FRAYT

Last Mile Delivery Survey: Fortune 1000 Companies See Immediate ROI

EXECUTIVE SUMMARY

Last mile delivery has become an essential aspect of supply chains, directly influencing customer satisfaction and driving competitive advantage. This survey of 95 supply chain professionals highlights the critical role of last mile logistics in overall supply chain operations and underscores the rising importance of last mile delivery technology.

KEY FINDINGS

Competitive Advantage:
An overwhelming **79**% of businesses consider last mile delivery services as **very** or **extremely important** in providing a competitive edge. This reflects the increasing customer demand for faster, more reliable deliveries.

Operational Focus:
35% of respondents indicated that their overall logistics operations are dedicated to last mile delivery services, emphasizing the strategic importance of this aspect in the supply chain.

Freight Capacity Challenges:
40% of businesses identified freight capacity as the biggest obstacle in providing reliable last mile delivery, highlighting the need for efficient capacity management and investment in technology.

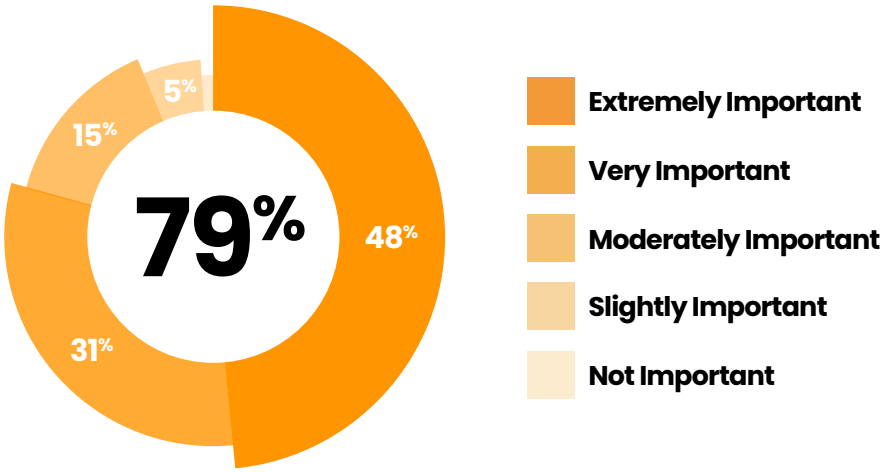
Network Optimization:
48% of respondents have optimized their delivery networks for last mile delivery services to improve cost efficiency.

Direct Communication:
40% of professionals believe it is extremely important to maintain direct communication with last mile drivers, ensuring efficient operations and prompt issue resolution.

Partner Selection Criteria:
Partner Selection Criteria: Reliability and on-time delivery performance were deemed critical by 69% of respondents when selecting a last mile partner. In addition, 54% emphasized customer service and responsiveness as key factors in the decision-making process.

COMPETITIVE ADVANTAGE

The finding that 79% of businesses consider last mile delivery services as very or extremely important in providing a competitive edge is significant, as it highlights the growing importance of customer expectations in the supply chain landscape. In today's fast-paced and technology-driven world, consumers increasingly demand faster, more reliable deliveries. This demand pressures businesses to ensure their last mile delivery services meet and exceed these expectations, ultimately enhancing their competitive advantage.



Several factors contribute to the heightened significance of last mile delivery services:

Customer Experience: Last mile delivery is often the final touchpoint between a business and its customers, leaving a lasting impression. By providing fast and reliable deliveries, businesses can improve customer satisfaction, build brand loyalty, and increase the likelihood of repeat purchases.

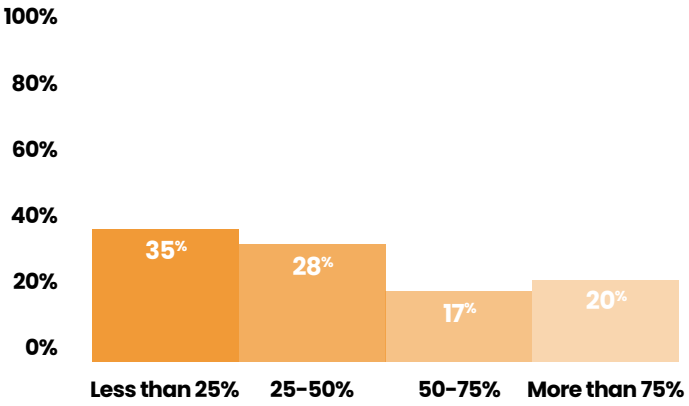
Differentiation: As more companies enter the market, offering exceptional last mile delivery services can help businesses differentiate themselves from competitors. By streamlining their operations and investing in innovative last mile technologies, companies can position themselves as industry leaders and stay ahead of the curve.

