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The Last Mile Now Re-imagined
in the Latest Disruption

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And now advanced dispatch technology is changing the future of last mile deliveries

What are the new challenges in last-mile deliveries?

Last mile deliveries have always been fraught with challenges, ranging from the tremendous cost of those deliveries to increasing consumer demands. And now in the face of COVID-19, those challenges have increased tenfold with a greater demand for deliveries combined with additional consumer expectations.

Exacerbating the situation is a tremendous growth in online shoppers, stuck at home and trying out online shopping for the first time. As an example, according to an April 2020 New York Post article, delivery service DHL cut collections from retailers in Germany, due to being swamped by parcel delivery demand. This left retailers in that country with idle packages that DHL couldn't deliver. The German association of online retailers highlighted the problem, saying if retailers had known about the delivery bottleneck, they would have sought to slow sales and increase lead times to better manage the huge uptick in delivery demand.

The effects of COVID-19 will hopefully begin to subside later this year, pending the discovery of vaccines and treatments. However, one effect that will last beyond the crisis is the increase in more experienced online shopping consumers.

For example, consumers who normally would not have ordered groceries online prior to COVID-19 will likely continue to order some, if not most, of their groceries online after trying it while under state-imposed, stay-at-home orders, according to Transport Dive. E-commerce as a percentage of total grocery sales will grow beyond the current estimated 6 percent. In general, e-commerce will continue to grow as a percentage of total retail sales well into the 2020's.

Businesses will need to ensure they have the right route optimization technology to meet tight delivery windows from consumers, retailers and manufacturers, and to ensure there are enough drivers to meet the growing demand.

But the crisis ending could also make many cooped-up Americans eager to get out and shop in person. The full effect on e-commerce is yet unknown, especially given brick and mortar stores have also started delivering when hit with the various governments' stay-at-home orders.

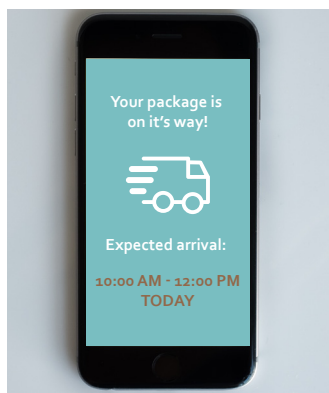
However, companies throughout the world, including Amazon, the biggest disruptive force before the coronavirus, have upped their game in improving last mile deliveries and services. Even prior to COVID-19, Amazon had upped the size and weight shipping standards, and then brought in Sunday deliveries as the norm - fueling customers' appetites.

E-COMMERCE SALES ARE EXPECTED TO GROW
beyond the previously
estimated 6%



Such unprecedented times require a reevaluation of current processes to ensure delivery continues smoothly and builds positive customer experiences despite the increased demands from consumers. The application of technology in the last mile allows businesses to better compete as they head into their “new normal.”

CONVENIENT DELIVERY TIMES are more important than just speed



Best Practices to Improve Last-Mile Delivery Service During Disruption

Maintaining last mile delivery operations during disruption introduces new challenges. Along with getting customers their orders on time, they want the delivery to have complete visibility and they often want it delivered without contact. They also want professional conduct, and clear communication throughout the last mile.

The first step is to truly pay attention to your customers' wants and needs. Remember that their business is disrupted and perhaps at risk, and they are looking for technology that can help them through the crisis and beyond.

Capgemini, a global leader in consulting and technology services, found that 73% of consumers believe that receiving a delivery in a convenient time slot is more important than receiving it quickly. It ultimately comes down to a question of time vs. money. Sometimes customers are willing to pay for a product to be

delivered in a few hours, and other times they'd rather save money and receive it in a week. The bottom line is that consumers demand to have their products delivered in a time that works best for them.

Instead of trying to compete with Amazon's expedited shipping, businesses need to focus on building better customer experiences. From a delivery standpoint, this means creating a logistics infrastructure that can reliably deliver orders when buyers want them delivered. This is accomplished by leveraging multiple delivery models and creating a reliable set of options that include urgent, same-day, next-day, and more. It also means making it safer with contact-free deliveries, and visibility throughout the chain of ownership.

