

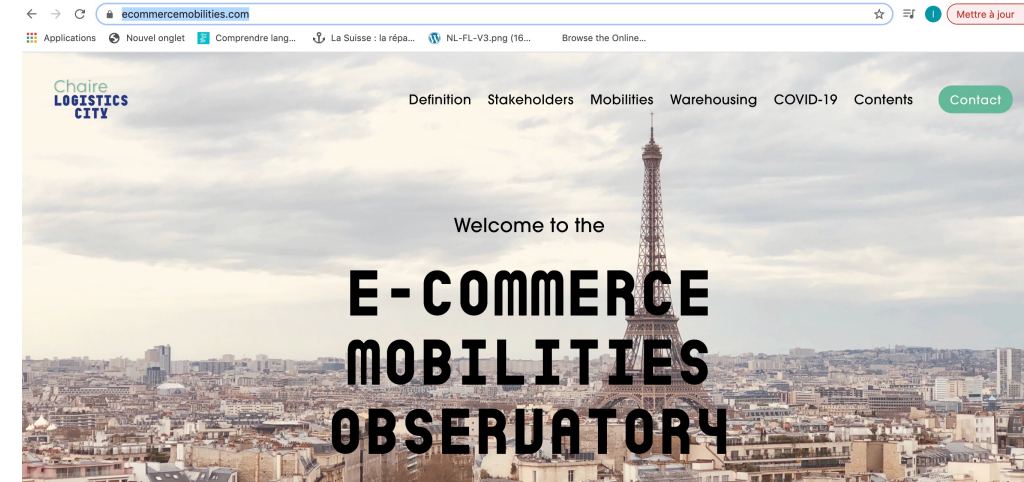
Gig workers for delivery platforms

Dr. Laetitia Dablanc

- Research oriented Chair
- Warehouses, innovations, new trends in consumption and impacts on city logistics

Results available online:

- Observatory of ecommerce mobilities (<https://www.ecommercemobilities.com/>)
- Survey reports on gig workers for instant delivery platforms in Paris 2016, 2018, 2020, 2021
- Barometer of urban logistics under covid lockdown
- Logistics real estate and relationships with urban form in 74 large cities around the world



<https://www.lvmt.fr/en/chaire/logistics-city/>

Urban freight labor market: new jobs, new issues

- City logistics: an easy job market to access, but difficult working conditions and low salaries
- 500,000 people in warehousing and freight transport in the Paris region
- 12,000 small freight transport companies in the Paris region, often contractors of the large operators
- Gig economy, self-employed couriers: **2,000 new micro-companies created in 'instant delivery' every month in the Paris region** in 2019 (and 2,000 in rest of France)
- The **pandemic has further increased the number of gig workers** engaged in deliveries (exact data not yet available)

Cyclo-logistics with cargo-cycles: a growing niche



One of the main advantages:
access to bike lanes (and
'corona-lanes')

International Cargo Bike Festival Groningen

June 14-16th 2019

On-demand 'instant delivery' services

- Deliveries in two hours
- Smartphones and digital platforms
- Gig workers, self contractors

