

Picking up speed on delivery

THE demand for last-mile delivery has never been so great as it is today, in terms of capability and capacity.

With the surge in e-commerce – along with the challenges of an underwhelming infrastructure and workforce, restricted movement and higher consumer expectations – last-mile delivery providers are hard-pressed to ensure reliable, immediate and affordable services.

Additionally, the emergence of on-demand delivery has put added pressure on the logistics industry, accelerating expectations for speed and efficiency in fulfilment operations.

The rapid pivot from traditional to online retail, notes Pickup Malaysia country manager Navin Kandapper, requires a solid delivery strategy to get the goods in the customer's hands.

“But most people do not realise that current resources and infrastructure are not necessarily expanding at the speed of the demand, posing an ongoing challenge in fulfilling the promise of on-demand and express delivery,” he explains.

Nonetheless, this gap also presents players with an opportunity to adapt their operations, evolve their business models and expand their market share.

Recent statistics show that domestic and international courier traffic grew from 146.9 million shipments in the fourth quarter of 2020 to 159.5 million shipments in the first quarter of this year.

The Statistics Department also revealed that the country's e-commerce income grew 23.3% year-on-year in the second quarter of 2021 to RM267.6bil.

These statistics indicate an upward trend in the demand for logistics services and dictate that service providers keep up.

“Recognising the situation, we have evolved our business model to serve as a collaborative logistics partner. We provide flexible and cost-effective delivery outsourcing for logistics companies and e-commerce businesses to support them in managing fluctuating sales volumes without the need to permanently increase their resources or assets,” Navin says.

Pickup is an on-demand delivery platform supporting last mile deliveries that was founded in Hong Kong with operations across Malaysia, Singapore and Taiwan. It connects both individuals and businesses to a fleet of independent delivery agents.

The platform supports about 10,000 users in Malaysia and 30,000 across Asia. Its customers span multinational corporations, logistics providers as well as retail and e-commerce players.

Since the pandemic began, Navin notes that its user base in Malaysia has grown by 198%, with an almost fourfold increase in weekly same-day delivery demand compared to the pre-pandemic era.

During seasonal peaks, its team manages up to thousands of daily shipments which are fulfilled by over 25,000 delivery agents. Pickupp does not own its own fleet.

Notably, technology has come to play a crucial role in helping logistics companies navigate today's landscape.

"Smart logistics is the future. It capitalises on the use of automation, machine learning and real-time data to offer players a competitive advantage and the ability to optimise supply chain management.

"Each service provider plays to their own strengths, and we see an opportunity to look beyond competition to leverage each other's unique capabilities to strengthen the ecosystem as a whole," says Navin.

With consolidation on the cards in the industry, Navin opines that there is a greater need for players to work together to enable cost savings while expanding their product offerings.

"A collaborative ecosystem is a way forward, where ecosystem players complement each other to achieve a shared mission to enable customer-centric delivery. As a result, we will see more service providers with different solutions and business models working together to meet evolving customer expectations.

"This is where Pickupp Malaysia can make a difference by enabling our logistics and e-commerce partners the ability to fulfil their deliveries and scale seamlessly without having to incur a high cost of operations," he adds.

He explains that the platform's business is powered by its proprietary technology, which simplifies and automates operations to offer customers with cost-efficient, dynamic and scalable delivery. It uses automation and batching technology to improve operational workflow and allow deliveries to be fulfilled quickly and effectively from its warehouses.

"For example, our route optimisation and warehouse management software maps out optimised and cost-efficient routes for delivery agents, allowing them to fulfil deliveries efficiently and quickly.

"We also use machine learning to analyse and optimise the delivery process, studying real-time data for continuous improvement and optimisation. Our system also allows for real-time tracking of deliveries, allowing businesses and their customers to rest assured that their deliveries are in transit."

By automating basic decision making such as sorting and route planning, the team is able to focus on the strategic functions of the business and innovate new ways to alleviate customers' pain points.

Additionally, integration with Pickupp's application programming interface is a seamless process, which allows customers to enjoy instant data flow between systems.

Navin says the group will also continue to explore avenues to innovate its approach by further optimising and utilising current infrastructure, environment and resources.

"For example, our counterparts in Hong Kong and Singapore offer walkers as an environmentally conscious delivery option in densely populated areas of the central business district, where parking and traffic can be challenging and time-consuming. We plan to roll out this service in Malaysia in the near future.

"We are also expanding our presence across Malaysia, owing to the nimble operations that allow us to set up micro hubs to increase delivery capabilities where necessary," he says.

Pickupp Malaysia has eight warehouses in key locations that allow it to quickly adapt to e-commerce peaks and offer a seamless experience for customers. It also recently launched its first regional hub in Penang.

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