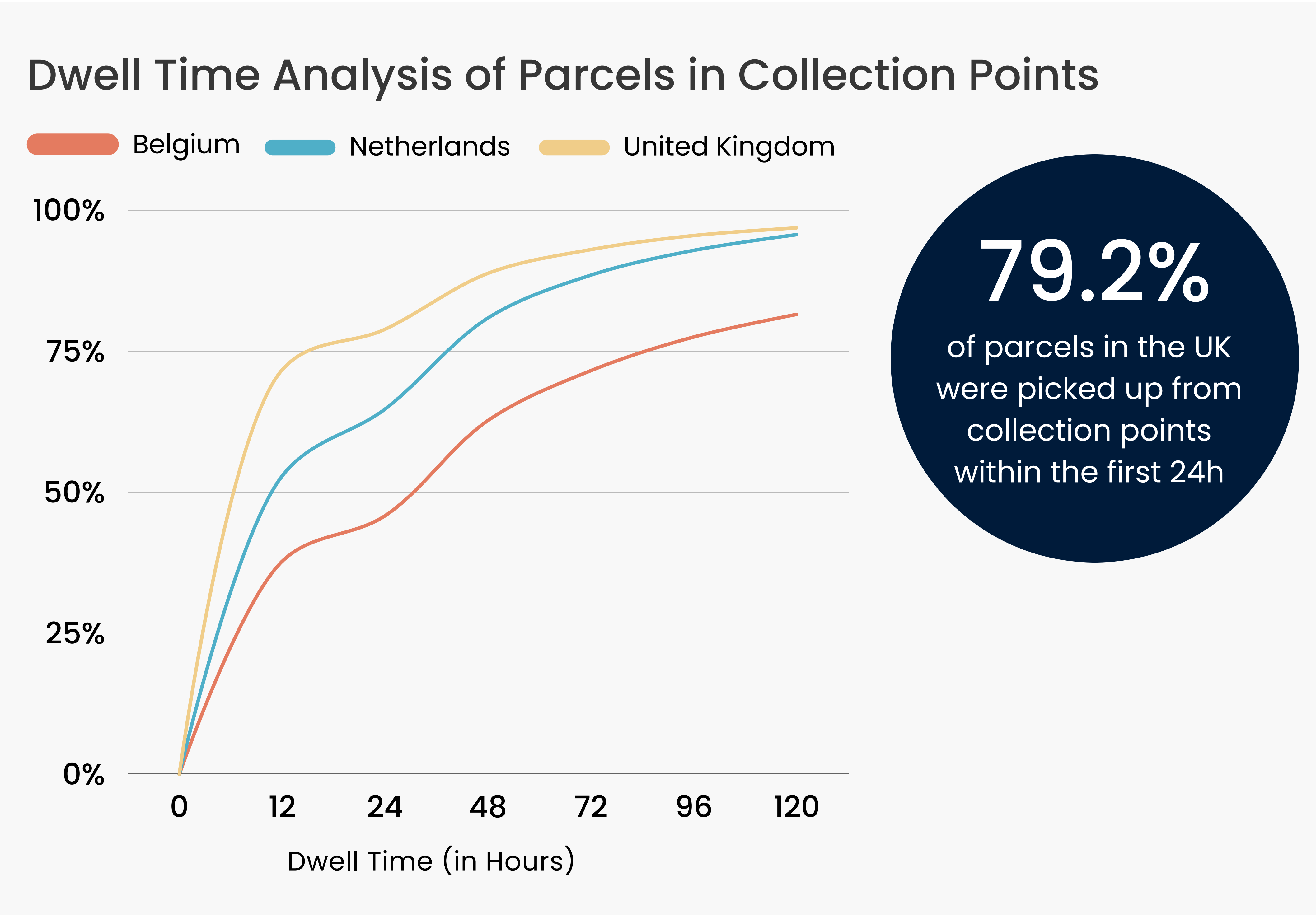## Collection Points Usage in 2020 vs 2021

