

Last Mile
LEADERS

Eye On The Last Mile 4.0

EUROPE EDITION 2025



“

About **Eye On The Last Mile Report**

At FarEye, we set out to decode the ever-evolving last-mile landscape - and that's how Eye on the Last Mile was born. In a world where customer expectations shift by the second and disruptions define the norm, staying ahead is no longer optional; it is mission-critical. This report isn't just about tracking trends or crunching numbers - it is a blueprint for transformation.

Eye on the Last Mile equips businesses with the insights they need to outpace change, anticipate challenges, and uncover untapped opportunities. It is a catalyst for those passionate enough to innovate and thrive in an era where the last mile is the ultimate battleground for differentiation. For those ready to lead, this is a playbook to win big.



Kushal Nahata
CEO & Co-Founder



”



Eye on the Last Mile Report – Europe 2025

In the high-stakes world of European e-commerce and logistics, the last mile is no longer just the final step—it's the battleground for cost control, customer loyalty, and competitive advantage. Eye on the Last Mile – Europe 2025 dives deep into how leading companies across the continent are confronting the complex realities of delivery in an era defined by rising expectations and tightening margins.

This report consolidates insights from an in-depth survey of senior logistics and e-commerce leaders across 500+ enterprises in the EU. Participants included C-suite executives, directors, and functional heads overseeing operations. They shared their key challenges, strategic priorities, and innovations shaping last-mile delivery.

The European last-mile delivery sector is currently shaped by three key priorities: reducing delivery costs, enhancing customer experience, and accelerating AI adoption. With inflation, labor shortages, and volatile fuel prices, businesses are increasingly turning to automation, predictive intelligence, and smarter network design to drive efficiency. At the same time, customers demand more—real-time tracking, accurate ETAs, flexible options, and seamless returns are no longer value-adds but expectations.

Sustainability, while frequently cited and is still on the agenda, is losing momentum to tech-driven efficiency gains and immediate cost control. AI-driven cost and efficiency gains are taking priority, and for many businesses, green ambitions remain more aspiration than execution.

This report not only highlights the trends shaping last-mile delivery but also offers practical recommendations, data-backed insights, and strategic guidance to help businesses anticipate and address the evolving challenges ahead. Whether you're rethinking delivery models, planning investments, or re-aligning your customer experience strategy, this report is designed to support informed, future-ready decision-making.

KEY FINDINGS AT A GLANCE

Cost dominates **strategy**

Cutting delivery costs is the #1 priority, driving investment in automation, smarter routing, and AI-based decision-making.

AI is gaining **ground**

From smart forecasting to dynamic pricing, AI is reshaping last-mile agility and scale.

Customer expectations are **rising**

Speed, reliability, and transparency are now baseline requirements for retaining shoppers.

Cart abandonment is **delivery-linked**

Poor final-mile options are a leading cause of checkout drop-off.

Sustainability is **stalling**

Though widely discussed, meaningful progress remains limited as AI and cost-efficiency take precedence.

Locker & OOH growth **faces friction**

Real estate limitations and low customer usage are slowing wider adoption.



Sections

Last Mile, Big Struggles: Key Challenges in the Last Mile	01
Europe's Delivery Cost Trends	02
Last-Mile Logistics: Europe's 2024–2025 Focus	03
Delivery Choices vs. European Consumer Trends	04
Speed Sells: The Cost of Convenience	05
Europe's Last-Mile AI Surge	06
Abandoned at the Finish Line: Where Checkout Fails	07
Tracking Trouble: WISMO Worries	08
Green Goals, Red Flag Realities: Sustainability Trends	09
Cost Over Carbon: What Really Drives OOH Growth in Europe	10
Locker Lag – What's Slowing Expansion of OOH Deliveries	11



Last Mile, Big Struggles

Top 3 Last Mile Delivery Challenges in Europe (2025)



Challenges Overview:

This section presents the findings of a survey on the key challenges faced in last-mile delivery operations across Europe in 2025.

Key Findings:

Rising Costs Lead the Challenges

- A significant majority (over 90%) of survey respondents indicated that "Rising costs" was among their top three most pressing challenges
- Key cost drivers include fuel prices, vehicle maintenance, and inflation-driven wage increases.

Growing Pressure from Customer Expectations

- "Rising customer expectations" is the second most frequently ranked challenge.
- Businesses face pressure to provide faster, more transparent, and more convenient deliveries.

Labour Shortages Remain a Major Concern

- A significant number of participants listed "Labour shortages" in their top three.
- Difficulty hiring qualified drivers and logistics workers is impacting service levels.

Regulatory Pressures Growing but Not Dominant

- While fewer respondents listed "Regulatory pressures" in their top three, it remains a consistent concern.
- Environmental regulations, data protection laws, and urban delivery restrictions are key factors.

Lower Priority Given to Global Conflicts

- "Rising global conflicts" was less frequently ranked in the top three challenges.

These issues have indirect effects, such as on fuel supply and geopolitical stability, but are not immediate day-to-day operational concerns.

Strategic Implications:

- Companies should focus on cost-reduction strategies, such as route optimization and the adoption of electric vehicles.
- Investment in customer-centric technologies (e.g., live tracking, delivery preferences) will be vital.
- Workforce development and automation solutions are necessary to mitigate labour shortages.
- Maintaining regulatory compliance should remain a priority as policies evolve.

The landscape of last-mile delivery in Europe is being reshaped by a combination of economic, consumer-driven, and regulatory pressures. Businesses that proactively adapt to these challenges are more likely to thrive in an increasingly competitive and demanding environment.

