

THE E-COMMERCE PUDO GUIDE

Exploring the functions and benefits of PUDO for your business



DECEMBER 2021

ROYALE INTERNATIONAL

TABLE OF CONTENTS

Introduction.....	2
What is PUDO? Why PUDO?	3
The Three-Step Collection Process	4
The Three-Step Return Process	5
The impacts of PUDO to your company and customers	6

INTRODUCTION

Product delivery and returns are fundamental elements of the customer shopping experience. Many retailers have shifted towards E-Commerce to serve the needs of their customers, and the Covid-19 crisis has only accelerated this change.

Instead of purely delivering parcels to residential addresses, many fashion retailers are now also offering various product pick-up and drop-off solutions to their customers. Research indicates that many customers prefer PUDO solutions over home delivery. Consumer's rate PUDO highly because of the benefits it offers with regards to convenience, storage security, and overall user experience ¹.

Royale International has created this brief guide to help you understand the benefits of PUDO in your company's E-Commerce strategy. Furthermore, we will outline the key functions of PUDO and portrait the impact PUDO will have on your business.

¹ (PUDO Point Counters), 2020. Pick Up + Drop off + Return.

What is PUDO?

PUDO, or the Pick Up / Drop Off network indicates the network of designated areas that is offered to consumers to pick up their E-Commerce orders, and drop off potential returns. PUDO locations are frequently offered across a city or region and can be located anywhere, ranging from convenience stores to petrol stations.

Why PUDO?

Due to today's fast-paced environment, more and more customers have raised their frustrations about traditional home deliveries. Statistics indicate that customer's irritation predominantly comes from **the late arrival of parcels**, delivery companies leaving online orders **outside their front door**, and **customers not being available to conveniently receive parcels at home** ².

To eliminate these frustrations, and to enhance the customer shopping experience, many large fashion retailers such as Zalora and ASOS are connecting to PUDO networks. These PUDO networks not only **fulfil the needs of their customers, but also enhance retailers' E-Commerce distribution processes, and more importantly, generate sales for future growth.**

² (PUDO Point Counters), 2020. Pick Up + Drop off + Return.

THE THREE-STEP CUSTOMER COLLECTION PROCESS

Step 1: Royale International delivers the retailer's E-Commerce orders to the PUDO location.

Step 2: Customers receive a notification that their parcel is available for collection.

Step 3: Upon arrival at the PUDO location, customers use a QR code to open a locker, or they can display the QR code to the store staff to pick-up their order.

Click [here](#) to view how we provide PUDO delivery services.

THE THREE-STEP CUSTOMER RETURN PROCESS

Step 1: Customers use the retailer's website to place a return order (software provided by Royale International).

Step 2: A QR code is generated for customers to scan at the PUDO location's interface. Alternatively, customers can present the code at the convenience store's front-desk, after which consumers can drop-off their return order.

Step 3: The return orders are collectively picked-up by Royale International and returned to the retailer for quality checks.

Click [here](#) to view how we provide PUDO return services.

The impact of PUDO on your company

The PUDO delivery and returns solution enhances customers shopping experience by providing both convenience and security. As a direct consequence, processes are optimised, cost are reduced, front-end sales increase and the overall profit enhances ³.

The impact PUDO predominantly covers the following areas:

Convenience, security and customer satisfaction

In today's fast-paced environment, customers want to maintain their flexibility. PUDO allows customers to fit order collections / returns into their daily schedule without needing to compromise. For example, instead of needing to wait at home for orders to arrive, consumers can collect their parcels when they see fit.

Furthermore, compared to residential deliveries, parcels are stored more securely through PUDO networks. Studies unveiled that approximately 11 million homeowners in the United States have had a package stolen. Some delivery companies leave parcels unattended on doorsteps when customers are not at home to collect their orders, making residential deliveries more prone to theft. For this reason, PUDO is also a more secure delivery option, avoiding property loss and potential re-delivery procedures ⁴.

³ (PUDO Point Counters), 2020. Pick Up + Drop off + Return.

⁴ (Business Wire, 2016). 11 Million U.S. Homeowners Experienced Package Theft Within the Last Year, August Home Study Reveals.

Cost reduction

12% of all residential deliveries in the UK is unsuccessful during the first attempt. This eventually leads to next attempt deliveries which in turn leads to additional costs. By redirecting to the nearest PUDO points when home deliveries are unsuccessful, additional re-delivery costs can be avoided ⁵.

Orders to specific PUDO locations can be consolidated into one delivery run due to the large storage capacity, resulting in fewer total miles driven. For this reason, PUDO deliveries are also more efficient than residential deliveries.

Studies show that PUDO reduces the delivery costs and time by 30% ⁶. In contrast, traditional home deliveries generally offer limited capacity due to the lower product quantity that must be distributed at a specific time to a specific location. Consequently, PUDO point deliveries are often cheaper than home deliveries.

Fulfilment of corporate environmental responsibility

PUDO also fulfils an important environmental role. As mentioned, fewer miles are driven due to parcel consolidation. This results in a decrease in greenhouse gas emissions, congestion, and pollution. 21% of the people aged between 18 and 24 stated the impact on the

⁵ (Capgemini Research Institute), 2019. The last-mile delivery challenge.

⁶ (PUDO Point Counters, 2020). PUDO Investor Deck Public 8-2020.

environment is an important element they consider when ordering online ⁷.

Conversely, home deliveries are not as environmentally sustainable. As mentioned, 12% of all residential deliveries in the UK is unsuccessful during the first attempt and had to be re-delivered. This increases the number of delivery journeys, and with that carbon emissions. For this reason, PUDO can also be considered as an important attribute to corporate social responsibility⁸.

Click [here](#) to view our E-commerce services.

⁷ (IMRG, 2020). Data and Reports.

⁸ (Capgemini Research Institute), 2019. The last-mile delivery challenge.