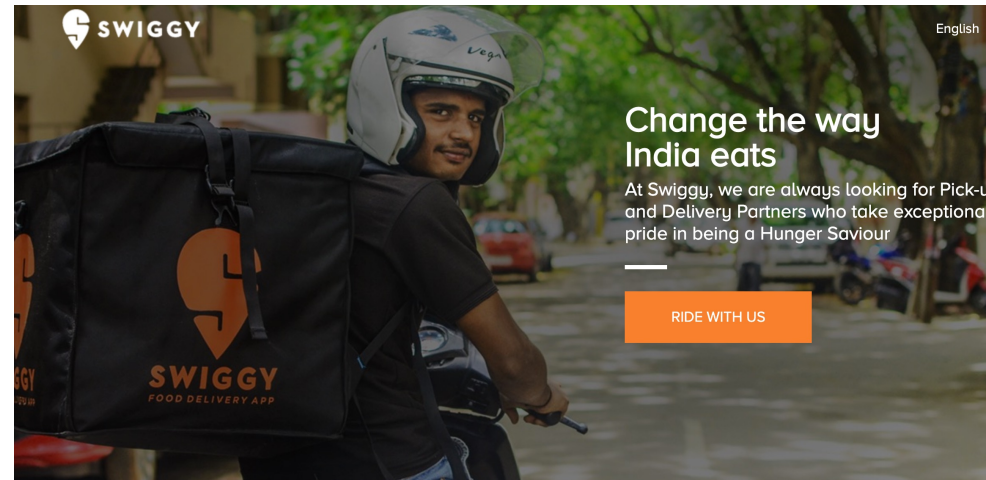
Buenos Aires



Lima



Mumbai



London



“Pure” crowd sourcing versus regular crowd-sourcing

- “Pure” crowd-sourcing: use of private persons’ available transport capacity on the way to work or elsewhere (DHL MyWays, Shopopop, Geodis City Delivery)
- ‘Regular’ crowd-sourcing: use of private persons who are **dedicated** to the delivery activity, sometimes as free lance contractors, self-employed couriers



Main instant delivery platforms

- **World brands:** Amazon Prime Now, UberEats
- **US brands:** GrubHub (now JustEat), Postmates (now UberEats), Instacart, DoorDash
- **Chinese brands:** Meituan (linked to Tencent), Ele.me (Alibaba)
- **Latin American brands:** Rappi, IFood
- **European brands:** Delivery Hero (Foodora – bought by Takeaway.com in 2018), Deliveroo, Glovo
- **Many domestic brands,** many start-ups in all regions



Fun facts from last 12 months

- Deliveroo IPO soon on London stock exchange, about £7 bil valuation, some large investors hesitant over workers' rights and company's share ownership structure
- Meituan valuation: \$230 billion
- Postmates bought for \$2.65 billion in 2020 by Uber
- UberEats world gross bookings (2020): +130%
- Doordash gross bookings (2020): +198%



Competition, mergers, partnerships, market sharing

- In Europe, Takeaway buys Just Eat In the US, Uber buys Postmates, JustEat Takeaways buys Grubhub



- Partnerships
 - Amazon and Deliveroo
 - Walmart and Postmates
 - UberEats and Carrefour
 - McDonald's: UberEATS then Doordash
 - Alibaba and Ele.me

- In Latin America, Glovo left Chile and Brazil
- In Europe, Deliveroo left Germany



Turns of events on the legal front

- Spain, Tribunal Supremo, 25 Sept 2020, a Glovo worker is actually an employee
- UK 2021 Uber gives workers' status to their drivers and delivery partners
- California AB5
 - 2019 State legislation AB5
 - Uber and Postmates legal action, proposition 22 successful on Nov 3, 2020
- France
 - Highest Court, March 4, 2020: Uber (and UberEats) workers are actually employees because of economic dependency to Uber
 - 400 cases in court at the moment