E-commerce Growth: The rapid expansion of e-commerce and the Amazon Effect has amplified the importance of last mile delivery, as consumers now expect the same level of convenience and speed they experience in physical stores. As a result, businesses that can adapt to these expectations and deliver products quickly and efficiently will have a competitive edge over those that cannot.

Customization and Personalization: As customer preferences evolve, the demand for tailored and personalized delivery options grows. Businesses that can offer flexible and customizable last mile delivery services, such as specific delivery windows or locations, and repeat drivers will stand out in a competitive marketplace.

OPERATIONAL FOCUS

This data indicates that last mile delivery services are crucial in providing a competitive edge for businesses. The survey results underscore the need for companies to invest in efficient last mile logistics, adapt to changing customer demands, and embrace innovative technologies to remain competitive in the evolving supply chain landscape.



The data point showing that 37% of respondents dedicate over 50 percent of their overall logistics operations to last mile delivery services signifies the strategic importance of this aspect in the supply chain. Last mile delivery is increasingly becoming a vital component of supply chain management as businesses recognize its potential to impact customer satisfaction, brand reputation, and profitability. This growing focus on last mile delivery can be attributed to several factors.

Expanding E-commerce: The surge in e-commerce has led to a significant increase in parcel deliveries, putting pressure on businesses to optimize their last mile operations. As a result, companies are dedicating more resources to enhance last mile delivery services to ensure they can meet the growing demand and maintain customer satisfaction.

Customer Expectations: Today's customers expect fast, reliable deliveries, greater visibility and control over their shipments. Businesses that prioritize last mile delivery services are better equipped to meet these expectations and provide a seamless delivery experience that aligns with modern consumer demands.

Cost Savings: Last mile delivery services often account for a large portion of total logistics costs. By dedicating more resources and attention to this aspect of the supply chain, businesses can identify opportunities to optimize processes, reduce inefficiencies, and lower overall costs.

Technological Advancements: Integrating technology, such as real-time tracking, route optimization software, and autonomous delivery solutions, has improved the efficiency and effectiveness of last mile delivery services. Companies that prioritize last mile operations are better positioned to leverage these technological advancements and enhance their supply chain performance.

Competitive Landscape: In an increasingly competitive market, the ability to provide exceptional last mile delivery services can set a business apart from its competitors. By focusing on this aspect of the supply chain, companies can differentiate themselves and establish a reputation for superior customer service and reliable delivery performance.

Urbanization: As urban populations grow, the demand for last mile delivery services in densely populated areas increases. Companies that dedicate resources to last mile operations are better prepared to navigate the complexities of urban delivery and meet customers' needs in these challenging environments.