Businesses Turning To Technology to Compete

For businesses determined to stay competitive, partnering with innovative technology providers for home delivery and last-mile logistics is necessary to improve the cost, efficiency, safety and customer experience of last mile deliveries.

Front's 2019 Logistics Tech Trends Report surveyed 400 businesses and found:

- 81% said they expect their software spending to increase over the next two years.
- 84% said they are introducing some sort of automation into their supply chain.
- The estimated \$2.23 billion in disruptive logistics technology spending in 2017 will rise to \$2.63 billion in 2022.

Businesses are investing in many types of technology to compete. Among the top technology trends has been investment in advanced routing and dispatching software.

Advanced dispatch allows businesses to efficiently organize their fleets to take full advantage of the assets that they have. Additionally, future-ready mobile applications tied to dispatch software allows for easy communication between drivers and dispatchers, and real-time tracking of daily operations, which can result in accurate delivery expectations and timely delivery completion for customers.

Through these technologies, retailers can decrease delivery times, increase their delivery efficiency (more deliveries per day), effectively communicate with their customers, alleviate safety concerns with contactless deliveries, and monitor their success through advanced reporting and business intelligence.

The 3 Cs That Customers Now Expect

Contact-Free Deliveries

One of the biggest long-term effects in last mile deliveries from COVID-19 is contact-free delivery, which became the norm after the World Health Organization (WHO) recommended it for social distancing. It is likely to continue as a norm, as it could take years before consumers are completely comfortable in accepting and signing for deliveries, if they ever are.

This contact-free delivery method has allowed some businesses to keep their doors open while also servicing their customers' increased needs. Many have scrambled to figure out how to accomplish such a feat while maintaining chain of custody and gathering proof of delivery. Advanced dispatch software has become the key in accomplishing these ever-important goals.

Through an advanced dispatch solution, photos capturing the condition and location of delivered or serviced products can easily be obtained using a mobile application on a driver's or technician's device. Additionally, these images can be generated on a proof of delivery or service document and automatically sent to customers after an order is completed.

Last-mile delivery companies also have to figure out how to inhibit porch thefts. As more and more of what people consume gets delivered to their homes, often when no one is there, coming up with a solution to control theft is on the minds of many delivery firms. The ability to know when the package is arriving and where the delivery was placed can help consumers in their theft prevention efforts.

Customer Experience

Customer experience – it's a catchphrase, a marketing vessel, and an intangible part of doing business. Most businesses realize the bottom line benefits that having a good customer experience brings.

Oftentimes, businesses will take strides to improve their customer experience without knowing exactly what areas they need to improve. Finding these areas of improvement are often difficult, especially when it comes to delivering products and services to businesses and to the home.

Every touchpoint that you have with your customer is part of the customer experience. It starts from their very first order with you and doesn't really end. The simplest way to understand the customer experience is to break it down into three parts: The buying journey, The fulfillment experience, and the post-purchase experience.

The most common and well researched part of the customer experience is the “buying journey.” This includes a business’s website, their ordering experience, their support during the ordering process, and the follow-up visibility of that order. There have been thousands of studies and corresponding papers written depicting the intricate details of the buying journey that ultimately leads to a customer deciding to place an order. The buying experience is extremely important; however, the focus on the buying experience often leads to other parts of the customer experience being overlooked.

On the flip side, the post-purchase experience is all about creating brand awareness. After a product or service has been fulfilled, it is imperative to keep your business top of mind in each customers’ thoughts. Through marketing, customer follow-up and support, you can ensure that the next time that customer needs a product – your business is first to come to mind.

However, according to SupplyChainDive, the fulfillment experience is the largest driver of repeat business for almost any retailer. Additionally, repeat business is the lifeblood of a successful company. On average, it is six times more costly to attract a new customer than it is to re-engage a past customer. Past customers understand the fulfillment experience of your business, and they know what to expect.

