



Updated: Oct. 2, 2017

**Overview:** Last mile delivery refers to the final and often most expensive leg of delivery to a consumer from a transportation hub.

## Retail Perspective

As consumers increasingly expect on-demand services, last mile has become a leading priority among retailers. To keep up with the shifting consumer standards, retailers should be aware of alternative last mile methods including click-to-collect, drones, robots, and same day services. As customer expectations rise, successful last mile delivery becomes necessary for retailers to invest in.



Source: [Recode](#)

## Key Takeaways:

- The last mile has become the new frontier to address consumers' expectations for faster and cheaper delivery.
- Regulations are needed to stabilize the market for drones and other autonomous services to become a dependable mode for last mile delivery.
- Companies will need local fulfillment stations to remain competitive.

## Retail Use Cases

**Click-to-Collect:** Many traditional retailers have already adopted "buy online, pick up in store" or BOPUS capabilities to satisfy consumers' demands. This process alleviates some of the high shipping costs associated with last mile by having the physical store become the distribution center. In 2016, CVS partnered with [Curbside](#), a startup mobile application where customers place their order, allowing consumers to receive a notification when their order is ready and enjoy prompt delivery directly to their car upon arrival at the store.



**Delivery Drones:** [Amazon](#) made their first U.S. drone delivery in March 2017, and is among a [short list](#) of companies using drones today. Mail services, governments, farming, oil, and media companies are using drones. While the [drone market](#) is growing, it is not projected to impact the commercial market in the next few years considering the Federal Aviation Administration (FAA) has yet to set regulations on their use over populated areas and out of line-of-sight.

**Delivery Robots:** In Washington, D.C. and Redwood City, CA, [Postmates](#) and [DoorDash](#) have partnered with [Starship Technologies](#)' autonomous robots to complete up to 10 hyper-local deliveries per day. [Dispatch](#) is another robot delivery service currently running pilot programs in California that has secured seed funding from prominent venture capital firms.

**Same-Day Services:** Another approach to on-demand, traceable delivery (like [UberRUSH](#)) is a service that provides customers with increased order transparency. Retailers such as Nordstrom, Walmart, and 1800flowers.com are already using this service. Others, like [Darkstore](#), offer fulfillment locations strategically located for cheaper and faster delivery rates, and partners with an on-demand delivery service like [Deliv](#) to complete the shipment.

This Tech Brief was developed by RILA's (R)Tech Center for Innovation | [www.RTech.org](http://www.RTech.org).