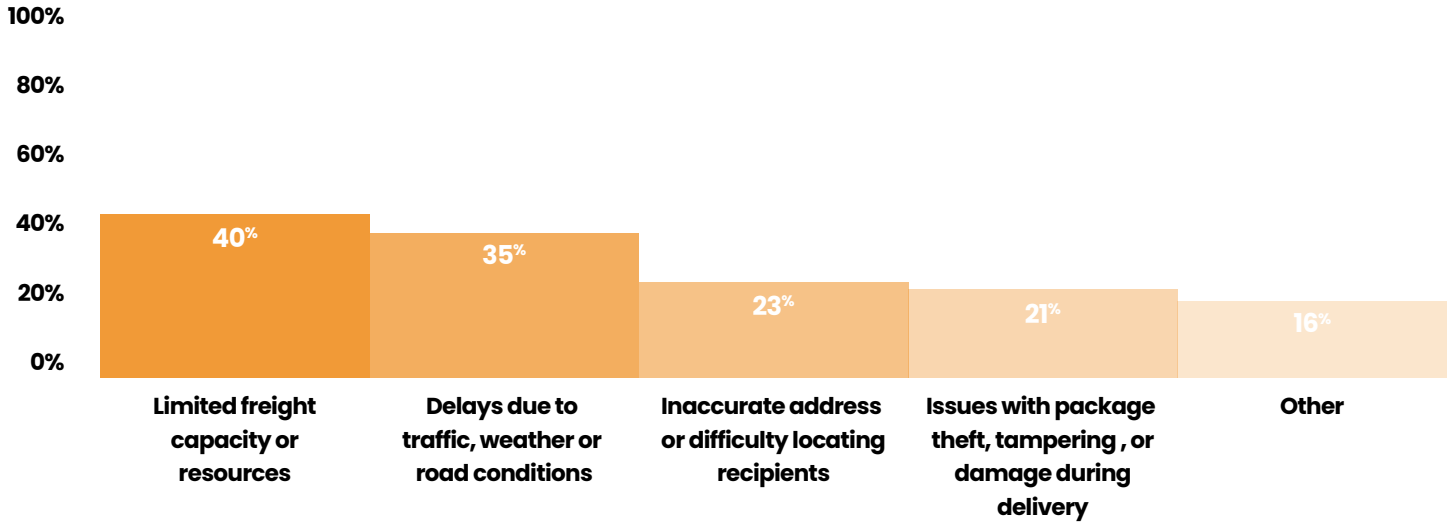
The finding that 37% of respondents dedicate their overall logistics operations to last mile delivery services underscores the growing recognition of its strategic importance in the supply chain. As companies continue to prioritize this aspect of their operations, they will be better equipped to meet evolving customer expectations, capitalize on new technologies, and maintain a competitive edge in the rapidly changing supply chain landscape.

FREIGHT CAPACITY CHALLENGES

40% of businesses identified freight capacity as the biggest obstacle in providing reliable last mile delivery is significant, as it highlights a major challenge that companies face in meeting the ever-increasing demand for fast and efficient delivery services. Freight capacity issues can lead to delayed shipments, increased costs, and customer dissatisfaction. This emphasizes the importance of efficient capacity management and investment in technology to overcome these challenges and ensure a seamless last mile delivery experience.

The significance of freight capacity as a major obstacle can be attributed to several factors:

Growing E-commerce Demand: The rapid expansion of e-commerce has led to a significant increase in parcel volumes, putting immense pressure on existing freight capacity. This surge in demand can strain logistics networks, making it difficult for businesses to ensure timely and reliable last mile delivery services.



Seasonal Fluctuations: Seasonal peaks, such as holiday periods, can exacerbate freight capacity issues as the demand for delivery services spikes. During these times, businesses may struggle to secure adequate capacity, leading to potential delays and negatively impacting customer satisfaction.

Limited Infrastructure: Inadequate or outdated logistics infrastructure can contribute to freight capacity challenges. This may include insufficient warehouse space, lack of loading docks, or limited availability of transportation resources, all of which can hinder a business's ability to efficiently manage last mile delivery operations.

Environmental and Regulatory Constraints: Increasing environmental regulations and urban restrictions, such as emissions standards and traffic congestion management policies, can limit available freight capacity. These constraints may require businesses to invest in alternative transportation methods or adopt more sustainable practices to meet regulatory requirements and maintain reliable delivery services.

To address these challenges and mitigate the impact of freight capacity constraints, businesses must focus on efficient capacity management and invest in technology. Some potential solutions include:

Data-driven Capacity Planning: Utilizing data analytics and advanced forecasting tools can help businesses better predict demand and allocate resources accordingly, ensuring optimal capacity utilization and minimizing the risk of delays.

Route Optimization Software: By adopting route optimization software, companies can determine the most efficient delivery routes and maximize the use of available capacity. This can reduce transportation costs and improve overall delivery performance.

Collaboration and Resource Sharing: Partnering with other businesses or logistics providers can enable companies to share resources, such as vehicles or warehouse space, and increase overall freight capacity. This collaborative approach can lead to more efficient last mile delivery services and reduced operational costs.

Adoption of Innovative Technologies: Investing in innovative technologies, such as autonomous vehicles or drone delivery, can help businesses overcome freight capacity challenges by offering alternative, more efficient delivery methods.

The identification of freight capacity as a major obstacle by 37% of businesses underscores the need for efficient capacity management and investment in technology. By addressing these challenges, companies can improve the reliability of their last mile delivery services and maintain customer satisfaction in an increasingly competitive market.

HOW TO SELECT A LAST MILE PARTNER

The survey results indicate that when selecting a last mile partner, 69% of respondents consider reliability and on-time delivery performance to be critical factors, while 54% prioritize customer service and responsiveness. These findings highlight the importance of partnering with a dependable and customer-centric last mile provider in order to maintain a competitive edge and ensure customer satisfaction.

