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Instant Deliveries: New Jobs and New Questions for Cities

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- **IFSTTAR** French Institute for Transport Research, University of Paris-East
- **Metrofreight:** four research centers collaborating on metropolitan freight and urban logistics: LA (USC), NYC (Columbia and City College), Paris (IFSTTAR), Seoul (KOTI)
- **CITYLAB** H2020 European project
- **Topics:** warehousing spatial issues ('logistics sprawl'), urban freight and air pollution, city logistics innovations, e-commerce deliveries



‘Instant deliveries’

“Instant delivery services provide on-demand delivery within **two hours** – by either private individuals, independent contractors, or employees – by connecting shippers, couriers and consumers via a **digital platform**”

(Dablanc, L., Morganti, E., Arvidsson, N., Browne, M., Woxenius, J. The rise of instant delivery services in European cities. *Supply Chain Forum, an International Journal*. Forthcoming)

Method of observation

- A data collection on 40 companies (mostly Europe +US & Asia) from specialized press, literature, websites and several interviews of managers
- A survey towards 96 couriers in Paris with a questionnaires administered face to face (Oct-Dec 2016)
 - 32 questions under three categories: the worker's personal situation (age, training, place of living); the facts of the job (which company, how many hours, what revenue); and the worker's perception of the job's benefits and challenges

Two (theoretical) models

- DHL MyWays (Stockholm, 2013-2014): “pure” crowd-sourcing (use of available transport capacity on the way to work or elsewhere), abandoned
- Deliveroo, Foodora, Stuart, UberEATS, Postmates, MeshKorea: use of contractors/free lancers *dedicated* to the delivery activity
- Highly competitive market, not one yet profitable
- Main US companies *versus* main European ones, with UberEATS and Amazon Prime Now covering both markets



A rapidly growing activity

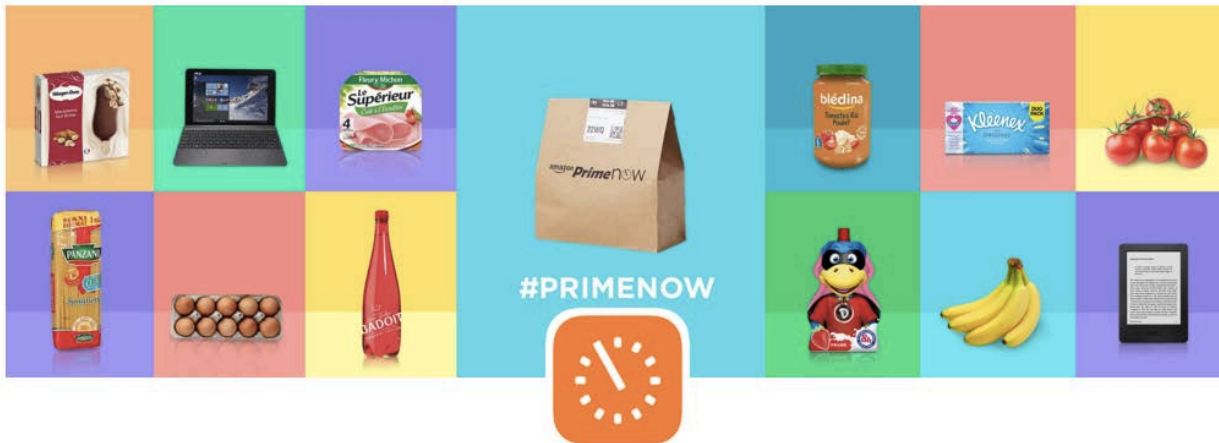
- 3% of total deliveries in Paris
- Amazon Prime Now in 50 cities around the world



Primenow

10€ offerts sur votre 1ère commande avec le code PRIMENOW10

Voir conditions en bas de page*



Primenow
Comment ça marche:



1 Installez l'application Prime Now



2 Entrez votre code postal



3 Connectez-vous et faites vos courses



4 Choisissez votre créneau de livraison

Two “generations” of couriers



The “amateurs”

56% of our sample

Students (two years or more of university education)

Bicycle/sport lovers

A majority with more than one year in the job

85% of them work less than five hours/day

Most live in Paris

The “newcomers”

