

# DPD Ireland

## Parcel Logistics

### Dublin Food Chain

27<sup>th</sup> Jan 2017



# Agenda

1. Current actors and services in the parcels market
2. Disruption in the European parcel market
3. Solutions carriers are introducing
4. Questions



# Current Actors, Services & status quo

1

# Parcel carriers in Irish Market

## International players



## National



## Services

Next day, same day, deferred international, air express, Saturday & Timed premiums

Differentiation based on service availability, quality, customer service and cost



# Food distribution challenges

## Frustrations with the status quo!

- For the artisan & SME producer **order volumes** and **Order Sizes** may be small resulting in low value orders & purchasing power challenges
- **Carriers refusing** food products, perishables, glass or liquids
- Delivery may increasingly be **directly to the consumer** in addition to a retailer or restaurant
- Challenges in distributing **chilled and frozen consignments** at parcel level are huge
- Breaking out of your geographically specific location can be a difficult, particularly taking the above into consideration
- Access to appropriate and **cost effective shipping packaging** when purchasing in small quantities
- Spending time on **non core activity**

**The status quo is not friendly to the food producer or distributor in most cases**



# Disruption in the European Parcel Market

2

# Disruption in European Parcel Market

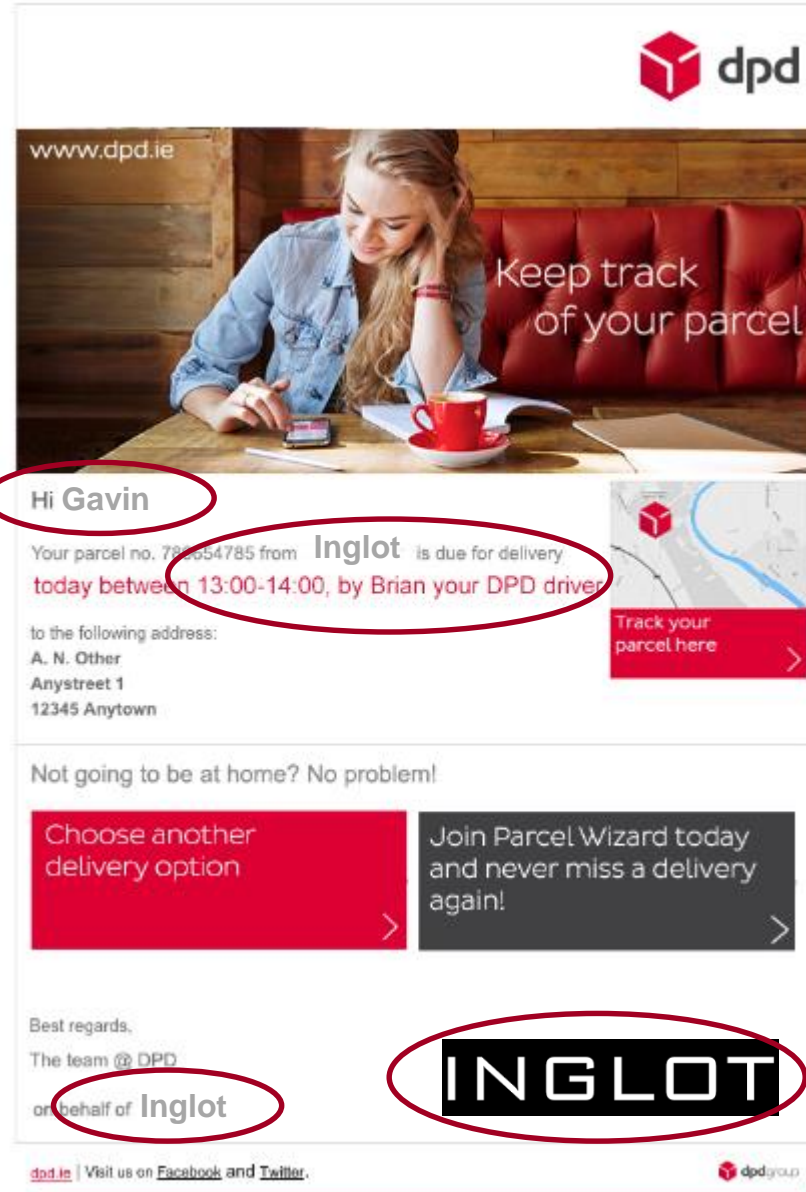
## Internet



Enabled new business concepts  
Changed how people purchase goods and services  
Changed the face of delivery of these goods  
– increase in B2C %

## Customer engagement

Visibility & trust  
Empowerment – delivery & inflight options  
Multichannel comms – mail, sms, web  
Social media -   



www.dpd.ie

Keep track of your parcel

Hi Gavin

Your parcel no. 720554785 from **Inglot** is due for delivery today between 13:00-14:00, by Brian your DPD driver

to the following address:  
A. N. Other  
Anystreet 1  
12345 Anytown

Track your parcel here

Not going to be at home? No problem!

