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| RESEARCH ARTICLE

IoT-Based Smart Lockers: A Validation for the Saudi Arabian Market

Waseem Ullah Khan
Market Insights Department, stc, Riyadh, Saudi Arabia
Corresponding Author: Waseem Ullah Khan, **E-mail**: waseemullahkhan@gmail.com

| ABSTRACT

The adoption of IoT technology has revolutionized logistics and e-commerce worldwide. IoT smart lockers enable efficient last-mile delivery through secure, automated storing and retrieval. In this article, the viability of smart lockers in Saudi Arabia, in terms of Vision 2030 aspirations, is examined through a qualitative case study, with lessons drawn from international implementations such as Amazon Hub, Hive Box, and InPost Lockers. Economic savings, efficiency in logistics, and ease of use for consumers rank high, but face-to-face preference and compliance with laws and legislation hinder them. There is a critical necessity for localized adaptations for driving adoption, and collaboration with logistics providers and governments is paramount. Integration with Saudi smart city development is a critical opportunity for rollout. Consumer willingness and pilot studies in key urban locations must be considered in future studies. Actionable information for stakeholders for the rollout of IoT-powered smart lockers in Saudi Arabia's modernization of its logistics infrastructure is presented through this paper.

| KEYWORDS

IoT, Smart Lockers, Saudi Arabia, Vision 2030, E-commerce, Logistics

| ARTICLE INFORMATION

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1. Introduction

The Internet of Things (IoT) has brought a paradigm shift across many sectors by integrating devices and optimizing their performance and the user experience. Its use that has already been adopted is for the Professionally Managed Smart Lockers which is used in the logistics & storage fields. These lockers also include automation components in that they employ IoT to allow picking of the stored items such as parcels, groceries, personal effects among others safely and effortlessly. The smart lockers market has been advancing because of conditions such as e-commerce, the increasing population in urban areas, and the delivery through smart lockers. Largely because of the need to deliver the products and make them easily accessible to the customers, the technology is advancing in the markets of Europe, North America, and the Asia-Pacific region. Thus, it is easy to understand that smart lockers are relevant in the context of Saudi Arabia, which is increasingly reforming and diversifying its economy and infrastructure according to Vision 2030. The broad set of reforms outlined by the kingdom aims at transforming the kingdom into a premier trading hub through the improvement of new industries such as logistic and e-commerce. Furthermore, the increasing population, and demand for delivery and storage services for goods through electronic commerce means to the society as well as corporate entities require improvement of these services. As such, the purpose of this study is to examine the possibility of introducing smart lockers in Saudi Arabia, concentrating on the potential for their implementation in the local market. It will assess the barriers, including cultural factors, physical conditions, and policies, while considering the opportunities that fit into the context of Saudi Vision 2030. With this in mind, this research aims to offer practical recommendations on how the concept of smart lockers can benefit the logistics and e-commerce sectors in the kingdom and, thus, align with Vision 2030.

2. Literature Review

The incorporation of IoT in smart lockers has transformed the conventional storage and delivery systems with features like remote control, monitoring, and contactless and secured transactions. Smart lockers are IoT-based storage systems that aim at improving the supply chain and user experience. Some of the main characteristics are the ability to control parcels, integration with delivery services, and access through a mobile app. Internationally, the use of smart lockers has cut the cost of last-mile delivery and enhanced consumer satisfaction. In general, the integration of these systems has been smooth in the markets that have well-developed infrastructure despite some difficulties in the regions with low digital literacy and inadequate IoT infrastructure. Moreover, the logistics and e-commerce industries in Saudi Arabia are growing at a fast pace given that Vision 2030 seeks to diversify the economy. A recent survey conducted in the Kingdom of Saudi Arabia (KSA) highlights that Saudi females, in particular, are highly engaged in e-commerce, receiving up to 12 online purchases per month, including groceries, perfumes, and consumer electronics. This high frequency of online shopping underscores the growing demand for efficient last-mile delivery solutions. The kingdom's e-commerce market is expected to expand at a 15% CAGR. However, traditional courier services in Saudi Arabia are often perceived as inconvenient, with long wait times and unpredictable delivery schedules, particularly during peak seasons like Ramadan. These challenges create a strong case for smart lockers as an alternative solution, offering 24/7 accessibility, privacy, and reduced dependency on delivery personnel. However, the growth is constrained by the lack of efficient last-mile delivery options. The use of IoT solutions has begun in the region with the adoption of smart cities in Riyadh and NEOM where IoT is instrumental in the advancement of urbanization. Some of the opportunities include the simplification of delivery options and subsequent cost reductions, while challenges include high costs of implementation, consumer concerns about long wait times at courier offices, and the issue of regulation. The Saudi consumer behavior is crucial in understanding the likelihood of smart locker usage. The convenience and security considerations are the key determinants of technology usage for Saudi consumers, especially the urban population. On the other hand, cultural bias towards face-to-face communication and fears of data leakage as possible drawbacks. In addition, there are legal and compliance considerations; for example, there can be very strict e-commerce laws and data protection policies in some countries that may need to be incorporated into the global smart lockers. These findings support the need for culturally appropriate solutions that are in compliance with the Saudi market.

