

The State of the Last Mile: Challenges, Insights, and Implications

Customers, carriers, and connectivity challenges create last-mile roadblocks that retailers must overcome



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About this report

Unless otherwise cited, the data presented in this report comes from Bringg's annual survey.

The Bringg survey, conducted in early 2024, gathered responses from 500 participants. Administered by an independent third party, the survey was distributed anonymously to retail and logistics professionals holding Director-level or higher titles. It was conducted across the United States and the United Kingdom.

01.

Customer challenges: eCommerce delivery hits the bottom line

Today, a competitive delivery promise isn't a differentiator,
it's an *imperative*.

CHALLENGE

The costly bind of last-mile delivery

Most big and bulky retailers (77%) say the last mile is the hardest step in the supply chain. This phase also accounts for 30-40% of all transportation costs¹.

Consumers aren't immune to last-mile challenges either—65% will abandon shopping with a retailer after 2-3 late deliveries and 81% won't shop with a retailer after 2-3 incorrect orders².

Perfecting the last mile is vital to customer happiness. Unfulfilled last-mile promises make or break online sales and businesses need to hit the mark, starting in the customer's checkout cart.

77%

of big and bulky retailers say the last mile is the most challenging step in the supply chain

65%

of consumers will abandon shopping with a retailer after 2-3 late deliveries

81%

of shoppers won't shop with a retailer that delivers an incorrect order 2-3 times²

Pre-purchase delivery experiences kill conversions

If a shopper doesn't know their delivery options in advance of checkout, it's too late. Exposing delivery options earlier in the buying process reduces missed sales at the point of sale, which decreases retailers' shopping-cart abandonment rates*.

Unexpected fees, lack of delivery options, and unclear policies consistently rank among the top reasons for abandoning an online purchase. To reduce abandonment rates, retailers increasingly surface delivery promises while shoppers are browsing, presenting them in product searches and on individual product pages.

*Shopping-cart abandonment rates are key indicators of buying-journey friction.



Retailers confirm reasons shoppers abandon purchases, which notably shows how delivery costs, options, and clarity impact final purchase decisions.

How respondents ranked reasons for online cart abandonment?
with 1 being the most common and 5 being the least

1. Delivery costs are too expensive	45%
2. Checkout process is too long/too complicated	45%
3. Lack of delivery options	39%
4. Unclear returns policy	26%
5. Unclear delivery options prior to checkout	23%

Post-purchase delivery experiences break loyalty

Negative delivery experiences are a primary reason retailers lose customers—a staggering 85% of shoppers will not purchase from a retailer again after having one³.

When retailers fall short on their promises, shoppers go elsewhere. For them, there are near-limitless options.

85% of shoppers will not purchase from a retailer again after a single negative delivery experience²

Retailers say the top reasons they lose customers are:

1. Competitors offer more delivery options
2. Poor omnichannel experience
3. Bad delivery or returns experience

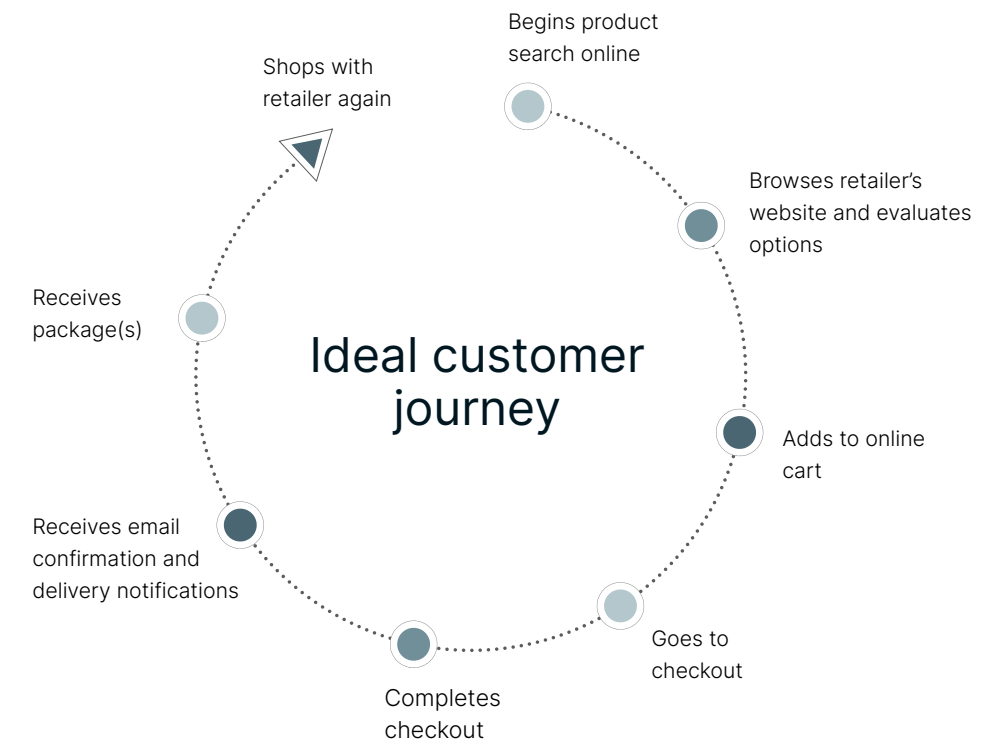
Delivery drives revenue throughout every stage of the customer lifecycle

