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How on-demand deliveries in cities change services and jobs: new survey results

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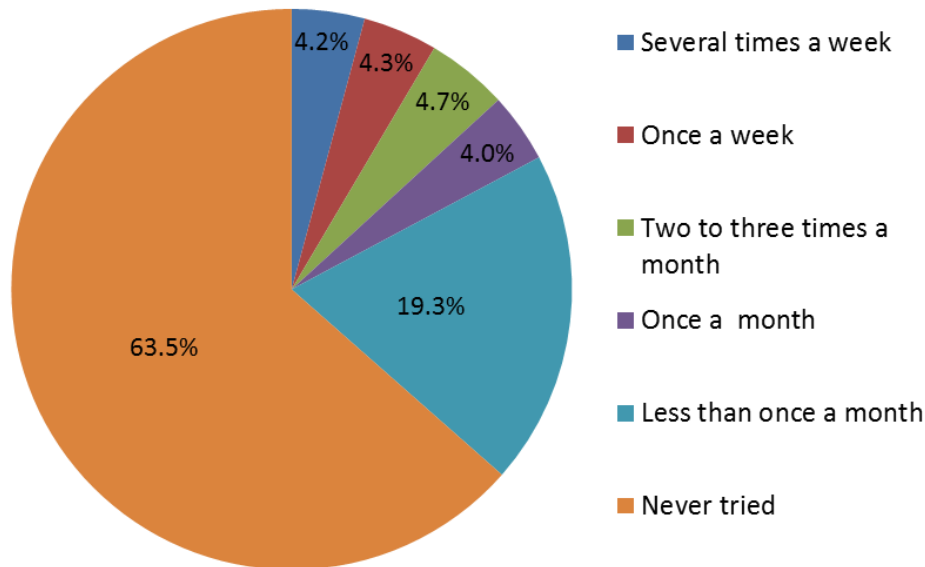
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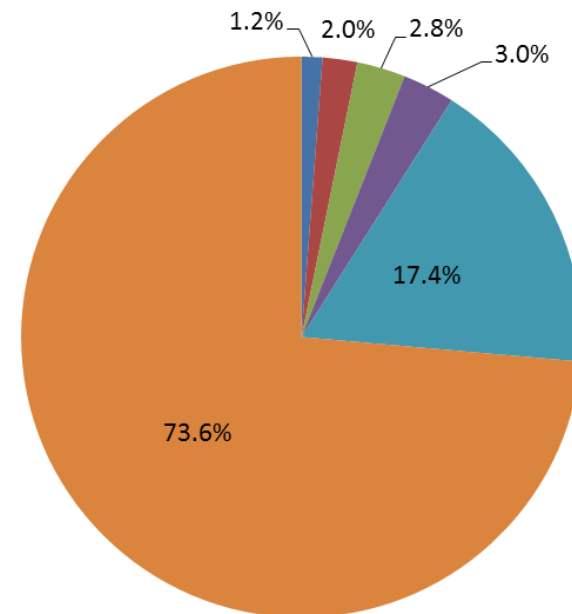
- The presentation in brief:
 1. Demand for **fast deliveries** (same day and ‘instant’) increases, especially in cities
 2. It has **impacts** on jobs, on the way freight services are provided
 3. It has impacts on the city environment and on urban planning
 4. New **survey results** provide some knowledge, data collection to be developed