■ 2020   ■ 2021

	Belgium	Netherlands	United Kingdom
2020	10.1%	6.0%	4.5%
2021	8.9%	6.4%	3.9%
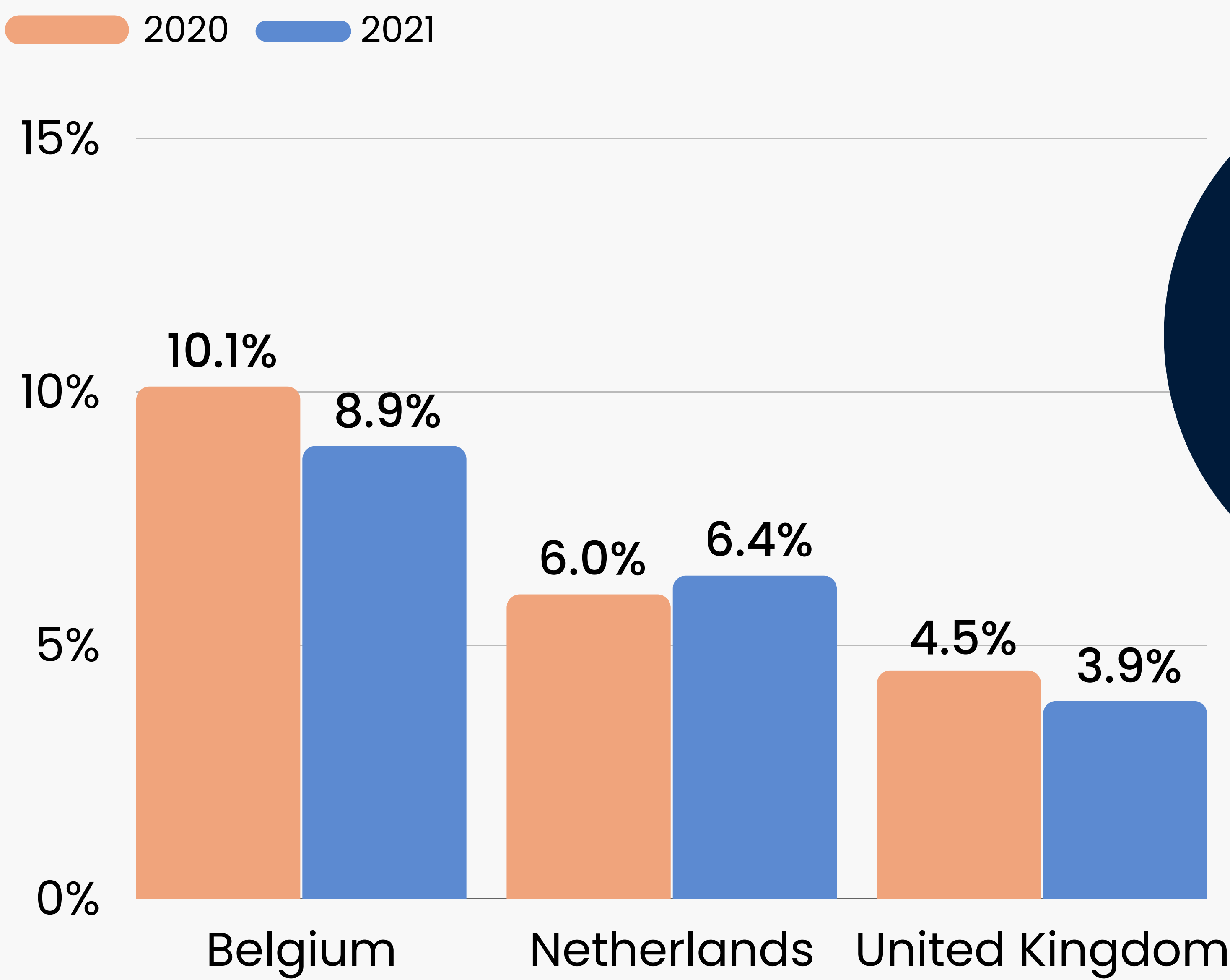
8.9% of parcels in Belgium were delivered to collection points

