TRB 2020 Workshop 1085
Improving Last-mile and 50 Feet Logistics with Smart Initiatives to Improve Freight Mobility

On-Demand Instant Delivery Services
Around the World

Dr. Laetitia Dablanc

Université Gustave Eiffel
Chair
Logistics City
University Gustave Eiffel (IFSTTAR) and Sogaris

Metrofreight
VREF Center of Excellence
On-demand ‘instant delivery’ services

- Deliveries in two hours
- Smartphones and digital platforms
- Gig workers, self contractors

Buenos Aires

Lima

Mumbai

London
### Fun facts from 2019

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Country</th>
<th>Year</th>
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<tbody>
<tr>
<td>DoorDash (US)</td>
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<td>$900 million revenue (2019)</td>
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<td><strong>Raised $1 bn in 2019</strong></td>
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<td>7,500 employees</td>
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<td>Grubhub (US)</td>
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<td>$1 bn revenue (2018)</td>
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<td>140,000 restaurants partners</td>
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<td>UberEats (US)</td>
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<td>$1.5 bn revenue (2018)</td>
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<td>Postmates (US)</td>
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<td>$1 bn revenue (2018)</td>
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<td>Meituan (China)</td>
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<td>$6.4 bn revenue (2018)</td>
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<td>IFood (Brazil)</td>
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<td>600,000 orders/day from 500 cities (2019)</td>
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<td>Glovo (Spain)</td>
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<td>20 countries</td>
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<td>JustEat (UK)</td>
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<td>500,000 daily active users in the UK (2018)</td>
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<td>Deliveroo (UK)</td>
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<td>30 min grocery deliveries (2019)</td>
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<td><strong>Loss of $300 millions in 2018</strong></td>
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<td>21% couriers in UK are students (2018)</td>
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Half the restaurants in Sydney using digital delivery platforms.
Competition, partnerships, market sharing

- In Europe, Takeaway buys Just Eat (Jan 9, 2020), second world meal delivery platform
- Battle between Takeaway (NL) and Prosus (ZA)
  - Dec 2019: 916p a share
  - Oct 2019: 800p a share
  - July 2019: 731p a share
- Partnerships
  - Amazon and Deliveroo: UK Competition & Market Authority currently investigating
  - Walmart and Postmates
  - McDonald’s: UberEATS then Doordash
  - Alibaba and Ele.me
- In Latin America, Glovo left Chile and Brazil in 2019
- In Europe, Deliveroo left Germany in 2019
Amazon Flex drivers to Prime Now urban fulfillment centers across Los Angeles

- Median daily number of departures from Amazon Prime Now hub in Sacramento (20,000 sq ft), (2019, Miguel Jaller UC Davis):
- 20 delivery vans and 97 Flex cars
Self-contracted couriers: from students to full-timers to migrants?

- Contracting out to undocumented migrants in Paris Place de la République square: 80% (survey August 2019, Siarry, 2019)
- Linked to decreasing pay from platforms
- Venezuelan refugees in Lima
‘Alternative’ delivery platforms

• Socially and environmentally conscious platforms e.g. **Urb-It** (London, Paris and Stockholm): only by foot, bike or public transport, better pay, 50% women

• Alternative social model, cooperatives e.g. **Applicolis**: associated with a cooperative, couriers can become partners by buying social shares

=> Costly niches but growing
Turns of events on the legal front

- France
  - **Highest Court, Dec 2018**: TakeEatEasy delivery workers are actually employees because of GPS tracking, sanctions
- California AB5
  - 2018 California Supreme Court ruling Dynamex (contractors are part of core business and should be employees)
  - **2019 State legislation AB5**
    - Uber and Postmates legal action Dec 2019
    - Federal judge temporarily blocked implementation of law on motor carriers
- New York City regulators want to cap Grubhub fees to 10%
What about carbon footprint?

- Much higher PM, NOx and CO$_2$ emissions if mopeds and cars are used
- Half of instant deliveries in Paris are now (2019) made by mopeds - although illegal -, as compared with 16% in 2016
Conclusion

• Continued growth, globalization of firms, constant changes in business models
• Massive provider of unskilled jobs in megacities
• Legal issues taking the front stage
• Opportunities in transportation research: data collection and analysis for mobility and traffic planning, environmental assessments
Resources

- **METROFREIGHT**
  www.metrans.org/metrofreight
- **CHAIR LOGISTICS CITY**: www.lvmt.fr/en/chaires/logistics-city-sogaris/
- Paris surveys: https://hal.archives-ouvertes.fr/hal-02374915
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laetitia.dablanc@ifsttar.fr