

LAST MILE DELIVERY KPIS FOR PEAK SEASON 2022

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Last Mile Delivery KPIs for peak season 2022

Ti Insight has partnered with Parcel Monitor, the trusted source of e-commerce logistics data insights for professionals. Through benchmarking and carrier performance measurement activities, Parcel Monitor collects billions of anonymized data points from 130+ countries each year. High-quality data from millions of parcels tracked from over 1,000 carriers have been analyzed to generate these insights.

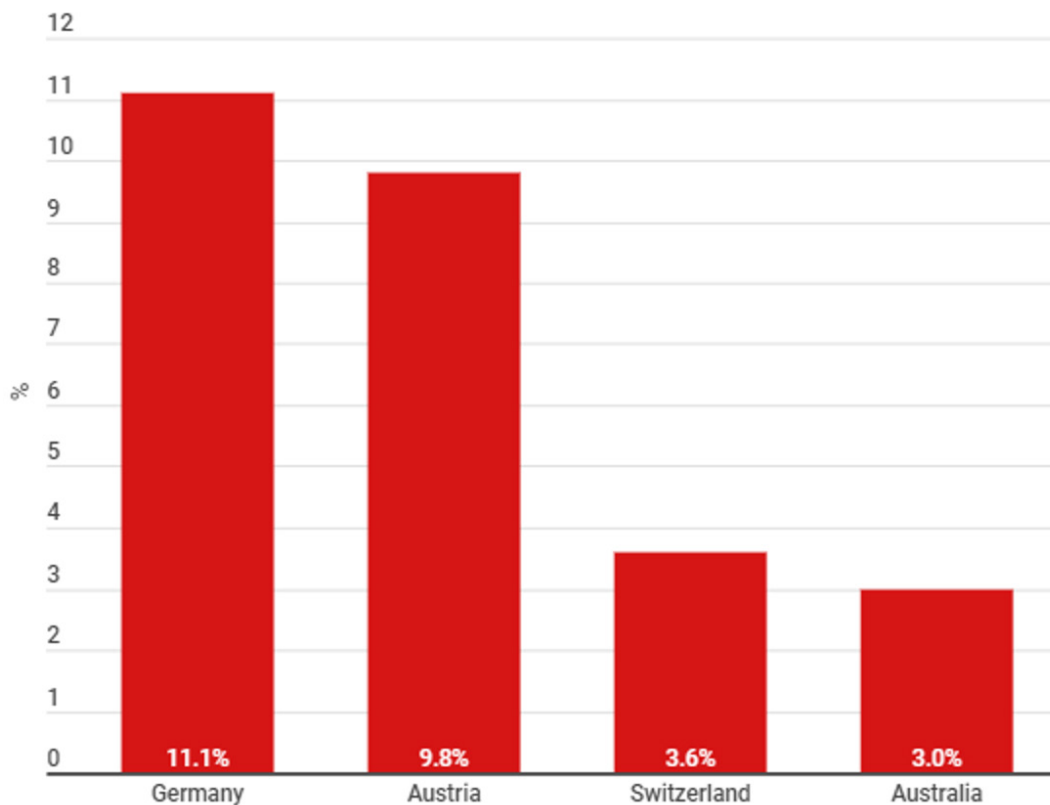
Same Day

Definition: Delivery on same day as collection from shipper

The same-day parcel delivery market has attracted a lot of interest in recent years, with acquisitions and start-up companies featuring in what is a small part of the overall parcel market. Same-day operations within the parcels and express delivery typically occur when the sender and the recipient are within the same city or town. In China, some carriers provide same-day services within cities. For traditional hub and spoke operations this typically doesn't happen as parcels are routed to depots where they are sorted and sent out. It very much depends on whether companies have this type of operation and network model. The start-up companies in this area concentrated on urban areas only and include Stuart, Postmates, Instacart, Delhivery, Ninja Van and typically deliver takeaway, grocery, and fashion items. Other traditional same-day delivery companies include CitySprint and Argos in the UK, retailers Alibaba and JD.com in China, and DHL in Germany. 'Delivery' can be delivered to the customer's doorstep or delivered to parcel lockers or post offices for collection.

Parcel Monitor has provided Ti with data on same-day delivery metrics for Austria, Australia, Switzerland, and Germany. The chart below shows the comparison between four selected countries. As a percentage of all parcels received from shippers, Germany and Austria have a relatively high percentage of same-day deliveries compared to Switzerland and Austria.