17.2% people living in Manhattan use same day deliveries at least once a month

NYC



Paris



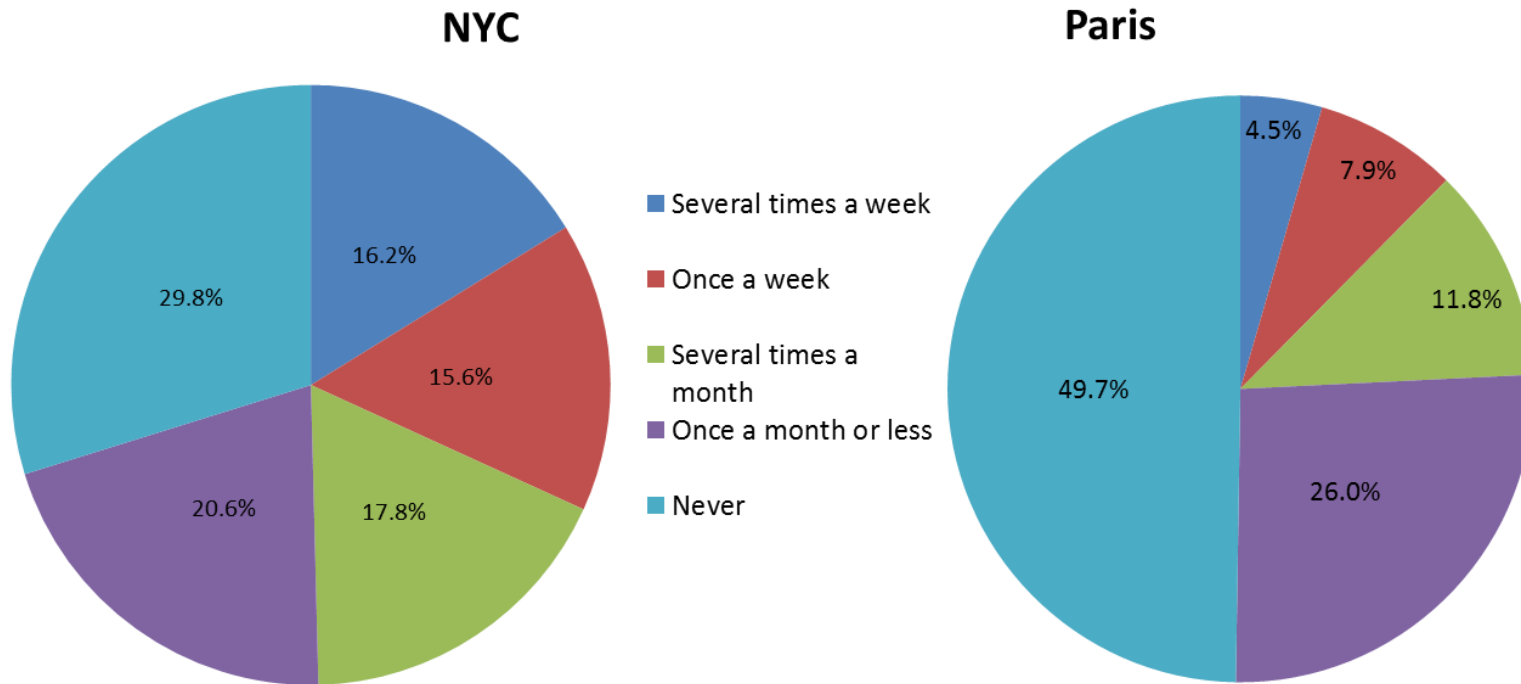
6T bureau de recherche, survey Dec 2017, to be published