Europe's Delivery Cost Trends and Regional Variations in 2025



Insights

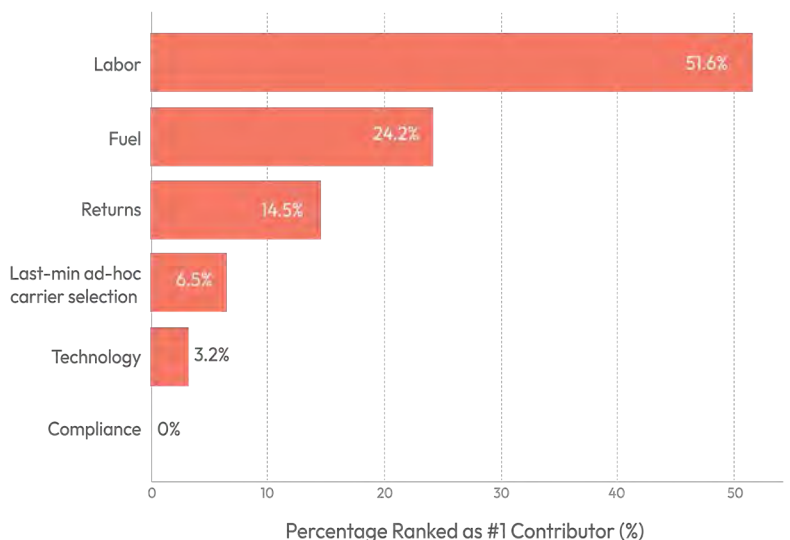
Top countries in terms of cost increase: Switzerland, France, and the United Kingdom.

Low-cost countries: Netherlands and Greece show relatively low and stable costs.

Growth patterns: The United Kingdom and Switzerland exhibit the highest levels of growth, while countries like Germany, Greece, and Netherlands show more stagnation or lower growth rates in some cases.

Breakdown of factors causing cost increase:

Top Ranked Delivery Cost Contributors (%)



Country	Average % Increase
Switzerland	38.0
France	21.5
United Kingdom	17.8
Lithuania	15.0
Italy	10.8
Denmark	9.0
Netherlands	7.1
Portugal	6.7
Germany	6.1



Key Inferences for Last Mile Professionals

Category	Avg. Rank	Ranking
Labor	~1.9	1st
Fuel	~2.1	2nd
Last-min ad-hoc carrier selection	~3.3	3rd
Technology	~3.8	4th
Returns	~4.5	5th
Compliance	~5.5	6th

Challenges Overview:

Labor is the #1 Cost Driver

- **Implication:** Labor availability, retention, and cost efficiency are critical. Investing in workforce optimization, training, and automation (e.g., route planning, shift scheduling) can yield significant cost savings.
- **Action:** Consider flexible staffing models, gig workforce integration, and tools that reduce manual workload.

Fuel is a Close Second

- **Implication:** Fuel volatility and consumption remain major budget concerns. Rising fuel prices directly impact delivery margins.
- **Action:** Emphasize route optimization, vehicle maintenance, and consider transitioning to EVs or hybrid fleets for long-term savings.

Ad-hoc Carrier Selection

- **Implication:** Last-minute carrier choices lead to cost inefficiencies and unpredictability.
- **Action:** Build reliable carrier partnerships and improve forecasting to minimize reactive logistics decisions.

Technology

- **Implication:** Technology is important, but still underleveraged in reducing costs compared to labor and fuel.
- **Action:** Invest in delivery management platforms, real-time tracking, and customer communication tools to improve efficiency and transparency.

Returns

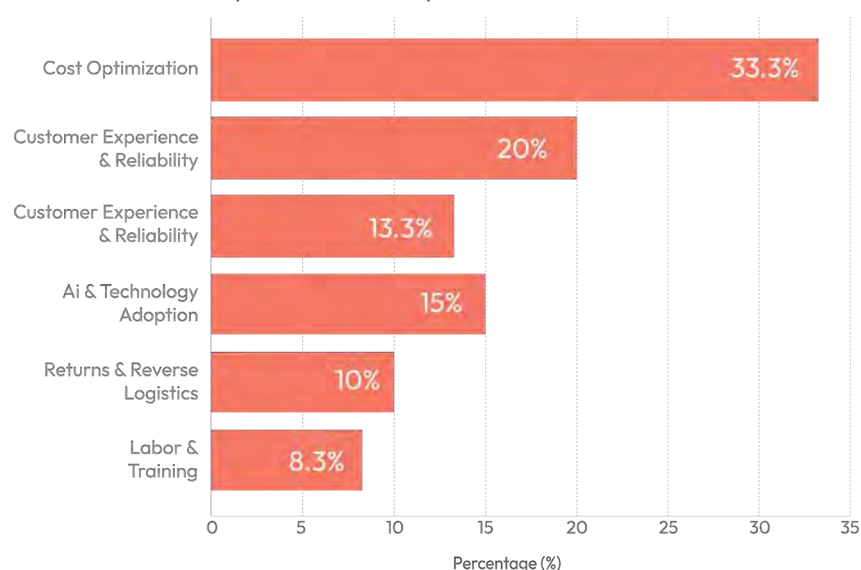
- **Implication:** Returns are a secondary cost concern but still affect profitability, especially in e-commerce.
- **Action:** Streamline return logistics, automate processing, and offer in-store or consolidated drop-off options to reduce handling costs.

Compliance

- **Implication:** Regulatory and compliance issues are currently seen as lower priority cost drivers.
- **Action:** Stay updated but lean on scalable compliance systems—this is more about avoiding fines than driving savings.

Last Mile Logistics: Europe's 2024–2025 Focus

Top Last Mile Delivery Priorities (2024–2025)



In 2024–2025, last-mile delivery priorities across Europe are centered on cost optimization, customer experience, and sustainability. Organizations are doubling down on reducing delivery costs through smarter routing, automation, and AI adoption. At the same time, there's a strong push to enhance reliability, speed, and transparency to meet rising customer expectations. Sustainability is moving from intent to action, with investments in greener fleets, and low-emission delivery modes. Returns and reverse logistics are also gaining urgency, alongside workforce challenges like training and labor retention. AI and technology are emerging as enablers across all fronts—from forecasting to dynamic pricing—reshaping the future of last-mile logistics.