26% of our sample

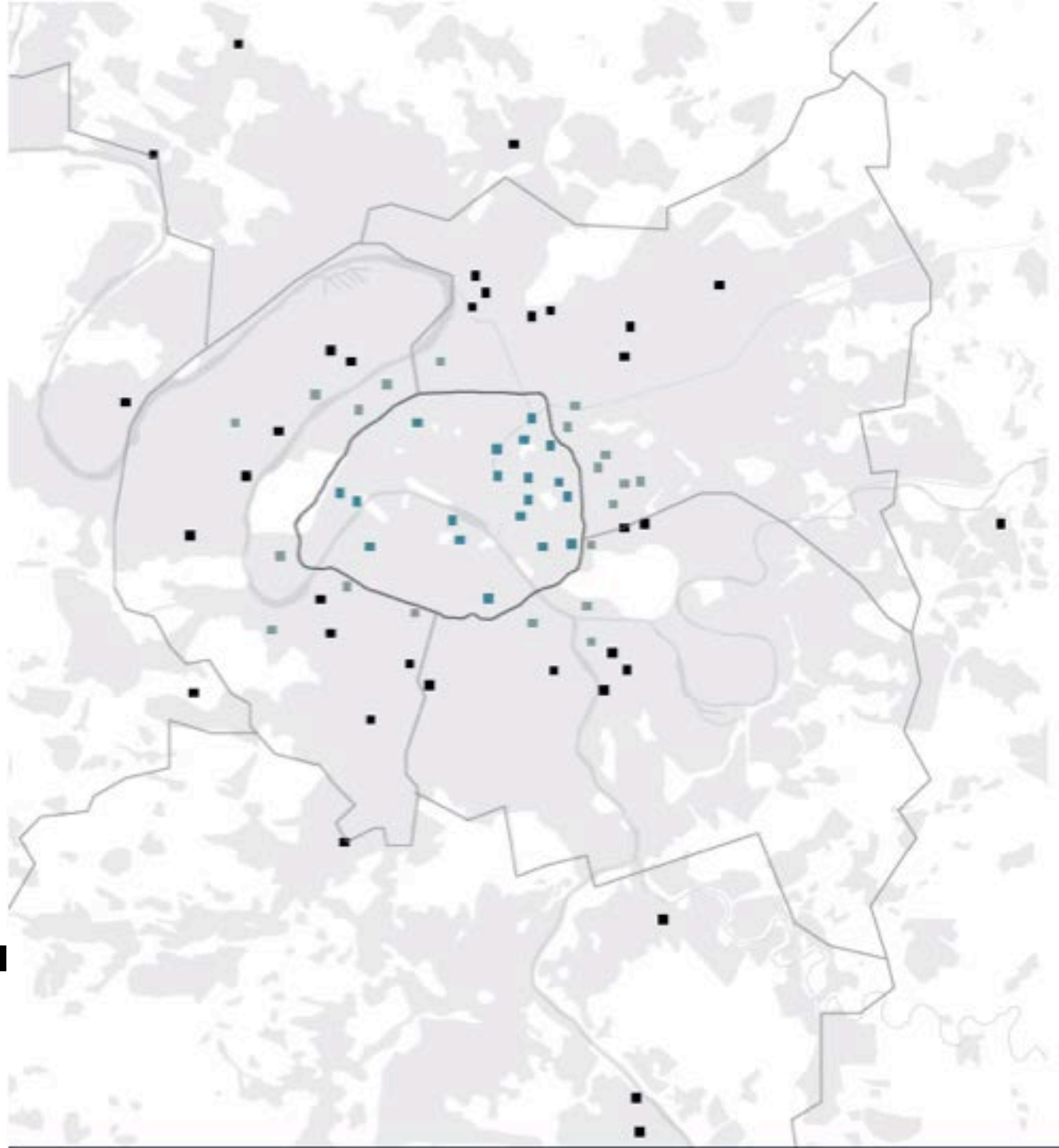
No high school education

18% work less than 5 hours a day

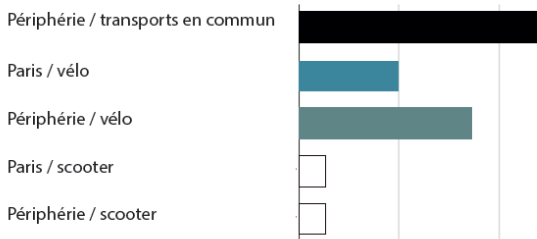
23% work more than 8 hours a day

Mostly suburban minority neighborhoods kids

- 79% do not live in Paris
- Including 65% who use public transport (carrying their bikes)



