

# *Awakening on the Last Mile*

## New Opportunities for City Logistics

***Presentation of  
survey results***

*Transport and  
Logistics*

*October 2017*



# *Multiple unsolved problems and challenges*

The current city logistics system is inefficient



# German end consumers – discerning and dissatisfied

▶ The PwC survey about buying behaviour, preferences for parcel delivery options, and acceptance of innovative distribution concepts on the last mile shows:



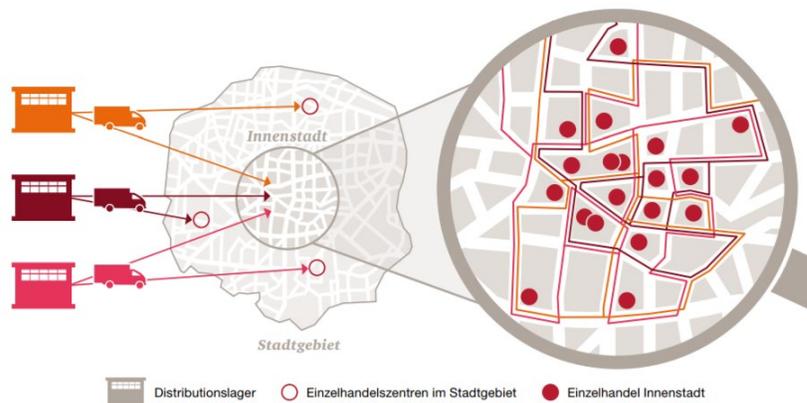
# City logistics is inefficient

## E-commerce fuels the struggle for inner-city space

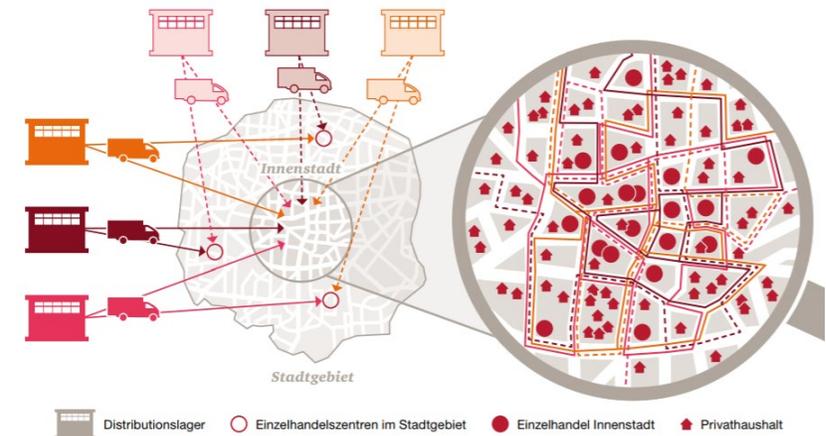
- Every single household is a potential recipient, therefore warehouses gradually move into the city-centre.
- Many small online orders result in more frequent deliveries with lower individual utilisation.
- New players establish additional delivery networks, which results in a redundancy of delivery networks.
- Strict access regulations and narrow time frames for delivery in pedestrian areas increase the space and time problem for logistics providers.