Same-Day Delivery Ratio, Q4 2022 (Select Countries)



Same-Day Delivery Ratio, Q1 2021 - Q4 2022 (Select Countries)

| Country | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|-------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Austria | 12.5% | 12.7% | 11.6% | 11.4% | 9.4% | 10.2% | 10.4% | 9.8% |
| Australia | 3.8% | 6.6% | 3.2% | 3.2% | 2.5% | 2.0% | 2.0% | 3.0% |
| Switzerland | 2.6% | 2.3% | 1.5% | 5.0% | 1.6% | 1.6% | 1.9% | 3.6% |
| Germany | 13.2% | 16.3% | 14.9% | 14.5% | 12.7% | 13.1% | 13.1% | 11.1% |

Source: Parcel Monitor

Collection Point Ratio

Definition: Collection point ratio refers to the percentage of parcels delivered to post offices and parcel lockers in each geography

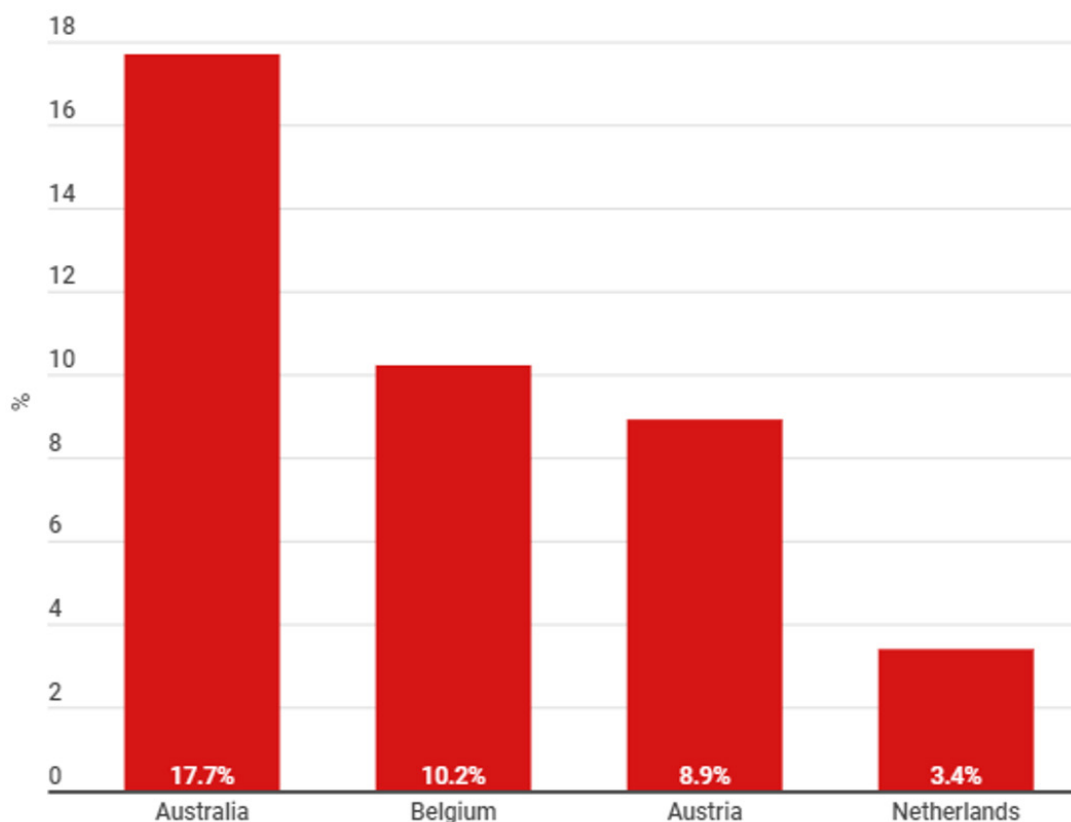
Parcel shops, which are staffed PUDO locations, are most commonly found in easily accessible outlets of host businesses with long opening hours, such as convenience

stores, petrol stations, supermarkets, and shopping centres. Staff usually have scanners or phone apps which enable parcels to be scanned to record receipt or collection. Secure parcel locker banks typically consist of 20 or more keyless lockers and a control unit that allows each door to be opened by someone with the necessary access credentials. Locker banks are generally found in locations that have both long access hours and a reasonable level of security, such as railway stations, shopping centres, leisure centres, supermarket car parks and petrol station forecourts.

Collection points have grown significantly in the last decade, but in some markets where adoption has been slow, it is growing rapidly. There are approximately 2.4m parcel shops and parcel locker locations (including post offices). This includes over 1.22m parcel shops (and post offices) and more than 500,000 parcel locker locations. China is by far the largest market with over 80% of locker banks. It is also a leader in the development and deployment of the latest locker and consumer app technology.

