

Special Issue

Retail Logistics: Exploring the Changing Logistics Costs and Competitive Environment

Transportation and logistics service quality that has traditionally been more relevant in B2B commerce (i.e., lead time, lead time variance) is now increasingly salient to consumers. However, consumers may not necessarily be knowledgeable enough to discern service differences among traditional transportation companies, such as Fedex, UPS, and postal services. Does it mean that consumers continue to view companies involved in product delivery as interchangeable, or is it now the case that transportation service providers are becoming less commoditized?

Further, as consumer expectations of “free shipping” continue to evolve, how can retailers continue to lower cost of service and cover such costs in their pricing models? Even as most retailers continue to struggle to offer free two-day shipping programs, Walmart and Amazon further raised the standard by announcing free one-day shipping on millions of products in their online assortment. What are the competitive and cost implications of the ever-narrowing seam in between online retailers and consumers? How can retailers continue to fuel this last mile delivery “arms race” without bankrupting themselves in the process?

As retailers become increasingly aware of their finite delivery capacity, is there now greater incentive for companies to take control of their final mile delivery services? For instance, restaurants such as Cheesecake Factory rely on services such as Doordash to reach consumers. On the other hand, Panera contracted a service delivery platform and retained its own branding right up to the consumer’s doorstep. Meanwhile Amazon is adding to its fleet of trucks, trailers, and freight aircraft. What are the pros and cons of each service design?

As illustrated in the examples above, technological advances are fundamentally changing the way companies are embedding transportation and logistics in their overall consumer-facing service design. The proliferation of these last-mile delivery service models suggests that each possesses its own set of implications on both cost and service impact on consumers. Although omni-channel retailing had seen increasing academic and industry attention, less attention is being paid to the specific roles of transportation and logistics in the changing competitive landscape of last mile delivery services. This special issue seeks to explore the changing role of retail logistics and invites submissions of research papers on this important topic.

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Here are some suggested research questions for consideration.

- What is the modern retail competitive environment's impact on logistics service providers' bargaining positions vis-à-vis shippers?
- How is retail logistics changing in the Internet Age of "Free Shipping?"
- How are transportation and logistics costs changing in the modern era to support "ordering online"?
- Where are transportation and logistics (including reverse) costs accounted for, and how can logisticians monitor the related operational and financial impacts?
- How do marketing campaigns regarding transportation and logistics costs impact consumers?
- What is the modern role of reverse logistics on retail strategies?
- How have "buy local" campaigns impacted retail transportation and logistics?
- How have recent trends impacted cold-chain logistics?
- How has retail logistics changed in the face of the "sharing economy"?
- How are technological advances, such as drone delivery programs and autonomous vehicles, altering our traditional understanding of the last mile delivery service design?

Submissions are due March 31, 2020.

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