Relentless Focus on Cost Optimization

Top mentions: "Cost", "Costs", "Cost reduction", "Optimize costs", "Cost control", etc.

Organizations are under **intense pressure to cut costs** across every link of the delivery chain — especially as inflation, labor, and fuel prices fluctuate in Europe.

Cost-sharing models, smarter **route optimization**, and **consolidated deliveries** are gaining attention.

Strategic Insight:

Expect a push toward automated decision-making, AI-based dynamic pricing, and renegotiated carrier contracts to drive savings.

Customer Experience Still Rules

Priorities like **"Reliability"**, **"Delivery Speed"**, **"Service Level"**, and **"Customer Satisfaction"** reflect how companies are working to balance efficiency with **high customer expectations**.

Many are also investing in **predictability**, **real-time tracking**, and **communication tools**.

Strategic Insight:

Firms must invest in transparency, with tech that gives customers accurate ETAs, flexible delivery windows, and AI-powered service touchpoints.

Sustainability: From Talk to Action

Mentions of **"Reduced carbon shipping"**, **"CO2 footprint"**, **"Sustainability & Emission Reduction"**, and **"Green"** signal a clear move beyond just ESG compliance.

Many companies are exploring **fleet upgrades**, **parcel lockers**, and **long-haul route optimization** to cut emissions.

Strategic Insight:

Sustainability will soon become a differentiator — not just a requirement. Expect carbon-neutral delivery offerings and eco-preferred options at checkout.



AI & Technology Integration on the Rise

Frequent mentions of **AI implementation, Technology Invest, Analytics Dashboards**, and **Automation** show a growing desire to use tech for **scale and agility**.

Priorities like **Smart Routing, Forecast Accuracy**, and **Dynamic Pricing** point to a need for **predictive intelligence**.

Strategic Insight:

Tech-led companies will lead in last-mile performance. Firms that aren't integrating AI and automation into logistics may fall behind on both cost and customer metrics.

Returns, Reverse Logistics & New Models

Returns and **Reverse Logistics** were mentioned repeatedly — signaling the **operational and financial pain** of growing return volumes.

There's also interest in **locker boxes, ParcelBox collections**, and **contract reforms**, indicating a shift toward **more self-serve, scalable models**.

Strategic Insight:

Winning in reverse logistics is no longer optional — especially in categories like fashion and electronics. Explore returns consolidation, automated inspections, and localized drop-off points.

Operational Workforce & Training

Emerging concerns around **"Labour retention"**, **"Sourcing labour"**, and **"Training of staff on new technologies"** reflect the people-side of last-mile evolution.

Strategic Insight:

Invest in upskilling frontline teams and making operations attractive in a tight labor market. Smart tech means little without a smart workforce.

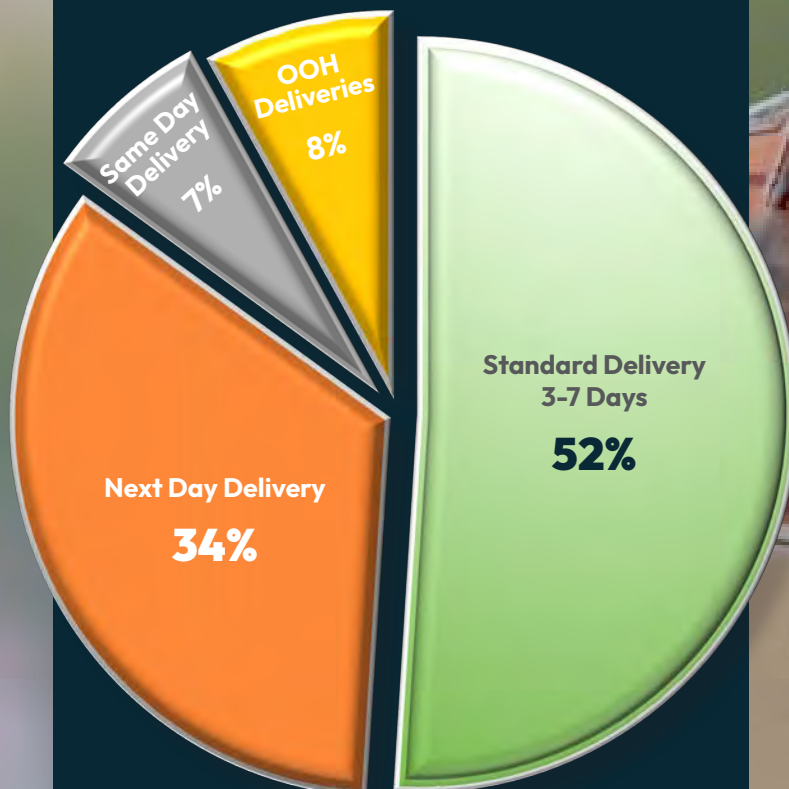
CONCLUSION:

In 2024–2025, last-mile success in Europe will hinge on an organization's ability to:

1. Cut costs not corners
2. Deliver smarter, not just faster
3. Satisfy both the customer and the climate



Delivery Choices vs. European Consumer Trends



Delivery Preference by Type



1. Standard Deliveries (3–7 Days) – ~52%

This is the **most preferred option** which aligns well with general trends in several European markets:

- In countries like **Germany, Italy, and Spain**, consumers are still highly accepting of **standard delivery windows**, especially when there's a tradeoff for lower shipping costs.
- **Sustainability concerns** are also driving this trend — slower deliveries often mean **more consolidated shipments**, which appeals to environmentally conscious buyers (particularly in **Scandinavia and Germany**).

