Parcel and small cargo delivery using interurban coach system between Lithuanian urban areas

Freight consolidation and transhipment; IT-technologies and solutions (for management and administration); Business to customer (B2C) solutions; Value added services, development (or extension) of services

In this system, provided by the private bus operator Kautra, parcels and small cargo are delivered using interurban bus services. Most of the parcels and cargo are delivered the same day or however long the bus journey takes between origin and destination. Parcels may be taken by customers to designated terminals, or given directly to the bus driver if there is no terminal in the city. The parcels can be collected by customers either from the terminal (where they are stored for some time) or directly from the bus driver if there is not a terminal (unclaimed parcels are returned to the nearest terminal).

- Rapid, same-day delivery of parcels and small cargo;
- Additional value added services without making any changes to the bus route or additional equipment (most inter-urban buses already have baggage compartments);
- Delivery of parcels and small cargo to smaller towns and villages with limited other choice of shipping options;
- Reduced kilometres, air pollution and CO₂ emissions by consolidating passenger and parcel delivery services.

Traditional shipping options for parcels (i.e. postal services, parcel carriers, couriers etc.), most commonly offer next day delivery, and same day deliveries, when offered, are a premium, expensive feature. This system, set up by the bus operator Kautra, provides a quick, reliable and easy way to make same day shipments of personal parcels and small cargo (e.g. documents, retail purchases etc.) between people in urban areas. Lithuania has a well developed interurban bus system and customers regularly asked whether personal parcels could be delivered rapidly to people in other towns and cities on their behalf by the bus driver. The service was officially introduced by Kautra due to the level of demand. Parcels and small cargo (dimensions are limited otherwise additional fee applies) are taken directly by customers to the bus driver or parcel terminal if there is one at the bus station. The purpose of the service is to deliver parcels as quickly as possible with minimal risk of it getting lost via a simple system (there is no need to print out codes, stickers or other additional effort to ship a parcel). Implementation of the service required training the bus drivers. No additional changes to the coaches was necessary, as they already have baggage storage areas. To make the service more convenient for users, the busiest coach stations were equipped with terminals at which parcels can be dropped off and collected. At bus stations without such terminals, senders and recipients have to intercept the bus they want to use for the delivery.

- The service offers a very fast means of delivering parcels; delivery time is very predictable, and service is reliable;
- Wide geographical coverage – parcels can be dropped off and collected in any location served by the bus operator KAUTRA (nearly all Lithuanian towns);
- Affordable price – integrating parcel delivery as an additional service to passenger transport helps reduce shipment costs.

Traditional shipping options for parcels (i.e. postal services, parcel carriers, couriers etc.), most commonly offer next day delivery, and same day deliveries, when offered, are a premium, expensive feature. This system, set up by the bus operator Kautra, provides a quick, reliable and easy way to make same day shipments of personal parcels and small cargo (e.g. documents, retail purchases etc.) between people in urban areas. Lithuania has a well developed interurban bus system and customers regularly asked whether personal parcels could be delivered rapidly to people in other towns and cities on their behalf by the bus driver. The service was officially introduced by Kautra due to the level of demand. Parcels and small cargo (dimensions are limited otherwise additional fee applies) are taken directly by customers to the bus driver or parcel terminal if there is one at the bus station. The purpose of the service is to deliver parcels as quickly as possible with minimal risk of it getting lost via a simple system (there is no need to print out codes, stickers or other additional effort to ship a parcel). Implementation of the service required training the bus drivers. No additional changes to the coaches was necessary, as they already have baggage storage areas. To make the service more convenient for users, the busiest coach stations were equipped with terminals at which parcels can be dropped off and collected. At bus stations without such terminals, senders and recipients have to intercept the bus they want to use for the delivery.

- Increased efficiency / productivity of logistics processes;
- Increased company profitability;
- Increased competitiveness.
- Reduced emissions;
- Conservation of resources.

Supported Strategic Targets:

- Increased efficiency / productivity of logistics processes;
- Increased company profitability;
- Increased competitiveness.
- Reduced emissions;
- Conservation of resources.
This case is unique combination of passenger transport and parcel delivery service. The service is provided by a private company KAUTRA which operates intercity coach routes all over Lithuania. No public partners are involved and all the infrastructure necessary for the service is entirely funded by the company itself. The service competes with other parcels services by offering same day delivery on predictable date (delivery time matches coach schedule).

The case increases efficiency of vehicle use and increases sustainability in terms of emission and energy use.

Contact details:
marketingas@kautra.lt
http://www.siuntosautobusais.lt
Dr. Andrius Jarzemskis
Andrius.jarzemskis@vgtu.lt

Supply chain elements:
- Terminal (note: passenger terminal)
- Transport mode: Other (Road/Passenger bus)

Main actors involved:
- Private actors

Legal liability issues regarding responsibility for parcel loss or damage may exist in other countries implementing the case.

More information:

Transport mode or supply chain elements:

Pictures: Terminal locations where the service is offered (left). Kautra coach (right)

More Best Practice cases and information about BESTFACT can be found at:
www.bestfact.net