75% of retailers confirm that delivery directly impacts **all** of the following:

- Cart conversion
- Repeat customer
- Customer loyalty
- Lifetime value
- Subscription rates



From browsing to buying to unboxing, the full delivery experience impacts current and future revenue. Shoppers don't have to tolerate suboptimal delivery options or unclear promises.



IMPLICATION

Invest in delivery the right way

Delivery is now one of the most important parts of eCommerce, but today's delivery standards have a short shelf life. As sales continue to move online, delivery expectations will only increase.

Leading retailers understand the revenue impact of delivery promises. They continually assess last-mile processes and how they stand up against consumer expectations.

Questions to consider:

- How does delivery promise impact cart abandonment?
- Do customers expect more communication between purchase and delivery?
- Are there specific customer segments for whom speed matters more than cost?
- What does it mean to have a “bad delivery experience”?

Carrier challenges: The catch-22 of 3PLs

Seventy-nine percent of retailers report steady or increasing eCommerce order volumes. To manage this surge, many are actively expanding carrier fleets, which leads to higher investments in both owned and outsourced assets. But when it comes to outsourcing with third-party logistics providers (3PLs), there's a catch.

CHALLENGE

The last mile is the biggest roadblock

There’s no contest: Last-mile operations are the most difficult, with 77% of retailers reporting that the last-mile is more challenging than other supply chain issues they face.



How challenging is the last mile compared to other supply chain functions?

More challenging	77%
Not more challenging	23%

What are the most challenging aspects of the last mile?

Working with multiple carriers	38%
Cost management / profitability	37%
Delivery and customer support visibility	31%
Complex operations	30%
Driver retention	18%

Working with 3PLs: External carrier network challenges

Managing multiple carriers is the hardest part of the last mile. But what makes working with external carriers so difficult?

- 1. Consistent customer experiences
- 2. Pricing negotiations
- 3. Multiple carrier integration management
- 4. Exceptions, failed deliveries, and customer support management
- 5. IT management
- 6. Operational visibility

INSIGHT 01

Retailers are highly dependent on 3PLs

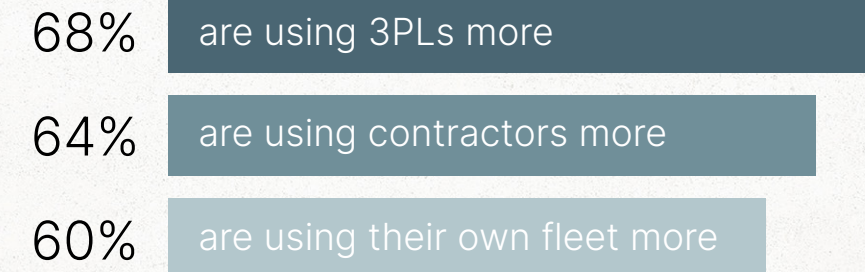
Despite multi-carrier management being the number one challenge for retailers, it's still a business-critical investment. And reliance is growing.

Most retailers (68%) increased their use of 3PLs to diversify their carrier mix and regionalize networks, and two-thirds use 3PLs for more than 50% of all deliveries.



Carrier diversification increases

2023-2024 vs 2021-2022



3PLs unlock shorter delivery times

If managing multiple carriers is a challenge, why do retailers do it? For many, they have to; it's the cost of doing business.

Nearly half (48%) of retailers said they use 3PLs to regionalize fleets for shorter delivery times, including the same-day delivery volumes that are on the rise. This closely aligns with increasing customer expectations for delivery. The second biggest reason is that it's more cost-effective than making owned-fleet investments, despite the overarching hassle of managing multiple carriers.

