Objectives & Methodology
  - Summary

Awareness and engagement with issues impacting deliveries:
  - Businesses
  - Operators

Attitudes to delivery changes

Practical requirements and limitations

Retiming

Consolidation

Moving Forward

Appendices:
  - Case Studies
  - Emerging offers
Objectives & methodology
Business objectives and background

Background

Congestion on London roads is increasing. A large proportion of road trips during the day are freight and white van deliveries.

TfL have identified two different strategies to help manage congestion: Retiming and Consolidation.

However, greater insight is needed to understand how much appetite there is for adopting these strategies.

Objectives

Understand current consolidation and retiming practices and solutions

Identify barriers and benefits to retiming and consolidation

Understand reception to solutions and how best to communicate with decision-makers
Overview of approach

A programme of research with delivery operators and London businesses

**Qualitative : Telephone depth interviews**

- **Operators**
  - 20
  - Interviews with operators delivering to London
  - Cross-section of sectors and operator sizes

- **Businesses**
  - 32
  - Interviews with businesses across London, speaking to decision-makers and staff managing/ co-ordinating deliveries and services
  - Range of business sizes, mix of inside and outside congestion zone, as well as mix between office and non-office premises

**Quantitative : CATI (telephone) survey**

- **Businesses**
  - 500
  - Telephone interviews with businesses across London (within M25), speaking with decision-makers and staff managing/ co-ordinating deliveries and services

- **5 minutes**

- **Businesses**
  - 58% Offices
  - 42% Non-offices (retail, restaurants, pubs)

- **CATI survey**

  - **46% Small businesses** (1-9 staff)
  - **38% Medium businesses** (10-49 staff)
  - **16% Large businesses** (50+ staff)
Qualitative sample

Qualitative depth interviews covered a range of sectors, sizes and locations

<table>
<thead>
<tr>
<th>Size by #vehicles</th>
<th>Small (under 10 vehicles)</th>
<th>Medium (11-50 vehicles)</th>
<th>Large (50+ vehicles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operators</td>
<td>6</td>
<td>7</td>
<td>7</td>
</tr>
</tbody>
</table>

Courier, Residential Construction, Wholesale & Retail, Waste & Recycling, Hospitality & Food Services, Building & Accommodation Services

<table>
<thead>
<tr>
<th>Size by #employees</th>
<th>Small (1-9 staff)</th>
<th>Medium (10-49 staff)</th>
<th>Large (50+staff)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Businesses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inside Congestion</td>
<td>5</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Outside Congestion</td>
<td>5</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>10</td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

19 office based, 13 non-office based businesses
Consumer Products, Hospitality, Finance, Fashion, PR, Services, IT, Education, Retail, Charity, Healthcare, Food Services, Events & Stadiums
Summary
Delivery practices and any potential changes in London are influenced by three key contextual aspects.

- **Awareness & engagement with issues impacting deliveries**
  - Do businesses and operators see a reason to change?
  - What is the most motivating reason to change?

- **Attitudes to delivery changes**
  - What is the attitude towards change?

- **Practical requirements and limitations**
  - What are the considerations for businesses and operators when looking at changes?
Although reception to consolidation strategies by both businesses and operators is more positive than retiming, there is no one size fits all solution. The combination of goods, business type and premises mean that unique solutions from across retiming and consolidation can help businesses to achieve smoother operations and achieve efficiencies and cost savings.

A few retiming and consolidation strategies have been applied in London, and are typically used where they help meet existing business objectives or deliver efficiency or cost savings. Operators are widely using geographic bundling to drive efficiency, but are reluctant to challenge businesses to adopt other changes as this is perceived as risky. Businesses are utilising bulk buying where appropriate, but are not always able to see benefits of other changes.

Corporate Social Responsibility (CSR) benefits are acknowledged as positive, but in themselves are less likely to motivate change. Solutions that enable businesses and operators to achieve efficiencies, cost savings and better customer service are motivating to change. Case studies demonstrating these business-focused positives are most likely to engage decision-makers.

Congestion is not top of mind or a conversation in the London business community. Operators are more conscious than businesses of the issues and wider impacts of congestion, however they feel this is just the nature of working in London. Overall, businesses and operators do not see the wider impact of their activity, and therefore do not see congestion as their issue to solve.
Awareness and engagement with issues impacting deliveries: Businesses
Organisations need to engage with an issue in order to move towards a behaviour change

<table>
<thead>
<tr>
<th>Change Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>No awareness</td>
</tr>
</tbody>
</table>

**No awareness**

- There is no issue on my roads

**Awareness**

- I can see that London roads are busy

**Understand impact**

- Busy roads can negatively impact the efficiency of my business; and can also lead to lower air quality, safety issues and negatively impact my local area

**Seeing their role**

- Businesses in London play a role in creating congestion

**Seeing a reason to change**

- I can see the positive impact of my business making these changes

**Understand the solutions available**

- I understand how I can make changes, and how these will be implemented
Not all businesses have a spontaneous awareness of congestion or its impact, and very few can see the role that business plays.

Most businesses identified that London roads can be busy. Some could see the impact of this on their business with regard to timing and efficiencies and costs. There is very little spontaneous mention of broader issues like safety or the environment.

This is where most businesses understanding of London congestion meets a hurdle. Spontaneously, businesses do not see the role they play in congestion. Only through the course of discussion are some able to make the connection.
Many see congestion as part and parcel of being in a big city, most have an attitude of ‘just getting on with it’

Businesses are aware of congestion at a removed level. There is some resignation that this is a natural part of living in a big city. Businesses do not see the part they have to play in congestion, citing commuting, HGV’s and construction as the main contributors.

“I don’t see this big problem. Busy streets are the lifeblood of London, all part of a busy and thriving business city.”

Medium Business
Not all businesses feel the impact of congestion on their day-to-day, others just accommodate delays

There were some differences between businesses outside of the congestion zone vs those within it or on the fringes.

Businesses outside of the congestion and congestion zone fringe see that at times roads can be busy, but see no impact of heavy traffic on their daily operations.

