

**How crowdsourced
delivery can help
businesses win
and keep customers
in the last mile**



E-commerce sales are steadily climbing, but today's supply chain isn't ready to handle the growth. Research shows businesses of all sizes are struggling to meet demand, and customers are feeling the effects.¹

For retailers, this is both an opportunity and a risk. After all, it's easier than ever for customers to jump from one online store to another to get what they need.

The opportunity for retailers? Win customers by offering efficient fulfillment. The risk? Challenges in the last mile of delivery can undermine even the most streamlined operations.

National parcel carriers with fixed assets can't add capacity fast enough to meet surging demand for home deliveries. At the same time, retailers are trying to keep up with customer expectations for omnichannel experiences that include more delivery options, better visibility into deliveries, and even the ability to reschedule drops. Customers also want products faster, and they look for retailers that can deliver the same day.

These last-mile challenges have led e-commerce giants like Amazon to invest heavily in their own delivery fleets. But retailers of all sizes can get an edge in the last mile without having to build their own infrastructure. By adding crowdsourced delivery to their last-mile solutions, large and midsize organizations selling to consumers and other businesses can offer the following:

- Flexibility and scale.
- Coverage and speed.
- Customer choice.

Read on to learn how crowdsourcing is helping three retailers win and keep customers in today's complex last mile, and how all large and midsize retailers can use the solution to become truly omnichannel.

CROWDSOURCED OFFERS



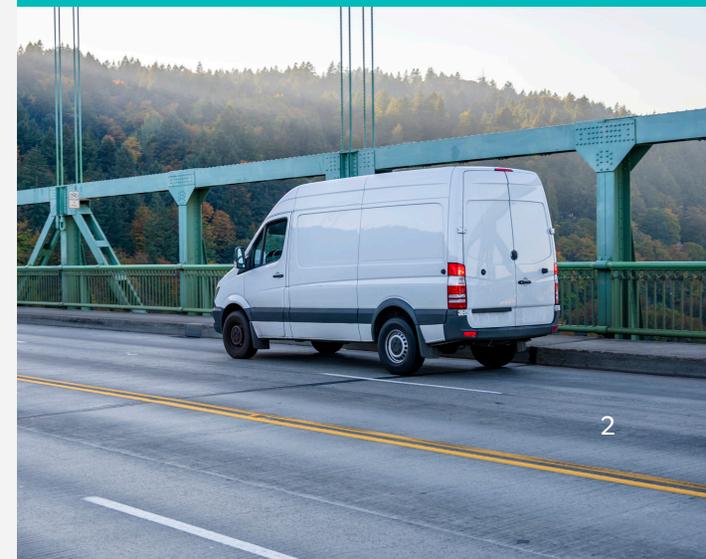
Flexibility and scale



Coverage and speed



Customer choice



Greater flexibility and scale

Crowdsourcing lets retailers meet demand when it happens. For some, this means having a scalable option ready to go when order volumes exceed the capacity of their own fleets or contract carriers. In these cases, crowdsourcing last-mile deliveries from stores or distribution centers allows businesses to make the most of unexpected or seasonal surges.

For others, crowdsourcing is ideal for VIP or rush orders that come in after a contract carrier's daily sweep, or when all fleet vehicles are out on deliveries. Crowdsourcing is also an affordable and flexible stand-alone option for companies whose volumes go up and down but that want access to a wide range of delivery vehicles without the cost of operating a fleet. This kind of flexibility is particularly helpful for moving big and bulky items, which can be expensive and difficult to ship quickly through traditional channels. It's also useful for orders that need to go a long way, fast.



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Better coverage and speed

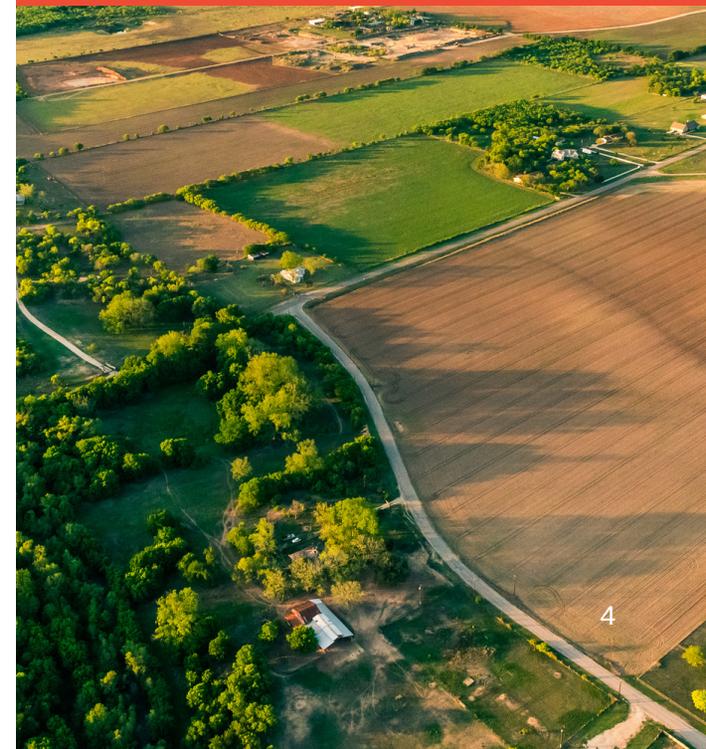
Whether they live in dense urban centers, suburbs, exurbs or rural towns, consumers want faster fulfillment. But delivering same-day beyond major metro areas is a last-mile challenge for many retailers. That's partly due to the massive footprint required to do so affordably.² Companies extending ultrafast delivery promises to customers in suburban, exurban and rural markets need flexible ways to cover more ground with their deliveries.