Source:
"H1 2021: E-Commerce Logistics in the Netherlands," Parcel Monitor 2022
"PostNL wants to build 1,500 parcel pick-up points by 2024 due to rise in e-commerce," NL Times 2021
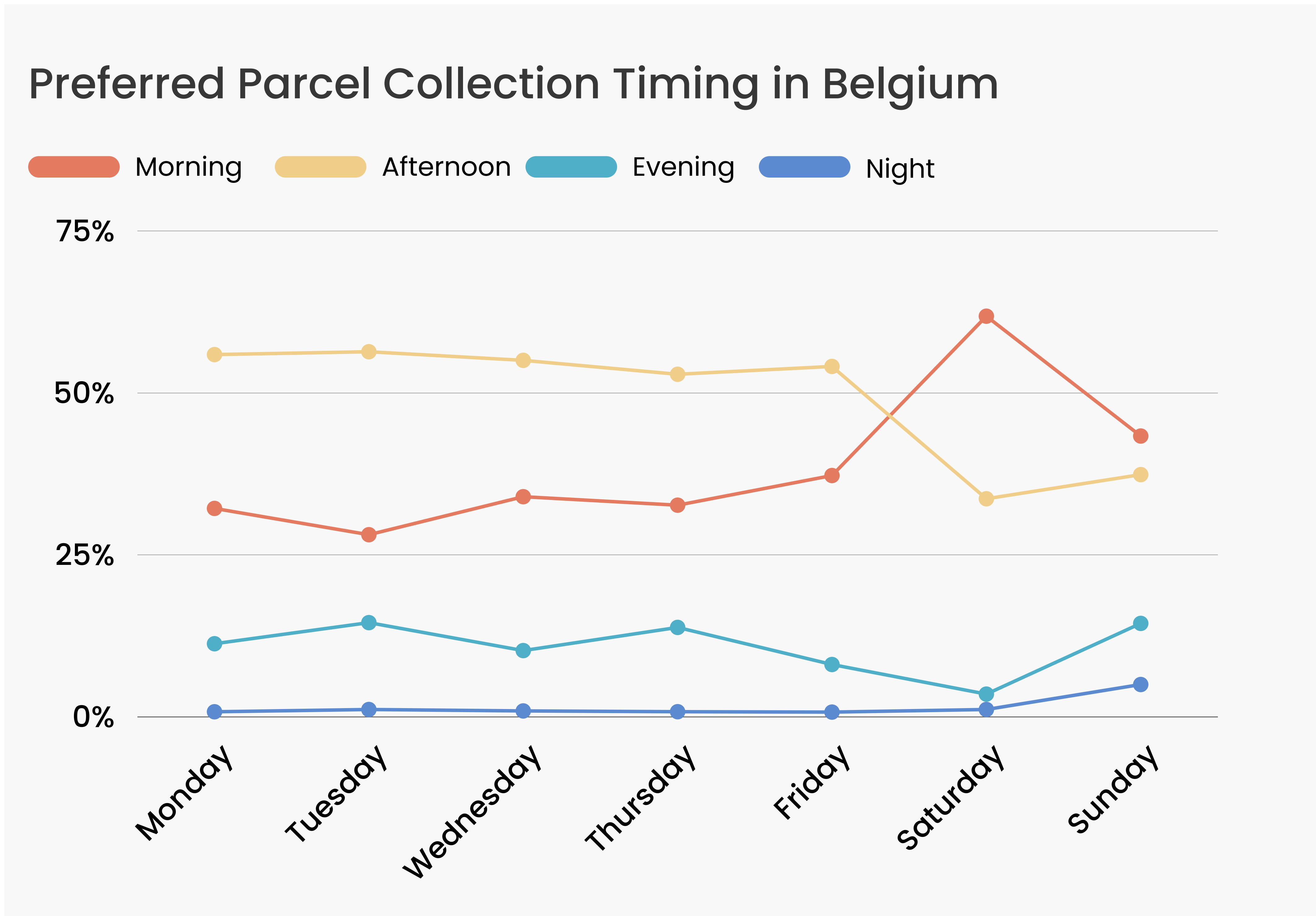
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The Majority of UK Customers Collect Their Parcels From Collection Points Within 24 Hours

Our analysis revealed that most parcel collections in Europe were completed in the first 24 hours last year, with the **UK having the highest rate at 79.2%**, followed by **Belgium (45.7%) and then the Netherlands (45.6%)**. This relatively short dwell time is hardly surprising considering how most of these collection points are set up in easy-to-access locations that people frequent in the course of their day.