Businesses inside the congestion and on the congestion fringe believe that congestion causes delays in receiving goods, however this causes very little disruption to day-to-day business.

For those that identify problems caused by congestion, it is typically seen as a small inconvenience. There was very little spontaneous mention of any broader financial impacts, or safety and environmental impacts.

"I’m sure that it’s an issue for people right in the middle of London, but out here in the South East, I wouldn’t say that it’s really a problem."

Medium Business

"I will usually add 2hrs to any estimated delivery window, because with the amount of traffic, it’s always late."

Large Business
Businesses do not see that their practices have an impact on London roads

Road layouts, commuters, HGV’s and school runs are cited as responsible for congestion.

Road layouts and roadworks are the cause

“People like driving I think. They are too lazy to take public transport”

Small Business

Commuters and car drivers are the cause

“How are always roadworks, which causes traffic to back-up”

Medium Business

HGV’s, buses and 4x4s have the most impact

“It’s 4x4s, ‘Chelsea Tractors’, and the school run. I really notice the difference during the school holidays”

Medium Business

Only large businesses can impact change

“I don’t see that my 5 deliveries a day really has an impact. It’s bigger places that would need to change”

Small Business

Both business and operators believe congestion is likely to get worse in the coming years, but do not spontaneously see that they play a role in congestion. This is a big barrier to change. Without understanding their impact, the issue of congestion itself is not a motivator to change.
Looking at the issue through a business lens shapes the way people think about congestion and their role. Having a personal connection to the issue can make participants more receptive to change, however it is difficult for most to switch mindset when in their work setting.

Business setting focuses the mind-set on business objectives and day-to-day operations. It is difficult for people to think outside their immediate settings and immediate tasks. For most, deliveries play a minor role in the day-to-day, so related issues and solutions are not high on the agenda.

Communication delivered in a business setting needs to speak to business concerns (costs, efficiencies, PR). However, congestion is a London-wide issue and there is an opportunity to speak with a broader audience in order to influence businesses.

When participants had their ‘civilian hats’ on they were more likely to see the wider impacts of congestion. Business respondents who could (even if briefly) see the issue with another hat on (cyclist, parent, resident), were more able to identify and articulate the issue.
Unprompted, businesses do not see a reason to change, they are also less likely to think of wider benefits of addressing congestion.

**PILOT DATA**

**Spontaneous benefits of...**
- **Retiming**
  - 69% said ‘nothing in particular’ or ‘don’t know’

- **Consolidation**
  - 42% said ‘nothing in particular’ or ‘don’t know’

**Whether anything would encourage...**
- **Retiming**
  - 90% said ‘nothing in particular’

- **Consolidation**
  - 89% said ‘nothing in particular’ or ‘don’t know’

**R6** What do you think the benefits are, if any, of receiving visits between 7pm in the evening - 7am in the morning?

**R8** Do you think there is anything that would help or encourage your business to receive visits between 7pm in the evening - 7am in the morning?

**C3** What do you think the benefits are, if any, of receiving fewer deliveries, collections and service visits to your building?

**C5** Do you think there is anything that would help or encourage your business receive fewer visits?

*Base: All pilot respondents (n=100)*
When prompted, impact on air quality and a better CSR are considered to be benefits of retiming. This highlights a need to educate businesses on potential benefits.

### Unprompted benefits (pilot data)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Prompted</th>
<th>Unprompted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better CSR on suppliers not being involved in accidents</td>
<td>0%</td>
<td>62%</td>
</tr>
<tr>
<td>Improved air quality - fewer vehicles on road</td>
<td>0%</td>
<td>59%</td>
</tr>
<tr>
<td>Delivery will not interfere with work/working day</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Easier to process deliveries</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Delivery will not interfere with important tasks</td>
<td>4%</td>
<td>1%</td>
</tr>
<tr>
<td>Will receive delivery quicker</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Delivery received ready for the beginning of working day</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>More likely to receive delivery on time</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Cheaper delivery</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Other answers</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>Nothing in particular/ don't know</td>
<td>69%</td>
<td>26%</td>
</tr>
</tbody>
</table>

R6 What do you think the benefits are, if any, of receiving visits between 7pm in the evening - 7am in the morning?

*Base: All respondents - Pilot (n=100); Main (400)*
Reactions to consolidation benefits is similar, although there is some awareness of environmental impact unprompted.

Since businesses are more open to consolidation (and are doing it already) there is marginally higher unprompted awareness of benefits compared to retiming.

### Unprompted benefits (pilot data)

| Improved air quality/ environmental reasons | 10% |
| Better CSR on suppliers not being involved in accidents | 0% |
| Time efficient/ saves time | 10% |
| Ease/ convenience/ less hassle | 9% |
| Smaller work load | 7% |
| Less man power required/ more efficient use of staff | 6% |
| Costs/ saves money/ cheaper | 5% |
| Less traffic/ congestion on the roads | 4% |
| Less congestion in the office/ reception area | 4% |
| Delivery is there for when you need it/ on time | 4% |
| Other answers | 4% |
| Nothing in particular/ don't know | 42% |

### Prompted benefits (post pilot data)

| Improved air quality/ environmental reasons | 78% |
| Better CSR on suppliers not being involved in accidents | 71% |
| Time efficient/ saves time | 8% |
| Ease/ convenience/ less hassle | 8% |
| Smaller work load | 2% |
| Less man power required/ more efficient use of staff | 2% |
| Costs/ saves money/ cheaper | 9% |
| Less traffic/ congestion on the roads | 4% |
| Less congestion in the office/ reception area | 3% |
| Delivery is there for when you need it/ on time | 1% |
| Other answers | 2% |

Unprompted

**Consolidation**

C3 What do you think the benefits are, if any, of receiving fewer deliveries, collections and service visits to your building?

Base: All respondents - Pilot (n=100); Main (400)
Following consideration of solutions, the benefits of adopting retiming/consolidation solutions are more motivating than benefits of addressing congestion itself.

Following a discussion about retiming and consolidation solutions, some participants thought that these solutions would help them to achieve benefits that align with their existing objectives.

