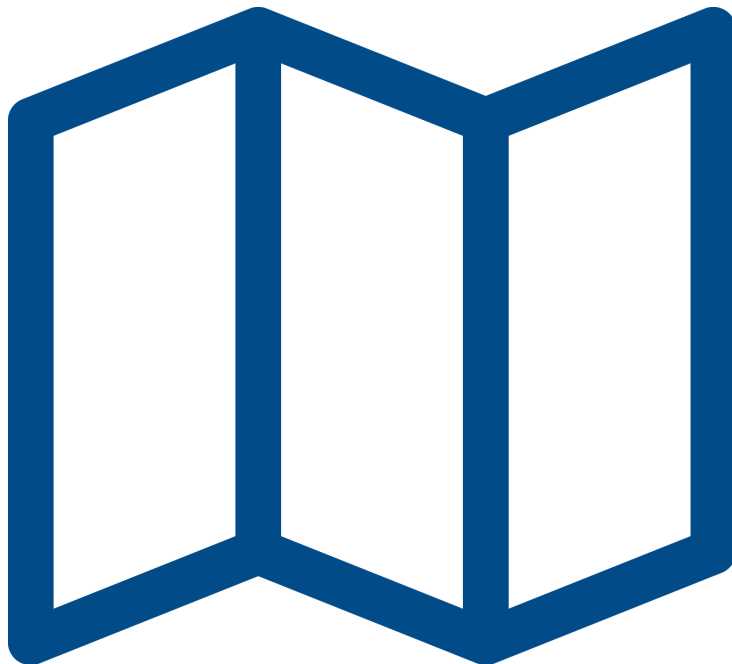


Mapping Parcel Shops

Understanding consumer
access to pick up and drop
off locations in Britain



Andrew Willshear

Summary

The UK parcels sector has grown by more than 50%¹ since 2010 - more than 2 billion parcels now are sent each year.²

A pick up and drop off (PUDO) point is a location, often a local shop or retail outlet, which can offer a range of parcel services. With around 40 million deliveries each year failing on the first attempt³, PUDO points can provide important delivery options for consumers who are unable to receive deliveries during the day and for delivery operators looking to reduce failed deliveries.

Beyond forming an alternative delivery option in the event of a missed delivery, PUDO points can also be used by consumers as a first choice collection location and to send and return parcels. Since 2011 the volume of online shopping returns in the UK has increased by nearly 60% to 89 million.⁴

For the first time, we map access to PUDO points across Britain. We review the location of just under 35,000 branches to understand the extent to which PUDO points can provide legitimate delivery and returns solutions for consumers and operators. This report presents the initial findings from our mapping research. Our analysis reveals 4 key findings:

- 1. Overall, there is a good provision of pick up and drop off points across Britain**
- 2. Levels of consumer access to PUDO points varies depending on geography**
- 3. Consumers in the most deprived areas are *best* served by PUDO points**
- 4. Post offices prop up consumer access to parcel services in some areas - particularly for rural consumers**

Alongside the findings in this report we also publish an [interactive map](#), allowing consumers to explore the provision of PUDO points in their community. This is done without referencing individual parcel carriers or their outlets.

We will publish a more comprehensive analysis of consumer access to PUDO points including our consumer experience research later this year.

¹ Apex Insight, [UK Parcels Market Insight Report](#), 2017.

² Ofcom, [Annual monitoring update on the postal market](#), 2017.

³ IMRG, [UK Consumer Home Delivery Review](#), 2017.

⁴ Apex Insight, [UK Consumer & Small Business \(C2X\) Parcel Services: Market Insight Report](#), 2016.

Research method

The findings in this report are based on analysis of PUDO point location data provided to Citizens Advice by 16 parcel operators.⁵ This includes just under 35,000 or over 80% of all PUDO points in Britain.