Domicile / mode de transport



Main items of concern for couriers

- Rain, cold, bad weather conditions (21%)
- Problems with app, GPS or smartphone battery (20%)
- Congestion, pollution and traffic (19%)
- Bicycle theft and bike problems (13%)
- Lost time waiting for the order at restaurants (12%)
- Bike lanes (absent or ill-conceived) (7%)
- Other (8%)



Labour issues

- Dependence/independence, poor working conditions
- Protests, strikes
 - Paris: summer 2017 in Paris (Deliveroo)
 - Milan: October 2016 (Foodora)
 - UK: summer 2016 (Deliveroo)
- Difficult to organize collective groups
- Strategies from groups and established unions: in the US, lawsuits for reclassification of independent workers as employees (with benefits); in Europe, gaining higher fees and cheaper insurance, paid training as freelancers

Road safety

- Only one company (Mesh Korea) spontaneously spoke about road safety concerns for bike couriers
- Invisible issue, very little data (no distinction b/w bike accidents for passenger trips and delivery activities)
- City of Paris released first data in a technical meeting last June (81 body accidents 2011-2016), but incomplete
- Companies increasingly provide insurance coverage



A new activity to accommodate in cities

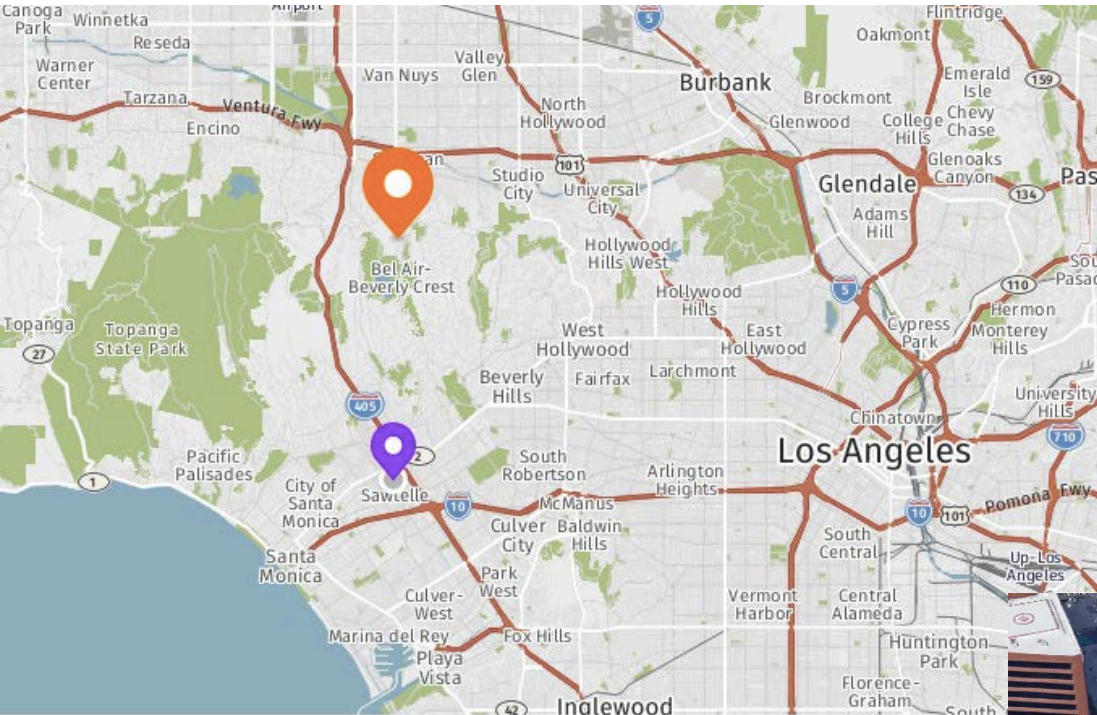
- (Estimated) 0.2 instant delivery per week per household in Paris
- 100,000 deliveries a week (and 100,000 pick-ups)
 - 12% of e-commerce deliveries, 3% of total deliveries
- Modes (Paris survey): 87% bicycle, 8% scooter/motorbike, 5% other (rollers, private car, cargocycle)
- French legislation: if using a motor vehicle, including a scooter, need for a freight transport license