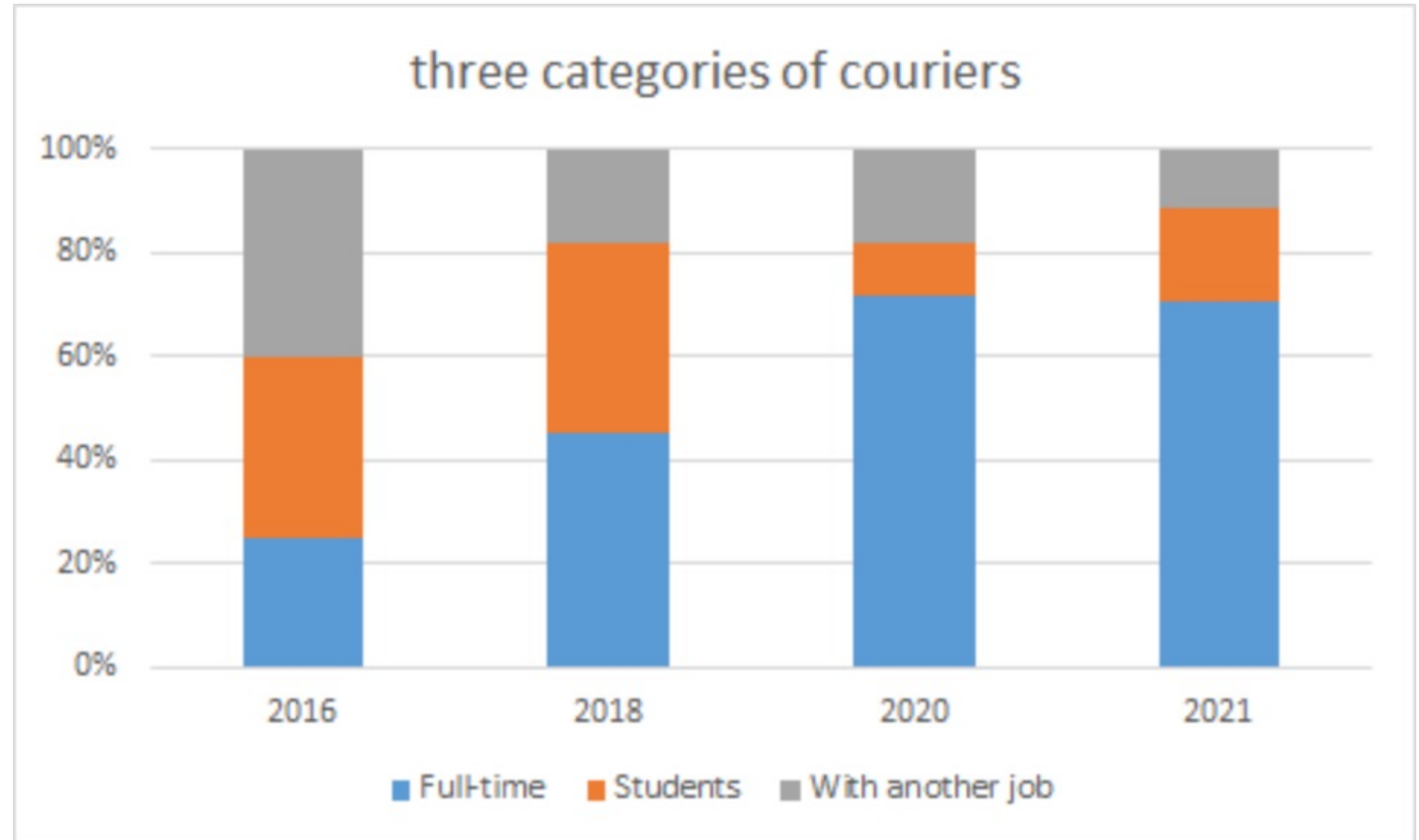
'Alternative' delivery platforms

- Socially and environmentally conscious platforms e.g. Urb-It (London, Paris, Stockholm, Lyon): only by foot, bike or public transport, better pay, 50% women
- Alternative social model, cooperatives e.g. Olvo, Applicolis: associated with a cooperative, couriers can become partners by buying social shares

=> Costly niches but growing

Gig workers' surveys in Paris (2016, 2018, 2020, 2021)

- Methodology of surveys: meetings on the field, random encounters, 500 interviewed
- From part time to full time
- 2021 = impact of covid?



Dablanc et al., 2021

From students to full-timers to migrants

- Undocumented migrants in Paris
- Venezuelan refugees in Lima
- Rural migrants in Chinese cities
- Linked to decreasing pay from platforms