**Benefits of reduced congestion?**

- **For my business**
  - Deliveries will be on time and less likely to get lost (both sending and receiving)

- **For the environment**
  - Air quality improved
  - Positive environmental impact

- **For others**
  - Quieter streets
  - Better safety for road users

**Benefits of feasible & appealing retiming and consolidation strategies?**

- **Improved efficiency for my business**
  - Improved cost
  - Better use of staff time
  - Greater flexibility

- **Improved profile for me and my company**
  - Better relationships with local neighbourhood
  - Ability to ‘talk’ to customers about green credentials

**Less motivating to change**

**More motivating to change**

Seeing a reason to change.
Although respondents agree that there are benefits to retiming and consolidation, these benefits must win over additional costs and perceived disruptions to be considered.

**Benefits of feasible & appealing retiming strategies?**

- Improved efficiency for my business
  - Improved cost
  - Better use of staff time
  - Greater flexibility

- Improved profile for me and my company
  - Better relationships with local neighbourhood
  - Ability to ‘talk’ to customers about green credentials

**Costs and risks of change**

**What are the potential negatives**

- Increase in costs of doing business
- Increase in staffing costs and requirements
- Cost to set-up changes
- Disruption to service or to customers
- Employee engagement
  - Risk of unknown
  - Risk of liability

**Businesses are risk adverse, so solutions must be compelling in terms of benefits or must represent little risk or little to no investment in order to for them to change.**
When solutions address existing business problems, businesses are receptive to their implementation.

I am the decision maker, but I can see no reason for us to look at changing.

Medium business

The benefits look OK for London, but I’d want to see some tangible benefits for small businesses like ours.

Reduced council tax?

Small Business

It just makes sense. We save money overall by not having deliveries stuck in traffic and being able to get on with the days schedule.

Small business

Businesses are in the habit of looking for solutions that make their operations run more smoothly, save money and improve relationships and services. When proposed retiming/consolidation solutions deliver these benefits, businesses are engaged. Although businesses may not see congestion as an issue that they can (or should) address, they are open to retiming and consolidation solutions if these solutions provide benefits directly to their business.
Awareness and engagement with issues impacting deliveries: Operators
Operators are more engaged with the issue of congestion, but will only consider solutions that meet customer needs.

Most operators can see their role in congestion, but feel that they will risk losing business if changes are not aligned to customer demand. Operators weigh up risk vs benefits in the same way that businesses do, and given the competitive nature of the industry, they are wary of compromising customer service.
Although most operators can see positives in tackling congestion, they do not feel they can change.

Operators are more acutely aware of the level of congestion on London roads, working amongst it daily. There is a real and tangible impact on their business operations (slower deliveries, longer times on the road, greater fuel expenses).

However, there is a resignation that this is just a part of doing business within London, and that their current offers are driven by customer needs.

Operators are employing methods of consolidation to achieve greater efficiencies, but these are only used where they perceive it will not compromise competitiveness or customer service.

I would say in the last 8 years traffic on the roads has increased by 15-20%. I can only see it getting worse. Within our own industry I don’t think that we make much of an impact - we are taking stuff to people, there’s not much we can change.

Operator Medium
Attitudes to delivery changes
Business and operator attitudes to change can vary

Even after understanding congestion or following discussion on retiming and consolidation solutions, there are some operators and businesses that are resistant to change.

**Supportive**
- Efficiency/cost benefits
- Existing CSR/Green Program or agenda
- Consumer-facing businesses who can see brand benefits

**Interested**
- Would like to learn more about potential efficiency benefits/are open to thinking about CSR initiatives

**Sceptical**
- Not necessarily able to see businesses’ ability to impact issue. Not able to see how solutions would be implemented or how it would benefit them

**Resistant**
- Anti-change. Do not feel anything should stand in the way of business freedom and operation

“Why can’t they just leave things as they are and stop picking on the businesses to sort out the problems. I don’t believe it will ease congestion it’s just pushing the problem somewhere else”
- Medium Business

“We have a green team who look after things like this, they would be interested in hearing more”
- Large Business
Language and approach can influence reception to interventions

**Congestion Charge: Negatively viewed**
- Congestion charge is not perceived as having had the desired affect
- ‘Congestion’ is viewed as a negative word due to associations with congestion charge
- There are no customer-facing benefits of paying a charge or meeting time restrictions

**Co2 Emissions: Positively Viewed**
- Both operators and some businesses are able to talk about Co2 emissions compliance. This is given as an example of businesses delivering against green objectives.
- Co2 compliance, although a hygiene-factor, is also see as a mark of quality

**Implementation**
- Implementation of a charge or time restriction on operators is treated with scepticism as a result of negative perceptions of congestion charging
- There are concerns that difficulties in policing and monitoring of an operator restriction system would create an unfair system where some would be impacted more than others

**Customer-recognisable compliance**
- A customer-recognisable compliance program allows businesses to embrace change more positively as they can see benefits for their brand
Operators believe change must be driven by customer demand, businesses believe operators have more ability to influence change.

When it comes to talking about change in the context of congestion, there is a belief that it is someone else’s responsibility/opportunity to impact change.

“Our customers are business hours only, so our business is customer-driven. We need to be able to service our clients wherever they are.”

Medium Operator

“Traffic is probably going to get worse and I don’t know how they are going to tackle it. For me the onus is on the sender because they are controlling the delivery.”