How can both brick and mortar and e-commerce retailers satisfy customer expectations with advanced dispatch technology? Success for both types begins with order integration, but then is followed by and dependent upon effective route optimization, continual route visibility and multi-channel communication. While artificial intelligence is not truly in use yet, businesses do expect a deep level of sophistication built into the technology.

For companies trying to win in the last mile race, partnering with innovative providers for home delivery and last-mile logistics can add choices while avoiding the challenges of building their own systems or expanding service with traditional networks.

Convenience

Convenience is more important than ever in last mile deliveries. A trend that has continued to grow is the customer expectation for full visibility of their orders. The ease at which customers can order, the speed at which products can be delivered, and the ability to track orders can either attract or deter business in today’s competitive environment. Having the ability to execute on these customer expectations is critical in driving initial business as well as repeat business.

Advanced dispatch removes the headache of “how” to accomplish this by providing real-time tracking to customers via text or email. Not only do the alerts and tracking give customers insight into exactly when their product will be delivered or what time a service will occur, but it also frees up time spent by sales and counter staff answering questions about estimated delivery or service times.

This trend abruptly surfaced as a need and will long outlast the COVID-19 pandemic as businesses and customers alike acknowledge the many benefits of added tracking and convenience

Fulfillment experience is the **LARGEST DRIVER OF REPEAT BUSINESS**



Dealing with the Driver Shortage

Another challenge in last mile deliveries is a lack of drivers. In 2019, there was a shortage of 60,000 drivers across multiple industries as an aging population takes its toll. This shortage is projected to grow to over 100,000 drivers by 2021, 160,000 by 2028, and is going to cause widespread delivery delays and increased product prices. Even with an uptick in last mile drivers due to the boom of the “gig-economy,” retailers are struggling to meet delivery demands.

With this rise of the gig economy, many consumers are already familiar with the concept of crowdsourcing local services through digital platforms like Lyft and Postmates. Location-based crowdsourcing allows consumers to open a mobile app to hail a ride, book a place to stay, order coffee to the office, hire a handyman to mount a TV, or even schedule takeout to arrive just as they’re walking through their apartment door.

The crowdsourcing model has been prevalent in transportation, hospitality, and food delivery for some time now, and retailers are eyeing its low startup costs, asset-light operations, and improved customer experience to ease their last mile delivery woes.

Recently, advanced dispatching has opened the doors to deliveries through crowdsourced options. Retailers, businesses, logistics partners, and consumers can connect directly with those who use their own transportation to make deliveries. The freedom to make on-demand and scheduled deliveries also ensures that customers are home at the time of delivery, if necessary — eliminating the need for a second (or third) attempt.

In addition to crowdsource technology, advanced dispatch technology allows couriers to begin to float their fleet throughout a city and fulfill pickups and deliveries as they are requested. A floating fleet is essentially a fleet where drivers are not dedicated to a single customer. These drivers can therefore deliver on-demand for retailers that need help with their daily deliveries.

A floating fleet will increase efficiency as drivers are delivering on-demand during their dead hauling and down time. While retailers are presented with more delivery options, couriers are able to supplement their contracts with on-demand deliveries to greatly increase revenue.

Features Taking Deliveries Into the Future

Some businesses have either been in the game of deliveries all along, or were forced to enter it when COVID-19 hit. But now, dispatching is part of the new normal. In evaluating a long-term solution, it’s important to know that not all dispatching solutions are created equally.

When comparing different solutions, make sure to analyze each solution’s ability to provide integration, real-time tracking automation/learning, customizability, route-optimization, delivery or service time windows, ability to manage capacity, measurability, and longevity.

Driver Shortages are
expected to be
**UPWARDS OF 100,000
DRIVERS BY 2021**



In addition to contact-free deliveries and help from crowd-sourced delivery drivers and on demand deliveries, there are a host of features to consider when choosing a solution.



Route Optimization

Taking delivery to the next level requires the ability to optimize and also prioritize routes. Optimized routes organize each order in the most efficient way possible and may allow for re-arranging and customization of routes to prioritize VIP customers.