Delivery workers waiting for gigs in Lima

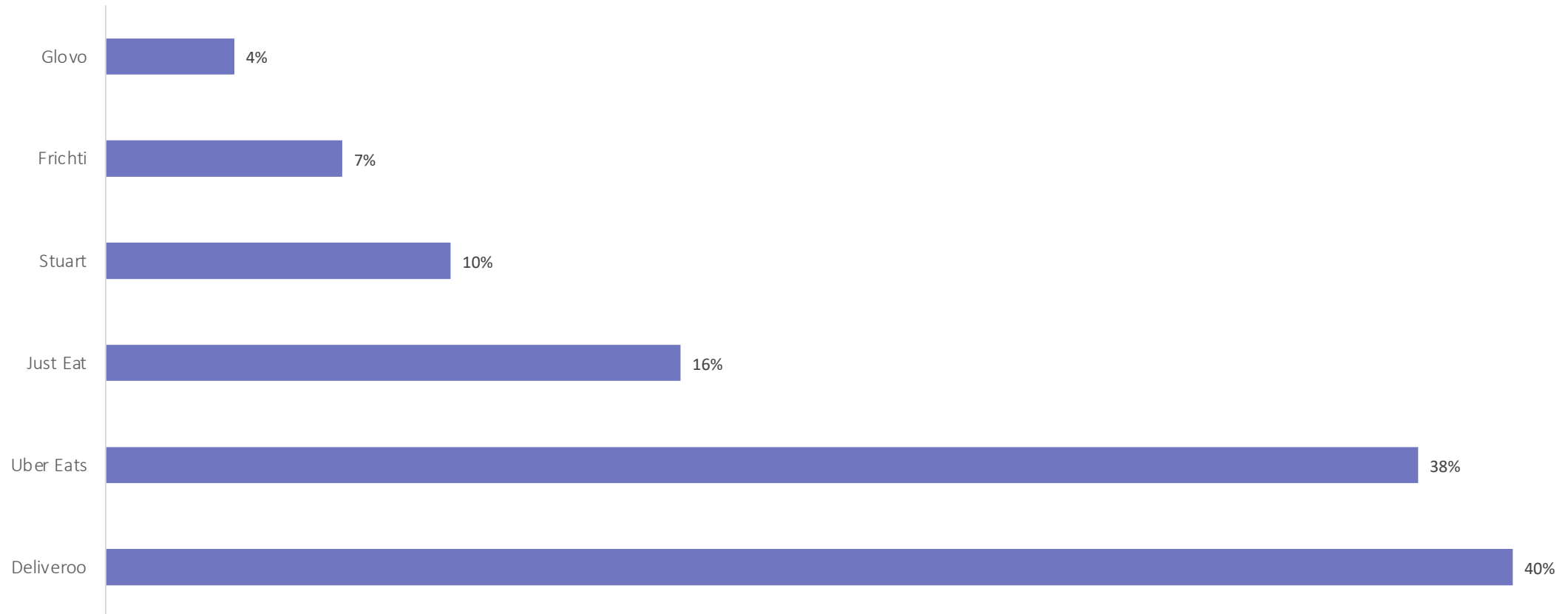
2021 survey

- 7% are women
- 10% are French
- 10% are subcontractors (illegal)
- 25% have had an accident
- 29% come to work in public transit, half of whom with bicycles in train
- 36% use a moped to make deliveries (illegal in France without a professional freight license), 47% use a bicycle (including 15% shared biking), 10% use a scooter
- 50% see themselves still making deliveries in one year
- 60% would be interested in being employees (as opposed to free lance)
- 66% have been on the job less than one year
- 70% think there is a high road safety risk in the job



For which platform(s) do you work?

Pour quelle(s) plateforme(s) travaillez-vous ?