Medium Business
Both the sending business and the operator are risk-adverse when it comes to ‘challenging’ the end receiver*

*(where the sender is more influential the reverse may be true)

<table>
<thead>
<tr>
<th>Sending business</th>
<th>Operator (internal or external)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sending businesses are reluctant to discuss timing changes with end customers, as there is an assumption that this may compromise customer service perceptions</td>
<td>Logistics operators are bound by the sending business or receiving business requests. Where possible operators are utilising destination geography to consolidate in an effort to make journeys more efficient, the motivations for which are usually financial</td>
</tr>
<tr>
<td>Sending businesses opt for default sending options (eg one we always use, best cost). There is rarely thought given to alternative timings or consolidation of packs, unless there is a financial benefit, or unless specifically requested by the receiving business</td>
<td>Operators are conscious of maintaining service, and again, given the competitive nature of the industry are unlikely to push solutions to customers</td>
</tr>
</tbody>
</table>

Receiving business will select fastest option offered
Parcel moves through various points to a final destination, and there is little conversation about flexibility along the chain. Thought given to, or any dialogue around change to timing or number of deliveries is rare, and most are simply selecting what they feel as the lowest risk, lowest cost, easiest, or ‘default’ option. There may be flexibility along the flow to accommodate retiming or consolidation solutions, but in most cases there is not a practice of identifying or communicating this.
Practical requirements and limitations
The differing nature of businesses must be considered when finding potential solutions to retiming as this reflects the physical ability for companies to change.

Type and purpose of goods  
Type of premises

Business size and structure  
Supply chain control and influence

And with any solution, businesses stress a need for flexibility to accommodate urgent, bulky, unique items. There are concerns that any implemented change may negatively impact those items that need special attention.
## Businesses are more receptive to delivery changes on less business-critical goods

<table>
<thead>
<tr>
<th>Type and purpose of goods</th>
<th>Degree of flexibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generic business items</strong>: eg. Stationery, consumables</td>
<td><strong>Goods for on-ward tasks and customers</strong>: eg. Stock, facilitate production, start a project, meet a deadline</td>
</tr>
<tr>
<td><strong>Non-urgent business specific materials</strong>: Books for publishers, drawing for architects, fabrics for designers etc</td>
<td><strong>Time sensitive goods</strong>: eg. Perishable foods, event materials, medical items, tender submissions, contracts</td>
</tr>
<tr>
<td><strong>Bespoke or confidential goods and goods requiring special transport or handling</strong>: eg. High end consumer products, culturally sensitive materials, goods requiring forklifts</td>
<td></td>
</tr>
</tbody>
</table>
Different premises allow for varying degrees of flexibility

**Set-up of premises**

**Degree of flexibility**

- **Large secured premises/24 hour premises:** Typically more staff, no space constraints

- **Shared building shared reception:** Usually shared reception is manned by security who are limited to directing incoming deliveries. There is no administration shared by building occupants

- **Shared building with shared serviced reception:** Serviced receptions take on the role of receiving and sending goods, across a single or multiple businesses. Some are already consolidating generic business items

- **Shop front and single business buildings:** Generally more limited by business hours of operation for delivery, and less opportunity to look at consolidation across generic items

- **Shared buildings - no shared reception:** Less likely to have after hours staffing and less ability to coordinate any consolidation
Business specialism and size can influence ability to change

**Business size and structure**

**Degree of flexibility**

**Businesses working with long lead times:** Any company supplying non-urgent products, or those that can be scheduled in the future

**Small Businesses:** Are less flexible with extra staffing and finances. Would need to see positive return and a justification of their impact otherwise are liable to feel change is unjustified

**Larger Businesses:** Are more likely to have shared receptionists or overnight concierges/security guards. They also have more scope for financial and staffing changes if they see positive change in cost or efficiency

**Industries bound by legalities:** Construction sites tend to have hours that are fixed by law, while to unload certain products that need forklifts require staff with qualifications

**Highly responsive businesses, those with more influential customers** Those companies that do not feel they have control over their deliveries, whose products are usually needed immediately. Legal papers, certificates or high end products
OFFICE FREIGHT DATA: Data from the office freight segmentation research shows how business size impacts on ability to handle visits

<table>
<thead>
<tr>
<th></th>
<th>All London offices (n=1,293)</th>
<th>Small buildings (n=658)</th>
<th>Medium buildings (n=430)</th>
<th>Large buildings (n=67)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily average deliveries/collections/visits</td>
<td>12</td>
<td>7</td>
<td>12</td>
<td>26</td>
</tr>
<tr>
<td>% that use a loading bay</td>
<td>52%</td>
<td>38%</td>
<td>70%</td>
<td>88%</td>
</tr>
<tr>
<td>Potential to use a loading bay</td>
<td>+17%</td>
<td>+17%</td>
<td>+17%</td>
<td>+8%</td>
</tr>
<tr>
<td>Potential to receive visits outside working hours (7pm-6.59am)</td>
<td>(69%)</td>
<td>(55%)</td>
<td>(87%)</td>
<td>(96%)</td>
</tr>
<tr>
<td>Receive visits outside normal working hours</td>
<td>15%</td>
<td>9%</td>
<td>23%</td>
<td>31%</td>
</tr>
<tr>
<td>Potential to receive visits outside working hours</td>
<td>+16%</td>
<td>+16%</td>
<td>+15%</td>
<td>+21%</td>
</tr>
<tr>
<td>Percentage NOT having any consolidated deliveries</td>
<td>51%</td>
<td>53%</td>
<td>45%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Small building = up to 999 sq. metres (n=658); Medium building = 1000 – 19,999 sq. metres (n=430); Large building = 20,000+ sq. metres (n=67)

NOTE: ALL DATA ON THIS SLIDE PERTAINS TO THE OFFICE FREIGHT RESEARCH
Where an organisation has greater control over the supply chain, there is greater ability to retimise and consolidate.

**Supply chain control and influence**

- Third party logistics and delivery suppliers (eg couriers)
- Transport is part of facilitating the delivery of the core business good or service to an external customer
- Transport is part of facilitating internal business requirements (eg construction)

**Business objectives are based completely around servicing customer needs**

- Operators servicing an external customer feel dictated to by customer availability. Although operators may offer after-hours deliveries, given their customer service objectives, they will work to timing that meets customer requests.
- For those businesses that have their own delivery fleet, there is greater flexibility to determine receipt of goods or arrange following tasks in order to suit better delivery times.
Learnings

General awareness and perceived impact of congestion as an issue is low across London businesses. Operators see congestion as a hindrance to deliveries but are somewhat resigned to working around it, rather than addressing it, due to a perception that this may compromise customer service.

