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**Digital Garage Provides “Pangaea Delivery” to SATUDORA,
Becomes Japan’s First Quick Commerce-Enabled Retail Tech Service
~Centralized Online Order Management to Meet the Demands of
Customers’ Ordering and Picking Processes~**

- Digital Garage, Inc. (DG) implemented functional enhancements to its SaaS “Pangaea Delivery” to improve the operational efficiency of retail businesses and strengthened its deployments as Japan’s first Quick Commerce-enabled retail tech service *1 for retail companies.
- SAPPORO DRUG STORE CO., LTD. implemented the “Pangaea Delivery” system at 104 stores after conducting a PoC.

**■ Background and History**

Against the changing lifestyles of consumers in recent years, online sales businesses utilizing various channels have been expanding among physical stores, such as online supermarkets, drive-thru, BOPIS (Buy Online Pick-up In Store), and so on. This is particularly obvious in Quick Commerce (quick delivery), which is growing at a compound annual growth rate of 25.1% and is expected to expand to approximately \$225 billion by 2028 *2.

While Quick Commerce has enabled many businesses to expand sales and gain access to consumers through various sales channels, it has also created increasing pressure on business management and

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operations due to each service's different terminals and operations. In particular, retailers need help with various SKUs (Stock Keeping Units), continuous product replacements, and ample store space, delaying the full-scale introduction of Quick Commerce.

In response to these business issues, DG has been developing functions and expanding system connections with external businesses to build "Pangaea Delivery," a SaaS that enables centralized management of multiple online ordering services for retail companies and food and beverage businesses *3.

■ **Japan's first Quick Commerce-enabled retail tech service**

In addition to the existing centralized online order management, "Pangaea Delivery" has implemented functions such as support for various SKUs specific to retail businesses and improved data processing capabilities. Further, besides POS systems, DG is accelerating open innovation with external companies, including startups, such as system collaboration with retail tech companies that solve various issues for retail businesses.

To introduce this system at SATUDORA (SAPPORO DRUG STORE), DG has linked it with the "picking system" provided by ROMS, Inc. For the introduction of this system at SATUDORA, DG has connected with the "picking system" provided by ROMS Co. This will enable centralized management and operation of not only the ordering and status management of multiple delivery services but also in-store picking operations, providing a comprehensive solution to the Quick Commerce service implementation issues faced by retailers.

■ **Business challenges in Quick Commerce operations and the solutions provided by "Pangaea Delivery"**

The business issues detected through the PoC with SATUDORA and the solutions provided by "Pangaea Delivery" are as follows.

1 Centralized management and operation of multiple online services

◎ **Issues**

- Order management is complicated because each online service has its management device, with different operating procedures and operation rules.
- Prioritization of orders across online services is difficult to determine, leading to errors and missed

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orders.

⇒ **Solutions with “Pangaea Delivery”**

- By enabling centralized management and operation of all online services within a single tablet, in-store operations are more efficient, reducing human error significantly.

2 Improved picking operation (finding and collecting products for orders) efficiency

◎ **Issues**

- In many cases, the packages of products handled in the store are very similar, and mistakes are frequently made when picking products.
- If picking operations are carried out without considering the shelf allocation of products, the flow line of store staff is inefficient, and picking operations are time-consuming.

⇒ **Solutions with “Pangaea Delivery”**

- Picking operations are optimized by presenting optimal picking routes that consider the shelf allocation of products.
- By reading product IDs with a smartphone, human error is eliminated, and accurate product picking can be performed.

3 Automatic reflection of information on product shortages in the store

◎ **Issues**

- Products displayed in the store may become out of stock due to purchases by consumers visiting the actual store. Still, the information linkage to the online service requires individual inventories, which creates a huge workload.

⇒ **Solutions with “Pangaea Delivery”**

- Immediate identification of missing item status at the time of picking, notification to Quick Commerce customers, and automatic removal of the item from the product list for all online services.

■ **Future roadmap**

DG will continue to expand its services for “Pangaea Delivery” to help improve operational efficiency and increase sales of Quick Commerce for food, beverage, and retail businesses by providing picking route navigation, POS and inventory linkage, AI-based demand forecasting, and other services. By developing a new service that enables food, beverage, and retail businesses to conduct out-of-store online sales business under their brands, as well as providing a payment service, DG will further accelerate its group strategy, “DG Fintech Shift,” and contribute to the development of Quick Commerce in Japan.

NEWS RELEASE**■ Comments****Daisuke Tominaga, Corporate Officer and Head of Corporate Development Division of Digital Garage, Inc.**

DG is pursuing the development of DX services that are highly compatible with DG's core business, payment services, and that solve financial services and industry-specific issues under "DG FinTech Shift," a group strategy that integrates payments, data, and technology. The progress of "Pangaea Delivery" is intended to support growth and productivity improvement in the food, beverage, and retail industries, which are facing challenges such as labor shortages and cost increases due to inflation, and we are happy that SAPPORO DRUG STORE has chosen to introduce this new service. We will further strengthen our cooperative relationship with related businesses in the industry and offer "Pangaea Delivery" to a diverse range of retailers, including drugstores, convenience stores, and supermarkets, thereby contributing to the expansion of the Quick Commerce market in Japan.

Takuto Oi, Corporate Officer and General Manager at Business Strategy Div. of SAPPORO DRUG STORE CO., LTD.

We are developing our business based on the group concept of "Connecting the community, and Taking Japan to the future." One of our important missions is to make our stores O2O. The most important aspect of making your store more convenient and enjoyable for customers is employees' work efficiency and experience. As a result of this joint development with Digital Garage, we are confident that we have significantly improved operational efficiency and work experience in the increasingly complicated 3P quick delivery order process for employees. We hope that "Pangaea Delivery" will further evolve as many retailers share it and that this system will contribute to labor savings at business sites due to the declining population.

*1: As of August 2024, according to Digital Garage research.

*2: Source: The Business Research Company [[Quick Commerce Global Market Report 2024](#)]

*3: News Release by Digital Garage March 1, 2022 https://www.garage.co.jp/en/pr/release/20220301_02/