

Logistics Marketplaces

The growing need for transparent, flexible, and easily adjustable logistics services has fostered the creation of digital brokerage platforms that match a variety of logistics demands with supply. These centralized marketplaces can provide visibility on the information, rates, and services of different logistics providers, and enable solutions to be digitally tailored to meet the needs of each customer.



KEY DEVELOPMENTS & IMPLICATIONS

While freight exchange platforms have existed for over a decade in logistics, there is a surge in the number of cloud-driven marketplaces matching demand and supply in a digitally seamless manner. These intelligent marketplaces will evolve to potentially digitalize the entire end-to-end logistics process of tendering, contracting, delivering, and payments. Logistics providers can react by actively driving or participating in these platforms, ensuring their services remain price competitive and highly flexible.

Freight marketplaces match companies looking to ship freight using one or multiple modes of transport (road, air, ocean, and/or rail) with suppliers or brokers of logistics capacity. Customers profit from better comparability and transparency of proposals, optimized price/performance ratios, and high security through member certification and rating systems. Logistics providers can use these platforms to digitalize internal processes as well as maximize cargo capacity. The integration of logistics marketplaces with central planning, reporting, dispatching, and tracking tools will further enhance impact.

Warehousing marketplaces offer flexible, on-demand warehouse space and enable seamless quote comparisons. This contrasts current processes which tend to be time consuming and typified by long-term contracts with limited flexibility. Similar to the Airbnb concept, warehousing marketplaces offer agile access to space, countering peaks in warehousing requirements and allowing customers to flexibly distribute goods across locations.

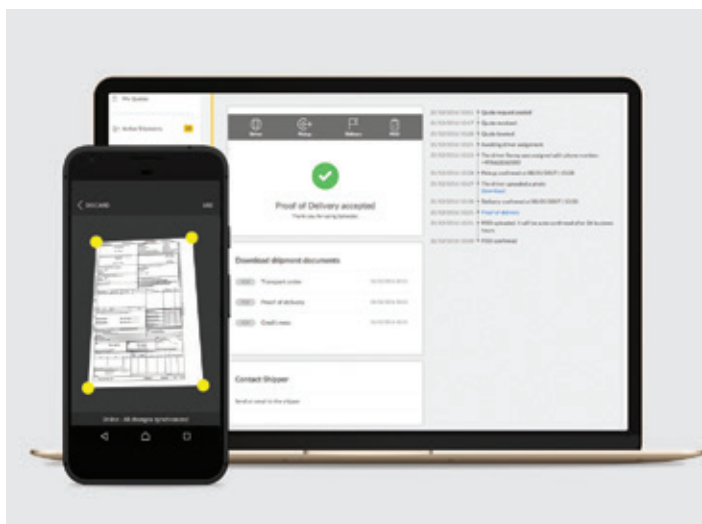
Last-mile delivery marketplaces offering same-day/same-hour pick-up and other delivery services are growing due to consumer demand for convenience. Consumers can compare quotes, book upfront, and receive auction-style bids from on-demand delivery agents. In many of these peer-to-peer delivery marketplaces, a flexible workforce of private individuals acts as the delivery agent. Such platforms require a critical mass of individuals to participate as agents as well as sufficient platform volume to ensure a sustainable business model (see shutdown of UberRush).

KEY OPPORTUNITIES

- Real-time quoting and flexible execution of transactions
- Easier online access to a broader customer and supplier base
- Flexible sourcing of externally operated services instead of long-term partnerships and dependencies
- Optimized capacity utilization, acquisition of additional capacity, and reduction of empty rides
- Increased price transparency through multiple comparisons in the digital marketplace

KEY CHALLENGES

- Security, insurance, liability, and fraud concerns
- Difficulties in guaranteeing the quality and availability of carrier capacity
- Forwarding business is potentially too complex to automate via an online marketplace



Freight Marketplace Enabling Easy Access to End-to-end Transportation – Saloodo!

- DHL developed and launched a digital logistics platform in 2017 that offers easy and safe end-to-end road freight transportation services, focusing on small to medium-sized enterprises
- Shipping companies are validated prior to contractual agreements to maximize security
- Platform currently involves 4,900+ shippers, 200,000+ trucks and operates in 17 countries

Source: DHL

Trend Assessment

Timeframe: < 5 years

Impact: High

Sector Relevance:



AUTO



E&M



TECH



ENERGY



LSH



RET&CON