We used Geographical Information System (GIS) software to map PUDO points across Britain.⁶ Where relevant we report on consumer access by:

- Average distance to a PUDO point
- How many people live within 1 or 3 miles of:
 - 5 PUDO points served or provided by any carrier⁷ or;
 - 5 PUDO points served or provided by 5 distinct carriers

These distances are based on the average distance consumers are willing to travel to collect and return items, and align with how we assess access to the post office network.⁸ Due to exclusive arrangements between retailers and carriers, the majority of consumers are not able to choose a parcel carrier to deliver their item. Consequently PUDO points are only useful for collecting or returning online shopping orders if they are easy and convenient to use.

The number of PUDO points and carriers we report on is used as a proxy for a reasonable level of consumer access - the 5 biggest parcel operators account for over half (55%) of revenue in the business-to-consumer (B2C) segment of the UK parcels market.⁹

Access to PUDO points is calculated at an overall level - without referencing individual parcel carriers or their outlets due to the market sensitivity of these data. Where relevant, to provide context to the findings from our mapping analysis, we also include the initial findings from our consumer experience research.

⁵ The full list of operators who contributed their data to the project and are happy to be referenced, can be found in annex 1. For the purposes of this report a PUDO point includes post offices, parcel shops (those served / provided by carriers other than the Post Office or Royal Mail), locker banks and depots. A PUDO point is not a carrier in and of itself.

⁶ These figures are estimates based on as the crow flies distances using exact coordinates where provided, otherwise they were mapped from population-weighted Lower Super Output Area (LSOA) centroids in England and Wales, and Data Zone centroids in Scotland, to approximate PUDO locations. A true figure would require measuring distances from consumers' homes to exact PUDO locations. The statutory responsibility for postal consumers in Northern Ireland sits with the Consumer Council for Northern Ireland. Therefore this report does not include Northern Ireland.

⁷ For the purpose of this work, throughout the report 5 PUDO points served / provided by any carrier is reported as 5 PUDOs.

⁸ As the Statutory consumer watchdog for the post office network Citizens Advice has a responsibility to monitor the number and location of post offices. According to IMRG nearly 3 in 4 (74%) consumers would be willing to travel up to 5 miles to an alternative delivery location to collect their parcel. IMRG, [UK Consumer Home Delivery Review](#), 2017.

⁹ Apex Insight, [UK Business to Consumer Parcels: Market Insight Report](#), 2016.

Consumers have good access to pick up and drop off points

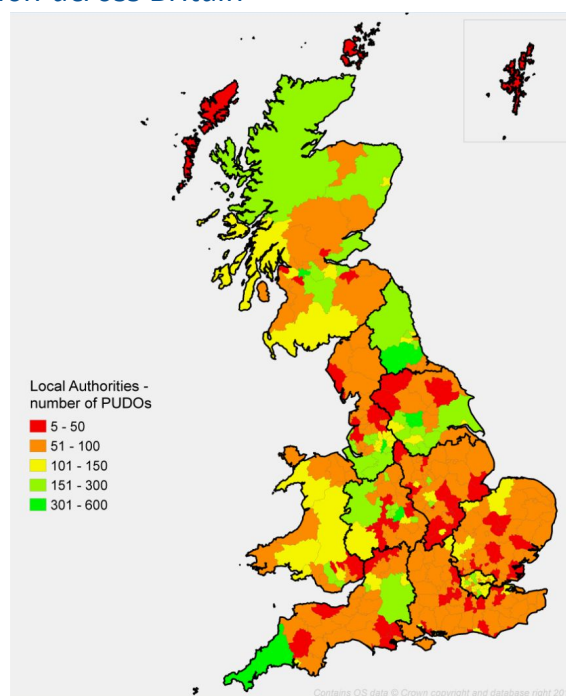
Pick up and drop off (PUDO) points generally allow consumers to send, return and collect parcels. They can be used as alternate delivery locations for consumers who are unable to receive deliveries at work or home, can offer longer collection hours and in some instances, cheaper delivery fees.

