

# THE LOGISTICS POINT

YEAR 4 | ISSUE 10 | NOVEMBER 2023

EXCLUSIVE  
VIDEO CONTENT  
INSIDE

## LAST MILE EVOLUTION: CONSUMERS WANT MORE



From delivery personas to changing habits & tracking. Enough is never enough in the home delivery space.

URBAN LOGISTICS  
& LAST MILE  
NETWORKING

Join us on the 28th November  
for our last event in 2023

LOGISTICS &  
SOCIAL  
RESPONSIBILITY

It is not enough to say how  
green you are

SMART TYRES:  
THE ROAD AHEAD  
IS BUMPY

New technologies emerge but  
can we make them work



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**28 NOVEMBER  
IN-PERSON**

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Director of Sales for Routing, Mobile, and Telematics at Descartes



Gary is the Director of Sales for Descartes Routing, Mobile, and Telematics portfolio. He joined Descartes in early 2023 through the acquisition of Melbourne-based Localz, a provider of customer engagement software for field service and last-mile delivery.

Gary has extensive experience in the supply chain sector, working alongside solution consultants and

marketing functions to implement technology solutions that exceed customer expectations. In his role, Gary helps businesses to drive operational efficiencies and improve last-mile customer experience.

# Rhyce Dawson

Associate Director at TMX Transform



Rhyce Dawson is an experienced supply chain executive, spending his career in various technical, analytical and operational design roles within the logistics and supply chain industry.

Rhyce has demonstrated capability in the development of client logistics and supply chain strategies across a range of industries including retail, B2B, B2C, fashion, food and e-commerce.

Rhyce joined TMX in 2022, prior to this Rhyce worked as a consultant with Hatmill, after four years' experience in Warehouse Automation Design at Vandelande.

His experience in the design, procurement and implementation of supply chain automation spans a range of industries and solution types.

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Co-founder & Chief Revenue Officer at Zoomo



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He honed his knowledge of the Advanced Transportation space at Zoomo and through previous positions at electric vehicle startup Arrival and sustainability-focused investment bank Greentech Capital.

# Elizabeth Selby

Partner at Bexley Beaumont



Elizabeth has over 20 years of experience in the legal sector, advising clients on logistics fulfilment contracts and major infrastructure projects in the UK and Australia.

Her clients include businesses in the logistics, retail, market research and manufacturing sectors.

Elizabeth works with founders, SMEs and large corporates, helping them to identify and protect against their key legal and commercial risks.

# EDITOR'S NOTE

Welcome to the November edition of The Logistics Point Magazine!

## **Urban Logistics & Last Mile Networking**

After two very successful networking and round-table events earlier this year, we are happy to welcome you back to our last event for 2023.

Join us on the 28th November in Central London to discover the world of urban logistics and last mile. We are hosting some great speakers:

- Gary Rosier-Taylor - Sales Director at Descartes Systems Group;
- Rhyce Dawson - Associate Director at TMX Transform;
- Elizabeth Selby - Partner at Bexley Beaumont;
- Michael Johnson - Co-Founder and CRO at Zoomo;

And amongst the guests are CEOs, Managing Directors, Heads of Operations, Senior Leads from some of the leading last mile companies in the world.

[You can get your ticket for this unique logistics events now!](#)



## **Social Responsibility**

In this edition you can learn more about the role of consumers in the way the last mile is being changed.

We also take a deeper look at how logistics embrace the importance of social responsibility and what different companies can and should do.

We hope you enjoy this read!

Nick Bozhilov  
Editor in Chief  
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# ADAPTING TO THE EVOLVING LAST-MILE LOGISTICS LANDSCAPE: MEETING CHANGING CONSUMER CHARACTERISTICS

The last-mile logistics sector has witnessed a significant transformation in recent times, shaped by shifting consumer characteristics, particularly in the wake of the rapid growth in e-commerce and the increased demand for home deliveries spurred by the global pandemic. The last mile, once considered the final leg of a product's journey from seller to buyer, has emerged as a critical element in the supply chain, playing a pivotal role in influencing customer behavior and shaping the overall shopping experience.



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*Consumers have become more vocal and eagerly share bad experiences when it comes to home delivery. The last mile is an important part of retail's brand loyalty and logistics companies have a crucial role to play.*

One of the most prominent changes in the last mile has been the evolving expectations of consumers, irrespective of whether they fall within the B2B or B2C categories. Gone are the days of rigid delivery schedules and limited options. Today's consumers crave flexibility, a shift that has presented both opportunities and challenges for the delivery and logistics sector.

### **Consumer Choice and Its Impact on Behavior**

Consumer choice has become a central theme in the last-mile logistics narrative. Offering consumers the ability to select from a range of home delivery options, each associated with its respective cost, has empowered buyers to decide what convenience is worth to







# DELIVERY BY PERSONAS

Comment by Descartes Systems Group. More detail on [page 19](#)

Although all demographics are driven by the same online shopping factors, they all have different delivery expectations impacting last mile logistics. Older buyers do not have as much experience ordering goods and services online.

Younger shoppers have grown up with smartphones and are at ease with digital commerce. Indeed, Descartes' [last mile study](#) points out that Millennials and Gen Z consumers tend to shop online more, spend more money, and are more likely to increase ecommerce spend (50% vs. 33% of 55+ consumers). Millennials and Gen Z expect more from retailers' ability to execute on deliveries— which, today, is a consideration for merchants that are attempting to meet the expectations of younger target groups.

them and what price they are willing to pay. This newfound flexibility in the last mile has significantly influenced buyer behavior, as shoppers are more likely to make purchasing decisions when they have control over their delivery preferences.

However, it's essential to acknowledge that the last mile, while empowering consumers, also plays a substantial role in shaping the cost and the overall customer experience. The delicate balance between minimizing costs and providing a positive experience has emerged as a key driver of customer loyalty and future sales profitability.

### **Real-Time Tracking and Customer Experience**

A stellar customer experience has become a non-negotiable requirement for retailers. Consistency across all customer touchpoints is essential to ensure a seamless shopping journey. Real-time tracking has become a powerful tool in this regard. According to a recent last-mile delivery experience survey by Bettermile, a German-based last-mile technology company, 63% of consumers use real-time tracking when it is available.

What's more, the same percentage (63%) of users engage with the tracking feature three or more times throughout a delivery day.

“

*For companies that have old legacy routing solutions, things have moved on and your planners are probably spending far more time than they need to planning and there are more compelling benefits from advanced route optimisation solutions today.*

Consumers have come to rely on real-time tracking to stay informed about their orders. This tracking feature, however, is a two-way street. Recipients often use real-time tracking to request in-person deliveries and adjust their schedules to ensure a smooth handover. This not only simplifies the lives of delivery drivers but also enhances operational efficiency for carriers.