Starting the conversation at the ‘solutions’ level is more engaging than introducing the topic of congestion, as businesses can see some efficiency advantages, which is higher on their agenda than other benefits. CSR benefits of reduced congestion are important, but act as a halo to more tangible business benefits like cost savings and efficiencies.

‘Congestion’ is a word with negative associations, and feels to both businesses and operators like someone else’s problem. Conversely, emissions and air quality compliance programs have more customer-facing benefits which means that the topic is more readily embraced.

Some goods, business set-ups and premises represent greater opportunity for re-timing and consolidation. However, given there is perceived to be no issue to address, or no unprompted advantages to change, there is little conversation happening across the supply chain to pursue any change.
Retiming
Currently, timing is driven partly by business needs, but is also just being done the way it always has. Senders and receivers are weighing up fastest delivery option vs price, while taking into consideration any restrictions, surcharges and specific goods requirements. Congestion rarely features in decision process.

““We get emergency prescriptions for glasses or contacts that need to arrive next day. If they took any longer our customers wouldn’t use us”
Small Business

“We get food deliveries before the start of the day at 9am. We are not able to receive them before 8 because of the impact on the residential area”
Medium Business

“We send legal documents to other law firms. They need to arrive as soon as possible. It could hold up the lawyers and they can’t do their jobs if they don’t have the documents they need”
Small Business

“If we need to get a one-off dress across town for a photo-shoot at 3pm, that’s just what we will have to do”
Large Operator
Operators tend towards early starts, but there is no major driver within businesses of morning or afternoon peaks

Daytime deliveries work to customer hours and any specified deadlines

- Operators tend towards early starts, anticipating traffic across the day
- 9am and midday deadlines on certain deliveries set the schedule for operators
- Evening-focused businesses tend to plan for afternoon deliveries

Evening and early morning deliveries facilitate onward tasks

- 7pm – 10pm: very few deliveries made, typically run-over from daytime
- 4am – 7am: Deliveries that facilitate onward tasks eg construction, perishables. Staff on-hand to receive or operators have keys

“We have 20-30 deliveries a day. Most of it comes between 9-12, although some of the couriers know that I tend to get in early, so they may deliver at 8am”
Large Business

Operators are morning-focused, however there are no real barriers for businesses to receive non-urgent deliveries between 10am - 4pm
Retiming is being adopted by some businesses but for those who don’t retime, staff availability and opening hours are key barriers.

- **31% Currently receiving visits after hours**
- **6% OPEN 24 h**
- **22% outside congestion zone**
- **40% inside congestion zone**

**and...**

- **24% Of those who don’t, could be receiving visits after hours**

**but...**

- **48% Less than half of these would actually consider it**

This proportion is similar across business types and sizes, suggesting a quarter of all businesses, who aren’t currently, could be retiming.

Businesses inside the congestion zone have higher numbers of staff to receive visits.

**Handling out of hours visits (Top 4)**

- **38% Visitor has access**
- **22% Non-security Staff**
- **17% Left unattended**
- **17% Security staff**

**Ability to select a specific time**

- **Cleaning/maintenance** 57%
- **Business letters/small...** 49%
- **Bulky Deliveries (eg stock)** 48%
- **Personal letters/small...** 35%
- **Collections: Waste/paper** 24%
- **Other visits** 23%

**Barriers to retiming (Top 4)**

- **Inconvenient time for visits**
- **Premises is closed**
- **Employ staff overtime**
- **Would need to stay late**

**R1a/b Do you currently/is it possible to receive visits between 7 pm in the evening and 7 am in the morning?** Base: All respondents (500); Retiming (156); Not retiming (344); Able to retime (84)
Businesses feel that not having staff available and the building being closed are the biggest practical barriers to retiming.

**Staff not available (63%)**

**Building not open (37%)**

**Other Barriers**

- Security & liability
  - Items getting lost
  - Liability of loss or damage if signed for by third party

- Administration
  - Administration or set-up of any change
  - Dealing with incorrect goods becomes difficult if addressee not able to check goods on receipt

- Space & appropriate equipment
  - Having space to collect and store goods
  - Not having appropriate tools to transport goods from central location to where needed (bulk items)

- Impact on others
  - Having to request favours from security, other staff or neighbours who do not officially receive deliveries as part of role
  - Concerns (or in some cases restrictions) regarding vehicles impacting local residents

**Q.R5d Why would you not consider receiving some more/any visits to your building between 7pm in the evening - 7am in the morning?**
Some sectors and premises are more suited to adopting retiming, and in some instances retiming can be a benefit to overall running of business.

<table>
<thead>
<tr>
<th>Retiming works for</th>
<th>Successful examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Businesses with flexible hours, and overnight security or concierge services would easily be able to transition into late night deliveries</td>
<td>✓ Food business delivering to stores using premises keys</td>
</tr>
<tr>
<td>✓ Small businesses who also work flexible hours – this offers an advantage because it means that things will be easier and faster and work when they are working</td>
<td>✓ Business services sending bespoke parts to engineer lockers overnight ready for following days project</td>
</tr>
<tr>
<td>✓ Businesses where the days activity rests on receiving items in time</td>
<td>✓ Construction business planning consolidated small vehicle loads around residential peak times</td>
</tr>
<tr>
<td>✓ Small good non-confidential items security</td>
<td></td>
</tr>
</tbody>
</table>

“We have a case for it. We want fresh food in the stores, I can’t see how any concerns would outweigh the benefits.”

Large Operator
Maximising the working day in terms of staff time are benefits that could come from retiming for business

**Benefits**

**Maximise working hours**

- Staff not distracted throughout the day having to deal with incoming deliveries, making the working environment more efficient
- Materials are available ready to be used at the start of a working day allowing for best use of staff time

**Better customer-facing environment**

- Customers/clients are not around to get in the way
- Unsightly packaging does not arrive when clients/customers are around

---

“I would prefer to receive my packages out of hours, when I arrive at work it is all there ready for me whereas if it arrives in the daytime I have to walk to reception, which involves a high vis, and takes me away from my desk.”