Parcel Monitor has provided Ti Insight with data on collection point metrics for Austria, Belgium, Australia, and the Netherlands. Of the countries analysed, Australia has the highest % of parcels going to collection points in Q4.

% of Parcels Delivered to Post Offices and Parcel Lockers, Q4 2022 (Select Countries)



% of Parcels Delivered to Post Offices and Parcel Lockers, Q1 2021 - Q4 2022 (Select Countries)

| Country | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|-------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Australia | 15.0% | 17.1% | 13.9% | 15.9% | 16.3% | 17.4% | 17.1% | 17.7% |
| Belgium | 8.1% | 7.4% | 7.9% | 8.8% | 8.3% | 8.9% | 8.4% | 10.2% |
| Austria | 10.8% | 10.7% | 11.1% | 11.0% | 10.5% | 10.8% | 10.9% | 8.9% |
| Netherlands | 5.5% | 3.7% | 5.3% | 4.7% | 4.7% | 5.5% | 6.3% | 3.4% |

Source: Parcel Monitor

Dwell Time at Collection Points

Definition: Dwell time refers to the percentage of parcels that are collected from a collection point within 24 hours

The use of collection points benefits all parties concerned. Networks potentially offer consumers a more efficient way to get their parcels than home delivery services alone. With long working hours, high participation in the labour force, and a high proportion of single-person households, daytime delivery services lead to a high proportion of failed home deliveries and hence delays in the consumer getting his/her item. For carriers, the delivery component of home delivery is the most expensive part of the overall parcel handling cost. The use of collection points offers large operational cost savings for carriers. Retailers selling online have the potential to negotiate for a reduction in their transport costs by obtaining a share of the benefits of parcel delivery cost savings. They can also offer reduced delivery pricing for consumers and reduced emissions per parcel.

Parcel Monitor has provided Ti Insight with data on collection point metrics for Finland, the UK, Canada, Australia, the United States, Sweden, Austria, Netherlands, Italy, and Belgium.

The percentages below highlight how quick consumers are to collect their parcels from collection points. Finland, the UK, Canada, and Australia have more than 50% of parcels collected within a day of it being delivered there. The remaining countries, whilst slightly lower, all show more than 35% of parcels being collected within one day of it being delivered there. On the flip side, for collection point operators, it does show some potential opportunity to charge users for late collection.

% of Parcels Collected from a Collection Point Within 24 Hours, Q1 2021 – Q4 2022 (Select Countries)

| Country | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Finland | 59.7% | 63.7% | 68.0% | 62.8% | 64.8% | 67.5% | 64.8% | 61.8% |
| UK | 63.7% | 68.5% | 69.8% | 67.2% | 66.4% | 66.5% | 63.0% | 60.5% |
| Canada | 58.7% | 55.8% | 55.0% | 56.1% | 56.0% | 56.0% | 55.8% | n/a |
| Australia | 50.4% | 50.5% | 54.8% | 50.7% | 52.1% | 50.5% | 51.9% | n/a |
| United States | 53.9% | 51.0% | 53.5% | 54.3% | 55.4% | 42.9% | 49.2% | 60.2% |
| Sweden | 40.4% | 40.4% | 43.4% | 42.8% | 46.5% | 46.7% | 48.1% | 49.9% |
| Austria | 48.2% | 44.6% | 40.0% | 37.4% | 45.7% | 47.9% | 46.1% | n/a |
| Netherlands | 50.8% | 49.4% | 49.2% | 46.1% | 43.8% | 47.5% | 44.7% | n/a |
| Italy | 45.1% | 39.8% | 45.6% | 45.7% | 41.5% | 46.6% | 41.6% | n/a |
| Belgium | 37.9% | 37.2% | 37.2% | 35.4% | 36.4% | 37.3% | 40.1% | 46.9% |

Source: Parcel Monitor

Transit Time

Definition: Transit time is defined as the number of business days a carrier holds a parcel until their first attempt to deliver to parcel recipient