# KNOWING WHAT HAPPENS

Comment by Simon Seeger, Managing director at Bettermile.  
More on [page 24](#).

Last-mile delivery service providers can harness real-time data to optimize the delivery process and provide reporting for the whole trail from warehouse to the consumers' door.' Real-time tracking also empowers logistics companies to offer customers transparency on the status of their order and feel involved in the delivery process.

In the end, service options like preferred delivery time frames or alternate dropoff locations have huge operational impact. Flexibility for the consumer comes at a high cost for the logistics companies. Only technological solutions can bridge that gap between productivity and customer experience.



### **Customization of Delivery Choices**

Another key aspect of the evolving last mile is the customization of delivery choices based on unique delivery personas. Recognizing that consumer preferences and expectations vary across demographics, tailoring last-mile delivery options to specific customer groups is crucial for building lasting customer relationships. Unfortunately, many retailers still fall short in this regard.

Moreover, it's important to note that younger generations, such as Gen Z and Millennials, are more inclined to take action against retailers, compared to their older counterparts. This underscores the importance of meeting the home delivery requirements of diverse customer demographics effectively. Retailers must consider the values, priorities, and preferences of these demographics to define and serve multiple delivery personas successfully.

### **Facing the Complex Challenges**

The last mile of logistics presents an intricate web of challenges, with the need to balance competing demands for speed, convenience, price, and sustainability at its core. Striking the right balance between these factors is no small feat and requires the deployment of innovative solutions, technology, and strategic decision-making.

Cost-efficiency is one of the most pressing challenges, influenced by factors like rising customer expectations, urban congestion, high fuel costs, labor expenses, and the optimization of delivery density. Overcoming these challenges while finding sustainable and cost-effective solutions is critical for the last-mile delivery industry.

In a world where consumers hold the power to drive change and shape the industry, the last mile logistics sector must adapt, innovate, and evolve to meet their evolving expectations while maintaining an unwavering commitment to sustainability and efficiency. The journey is complex, but it's one that holds the key to a successful, customer-centric future for last-mile logistics.



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# Flexibility for consumers, rigidity for retailers: Welcoming the transformed last mile

## Gary Rosier-Taylor

Sales Director at  
Descartes Systems Group

### **How have all the recent crises affected and transformed the last mile and urban deliveries sector?**

The biggest change has been consumers' expectations whether it is on the B2B or B2C side of things. We have moved away from a very rigid way of working and now many people have this uber-flexibility. That presents many challenges for the delivery and logistics sector. But at the same time people still want to know what is happening, when and who is going to deliver their order.

These have been driven by some of the big e-commerce platforms, food delivery companies, ride sharing and even taxi companies.

### **Consumers were more flexible during the pandemic but are they still prepared to wait for a delivery?**

Some consumers have become a lot more focused on speed, but quality, convenience, service and price will appeal more to others. Things have become a little bit more rigid for the delivery and logistics provider and they have to tread a fine line because it has become harder to meet those expectations.



At the same time, the technology that is driving this is very difficult to change and manipulate.

### **Which one should come first: speed, quality or service?**

You have to have a fine balance between all three. With organisations that focus purely on speed the quality seriously deteriorates. Your chosen 3PL is representing you and that is the final point the customer will engage with your brand and service. Who you chose is absolutely critical.

The B2C retail space is also looking at ESG. Consumers are looking at what a particular organisation is doing to deliver the product quickly and in an effective fashion, and meet expectations in terms of a delivery window, but what they are also doing from an ESG standpoint. I think over time it will become more prominent and prevalent for consumers to be looking at it.

**You are part of our Last Mile & E-Com Networking Event on the 28th November in Central London. What can people expect from your talk?**

It is always great to have open discussions with different organisations and understand what everybody is doing. What I would like people to take away from this conversation is that there is a plethora of technologies out there that can be utilised to assist in all the things we have already spoken about.

Sometimes it is going to be taking an entire suite of products to make sure that you meet those requirements. And sometimes it is about plugging in particular pieces of technology that can really save an underperforming part of your business.

Not all organisations are the same. For example one of them has a cut off at 3pm for the next day. The other is at 8pm. Those are two very different scenarios because you need to communicate at two different times.

You can watch the full video with Gary Rosier-Taylor below. Get your ticket for our Last Mile & E-Com Event now. Meet like-minded logistics professionals, exchange ideas and solve problems. Tickets can be purchased [here](#).



# Understanding workers' rights and the gig economy for last mile operations

Elizabeth Selby

Partner at  
Bexley Beaumont

## What can we expect from your talk on the 28th November?

We will share practical insights and steps that businesses can take to avoid potential pitfalls, such as ending up in a tribunal or on the wrong side of HMRC. You can expect actionable advice and guidance to ensure compliance with employment laws and regulations while effectively navigating the intricacies of the gig economy.

I hope will help you gain a better understanding of the legal framework and regulations that govern this area.

## What is the biggest challenge for the last mile in your opinion?

The biggest challenge in the last mile of logistics is finding the delicate balance between competing demands, including speed, convenience, price, and sustainability. Striking the right balance between these factors is a complex and ongoing challenge in the last mile, and it requires innovative solutions, technology, and strategic decision-making to meet the evolving expectations of consumers and the demands of a sustainable future.



## What are you most looking forward to for the event?

I'm most looking forward to the opportunity to hear about the challenges and opportunities others are currently experiencing. These insights from industry experts will provide a valuable opportunity to gain a broader perspective on the current landscape and exchange ideas on how to address the unique challenges and leverage the emerging opportunities in our field. It's a chance to learn from each other, share knowledge, and collectively work towards innovative solutions for the last mile.

# Balancing convenience and responsibility: The urban logistics dilemma

## **What can we expect from your talk on the 28th November?**

We will explore ways that businesses can use data and automation to create an efficient, greener urban logistics strategy. The Covid-related e-commerce boom has shifted consumer expectations to a point that is changing the landscape and infrastructure of our towns and cities. But the convenience of delivery comes at a price – for businesses and the planet. Last mile sustainability is vital, but to remain resilient and relevant, businesses also need to examine all logistics systems and networks.

## **What is the biggest challenge for the last mile in your opinion?**

There is a myriad of challenges for last-mile delivery, and every added inefficiency drives up costs. Cost-efficiency is a major challenge, encompassing factors like rising customer expectations, urban congestion, high fuel costs, labour expenses, and ensuring optimal delivery density. Finding sustainable, cost-effective solutions in the face of these challenges is important for industry.

## Rhyce Dawson

Associate Director at  
TMX Transform



## **What are you most looking forward to for the event?**

I am looking forward to hearing different perspectives from industry leaders at the event on the complicated topic of last-mile delivery. I'll be joined by a panel of speakers who will delve into topics such as e-commerce strategies, customer engagement and sustainable supply chains, which are all pertinent considerations for retailers in today's market.