3. Methodology

To achieve this research objective, the paper employs case studies in a qualitative research design to investigate the feasibility and possible usage of smart lockers in the Saudi Arabian market. Global case studies of IoT-based locker systems present practical examples of their applications, lessons learnt, challenges encountered, and successes achieved. Based on the comparison of the cases of successful implementations in the regions that have similar economic and technological conditions to those of Saudi Arabia, the study seeks to determine the best practices that can be transferred to the kingdom, as well as the contextual modifications that may be required. The case study is ideal for use in exploratory research because it enables one to understand the dynamics of a given system within a certain environment. The study uses secondary data collected from a variety of sources, such as market reports, industry publications, and academic journals. These sources can be a good source of information on the global trends, technologies and the local market environment. Recent market trends and statistics for the logistics and e-commerce industries in Saudi Arabia can be found in market reports, whereas industry periodicals focus on smart locker technologies and their advancements. Scholarly works provide important evaluations and theoretical frameworks for understanding IoT acceptance and consumer behavior to avoid bias. The use of secondary data is appropriate because there is a vast amount of literature on IoT and the Saudi market to draw information from.

4. Results

Case Study	Key Findings
Amazon Hub Lockers (USA)	Demonstrated high consumer adoption in urban areas due to convenience and integration with e-commerce platforms. Showcased the importance of location accessibility and real-time tracking features.
Hive Box (China)	Highlighted success in high-density regions with a robust logistics network. Emphasized partnerships with courier companies to streamline operations.
InPost Lockers (Europe)	Reduced last-mile delivery costs significantly, offering long-term cost savings despite high initial setup expenses. Efficiency gains contributed to improved profitability for e-commerce businesses.
Parcel Pending (USA)	Demonstrated scalability in both residential and commercial settings, balancing costs with enhanced customer satisfaction and operational efficiency.

Smart City Projects (Riyadh, Saudi Arabia)	Identified infrastructure readiness and government support as critical opportunities. Challenges included cultural preferences for in-person transactions and regulatory compliance.
Ali Express Locker System (Russia)	Showed the importance of data security measures in gaining consumer trust and addressing regulatory constraints. Highlighted cultural acceptance as a key factor in system adoption.

5. Discussion

5.1 Market Analysis

The analysis of the chosen case studies indicates the current global trends in the market for IoT smart lockers, with the primary factors being the continued growth of e-commerce and the need for efficient last-mile delivery solutions. Amazon Hub Lockers in the United States show that convenience and integration with e-commerce are essential. The high usage in urban areas indicates that consumers prefer products that are easily accessible and have simple interfaces. Similarly, Hive Box in China shows that smart lockers can be effective even in areas with high population density and complicated delivery conditions. Cooperation with courier services and incorporation into existing delivery networks have been critical to the success of Hive Box and offer valuable insights to the Saudi market. In Saudi Arabia, the development of the e-commerce industry and rapid urbanization provide a good background for smart lockers. The e-commerce industry in Saudi Arabia is expected to expand rapidly due to the growth in internet usage and the young population's affinity for technology. However, there are cultural factors and consumer behavior like the need for face-to-face engagements that call for a combination of automated and touch channels. Hive Box and Amazon Hub Lockers demonstrate that lockers should be placed in easily accessible areas like malls and residential areas to ensure that many people use the service. Survey findings indicate that placing smart lockers in widely accessible locations, such as hypermarkets, could enhance adoption. Consumers expect high availability, easy accessibility, and integration with major courier services like Aramex and SMSA. Additionally, enterprises have expressed interest in using smart lockers for document storage and package retrieval, especially for privacy-sensitive shipments.