The increased demand for deliveries, climbing driver shortages, increased customer demands with shortened time windows, along with free delivery; all drive the importance of optimizing and streamlining operational efficiencies. Advanced dispatch has made all this possible through the ability to create optimized routes with the simple click of a button. Optimized routes are the first step in ensuring efficiency in a delivery or service operation. Routes are instantly built according to customer time windows, traffic, proximity, customer preferences, and much more to get routes dispatched to drivers as effectively and efficiently as possible.



Dispatch From Anywhere

Over the last several months, many of us have quickly realized the importance of being able to work from wherever necessary - whether it's home, the office, or anywhere in between. Having the ability to get a full picture view of everything happening within the business's daily operations from any location will be the new expectation.



Automated or Assisted Dispatching

Many dispatching software solutions can route and track, but there are also advanced solutions that provide the ability to auto-route and auto-suggest routes. Routes can be auto-created in the most optimal order based upon user-defined parameters, including employing specific drivers or vehicle types, along with specified start and end times, and the desired number of routes. Orders can be auto-suggested to an already active run in order to maximize routes in progress. Automated dispatching assists the dispatcher by reducing the time it takes to review routes and think through possible options.



Integration

Integration capabilities can make or break the ability to streamline orders directly from the ERP/POS system to the dispatching software. Though seemingly straightforward, this process is a crucial component of dispatching effectively.



Real-Time Tracking

The ability to track packages, drivers, the outside sales team, service technicians, and all daily operations in real-time can provide immense opportunities in efficiency, reporting, and customer satisfaction. Real-time tracking provides the ability to see a detailed full-picture view of where everything is in relation to the dispatching cycle at any given moment.



External and On Demand Delivery Services

Driver shortages are having a heavy impact on the world of retail. With external delivery services, retailers now have the ability to call in an outside driver to help deliver products faster and more cost effectively. This same feature also benefits couriers, by allowing them to float their fleet and accept orders from retailers, creating a win-win scenario for both industries.



Customizable

While some solutions may provide a cookie-cutter, one size fits all option, other solutions provide customization to help meet each company's individual dispatching needs. In addition, software customizability allows the business to adapt its operations as well as grow with future trends and needs.



Scheduled Routes

Many times, certain routes will operate on a schedule of daily, weekly, or even monthly runs. Advanced dispatching software should allow a customer to set up their scheduled routes so that they are auto-created at the time of dispatch. This saves the dispatcher and manager immense amounts of time while also increasing efficiency of the operation.



Delivery or Service Windows

When service or delivery windows are part of the delivery equation, it is important to be able to organize and route properly to meet the indicated time windows. Routes can be built to meet time windowed deliveries in the most optimal order to ensure that all deliveries are completed when the customer needs them to be.



Capacity

Many industries rely on the ability to fit the proper amount of product in each vehicle as well as follow vehicle restrictions. Advanced dispatching solutions can formulate routes based on weight, size, vehicle capacity, driver specifications, and much more.



Communication

Communication is key in the quickly changing dispatching operation. Through email and text alerts, better customer communication is both possible and necessary to compete against larger e-commerce corporations. Customers expect more, and with the proper dispatching tool at your fingertips, providing key details to customers can be done automatically.

Future of Last Mile

The future of the last mile lies in the use of advanced technology to dynamically manage demand and available delivery resources to get the deliveries to businesses or consumers as quickly as possible and when expected – with real-time visibility and safety measures for all.

We saw the impact that COVID-19 had on technology, as innovations in contact-free deliveries and crowd sourced fleets were brought in to help ease the shortage of delivery drivers.

For those businesses that got in the game of deliveries and now expect that to be the norm, they will most assuredly stay in the game of last mile deliveries as those partners are already engaging in future-ready features. For those who haven't yet invested, it's not too late, but it is time to research and move forward to stay in the game.

Last mile deliveries started with consumer demand, and that demand has gotten even greater as the rise of e-commerce and brick and mortar retail deliveries have grown through this pandemic. New technologies grew through COVID-19 too, and are expected to grow beyond it. Capitalize on these new technologies to save time, reduce operational costs, provide safety options, enhance the customer experience, and thrive through COVID-19 and beyond.