## **UNDERSTANDING LAST MILE DELIVERY REQUIREMENTS ACROSS AGE GROUPS**

Even though many ecommerce merchants use data-backed buying personas that provide insight into the purchasing decisions of their customers, many are only truly starting to get to grips with the next part associated with buying personas – and that is appreciating that consumers have delivery personas too. So, what attributes play out in different delivery personas and how can retailers take advantage of them? Descartes Systems Group takes a deep look into this.

**Sponsored Content**

How might preferences relating to the convenience, cost and speed of delivery affect different consumers? What is the difference of opinion relating to deliveries generationally? Does Gen X expect something different to Gen Z? What about Millennials and Boomers? What are their preferences?

A 2023 [study](#) of over 8,000 consumers across 10 geographies, including the UK, central Europe and North America reviewed the state of ecommerce and last mile home delivery performance. It investigated how demographics impact online buying habits and delivery preferences. What do retailers need to consider to meet the expectations of their different consumers' delivery personas.



### **Providing consumers what they need**

When reviewing online shopping habits and last mile delivery expectations of consumers, the [study](#) revealed that the reasons people choose to buy online—and why some consumers are planning to receive more ecommerce deliveries than last year—are similar across all demographics, from Gen Z and late Millennials (18–34 years) to early Gen X and Baby Boomers (55+ years) and everything in between:

- Shoppers have become used to convenience.
- The order process is easy.
- They don't have to go out of their way to pick up the items they need.

### **Millennials Vs Gen Z**

Although all demographics are driven by the same online shopping factors, they all have different delivery expectations impacting last mile logistics. Older buyers do not have as much experience ordering goods and services online;

in comparison with younger shoppers, where online shopping is habitual. Younger shoppers have grown up with smartphones and are at ease with digital commerce. Indeed, Descartes' [last mile study](#) points out that Millennials and Gen Z consumers tend to shop online more, spend more money, and are more likely to increase ecommerce spend (50% vs. 33% of 55+ consumers).

Therefore, as a result of their online buying habits, Millennials and Gen Z expect more from retailers' ability to execute on deliveries— which, today, is a consideration for merchants that are attempting to meet the expectations of younger target groups.

However, when confronted with a delivery challenge, younger consumers are more likely to take action against the retailer.



For example 80% of 18-34 year olds are likely to take some form of action against a delivery problem – this could include complaining in detail on TikTok, or telling family and friends to avoid a particular brand. This statistic changes to 69% for 35-54 year-olds and to 53% for people over 55.

Further, when planning delivery propositions to meet the expectations of a younger demographic, ecommerce vendors must recognise that these shoppers are most concerned about speed rather than cost of deliveries. In fact, 39% of respondents in the 18–34 age group prioritise speed, compared to just 19% of early Gen X and Baby Boomers.

What is more, Millennials and Gen Z shoppers are most interested in sustainable delivery options. Though, while it is a choice – similar to buying organic – it is not a delivery requirement.

### **What Baby Boomers are interested in**

Baby Boomers and early Gen X consumers are not prioritising the speed of their deliveries, price is the main factor driving delivery options for this group. These shoppers are characterised by being 'the' cost-conscious delivery persona and are willing to forgo speed in order to save money on delivery costs.

For instance, half of the early Gen X and Boomers surveyed prioritised lowest cost – and they both agreed that speed is not important. For 18–34 year-olds, only 30% of respondents prioritised cost. What also stands out is that 47% of the 55+ age group cited less disposable income—a stark increase from 19% in 2022—as a reason for putting off future online purchases.

**Millennials and Gen Z expect more from retailers' ability to execute on deliveries— which, today, is a consideration for merchants that are attempting to meet the expectations of younger target groups.**

Although the 55+ age group purchases less online and is less ecommerce-savvy than Millennial and Gen Z consumers, they are becoming more comfortable with online shopping. In 2023, only 36% of older consumers said they prefer to see a product in person before buying, compared to 55% the previous year.

### **Where to improve**

Customising last mile delivery choices according to delivery personas—and appreciating how consumer delivery preferences and expectations vary across the demographic spectrum—is an important building block to developing long-lasting customer relationships. Unfortunately, many retailers are falling short in their efforts.

Although the 2023 study reported a 6% improvement in delivery performance over 2022 figures, 67% of consumers surveyed experienced a delivery failure in the three-month evaluation period. Of those consumers affected by delivery issues, 68% took some form of action that translated into negative consequences for the online retailer or delivery company—whether refusing to order from the retailer again, losing trust in the delivery company and/or retailer, posting their dissatisfaction on social media, or telling family and friends to avoid the merchant and/or delivery company.

Additionally, it is also important to point out that, 80% of Gen Z and Millennials were inclined to take some form of action against the retailer, compared with only 53% of the 55+ age group.

## **The last mile is the final word for consumers**

Improvements in ecommerce are encouraging a wider array of demographics to buy a wider variety of products and services online. This is resulting in more home deliveries, which is also resulting in more opportunities for merchants to form better relationships with customers during the delivery experience.

However, in light of consumers' recent average experience of last mile performance, ecommerce merchants must take action to meet the home delivery requirements of their customers more effectively. This means considering and evaluating the values, priorities, and preferences of their various demographics, with a view towards defining and serving multiple delivery personas.

This needs to comprise all age groups: including Gen Z and Millennials, who are motivated by delivery speed and convenience – and the cost-conscious 55+ age group that prefers to save money instead of paying more for next-day delivery.

80% of Gen Z and Millennials were inclined to take some form of action against the retailer, compared with only 53% of the 55+ age group.

Ecommerce brands that appreciate the significance of these kinds of demographics, or personas, when it comes to delivery, will create opportunities to provide a customised last mile delivery experience that will enable them to differentiate themselves from the competition. Understanding customer delivery personas—cost-conscious, speed-driven, convenience-motivated, sustainability-focused, etc.—and how consumer expectations are changing across age groups will allow retailers to enhance their customer experience, improve brand enthusiasm and loyalty, and ultimately drive their bottom line. \*

**Join Descartes on the 28th November in London for a deeper dive into the world of last mile deliveries. Register now!**

