

The Last Mile **SUSTAINABILITY** Perspective

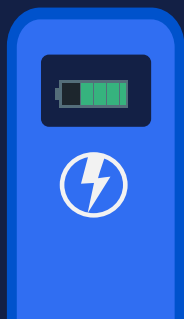


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Note to Readers

The Last Mile Sustainability Perspective taps supply chain professionals from a variety of industries and explores **how companies are thinking about sustainability**, including efforts already underway and plans for the future. From electric and semi-electric trucks to routing and truckload efficiencies, the research examines how and why various sustainability strategies are being implemented, the current progress of those initiatives, as well as concerns that could be impeding efforts.

Findings also offer a pulse on driver shortages and how the current economic climate is impacting supply chain operations.

Here are some of the highlights >>>

01

There's a sharp rise in companies prioritizing sustainability. **3 in 4 companies are currently prioritizing sustainability** or plan to in the next year, up from 69% last quarter.

02

Companies are making progress, but many aren't able to track it. **Only 4 in 10 companies actually track the progress of their sustainability efforts.**

03

Many companies aren't promoting their sustainability efforts publicly, despite knowing it's important to their customers. Even though 55% acknowledge that sustainability is important to customers, **only 1 in 5 share those initiatives with both employees and customers.**

04

When considering EVs, fuel cost is the #1 factor motivating adoption. **85% ranked fuel costs as the top reason for using EVs for deliveries**, compared to 61% attributing it to the environmental impact.

05

Driver shortages remain a challenge. **73% of companies are still struggling with a lack of drivers.**

06

Rising operating costs are more concerning than demand reduction. **75% ranked rising costs as their top concern, followed by 37% that listed reduced demand.**

02

PRIORITIZING SUSTAINABILITY

There's a sharp rise
in companies that
are **prioritizing
sustainability.**

77%

of companies are already **prioritizing sustainability** or plan to in the next year, a **jump from 69% in August 2022.**



39%

of companies are
already prioritizing
sustainability.



38%

of companies
plan to prioritize
sustainability in
the next year.



23%

of businesses
aren't prioritizing
sustainability in the
next year.

A large white wind turbine is visible on the left side of the image, set against a clear blue sky with some light clouds. The turbine's blades are spread out, and its tower is visible.

The overwhelming majority have **sustainability efforts** well underway.

8 out of 10 companies have existing sustainability initiatives.

Top strategies include:

- Maximizing truckload capacity (61%)
- Improving routing efficiencies to limit emissions (54%)
- Technology investments (17%)
- Offering delivery options to customers that limit emissions (16%)

16% of companies don't have any sustainability efforts.



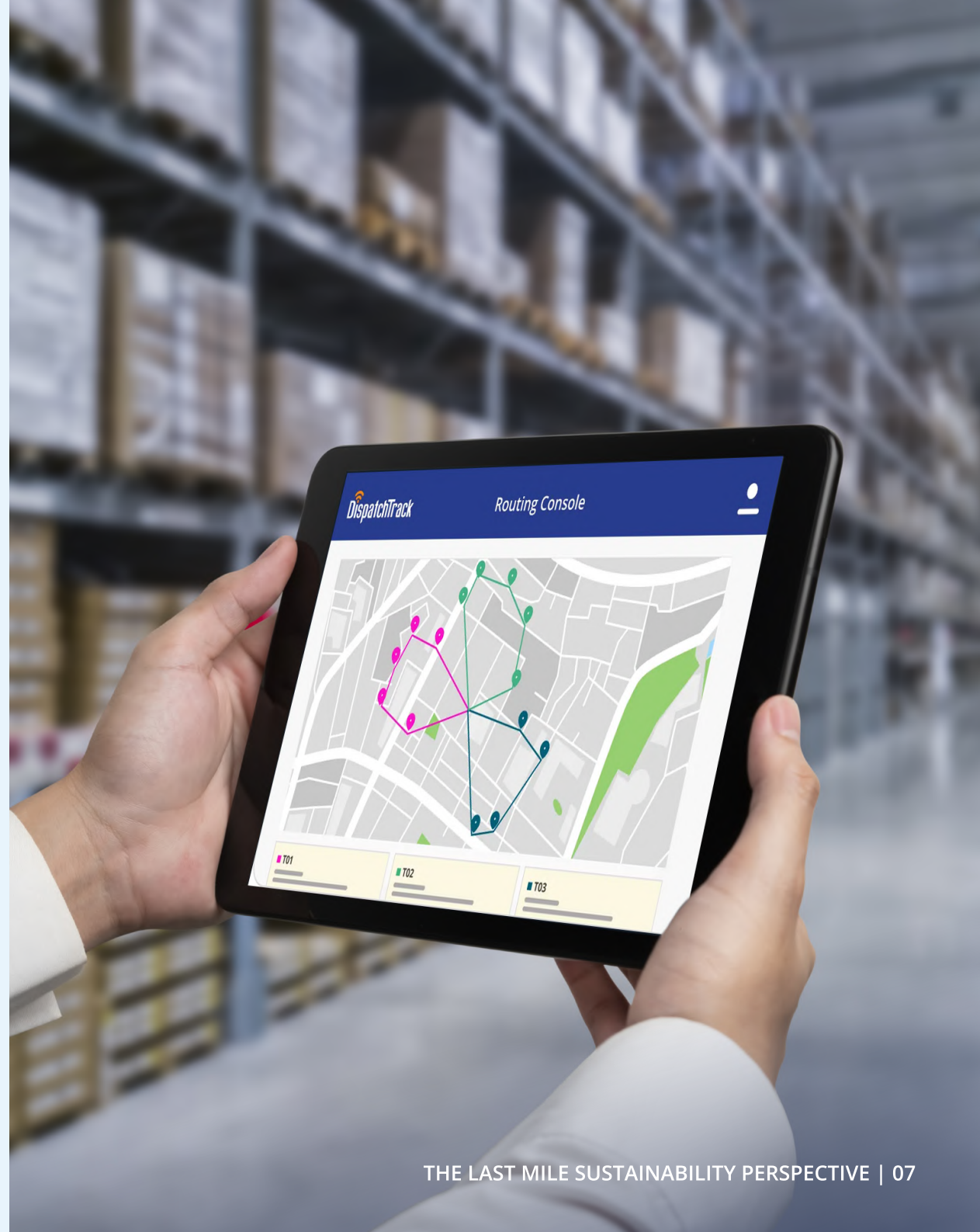
1 in 5

companies share their sustainability initiatives with both their employees and customers.



