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Note to Readers

Now in its second year, the Last Mile Holiday Perspective explores how supply chain leaders are thinking about the 2023 holiday season and the year ahead. It examines the impact of a variety of economic and environmental factors from rising operational costs to threats of extreme weather.

Like last year’s report, findings uncover a myriad of challenges facing the industry and what’s on the horizon for 2024.

Here are some key takeaways:
Key Takeaways:

01
Operational costs continue to increase, and so will fees. 86% expect fuel and other operating costs to increase this year and 4 in 10 plan to raise fees as a result.

02
The business outlook is mixed. 39% expect business to be down while 29% expect business to be better. 17% are uncertain.

03
Supply challenges ease. 48% are not concerned with inventory shortages or oversupply this year.

04
Missing delivery windows remain a major concern. 4 in 10 are just as concerned with missing delivery windows this year as last year while 14% are more concerned.

05
Investments in new technology and systems continue. 45% have invested in new technology or expanded their investment in existing technologies this year.
02
COSTS & EXPECTATIONS
Some brace for less business, others expect a better year

**Business expectations**
- 17% are uncertain
- 39% expect less business this year
- 29% expect more business

**Holiday revenue expectations**
- 24% are uncertain
- 39% expect a decrease in holiday revenue this year compared to last year
- 30% expect an increase
Operating costs have continued to increase, and not just because of fuel prices.

- Excluding fuel costs, 81% of businesses anticipate higher operating costs in the coming year.
- Factoring in fuel prices, operating costs are even higher. 86% expect operating costs to be even higher in the coming year.

### Operating Cost Increases

- **60%** expect a 10% - 20% increase.
- **43%** expect a 10% - 20% increase.
- **18%** expect a 25% - 50% increase.
- **37%** expect a 25% - 50% increase.
Nearly 4 in 10 businesses plan to increase fees again this year.
Higher operating costs in 2023

- 39% plan to increase fees this year
  - 25% due to both inflation and fuel
  - 12% due to both inflation and fuel
  - 2% due to both inflation and fuel

- 37% don’t plan to increase fees this year

- 25% don’t plan further increases because they increased fees last year

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03

NOTABLE CONCERNS
52% are still concerned with inventory supply this year

- 22% are concerned with inventory shortages
- 19% are concerned with both inventory shortages and oversupply
- 11% are concerned with oversupply

48% are not concerned
Missing delivery windows remain a primary concern

- 41% are just as concerned as last year
- 27% are less concerned
- 14% are more concerned
It’s harder this year than last year to find and retain drivers.

1 in 2 indicate it’s more difficult to recruit and retain drivers this year than last year.
Some businesses expect more returns

19%

anticipate more returns this holiday season than in past years
Economic headwinds remain a primary concern, but there’s also mounting concern over extreme weather.
04 ON THIS YEAR’S AGENDA
Nearly a quarter started planning for the holiday season earlier this year.

- **23%** planned for the holidays earlier this year than last.
- **67%** planned at the same time this year as last year.
Nearly half have invested in new technology or expanded existing technology to increase efficiencies this year.

45%
Dip in truck rentals and extra warehouse space.

26% of businesses plan to either rent trucks and/or warehouse space to prevent fulfillment roadblocks, down from 41% in 2022.
55% are prioritizing sustainability or plan to in the coming year, down from 70% in 2022.

- Prioritizing it: 18% in 2023, 23% in 2022
- Plan to prioritize it: 37% in 2023, 47% in 2022

EV trucks 7% have either added EV trucks or plan to in the coming year, a dip from 15% in 2022.
Methodology

The online survey was conducted via SurveyMonkey October 12th – November 1st, 2023 among 101 logistics professionals. Industries include furniture and appliances, 3PLs, building supplies, agriculture, auto parts, and food, beverage, and grocery distribution. Employee sizes ranged from 1-10, 11-50, 51-99, and 100+. 
About DispatchTrack

DispatchTrack is the global leader in last mile delivery solutions, helping top brands around the globe power successful deliveries 1 million times a day. Since 2010, DispatchTrack’s scalable SaaS platform has made delivery organizations more connected, agile, and intelligent using highly configurable capabilities designed to empower better delivery management from end to end. Our proprietary AI-powered routing algorithm ensures 98% ETA accuracy in last mile deliveries, and we’re constantly innovating to improve performance and better serve our 2,500+ global customers, including Walmart, Coca-Cola, Ashley, Ferguson Enterprises, Cargill, McCain Foods, and many others. When businesses make promises to their customers—DispatchTrack makes sure they deliver.

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