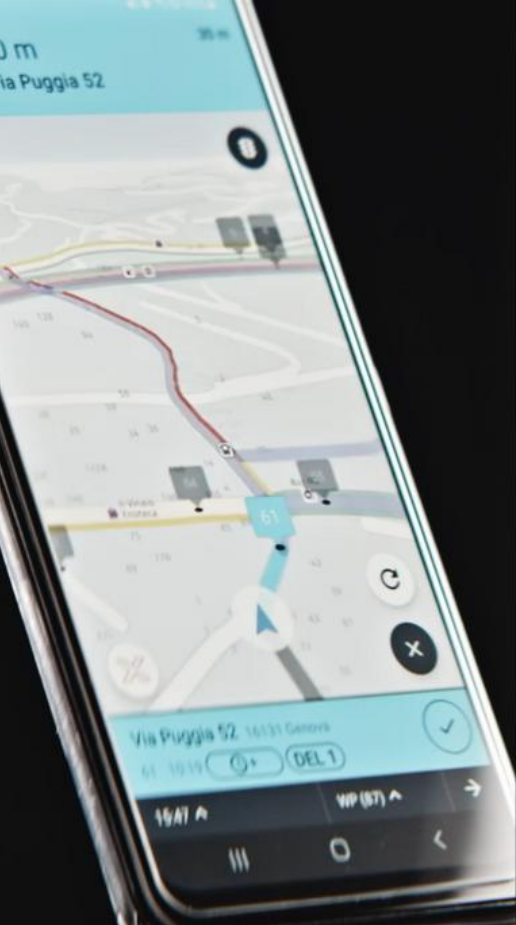


**GARY ROSIER-TAYLOR**  
DIRECTOR OF SALES AT  
DESCARTES

**28 NOVEMBER**  
**IN-PERSON**

**LONDON LOGISTICS**  
**NETWORKING**

THE LOGISTICS POINT



## **BEHIND THE NUMBERS: HOW 63% OF CONSUMERS ARE SHAPING RETAIL WITH PARCEL TRACKING**

63% of consumers use real-time tracking when the service is available. And according to a [last-mile delivery experience survey](#) conducted by Bettermile, a German based last mile technology company, the same percentage (63) of users engage with the feature 3+ times over the course of a delivery day.

This means that parcel tracking has become an excellent opportunity for retailers to engage with their customers. The branded tracking front-ends enable targeted advertisements and promotions, fostering engagement and the potential for cross-selling and upselling, thereby increasing sales and loyalty.





SIMON SEEGER, MANAGING DIRECTOR  
BETTERMILE

'Retailers need to provide a stellar customer experience all along the customer journey. The service level should be consistent on all touch points with the customer to ensure a seamless shopping experience,' says Simon Seeger from Bettermile. Analysis of the financial crisis of 2008 shows that customer experience leaders saw a shallower downturn, rebounded more rapidly, and achieved three times the total shareholder returns in the long run compared with the market average. A study from McKinsey clearly indicated that loyalty is achieved through better communication and engagement.

Research has shown that of customers who are satisfied with the delivery process, 74% increase their spend with retailers, and 82% share their positive experience with a friend or relative. 'The delivery experience affects how customers perceive a brand,' says Seeger.

### Engaging the logistics provider

The pressure on retailers to provide a consistent and stellar customer experience is passed on to the logistics companies. These are being held accountable for their services by the shippers. And the list of what they asked is:

- detailed reporting
- cost effective solutions
- service stability
- seamless technological integrations

'Last-mile delivery service providers can harness real-time data to optimize the delivery process and provide reporting for the whole trail from warehouse to the consumers' door.' Real-time tracking also empowers logistics companies to offer customers transparency on the status of their order and feel involved in the delivery process.

In the end, service options like preferred delivery time frames or alternate dropoff locations have huge operational impact. Flexibility for the consumer comes at a high cost for the logistics companies. Only technological solutions can bridge that gap between productivity and customer experience.

## Engaging the consumer through better logistics

'Real time tracking is a two-way street: Consignees often use real time tracking to get more in-person deliveries and actively change their schedule to ensure the perfect handover, making life easier for delivery drivers and increasing operational efficiency for carriers,' continues Seeger.

Bettermile can see how engaged consumers are with their shipment. They want to know where their order is and really make use of real-time tracking to check the status of their order. Bettermile regularly surveys their tracking users, here are some conclusions:

- 94% use real time tracking sometimes (31%) or almost always (63%) when the service is available
- 49% of our live parcel tracking users say they check the real-time status of their delivery because they wish to receive their order in person
- 63% of real time tracking users engage with the feature 3+ times over the course of a delivery day.

One example would be a case study with BVB Dortmund. On average 60% of the customers who ordered products from the BVB online-shop, used the live package tracking application to check the estimated delivery time of their parcel.

The high click rates are evidence of great user engagement. Indeed, the average user clicked eight times to check the location of their parcel. This engagement opens the door to reactivating the sales cycle. ✳

Learn how Bettermile can help you transform your last mile operations here!



## ABOUT BETTERMILE

Bettermile is an AI-powered logistics technology platform dedicated to optimizing the last mile of delivery for parcel and courier service providers. With real-time tracking, dynamic route optimization, and enhanced communication, Bettermile empowers companies to enhance productivity and exceed customer expectations in the dynamic delivery landscape.

# LOGISTICS AND THE EVOLUTION OF SOCIAL RESPONSIBILITY: FROM BUZZWORD TO BUSINESS IDENTITY

In today's dynamic business landscape, the concept of social responsibility has evolved beyond a mere buzzword. It's no longer seen as a separate facet of corporate operations but a fundamental component of a company's identity and mission. This is especially true for logistics companies who play a pivotal role in the supply chain, serving as a bridge between manufacturers, retailers, and consumers.



'Investing in social responsibility will never negatively impact your brand, but that should always be a secondary consideration,' says Jim Hardisty, Managing Director at [goplasticpallets.com](http://goplasticpallets.com). What truly matters is whether you are operating your business in the most ethical manner, your environmental footprint, how you are contributing to wider society and looking after your employees.

While businesses need to deliver stable financial results, there's a growing realization that being an ethical and profitable enterprise are not mutually exclusive. Organizations of all sizes have demonstrated that profitability and ethical practices can go hand in hand. The rise of businesses monitoring their emissions and investing in sustainability reports exemplifies this changing landscape.

Determining the costs and return on investment (ROI) of ethical supply chain management is indeed a complex and multifaceted endeavor. Initial investments might appear higher, but the long-term financial, operational, and brand value benefits often outweigh these costs.

## **Increased Legislation**

As awareness about supply chain ethics grows, so does legislation. Changes in regulations can be swift, and firms need to anticipate and adapt to shifting compliance landscapes in various regions. Non-compliance not only poses ethical challenges but also carries the risk of substantial fines. Proactive ethical practices significantly reduce this financial risk.

“

*The environmental footprint of the sector as a whole cannot be underestimated and must be a key consideration right now, as well as the years ahead. We continue to see innovation and investment in these areas – for instance, many larger logistics companies build carbon neutral warehouses.*

# GOAL

“Instead of reactive changes which can be disruptive, proactive ethical measures ensure smoother transitions when new regulations are enforced,” explains Jag Lamba, Founder and CEO of Certa.

## **Consumer-Driven Change**

Consumers are now the driving force behind demands for transparency and sustainability. They insist on accurate and comprehensive product information encompassing materials, ethical sourcing, and environmental impact. This consumer behavior has a direct impact on retailers and, in turn, should motivate logistics companies to adopt sustainable practices that align with circular principles.

