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# How to Manage a Laundry Pickup & Delivery Service





As our Chief Product Officer, Gilli Cherrin, reminds us, "Laundry pickup and delivery has been a cornerstone of commercial laundry and dry cleaning for as long as most people in the industry can remember." It has traditionally been done as an added convenience for a laundromat's customer base, and we see this more and more as wash and fold laundromats continue to move to a fully attended model that makes for a better in-store experience while supporting wash and fold with the added labor.

While pickup and delivery (PUD) is not new to the space, it has grown rapidly in popularity within the laundry industry. We spoke with Ariana Roviello, owner and two-store operator of Laundré, to take a closer look at what the PUD market looks like in the near future and how to manage—and grow—your pickup and delivery laundry business.

## Why Pickup and Delivery: The On-Demand Laundry Market

At its core, PUD simply provides the infrastructure needed for operators to capture more pounds by expanding their reach beyond the standard one-mile radius that makes up the majority of their self-serve and drop-off business.

The online, on-demand PUD market is projected:

- To grow at a compound annual growth rate of nearly 33% through 2024
- To have an incremental growth rate of over \$58 billion through 2024

There are multiple factors contributing to the growth of the PUD and on-demand laundry market, including:

- The rise in the per capita income of consumers
- · Rapid urbanization of areas
- Customer convenience preferences
- Increasing adoption of gig economy services
- A need created by COVID-19 for contactless and on-demand services across many industries, including laundry

"We opened our second store in the middle of the pandemic when everything was pickup and delivery, so that was a huge push for us."

ARIANA ROVIELLO, OWNER AND OPERATOR OF LAUNDRÉ



#### The Pickup and Delivery Customer Base

The typical understanding is that only white-collar, high-income neighborhoods will utilize premium laundry services like wash and fold. This couldn't be further from the truth. As a result, there is a wide customer base in need of laundromats that offer pickup and delivery services but are underserved within their communities.

• Blue-collar: This group is the opposite of the typical customer you might think of and may seem counterintuitive. However, among blue-collar communities, many are busy, dual-income households who benefit from a premium laundry service that eliminates the tedious at-home laundry process.

"Laundry takes 10-12 hours per week out of the average American's life. When you make laundry more accessible and obtainable, people get their time back."

**JORDAN MCKINNON, SENIOR ACCOUNT EXECUTIVE AT CENTS** 

- Homeowners: While renters are typically a target market for laundromat services of any kind, homeowners are often a missed opportunity for pickup and delivery. Even though many homeowners have a washer and dryer in their home, they are also typically in a higher-income bracket with more specific laundry requirements and could have children and pets that have greater laundry needs.
- Mid-to high-income singles: A market that includes mid- to high-income single people is a niche but underserved market for premium laundry services. This group tends to be slightly younger, and therefore more accustomed to an on-demand world and place higher importance on personal time These factors create a willingness and an ability to outsource tasks, such as laundry, to a convenient, high-quality provider.
- Transplants: Families and individuals in today's economy are transplanting from big cities to smaller ones, but are still used to the on-demand lifestyle urban areas provide. Despite there likely being fewer options for this group when it comes to pickup and delivery laundry services, they will also be more willing to utilize a service that is further away if they aren't the ones doing the traveling.

"For pickup and delivery, customers aren't actually coming to your store, so they don't really care where it's being serviced so long as it's being serviced well."

**ARIANA ROVIELLO** 



## How to Start, Manage, and Grow **Your Pickup and Delivery Services**

When starting or expanding your pickup and delivery services, there are a number of important factors to consider, including the method of securing drivers, how to let people know about your service, and what technology you need to make it happen.

#### Choosing in-house or gig economy drivers

Perhaps one of the most important decisions for laundry PUD is whether in-house drivers or gig economy drivers (or a possible combination of the two) will make the most sense for your business.

#### Gig drivers for regular orders + in-house drivers for commercial orders

An optimal option may be a combination of both in-house and gig economy drivers. This could look like:

- One large vehicle and in-house driver for scheduled large and commercial orders that aren't guaranteed to fit in gig driver vehicles
- Gig drivers for regular orders, which can be turned off for certain days and times so that staff is prepared for when a potential order may come in

"In my experience, keep DoorDash for personal pickup and delivery, and for your commercial orders, having your own driver and van is important."

