

The revolution of the last mile delivery

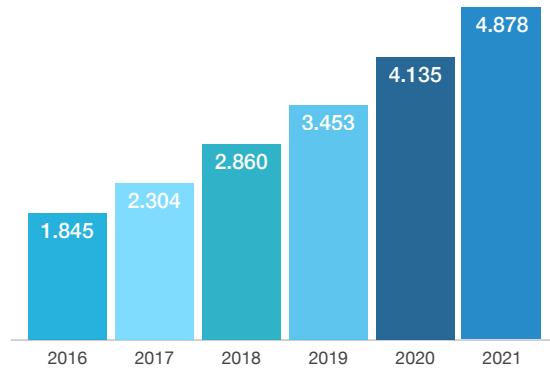




Last Mile Delivery: an evergrowing problem

ONLINE ECOMMERCE WILL CONTINUE TO GROW

Global web sales neared \$3 trillion in 2018, making online sales nearly 15% of all retail sales. According to eMarketer the amount will rise up to \$4.8 trillion by 2021. As a direct consequence of this growth, the number of parcels to be delivered will increase considerably.



\$343 billion USD

MARKET SIZE

CEP SERVICES

The Courier-Express-Parcel (CEP) will be \$342 billion by 2020 according to the Global Express and Small Parcel 2016 Report. Players in this industry have turned to the last mile as a key battleground to differentiate themselves to customers by offering fast, flexible and even free delivery, however this face a great challenge: remaining profitable.

28% OF TRANSPORTATION COSTS

According to the Council of Supply Chain Management Professionals, as much as 28 percent of all transportation costs occur in last-mile delivery. Implications for players in the logistics industry are pretty straightforward, optimising last-mile delivery is a huge opportunity for cutting costs.

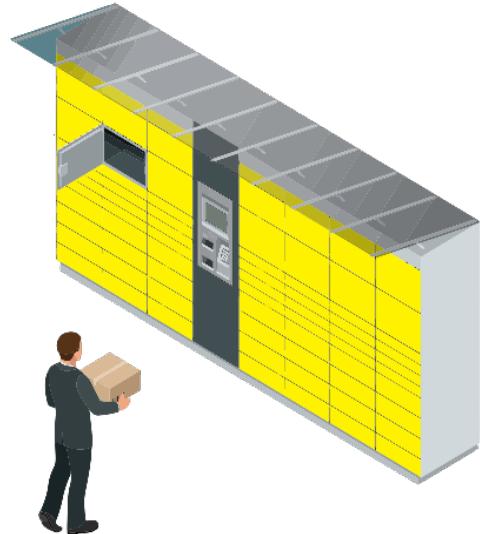
40% WOULD PAY FOR SAME DAY DELIVERY

The Global Consumer Insights Survey 2018 realised by PwC revealed than more than 40% would pay an extra charge for same-day delivery. Big players such as Amazon have managed to guarantee customers a 24-hour delivery, and in some cases same-day delivery, however, not in a very cost-effective manner.

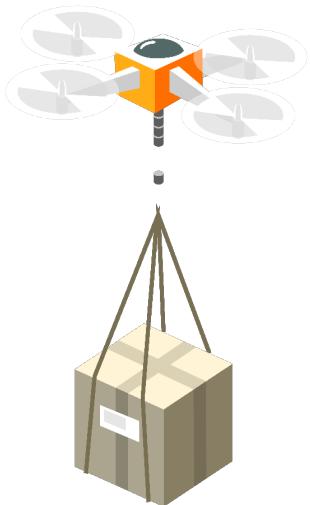
Costly or ineffective solutions

INEFFECTIVE LOCKERS

A Cleveron locker can cost more than \$100,000, they have a capacity that goes from 40 to 100 parcels and a large quantity of units would be necessary to satisfy a large urban area. InPost has over 1200 lockers in the UK and at an average of 20,000 parcels per year it can only handle in the best of the scenarios 1.2% of the average 1.9 billion parcels that need to be delivered in the UK. In addition, a McKinsey report states that only a minority of respondents to their survey indicated a willingness to opt for a parcel lockers, even at discounted prices.