-Small Business

“We run a high end store, we try not to have delivery guys around when our customers are here.”

-Small Business
Operators can see the benefits of retiming, however this is dependent on the operator type and structure, with specialist logistics operators most able to see the advantages.

**Benefits**

All operators could see that there were advantages to retiming:
- Efficiency
- Safety
- Less Stress
- Flexibility (although this is at odds with business interpretation of tighter delivery windows)

“We would be able to get the job done more efficiently, we wouldn’t waste time in rush hour and it would be safer for our drivers. Early to start and early to finish!”

Medium Operator

**Barriers**

However there are some cultural and set-up barriers:
- Cannot foresee any changes in customer demand
- Driver reception to changes:
  - Structure of pay can impact how receptive they would be to change (eg paid per parcel, premium rates for peak times)
  - Changes to hours can represent a hurdle for established businesses

“Drivers are geared to a 5am to 3pm lifestyle. This would be impacted and I am not sure how they would receive this. Drivers are paid premium rates to drive in this time so their earnings would drop”

Medium Operator

“Some of my drivers have been with the company 20 years. I wouldn’t want to lose them with changes like that”

Small Operator
## Dialogue between sender, receiver and/or operator can reveal solutions

<table>
<thead>
<tr>
<th>Solution</th>
<th>Benefits</th>
<th>Barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication between operator and customer</strong></td>
<td>Businesses that send/receive non-urgent goods would be happy for operators to call and change their timings. Businesses are open to changes as long as they know when it is coming and why it has changed.</td>
<td>Dependent on business attitude and seen as risky by operators.</td>
</tr>
<tr>
<td><strong>Tighter delivery windows offered by operators</strong></td>
<td>Businesses can see advantages to re-timing if it means a positive impact on delivery windows overall. They are open to more times across the day, evening and weekend if this means they can have specific times, enabling them to better plan staff and work.</td>
<td>Difficult for operators to implement, particularly as congestion can be unpredictable.</td>
</tr>
<tr>
<td><strong>Operators able to access building (eg having keys)</strong></td>
<td>Operators having keys can mean deliveries are made without business needing to arrange staff.</td>
<td>Security risk. Suitable area to receive.</td>
</tr>
<tr>
<td><strong>Lockers (off-site)</strong></td>
<td>Lockers are seen as a good way to implement re-timing, as long as all deliveries are made overnight and are available in the morning allowing for a single collection.</td>
<td>Location needs to be close and convenient.</td>
</tr>
<tr>
<td><strong>Leaving with neighbours or security</strong></td>
<td>Not possible for some, given premises set-up. Others are concerned with maintaining relationships with security and neighbours and do not want to inconvenience others.</td>
<td></td>
</tr>
<tr>
<td><strong>Secure area (on-site)</strong></td>
<td>Safe box/secure point to make unattended deliveries - possible but cost prohibitive, businesses concerned that this would be expensive to set-up</td>
<td></td>
</tr>
</tbody>
</table>
Providing businesses with a range of ideas can prompt them to identify solutions that work for their unique requirements

**Communication between operator and customer**

"If we have communication with the courier and they asked if they could deliver in the afternoon or the following day to make things more logistically efficient we would be fine with that. But the communication really needs to be there, if we are informed then it doesn't matter"  
Large Business

"I work different hours, so I can be around. I would be interested in a solution that means we can have things come at a specified time rather than just across the day"  
Medium Business

**Tighter delivery windows offered by operators**

"I have a 24 hour concierge who can take things but it’s not strictly part of his job. It makes me worry about liability and what if something is damaged or incorrect I face a bigger battle with the supplier if time passes"  
Large Business

**Operators able to access building (eg having keys)**

**Lockers**

**Leaving with neighbours or security**

**Secure boxes/ secure site**
Dialogue between the sender, operator and/or receiver can reveal options for retiming, however there is little discussion between the parties at present

Current timing is being driven in part by business needs (perishables, onward tasks, deadlines). However most senders are simply selecting what they feel as the lowest risk, lowest cost, easiest, or ‘default’ option. There is little dialogue between the businesses and operators when it comes to retiming possibilities

Deliveries outside of 7am – 7pm occur in some instances, driven by business needs. The most common facilitator of retimed deliveries is operators having access to the businesses building (building is not necessarily staffed)

Even though businesses agree that there are positive aspects to having deliveries retimed (mostly associated with maximising staff time during the day), a high proportion feel that nothing in particular would motivate them to change. Administration and cost of staffing the premises are seen as a major hurdle to receiving deliveries outside of 7am - 7pm
Consolidation
Consolidation is more widely practiced than retiming, with bulk buying being the most common type of consolidation.

- 46% Currently consolidating visits
- 44% outside congestion zone
- 49% inside congestion zone

and...

- 31% Of those who don’t, _would consider consolidating_
- 28% outside congestion zone
- 35% inside congestion zone

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**Types of consolidation (Top 4)**

- 86% Bulk buying
- 28% Co-ordinate visits
- 25% Order with other businesses
- 18% Pick up/drop off facility

**Types of good consolidate**

- Bulky Deliveries: 88%
- Business post (letters/parcels): 15%
- Collections: waste/paper: 7%
- Cleaning/maintenance: 3%
- Other visits: 1%

**Barriers to consolidation (Top 4)**

- We are a small firm
- Delivery suppliers don't offer the option
- Happy with my current arrangements
- Do not have enough visits
- Not enough storage

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C1a Does your business currently arrange for any deliveries, collections or service visits to be managed differently, resulting in fewer visits to your building? Base: All respondents (500)

C1b Which types of deliveries, collections or service visits? Base: Consolidators (232)

C1c Would you consider managing deliveries, collections or service visits differently? Base: All respondents (500)

C1d Why would you not consider (consolidating)? Base: Non-consolidators (250)
Bundling goods by destination geography is felt to be standard practice across all operators. Other consolidation strategies vary in use and appeal across the different types of operator.