Implication:

You can lean into eco-branding, bundled shipping discounts, and green delivery messaging when offering standard shipping in most of Europe.

2. Next Day Delivery – ~34%

This is your **second most chosen** delivery type, and it's **very competitive** in Europe:

- In the **UK, Netherlands, and Germany**, **Next Day** is often the **default delivery expectation**, especially among younger shoppers or Prime-style subscribers.
- E-retailers like **Zalando** and **Amazon** have normalized this speed, so **not offering it can be a competitive disadvantage**.

Implication:

If you're targeting these markets, make sure your fulfillment centers or 3PL partners can support next-day service, especially for fast-moving SKUs or fashion/tech items.

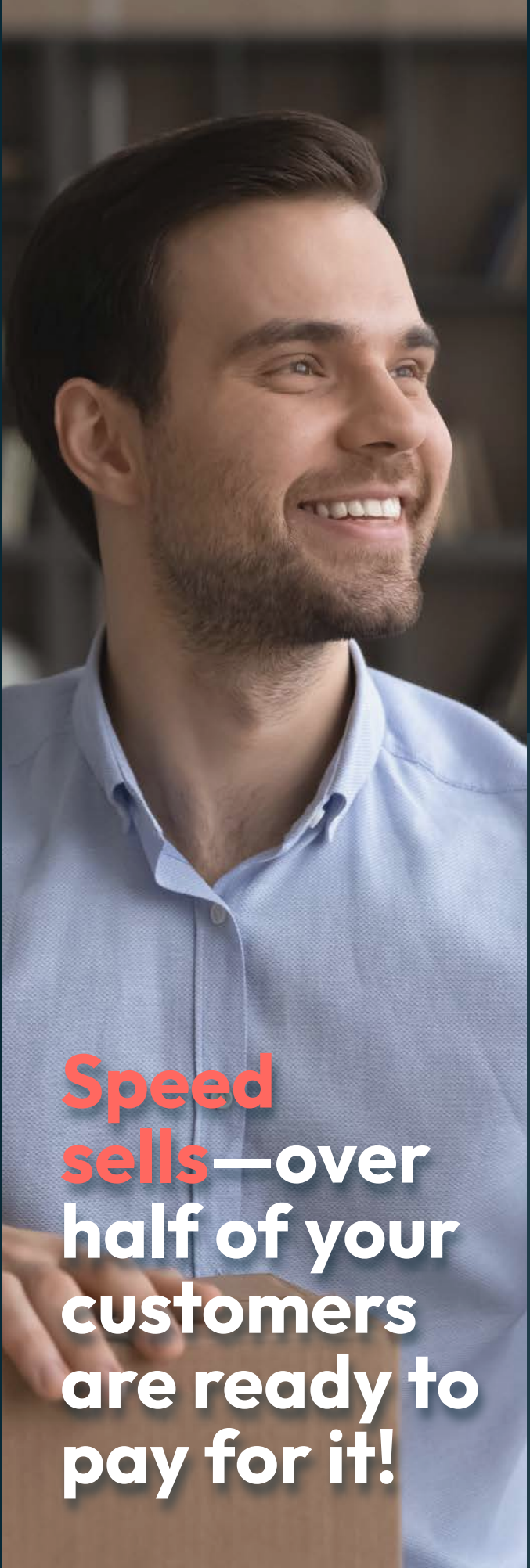
3. Same Day Delivery – ~7%

This remains a **niche preference** in your data, and that's fairly consistent with Europe as a whole:

- Same Day delivery is viable primarily in **dense metro areas** (e.g., **London, Paris, Berlin**) where logistics infrastructure can support it.
- It's usually applied to **special categories**: groceries (like Ocado or Picnic), pharma, or last-minute gift items.

Implication:

Position it as a value-added premium for select segments. Although it is only 7%, our study shows, if offered, over 50% customers will pay extra for it. This implies it is an untapped area for most businesses.



**Speed
sells—over
half of your
customers
are ready to
pay for it!**

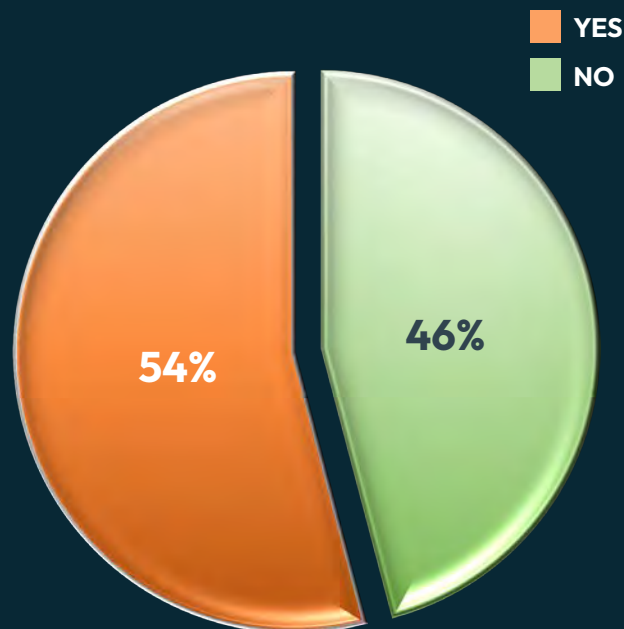
The Cost of Convenience

Overview: This section explores consumer behavior in Europe regarding their willingness to pay a premium for faster delivery services.

Key Insights:

54% of consumers responded "Yes" to paying extra for expedited delivery.

46% of consumers said "No," indicating a strong price-sensitive segment.



Summary: Consumer Willingness to Pay Extra for Expedited Delivery (2025)

Interpretation:

- A growing majority of consumers value **speed and convenience** in last-mile delivery enough to pay additional fees.
- This behavior aligns with broader trends emphasizing instant gratification and flexible delivery options. It's usually applied to **special categories**: groceries (like Ocado or Picnic), pharma, or last-minute gift items.