**ARIANA ROVIELLO** 

#### Gig economy

Pros	Cons
Great for a high volume of orders of low-to-medium size	Potential for not having drivers readily available at the moment a pickup is requested
A no-cost solution to get started and test PUD without investing a lot of capital in a car, driver, and insurance	Requires coordination with in-house staff to ensure the order is ready when the driver arrives
Perfect for "on-demand" PUD as an added service that can also be upcharged to customers who want it	

#### In-house drivers

Pros	Cons
Great for scheduled large orders, such as commercial accounts	High upfront costs for labor, vehicles, and insurance
Reliable, as on-staff drivers are always available when a pickup is requested	In the event of illness or other callouts, the responsibility of driving may fall to the manager or owner, impacting their ability to do their own necessary work
The right technology will have features for in-house drivers, such as a Driver App, Route Optimization, and real-time updates on orders	No sure guarantee of orders can result in wasted resources and money



## Promote PUD before you turn it on

Laundromat owners and operators want to start receiving and filling PUD orders right away once they flip the switch. To get the conversation started before you officially add the service, begin letting existing customers know and promote your transition to offering pickup and delivery.

Of course, customers may tell you PUD is something they want, but it's hard to know for sure whether they'll utilize the service once it's offered. Promoting the service beforehand, through emails, social media, and word-of-mouth, is essential to getting existing customers excited about PUD and helping spread the word to prospective customers.



"Just because that button is turned on doesn't mean you're going to get a flood of DoorDash orders coming in. You need to do the work in advance and then maintain that."

ARIANA ROVIELLO

#### **Overall PUD Data**

#### **Operators using Cents**



25% YOY increase in PUD orders with in-house drivers

30% MOM increase in PUD revenue

**30%** MOM increase in AOV with DoorDash

#### Ariana, Laundré:

In the last 6 months, monthly order count: 48% increase

Since Cents Dispatch:

216% increase in revenue (YOY)



### Foster a strong online presence

When launching PUD, it's important to have a professional-looking website that you can direct potential customers to. This is the primary hub that new and existing customers can visit to learn about your service and place orders, so make sure your software integrates seamlessly with your website.

Ariana explains that it's crucial to "train existing customers" to use the website not only as an informative landing page but as the main location to place online pickup and delivery orders. In addition, be sure to also update any online business platforms, including Google My Business and Yelp, to reflect your new pickup and delivery services.

## **Incentivize existing customers**

When launching a new service, your existing customers can be one of your greatest resources.

- Offer **referral discounts** to both the existing customer and the new customer they refer to you
- Convert your self-serve or drop-off laundry customers into pickup and delivery customers with first-time order discounts
- Enlist your current customers to help you recruit new customers online by asking for and encouraging them to leave a rating and review of your business on Google and Yelp



"We spend a good amount on Google ads every month to make sure that we're high on the SEO list when people are Googling about laundry in San Francisco."

**ARIANA ROVIELLO** 





"In the year since we've launched Cents Dispatch, we've seen our revenue triple, and that is in large part due to Cents."

**ARIANA ROVIELLO** 

## Invest in the right technology

Whether you're starting fresh with a pickup and delivery business or you're scaling your existing pickup and delivery services, the PUD management process can be complicated. Managing orders, ensuring they are picked up and dropped off successfully, training staff, updating inventory — there's a lot going on with pickup and delivery. Owners need a platform to power PUD, like Cents Dispatch.

Cents Dispatch not only provides integrations for on-demand and gig-based delivery, but it can also provide the best and most robust delivery system for pickup and delivery operators investing in their own fleet. Our solution empowers pickup and delivery service owners to:

- Access vehicles, drivers, and other related resources
- Offer pickup and delivery without any upfront costs
- Provide customers with a familiar delivery format
- · Manage both gig and in-house drivers
- Always be prepared with customizable delivery windows
- Price effectively with flexible tiered pricing options
- Ensure customer satisfaction by setting a maximum number of driver stops
- Track KPIs and performance as you go to evaluate and improve your processes

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## **Take Control of Pickup and Delivery**

Laundromat pickup and delivery services provide a great opportunity to grow your business and increase your bottom line. Figuring out where to start and how to move forward can be daunting, though, even for the most seasoned business professional. With the right laundromat management system in place, you can transform your growth into pickup and delivery with a streamlined customer experience, reliable driver processes, and informed data and insights.

The Cents laundry management solution powers online order intake, discounts and promotions, the Cents Driver App, and Route Optimization, enabling laundromat owners to develop their pickup and delivery plans into a high-functioning, revenue-driving system.

Whether you have well-laid plans for pickup and delivery in the works or offering pickup and delivery only seems like a distant pipe dream, the Cents Dispatch platform enables laundromat owners to build what they have into a successful PUD laundry operation.

Learn more about how Cents can help you get started or optimize your laundry pickup and delivery services.

Request a Demo Today