‘Accessibility to information, including regulatory documentation, size guides, and design specifications, can make the difference between a successful sale and losing a potential customer, which is why many turn to product information management (PIM) software,’ says Niels Stenfeldt, CEO of inriver.

## **Attracting Talent**

Customers are increasingly looking to collaborate with like-minded businesses as part of their own social responsibility strategies. With the growth of B Corps and the heightened focus on sustainability, companies must align their practices with these principles to remain attractive partners. Moreover, younger generations are prioritizing a company's social responsibility initiatives when applying for jobs. With an increasing skills gap in the logistics sector, attracting the right talent is critical.



# WORKING TOGETHER

Comment by Jim Hardisty, Managing Director at [goplasticpallets.com](http://goplasticpallets.com) . More on [page 32](#)

We have been working with our customers to better understand their processes and applications and to see how our products can benefit them, not only from an efficiency point of view, but also from a green angle. Swapping out wooden pallets for long-lasting recyclable pallets is always a good start, but foldable sleeve packs and folding large containers are becoming more popular because of the space savings made during transportation.

We have an exclusive partnership with Cabka, and we are thoroughly impressed by their commitment to sustainability – not just in the products they make, but in their transparency, their research and the processes they've put in place to make the industry greener.



“

*This will become more important as you look to grow your business, as customers will want to work with like-minded businesses as part of their own social responsibility strategies, especially when you look at the growth in B Corps in the UK.*

### **Navigating Economic Challenges**

Recent economic and political instabilities have presented significant challenges for businesses striving to be socially responsible. Fluctuations in interest rates, geopolitical issues, and global conflicts all impact the business environment. Economic indicators might seem grim at times, affecting everyone's priorities.

In this context, logistics companies have a critical role to play. They stand at the intersection of multiple stakeholders in the supply chain and are uniquely positioned to drive change. Social responsibility is not just a trend; it's an imperative.

It's a moral duty and a strategic advantage. Embracing it ensures the long-term sustainability and success of logistics companies while contributing to a more ethical, sustainable, and responsible business landscape for all.

The path to profitability and ethical practices is not a zero-sum game but rather a symbiotic relationship. In the modern business world, companies that understand this dynamic and act accordingly are the ones that will thrive, leaving a lasting positive impact on society, the environment, and their own bottom line.



# SHAPING A RESPONSIBLE FUTURE: HOW LOGISTICS IS LEADING THE WAY IN RESPONSIBILITY

Logistics companies have an increasingly important role to play in terms of social responsibility, especially when you consider how they provide fundamental services to other sectors, such as food and agriculture, pharmaceuticals, retail, and so on. We spoke to Jim Hardisty, Managing Director at [goplasticpallets.com](http://goplasticpallets.com) about how logistics is embracing its role of responsibility.

**Jim, what is the role of logistics companies when it comes to social responsibility?**

Obviously, the environmental footprint of the sector as a whole cannot be underestimated and must be a key consideration right now, as well as the years ahead. We continue to see innovation and investment in these areas – for instance, many larger logistics companies such as DHL are building carbon neutral warehouses, whilst DPD are growing their fleet of electric vehicles for final mile deliveries.

There's also been a rise in the number of businesses that are monitoring their own emissions and investing time and money into their own sustainability reports.



This is a signal of intent, but it is vital that momentum doesn't slow down, especially if the current economic climate impacts financial results.

With supply chain management forming a key part of social responsibility in 2023, suppliers to logistics providers, fulfilment houses and delivery companies also have a significant role to play. They must continue to innovate to provide the right services and solutions to their customers, to help them achieve their sustainability goals.

We have been working with our customers to better understand their processes and applications and to see how our products can benefit them, not only from an efficiency point of view, but also from a green angle. Swapping out wooden pallets for long-lasting recyclable pallets is always a good start, but foldable sleeve packs and folding large containers are becoming more popular because of the space savings made during transportation.

### **How does this affect their brand and bottom line?**

Investing in social responsibility will never negatively impact your brand, but that should always be a secondary consideration. What truly matters is whether you are operating your business in the most ethical manner, your environmental footprint, how you are contributing to wider society and looking after your employees.



This will become more important as you look to grow your business, as customers will want to work with like-minded businesses as part of their own social responsibility strategies, especially when you look at the growth in B Corps in the UK. We carefully select the manufacturers we work with, and we'd only enter partnerships with those that share our values.

For example, we have an exclusive partnership with Cabka, and we are thoroughly impressed by their commitment to sustainability – not just in the products they make, but in their transparency, their research and the processes they've put in place to make the industry greener.

Through partnerships like this, we have been able to assemble the UK's largest range of sustainable plastic pallets, pallet boxes, crates and trays.

We have been working with our customers to better understand their processes and applications and to see how our products can benefit them, not only from an efficiency point of view, but also from a green angle.

In fact, an impressive 93% of our plastic pallets are made from 100% recycled materials, reflecting our own dedication to reducing waste and promoting recycling.

In the long-term, this approach will benefit the bottom line, as you become more desirable to work with – so don't be afraid to invest in the short-term!

Finally, there is absolutely no doubt that younger generations prioritise what companies are doing from a social responsibility perspective when applying for jobs – and with an increasing skills gap across the logistics sector, making sure you can attract the right type of talent will be crucial.

**Which department should lead the engagement?**

It should come from the top down. If you don't have buy-in at the C-level, with the people that control the purse strings, then the impact of any social responsibility programme will be significantly reduced.

Leadership from the executive team is paramount in setting the tone and direction for the entire organisation.

# Next In-person

LONDON LOGISTICS  
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BY

THE LOGISTICS POINT



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When they champion social responsibility, it sends a clear message to all departments about the company's priorities and values - whilst ensuring the necessary resources, both financial and human, are allocated effectively. For example, a company volunteering initiative will only work if senior management are happy with team members being off-site for the day.

This top-down approach not only guarantees alignment across the board but also fosters a culture where social responsibility becomes an integral part of the company's DNA, rather than just a peripheral activity.

### **What good examples can you provide?**

When you're working on your own social responsibility and environmental initiatives, explore how you can build these out to support other businesses.

One example of this is our pioneering plastic recycling scheme, launched in 2019. We take full responsibility for recycling all the plastic pallets and boxes we supply, as well as offering a recycling service for any type of plastic, regardless of where it originated from. Our recycling numbers continue to grow year-on-year. In fact, we have just sent our 53rd trailer of the year to our recycling centre in Belgium, exceeding the 2022 total of 38 trailers (number correct as of August 2023).