NYC = mostly Manhattan

Paris = City of Paris

Does not include food apps

31.8% people living in Manhattan use a food app at least once a week



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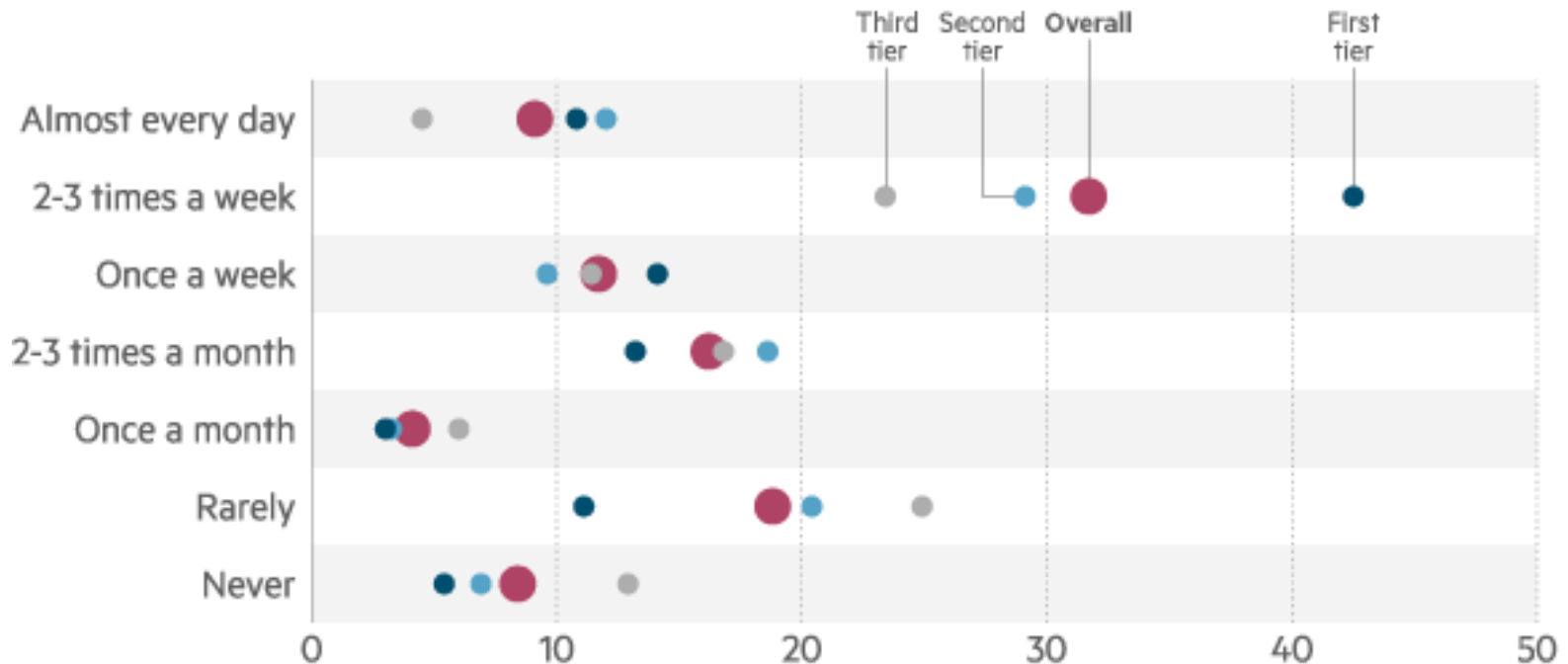
Paris = City of Paris

More use of instant delivery apps in urban China (same day incl. food apps)

FT Research year of data 2017

Urban China orders in

How often do you use on-demand delivery services? (% of respondents, by city tier)



Methodology



- Instant deliveries = on-demand deliveries within two hours provided by connecting shippers, couriers and consumers via a digital platform
- Data collection on companies (Europe, US & Asia) from specialized press, literature, websites and some interviews with managers
- 2016 and 2018 surveys among couriers in Paris
 - Face to face and online questionnaire interviews - only face to face interviews reported in results here
 - Face to face interviews were chance encounters in Paris streets, about one hour with each courier
 - 100 usable questionnaires for each survey

Main instant delivery platforms



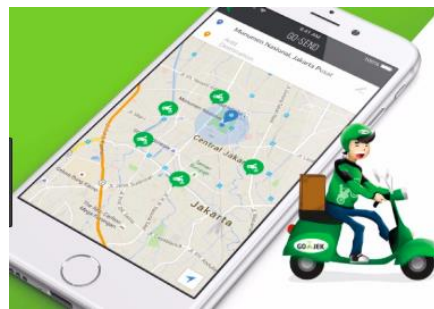
- World brands: Amazon Prime Now, UberEATS
- Chinese brands: Meituan-Dianping (linked to Tencent), Ele.me (Alibaba)
- European brands: Delivery Hero (Foodora), Deliveroo
- US brands: GrubHub, Postmates, Instacart, DoorDash
- Many domestic brands, many start-ups in all regions