**Where is consolidation used**

- Used more widely by operators with strong internal workflows and communications, e.g., courier operators, construction logistics.
- Consolidation usually stems from desire for greater efficiency (common sense). However, this consolidation is limited to internal and isolated from other competitors.
  - Some medium -smaller logistics companies are coordinating using ePOD tracking software to share vehicle space where it is financially advantageous, but not this is not widely practiced.
- Consolidation centres, and consolidation services provided by some operators where agreed with customer.

The majority of consolidation is ad hoc in nature, where operators can identify quick wins around day-to-day efficiency. Construction logistics have their own industry-specific prompts for consolidation, whereas courier operators are less likely to team-up with competitors to address the issue.

"We wouldn’t just send off a delivery to London if we had one later in Watford. We make sure there is no wasted time and space on vehicles”  
Medium Operator

"We already do this through off-site logistics and consolidation centres and delivery management systems”  
Medium Operator

"We do try to do geographies, to bunch orders. But we cannot influence bulk ordering, and cannot influence co-ordination by local businesses”  
Large Operator
Motivations to consolidate are broadly shared by both operators and businesses

- **Reduced costs**: A key motivation, especially for businesses and operators less convinced by the case being made around softer benefits (i.e., local environment, air quality, congestion)

- **Greater efficiency**: Efficiency appeals as a common sense virtue, especially for commercial businesses who feel greater efficiency should be an inherent component of any successful and competitive business

- **Additional incentives**: Financial incentives are of interest (e.g., reduced business rates), more so than enhanced company reputation for participation

- **Reduced emissions**: A factor for those already concerned, or with young families in London

- **Reduced congestion**: Appeals especially to operators who experience sharp-end of increased congestion in their daily journeys

The case for consolidation makes sense, with both operators and businesses conceding greater efficiency of deliveries is in everyone’s interest. Reduced costs remains the most tangible benefit.
Motivations to consolidate are broadly shared by both operators and businesses

Benefits

1. Reduced costs
   - We would be happy to wait for multiple deliveries to all be delivered together if it meant there would be a cost saving. (Small Business)

2. Greater efficiency
   - It is obviously in our best interest to keep things as efficient as they can be. (Medium Operator)

3. Additional incentives
   - What I’m wondering is, might there be some sort of reduced business rate from our council if we join this type of scheme? (Small Business)

4. Reduced emissions
   - Obviously people do care about the environment, and so in terms of fuel it is definitely better to reduce that. (Medium Operator)

5. Reduced congestion
   - It would help our relationship with the residents, and it might make it safer for the kids on the school run. (Large Business)
Operators feel obliged to fulfil customer’s needs and struggle to see how this arrangement can be altered.

Operators view consolidation as requiring a big shift in how they run their business and serve customers. In particular, consolidation between competing operators is seen as a major cultural change.

Some operators feel their sector is too specialist to be able to consolidate, either in terms of the items being delivered, or the arrangements in place that determine how they are delivered.

Operators feel they are locked into a tight relationship with customers, whereby they are obliged to fulfil their delivery requests in the spirit of free-market capitalism and competition. They struggle, therefore, to envisage how (and why) this relationship can change.

Some operators feel poorly equipped to take on the technical challenge required to set-up effective consolidation.

Operators would require significant guidance and support to transition towards consolidation.
Operators feel obliged to fulfil customer’s needs and struggle to see how this arrangement can be altered.

**Barriers**

**Culture**

There would need to be a shift across the entire industry.

*Large Operator*

**Specialism**

We also have to have specially trained people to deliver some of the things, so we can’t just have anyone doing that.

*Large Operator*

**Risk of challenging the status quo**

The problem with the industry is that contracts are awarded to companies that have the lowest costs.

*Large Operator*

**Lack of necessary tools**

Actually, we are looking into procuring a system that can help us manage our deliveries in a more efficient way.

*Medium Business*
Whilst supportive of the overall case for consolidation, businesses sense the administration required to set up and maintain systems could be too demanding and challenging.

**Barriers**

**Administration**
Businesses struggle to see how they would collaborate with other neighbouring companies to consolidate deliveries. The administration of such a system feels onerous in terms of ongoing time and effort.

**Business case**
Businesses do not always feel the urgent need for consolidation to be implemented, and hence do not envisage significant benefits to their business overall.

**Managing deliveries**
There is some concern and uncertainty around how their items might be prioritised within a consolidation system. There is also a sense that deliveries may be less frequent but greater in volume putting a burden on space and staff.

**Responsibility**
Some businesses feel the onus for consolidation should be shifted from them to operators, as this is their job. A minority feel this is further evidence of government meddling in the business community.
Whilst supportive of the overall case for consolidation, businesses sense the administration required to set up and maintain systems could be too demanding and challenging.

**Barriers**

- **Administration**
  - I think it will be difficult to create and maintain this level of coordination between local businesses.
  - Small Business

- **Business case**
  - I don’t think the cost savings would justify the logistical headache of having to do that with other companies.
  - Large Business

- **Managing deliveries**
  - But how would we all decide about who’s deliveries are to be prioritised over others? What if others held ours up?
  - Medium Business

- **Responsibility**
  - But I think that it would be down to the couriers to organise that and not us. This is what they specialise in.
  - Large Business
A business recognition scheme and/or a “Rethinking Deliveries” initiative appear to have some appeal, more so for consolidation.

Consolidation is more widely practiced and is likely to be why appeal is higher for consolidation.

What would help or encourage your business to...?

- **Retime**
  - Business recognition scheme: 29%
  - “Rethinking Deliveries” initiative: 27%

- **Consolidate**
  - Business recognition scheme: 38%
  - “Rethinking Deliveries” initiative: 37%

A business recognition scheme would be an award given to businesses that use good practices to rethink their deliveries and servicing activity to improve road safety, reduce congestion and improve air quality.

