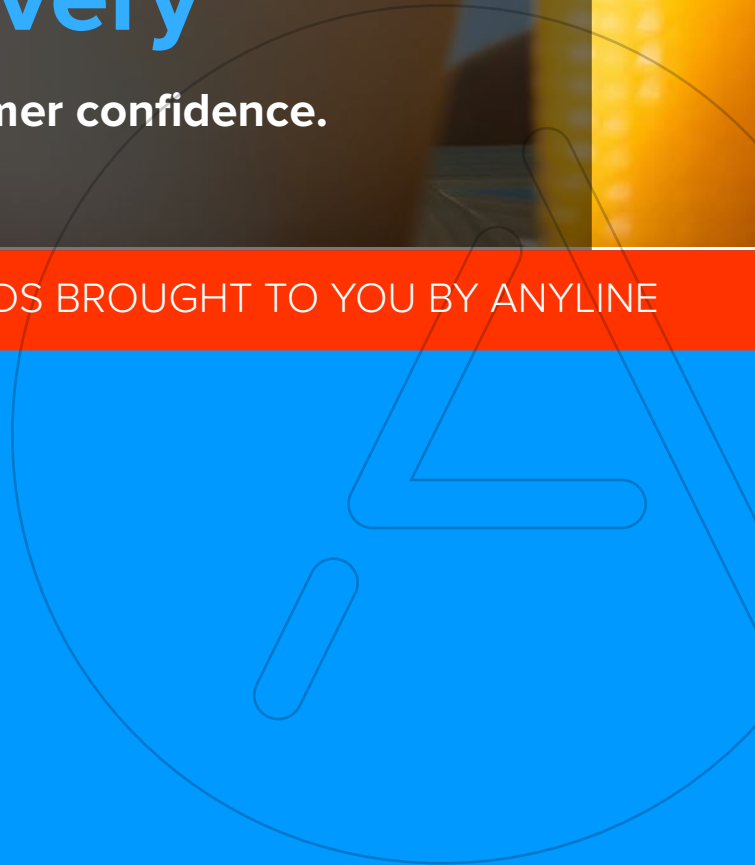




The Top 3 Frustrations of Last-Mile Delivery

and the tech trends to regain customer confidence.

2021 TOP TRENDS BROUGHT TO YOU BY ANYLINE



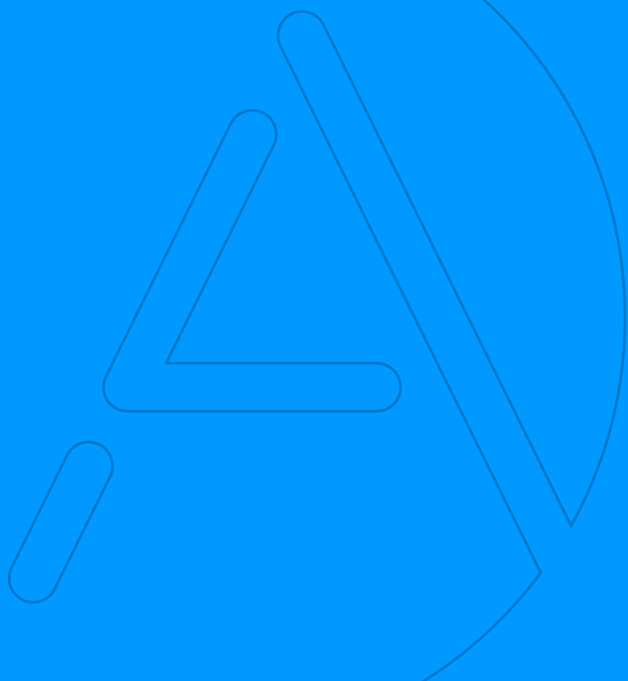


Last-mile carriers have faced an unprecedented stress test during the pandemic. The boom in e-commerce and home delivery collided with the reality of restrictions and lockdown measures. The result? A year of frustration. Especially for consumers who reported more negative experiences with their deliveries than ever before.¹

In this report, we unpack the three biggest pain-points for customers; the **lack of visibility, control** and **accountability**, and discuss the innovations last mile carriers can adopt to regain customer confidence in the short, medium and long term.

