

A Strategic Model to Improve the Last Mile Delivery Performance in Ecommerce Parcel Delivery

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Abstract

Last mile logistics is the most time consuming and expensive stage of the delivery process. Facing the competitiveness of E-commerce with the rapidly fluctuating consumer demand is one of the biggest challenge faced by most of the companies. Further, last mile delivery performance became the most crucial factor of the relationship between e-commerce retailer and end customer as it can either establish or break the bond, which directly affects on the reordering decision of the customer. Therefore retailers exert pressure on last mile service providers to optimize their performance. The challenge lies in how last mile services providers should react to meet the requirements of increased parcel demand. Thus maintaining cost efficiency and high quality of the service is essential for last mile services providers to succeed in online business. Unfortunately, most of the last mile strategies fail due to not conducting proper studies on the expectations of key parties; retailers, last mile service providers and customers. Resource utilization and service quality can be identified as two main aspects of last mile delivery which directly affect on the last mile delivery performance. This scrutiny focuses on eliminating the inefficiencies in last mile delivery by identifying the factors that should be considered when implementing a last mile strategy by analyzing the strengths and weaknesses of current practices through a qualitative analysis conducted using key parties engaged in last mile delivery in Sri Lanka. Further, this study focuses on proposing strategic improvements to the identified issues through a case study on a leading last mile services provider. The strategic model

presented by the current scrutiny as the final output can be used by the last mile logistics service providers in implementing their last mile strategies to meet retailer and customer expectations in a cost effective manner.

Keywords: Last mile logistics, e commerce, resources utilization, service quality

Biography

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