There are **more than 40,000 PUDO points** across Britain. While home delivery remains the top choice for consumers, more than half of consumers are happy to pick up items from an external location.¹⁰ Proximity to a PUDO point is a key factor in consumers using these locations as alternative delivery destinations. Our research shows that on average, **consumers are willing to travel 3 miles** to collect and return items.¹¹

In this context, our mapping analysis shows that overall **consumers have good access to PUDO points** in Britain. 2 in 3 (66%) consumers live within 1 mile of 5 PUDO points served or provided by 5 distinct carriers - giving them access to products from a wide range of retailers - while 9 in 10 (89%) live within 3 miles.¹²

Overall, consumers in Britain have good access to PUDOs

Figure 1. PUDO provision across Britain



¹⁰ Breaking Blue, [The future of consumer needs for postal services: Research report for Citizens Advice](#), 2016.

¹¹ Forthcoming Citizens Advice research on consumer use and experience of PUDOs.

¹² For the purpose of this work, throughout the remainder of the report this finding (access to 5 PUDOs served or provided by 5 distinct operators) is reported as access to 5 distinct carriers.

Londoners and young people are best served by PUDO points - nearly all Londoners (97%) and three quarters of young people (75% of those aged 18-34) can access 5 distinct carriers¹³ within 1 mile of their home. However, despite good access to PUDO points at an overall level, this varies across Britain .¹⁴

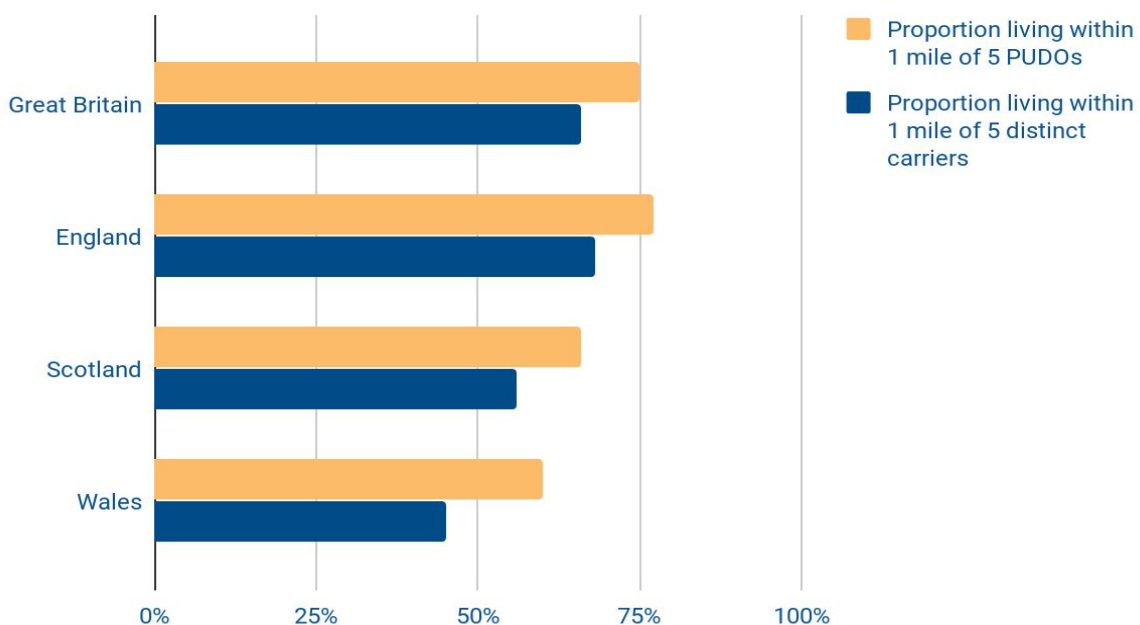
Access to PUDOs depends on location

British consumers live on average just over 1km from their nearest 5 PUDOs.¹⁵ This varies across the nations with English consumers living on average just under 1 km from their nearest 5 PUDOs, increasing to 1.4 km and 1.6 km for Welsh and Scottish consumers.