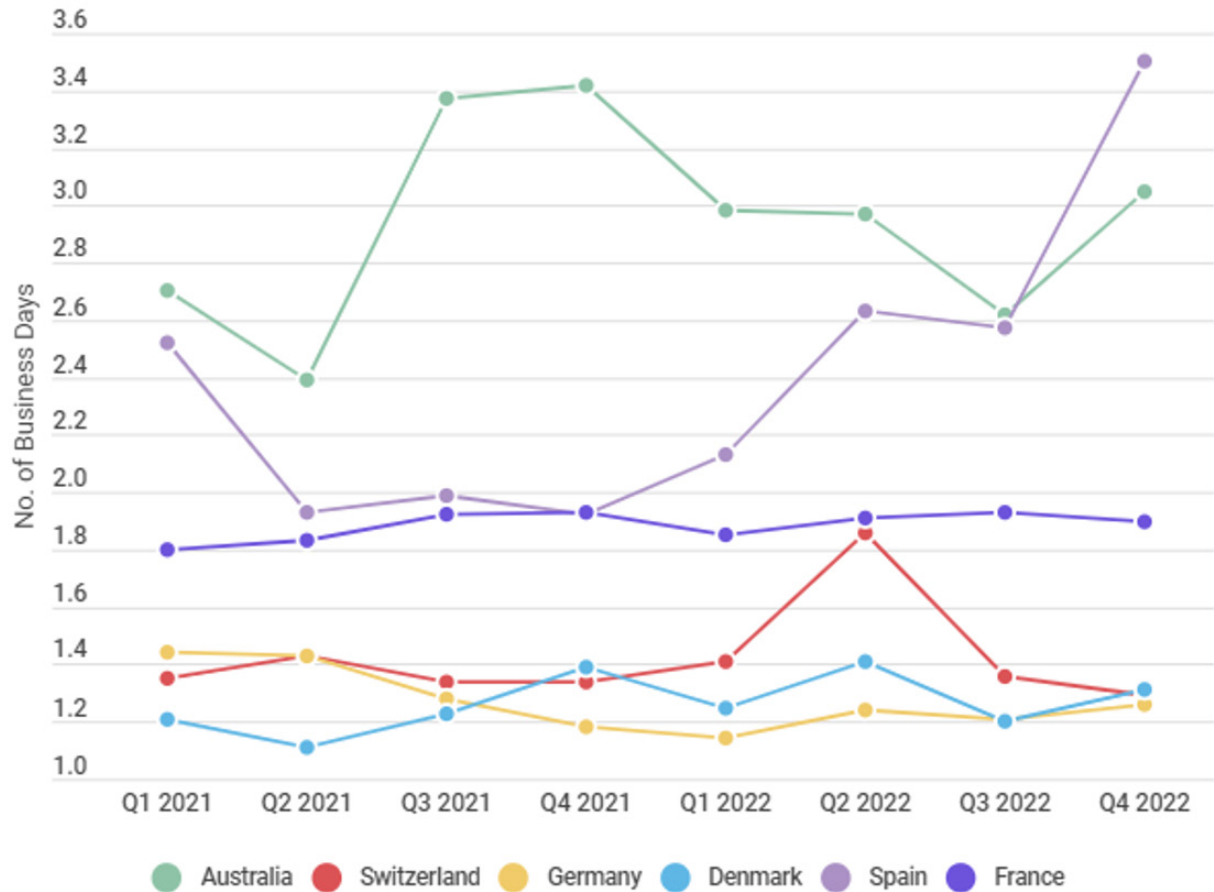
Transit times greatly impact customer satisfaction and is one of the more important variables influencing last-mile transport. Reducing transit times is a good way of enhancing customer experiences since faster transit times mean shorter waiting times for online shoppers. Data published by Parcel Monitor at the beginning of 2022 showed that the longer the transit time, the more negative the customer reviews. Due to the prevalence of free shipping, customers are also much less willing to pay a standard delivery fee, let alone a premium to ensure quicker delivery.

Parcel Monitor has provided Ti Insight with data on collection point metrics for Australia, Switzerland, Denmark, Germany, Spain, and France.

Of the countries analysed, transit time increased for four out of six countries during the 2022 peak season. Spain experienced the biggest jump in transit time in Q4 2022 compared with the previous quarter (36.1%), followed by Australia (16.3%), Denmark (9.1%), and Germany (4.1%). Increases in transit times are unsurprising given the surge in volumes that online retailers tend to witness during Q4 due to promotional holidays (like Black Friday and Christmas). Transit times are also likely to be exacerbated by labour shortages

across the last-mile market.

Transit Time from courier collection to first delivery attempt by day, Q1 2021 – Q4 2022 (Select Countries)



Source: Parcel Monitor

First Attempt Success Rate

Definition: First-attempt success rate refers to the percentage of parcels that are successfully delivered on the first attempt, compared to the total number of parcels shipped over a given period.

