On-Demand Delivery Services

Research

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Process

Current Process

With the rapidly increasing number of tech savvy consumers purchasing on demand products online, there is an equally rising demand for same day delivery services.

As the proliferation of online shopping websites and mobile apps continues to grow in popularity and use, there are both old and new options that allow products to be delivered to consumers via same day courier services, while also introducing new technologies.

Companies such as "VillageLuxe", "UberEats", "Seamless Web", "Instacart", etc. have already found large sucesss offering same day delivery via online platforms.

Current Problems with Process

The current archetypes in same day on demand delivery have been largely limited to food/groceries and luxury goods. With the success of these businesses, there is an increasing need to deliver services for different products with a high level of professionalism, customer service, reliability, and puncuality.

There are few current options that offer seamless integration that connect a courier service directly to on-demand services through online platforms. Creative solutions are increasingly needed and surfacing. Recently, APIs through Postmates, Uber, etc. have been created, allowing developers to easily implement their services into a website/mobile app interface, while also providing timely delivery/pickup services.

As the demand increases, the need for high quality and trusted courier delivery options as well as technology that creates and maintains an easy and enjoyable user experience while shopping online will continue to emerge and evolve.

Market Trends

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www.emarkerter.com

November 2014 polling by Accenture found that while **64%** of internet users said delivery speed was important—up from **57%** the prior year—**just 15%** of retailers worldwide offered same-day delivery.

More than one-quarter of internet users were willing to pay $10 or more for same-day delivery for an item they urgently needed—and 22% would pay $20 or more to get their goods within 2 hours.

In a September 2014 study, PricewaterhouseCoopers asked US internet users which shipping/delivery options they would be willing to purchase (assuming there was free basic delivery offered). **Fully 61% of respondents cited same-day delivery—the No. 1 response.**

www.theondemandeconomy.org

The growing density of US cities increases the number of people who have easy access to on-demand services.

Instacart's **15-20%** customer growth rates in new markets are fueled by its choice to launch in large metro areas with eager, tech savvy audiences. Concentrated populations provide a higher volume of transactions in a smaller service area that easily allows for on-demand services to deliver top-notch response time.

17M guests have stayed in Airbnb accommodations globally since 2008. On-demand services like Airbnb and Uber use a two-way rating system and levels of verification to develop trust between the user and service provider.

Services

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Postmates

https://postmates.com/

Postmates promises to deliver any product within one hour

Provides urban logistics + on-demand delivery platform

API easily integrates to your app

Can hire a "Postmate" to deliver items via van or truck. Rates begin at $5 and depends on distance

Fulfillment by Amazon (FBA)

http://services.amazon.com/content/fulfillment-by-amazon.htm

Ability to store your products in Amazon's fulfillment centers, as well as list, pack, ship, and provide customer service for these products on Amazon's robust platform.

in a 2014 survey, 71% of FBA respondents reported that their unit sales increased on Amazon.com more than 20% since joining FBA.

Standard shipping options (Free same day shipping now available in 14 metro areas, including Los Angeles, San Francisco, NYC, etc. , free 2 day Amazon Prime Shipping,).

Products are shipped in Amazon boes, extra cost for generic packaging.

Uber Rush

http://www.uberrushnyc.com/

UberRUSH is the fastest, most reliable way to get things from here to there. Request, track, and confirm your delivery right in the Uber app.

Use Uber API to integrate into your mobile app

Currently only available in NYC/NJ, However, plans to expand.

Stringent vetting process to integrate Uber API into your app, including abiding by all Uber rules, design guidelines, and explicitly promoting the Uber brand.

UberEats is currently available in Los Angeles, delivering food from select restaruants.

Dyanmex

https://www.dynamex.com

Dynamex is a North American company that delivers same day services via air/ground with nationwide coverage throughout the US and Canada.

Dynamex customizes on-demand shipping solutions to pick up and deliver to a customer at a specified time and location.

Can supply small businesses with a simple custom courier solution, while providing another with a dedicated fleet of vehicles to handle their same-day distribution needs.

Does not have API that connects with website/app.

Local Courier Service

http://losangelescourierservice.com

Same day deliveries with options a. under 90 minutes b. rush deliveries under 3 hours

Trackable and secure (insurance included)

Does not have API that connects with website/app.

In House Delivery

Hire delivery drivers in house

May be the most cost effective if driver has truck/van - And long term, may be a more cost effective investment if a small delivery truck is purchased, depending on how fast the demand scales up.

Does not have API that connects with website/app.

Issues to Consider with Service

Fullfillment software (Postmates, FBA, and Uber all have integrated API that handles the back-end for their courier services - the others need other options such as shiprush.com)

Quality control - maintaining condition of product, which often depends on the size and care of the transport. Issues with reliability and integrity of courier drivers - Uber , until a recent California court ruling in June of 2015, were not considered employees of Uber, but independent contractors, and is still not considered a professional service outside of California
(as of June 2015).

Customer Service - The ability to reach an operator. In particular, there have been many complaints of Dynamex (as is seen in customer reviews) in dealing with customer service and delayed deliveries (see quality control).

Branding (FBA and Uber are examples that work more as a partnership, than a courier service under the banner of your brand).

Cost

Thank You.

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