48%

of retailers report using external carriers to regionalize the network for shorter delivery times

72%

of retailers said same-day delivery increased and 43% said it significantly increased

INSIGHT 03

3PL investments are on the rise, despite pains

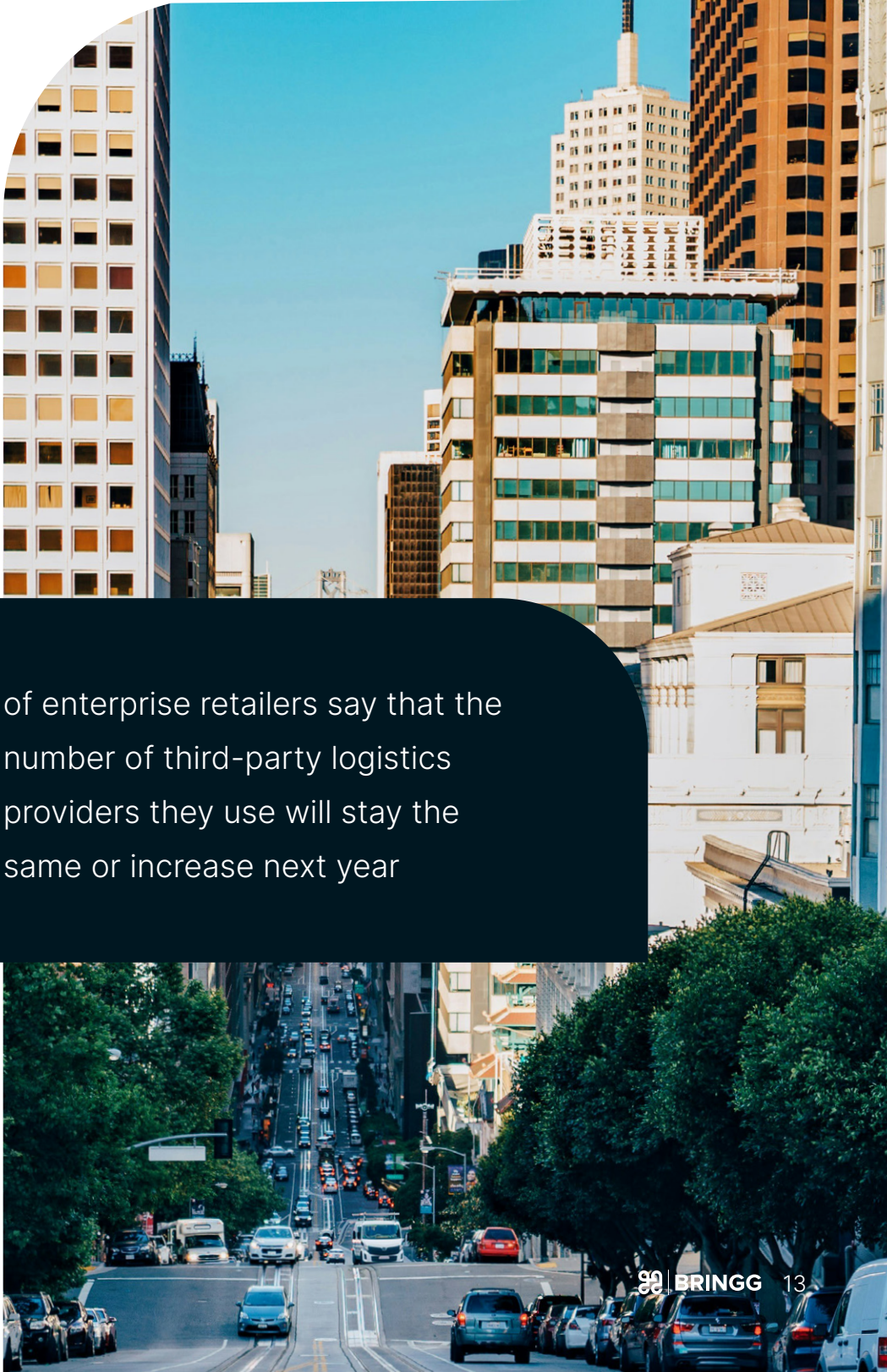
For a vast majority of retailers, utilizing 3PLs is here to stay. This is especially true for large, established companies, with owned fleets and revenue over \$1B.