Political perceptions

- *“This is retail, even if they pretend they do logistics, and they put Paris local retail in danger. I want them to be ruled under the retail urban planning legislation”* (Mayor Anne Hidalgo, June 2016)
- *“Being the fourth city in Europe chosen by Amazon confirms that our city is open to the economic dynamism that Amazon Prime Now brings to Madrid”* (Mayor Manuela Carmena, July 2016)

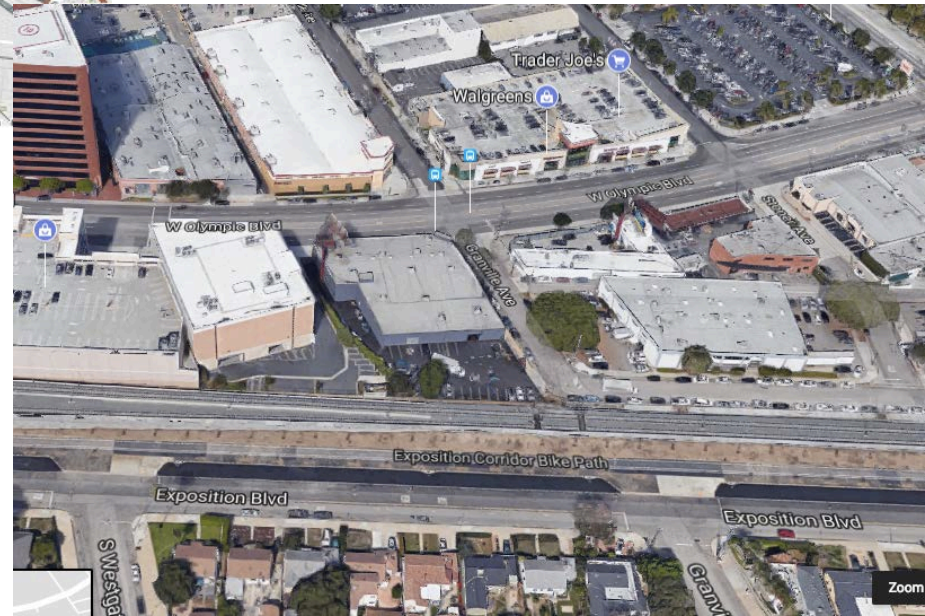
Spatial footprint



Delivery time: 4:00 - 6:00 PM



Thanks, laetitia! Your Amazon order is being prepared



Urban warehouses

Amazon 5,000 m² facility in
Manhattan for Prime Now

Amazon “is seeking **small warehouses situated close to urban population centers** where it can stock popular products and deliver them quickly to Prime members” (*Business Insiders UK*, April 2017)



A “logistics hotel” in Paris opening in Nov 2017



Foncier: 1 ha de toiture
Programme: env. 6 200 m² DEVE et 3 800 m² DIS

“Reinvent the Seine” program: a future logistics facility in the 16th arrondissement of Paris



Futuristic urban vehicles



Dispatch (San Francisco)



Domino's Pizza: in New-Zealand (2016)
and Europe with Starship in 2017



Piaggio FastForward
(Boston)



Starship (London, Sunnyvale, Redwood)



Autonomous van+ drone (UPS)



Resources



- www.metrans.org/metrofreight
- CITYLAB Observatory of Strategic Developments impact urban logistics
(http://www.citylab-project.eu/deliverables/D2_1.pdf)



- VREF report:
<http://www.vref.se/download/18.1ffaa2af156b50867485a23/1471930170757/Why-Goods-Movement-Matters-SPA+-+June+2016.pdf>

- Dablanc, L., Morganti, E., Arvidsson, N., Browne, M., Woxenius, J. The rise of instant delivery services in European cities. *Supply Chain Forum, an International Journal*. Forthcoming
- Dablanc, L. and Frémont, A. (Dir.) (2015) *La métropole logistique*. Paris, Armand Colin.