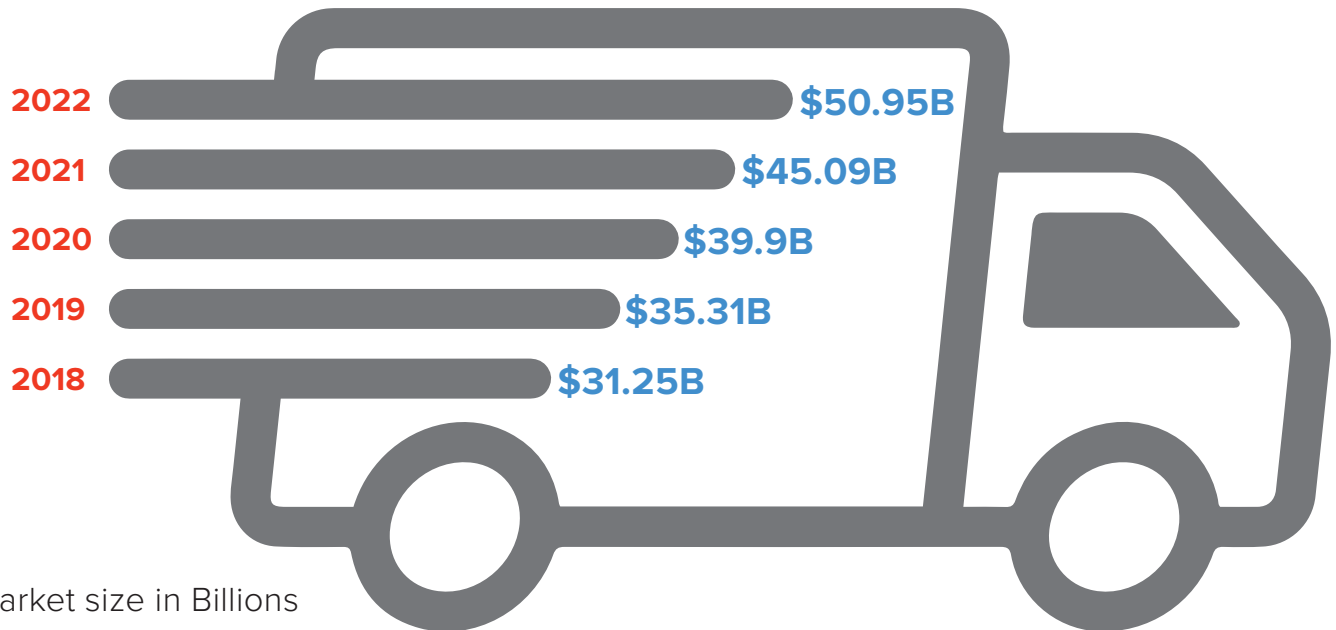
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Consumer demand has never been greater.

By 2022, the demand for same-day delivery and last-mile logistics in North America is expected to grow to \$50.95 billion.²



The chaos of 2020 was high. And now customer confidence is at an all-time low.

In our recent [survey](#), we asked US consumers about their experience of deliveries over the past year. The results were shocking:



For retailers, every last-mile loss
costs them double.

In the words of Louis DeJianne, Director of UPS Healthcare Marketing,³

*“(A) package
being delivered
is still an extension
of your brand.”*



Consumers hold companies responsible for their carriers' mistakes, and according to our data, **three quarters** will reconsider purchasing from a company based on a previous poor delivery.



What are the key customer frustrations with last-mile delivery?

The last mile accounts for between a

quarter to half

of the overall cost of delivery – leaving no room for error.