In emerging countries



Glovo, Rappi in Lima, Bogota, Buenos Aires, Panama

Jakarta: **GO-SEND** delivery



GO SEND
KINI **KIRIM BARANG**
TANPA **BATAS JARAK***
UPDATE APLIKASI GO-JEK ANDA UNTUK
MENGUNAKAN LAYANAN GO-SEND TERBARU

*Untuk pengiriman dalam satu area



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Tendencia

El nuevo delivery: con cadetes "uberizados", llegó a todos los negocios y tarda menos

PedidosYa en Buenos Aires



Delivery Hero (2017)

- Based in Berlin
- 40 countries (35 where it leads)
- 2 to 5,000 registered couriers per city
- 100,000 restaurants
- One million deliveries per day
- Specialized on on-demand deliveries
- 2017 revenue: \$400 M
- IPO in 2017

Meituan (2017)



- Based in Beijing
- One country (China)
- Unknown number of registered couriers
- 4.4 million restaurants
- 17 million deliveries per day
- Diversifying on all types of online services
- 2017 revenue: \$5.2 billion
- Filed for IPO in Hong Kong June 2018

Partnerships

- Walmart and Postmates (2018)
- Nestlé USA and Freshly (2017)
- McDonald's and UberEATS



Several employment models

- “Pure” crowd-sourcing: use of available transport capacity on the way to work or elsewhere) (DHL MyWays, Courseur, Shopopop)
- ‘Regular’ crowd-sourcing: use of free lance private individuals dedicated to the delivery activity (Amazon Flex)
- Use of free lance contractors, owner-operator couriers (Deliveroo)
- Use of employees (MeshKorea)
- Highly competitive market, few are profitable
- New services: “Deliveroo Plus” (monthly subscription, no delivery fee)



Alternative platforms

- Quality-based e.g. Urb-It: only by foot or public transport, strict selection, 50% women
- Alternative social model, cooperatives e.g. Applicolis: associated with a cooperative, couriers can become partners by buying social shares

=> Niches, difficult business model

8% of total daily deliveries in the city of Paris

- 300,000 B2B deliveries
- 100,000 B2C deliveries
- 35,000 instant deliveries



Paris courier surveys

Modes of delivery

2016

87% bicycle

8% moped or motorbike

5% other (rollers,
private car)

2018

65% bicycle

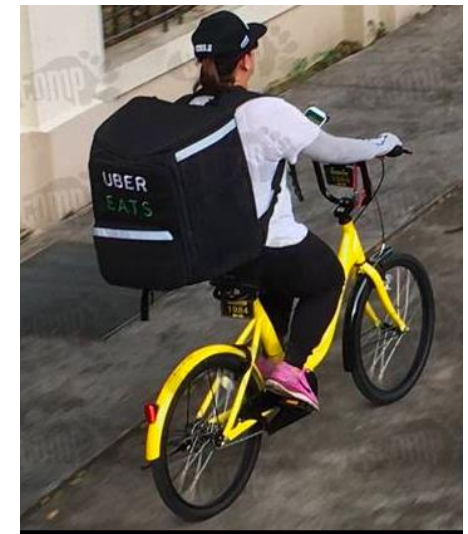
19% moped or
motorbike

16% both or other

=> Much higher use of motor vehicles
(not allowed)

=> Increased 'flexibility'

=> New modes emerging: e-bikes, use
of dockless bike share



Two categories of couriers

The 'dilettantes'

56% of first survey

31% of second survey

Students >2 years

Bicycle/sport lovers

Part time job

Live in Paris

More activists

The 'hopefuls'