Implication:

Position it as a value-added premium for select segments. Although it is only 7%, our study shows, if offered, over 50% customers will pay extra for it. This implies it is an untapped area for most businesses.

Strategic Implications for Logistics/Last-Mile Professionals:

1. Opportunity for Premium Services

- Companies can develop tiered delivery models, offering standard and expedited options to cater to both segments.

2. Operational Pressure

- Faster delivery demands can strain logistics networks, requiring investments in route optimization, automation, and warehouse proximity.

3. Increased Cost Management Complexity

- Premium services often come with higher costs—balancing profitability while maintaining speed will be critical.

4. Labour and Resource Strain

- Meeting faster delivery expectations could add to existing challenges like labour shortages and fleet limitations.

5. Need for Customer Segmentation

- Not all consumers are willing to pay more—logistics must offer differentiated services without compromising on overall customer satisfaction.

Conclusion:

The shift toward convenience is clear, but it introduces a dual challenge: serving premium-demanding consumers without alienating cost-conscious ones. Last-mile professionals must adapt by optimizing service flexibility, cost-efficiency, and operational capacity.



The Smart Last Mile: Europe's AI Push

Across Europe, logistics leaders are increasingly leveraging AI to streamline delivery operations, with a strong focus on **Route Optimization, AI Chat Support, and Demand Forecasting**.

These top three use cases reflect a regional emphasis on **cost efficiency, customer experience, and predictive planning**—key priorities in navigating complex, cross-border supply chains. Notably, AI Chat Support adoption indicates a growing demand for **multilingual, always-on customer service** in diverse European markets.

Meanwhile, **Delivery Time Prediction** and **Dynamic Pricing** are gaining ground, supporting real-time expectations and flexible pricing strategies in dense urban areas. However, areas like **Fleet Management, Predictive Maintenance, and Driver Behavior Analysis** remain underutilized despite their high potential to drive long-term operational savings.

This signals an opportunity for European firms to evolve from reactive AI applications to more **proactive, integrated solutions**—building smarter, more sustainable delivery ecosystems tailored to the region's regulatory, geographic, and consumer diversity.





Route Optimization

Most adopted AI use case.

Organizations are prioritizing cost-efficiency and delivery speed through route optimization — especially critical for last-mile delivery where up to 50% of total logistics cost occurs.

Why it matters:

- Reduces fuel and labor costs
- Improves delivery success rates
- Essential for scaling up without expanding fleet

Strategic Note:

Businesses need to integrate real-time traffic data and weather conditions for smarter rerouting.



AI Chat Support

Strong second place — rising customer expectation.

AI-powered chat is enabling 24/7 customer interaction, reducing load on human agents and improving resolution speed for queries like delivery status or rescheduling.

Why it matters:

- Enhances customer satisfaction (CX)
- Frees up support teams
- Supports multiple languages, crucial in Europe

Strategic Note:

Ensure AI chat is integrated with real-time tracking and order management systems for maximum effectiveness.



Demand Forecasting

A vital back-end enabler.

AI is increasingly used to predict delivery demand, enabling better planning for inventory, staffing, and fleet deployment.

Why it matters:

- Reduces overstocking and under-staffing
- Improves warehouse throughput and cost allocation
- Helps manage seasonal and regional fluctuations

Strategic Note:

Link demand forecasts directly to supply chain triggers like vendor orders and transportation planning for greater agility.



Delivery Time Prediction

Used to manage customer expectations and drive trust. More organizations are using AI to **accurately predict delivery windows**, helping customers plan their day and reducing failed deliveries.

Why it matters:

- Boosts first-attempt delivery success
- Reduces customer complaints
- Critical for high-value or time-sensitive items

Strategic Note:

Make sure these predictions are fed back into your route optimization models — they can learn from each other.



Dynamic Pricing

Often used in B2C or multi-carrier logistics platforms. AI is helping set delivery fees based on urgency, distance, time-of-day, or available capacity.

Why it matters:

- Improves profitability and resource use
- Enables upsell of premium delivery options
- Can optimize carrier selection dynamically

Strategic Note:

Use dynamic pricing to subtly steer customers toward operationally favorable options (e.g., locker pickup, off-peak).



Emerging Areas of Adoption

Reverse Logistics:

Rising use of AI in managing returns efficiently, but still underutilized — likely due to operational complexity.

Fraud Detection:

Useful for COD orders or fake claims — an area where AI can make a big impact, but isn't yet a top focus.



Missed Opportunities

Fleet Management

Under-leveraged despite high potential for fuel savings, maintenance planning, and driver allocation.

Predictive Maintenance

Great cost-saver, especially for larger fleets, but likely limited by data availability.