Expanding on these partner selection criteria:

Reliability and On-time Delivery Performance: As the last touchpoint in the supply chain, the last mile delivery experience can significantly influence customer perceptions and brand reputation. Ensuring that deliveries are consistently on time and reliable is essential to maintaining customer trust and loyalty. A last mile partner with a proven track record of dependable performance can help businesses meet customer expectations and prevent potential issues, such as late deliveries or damaged goods, that could negatively impact customer satisfaction.

Customer Service and Responsiveness: A last mile partner that prioritizes customer service and responsiveness can resolve issues promptly and efficiently, mitigating any potential damage to a company's reputation. This includes effective communication, proactive issue resolution, and handling special requests or delivery exceptions. By selecting a partner with a strong focus on customer service, businesses can ensure that their customers receive the support they need and enjoy a seamless delivery experience.

Technological Capabilities: In today's digital age, advanced technology significantly streamlines last mile delivery operations and enhances customer experience. When selecting a last mile partner, businesses should consider their technological capabilities, such as real-time tracking, route optimization, and automated notifications. A partner that leverages cutting-edge technology can help improve operational efficiency, provide greater visibility into the delivery process, and meet the evolving demands of modern consumers.

Scalability and Flexibility: As businesses grow and adapt to changing market conditions, they must have a last mile partner to scale and adjust their services accordingly. This includes handling fluctuations in delivery volume, expanding their geographical reach, or offering customized delivery options. A flexible and scalable partner can help businesses navigate growth and maintain consistent service levels, even in changing circumstances.

Cost Efficiency: While not the primary factor for many businesses, cost efficiency is still essential when selecting a last mile partner. By choosing a partner that offers competitive pricing without compromising on service quality, businesses can balance managing expenses and maintaining a high level of customer satisfaction.

The survey results emphasize reliability, on-time delivery performance, customer service, and responsiveness when selecting a last mile partner. By prioritizing these criteria, businesses will establish successful partnerships with last mile providers that support their operational goals, enhance customer experience, and contribute to their overall competitive advantage.

PARTICIPATING COMPANIES:

Bisset Fasteners
Washington University
bioMerieux
Cowley College
Vizient Inc
Amazon
Bluecrux
NorthShore
Hamilton Caster
Intel
Urban Stems
BorgWarner
Spin Master
Avobis Bio
Kroger
Cleaver
Marathon
Pella
Chas. E. Phipps
UPS
Unilever
International Rescue Committee
InterWork Office
Mid America Logistics
Allievex
DHL
AmerTac
VIKAND
IWG PLC
2 W global
Ryder System Inc
Kleysen
Regal Logistics
Torlys
Home Depot
AC Marca
Legendary Headwear
Averitt Express
Beecan Health
Chantecaille
Lockheed Martin
College of Charleston
Gilead Sciences
OnLife App
AR Canales
MKS Global Shipping
Cartel Communication System
CEVA Logistics
EFW
Dyson
JD Logistics
CMP
Oxford University Press
SEI
PRETTL
Quality Custom Distribution
Flat World Global Solutions
VIP
Rush
Iron Heart Canning
Multigestiones Ayax
Corflex
GSK
SAKAEM Logistics
HKC-US
CN
Boeing
Pasqal Canada Inc
The Spencer Company
Rhodes Pharmaceuticals
Primester GP
Gunther Mele Limited
US Motor Works
ITM

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ABOUT FRAYT

FRAYT is a leading provider of last mile delivery, specializing in the critical last mile of the shipment process.

With a strong focus on customer satisfaction, FRAYT offers tailored solutions that cater to the unique needs of businesses across various industries, including Retail, Construction, Shipping/Distribution, Manufacturing, and Automotive Supply.

By leveraging advanced technology, route optimization, and a customer-centric approach, FRAYT ensures that packages are delivered quickly, efficiently, and cost-effectively, enhancing the overall customer experience.

Visit **FRAYT.com** today to discover their comprehensive suite of last mile delivery solutions, and see how their expertise can help you stay competitive in an ever-evolving market. Take advantage of the opportunity to elevate your business and delight your customers with FRAYT's exceptional last mile delivery marketplace.

Learn more about how FRAYT can revolutionize your business's delivery processes and exceed your customers' expectations.