We are also holders of the Single Use Plastic Free Eastbourne Award, and continue to work in the local community, supporting beach clean projects in East Sussex. We have also previously donated plastic boxes to British Divers Marine Life Rescue, which are used as pens in the new Moray Seal Holding Unit for the care and treatment of seal pups found malnourished, separated or injured. \*



## ADVICE

if you're a business owner - regardless of the size - tap into the knowledge of your team and ask them what they'd like to see. Bring your people together to brainstorm, collaborate, and innovate. Often, the most impactful initiatives come from the collective insights of those who are on the ground, interacting with your products, services, and the community. Harnessing their perspectives can lead to more authentic, effective, and sustainable social responsibility efforts.



## **VIDEO**

# **THE GREENING OF LOGISTICS: BRIDGING THE GAP BETWEEN DIESEL AND ESG GOALS**

Many logistics companies are actively working to transition from diesel-powered vehicles to greener and more sustainable transportation options. This shift is driven by several factors, including environmental concerns, regulatory changes, cost savings, and the growing demand for eco-friendly shipping solutions. We spoke to Charlie Shiels, CEO of ArrowXL, about the role of logistics in society, social responsibility and ESG.

**Charlie, what has made social responsibility so important for logistics companies?**

There is a growing global awareness of the environmental impact of logistics and transportation. As a responsible business, we take the principle of environmental sustainability seriously. We recognise our responsibility to the environment and are committed to lowering our carbon footprint.

Recent economic and political instability have undeniably posed a challenge for businesses trying to be socially responsible. We've had to deal with increased interest rates, geopolitical issues, the wars in Ukraine and the Middle East. Economic indicators are pretty grim at the moment and that affects everyone's priorities.

Engagement needs to be driven by the Executive Team and filtered through every department. We produce a monthly report on our energy usage which gives us a great overview of our buildings, operations, procurement processes and our people.

Companies are focused on survival and consumers are nervous about spending.

Logistics companies work with very small margins and we can't afford vanity projects or investments that don't generate profit. The right thing for us at the moment is to make sure that the company is here in the long term.

**How about engagement with all the stakeholders - internal and external?**

We reviewed our ESG agenda two years ago and spoke to our clients about their priorities and sustainable strategies. They all had very different ideas. For some ESG was a priority whereas for others they didn't have a tangible plan.

# Next In-person

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Engagement needs to be driven by the Executive Team and filtered through every department. We produce a monthly report on our energy usage which gives us a great overview of our buildings, operations, procurement processes and our people.

I see lots of engagement and great initiatives in our industry. We're very strong on building energy focus and recycling but the elephant in the room, remains LGV's and alternative fuel truck options.

In 2022, 96.6% of registered LGVs were diesel which remains the favourite for resilience, reliability and cost effectiveness. In our business the priority has to be MPG efficiency.



You can watch the full video interview with Charlie Shiels below. We speak about how companies can invest in their ESG efforts, who should lead it and the importance of not focusing on vanity projects just to appear green. \*



# **THE COST OF BEING ETHICAL: HOW DO SUPPLY CHAINS COUNT THE GAINS OF BEING GOOD?**

We speak a lot about sustainability and good business practices, but ultimately businesses need to deliver stable financial results. Many think that being an ethical business and being a profitable business cannot be the same thing. However, organisations of all sizes have clearly shown this is not the case. We spoke to Jag Lamba, Founder and CEO of Certa, about the ethical and successful business model.

**Jag, what are the costs and ROI of ethical supply chains? How can they be counted?**

Determining the exact costs and ROI of ethical supply chain management is complex and multi-faceted. While the initial investment might seem higher, the long-term financial, operational, and brand value benefits often outweigh these costs.

They can be broken into direct costs and intangibles.

## **Immediate costs (short-term view)**

- **Sustainable Sourcing.** Ethical materials or products can come with a price premium. However, as demand increases, economies of scale often bring these costs down.
- **Certifications and Audits.** Obtaining third-party certifications and



conducting regular audits to ensure compliance with ethical standards can be initially costly.

#### **Financial Returns (longer-term view)**

- **Regulatory Compliance.** Non-compliance is a risk of substantial fines. Proactive ethical practices reduce this financial risk.
- **Operational Savings.** Sustainable operations, like using renewable energy or reducing waste, may have significant long-term savings. For example, companies might find that by recycling components, they reduce procurement expenses.

#### **The Intangibles (benefits)**

- **Brand Enhancement.** 82% of consumers prefer buying from brands that align with their values. Ethical supply chains can translate to higher customer retention and potential for premium pricing.

- **Stakeholder Trust.** Investors and shareholders are increasingly looking at ESG (Environmental, Social, Governance) metrics. Ethical practices can lead to better investment opportunities and partnerships.

#### **Operational benefits**

- **Adaptive Supply Chains.** Ethical supply chains often mean diversified supplier bases, reducing dependency on one region or supplier and providing better resilience against disruptions.
- **Future Regulatory Preparedness.** Instead of reactive changes which can be disruptive, proactive ethical measures ensure smoother transitions when new regulations are enforced.



## What is the role of supply chain managers to directly influence human rights, green transitioning etc. in their supply chains?

Supply chain managers today are not just overseeing logistics—they are at the forefront of instituting ethical and sustainable change. With tech platforms, businesses can ensure that every facet of the product lifecycle aligns with human rights and environmental standards. They can actively champion human rights by scrutinizing the origins of materials and guaranteeing partners adhere to labor rights, all while transitioning to environmentally conscious alternatives.

## What risks are not being carefully considered and planned for?

As awareness about supply chain ethics grows, so does legislation. Changes in regulations can come swiftly, and firms need to anticipate and adapt to shifting compliance landscapes in various regions.

Also, while carbon footprint reduction is crucial, other environmental aspects, such as local ecosystem disruption, water use, and waste disposal, need consideration. For instance, a factory might reduce its carbon emissions but could still be over-extracting local water resources.

As companies integrate advanced technologies into their supply chain operations for efficiency, the risk of cyberattacks and data breaches grows. This also needs to be addressed. \*

## THE BENEFITS OF TECH

**Technology can be used for transparency.** Modern solutions allow supply chain managers to attain detailed visibility into every aspect of their operations. Beyond just tracking shipments, they can now verify that a supplier in a distant location respects human rights or that an item is sourced sustainably. We're in a time where technological tools ensure consistent ethical diligence.

**Data is an ethical compass** in real time. Supply managers should have real-time analytics to assess vendor practices instantaneously. Instead of traditional, often delayed audits, managers can now receive immediate alerts about potential ethical or environmental concerns, allowing for swift action and consistent ethical standards.

**The future is a green supply chain.** Green transitioning isn't just a trend—it's the future of supply chains. With technology, supply chain managers can assess carbon footprints of their third parties, gauge the sustainability of materials, and project the long-term human rights implications of their decisions.