Tractor Supply Co. prides itself on serving rural customers. The company started offering same-day service from some of its stores in 2017, using Roadie's crowdsourced driver network. When the COVID-19 pandemic hit in 2020 and demand for home delivery surged, Tractor Supply went all in.

Together with Roadie, the company was able to add same-day delivery for 1,462 more locations in less than three weeks. Tractor Supply continued to expand the crowdsourced service, eventually becoming the first general-merchandise retailer to offer same-day delivery from all its stores nationwide. That's more than 2,000 locations, including many in remote areas. The shift helped Tractor Supply toward its goal of being "the most dependable supplier of basic maintenance products for farm, ranch and rural customers," said John Ordus, executive vice president and chief stores officer at Tractor Supply.



Companies extending ultrafast delivery promises to customers in suburban, exurban and rural markets **need flexible ways to cover more ground with their deliveries.**





McKinsey forecast that delivery times of less than two days would be the minimum for retailers in the next three to five years. U.S. consumers value “breadth of product selection” most in omnichannel retail, the consulting firm found. “Delivery cost and speed” was third on the list, followed by “control over delivery” at fourth.³

Tractor Supply put itself far ahead of the pack in a matter of weeks by giving its hardest-to-reach customers best-in-class delivery service on nearly its entire inventory of 15,000 SKUs — from dog food and power tools to chicken coops and wheelbarrows.

Broad coverage is critical for retailers looking to offer ultrafast delivery. A lack of same-day options and late deliveries are two of the most common reasons customers aren’t happy with delivery services.⁴ Retailers offering this option must be able to make good on the promise of speedy delivery with each order. That requires a delivery partner that can go where other providers won’t.

WHAT MATTERS MOST TO OMNICHANNEL RETAIL CUSTOMERS?

-  Product selection
-  Value
-  Delivery cost and speed
-  Delivery control
-  Product quality

Source: McKinsey & Company³



73% of shoppers thought **getting a delivery at a convenient time** was more important than receiving it quickly.



More **customer choice**

Customers may ask for faster delivery times, but their needs vary by order. Smart retailers give them choices. “Consumers want optionality,” said Marc Gorlin, the founder and CEO of Roadie. “They want the freedom to choose when they get purchases, how they get them and how much they pay — all at the point of sale.”

Faster delivery may not always be the first choice, however. Getting a delivery at a convenient time was more important than receiving it quickly for 73% of shoppers in a Capgemini study.⁵ Some customers want the option to prepare for the delivery of a big, expensive or perishable purchase. Retailers can use the extra time to plan, balance inventory and consolidate multiple-item orders. Letting customers decide when they want to receive their order can help retailers win business and boost customer loyalty.

The importance of choice reached a new level during the pandemic. The Home Depot partnered with Roadie in 2018 to offer same-day delivery to its DIY and professional customers. By March 2020, the home improvement retailer provided same-day delivery from 685 of its stores. The retailer has since expanded the service to reach more than 1,700 stores nationwide. That growth gave more customers a safe and efficient way to source supplies for their home improvement projects in the early days of the crisis.

“Making same-day delivery widely available to customers was critical to The Home Depot’s goal of building a fast and efficient supply chain,” Roadie’s Gorlin said. “Crowdsourcing helped them grow that capacity quickly, and when they needed it most.”

CROWDSOURCING BY THE NUMBERS

A last-mile win looks different for each company and industry. But the result is the same. By tapping into an on-demand network of independent drivers, retailers can harness the flexibility, scale, speed and coverage of crowdsourcing to get customers what they need, where and when they need it.



ScriptDrop Ramps Up Delivery Volume

- Covers remote and rural areas that traditional carriers and couriers can't, and flexes with delivery demand.
- Privacy — and security — conscious screening process for drivers.
- Sensitive to ScriptDrop's need to keep costs reasonable for end customers.



