3 Ways to Perfect Last-Mile Delivery in 2021

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Part of the cumulative growth of retail's e-commerce sector has been mounting consumer demand for faster delivery times and more visibility. These factors were a driving force behind the rapid growth of the last-mile delivery stage of online order fulfillment even before Covid-19 emerged, but the pandemic shifted its role into overdrive.

As stay-at-home orders were activated and in-person shopping dwindled because of health concerns and store closings, consumers turned to online shopping in droves, necessitating even further improvement to last-mile delivery logistics. As the e-commerce boom continues, here's how retailers and brands can leverage last-mile delivery to gain a competitive edge.

Focus on Faster

The crux of last-mile logistics is to deliver items to the end-user as quickly as possible. There is no one-size-fits-all setup for fulfilling online orders, but with few exceptions, the main logistical objective in the world of e-commerce is to facilitate the fastest and most cost-efficient delivery. To meet those demands and control shipping costs, and as same-day and hourly delivery models become the standard, the prevailing approach is to store inventory as close as possible to areas with the densest population of customers.

One way businesses are accommodating this strategy is by turning shuttered stores into regional micro-fulfillment hubs and pairing them with last-mile delivery services to facilitate faster shipping without the premium price tag. Regional and local carriers are increasingly supportive in last-mile delivery–particularly for companies with multiple distribution centers–as they offer more extensive pick-up and delivery schedules and next-day delivery options.

Invest in Inventory Optimization

Diversifying your fulfillment location strategy to close the gap between your product and your customers requires total inventory visibility and management capabilities. As expectations for delivery speed grow, customer order patterns and inventory data should be leveraged in tandem to ensure all items are sufficiently stocked in the right places, at all times.

Due to the volume of work and level of organization that must be maintained to manage inventory and orders across your network of locations, this is typically entrusted to a fulfillment partner with an advanced warehouse and inventory management system that integrates with supplier and vendor systems. Even if you have limited technologies and resources, though, there are APIs and back-office supportive services you can access online to increase visibility within your operations.

Use Shipping Analytics Tools

Visibility into shipping data allows companies to track, discover, and evaluate where efficiencies can be improved. Technology solutions, such as those prevalent among third-party logistics (3PLs), enables real-time data for transparency into shipping spending, providing information that allow companies to build better forecasts, reduce transportation costs, and improve delivery operations and profitability. Having access to all data pertaining to carrier costs and delivery performance, for example, empowers companies to identify problem areas and opportunities to spend smarter.

Let's say you paid for two-day delivery when a parcel was delivered in three. The one-time overcharge won't break the bank, but it's important to know so you can ensure it hasn't been a recurring mistake, and make corrections so it doesn't happen again. Seemingly small observations and changes like this can contribute greatly to achieving economies of scale, and can mitigate costs associated with last-mile delivery. These analytics solutions serve up insights needed to reduce waste, decrease transportation spending, and ultimately create a better experience for both shippers and customers.

The last mile isn't just about delivering a package; it's about delivering an experience that represents your company and satisfies customer expectations. It's the last opportunity in the supply chain operation to make a good impression, and if not prioritized and executed well, it could be the last stop on a customer's journey with your brand.