Successful first delivery attempts are a key factor in retaining customer satisfaction as well as maintaining profits. Deliveries completed in the first attempt not only provide a positive last-mile experience for customers but also help avoid incurring additional costs involved in executing multiple deliveries for the same order. According to Fleetroot, a delivery software provider, the follow-on cost for a second delivery is equivalent to delivering three packages. For retailers, first attempt failure means late final delivery for customers, thereby endangering customer satisfaction, more time spent on managing dialogue with customers, more miles travelled, and more money spent on fuel, and therefore reduced profit margins.

Two factors for delivery failure include:

- Inadequate quality and precision of delivery address information at the disposal of the driver (geolocation, accessibility).
- The difficulty of managing a system whereby a dialogue can take place between the shipper and the customer.

Parcel Monitor has provided Ti Insight with data on first-attempt success rate ratios for Austria, Australia, Belgium, Germany, Denmark, Spain, Finland, France, the UK, Italy, the Netherlands, Norway, Sweden, and the US.

Almost all countries analysed had first-attempt success rates of 90% or over in Q4 2022, with the Netherlands and Finland boasting first-attempt success rates of over 99%. Considering the fierce competition in last-mile services, parcel providers such as DHL have been partnering with accurate location software providers such as what3words to ensure successful first-attempt delivery and customer loyalty, as well as increased usage of collection points.

% of Parcels Successfully Delivered on First Attempt, Q1 2021 – Q4 2022 (Select Countries)

| Country | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---------------|---------|---------|---------|---------|---------|---------|---------|---------|
| Netherlands | 98.01% | 99.33% | 99.11% | 98.33% | 98.55% | 99.02% | 98.79% | 99.69% |
| Finland | 98.42% | 99.08% | 99.27% | 98.54% | 98.89% | 99.56% | 99.62% | 99.47% |
| Norway | 98.48% | 97.35% | 96.73% | 92.51% | 93.69% | 80.01% | 80.54% | 98.56% |
| Sweden | 98.33% | 95.25% | 97.61% | 96.14% | 97.56% | 98.47% | 98.61% | 97.99% |
| United States | 93.92% | 93.90% | 95.04% | 97.72% | 82.78% | 89.21% | 97.16% | 97.77% |
| Spain | 93.08% | 98.00% | 97.02% | 89.46% | 86.47% | 88.31% | 92.07% | 96.10% |
| Germany | 96.56% | 96.03% | 95.32% | 95.44% | 95.67% | 94.98% | 94.60% | 94.83% |
| UK | 96.59% | 95.22% | 94.81% | 93.81% | 94.82% | 93.89% | 94.02% | 94.25% |
| Denmark | 95.19% | 91.44% | 93.84% | 91.83% | 92.90% | 92.27% | 94.45% | 93.66% |
| Italy | 95.44% | 95.47% | 93.10% | 92.31% | 95.11% | 95.07% | 93.80% | 93.39% |
| Belgium | 94.61% | 95.71% | 93.96% | 92.97% | 93.53% | 93.26% | 93.43% | 92.73% |
| France | 89.82% | 91.14% | 87.87% | 90.22% | 85.91% | 89.36% | 89.72% | 90.00% |
| Australia | 88.84% | 88.82% | 91.99% | 90.77% | 91.04% | 90.29% | 90.52% | 89.65% |
| Austria | 87.94% | 87.48% | 86.73% | 86.72% | 87.98% | 87.83% | 87.60% | 87.95% |

About Ti



Ti is one of the world's leading providers of expert research and analysis dedicated to the global logistics industry. Utilising the expertise of professionals with many years of experience in the mail, express and logistics industries, Transport Intelligence has developed a range of market leading web-based products, reports, profiles and services used by many of the world's leading logistics suppliers, consultancies, banks and users of logistics services.

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Ti's online data platform - GSCi - contains in-depth last-mile delivery data and trend analysis, and coverage of the wider e-commerce and express logistics markets. Use GSCi to identify growth opportunities, support strategic decisions and stay abreast of industry trends and developments.

Visit [GSCi subscription](#) to sign up today or contact Michael Clover for a free demonstration: mclover@ti-insight.com | +44 (0) 1666 519907

About Parcel Monitor



Parcel Monitor is a community initiated by e-commerce logistics enthusiasts at Parcel Perform. We aim to inspire the e-commerce logistics ecosystem to create a better delivery experience for everyone.

Parcel Monitor offers free parcel tracking across 1,000+ carriers globally on a single platform. Leveraging on our data and technology, we capture consumer trends, provide market visibility and derive industry insights while fostering collaboration across the entire e-commerce industry.

[Join the community](#) for the latest news, data-driven insights and upcoming events for all things e-commerce logistics!

For more information on data benchmarking reports - please email Gelien Chia: gelien@parcelmonitor.com

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