This pattern is reproduced when looking at what proportion of consumers live within 1 mile of 5 *distinct* carriers. As figure 2 shows below, **England has better coverage, over 2 in 3 consumers (68%) live within 1 mile of 5 distinct carriers, than Scotland (56%), Wales (45%) and Britain (66%) as a whole.**

England has the best access to a range of PUDOs and carriers

Figure 2. Proportion of consumers living within 1 mile of 5 PUDOs or 5 distinct carriers



¹³ Please note that the 5 distinct carriers providing or serving 5 PUDO do not remain the same throughout our analysis of this measure - i.e. this does not assess the same 5 carriers out of the 16 companies who provided us with data. Rather, depending on the location and consumer group we assess access for, the 5 distinct carriers and their PUDO access can also change.

¹⁴ For the remainder of the report PUDO points are referred to as PUDOs.

¹⁵ These figures are estimates based on as the crow flies distances from population-weighted Lower Super Output Area (LSOA) centroids in England and Wales, and Data Zone centroids in Scotland, to approximate PUDO locations. A true figure would require measuring distances from consumers' homes to exact PUDO locations.

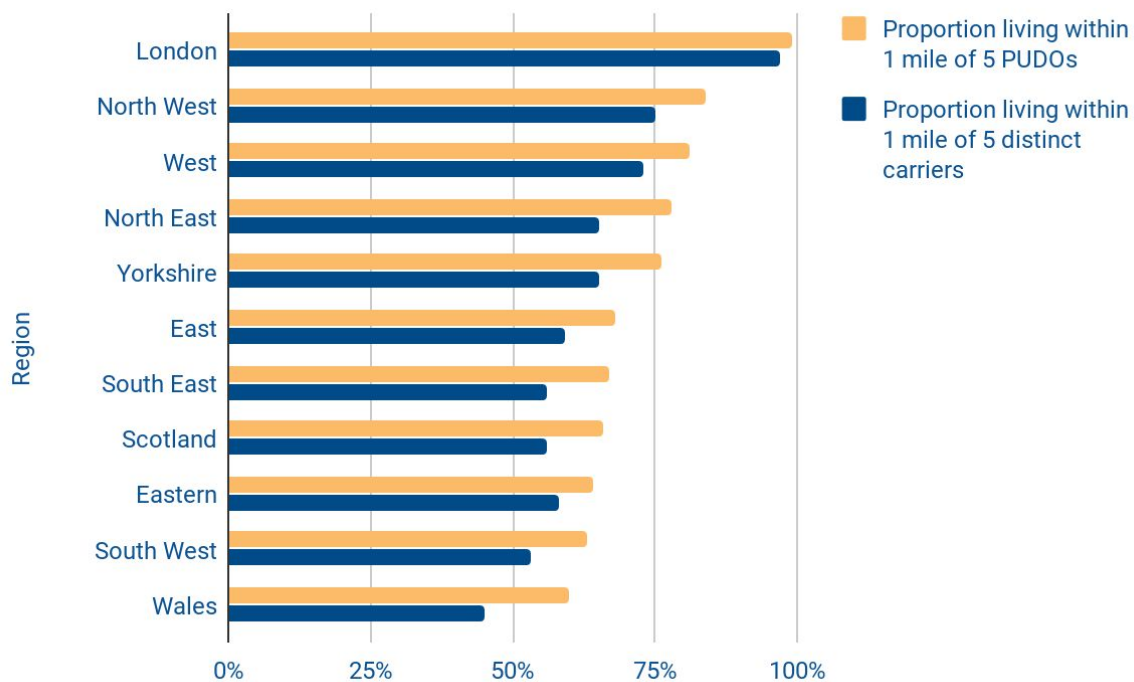
Comparatively low consumer access to a range of PUDOs and longer average distances to these locations in Scotland may reflect difficulties many parcel carriers experience delivering and maintaining a physical presence north of the central belt.

Many national carriers consolidate their deliveries with a few regional operators to deliver to consumers' homes or their associated PUDO networks. Research by Citizens Advice Scotland found that many consumers living in the Highlands and Islands¹⁶ are paying significant surcharges to receive their online shopping orders, with some retailers refusing to deliver at all to these areas.¹⁷

Access to PUDOs is greatest in London and worst in the South West and Wales. As figure 3 shows, while 97% of Londoners have access to 5 distinct carriers within 1 mile, nearly half (47%) of consumers in the South West and over half (55%) in Wales do not.