26% of first survey

45% of second survey

No high school education

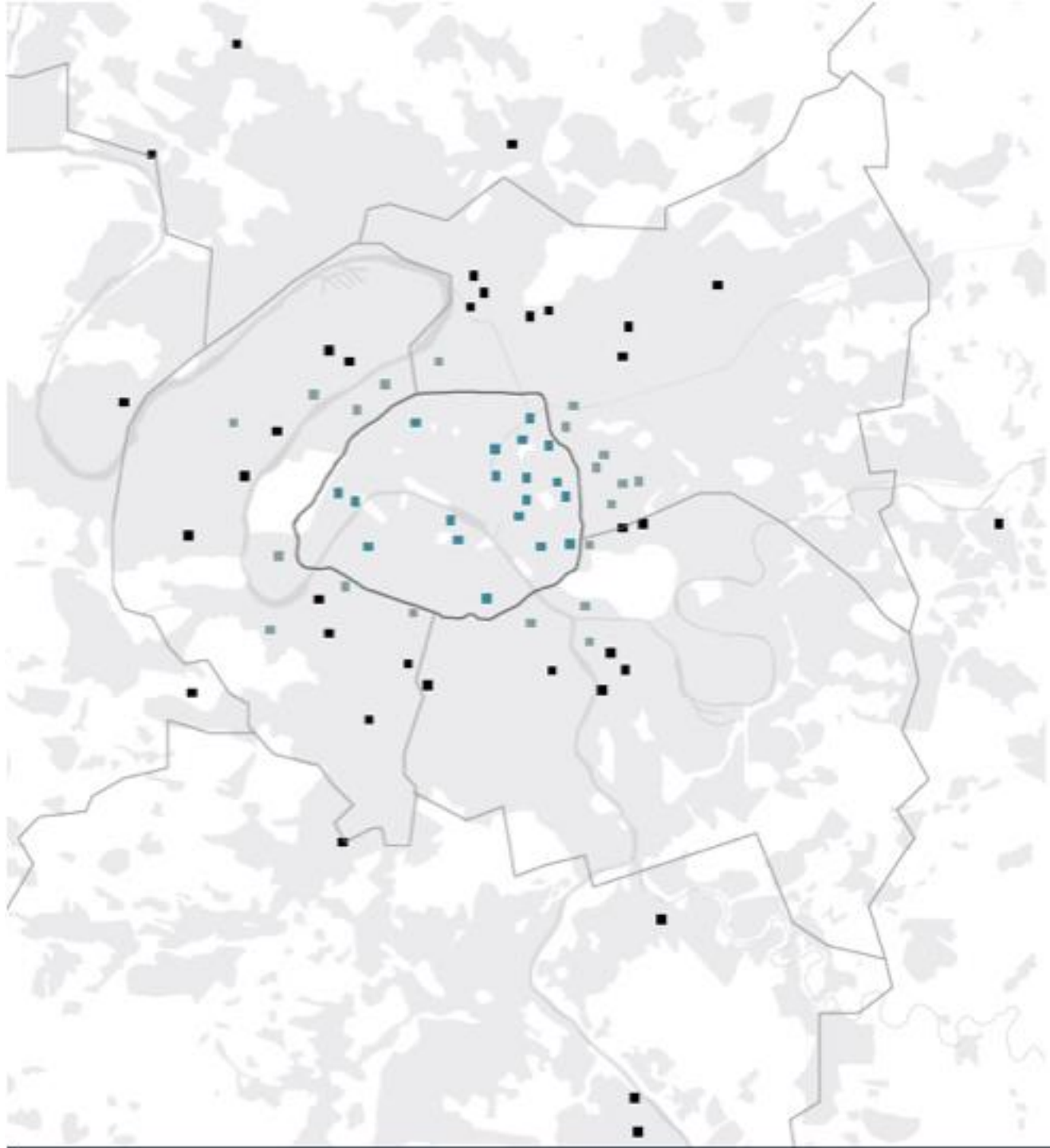
Full time job

Often first job

Live in poor or minority

suburbs

- 76% do not live in Paris
- 38% reach work with bicycle
- 36% use public transport (3/4 carrying bikes)
- 25% reach work with motorbike



Main challenges of the job: changes between 2016 and 2018

- Weather conditions (21%)
- App, GPS or smartphone battery issues (20%)
- Congestion, pollution and traffic (19%)
- Bicycle theft, bike problems (13%)
- Lost time in restaurants (12%)
- Bike lanes (absent or ill-conceived) (7%)
- Road safety (1)
- Weather conditions (2)
- Use of public transport to reach place of work (3)