- Only 11% respondents work for multiple platforms

Delivery vehicles

2016	2018	2020
87%	65%	60%
bicycle	bicycle	bicycle

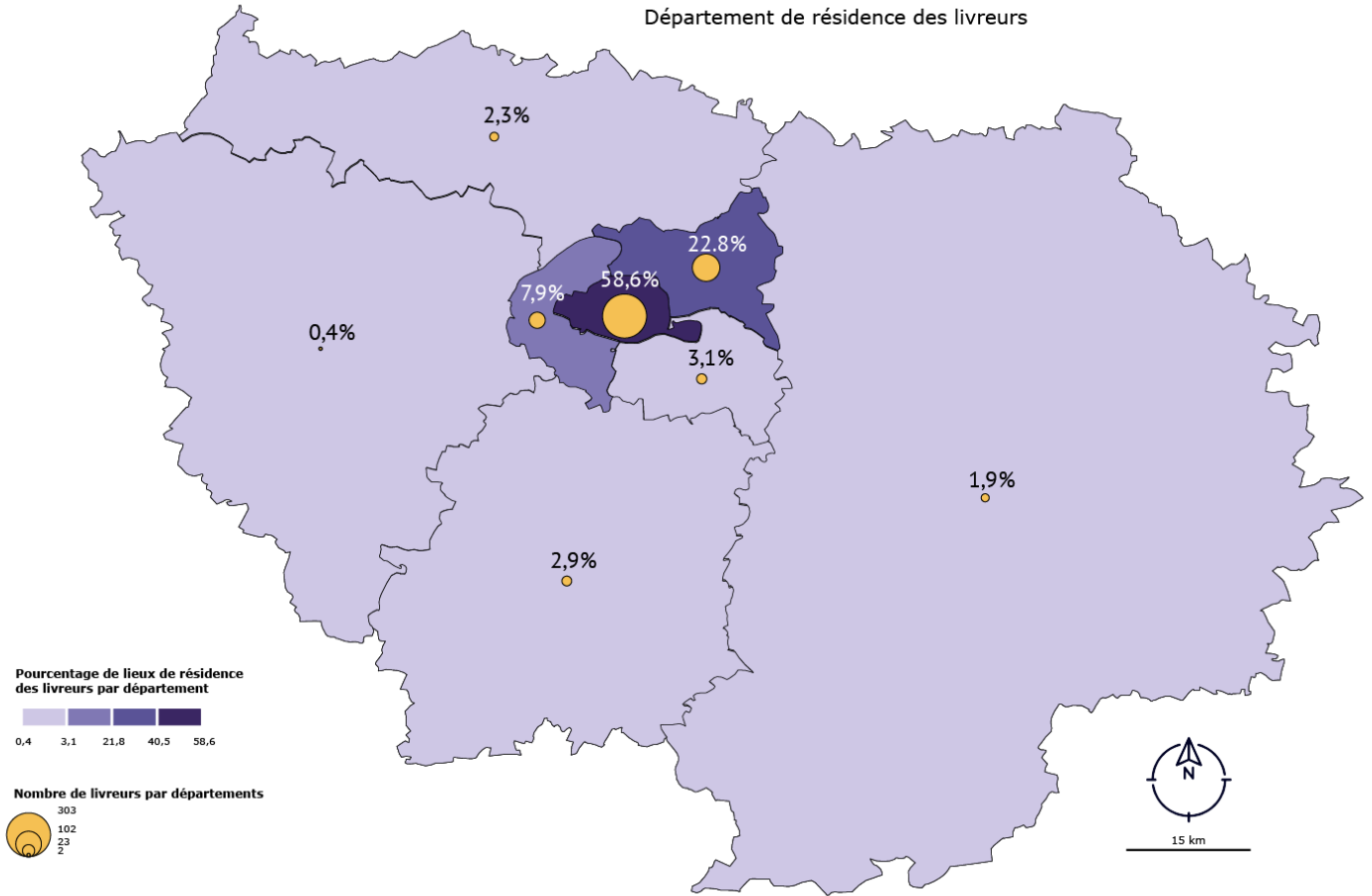
=> Much higher use of motor vehicles
(not allowed)

=> Increase in use of new modes: bike
and scooter sharing (not allowed either)



Commuting to the work place (2021)

- 62% with vehicle used for deliveries (bike or moped or car)
- 16% in public transit, with bike
- 13% in public transit
- 9% other



Operational and financial indicators

- 18 deliveries a day in average and 42 km covered in average
- 40% work six days a week and 17% work seven days a week
- 28% work more than eight hours a day
- 40% are satisfied with their earning, 60% are not
 - 40% earn less than 1000 euros/month
 - 40% between 1000 and 1500 euros/month
 - 12% 1500 to 2000 euros/month
 - 4% more than 2000 euros/month

Challenges of the job

- 34% find relationships with clients and restaurants difficult
 - 38% find relationships with platforms difficult
 - 48% find that there are too many gig delivery workers available compared with the number of delivery gigs
 - 70% find that there are high safety risks to their activity and 25% already have had an accident
-
- 77% enjoy the independence and working whenever they want
 - 50% imagine themselves still delivery gig workers in one year
 - 35% of respondents were motivated to become delivery worker because of the pandemic