Tractor Supply Goes Fast and Far

- First general merchandise retailer to offer same-day delivery from 100% of stores nationwide.
- More than 2,000 stores serving rural areas with crowdsourcing.
- Customers ordering from nearly 15,000 SKUs.



The Home Depot Gives Customers More Choices

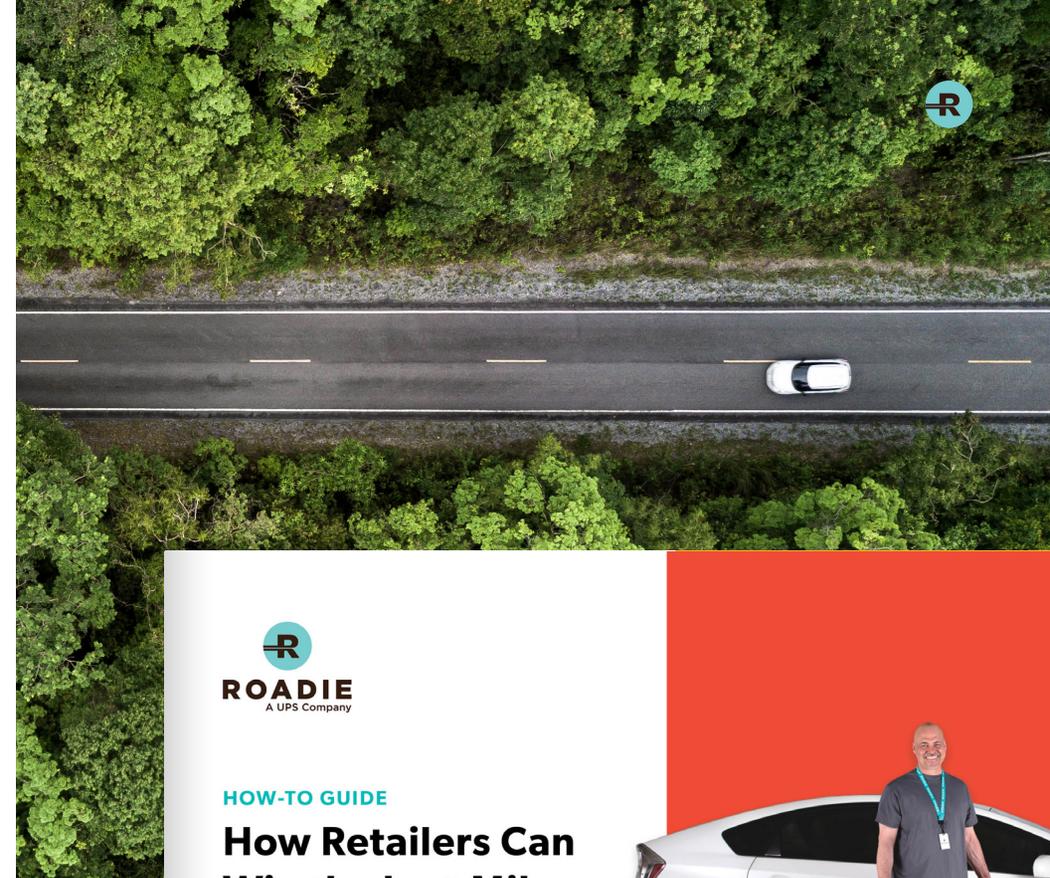
- Same-day deliveries from select stores since 2018.
- Rapid expansion of crowdsourcing to meet pandemic needs from 1,000+ stores.
- On-time delivery of greater than 97%.

Expanding potential to the last mile

To win and keep customers in today's fast-paced and complex last mile, retailers need to stay a step ahead. They should be ready to scale in response to demand. And they should be capable of fulfilling orders no matter where customers are. Retailers that offer ultrafast delivery must also deliver on that promise over and over.

By adding crowdsourced delivery to their last-mile fulfillment toolkit, retailers can be ready to meet customer demand wherever and whenever it happens.

