



Study shows standardized parcel labels in Netherlands could improve efficiencies, reduce costs and drive on-line sales.



A standardized parcel label provides consumers, online retailers and service providers new opportunities for better service. At the same time the efficiency of international parcel distribution can be improved, thereby reducing costs. This is evident from the business case presented by the Shopping Tomorrow expert group on Standard Parcel Labels, during the national online retail event WebWinkelVakdagen in Utrecht. According to the retailers and logistics service providers in this group such a standard label can give an extra boost to online sales.

The expert group noted that the Netherlands is lagging behind when it comes to cross-border online sales. Europe offers great opportunities for Dutch e-commerce companies but in order to capitalize on this growing market, an efficient and reliable delivery mechanism to foreign consumers is crucial. Today this is often not the case because of a lack of synergy across packaging transportation, as highlighted in the blue paper from this expert group in Standard Parcel Labels. "There are only a few parcel carriers with a European-wide network. The others ship the parcels to specialized carriers abroad, where the parcels are re-labeled, losing much information in the process", says Frits van den Bos, Innovation Manager at GS1 Netherlands and host of the expert group.

#### [Case Study: Kleertjes.com](#)

Kleertjes.com presented an example of a German customer who received only two of the five parcels at the agreed time. "We started a search and after a few days it became clear that mistakes were made in the transfer of the three parcels by our regular parcel carrier to its German partner. The German partner had effectively stuck a new parcel label over the existing label, and mistakes were made when copying the address. Eventually the mislabeled parcels were returned to our warehouse after three days. Until that time we had no idea where the parcels were and could only tell the customer that we "were working on a solution", explains René Gijsman, operations manager of Kleertjes.com and member of the expert group.

## New services for consumers

A standard label not only facilitates the transfer of parcels to foreign parcel carriers, but also to specialists in urban distribution. Increasingly, e-commerce companies rely on these expert carriers to provide the efficient "last mile" services in large cities. A standard label enables new services for consumers possible. Imagine that consumers using one app can track all their parcels, regardless of the carrier who delivers them. Pick up/Drop off points, want the opportunity to pick up parcels from different carriers. The worldwide unique GS1 Serial Shipping Container Code (SSCC) on the parcel label makes that possible, "says Margreeth Pape, Consultant Logistics & Sustainability at Thuiswinkel.org and chairman of the expert group.

## The advantages outweigh disadvantages of a standard label

A standard label must be implemented first, including the associated data exchange and the necessary process agreements before the opportunities can materialize. But this is offset by a large number of advantages. Online retailers will no longer have to use a different label for each parcel carrier and can more easily switch carriers without having to adapt systems and printers.

Because of a better collaboration between online retailers, carriers and service providers, the cost of shipping will eventually drop. Kleertjes.com calculates that sending a parcel with the solid carrier to a French consumer costs 4.8 times as much as shipping to Dutch consumers. "If we bring the parcels for France itself with a line haul to a local parcel service provider in France, the rate is only 1.6 times higher."

## Netherlands is lagging behind

The introduction of a standard parcel label is expected early this year. European postal operators and online retailers united in Ecommerce Europe, have already developed a standard label in close consultation. That design is now awaiting approval by the various national standards committees in Europe and is expected to be published at end of spring 2017. On the parcel label there is a prominent place set aside for the SSCC, the bar code which is assigned by the online retailer as a unique identification number to each parcel. In Scandinavia the SSCC is already in use on parcel labels since 1995. In 2015 German parcel carriers have agreed to allocate space for the SSCC as well. Europe will follow soon.

## European Commission promotes introduction parcel label

The European Commission encourages the introduction of a standard label, which is an important element in the completion of their plans for a European digital single market. If all the inefficiencies are eliminated in this market, countries in the EU can expect the market to grow to €415 billion. Van den Bos: "International competition in the field of e-commerce - particularly from China and the United States - will be stronger. How can we be competitive? By creating a single market and stimulating cross-border sales. A standard label is helpful. "