5.2 Economic Feasibility

The research also considers the economic impact of adopting smart lockers as a key factor. InPost Lockers in Europe provide evidence of cost reduction in last-mile delivery, which is known for consuming substantial manual efforts. These systems enhance delivery services, reduce cases of delivery failures, and decrease operational costs, thus being sustainable. Saudi Arabia, where the costs of logistics are still relatively high owing to geographical and infrastructural constraints, could greatly benefit from the use of smart lockers. Likewise, Parcel Pending in the United States shows how smart lockers are applicable for both residential and business purposes. Although the costs of implementing lockers and the necessary infrastructure and technology are rather notable, the modularity of the approach and the possibility to integrate lockers into existing logistics networks can help to offset these costs in the long run. Saudi Arabia's Vision 2030, which aims to reduce the reliance on oil, can also be an enabler, as technology-driven solutions may be less expensive and may be implemented with the help of public-private partnerships. Nevertheless, it is also critical to consider how best to make it affordable, especially to small and medium-sized enterprises (SMEs) as evident from the InPost example, in order to expand the market and be inclusive.

5.3 Challenges and Opportunities

Despite multiple benefits, there are some issues that can be seen in the Saudi market. Some of the difficulties include cultural orientation to interpersonal communication as seen in the Hive Box and AliExpress Locker System case. Due to the privacy concerns and the use of automated systems, there is a need to focus on the consumer trust in the automated systems by putting in place proper privacy measures and ensuring that the consumer is aware of the measures being taken. Moreover, regulations that apply to Saudi Arabia only may involve compliance with the data protection laws, which may call for some changes in the existing locker systems. Chances can be seen in adopting the existing smart city initiatives in Saudi Arabia, including the ones in Riyadh and NEOM, where smart lockers can be easily integrated. Collaborations with local logistic companies and e-commerce channels can also increase market coverage. Focusing on cultural aspects and the benefits of the smart lockers in terms of convenience and security, the market can be expanded among the consumers looking for modern solutions.

5.4 Conclusion and Future Research

This study aimed at identifying the applicability and the possible implementation of IoT-based smart lockers in Saudi Arabia, based on the best practices from across the globe and market trends. The implication of the research is that smart lockers can play a significant role in solving logistical issues, enhance the delivery process, and support the vision of Vision 2030. Examples include the Amazon Hub Lockers and Hive Box, which show that accessibility, convenience, and seamlessness with the existing e-commerce environment are crucial. Moreover, smart lockers like InPost Lockers and Parcel Pending are evidence that smart lockers are economically sustainable since the costs of implementing them in the long run and their ability to expand can

outweigh the initial costs. The consequences are, therefore, significant for the Saudi Arabian market; the high rate of e-commerce together with the increasing urban population and the youth population that is conversant with technology is well suited for the use of smart lockers. However, cultural sensitivity to interpersonal approach and privacy issues call for targeted modifications. Compliance with Saudi data protection laws and regulations will be vital in establishing consumer trust, as well as attaining market success. Furthermore, the ongoing development of smart city projects in Saudi Arabia presents a way to easily incorporate smart lockers in the cities. The suggestions for the future research and development may entail the focus on the localization of the system. Subsequent research should be based on pilot cases in the main metropolitan regions of Riyadh, Jeddah, and Dammam to assess consumer willingness to pay and the practical viability of implementation. In this regard, cooperation between private companies, logistics providers, and government agencies can overcome barriers and drive the adoption process. Furthermore, it may be useful to analyze the potential of the so-called 'hybrid' models that incorporate smart lockers with conventional delivery options to address consumers' needs. It is advised that a more detailed cost-benefit analysis of the different scenarios in relation to the Saudi Arabian logistics context be discussed in order to further support the business case for smart lockers. This involves investigating possibilities for collaboration with SMEs to improve market accessibility and engagement. Technological improvement in IoT features, including real-time location tracking, biometric identification, and multilingual options, would improve usability and security to meet the needs of the Saudi population.

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