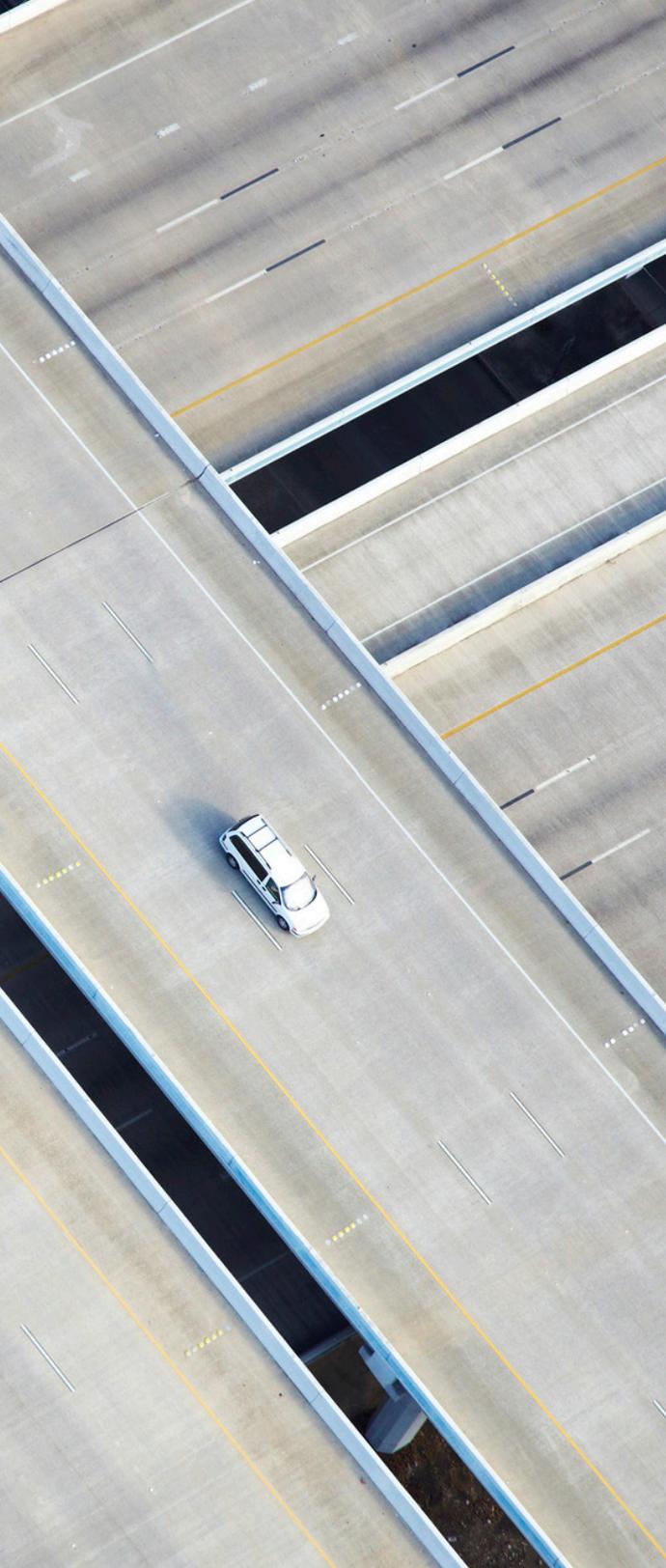
Learn more about how crowdsourcing and Roadie can help your business win the last mile.



A promotional graphic for Roadie. On the left, the Roadie logo (a stylized 'R' in a circle) is positioned above the text 'ROADIE' and 'A UPS Company'. Below this, the text 'HOW-TO GUIDE' is written in a smaller font, followed by the main headline 'How Retailers Can Win the Last Mile' in a large, bold font. On the right side of the graphic, a man in a grey t-shirt and dark pants stands next to a white car, holding two brown paper shopping bags. The background of the graphic is split into a white section on the left and a red section on the right.

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Sources

1. Adhi, P., et al. "Retail speaks: Seven imperatives for the industry." McKinsey & Company, 2021, <https://www.mckinsey.com/industries/retail/our-insights/retail-speaks-seven-imperatives-for-the-industry>
2. Barbee, J.; J. Jayakumar; S. Touse; and K. Venkataraman. "Retail's need for speed: Unlocking value in omnichannel delivery." McKinsey & Company, Sept. 8, 2021, <https://www.mckinsey.com/industries/retail/our-insights/retails-need-for-speed-unlocking-value-in-omnichannel-delivery>
3. Ibid.
4. Buvat, J., et al. "The last-mile delivery challenge." Capgemini Research Institute, 2018. <https://www.capgemini.com/wp-content/uploads/2019/01/Report-Digital-%E2%80%93-Last-Mile-Delivery-Challenge1.pdf>
5. Ibid.



Roadie, a UPS company, is a leading logistics and delivery platform that helps businesses tackle the complexities of modern retail with unmatched delivery coverage, flexibility and visibility. Reaching 97% of U.S. households across more than 30,000 zip codes — from urban hubs to rural communities — Roadie provides seamless, scalable solutions that meet a variety of delivery needs.

With a network of more than 310,000 independent drivers nationwide, Roadie offers flexible delivery solutions that make complex logistics challenges easy, including solutions for local same-day delivery, delivery of big and bulky items, ship-from-store and DC-to-door. For more information, visit www.roadie.com.

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