London has the best access to a range of PUDOs and carriers

Figure 3. Proportion of consumers across the regions living within 1 mile of 5 PUDOs or 5 distinct carriers



In fact, London has more PUDOs, just under 5,000, than the following 9 biggest cities combined, with just under 3,000, and nearly 8 times more than

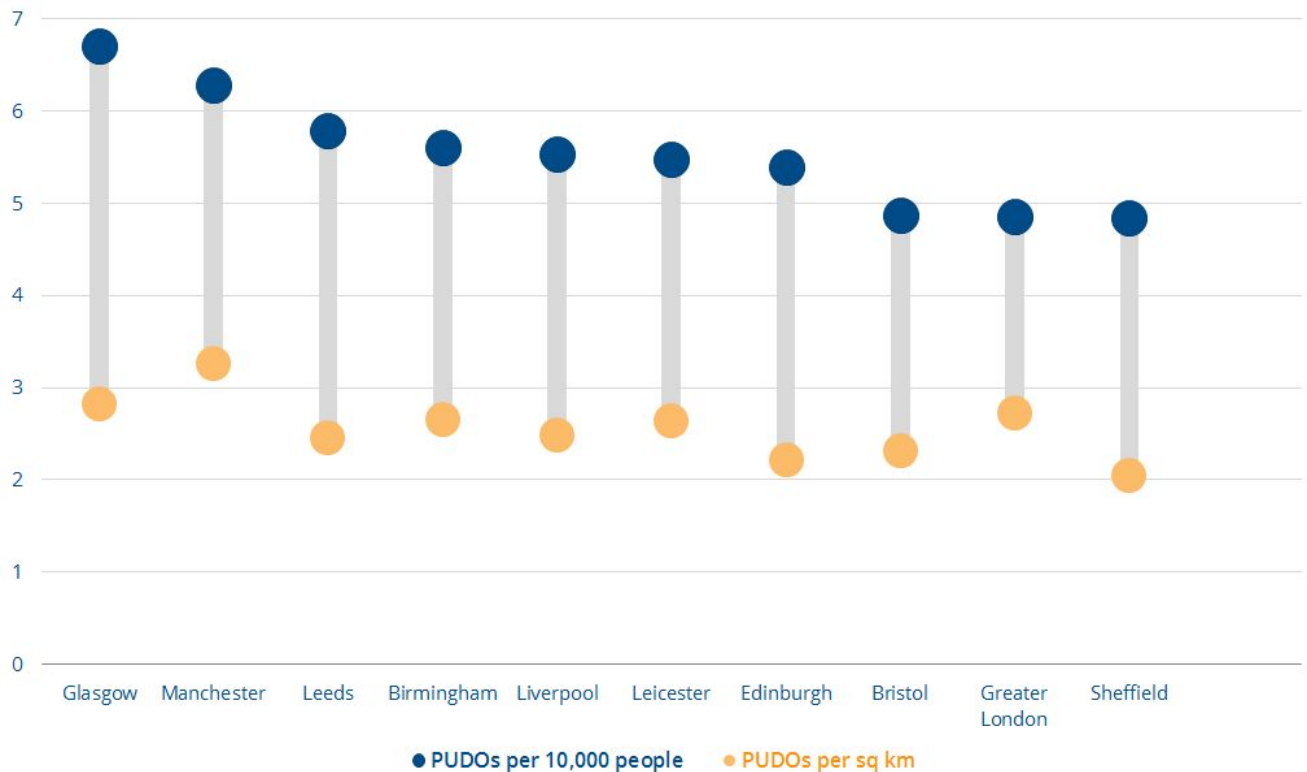
¹⁶ For the purposes of this work the Highland and Islands refers to areas such as Perthshire, Aberdeenshire, Morayshire, Argyll and Bute, the North-West Highlands and the Scottish Islands, although it includes some areas that may be considered outwith that region.