## **THE CONSUMER-DRIVEN PUSH FOR TRANSPARENCY AND CIRCULAR RETAIL**

Consumers are driving the demand for transparency and sustainability, insisting on accurate and comprehensive product information encompassing materials, ethical sourcing, and environmental impact. This consumer behaviour exerts influence on retailers, and in turn, should motivate them to adopt sustainable practices that align with circular principles. Niels Stenfeldt, CEO of inriver, talks about retail and circular economy.

Transitioning to a circular approach is an ongoing, long-term commitment rather than a sudden shift. This involves shifting mindsets to prioritise reuse, repair, and recycling throughout the product journey. While this process will have a steep learning curve, each step towards circularity signifies progress, and those that fail to act risk being left behind.

'A product is an entire network of rich, reliable data that supports the product at every stage of its journey, from sourcing and manufacturing to marketing, sales, and beyond. To meet the demands of a product-focused market, savvy retailers will need to efficiently transform this data into actionable information,' explains Niels.



Accessibility to information, including regulatory documentation, size guides, and design specifications, can make the difference between a successful sale and losing a potential customer, which is why many turn to product information management (PIM) software.

### **Circular e-commerce**

In the realm of online orders, retailers have the opportunity to seamlessly integrate circular practices into their e-commerce operations. This involves optimising packaging to reduce waste, incorporating eco-friendly materials, and establishing take-back programs for both packaging and products.

Online retailers can play a crucial role in educating their customers about recycling options for packaging materials while encouraging them to participate in the return of products for refurbishment or recycling. Furthermore, the implementation of efficient logistics and delivery strategies can significantly reduce the carbon footprint associated with online orders.

When handling online orders, the importance of product data governance cannot be overstated. Retailers must ensure that the product data displayed online is not only accurate but also compliant with various regulations, especially in regions with specific requirements, such as California's Proposition 65 or the EU's WEEE Directive. As circular practices continue to expand, retailers can look to use their online platform to educate customers about recycling options and sustainability features. This way, online shopping becomes an integral part of the circular economy, promoting environmentally conscious consumer behaviour.

'The data insight gained during the use phase of products can contribute to sustainability goals, helping buyers get more value out of their existing investments. Beyond enhancing brand image, this serves to broaden the customer base too,' finished Niels. \*

# ROI



## **INCREASING ROI THROUGH LOGISTICS BRAND LOYALTY**

Over the last few years it has become clear that the role logistics plays when it comes to brand loyalty has increased. What happens before, during and after the delivery process is as important as stock levels and how easy it is to purchase something. This is especially true for all e-commerce businesses that rely heavily on repeat customers. We spoke to Tobi Buxhoidt, Founder and CEO of parcellab, about the importance of logistics in the fight for brand loyalty.

'Logistics is a precondition for any kind of loyalty and brand success to happen,' Tobi begins the conversation. It can be a make or break part of the overall process as there are a lot of emotions in place. Consumers are excited about their delivery and depending on what they have ordered they might also feel it is very personal.

The greatest online experience would not be able to compensate in case the delivery process was not what the consumer wanted. Retailers need to accept that people make the decision whether to return and purchase again based on an action that could be outside of their direct control and so they need to work with their partners more closely.

### **Understanding the consumer**

Getting feedback is a logical and preferred method but retailers also worry that the feedback they get might not be easily measurable and thus not easy to implement. Companies like parcelLab work on understanding what customers want and what is happening in real time. 'Feedback needs to be part of every business process to learn what the consequences are of each decision,' Tobi explains.

A survey in Germany by parcelLab found that reliability is not always the most important measurement and what customers value the most. 'We found that those companies that have a clear branding, wear uniforms and interact well with the consumer, are the ones with the highest positive ratings,' Tobi says.

Customers might have a different perception about what a good experience looks like and some logistics providers and retailers still look at a few limited reasons.

Communicating delays, for example, can also be directly measured with different tools. This allows companies to understand things that were out of their reach not so long ago. Tobi also mentioned the uncertainty of delivery times.

'Most brands do not have an exact idea how long it would take them to ship something. They say 2-3 days but there are no concrete slots.'

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## AB Testing

Understanding what works and what not for your customers can be done by AB testing. There is a benefit in running tests and having two ways of delivering. This will allow companies to measure and learn which approach works better and why.

A retailer in the UK AB tested customers' journeys and found that those with delays and good communication were more satisfied. The retention rate was 7% higher compared to those that had no delays or delivery problems. 'For this retailer the proactive communication on delay became their best email campaign that brought huge ROI.'

Another important point is the personalisation of the delivery experience. Some carriers offer this as part of their service but Tobi believes that brands need to take ownership of this. Retailers can take the information that is available through the carrier and own it. 'Customers will associate the good experience with the logistics provider and not the retailer,' Tobi explains.

Logistics companies might find it hard at first to understand how to build that marketing piece and communicate it with their customers and the final consumer. \*



## MOVING RESPONSIBLY

Many organisations have now recognised the benefit of being more responsible and building their delivery image. Amazon, for example, has started to consolidate deliveries. Satisfaction is not just about speed and there isn't a black or white answer. Expectation management and delivering on what was promised is more important. There will always be some space for ultra fast delivery and one-day delivery but attitudes have started to shift.



## ***BALANCING ACT: PEAK SEASON PREPARATIONS IN A DIVERSE RETAIL LANDSCAPE***

Retailers are gearing up for the Peak Season and many predict conflicting results. For some retail and e-com will experience a boom, and for others the opposite will happen. We spoke to Joe Dunleavy, Global Head of Innovation at Endava, about how retailers have prepared for the Peak Season, what digital tools will be used the most and what will happen within the sector in the near future.

'How successful the holiday season is will depend,' Joe begins when asked what his prediction about the next two months will be. The pandemic shifted some consumers' patterns, but things have settled now and people will likely shop less.

There are many constraints to factor in including the cost of living crisis which will likely impact how consumers spend. Although supply chain challenges have been predominantly fixed, not all retailers will see the results they are hoping for. Inflation and geopolitical pressures will be the biggest deciding factors for the season ahead from a consumer spending perspective.

There has been an ongoing focus on digitisation and the removal of friction when it comes to customers' experience.



Although supply chain challenges have been predominantly fixed, not all retailers will see the results they are hoping for. Inflation and geopolitical pressures will be the biggest deciding factors for the season ahead from a consumer spending perspective.

'Those that differentiate themselves normally have a fully digital experience,' Joe explains. 'The least amount of friction you put in front of your consumers right now, the better your chances are to keep them and drive more LTV (Lifetime value).' Consumers are also looking at the speed they can get things, but the importance of speed might be decreasing, mainly because consumers are becoming more green conscious.

#### **Frontend and Backend**

Retailers often focus on the technology that interacts with the consumer but what happens in the backend is also critical. Unfortunately, on occasion the backend is overlooked. 'It is very much on a case-by-case basis,' Joe admits. Many retailers are taking advantage of the democratised services provided by cloud companies. They can rely on the data tools provided by these companies without investing in their own backend and having to build and maintain heavy and complex systems in house.



