

The OneRail Industry Insights Blog

# 4 Reasons the Retail Industry Should Invest in a Last Mile Delivery Solution

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Your product's final journey to your customer's door is likely the most expensive part of your supply chain. Retailers [pay an average of \\$10 per order](#) for last mile delivery. If that retail delivery runs into trouble, it gets even more costly: around \$18 for failed deliveries, to the tune of [\\$309 billion in returns industry-wide](#) in 2019.

Big retailers like Amazon have gotten consumers used to getting their orders fast, and many brands are trying to catch up. According to a recent industry survey, [99% of retail respondents](#) plan to offer same-day delivery within the next three years.

Complicating that plan is the fact that 44% of respondents are struggling to manage multiple fulfillment channels with different technology silos. And more than half (61%) said they have trouble getting [visibility](#) into their last mile process.

## Why Last Mile Delivery Solutions for Retailers?

As mentioned above, customer expectation for retail delivery service is getting shorter. In [Oracle's consumer research](#), 74% of consumers want their orders delivered in one to five days – and 80% get angry when their order doesn't arrive when promised. More concerning, half of respondents said fast delivery is an important factor in whether they place an order at all.

Since many customers will abandon a brand after just one bad experience, nailing your [last mile retail delivery](#) service is crucial to encouraging customer loyalty. That's difficult to impossible if you're stuck trying to manage siloed data from all of your different carriers. And it's exactly why [last mile delivery solutions](#) for retail is so needed.

Here's why a sophisticated last mile delivery platform is so important:

- 1. Retail delivery solutions let you see all the moving parts of your fulfillment process.**

Are you in that 61% of retailers who don't have good visibility into your last mile deliveries? Getting a clear, real-time picture of your last mile is more than just a tracking number.

Customers expect transparent order fulfillment with regularly [updated tracking and delivery time estimates and notifications](#). Last mile delivery software helps you provide that – and helps you solve or prevent exceptions.

By keeping track of peak traffic times and potential weather events, your last mile platform helps you get ahead of exceptions. You can reroute to avoid delays, and notify customers immediately if there's a change to their delivery window. Good communication goes a long way toward making customers feel better about their experience with you, even if their delivery does run into an exception you can't prevent.

## 2. Last mile delivery solutions help you choose the right carrier at the best rate.

A solid last mile delivery solution integrates and pulls data from your [omnichannel carrier network](#). With this data, you can [choose the best carrier by mode and capacity](#), then dispatch to meet your customer's delivery expectation. This [automated process](#) can shave up to 16 minutes off each order, clearing your team's time for other important tasks.

Better integration also helps you [rate shop](#) and lock in the best price for each shipment, including extra services like white glove and assembly. Since the last mile accounts for 28% of total transportation cost – and you can pay \$1.50 to \$4 per mile for this leg of your product's journey – this can have a huge impact on your budget.

## 3. Retail delivery service optimizes routes to avoid exceptions.

Once you've chosen a carrier and found the best rate, you need to [optimize the route](#) so your delivery arrives without delay. A last mile delivery solution helps here, too, by planning the best route according to no-entry windows, peak traffic times, and other data points. It can also alert the driver to changing travel conditions and updated routes.

This is especially helpful if you have a complex [3PL](#) network with several modes. The software can choose the right mode and carrier without you having to spend a ton of valuable time on it.

## 4. Last mile delivery solutions use your data to improve future performance.

As if you needed more reasons to love last mile delivery, with an automated last mile platform, all of your historical data is collected in one place. You see specific numbers like deliveries per region, average distance from the store or warehouse, on-time deliveries and average fleet cost.

Seeing past last mile outcomes also helps you predict future demand and delivery network service coverage. Better planning means better outcomes for customers. You can also see where previous deliveries ran into trouble that resulted in exceptions, so you can make [data-driven supply chain decisions](#) for the future of your fulfillment process.

## Change Your Delivery Outcomes

Ready to set up a platform packed with [last mile delivery solutions for retailers](#)? OneRail is here to help! [Request a demo today](#).

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