A high profile area-based ‘Rethinking Deliveries’ initiative would encourage all premises in an area, such as a whole town centre, to adopt business practices to reduce the number of deliveries in peak periods and make sure the remaining trips are as safe and clean as practical. The initiative would involve a publicity campaign, events and engagement to share best practices and show customers which premises have adopted these practices.
Reception to solutions is dependent on business set-up and needs, however overall communication may reveal options

<table>
<thead>
<tr>
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<th>Benefits</th>
<th>Barriers</th>
</tr>
</thead>
</table>
| Recognition schemes | • Business schemes are viewed as valid for businesses to engage in consolidation  
                      • Broader scheme seen as more appealing than local, as perceived to be less administrative stress on the business  
                      • Schemes seen as providing structure and support for businesses  
                      • Some can see positive PR benefits, particularly those in consumer-facing businesses such as hospitality | • Scheme needs to have some promotion to drive awareness in order to be beneficial for businesses  
                      • Seen as ‘nice to have’ and is relatively limited / cosmetic in terms of value to the business |
| Buying in bulk    | • Very common for generic business items, particularly for large established businesses  
                      • Offers cost savings and convenience | • Start-ups and small businesses may be limited by cash flow  
                      • Space constraints |
| Consolidation centre | • Interesting idea with few barriers for businesses | • Uncertain how it would be implemented or costed  
                      • Deemed to be operator-led |

“A recognition scheme would need to be promoted to be meaningful to consumers, otherwise there are no benefits for the business”

Medium Business

“If this recognition scheme gave us a platform to shout about all the good we are doing and get some publicity I think the CEO would be very keen to get involved”

Medium Business
Reception to solutions is dependent on business set-up and needs, however overall communication may reveal options.

<table>
<thead>
<tr>
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<th>Benefits</th>
<th>Barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinating with other businesses</td>
<td>• Potential cost savings • Interesting for shared building or an organisation with multiple departments in the vicinity of each other</td>
<td>• Administration is difficult. It is seen as time-consuming and has to be centrally-driven. Difficult to understand who will take on resourcing the labour to this • Concern over who is ultimately responsible for contracts and implementations • Commitments – businesses unsure of how long they would need to be tied to another businesses</td>
</tr>
<tr>
<td>Agreed time for multiple deliveries</td>
<td>• Can help with planning</td>
<td>• Deliveries overwhelming staff</td>
</tr>
<tr>
<td>Bunching orders from close by suppliers</td>
<td>• Difficult to see how this would be implemented, not seen as practical • Seen as operator-led strategy</td>
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</tbody>
</table>

“How would it work with other businesses? Who actually makes the order? Who pays for the order? If we had to organise this ourselves it would add a lot of extra work”
Medium Business

“The suppliers would need to pro-actively tell us if a business nearby was using them, all the admin and organisation should come from them. Otherwise it won’t get done”
Small Business
Learnings

Consolidation is seen as a more appealing approach to managing deliveries, with businesses widely using bulk buying and operators bundling deliveries by geography.

However, consolidation does require some contextual explanation in order to prompt genuinely considered response, and other solutions need to be suggested as both businesses and operators are not actively looking for new solutions.

Barriers to consolidation are largely administrative for businesses and cultural for operators. Businesses feel that most solutions (outside of bulk buying), would require significant planning and resource to set up. Operators are concerned about challenging the status quo and losing business in the process.

Overall the most appealing solutions involve a business recognition scheme, however this would need to be accompanied by promotion to give it PR weight, practical solution suggestions and case studies that demonstrate positive impact on business to help sell-in to business decision-makers.
Moving forward
### Moving Forward

Businesses and operators need to be engaged with retiming and consolidation through a focus on the business benefits alongside the CSR halos.

<table>
<thead>
<tr>
<th>Start the conversation</th>
<th>Topic of consolidation and retiming even more so, is not being discussed in the London business community, and is therefore also not high on operator agendas. The conversation needs to be started in order to move towards any change in delivery practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus on the most receptive businesses</td>
<td>There are some goods, premises and businesses that have fewer barriers to adopting retiming and consolidation strategies (e.g., generic business items, shared serviced premises, late/early opening premises). Working with these businesses to ‘prove’ and produce case studies could help work towards wider adoption of strategies</td>
</tr>
<tr>
<td>Build awareness of solutions and benefits</td>
<td>A focus on presenting case-studies and success stories with suggested strategies is the best way to broaden the conversation. When businesses and operators can identify business-oriented benefits they are more motivated to consider making changes. Case studies and proposals also help influencers table topics with decision-makers</td>
</tr>
<tr>
<td>Identify partners with open attitude to change</td>
<td>Key stakeholders vary between businesses. In small businesses the owner is typically the decision-maker for all changes. In larger businesses with a strong office management or CSR team, these influencers are able to impact change if they are provided with materials to do so</td>
</tr>
</tbody>
</table>
Some considerations for addressing this audience

Language

‘Congestion’ is a trigger word for both businesses and operators. There is cynicism about congestion strategies and it feels like ‘someone else’s problem’. Emissions/air quality on the other hand feels like a more collaborative problem and a more motivating issue.

Solutions

Operators and businesses especially, do not spontaneously see ways or benefits of addressing congestion. Ideas for how to implement changes need to be provided in order to stimulate thinking.

Benefits

Benefits presented need to be engaging in a business context. Efficiencies and savings are more motivating than CSR benefits. And CSR benefits are most motivating when coupled with tangible high profile PR opportunities (e.g., a scheme that is widely known).

Stakeholders

Influencers of change within a business need to be able to present strong cases for change in order to implement any solutions that require commitments and investment. Decision-makers respond best to case studies, practical solutions, and tangible results.
Targeting businesses to participate

**EASY**

- Large businesses with high staff count and large premises
- Small/medium businesses in shared premises & service reception
- Long office / premises hours (24 hrs)
- Long lead times on deliveries
- Generic office supplies
- Repeatable business supplies (eg consumables)

**MEDIUM**

- Small-medium businesses in semi-shared setting (eg industrial estate)
- Businesses in shared premises without shared reception area
- Non-urgent business items (eg publishing, clothing)

**HARD**

- Small-medium shop-front businesses
- Limited office hours (daytime)
- Low staff count
- Bespoke / confidential goods requiring special handling
- Time-sensitive urgent goods (eg contracts, medical)
- Highly regulated sectors (eg construction)
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