¹⁷ Citizens Advice Scotland, [The Postcode Penalty: Delivering Solutions](#), 2017.

Birmingham, which ranks second.¹⁸ However, within this analysis, London does not have the best access to a range of PUDOs or carriers. Looking at PUDO provision in relation to their population, as figure 4 shows Glasgow, Manchester, Leeds, Birmingham, Liverpool, Leicester and Edinburgh outperform London. In terms of PUDO provision on a geographic basis Manchester and Glasgow also outperform London.

Many of the biggest cities have better provision of PUDOs than London in relation to their population and geographic size

Figure. 4 PUDOs per 10,000 people and per square kilometre in the 10 biggest cities



PUDOs serve those in the most deprived areas

Our mapping analysis illustrates that - primarily due to the urban clustering of PUDOs - **consumers living in areas with the highest levels of deprivation¹⁹ have better access to PUDOs** and carriers. This is important as our findings

¹⁸ The 10 biggest cities in Britain as at 2011 (England and Wales) and 2016 (Scotland). City extents are based on Census 2011 Built-Up Area Subdivisions in England and Wales and 2016 Scottish Localities, except for Greater London which is based on a whole Built-Up Area.

¹⁹ For the purposes of this report deprivation is defined using the English Indices of Deprivation 2015, Scottish Index of Multiple Deprivation (SIMD) 2016 and Welsh Index of Multiple Deprivation (WIMD) 2014 which measures the relative level of deprivation at a neighbourhood. We have ranked these into deciles with 1 indicating areas with the highest incidence of deprivation and 10 indicating areas with the lowest incidence of deprivation. Due to the differences in IMD classifications across the nations, we only report on England here.

reveal that there is a correlation in better access for these consumers with lower car ownership.

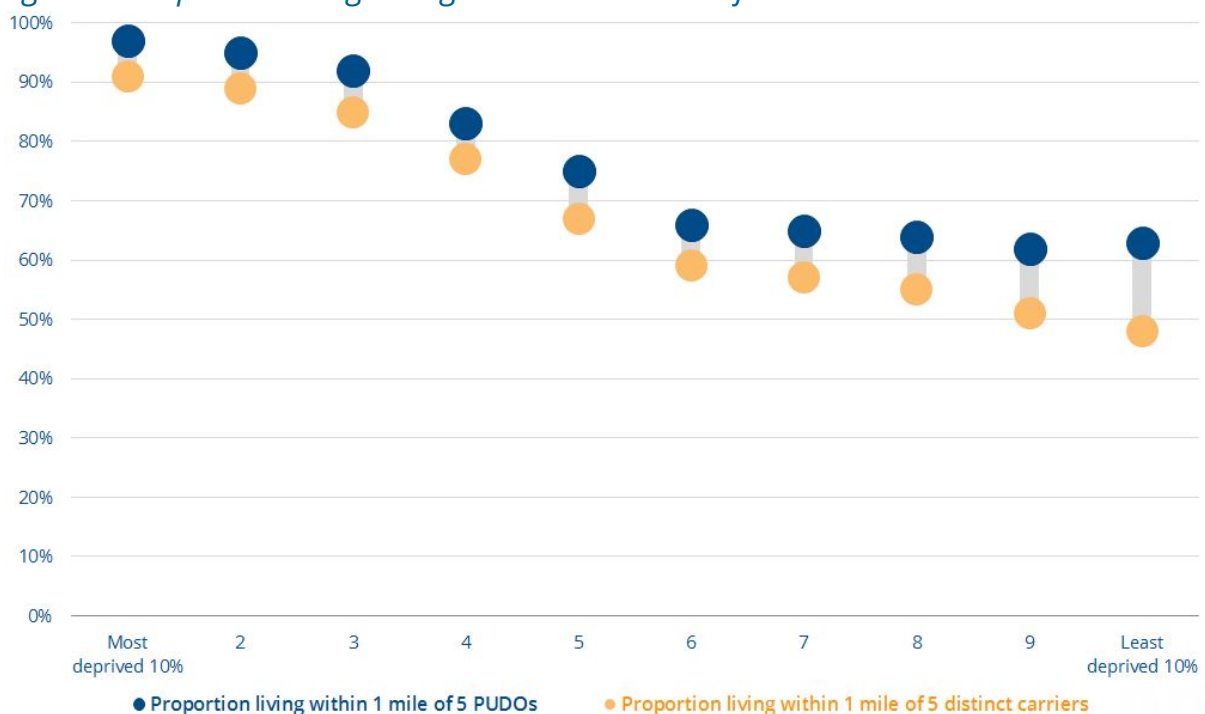
Better access to PUDOs for the most deprived areas represents a more positive outcome for vulnerable consumers compared to many other consumer markets. Our recent research found that vulnerable consumers are more likely to stay with a particular service provider for their energy, mobile, broadband and financial services for a longer period and pay a loyalty penalty rather than switch regularly to other suppliers for cheaper rates.²⁰

