

SUSMILE translation synthesis

Capsule 2.2.3 Source 5

Why is last-mile delivery so important?

Last mile delivery refers to the final stage of an online sale, namely the delivery of the package to the buyer. This stage is one of the most complex and expensive in the supply chain, notably because it involves the presence of the buyer at home during the delivery, but also because the cost of this delivery is more difficult to mutualise as it is necessarily personalised.

Last-mile delivery players getting increasingly popular

First observation: we note the predominant presence of very large players and the development of marketplaces. These players are pure players (e.g. Uber Eats) who have specialised in this last-mile stage by focusing on the quality and depth of the offer, but also on the quality of the service, particularly in terms of meeting the promised deadlines.

These last-mile delivery players are favoured by many consumers, both urban and rural, for the almost unlimited choice of products and the guaranteed quality of service. Today, consumers will choose a provider based on the service offered and not on the price, especially as the players align themselves with the market. This is especially true since the players are now aligning themselves on this price criterion.

Faced with this growth in demand, new, more efficient, and more effective ways of working must be found to help the teams manage these flows.

Several examples and technologies are then presented in the document, with their respective advantages and benefits for the last mile delivery:

- **Data management and collection**

Customers seek to obtain products through different means and modalities, making it necessary to better understand their behaviours, to collect data in the process, wherever they are, in order to better anticipate the supply and availability of products at the point of sale.

- **Live access to data for real-time management**

Leaders in last-mile delivery operations are able to organise the *picking* 20 minutes after the order is taken, with 98% of deliveries being successful on the first attempt. They master the promises made to end customers, thanks to powerful and innovative technologies. Efficient IT processes are therefore a crucial element in differentiating themselves from the competition.

- **Returns management**

A customer must be able to return a product via a parcel or directly in a shop, regardless of where he or she is located. This implies that the management of this return must be feasible in any shop of a brand. Enabling omni-channel returns management will reinforce the relationship of a shop with the



consumer. Unified commerce and omnichannel must go hand in hand with building the right offer, ensuring reliable customer service and good returns management.

- **Flexibility at all costs**

Customers are demanding more flexibility in delivery windows and modalities. To ensure sustainable retail growth, retailers must not forget that the quality of the customer experience is the cornerstone of its success.

New tools but with a sound operational basis

The adoption of new technologies such as blockchain, the Internet of Things and the exploitation of data can also bring new perspectives on the last mile delivery operations. But in the end, without a fair stock at all levels nothing is possible...

In recent decades, the retail strategy initially focused on mass marketing has shifted towards a more personal to a greater personalisation of the customer relationship, by favouring a one-to-one interaction. Even today, this customer relationship is still evolving towards ultra-personalisation, in line with a consumer who is increasingly keen on tailor-made solutions.

Targeting must therefore be more precise and relevant, to send a personal and unique message to the customer. In the current context of an explosion in the volume of data, customer knowledge of the customer is becoming a major challenge to achieve hyper-personalisation, and therefore to propose a relevant offer and establish precise targeting (promotions, personal and unique message unique message...).