1 in 3

companies are promoting sustainability initiatives internally, but not externally.



While most companies have implemented new ways to **improve sustainability**, the majority don't have a way to measure **progress**.

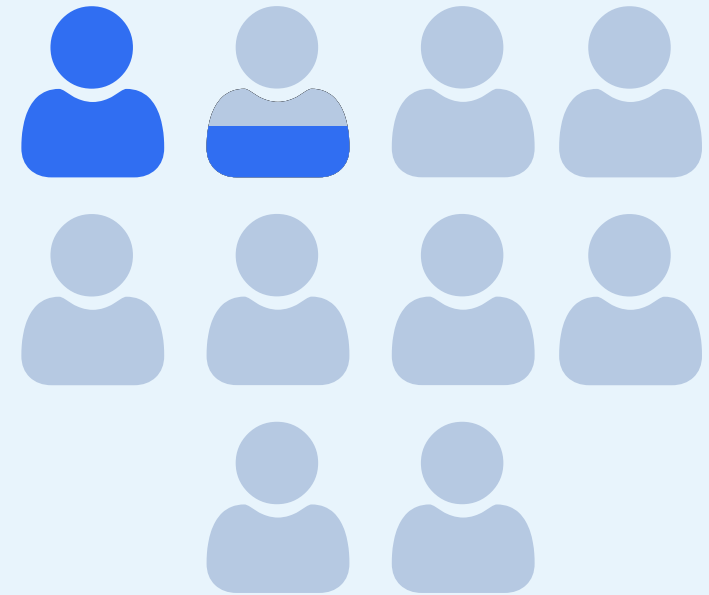


More than half acknowledge
sustainability is important
to their customers.

55%


state that **sustainability** is **somewhat**
(35%) or **extremely** (20%) important to
their customers.

15% state
that it's not
important to
their customers.



03

ADDING EVS TO THE FLEET

A smiling male worker wearing a blue cap and overalls is sitting in the driver's seat of a truck, looking at a tablet. The background is the interior of the truck, with the steering wheel visible on the left.

14%

are already using or have plans to add electric or **semi-electric vehicles** to their fleet.

6 in 10

companies do not use EVs but **would consider it in the future.**

1 in 4

aren't using EVs or don't plan to in the future.

1 in 10

are already using **electric or semi-electric trucks** or have plans to within the next one to two years.

Supply chain leaders are hesitant about EVs

The **top concerns** with using EVs include:

47%

Don't know enough.

44%

Not enough charging stations or running out of miles.

28%

Want to see how others are doing before investing.

27%

Cost restrictive.

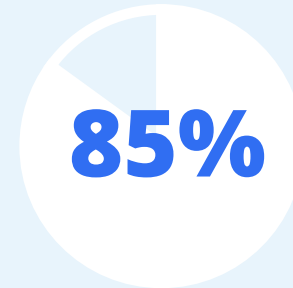
26%

Infrastructure limitations.

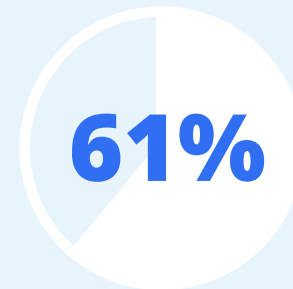
Fuel costs are **motivating** companies to consider EVs, more so than the environmental impact.



The **top reasons** for using EVs for deliveries include:



Fuel cost **savings.**



Better for the **environment.**



Important to **customers.**

04

ECONOMIC IMPACT

Delivery execution and customer communication **top the list of areas for improvement.**

Companies ranked the following as the areas where they see opportunities for improvement in last mile efficiency:



42%

Delivery
execution



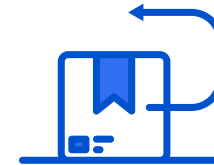
41%

Customer
communication



40%

Routing



37%

Return
management



35%

Inventory
management

The overwhelming majority consider **supply chain logistics** to be part of their company's overall business strategy.



75%

state that **supply chain logistics** is part of the overall business strategy.

25%

state it is **not**.

Companies worry there will be a **dip in demand**—but they are much more concerned about **rising costs**.



When asked how the **economic climate** has impacted their business, logistics professionals stated:

75%

Costs are up

37%

Demand is down

11%

Staff is being reduced

18% state that there's **no impact**.

Driver shortages remain a challenge.

73%
of companies are **still
struggling** with driver
shortages.

05

Methodology

The online survey was conducted via SurveyMonkey October 18th – November 2nd, 2022 among 142 logistics professionals. Industries included furniture and appliances, 3PLs, building supplies, medical, agriculture, auto parts, and food, beverage, and grocery distribution. Employee sizes ranged from 1-10, 11-50, 51-100, and 100+.



06

About DispatchTrack

DispatchTrack is the global leader in last mile delivery solutions, helping top brands around the globe power successful deliveries 180 million times a year. 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 2,000+ 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.

DispatchTrack: Promise. Deliver. Delight

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