Road safety

- A growing concern
- Invisible issue, no data (cycling accidents not distinguished between passenger trips and deliveries)
- Paris police released first data in 2017 (26 hurt in 2016, 25 hurt in first semester 2017) but incomplete
- Companies increasingly provide insurance coverage



Labour issues





- ‘Gig’ economy’, dependence/independence, poor working conditions
- Protests
 - Wuxi (China): April 2018 (Didi Foodie)
 - Paris: July 2018 (all), summer 2017 (Deliveroo)
 - Berlin: summer 2017 (Foodora)
 - Milan: October 2016 (Foodora)
 - UK: summer 2016 (Deliveroo)
- Difficult to organize collective groups

Disputes on workers status and recent court cases

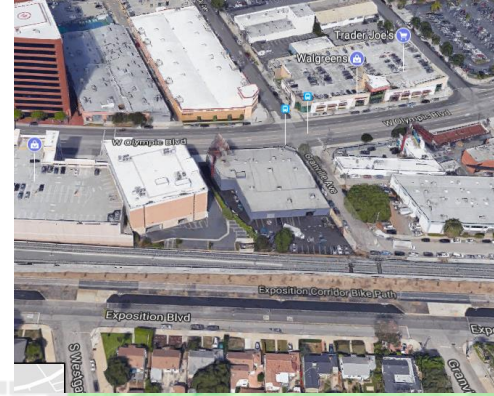


- United Kingdom
 - Central Arbitration Committee, Jan 2018: couriers are not employees, cannot claim employees' rights and benefits
 - Court recognizes Independent Workers Union of Great Britain as a representative body, March 2018
 - Judge says yes to IWGB to ask for a judicial review of CAC decision, June 2018
- France
 - Paris Appeal Court, Nov 2017: Deliveroo delivery workers cannot prove subordination nor economic dependency, are not employees
- California
 - 2015-2016 Lawsuit against Amazon and contractor Scoobeez in OC
 - Settled after Amazon request to Scoobeez
 - Cal Supreme Court ruling redefines independent workers, Apr 2018

Legend:

-  Warehouse
-  Warehouse with Amazon Flex
-  Amazon Fresh
-  Amazon Restaurant Delivery