Such decisions may depend on the age of the company and how digitally native the company is.

Older organisations may have more legacy systems and might be less open to introducing such solutions or might think having in-house systems is better.

### **Educating consumers**

There have been few real-world examples today of educating consumers on the best green choices. There might be many reasons for that. One is that companies might be scared such information might put off consumers from buying. 'Companies are becoming more aware of their impact on the environment. At the same time board members and consumers are demanding more,' Joe says.

He thinks it will be beneficial to think about what options are being presented to consumers and how a balance can be achieved.

Apart from educating consumers Joe sees AI as another important technology. To get the most gain from AI though you need a strong data foundation. 'Data led companies will benefit the most,' Joe says.

The Metaverse is another area that can be valuable in the long term. Companies can experiment and learn lessons from it today. 'It can be another sales channel and a way to interact with the consumer,' Joe says. It may not be as relevant in the short term but it could add huge benefits in the longer term. \*

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## **EV VANS: THE INDUSTRY STRUGGLES DUE TO LACK OF INFRASTRUCTURE AND SUPPORT**

Electrifying vans is an essential part of the logistics' industry commitment to decarbonising its operations. But the challenge is big and in some instances impossible. Costs, problems with maintenance and especially lack of access to good charging infrastructure are prohibiting the move. We spoke to Paul Hollick, Chair at the Association of Fleet Professionals (AFP) about the challenges, sharing EV infrastructure and more.

**Paul, according to a survey by AFP nearly 58% of companies would consider shared EV infrastructure? What is behind that number?**

EV van deployment in the UK at the moment is a real challenge and sharing infrastructure is an essential part of the transition for companies. There isn't enough quantity and quality of charge points and vehicles cannot be easily charged at home. Depots also have problems creating the capacity they need. At the moment fleets are looking for a mix where they can do charging at home or at the destination, for example.

Also, a lot of the van drivers do not have access to charging points at home because for many their homes do not have a driveway.



EV van deployment in the UK at the moment is a real challenge and sharing infrastructure is an essential part of the transition for companies. There isn't enough quantity and quality of charge points and vehicles cannot be easily charged at home.

**Who is going to be the owner of that shared infrastructure and maintain it?**

In the post-Covid world there aren't many fleets that operate depot based solutions. Many companies rely on vehicles being charged at home. As we said, most van drivers - 70%, do not have access to a driveway and even if they do, they would rather not replace their personal vehicle with the van.

Additional problem is that the early adopters of EV vans are seeing significant downtime during the working day. EV vans are also experiencing a scarcity of parts post-Brexit. This means that parts take longer to arrive, accidents are more expensive to repair and hiring someone is also more expensive.

It is very easy to electrify the first third of your fleet but after that it becomes very tough.

**What steps need to be taken then to minimise these problems?**

Government would need to invest more in the van sector. Normally it is more expensive to run an EV van than a diesel vehicle and that dynamic needs to change. Government benefits need to be extended and they are very important. The AFP would also like to see a bit more regulation on charge points and a bit more investment so the private sector can be intensified to spend money on charge point operations.



A lot of our members say they can't book an overnight charge point along motorways, for example. This brings huge uncertainty for their operations. We certainly do not want over-regulations but there needs to be the ability to charge up when needed. As I mentioned, in the UK we do have an issue of quantity and sometimes quality of points.

A lot of our members are looking at sharing depots and resources. Community based charging and parking schemes could also be part of the answer. In the medium term there will be a mosaic of things that come together to create the solution.

Everyone is continuing with the same speed towards decarbonising but we are all worried about the downtime.

### **Is this the biggest barrier?**

The biggest barrier at the moment is that operationally we are seeing a loss of upto 2 hours a day. The barrier is that we lack solutions to keep the vehicles moving. The best place to charge is when the vehicles are at their destination as well as they are stationary overnight.

For some businesses finding a way could be extremely expensive. There are new entrants to the market that are working on solutions, but the problem is unlikely to be solved in the short term. Most people have electrified between 5-20% but that is the easy part. The first third should be easy. The second is very tough and at the moment the last is impossible.

Obviously different business models respond to that in different ways. City couriers that travel the same distances have an advantage over a national fleet driving up and down the country. \*

**Community based charging and parking schemes could also be part of the answer. In the medium term there will be a mosaic of things that come together to create the solution.**



## THE ROAD AHEAD: HOW SMART TYRES ARE STEERING LOGISTICS IN A NEW DIRECTION

Tyre fitting is not the most glamorous job in the world but it is highly skilled and extremely important. Recruiting people for the job has become harder just when tyres and vehicles are becoming smarter. We spoke to David Legg, Director of Tyres i247 Group, about the changing nature of tyres, the technology that is driving innovation and what this means for the whole logistics sector.

The industry has experienced a shortage of tyre fitters and mechanics due both to the pandemic and Brexit. This has led to salary increases for fitters and companies are looking at how to retain them and offer better conditions. Down the road, however, consumers are experiencing higher costs as materials and lead times have also increased and companies are faced with higher costs themselves. 'It is a very dangerous job and it is also highly skilled,' says David Legg.

David believes that managers would need to put even more focus on the profession and work on retention, as he is worried specialists are migrating to other better paid areas.

'Recruiting someone in their 20s is becoming very hard,' David admits. 'You want someone who likes to work outside and with their hands, but they also need to be able to fit digital instruments.' In a lot of logistics companies fitters are doing two jobs.

Whilst the tyre landscape is working their way through staff shortages, David is optimistic that there is positivity ahead and expects to see the first fully connected, smart tyre by the end of this year. But what would this mean and look like?

### **Smart Tyres**

Different companies have different solutions and views on what a smart tyre will be. Some have embedded sensors within the tyre and others are using the telematics to monitor and gather data. David also reckons that the best smart tyres will be those that have been manufactured to be one from the start. 'The expectation is that to start with there will be many different solutions. Overtime one will become the leader and the rest will follow,' David explains.

### **Data Analysis**

David believes there is growing importance of the role of insight and data analysis when selecting what tyre to fit. Data will be paramount to understand what type of tyres work best. David shares that each fleets operating behaviour, location and driving habits are important considerations and we should look broader than just tyre price.



Whilst for some a cheaper tyre might be a better option, based on usage, for example, but for others a higher investment upfront will save costs over the course of the contract.

Today's model is all about flexibility and evaluating different fleet needs and aligning a solution to the specific circumstances and outcome they are trying to achieve.

Data will also be crucial in helping with growing ESG commitments. Certain tyres are more sustainable than others, based on how they are produced, the materials used and how they wear off. By monitoring them closely companies can spot problems and also limit the impact they have on the environment.

With the tyre industry facing so many changes, fleet managers will become even more important, insight and digitisation will put them at the forefront of new solutions. \*



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