

Mobility Challenges of a Courier Company

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BACKGROUND

In the last few years, e-commerce has grown considerably. According to information from Statista (2022), Mexico is ranked in second place in Latin America in digital purchasers, topped only by Brazil. This fact has brought about an important growth in the demand of courier services such as the ones offered by Estafeta.

Estafeta is a 100% Mexican logistics company, with operations all over the country and providing services in 220 countries. Throughout 2020, they bet on the opening of eight distribution centers and the redesign of other 14 centers (Estafeta, 2021a), with the intention of relieving the demand and offering a better service.

The renovation of the 14 centers focused on relocating some of them to the end of changing their vehicle configuration and reducing traffic impact in some cities, bringing their customers closer to service points, and increasing delivery capacity. They also bet on the operational efficiency for the processing of orders by including belt conveyors of low energetic consumption (Estafeta, 2021a).



Image. Pressfoto in Freepik, 2022.

Estafeta was born in 1979, and with over 40 years in operation, it continues innovating and offering quality service to their customers (Estafeta, 2020a).

THE GROWTH OF E-COMMERCE

The growth of e-commerce brings about significant challenges such as mobility and the activation of more customer service points. Thus, logistics companies ensure having a good design in their collection and delivery flows, and having strategic operation points that ease this process by being closer to their customers (Juárez, 2022).

In Mexico and throughout the world, the relevance of logistic services, especially those of the last mile, help significantly to the presence of small companies and startups that do not have logistics platforms in the market (*Expansión*, 2016). For these businessmen, having partners such as Estafeta has a significant impact in their sales, especially those made through the Internet.

Today, in order to cover the necessities of consumers, it is important to have a robust logistics network, and an infrastructure that eases the activity, such as the expansion and enlargement of highways and airports (Estafeta, 2020b).

Images: Freepik and Ibrandif in Flaticon, 2022.

CONSUMER NEEDS



**Higher speed
in the reception
of acquired products**



**Delivery
personalization**



**Compliance
of delivery times**



**Reception of merchandise
with no damage**

Source: Asociación Mexicana de Venta Online (AMVO, 2022).

TRENDS AND AFFECTATIONS TO THE LOGISTICS SERVICE

There are macro factors which have made companies rethink their operation strategies. For instance, the conflict between Russia and Ukraine has increased the prices of fuels and some other raw materials globally (Pasqualli, 2022). Before that, the demand of home delivery services registered an accelerated increase due to the pandemic of COVID-19 (INEGI, 2021). These circumstances, additional to the wish to find friend-

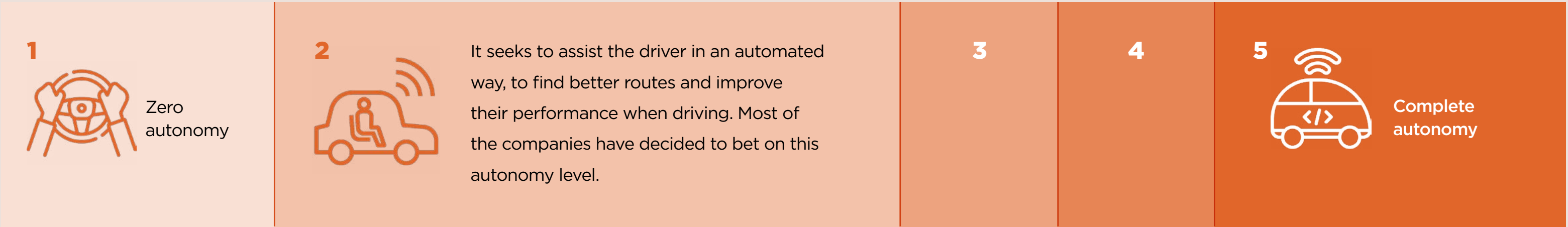
lier environment alternatives, have made several companies bet on cleaner options.

In this context, Estafeta has announced their plans to invest on electric cars for their fleet, and to streamline their distribution centers in 2022 (Duarte,2022). Regarding the first point, the idea is to buy 1200 vehicles, of which 35 are electric; and regarding the second point, work is being done with

the purpose of operating their new distribution hub in the state of Mexico as efficiently as possible.

One of the global trends is streamlining and the considerable improvement in handling vehicles focused on a higher vehicle autonomy. This technology is based on sensors and cameras, among other technologies (Estafeta, 2021b).

SCALE OF AUTONOMY IN VEHICLES



Images. Juicy_fish, Freepik and Parzival' 1997 in Flaticon, 2022.

Source: Estafeta, 2021b.

THE DECISION

Based on the previous information, it is necessary to present a project proposal that involves new technologies around the strategic distribution hubs. The proposal must have a more efficient logistics and the use of level 2 autonomous cars, electric cars, and regular cars.

It is necessary to answer the following questions:

- Is it possible to implement these types of strategies in Mexico? Which would be the associated risks?
- Which resources are necessary for the development of projects of this magnitude?
- Which would be the associated costs?
- How would it be possible to make sure that this initiative meets the objective of the company and satisfies the demand of an electronic market in growth?
- Which is the expected implementation time?
- Which would be the impact of the initiative on the different groups of interest that participate in this project?

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