



CONVERTING CLICKS INTO PARCELS

THE FUTURE OF E-COMMERCE

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In 2015, business-to-consumer e-commerce sales are expected to exceed \$1.7-trillion globally with strong growth forecasts for the foreseeable future (source: eMarketer, January, 2014). However, as sales volumes rise and consumers order from increasingly remote sellers, the challenge of getting from a click to a pick-up point in a way that satisfies e-consumers high expectations becomes a crucial issue for continued growth. The challenges and opportunities for logistics companies serving the e-commerce sector are enormous.

The United States represents one of the most valuable and sophisticated e-commerce markets in the world. However, traditional courier and postal services are still responsible for the fulfillment of most parcel deliveries. Unfortunately, these delivery methods lack the convenience, expediency, security and affordability that e-consumers increasingly enjoy elsewhere in the world.



Rafal Brzoska

Mr. Brzoska, InPost global CEO, is one of Europe's innovative business leaders.

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A perennial problem for courier services is the high rate of failed deliveries – increasingly nobody is home to receive deliveries during working hours and workplaces are balking at the flood of personal deliveries. The alternative – to leave packages on doorsteps – has exposed buyers and sellers to problems of theft. Furthermore, like postal operators, couriers are encumbered by the ‘last-mile’ problem – the disproportionately expensive final stage of delivery. All of this makes courier delivery relatively inconvenient, inefficient and expensive.

In recent years, “Click & Collect” points have circumvented some of the problems faced by courier and postal companies and consequently have become increasingly popular with consumers. However, pick-up times are still limited by the “Click & Collect” points’ opening hours. In the United States, some Amazon Lockers are available 24/7 but the network is simply too small to be a viable choice for the majority of buyers. As Amazon Lockers only serve goods purchased through their own platform

and the network is small, the idea of using self-service parcel lockers doesn’t even occur to the majority of American e-consumers’.



Tony Jasinski

Mr. Jasinski, InPost Canada CEO

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The situation in Europe is very different. InPost's Automated Parcel Machines (APMs) provide a round-the-clock self-service solution tailored to the needs of e-commerce that is rapidly becoming a favourite for e-buyers. And it is the open network available to all market players! To use the service, customers select their most conveniently located APM from the map when ordering and receive a notification from InPost via text message and e-mail when their parcel is ready for pick up. Customers can then pick up their securely held order at their leisure from the APM they selected.

By expanding its global network, InPost aims to offer truly worldwide cross-border deliveries. Online retail is becoming increasingly global and interconnected with massive growth in trade among countries. According to a study conducted by OC&C Strategy Consultants in collaboration with Google, cross-border e-commerce in six of the world's leading markets is due to increase five-fold to \$130-billion (U.S.) by 2020.



InPost is planning to expand its network in UK from the current 1000 to 1500 by the end of 2015

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According to InPost, its service is not just convenient for end users and e-shops but also it brings cost savings and environmental benefits for logistic partners. It's a model in which everybody wins. While a traditional courier can deliver 60-70 parcels a day, InPost's couriers can supply 10 times this number in the same period while simultaneously reducing average fuel consumption per parcel from 0.23 litres to just 0.01 litres and reducing CO2 emissions by 95 per cent (source: research by University of Science and Technology in Cracow). It also helps to reduce the number of cars needed to service same number of parcels by 40% limiting the traffic in big cities where usually are located the APMs. Efficiency also proves useful during peak shopping periods like Christmas when timely delivery is essential. One APM recently recorded 512 parcel deliveries in a single day – averaging more than one parcel every three minutes.



InPost is revolutionizing Italian e-commerce with Parcel Lockers in over 150 suburbs and cities of Italy

InPost has a strong record of innovation recognized by a string of international awards. However, is some other technology waiting around the corner that could displace the InPost service? At one point it seemed that drone delivery may have provided a futuristic alternative but media fascination has subsided with the realization that it doesn't actually present a viable logistics solution. Besides the astronomical costs, there are obvious safety and legal issues. The new regulations for drone control, issued by the Federal Aviation Administration in the United States, forbids automated drones — effectively grounding further plans for developing drones as a delivery solution. InPost is confident that its unparalleled global network and service is the future of e-commerce deliveries.



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