If your customers are looking to competitors, one of these three things are lacking in your last mile:

VISIBILITY

CONTROL

ACCOUNTABILITY

1. Lack of visibility

93% of customers want a continual flow of information throughout their delivery process

Inconsistent or unreliable updates on shipment status are perhaps the biggest pet peeve of customers.

Customers want:



Tracking numbers



Delivery dates and times



Real-time notifications



Consistent messaging

IMPACT

A lack of information on parcel status means **more WISMO (Where Is My Order) contacts** from customers and a worse experience.

2. Lack of control

Visibility alone isn't enough. Today, customers want actionable information that puts them in control.



TOO OFTEN

delivery options only offer:

- *Limited delivery options or locations*
- *Inconvenient delivery times*
- *A single choice of courier*

IMPACT

A lack of consumer control over the date, time and courier means a **higher rate of failed deliveries**.

3. Lack of accountability

Mistakes happen. Customers know that. But they expect companies to own their mistakes and make amends when they occur.



Almost

9 out of 10

consumers think brands should make up for missed delivery dates⁴

Often, customers have to ‘play detective’ to even find the right person to contact. Take the example of best-selling author Jeff Abbott, who spent weeks searching for a lost table:

“Our table fell into a black hole...We were stuck in a limbo of waiting and feeling powerless to do anything about the problem. It felt like **no one in the chain of command was talking to each other**, or had any sense of urgency about communicating with us.”⁵



IMPACT

A lack of accountability puts responsibility onto your customer, adding stress and **making a bad situation worse**.

What is the root cause?

Lack of data normalization

- Every step of delivery involves different types and forms of data – from emails and purchase orders to barcodes to shipping packages.
- Often, this data is not organized properly in one place – so if problems occur, customers are not communicated through the chain.
- Older technologies like EDI do not provide the real-time data required today for instant updates and analytics.



Last Mile Innovations: how to tell what's handy from hype

If you're dealing with a last-mile liability – fear not. Dozens of recent innovations are making it easier than ever to deliver the goods. The challenge is knowing which are truly worth your while.

Let's take a look:



AI/Machine Learning

Last-mile deliveries can be inefficient due to multiple factors. But by pairing driver data – like location, traffic and delivery loads – with AI and machine learning, couriers can benefit from huge efficiency gains on the road.

As the algorithms learn on the job, it becomes possible to implement dynamic routing and delivery scheduling while also generating vital performance analytics. Over time, machine learning can also be used to predict demand and labor requirements, enabling your company to scale up and down when needed. The result? Data-driven decision-making can lead to more successful deliveries, lower average mileage and less cost-per-stop.

Ease of integration: Challenging
Up-Front Cost: High
Project Length: Long term



Augmented Reality

Every second counts on the road. Searching for one package among many costs valuable minutes. Integrating an AR overlay into couriers' smart or wearable devices gives them the power to scan across dozens of barcodes at once and identify the right package quickly.

When it comes to restricted or perishable goods – such as food, alcohol or medications – AR can also provide useful ancillary data, such as handling requirements, or the need for ID verification during the handover process.

Ease of integration: Easy
Up-Front Cost: Low
Project Length: Short term

Blockchain

Every second counts on the road. Searching for one Like all stages of logistics, last-mile deliveries are often hampered by a lack of Proof-of-Delivery (PoD). This leads to delays in payment and invoice settlement. Blockchain can play a role in overcoming this problem by creating a centralized platform – essentially a digital ledger – where each transaction is recorded and visible to each party.

While still in its nascent stage, the use of blockchain in the last mile will enable faster, more transparent and secure transactions. Bringing together multiple contractors in a single, uniform platform will also increase visibility at each stage of delivery and provide real-time updates which can be relayed to customers.



Ease of integration: Easy
Up-Front Cost: Low
Project Length: Short term



Drones

Drone delivery is by far the most eye-catching of all last-mile innovations, and the potential benefits are clear. For small packages, deliveries could be fulfilled almost instantaneously and in situations like medical emergencies, they could provide vital aid when needed.