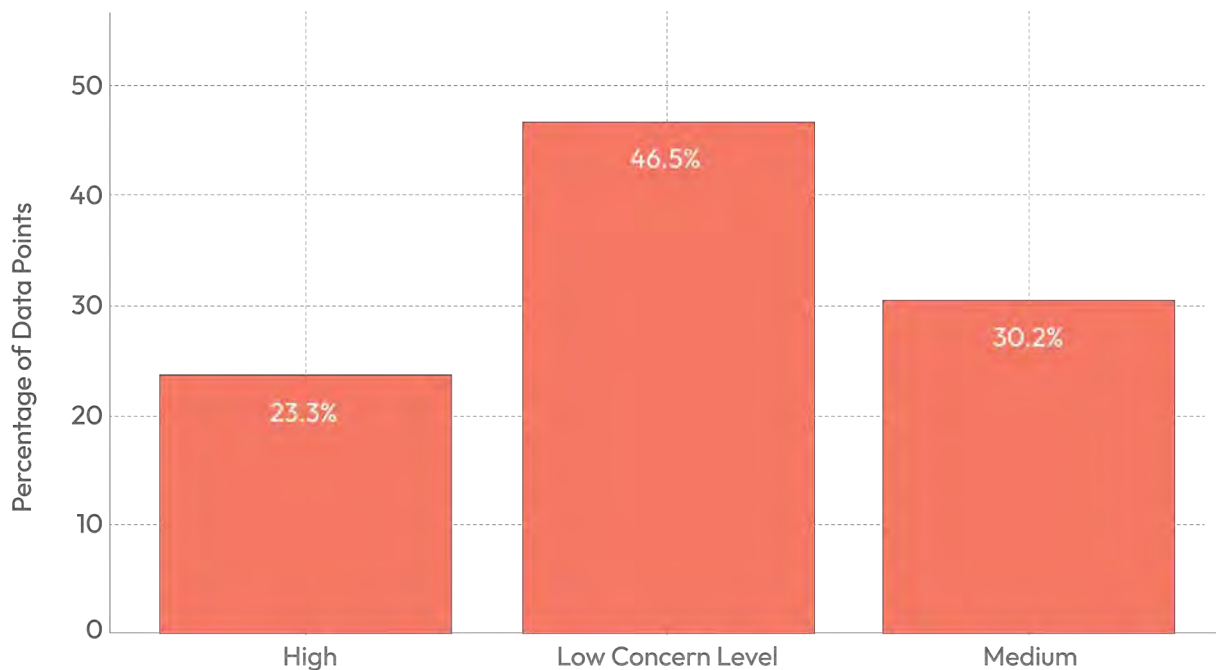
Driver Behavior Analysis

Can reduce accidents, fuel usage, and insurance premiums — may not be seen as urgent but has long-term ROI.

Tracking Trouble: WISMO Patterns Across Europe

More than 50% of customers are concerned about their order status due to poor visibility leading to WISMO calls.

Customer Concern Levels Based on 'Where is my order' Calls (%)



Implications:

Cost Consequences in Europe

1. Rising Customer Service Costs

- In Europe, support agent costs can range from **€3–€12 per ticket** depending on the country and language requirements.
- With over 50% of customers contacting support about WISMO, service queues grow, and multilingual coverage demands increase.

2. Operational Inefficiencies Across Markets

- Cross-border logistics complexity (e.g., between Schengen and non-Schengen countries) worsens WISMO issues.
- Carrier handovers and tracking gaps increase ticket volumes.

3. Higher Cost of Returns

- In countries with strong consumer protection laws (e.g., Germany, Netherlands, France), failed deliveries often convert to costly returns—with merchants typically bearing the cost.

4. Revenue Loss Due to Loyalty Drop-Off

- European consumers value reliability. Poor delivery experiences can lead to churn—especially in premium markets like the Nordics or DACH.

Customer Satisfaction Risks in Europe

Loss of Brand Credibility

- In markets like Germany or Scandinavia, expectations for delivery transparency are very high.
- Frequent WISMO issues can directly lead to trust erosion and higher cart abandonment rates.

Negative Word of Mouth & Compliance Risks

- EU consumers are protected by strict e-commerce and delivery disclosure laws (e.g., 14-day return rights).
- Frustrated customers often leave poor Trustpilot or Google reviews, impacting SEO and acquisition costs.

Cross-Market Experience Fragmentation

- Inconsistent tracking experiences across countries hurt pan-European expansion strategies.
- Unified customer satisfaction becomes difficult, especially for marketplaces or D2C brands scaling fast.

Low Net Promoter Score (NPS)

- European shoppers are quick to penalize brands that overpromise and underdeliver, leading to lower NPS and fewer referrals.

Recommendations:

Here are some recommendations for each bucket that can help address the problem of high WISMO calls.

Low Concern (0–10%)

Strategy: Maintain performance

Recommendations:

- Keep delivery times predictable and consistent.
- Use proactive communication (e.g., SMS/email updates at each delivery stage).
- Offer live tracking to reassure customers.

Medium Concern (11–25%)

Strategy: Optimize communication & tracking

Recommendations:

- Review tracking clarity—ensure it updates in real time.
- Use estimated delivery windows instead of just dates.
- Add a **"Where is my order?"** self-serve button in your app or site.

High Concern (26% and above)

Strategy: Urgent operational fixes

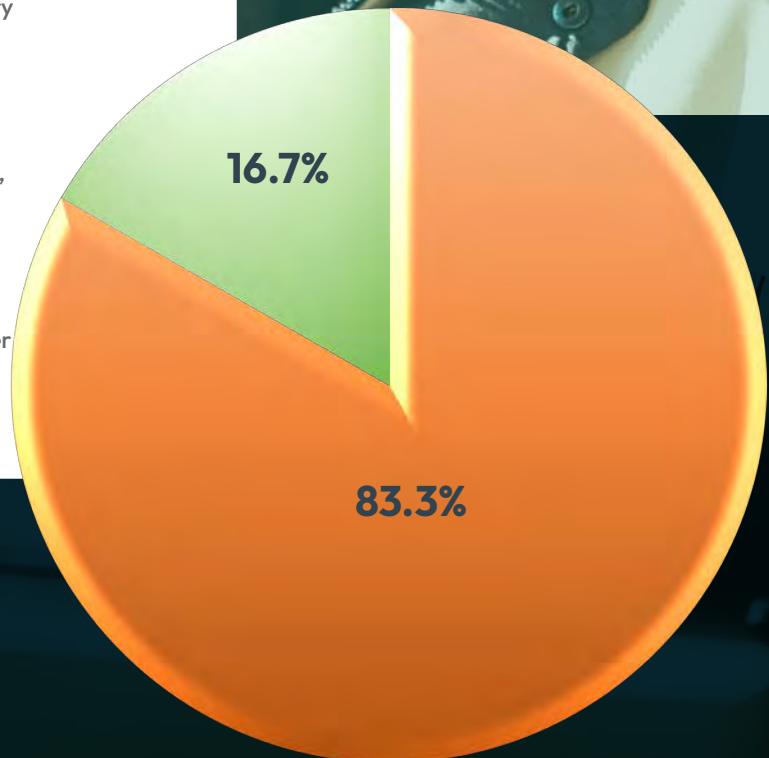
Recommendations:

- Audit carriers or routes with delayed or inconsistent delivery.
- Introduce delivery confirmations via WhatsApp/SMS with real-time status.
- Offer compensation or loyalty perks for delayed orders.
- Assign customer support agents to actively monitor high-risk deliveries.