As figure 5 shows, for example in England nearly all (97%) consumers who live in areas with the highest levels of deprivation live within 1 mile of 5 PUDOs, and 9 in 10 (91%) live within a mile of 5 distinct carriers. Just a half (48%) of consumers who live in areas with the lowest levels of deprivation have access to 5 distinct carriers within a mile radius, although this is likely to be correlated with rurality. There is a similar pattern in Wales and Scotland.

Those living in more sparsely populated areas with higher car ownership have worse PUDO and carrier access. However, higher car ownership may help to mitigate worse access to these locations.

The most deprived areas in Britain have better PUDO and carrier provision

Figure. 5 Proportion living in England within 1 mile of 5 PUDOs or 5 distinct carriers



²⁰ Citizens Advice, [The cost of loyalty: exploring how long-standing customers pay more for essential services](#), 2018. Vulnerable consumers in this report refers to older and disabled consumers, those on low incomes, digitally excluded or who have a mental health condition. Our work on post also includes consumers living in rural areas as vulnerable.

Our analysis also looked at the availability of PUDOs for some of the most vulnerable consumers, including older and disabled consumers. Encouragingly, it illustrated that disabled and non-disabled consumers have similar levels of access to PUDOs and carriers. 2 in 3 disabled (65%) and non-disabled (66%) consumers live within 1 mile of 5 distinct carriers compared to 66% overall.

Our previous research shows that the location of PUDOs is particularly important for disabled consumers, who are disproportionately reliant on public transport and taxis to collect items.²¹

Our findings also show that - perhaps unsurprisingly - younger consumers have better access to a range of PUDOs and carriers. Just over half (57%) of consumers aged 65-74 live within 1 mile of 5 distinct carriers, compared to 3 in 4 18-34 year olds (75%).

Our analysis also shows that there is a correlation in better access to a range of PUDOs or carriers between areas with a younger population and a higher incidence of deprivation or lower car ownership. We will be undertaking further analysis later in the year to understand how varying access across the age groups aligns with consumers' use of PUDOs.

The post office network provides vital access for rural consumers

Urban consumers have far better access to PUDOs and carriers compared to those living in rural areas. 8 in 10 (79%) urban residents live within 1 mile of 5 distinct carriers, compared to just 1 in 20 (5%) rural consumers.

However, despite better overall access to a range of PUDOs and carriers for urban consumers our analysis shows that many rural areas have better access to PUDOs and carriers in proportion to their populations compared to urban areas.

As figure 6 shows, the left hand map indicates that many rural areas, such as the Highlands and Islands of Scotland, Central and West Wales and South West England have better PUDO provision in proportion to their populations (per 10,000 residents) compared to urban areas. However, the right hand map indicates the extent to which this is provided by the post office network.

