Unattended Reception - A Business Opportunity?

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Abstract

The reception of goods is a major challenge in the home delivery business. Most of the home delivery models require the customer to be at home to receive the order during the agreed timeframe. This increases the delivery costs and waiting is inconvenient for the customer. Some e-grocers, such as Peapod in the USA and SOK in Finland, tried to solve the problem by offering reception boxes to some of their customers. These customer specific boxes are usually refrigerated and located in the customer's garage or yard and can be locked. By using unattended reception it is possible to achieve more efficient home deliveries and free customers from the constraints of the supplier's timetable. However, investment in the reception boxes is high.

This article assesses the business opportunities offered by different unattended reception concepts. The e-grocery business has shown that investment in unattended reception would be a means of reducing the current operational cost level. However, it seems that no company has found a successful revenue model to make unattended reception profitable. In this article we identify and examine different concepts and revenue models of unattended reception. These are evaluated based on experiences from an e-grocery pilot in the Helsinki metropolitan area and on interviews with a catering kitchens. In addition, concrete examples of different revenue models are given, both in the B2C and B2B environment.

Keywords: unattended reception, reception box, home delivery box, home delivery, delivery service, electronic grocery shopping, grocery business, logistics