Green Goals, Red Flag Realities

Contrary to popular assumptions, green delivery has not yet gained traction among most European businesses—a surprising reveal from recent data. Only 16.7% offer eco-friendly delivery slots, while the vast majority (over 80%) do not. This highlights a significant gap between sustainability expectations and actual last-mile practices, driven by operational and strategic challenges.

- **83.3%** of businesses do not offer green delivery windows.
- Only **16.7%** currently provide customers the option to choose environmentally friendly delivery time slots (e.g., consolidated deliveries, off-peak slots).
- This reveals a significant gap in sustainable logistics practices, especially as consumer and regulatory pressure grows in Europe for greener e-commerce operations.



Green Delivery Slot Offering Among Businesses

■ Offering Green Delivery ■ Not Offering Green Delivery

Why **Green Deliveries** Aren't Taking Off

Operational & Infrastructure Limitations

1. Lack of Delivery Slot Control

- Many businesses outsource last-mile delivery to carriers who don't offer slot-level flexibility or green options.

2. No Real-Time Logistics Platform

- Without advanced delivery scheduling and routing tech, it's hard to consolidate orders or optimize for eco-efficiency.

3. Insufficient Delivery Density

- In rural or low-volume areas, green deliveries (e.g., batch shipments or slow routes) may not be practical or cost-effective.

Cost & Profitability Concerns

1. Higher Upfront Investment

- Adopting green delivery often requires new partnerships, fleet upgrades (e.g., EVs), or software — all of which add cost.

2. Low Customer Uptake Perception

- Some businesses assume customers prioritize speed over sustainability and fear low adoption of eco options.

3. No Immediate ROI

- Green delivery benefits are long-term (brand, regulatory, ESG reporting), while the short-term impact on revenue is unclear.

Strategic or Organizational Barriers

1. Lack of Internal Sustainability Mandate

- Without a top-down ESG or carbon reduction goal, green logistics may not get prioritized.

2. Limited Checkout Customization

- Businesses using templated platforms (like standard Shopify setups) may lack the flexibility to present eco-slot options.

3. Fragmented Tech Stack

- Poor integration between order, delivery, and carrier systems makes implementing smart slot logic difficult.



Recommendations:

Introduce Green Delivery Options

- Implement flexible windows (e.g., "Eco Slot") where deliveries are grouped to reduce vehicle emissions.
- Offer incentives like small discounts or loyalty points for choosing green slots.

Educate Consumers

- Highlight the environmental benefits of slower, consolidated deliveries at checkout.
- Use labels or icons (e.g., leaf symbol) to signal greener choices.

Collaborate with Sustainable Carriers

- Partner with logistics providers that offer **electric vehicle (EV) fleets, bicycle deliveries, or CO₂-neutral logistics.**

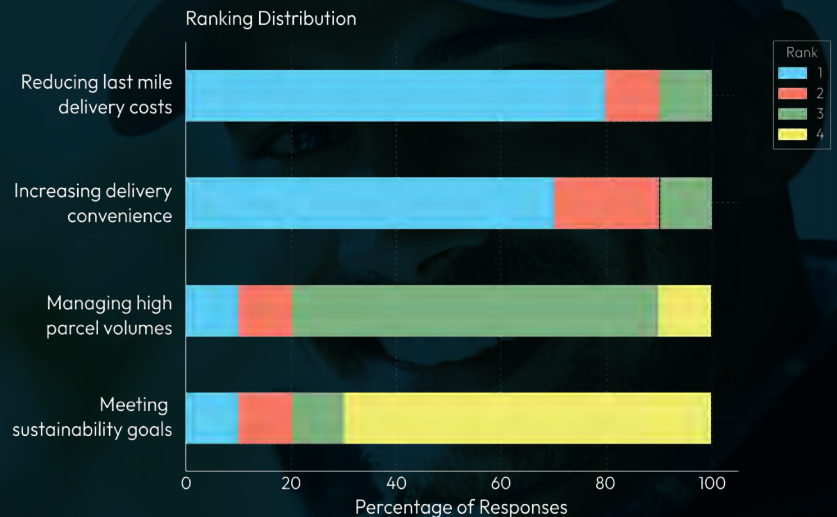
Track & Report Sustainability Metrics

- Publicly report how many orders were fulfilled via green slots to demonstrate commitment.
- Use this data to engage ESG-conscious customers and investors.

Cost Over Carbon: What Really Drives OOH Growth in Europe

EU Locker Logic:
Europe's Real
Priorities
in Last-Mile Delivery

Parcel Locker/OOH Delivery Trends



1. Reducing Last-Mile Delivery Costs (Top Priority Across Europe)

- Despite Europe's focus on sustainability, cost efficiency remains the undisputed driver of OOH/parcel locker adoption.
- High labor costs, fragmented cross-border logistics, and urban congestion make cost-cutting critical for profitability.

2. Increasing Delivery Convenience (Valued but Not Dominant)

- Ranked consistently in the middle tiers.
- European shoppers value flexibility (e.g. lockers open 24/7), but convenience alone isn't compelling enough to drive investment.
- Especially relevant in urban centers like Paris, Amsterdam, or Berlin with dense delivery zones.