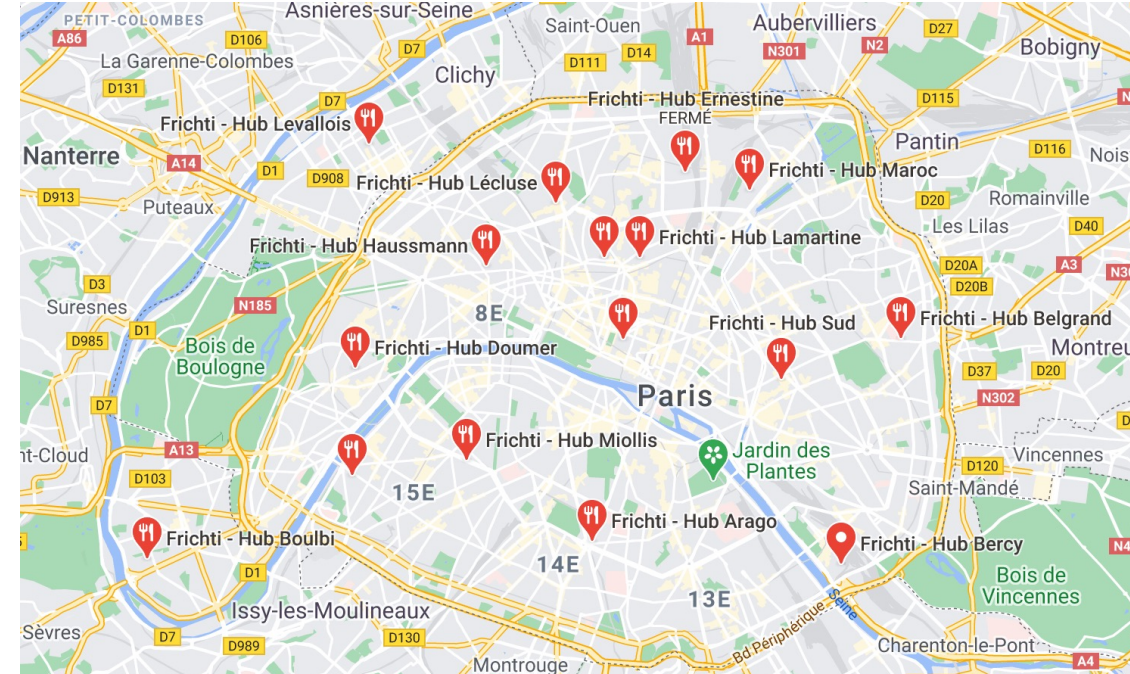
Road safety

- A growing concern
- Paris major intersection:
 - 51% passenger cyclists did not stop at red light
 - 76% delivery cyclists did not stop at red light (Chebance, 2018)



Shared kitchens ('dark kitchens') and urban hubs

- Meal preparation only, no restaurant
- 'Deliveroo Editions', Keatz, CloudKitchens
- Frichti in Paris: kitchens in the suburb and ten 'hubs' in Paris for delivery in less than 20 min



What's a ghost kitchen?

Our commercial kitchens were designed to help you succeed in delivery



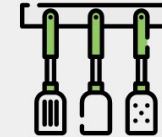
Turn-key solution

You can launch a ghost kitchen in one month.



Focus on the food

All you've got to do is cook - we handle the logistics and fulfillment to make sure your orders are delivered with more accuracy, in less time.



Build multiple concepts out of one kitchen

Capture more delivery orders with multiple restaurant concepts, all cooked under one roof.