### ▶ The lack of warehouse space and loading and unloading possibilities increases congestion

*City logistics before e-commerce*

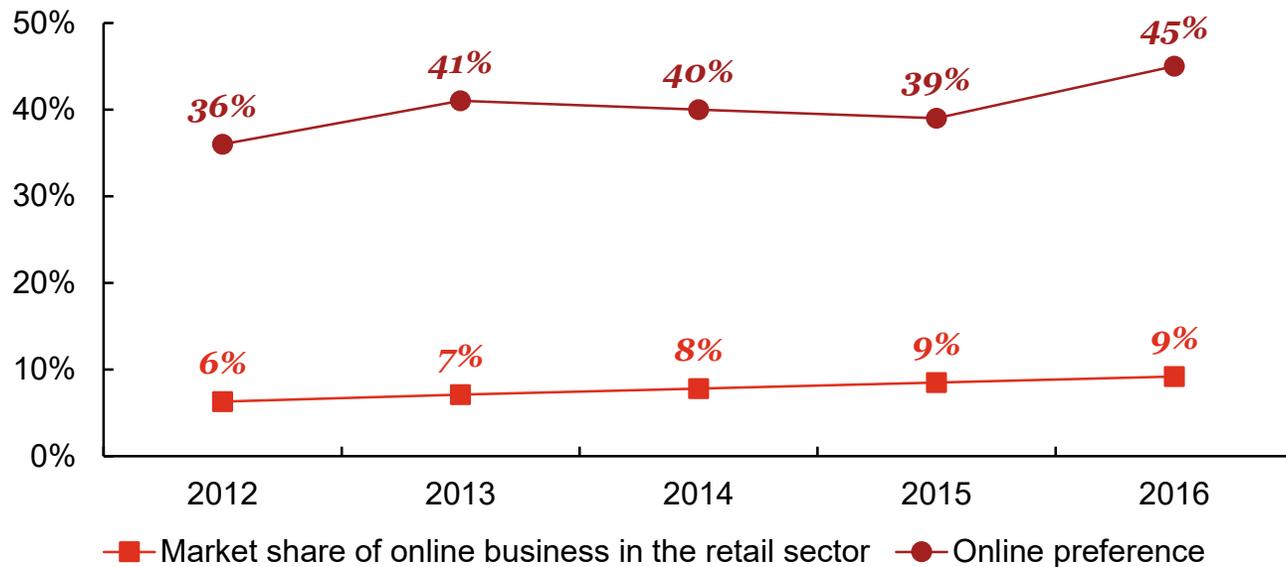


*City logistics today: redundant distribution structures*



# Rising parcel volumes and stricter environmental regulations require action

*The growth potential of e-commerce is immense*



Source: HDE, PwC

## *Environmental protection – only small improvements*

- The limit values for particulate matter have been exceeded for many years in German cities; residents and institutions go to court.
- The diesel scandal opens up discussions about prohibitions and incentives.
- The Paris climate protection agreement dictates the reduction of emissions in road traffic by 2020 by 40% in comparison to 1990; but by 2016 just 27.6% had been reached.

**Rising pressure for cities and logistics providers to act in a more environmentally friendly manner**

# *Technical innovations of logistics providers for the “last mile” do not go down too well with consumers*

- Consumers expect constantly improved delivery services, but at no cost.
- Automation is an approach of logistics companies to reduce costs while improving delivery service.
- Consumers prefer personal parcel delivery; they are critical of automated delivery solutions.

## *Ranking of the most-used delivery options*

1. Delivery to a neighbour: 51%
2. Home delivery in a preferred time frame: 40%
3. Delivery to a parcel counter point: 20%

▶ PwC-survey shows that just a few consumer would use automated parcel delivery options:



**33%**

**Parcel drones**



**32%**

**Parcel robots**



**16%**

**Car boot delivery**

# ***There is a lack of integrated, sustainable concepts***

Taking action and supporting cooperation become absolutely necessary

## ***Problems in the past***

- The majority of city logistics projects of the 1990s failed due to a lack of profitability and trust.
- Many of those concepts do not offer a solution for the numerous new problems resulting from e-commerce.
- Often too few initiatives are in place or too few cooperation partners are included to develop scalable solutions.

## ***Challenges of the present***

- The legal sphere of influence is limited for cities, but should be made the most of, especially when putting incentives in place.
- There is no one-size-fits-all solution, because the financial and organisational capacities of cities are very diverse.
- The attractiveness of cities has to be maintained for residents and the retail sector.
- Cost pressure for logistics providers has to decrease while delivery services have to be optimised.
- Consumer desires have to be integrated in city logistics projects.

## ***More courage for new concepts***

### Residents call for electro mobility on the “last mile”

- ▶ The consumers interviewed could imagine the following measures to be useful for improving city logistics:

**77%**  
Incentives for  
electric cars in  
freight transport

**75%**  
Night delivery  
for retailers  
with electric cars

**68%**  
Temporary opening  
of parking spaces  
as loading and  
unloading spaces

**66%**  
Collaborative  
usage of spaces as  
warehouses  
close to city-centres

# Cities can get active in various fields to promote city logistics



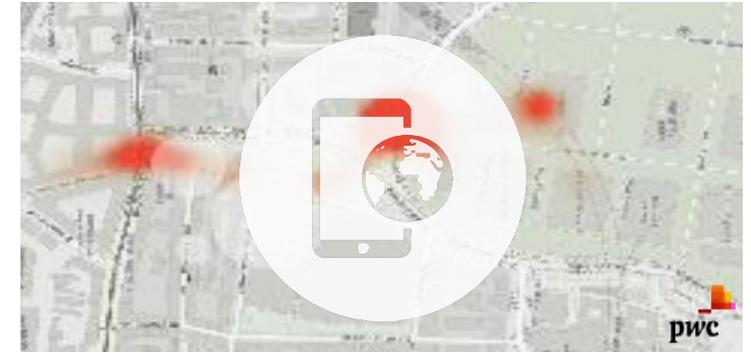
## *Promote electro mobility*

- Expand delivery time frames for electric cars
- Set up micro-hubs with charging stations in city-centres
- Enforce night delivery for retailers with electric cars