Dwell time of parcels — or the time parcels spend at facilities waiting for drop-off or pick-up — is one of the more vexing challenges for stakeholders across the supply chain. For shippers, greater dwell time means greater detention fees and delivery delays which would then translate into bigger losses over time. To mitigate this problem, logistics carriers and retailers must work together to provide customers with delivery status notifications, informing them of their parcels' whereabouts. Communicating an estimated delivery date (EDD) post-purchase can also add to a positive delivery experience as it gives customers a timeline to rely on.

Dwell Time Analysis of Parcels in Collection Points

Belgium Netherlands United Kingdom

Dwell Time (in Hours)

79.2%

of parcels in the UK were picked up from collection points within the first 24h

Most Belgian Customers Prefer to Collect Their Parcels on Saturday Morning

Preferred Parcel Collection Timing in Belgium

Legend: Morning (red), Afternoon (yellow), Evening (teal), Night (blue)

According to a joint study done by Last Mile Experts and UPIDO, there is room for a higher density of APMs in most European countries. At present, **only seven EU markets have more than two parcel lockers per every 10,000 residents**, which signals the immense potential for a rapid expansion in the near future.

Despite bpost parcel lockers being available 24/7, 7 days a week, a whopping **61.8% of Belgian customers prefer to pick up their packages on Saturday mornings**. Considering how many of them choose to make an additional trip during their precious weekend, it is possible that these parcel lockers are not situated in highly-frequented public areas that would allow people to pick up their parcels on their way home or during their lunch hours on a weekday. This could also be the reason why bpost is looking to strengthen its collaboration with railway company SNCB, with plans to set up parcel lockers in 70 additional train stations over the next 6 months.

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About Parcel Monitor

An E-Commerce Logistics Community

Initiated by e-commerce logistics enthusiasts at Parcel Perform, Parcel Monitor is a community that aims to inspire the e-commerce logistics ecosystem to create a better delivery experience for everyone.

For Industry Professionals

E-commerce logistics professionals leverage our data and resources to derive market insights while forming meaningful collaborations across the entire industry.

For Consumers

Millions of consumers rely on Parcel Monitor's free parcel tracking to monitor the status of their parcels across 900+ carriers globally on a single platform.

Data Methodology

Through our benchmarking and carrier performance measurement activities, we collect billions of anonymized data points from 130+ countries each year. High-quality data from millions of parcels tracked from more than 1500 carriers have been analyzed to create this report.

Domestic and international data is analyzed on a "trade lane" level, comparing the same combinations of origin and destination to maintain data representativeness. Benchmark data sets have been compiled with strict minimum requirements for data point quantity and comparability (detailed in the respective "Benchmarking approach" sections).

To come up with these peak season projections, we applied different machine learning techniques specific to forecasting, evaluated the models' performance against historical data, and used the model that had the best accuracy to produce our forecast numbers.

Request for Your Customized Logistics Report

Parcel Monitor's Benchmarking Report measures your end-to-end logistics experience and compares it with data from more than 1500 carriers and over 2 billion parcel tracking updates.

With these industry benchmarks, compare and understand your logistics performance against the top logistics performers in your market. With the right insights, e-commerce businesses can make data-driven decisions to enhance the consumers' experience and improve customer lifetime value.

What's Inside the Report?

A customized report with critical performance metrics such as:

✓ Parcel volumes split by domestic/international

✓ Shipment transit times

✓ Carrier dependence

✓ Collection points deliveries

✓ ... and more!

The reports are available for free for Parcel Monitor members. Request for one now!

Request for your report now

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