Amazon Prime Now in 100 city centres around the world

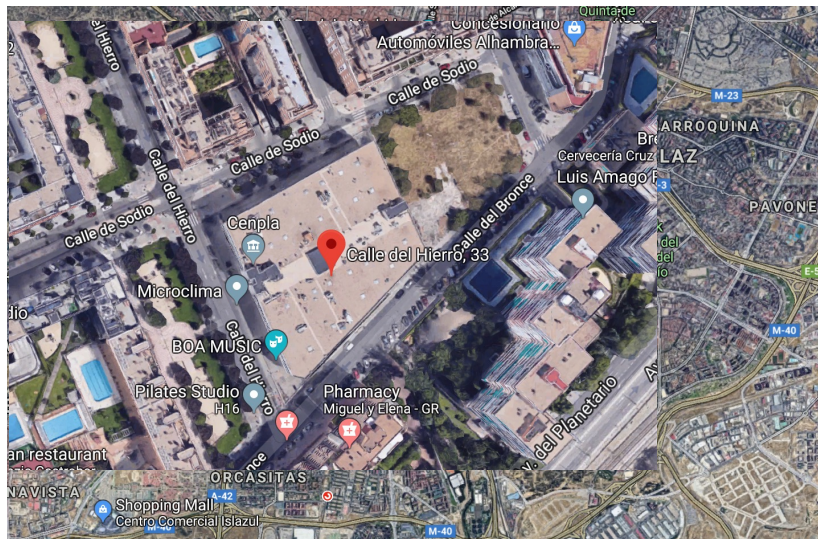


Barcelona

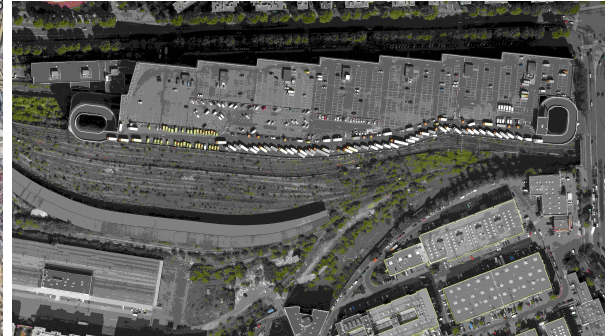
Santa Monica

Manhattan

Madrid



Paris



Amazon Flex drivers to Prime Now urban fulfillment centers accross Los Angeles



- Median daily number of departures from Amazon hubs in Sacramento (2019, Miguel Jaller UC Davis):
- 45 lorries
- 250 delivery vans
- 800 Flex cars



Conclusion on gig workers and instant deliveries

- Huge turnovers of delivery couriers
- Business models adapt constantly, partnerships with large shippers, retailers, mergers
- Access to investors is key
- Emerging issues
 - Full-time workforce and legal issues
 - Little interest in unions
 - Increased illegal work through the use of motorbikes, sharing of licenses and accounts
 - But... opportunities for low-skilled jobs in city centers, potential for training, opportunity for use of electric mopeds
 - Use of new modes
 - More socially responsible platforms

Ressources

- CHAIRE LOGISTICS CITY: www.lvmt.fr/en/chaire/logistics-city-sogaris/
- METROFREIGHT www.metrotrans.org/metrofreight
- Dablanc, L., Frémont, A. (Dir) (2015) La métropole logistique, Armand Colin
- Heitz, A., Dablanc, L. (2019) Mobilité de la ville durable, les politiques réglementaires de 20 villes françaises passées au crible. Rapport pour la CGI, <http://www.cgi-cf.com/images/publications/CGI-RAPPORT-IFSTTAR-2019.pdf>
- Enquêtes sur les livraisons instantanées à Paris : <https://hal.archives-ouvertes.fr/hal-02374915>
- Browne, M., Behrends, S., Woxenius, J., Giuliano, G., Holguin-Veras, J. *Urban logistics. Management, policy and innovation in a rapidly changing environment*. Kogan Page, London
- Urban Freight Lab: <https://depts.washington.edu/sctlctr/urban-freight-lab-0>
- CITYLAB (2018) Observatory of Strategic Developments impact urban logistics http://www.citylab-project.eu/deliverables/D2_1.pdf
- Urban freight platform: <https://www.chalmers.se/en/centres/lead/urbanfreightplatform/Pages/default.aspx>
- World Economic Forum (2020) The future of the last-mile ecosystem



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