The provision of post offices in rural areas is underpinned by the [Government's access criteria](#) which requires Post Office Ltd to ensure that 95% of the rural population live within 3 miles of their nearest branch. The Government recently confirmed that as part of a new funding package for the post office network, £160 million would go towards protecting 3,000 of the most rural post offices.²²

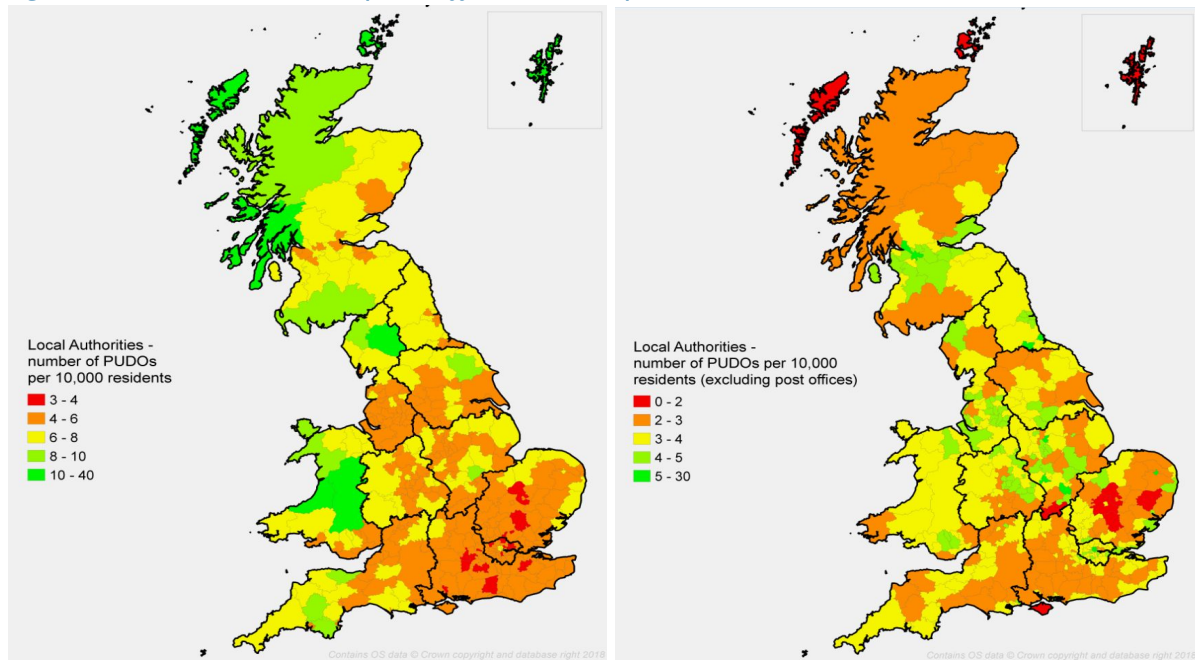
²¹ Citizens Advice, [The customer journey: disabled people's access to postal services](#), 2018.

²² HMG, [Government pledges to secure the future of the Post Office](#), 2017.

This research suggests that the access criteria and government support are effectively maintaining access to parcel services in rural areas.

PUDO provision in rural areas is dependent on the post office network

Figure 6. PUDOs and non-post office PUDOs per 10,000 residents



Next steps

Our findings show that there is good consumer access to a range of PUDOs and carriers across Great Britain. Surprisingly, there is better than expected access in the biggest cities outside of London, in rural and more deprived areas and for disabled consumers.

However, despite good access for these consumers, our findings reveal that Wales and Scotland have worse provision of and access to a range of PUDOs and carriers compared to England. Disparities also exist in the regions outside London and for older compared to younger consumers.

Over the coming months we will be conducting further analysis of the mapping data. We will combine this with data from our consumer survey to understand the relationship between PUDO and carrier provision and consumer use and attitudes. This will be in the context of consumers' wider interaction with the parcels market and online shopping.

We will aim to report on a more detailed analysis of the supply of and demand for PUDOs later in the year, engaging with parcel operators, carriers and other key stakeholders on the findings and any recommendations.

Annex 1: Acknowledgements

We would like to thank the following organisations for supporting our research:

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- Doddle
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- InPost
- Mail Boxes Etc.
- Parcelforce
- Parcelly
- Post Office Ltd
- Royal Mail
- Toyou (Asda)
- Yodel

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