Choose another delivery option

Join Parcel Wizard today and never miss a delivery again!

Best regards,  
The team @ DPD  
or behalf of **Inglot**

**INGLOT**

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dpd group

# Disruption in European Parcel Market

## Food Context

20% of our  
expenditure concerns  
food

The % of e-grocery is  
booming

Food is a massive market

In 2015

- \$700B in the US
- €1244B in Europe

Growth in online grocery sales  
(‘15 v ‘14)

- US: +157%
- Netherlands: +50%
- Germany: +38%
- UK: +26%
- France: +25%

**Online food delivery has the potential to double the size of the parcel market**

# Disruption in European Parcel Market

## Three different e-food delivery markets

Delivery of  
fresh/chilled/frozen  
food products D+1

1

Delivery of same-day  
fresh/chilled/frozen  
food products

2

Delivery of “on  
demand” grocery  
products and  
restaurants

3

### In three specific sectors

From Producers &  
Wholesalers to  
retail, consumer &  
restaurant

1

From retailers to  
consumers

2

Cooked & prepared  
meals from  
restaurants

3

### With geographical challenges & limitations

**hannan  
meats**

**PRM**  
GROUP

amazonfresh  
**TESCO**

 **deliveroo**

 **dpd**

SINCE 1971  
**KERRIGANS**  
AWARD WINNING CRAFT BUTCHERS

Carrefour express 

**Argos** **Sainsbury's**

**UBER RUSH**

**UBER EATS**

# Disruption in European Parcel Market

## Disruptors

The nub of the issue is;

The disruption to the existing order is whether the new disruptors decide to supplement their supply chains with other non food products and compete directly with the current Tier 1 carriers

However the Food disruptors have huge challenges to enter the last mile successfully;

1. Technology
2. Network coverage
3. Skill set
4. Current infrastructure limitations
5. New infrastructure required
6. Legislation and employee pay structure
7. Investment & profitability

# Disruption in European Parcel Market

## Disruptors

Disruptors are gaining traction and disrupting the status quo

The big carriers are starting to challenge their own operations in response

The Food sector has two attractions to carriers;

Revenue Opportunity

Market Protection

And there is a gap in the available service offering – there is no carrier offering chilled or frozen solutions at parcel level on a national or European basis

# Solutions

What is the parcel carrier responding with?

3

# Solutions

DPD Group

DPD Group Companies have launched national next day parcel services for Chilled & Frozen in France, and for Chilled in Spain.

Other countries are currently building capabilities, including Ireland.

Ireland expecting to launch in a matter of weeks

In due course the operations in each of the countries will then become connected to allow international shipping of product

# Solutions

## Connected Supply Chains

- Web shop solutions
- Storage & stock management solutions
- Fulfilment & added value services
- Packaging solutions
- Distribution services
- Customer engagement
- Reverse solutions

A connected supply chain of owned assets from point of sale to delivery



# Solutions

Primary Pillars of Service to address the agri-food market in Ireland.

Storage & Fulfilment

Regulatory Adherence

Temperature  
controlled  
environments for  
chilled & frozen  
products in transit

Packaging Solutions,  
DPD sourced &  
branded

Value Add services

Distribution Solutions

# Solutions

Value add services – web shop

- A new initiative to **assist business to sell online** and expand
- Providing a **simple & flexible** solution that will be **connected** to warehouse and shipping solutions
- Enables quick and easy trading **commencement**
- **Support packages** available to assist with SEO, marketing, photography, copywriting etc
- The offering enables the customer to **focus on their core business**
- Solution also has additional benefits to DPD & customer such as enabling **early address validation and late order acceptance**



# Solutions

## Packaging solutions & Temperature control

### Maintaining temperature in distribution phase

Used with a eutectic plate (freezer block) this solution will provide a chilled or frozen environment during distribution enabling the client to use their existing packaging.