However, there are many open questions and concerns over scalability, legality and suitability for urban environments. A sudden increase in drone density could result in restrictive legislation in cities due to concerns over noise, safety and interference with air traffic. Until regulatory frameworks are established, drone delivery could be limited to specific uses such as delivery to remote areas and for use by authorities.

Ease of integration: Challenging due to regulations

Up-Front Cost: Medium

Project Length: Long term

Autonomous delivery vehicles (ADV)

Say goodbye to drivers and say hello to Autonomous Delivery Vehicles which are essentially mobile parcel lockers, monitored from a central control point and following a set delivery route. Customers will be notified of the time the vehicle will reach them and be expected to collect their items from a specific locker on the ADV.



Ease of integration: Medium

Up-Front Cost: Medium if you adopt RaaS – Robot as a Service model

Project Length: Long term



Recentralized delivery

Click and Collect

This method is already being used by Amazon and Whole Foods. Online purchases are dropped off at a store and then customers can pick up deliveries when it's most convenient for them. Reducing the number of trips logistics companies need to make to each customer saves money and time. It's also inexpensive for retailers which is why 34% of companies have reported implementing this process this year and we expect this number to continue to rise in the future.

Ease of integration: Easy

Up-Front Cost: Low

Project Length: Short term

Lockers

No, we're not going back to high school. But lockers do provide an easy way to reduce failed delivery attempts. Customers can go to the locker on their own time and there are other benefits such as reducing the chance of stolen parcels as well as reducing delivery truck congestion in cities by centralizing deliveries. Locker usage is expected to grow in the next few years.

Ease of integration: Easy

Up-Front Cost: Low

Project Length: Short term

Transport drop-offs

There are many locations that customers frequent such as train stations that would make ideal places for parcel drop-off points. This would reduce trucks from the road, helping cities reduce pollution and companies save on miles and costs.

Ease of integration: Easy

Up-Front Cost: Low

Project Length: Short term



Smart Device Mobile Data Capture

Scanning with smart devices, such as smartphones and wearables, is a path to more robust, fast and flexible mobile data capture solutions. Smart devices can also accommodate augmented reality, allowing data about the package or its delivery to be embedded into the information stream for each package and overlaid directly on the device screen. Solutions like Anyline's mobile barcode and OCR scanning work with the smartphone your employees already own so there are no expensive hardware costs.

Ease of integration: Easy
Up-Front Cost: Low
Project Length: Short term

Bring Your Own Device (BYOD)

BYOD means your employees can use their own mobile tablets and devices in the workplace. With no specialized equipment needed, companies save money and solutions are faster to implement and train since employees are using a familiar device. BYOD solutions such as Anyline's mobile barcode and OCR scanning enable companies to be more flexible and scale up quickly whenever business demands it.

Ease of integration: Easy
Up-Front Cost: Low
Project Length: Short term



So many solutions. So little time. Here's what we recommend to tackle the last mile in the short and long term to help you hit those efficiency and bottom-line goals.

Visibility:

When it comes to updates, more is more.

Good communication can make up for any delay. The worry that something is lost is far worse for consumers than the inconvenience of waiting another day if they know a package is on the way. When it comes to providing information on the last mile of delivery, more information is better. Here are top ways you can put the power of data to work for you and your customers:



Short term:

Single source of truth

Put customers at ease by creating a single 'source of truth', or working with a 3rd party logistics company (3PL) that can provide one. This avoids the chance of having multiple reference codes, contradictory delivery dates or incorrect phone numbers that misdirect customers and waste time.



Medium term:

Real-time data and analytics

Data can be on your side. Implementing real-time tracking, predictive delivery times, dynamic routing, and delivery performance analytics can help you maximize efficiency.