3. Managing High Parcel Volumes (Important in Seasonal Peaks)

- Seen as a lower priority overall, but likely spikes in relevance during Q4 or Black Friday/Cyber Monday peaks.
- Parcel locker networks in countries like Poland or the Nordics often expand to absorb these seasonal surges efficiently.

4. Meeting Sustainability Goals (Strategically Underweighted)

- Surprisingly ranked lowest—even in sustainability-forward regions like Scandinavia or the Netherlands.
- Indicates a **disconnect between long-term green commitments and short-term operational priorities.**
- Brands may still be relying on carbon offset programs rather than structurally reworking their delivery models.



Summary

- **European logistics leaders are investing in OOH/lockers primarily to control cost, not to signal sustainability.**
- **There's an opportunity to realign green goals with delivery innovation—especially as regulations tighten (e.g., EU Green Deal, low-emission zones).**
- **Governments or carriers that subsidize sustainable delivery infrastructure may help elevate its ranking over time.**



Locker Lag – What's Slowing Expansion of OOH Deliveries

Out-of-Home (OOH) and parcel locker networks are gaining traction across Europe, but scaling them is far from straightforward. Despite their promise of cost savings and sustainability, companies face critical roadblocks—ranging from customer resistance to operational integration. Securing the right locations, ensuring seamless tech compatibility, and driving user engagement remain persistent challenges. Understanding these pain points is essential to unlocking the full potential of alternative delivery models.

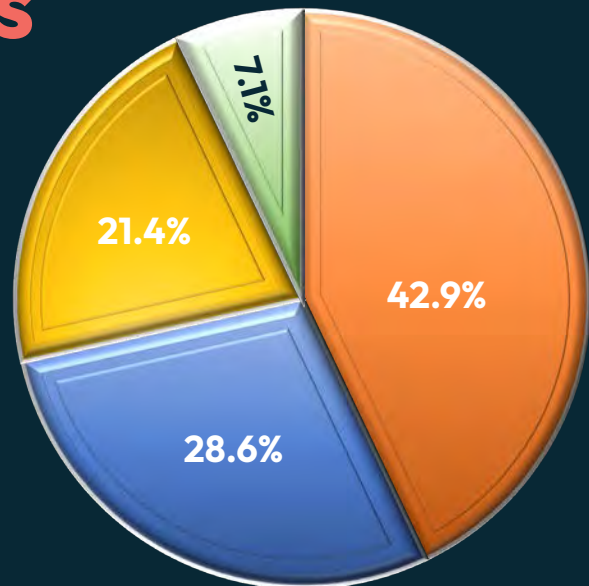
Key Findings

1. Low Customer Adoption & Usage Rates (42.9%)

- This is the most cited challenge, underscoring a major gap between infrastructure investment and customer behavior.
- In Europe, where OOH delivery is growing rapidly, adoption lags may result from lack of awareness, complicated user flows, or insufficient incentives.
- Suggests a need for education campaigns, UX improvements, and rewards for locker usage.

2. Securing Prime Real Estate for Lockers (28.6%)

- Urban zoning laws, property rights, and dense cityscapes make physical placement difficult.
- Retail partnerships and city collaborations (e.g., with municipal transport hubs) may be key enablers.
- This challenge is particularly pronounced in cities like



Main Challenges in Scaling OOH And Parcel Locker Networks

Paris, Milan, and Amsterdam where space is limited and regulated.

3. Integration Issues with Multiple Carriers (21.4%)

- As Europe has a fragmented last-mile ecosystem, seamless API and data integration remains a hurdle.
- Locker networks need to function cross-carrier—especially for marketplaces and multi-vendor logistics providers.
- This indicates a strong case for interoperable standards and carrier-agnostic platforms.

4. Other Challenges (7.1%) – Customer Expectation

- Though minor in volume, mentions of unmet customer expectations hint at **experience gaps**: such as limited locker availability, unclear instructions, or failed notifications.
- These “soft” issues can still derail adoption if not addressed at scale.

Implication for Europe

- The commercial viability of OOH and locker networks depends on solving both technical and human behavior challenges.
- Operators must balance infrastructure growth with user engagement strategies.
- Governments and city planners could play a more active role in easing real estate and compliance constraints.

Locker Leap – Boosting Out-of-Home Adoption

1. Drive Customer Adoption

- Incentivize first-time use (e.g. discounts, loyalty points).
- Offer live demos or tutorials in apps/web to demystify the locker process.
- Embed OOH options more prominently in checkout—default or recommended choice.
- Run localized awareness campaigns in areas with new locker installations.

2. Solve Real Estate Challenges

- Partner with retail chains, petrol stations, supermarkets, or public transport hubs to co-locate lockers.
- Collaborate with municipal authorities to gain access to underutilized public spaces.
- Explore modular, movable locker units for pop-up or seasonal expansion.

3. Improve Carrier & Platform Integration

- Invest in open API ecosystems to onboard multiple logistics providers easily.
- Use white-label locker networks that support cross-carrier usage.
- Build a single unified tracking experience—even across multiple carrier backends.

4. Address Trust & Reliability

- Install lockers in safe, well-lit, and monitored areas.
- Ensure 24/7 CCTV monitoring, maintenance response SLAs, and visible support numbers.
- Provide real-time locker updates to customers via email/SMS/app

5. Align with Sustainability Messaging

- Position locker delivery as the “greener” default—highlight lower emissions per package.
- Provide eco-badges at checkout when customers choose OOH delivery.
- Collaborate with sustainability influencers or programs to reinforce this benefit.



First Choice for Last Mile

www.fareye.com

Eye On The
Last Mile 4.0

EUROPE EDITION 2025 —