MEET CUSTOMER EXPECTATIONS THROUGH LAST-MILE LOGISTICS

Since the start of the pandemic, companies have struggled to keep up with changes to customer behavior. Among these are changes to customer expectations that impact last-mile logistics.

According to a survey conducted by APQC, companies have seen expectations shift in key ways over the last three years.

- 69% say B2B customers are acting like B2C customers in terms of expectations
- 60% say customers have increased expectations for consistency across channels
- 29% say customers have less patience with delays or poor visibility

The impact of these behavior changes has struck supply chain functions particularly hard. Nearly all organizations report that these changes have affected their cost to serve, profitability, and ability to fulfill orders in a timely manner. According to APQC’s survey:

- 61% say they have been affected a great deal
- 38% say they have been affected a little bit

Customer demand for consistent and on-time deliveries has made the last mile of a delivery, or when the product is delivered to its final destination, more important than ever. Savvy customers now have less patience for limited visibility into the status of their orders.

Nearly half of the organizations in APQC’s research enable customers to see real-time order status to the last mile to a very great or significant extent. More than half do so to some extent or to a small extent – resulting in these customers having much less visibility into orders during the last mile of delivery.

Technology developments such as autonomous vehicles, delivery drones, and delivery robots offer the promise of more reliable last-mile deliveries. Organizations should also investigate other ways to make the last mile more reliable and cost-effective.

Adapting existing technologies such as GPS and RFID tags can be a simple way to address order tracking. Companies can also rethink their warehouse locations to maximize the reach of delivery trucks, and they can examine the possibility of data sharing among partners to identify lower cost shipping options. A combination of all these options would ensure a comprehensive approach to improving last-mile deliveries.

Extent to Which Customer Visibility of Real-time Status Extends into the Last Mile of Delivery

N=1,157

To a very great extent 27%
To some extent 30%
To a small extent 21%
Not at all 3%