## *Optimise the usage of space*

- Initiate usage of brownfield as urban hubs for city logistics
- Initiate multipurpose usage of buildings and parking spaces
- Enable temporary usage of public parking spaces as loading and unloading zones



## *Establish digital solutions*

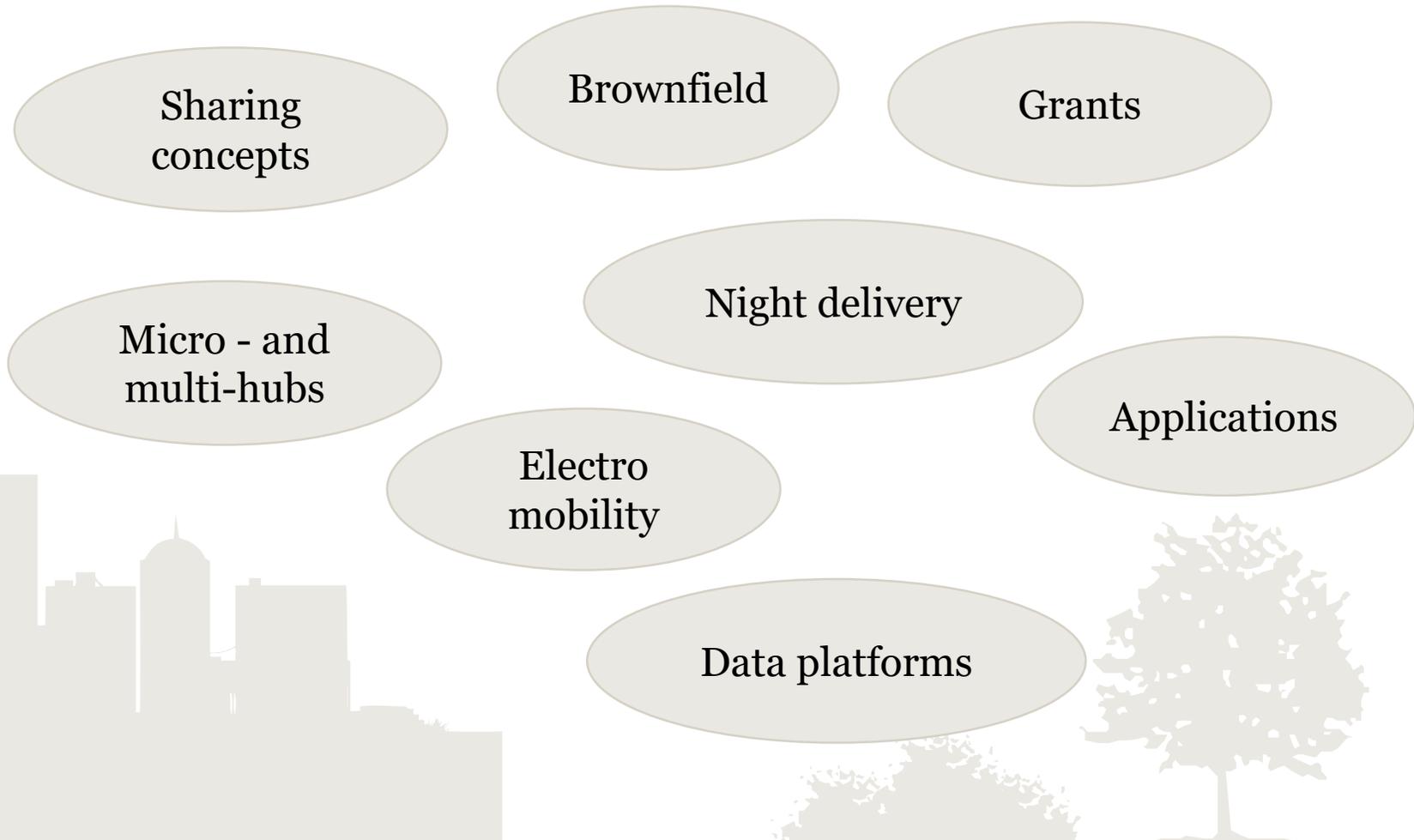
- Establish traffic planning via traffic dates
- Set up a joint database for logistics providers
- Develop applications for real-time information exchange

# ***Take actions for new opportunities – together***

## ***Collaboration between cities and logistics providers becomes key***

All involved parties have to interact jointly

- Trading companies
- Logistics providers
- Start-ups
- Property developers
- Associations
- Other cities
- Resident representatives



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# *Thank you!*