Long term:

AI/machine learning

From route optimization to warehouse operations efficiency to delivery of goods, there are many places that machine learning can help reduce costs and improve performance. While the innovation here is rapidly growing, it makes sense to incorporate this technology into your long-term logistics plan.

Control:

Let your customers answer the question “Where is my order?”

Every customer is different. Some may want a package left outside their door with a touchless experience. Others might value the personal confirmation of a package being handed to them by the driver. But no matter what, all customers are more satisfied when they are in control and know when their package will arrive. Here are few ways you can empower your customers:



Short term:

Self-scheduling and tracking system

A self-scheduling and tracking system makes it easy for customers to schedule their deliveries and receive information throughout the delivery process. Customers can personalize what alerts they receive and get notified when their order goes into transit, enters a specific delivery location, and more. Information keeps customers in control and removes frustration from uncertainty.



Medium term:

Personalized delivery options

Customers want choice. And that trumps delivery speed. In fact, 73% of customers said choosing a convenient time for delivery was more important than fast delivery.⁶ So, you'll want to offer your customers the ability to choose when and where their deliveries are made. You can also give customers different choices over the cost of shipping. Consumers will actually pay more to know their goods are not being handled by a 3rd party delivery company with a poor reputation.



Long term:

Lockers

Providing alternative delivery choices for customers will continue to trend. When you provide options like lockers that let customers choose when and where they want to pick up their packages, you'll save time and money and your customers will enjoy the secure convenience. Your goal: keep up the contactless options, but don't lose that personal touch.

Accountability:

You can lose packages without losing customers.

Just be proactive.

Even the best delivery solutions run into trouble. But if you can get ahead of any issue, and try to make it right, or even better yet, make next time better with a discount, you'll have loyal customers. No matter the problem or delay, communicate it upfront and keep the customer in the loop throughout the experience. Here are the top ways you can answer for accountability:



Short term:

Single source of truth

Customers appreciate being in the know, even if it's being alerted to a delay. If you offer one source for delivery information – from the retailer, carrier and customer – the customer can track their package without any surprises. In fact, retailers who proactively identify and communicate with a customer to solve a problem receive a three-point higher Net Promoter Score than retailers that have no delivery issues at all.



Medium term:

Delivery performance analytics

How successful is your supply chain at delivering products to your customers? This isn't a guessing game. With the power of analytics on your side, you can understand where slowdowns happen and where efficiency can be gained. The more you can foresee issues, the more you can communicate to customers and make them feel like you are looking out for them.

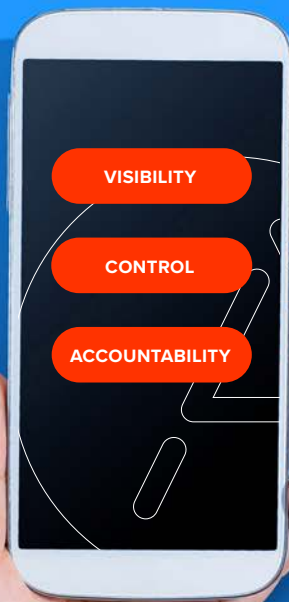


Long term:

Blockchain

Blockchain brings together transparency with efficient record-keeping and tracking of goods. And what is the last mile if not a long stretch of multiple handovers that need efficient tracking? Having an indisputable record of all of these transactions will make it harder to lose track of a piece and enable each partner in the delivery process to be held to the highest accountability.

Bringing it all together



The three biggest pain points for customers – the lack of visibility, control and accountability – should also be the three biggest focal points for logistics companies this year.

New technologies and innovations are providing new levels of visibility that can be shared with customers at every step. And with this detailed new level of information, a lack of accountability is no longer an option. Instead, owning mistakes and making customers aware of them is here to stay.

If you are ready to conquer the last mile and help gain efficiency at every step, Anyline is poised and ready to partner with you. **Schedule a call with us and download our demo app to get started, sign up to our newsletter and visit the Anyline blog.**



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