



# Riding on the technology wave

Kushal Nahata, co-founder and CEO, FarEye, believes logistics must adapt to new age digital technologies to transform the 'digitally-empowered' customer experience

**T**oday's customers are digitally connected, engaged and influenced. The phenomenon of the e-commerce industry has grown beyond comprehension in terms of volume, scale, markets and countries. With shopping online and at retail stores at the same time becoming a reality coupled with devices connecting every aspect of consumers' lives, the shift is making way for the tidal wave of industry transition in the Middle East.

This has given a push to the e-commerce markets, a 246.15 percent increase in worldwide e-commerce sales, from \$1.3 trillion in 2014 to \$4.5 trillion in 2021. That's a nearly threefold lift in online revenue. To embrace the customer and provide a seamless delivery experience, on-demand, e-commerce and logistics players are 'going mobile' to ride high on the technology wave.

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In a quest to provide superior customer experience, the companies are incurring huge operational cost. The cost of 'last-mile' constitutes 28 percent to 32 percent of the total logistics costs and these are usually borne by the customer when he places the order or at the time of delivery. The growing popularity of e-commerce has given

rise to accommodate a new business model which is 'tech-driven logistics.' Logistics players today are adopting unconventional solutions, smarter analytics and advanced processes to serve the 'digitally-empowered' customer. With an eye on the growing base of ever-demanding customers, enterprises today are adapting to tailor-made solutions to suit their expectations.

To reduce the delivery time and in order to enhance the customer experience, enterprises must focus on adopting the right mobility solution that aids in running their field operations seamlessly. For example, Last-mile deliveries in the region are time-consuming with the delivery cycle easily lasting for 6 to 7 days or more. The longer delivery window poses a challenge for the delivery personnel to carry the details of each and every parcel delivery. With the help of mobility



solution, that functions in 2G networks or even offline mode, the delivery personnel can save the information and update his manager 'real-time.' Adopting a flexible and future-oriented solution helps in generating automated reports on cash reconciliation, updating the task lists and the progress of the jobs allotted after the run-sheet is generated.

While aligning with new mobility partners, logistics companies have to keep a check if the solution is able to blend the operational and customer requirements, according to the region. Customer preferences in the Middle East region mostly revolve around, a mandatory call before the courier guy reaches the customer location and informing the customer regarding the status of shipment in regular intervals. Preferably, to reduce the delivery cycles and to cut down on the operational expenses, companies have to give customers the feasibility to

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tag themselves. Based on the geo-coordinates, the routing can be done by optimising all the nodal points where the delivery personnel should attend during the day.

Integration with multiple payment modules will give the flexibility to the customer to pay and finish the purchase. By using multiple payment options like cash-on-delivery and card-on-delivery, companies can reduce

the cancellation at the time of delivery. According to a recent report released by PayPal, cash-on-delivery in the Middle East is around 60 percent, while card payments and online payments occupy 25 percent and 15 percent respectively. These numbers have gone up from 15 percent and 5 percent in 2012.

Customers expect convenience and speed which entices logistics firms to venture the possibilities of the virtual world. Innovative last-leg solutions, help in improving connectivity to ensure, speedy and affordable delivery. In order to ensure customer loyalty, logistics companies must adopt track-and-trace systems, efficient last-mile delivery methods, integrated technology and smarter delivery management systems.

With e-commerce being the driver of future growth, the journey ahead promises to be truly exciting for the logistics industry, as it shifts gears to take on a different mindset of riding high with mobility. 