Retail segments increasing or maintaining 3PL investments:



82%

of enterprise retailers say that the number of third-party logistics providers they use will stay the same or increase next year



IMPLICATION

The toughest part of the last mile may not be going anywhere, but it can be made easier

Consumer demands for fast delivery aren't slowing down, and retailers need to keep up. 3PLs—in spite of the relative challenges—are one way retailers can.

Staying competitive means tackling the challenges that come with using 3PLs head-on. To do this, retailers need to deliver consistent, branded experiences across different carriers, improve visibility throughout the delivery process, and simplify complex operations. Thoughtful implementation of technology can help manage these challenges, and it starts by asking the right questions.

Questions to consider:

- Are customers getting the same experience across carriers?
- What is the right number of carriers, and could simplifying improve efficiency?
- How comprehensive is tracking and communication at each stage of delivery?
- Are there ways to reduce costs or further improve customer experience with an owned fleet vs. third parties?

03.

Connectivity challenges: Digitally transforming the last mile

Tackling customer experience and operational efficiency, retailers make last-mile investments toward lasting improvements.

CHALLENGE

High barriers impede change

Implementing a new solution is no small feat. On one hand, successful technology investments unlock efficiency and drive measurable business growth. On the other, retailers risk increasing complexity and fragmentation without seeing it pay off.

What are the biggest barriers to adopt new last-mile technology?

Hard to define/understand business requirements	40%
Measuring ROI is difficult	35%
Cost is too high	35%
Tech is too fragmented	19%
Slow ROI	17%
Current tech stack is too complex	16%



The biggest barriers

The most significant barriers to implementing new last-mile solutions are technology costs, but also many retailers don't believe the right technology exists.

40%

report technology costs are too high

21%

report that technology can't manage their required orchestration

16%

report there isn't software that can build the right logic from their data

So, where are retailers investing? →

Technology investments are anchored in operational efficiency



Where retailers and shippers invested in 2024

Management software

Last-mile orchestration and management tools



Last-mile digitization tools

Digital tools to automate processes and streamline operations



Artificial intelligence and machine learning

Technology to personalize and improve end-to-end shopping experiences



Visibility platforms

Systems to track and monitor deliveries in real time



Route optimization

Technology to improve route density and drops-per-hour



INSIGHT 03

Delivery investments are anchored in customer experience



Upcoming delivery and carrier investments

Delivery options

Same-day delivery

60%

Express delivery

31%

Curbside

21%

Carrier types

Contractors

43%

Third-party carriers

42%

Own fleet

39%

IMPLICATION

The bar for new last-mile solutions is high, but clearing it pays off

The last mile is where operational complexity meets customer expectations, and technology is key to navigating both. Yet high costs, fragmented systems, and elusive ROI pose formidable barriers.

Leading retailers clear the bar with strategic investments in personalization, real-time visibility, and route optimization. These tools streamline operations while elevating the customer experience, making the stakes—and the rewards—higher than ever.

Questions to consider:

- How fragmented are operations and which systems prevent seamless last-mile orchestration?
- What actionable real-time insights are missed with current visibility tools?
- How can AI and machine learning enhance both operational efficiency and personalization?
- How can tech investments balance short-term ROI with long-term growth and scalability?

Connect the dots between

- Operations
- Experience
- Information

Growing online sales challenge retailers to efficiently manage higher delivery volumes while upholding the delivery promises that secured the sale in the first place. Staying competitive requires both.

Leading retailers will increasingly invest in solutions that digitally transform the last mile—balancing cost reduction and customer experiences across complex supply chains. Success comes down to optimizing how teams and technology work together to meet any and all market demands.

About Bringg

Global retailers and brands increase operational efficiency and deliver differentiated customer experiences with Bringg Last-Mile Solutions. Through Bringg's modular technology platform, integrated fleet network, and services suite, leading retailers automate processes, optimize order delivery, and invent new business models. With Bringg, they unlock flexibility at scale.

Any order. Any fleet. Delivered.

Citations:

1. Limberg, Vedrana. ["Big and Bulky Last-Mile Delivery in the United States Decelerates in 2023 with a Rebound Projected into 2026."](#) Armstrong & Associates, 20 June 2024
2. Freedman, Lauren. ["The Shopper Speaks: Shipping and Delivery Satisfaction Numbers Stand Strong."](#) Digital Commerce 360, 26 Sept 2023
3. Dupuy, Julien. ["85% of Online Shoppers Say That a Poor Delivery ..."](#) Ipsos, 11 May 2022

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