Different eutectic plates will support either a chilled or frozen environment

Validated for 20 hours



# Solutions

## Packaging solutions & Temperature control

One way solution ideal for B2C delivery

Used with a disposable coolant this solution will provide a validated chilled environment of under +5 for 72/48 hrs



# Solutions

## Storage, fulfilment & hub

- 6,000sq metres opened in 2006 following €18.5m investment
- Fully automated delivery process from start to finish
- 24/7/365 High level of security. TAPA A
- €13 investment in hub expansion and warehouse space officially opened this week
- Capacity to sort up to 22,000 parcels per hour
- Facility is 10,000 sq m
- Ambient, Chilled & Frozen storage space



# Solutions

## Storage, fulfilment & hub

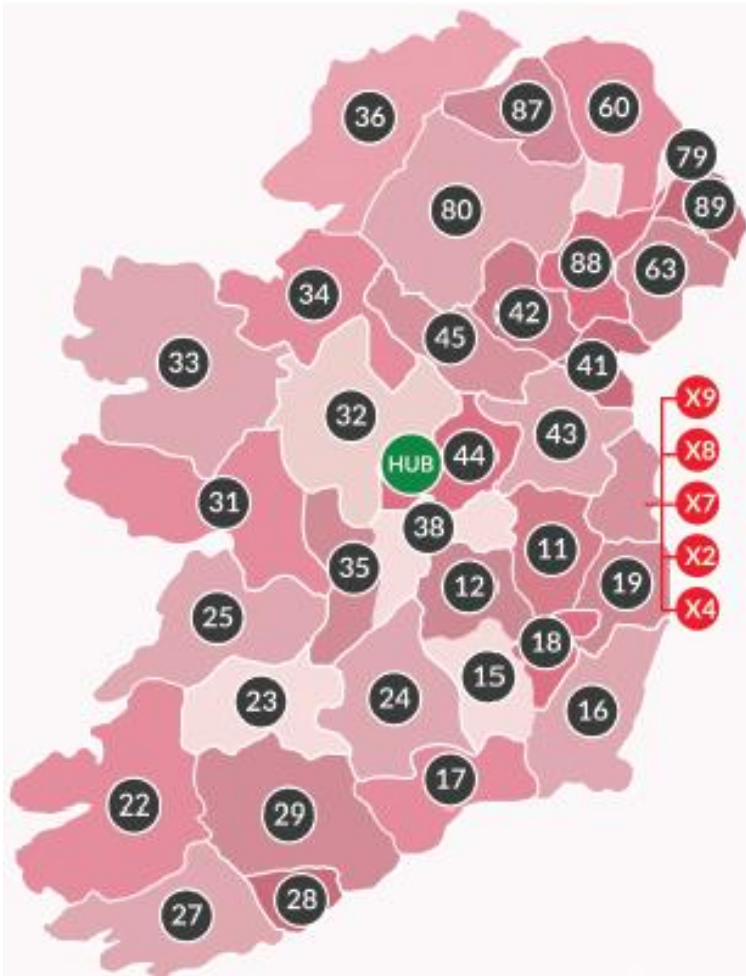


- Integrated WMS & tracking systems for visibility
- Orders received into the evening to 10pm fulfilled for next day delivery
- EHO sign off on 2<sup>nd</sup> Feb
- BRC accreditation mid 2017



# Solutions

## Ireland delivery network



Closer to your customers

Centrally located  
hub

38 Regional  
Depots  
offering local  
expertise

Strategically  
positioned for  
B2C & B2B  
deliveries

Real time  
communications  
Network

Next day delivery throughout

# Solutions

DPD can deliver to every private address in the country at least once a day

- Interactive messaging facilitating 'in flight' delivery options
- Configurable delivery options include
  - Leave with Neighbour
  - Change Delivery date &/or address
  - Leave in Safe Place
  - Leave in Letterbox
  - Collect from Local Depot/Parcel Shop
- 1 hour Predict
- Image, Satellite & Time information captured at each location/scan event
- Barcoded card left at failed delivery address if nobody home
- GPS co-ordinates & time captured at scan events
- DPD App & Parcel Wizard



And finally  
Solutions not too far away .....