\$100k+ PER UNIT



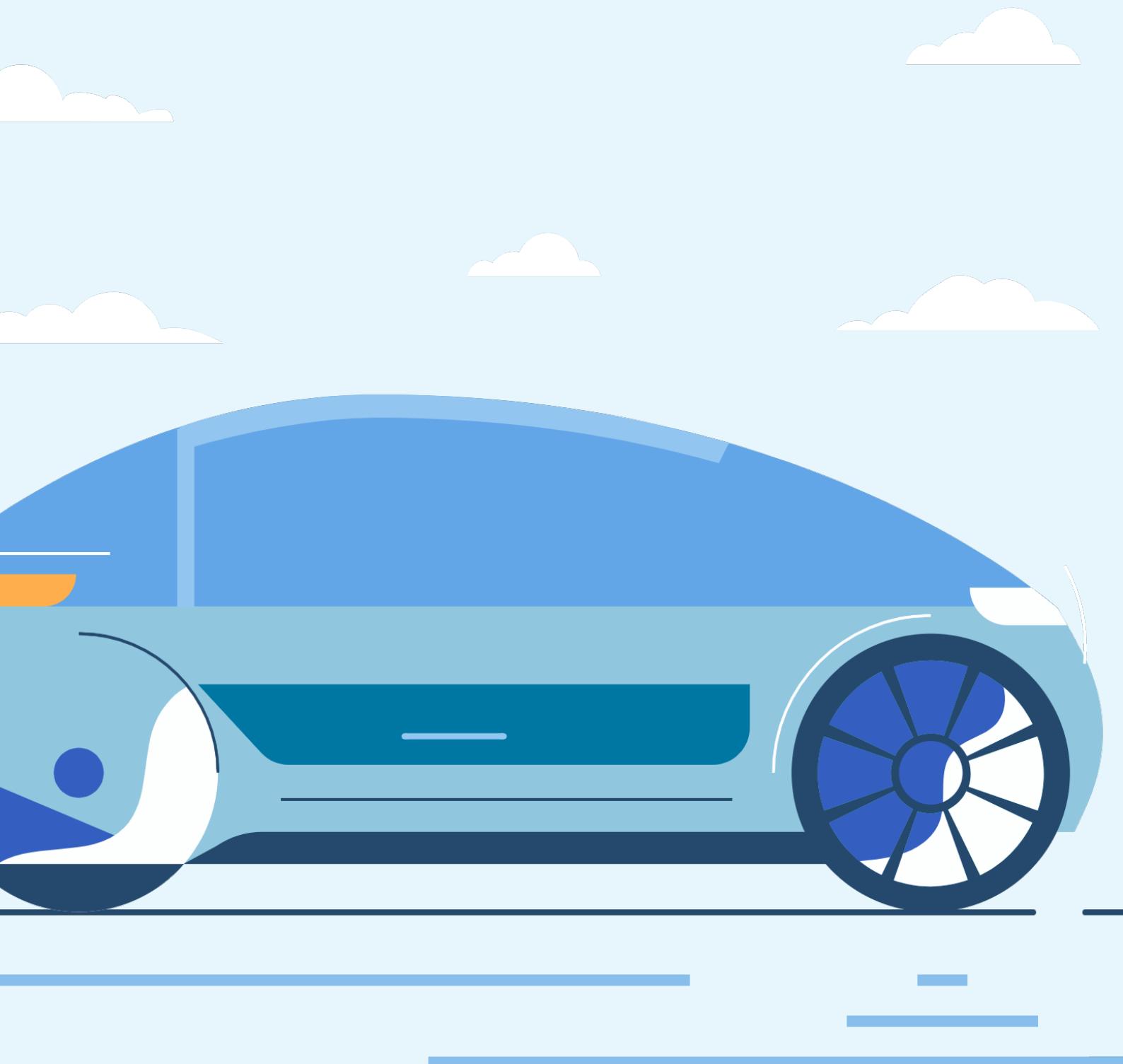
15 min OF BATTERY LIFE

MANY CHALLENGES FOR DRONES

Their payload capability is limited, up to 1.5 kg and the size can't be greater from those of a pizza box. Expenses from additional human labor may be needed to do things like swapping batteries and performing safety and maintenance checks on the drones. Factors such as heavy winds or rain could damage the drone or delay the delivery if the drone is not sent. They also face challenges regarding airspace restrictions.

AUTONOMOUS GROUND VEHICLES STILL IN DEVELOPMENT

Despite the technological challenges that Autonomous Ground Vehicles with parcel lockers need to overcome before actually landing on the market, it has been estimated that its adoption can bring cost advantages of 40 percent assuming current labor costs of EUR 20 per hour. However a crowdsourced delivery service with an average wage of EUR 12 per hour and no investments required can be more convenient.



Flumen: the new approach

CROWDSOURCED DELIVERY

The most effective way to transport parcels is through a crowdsourced network inside a city. No impact on the environment, no traffic, no fixed costs and very flexible. The flumen system will offer an app that optimises the transportation of parcels in a way that parcels arrive to their destination faster and in a way that the messengers maximise their reward which is based on the number of parcels transported and distance.



A NETWORK OF STORES

By making some space of a stores available, stores can be part of a network that improves their image, increases customer satisfaction and generates them money all at the same time. Stores are managed as nodes where parcels are temporarily stored or where the customer will pick up the parcel. Stores will be paid based on the number of parcel flow managed.

A WONDERFUL CUSTOMER EXPERIENCE

With the Flumen App it will be possible to live track any parcel transported on a map, request the delivery to a nearby affiliated store or specify a time schedule when the parcel can be delivered. No more waiting inside your home, no more failed delivered attempts.