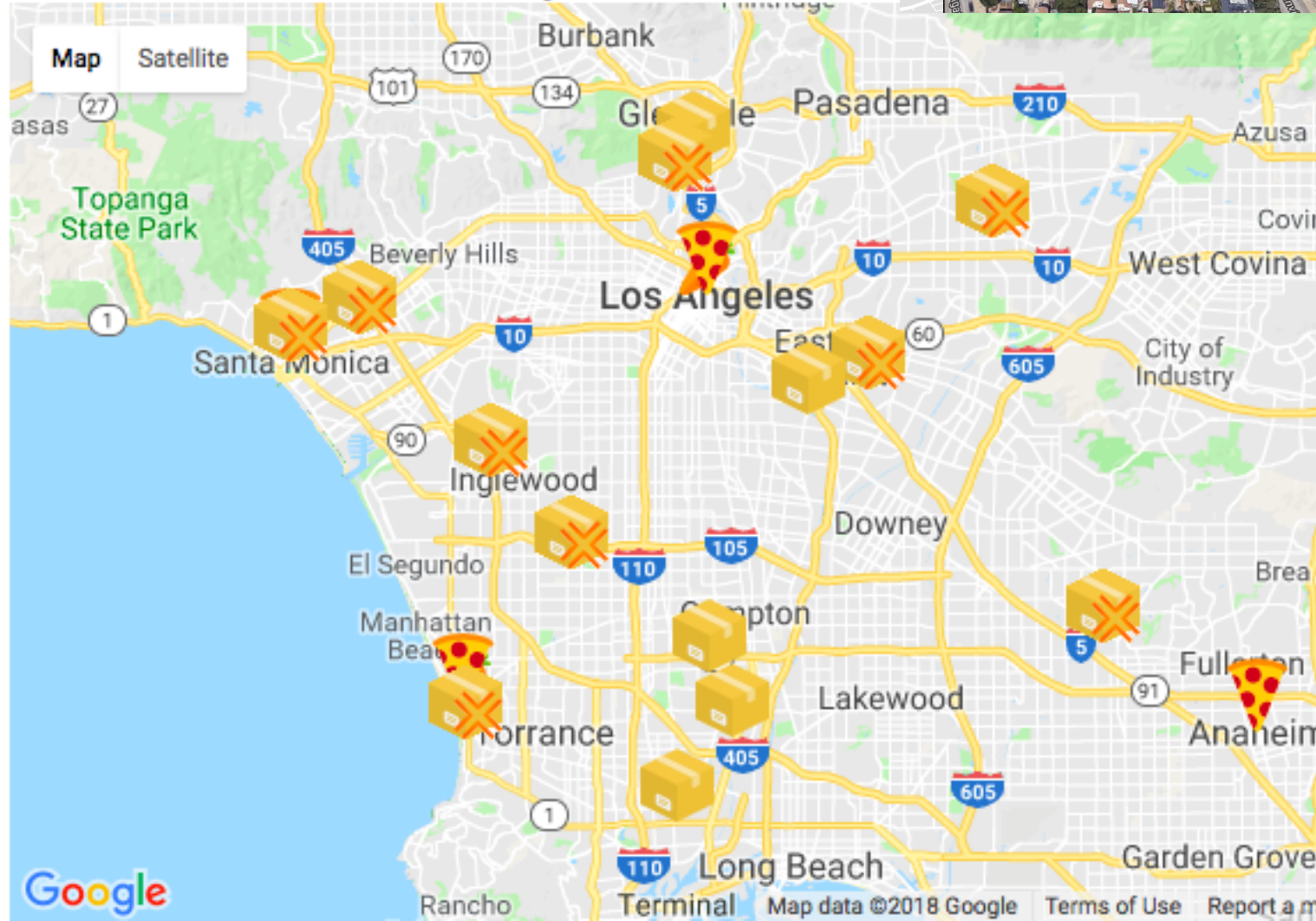
Santa Monica



Spatial footprint

Amazon
urban
warehouses
in Los
Angeles

Source:
azflexinfo.com



Amazon in Barcelona



In a former
printing
facility



JD in Beijing: 400 micro-hubs to serve consumers

- Deliveries by electric bicycles/mopeds
- (and tests with robots)



'Dark kitchens'

- Meal preparation only, no restaurant
- Can be more or less organized
- A large restaurant reconverted into a preparation kitchen in San Francisco exclusively with Caviar deliveries
- 'Deliveroo Editions': Deliveroo builds the space ("Roobox"), restaurants provide cooking staff, share space – deployed in the UK, Australia



Reconverted maritime containers in East London - Disputes over neighborhood impacts

Source and photo: The Guardian, 2017

Conclusions from the Paris courier surveys

- Small sample, random selection, but one of the few existing and results confirmed by couriers
- Provides low cost way of identifying trends and changes
- Independent from delivery platforms some of which are setting up their own observatories
- Emerging issues
 - Mass recruitment, less educated workforce, higher turnover, decreasing working conditions
 - Very little interest in collective action, unions
 - Increased illegal work through the use of motorbikes, sharing of licenses, registrations, and phones
 - Use of e-bikes (and DBS - dockless bike sharing)
 - More upscale socially responsible services emerging

General conclusions

- Demand for on-demand deliveries keeps growing, urban China, worldwide
- Mass recruitment of delivery couriers, huge turnovers
- Business models adapt constantly, consumers reluctant to pay for deliveries, partnerships with large shippers, retailers
- Access to investors is key to survival
- Challenges for municipalities: data, road safety, zoning and planning, urban warehouses, traffic regulation

Resources

- CITYLAB Observatory of Strategic Developments impacting urban logistics
(http://www.citylab-project.eu/deliverables/D2_1.pdf)
- www.metrotrans.org/metrofreight
- 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*. 2017

Thank you!
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