

DPD Ireland

Parcel Logistics

Dublin Food Chain

27th 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

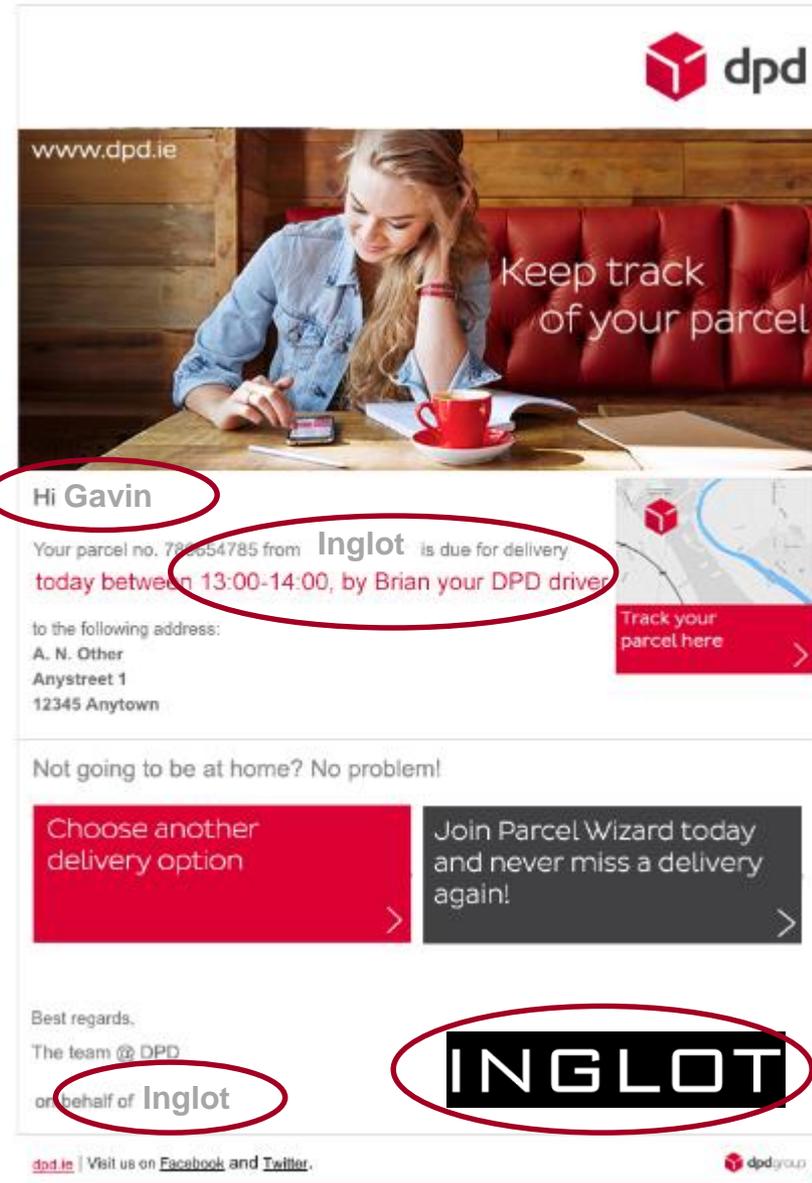
Internet



- 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. 780654785 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**

dpd.ie | Visit us on Facebook and Twitter.

dpdgroup

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

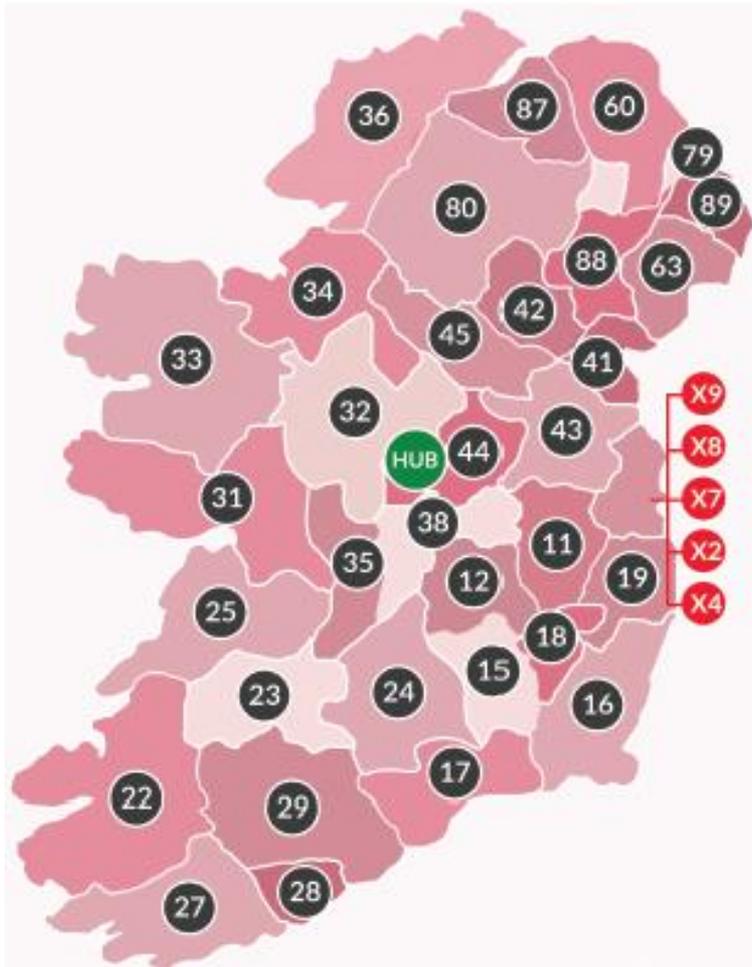


- Integrated WMS & tracking systems for visibility
- Orders received into the evening to 10pm fulfilled for next day delivery
- EHO sign off on 2nd Feb
- BRC accreditation mid 2017



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

