

Are Smart Lockers the Cure to the D2C Doldrums?

Not long ago, valuations for companies like Wayfair, Warby Parker, Stitch Fix, Allbirds, and Peloton soared into the billions. These companies, many like them, were pioneers of the *Direct-to-Consumer* (D2C) retail niche. These brands promised low overhead costs and eliminated the intermediaries. The business model worked exceptionally well. However, as stated by [CNBC Tech Reports](#),

recent results have been drastically different. Popular brands need help to stay afloat because of rising prices and policy changes.

For D2C businesses to duplicate their previous levels of success, they will need to explore creative options to continue their growth. Smart parcel lockers have recently become an innovative solution for many retail, residential, and commercial businesses. Let us look at how D2C retail companies can utilize smart lockers to turn their significant challenges into major wins.

Challenge: Facebook AD Prices Soar

Without operating storefronts, these D2C companies have had to find effective methods of advertising that would reach millions of people in their targeted demographic. [CNBC Tech](#) also reported that Facebook ads had become a primary means for them to build their brand and visibility. Two years ago, Facebook priced ads at \$6 per one thousand people in a targeted demographic. Now Facebook ads have skyrocketed to **\$18 per one thousand people**. The cost has tripled, causing a significant financial barrier.

Win: Smart Lockers as an Advertising tool

Besides using them as a pickup location for your customers at a regular brick-and-mortar store, smart lockers double as functional billboards. Use them in busy areas with heavy foot traffic, such as train stations, airports, and malls. [Better Marketing](#) affirms that billboards remain an effective way to stimulate consumers to act.



Challenge: Apple's New Privacy Policy

According to [Reporter Phoebe Bain](#), with the rollout of IOS 14 and Apple's new privacy policy, D2C companies have been hindered from measuring their Facebook ad performance, consequently having to pay more money and unable to quantify the results of specific campaigns.

Win: Ads in High Foot Traffic Areas can be Measured.

Placing your smart lockers in high foot traffic areas will enable you to measure how many people were exposed to your advertisement at any time of the day, any day of the week, and any month of the year. [SafeGraph](#), Data Experts who help organizations understand market trends, believe incorporating foot traffic into your analytics will provide more insight into customer demographics and help you optimize your marketing efforts regarding the best locations. Smart lockers offer an opportunity to capitalize on the effectiveness of billboard advertising in heavily trafficked areas in a way that is both cost-effective and highly measurable.

More Wins:

Increased Revenue

Besides advertising your brand, it may be possible to profit by promoting other businesses through smart locker technology. Smart parcel lockers can have display screens installed above the lockers to advertise your brand and other brands.

Customer Satisfaction & Decreased Overhead

Smart lockers are ideal because they offer consumers more options and accessibilities. Smart parcel lockers can accept returns from customers, which reduces shipping costs.

Increased Revenue

Retailers can offer more services to attract potential customers as well. Provide consumers with promotional experiences by leaving samples in the lockers for customers to try in person, increasing their confidence in the product.

Retailers can also use the lockers to store same-day coupons for hot ticket items, which will drive more consumers to online stores in hopes of taking advantage of deals and offers.

Smart parcel lockers also allow a peer-to-peer exchange. Charge customers a small fee and allow them the convenience of using the lockers to exchange goods among themselves, which will be another stream of income for D2C companies. These small, creative, yet practical ideas for increasing revenue could relieve specific challenges faced in recent years. For instance, the peer-to-peer exchange revenue can offset the recently inflated cost of importing bulk containers from China.

Lower Rate of Return

According to [Conversion Rate Optimization Experts](#), e-commerce stores have a 30% rate of return compared to 8.89% of brick-and-mortar stores. According to their statistics, 92% of the consumers surveyed said they are more likely to purchase from a company where the return process is easy. With smart lockers, you can reduce purchase regret by making free samples available in the smart lockers. You will reduce customer attrition by providing a carefree return process.

In 2021 Wayfair lost \$78 million in the third quarter, according to [The Boston Globe](#). Warby Parker lost \$91 million in the same quarter. So many D2C companies have suffered similar fates, but there is hope. Creative business solutions could help companies to thrive in this new era of business. Smart lockers are customizable in hardware and software and uniquely designed to address your business needs and represent your distinctive brand. Smart Lockers are designed to be measurable in impact and flexible in implementation.

Smart lockers:

- Are not restricted to sending and receiving one type of good,
- Have a wide range of storage options available,
- Are easy to manage,
- Help businesses generate additional revenue,
- Increase profit margins,
- Reduce labor overhead,
- Uses innovative technology.

A press release by [Fortune Business Insights](#) says the smart parcel locker market size is expected to reach \$1.63 billion by 2028. [Grand View Research](#) recorded the demand for smart parcels at 8.9 million units, expected to expand by 21%. *Buy Online, Pickup in Store* (BOPIS) is slowly becoming an ideal option for many e-commerce stores, and smart lockers remain a creative and intelligent solution to benefit from the changing landscape of retail in post-pandemic America.

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