



# Oasis of Opportunity:

## Last Mile Delivery Guide for Middle East's Bottled Water Companies

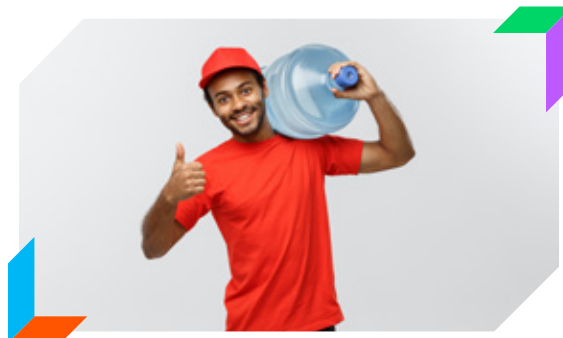


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# Introduction



The bottled water industry is a very lucrative business in the Middle East, since there is demand for water and the scarcity of water makes it all the more. According to research, the [Middle East bottled water market size](#) reached a value of \$ 20.23 billion in 2021 and is said to reach \$ 33.1 billion by 2027.

However cracking the code towards sustained growth is a different story altogether: competition is fierce and product differentiation is limited. This makes it an exceptional customer experience through world-class fulfillment.

However, this step is fraught with challenges due to the industry's reliance on manual processes to tackle key logistics challenges.

This whitepaper explores the prevailing challenges in last-mile logistics in the water distribution sector within the Middle East and the innovative solutions that companies can adopt to overcome them. These insights will enable key decision makers to adopt strategic and technology-driven initiatives for ensuring efficient and sustainable water delivery operations.

# Challenges Faced by Water Distribution Companies in the Middle East

## Reliance on Manual Processes

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Even in the digital era, some bottled water manufacturers still follow the coupon system in the Middle East. Customers purchase a booklet of coupons worth the bottle and provide at the time of delivery to the driver which is inefficient and error ridden, since paper coupons can be misplaced, reprinted, etc. A digital solution should eliminate any sort of errors.

Similarly, when it comes to fulfillment, many water distribution companies are reliant on outdated logistics systems, causing inefficiencies and increasing the potential for errors in the distribution process. Since the supply chain process is a complex one, the problems involved would be just as complex. Some of current logistics challenges include:

### Inefficient routes



Routing challenges like fuzzy customer addresses can pose problems to drivers and on-ground constraints like traffic and road conditions make it more difficult for carriers to deliver. According to a study, 70% of customers are ready to pay extra for faster delivery. That's a lot. Shippers are missing out on opportunities here due to lack of robust routing solutions that can optimize routing operations for them.

### Pilferage and vehicle idling



One of the major concerns for purified water bottle manufacturers is pilferage. Manufacturers are not able to get the count of bottles that were pilfered and there is no way to track where they were lost and when. Vehicle idling time is another concern for shippers, as idle time spent at the warehouse due to manual sorting of packages will increase delivery time and decrease driver morale. Adopting smart technology is the first step in gaining visibility of pilferage and reducing time under the roof.

## The Emission Situation



Most countries in the Middle East have committed to net zero carbon emissions by 2050, in line with COP26's agenda. It's not just the UN that is jogging towards a CO2 free world, according to a study by PWC, 60% of customers in the Middle East make purchase decisions keeping sustainability in mind.

As customers' interest towards online shopping and home delivery increases, businesses should implement strategies to deliver goods on-time while keeping carbon emission at the minimum. This is not an easy feat, considering most of the addresses and roads in the Middle East aren't easy to navigate, leading to more time on the road and more CO2 emissions. However, the latest revolutionary logistics technology solutions have the capability to decrease emissions by a significant margin across operations.

## Demand Surges



The Middle East is marked by rapid urbanization and population growth, leading to increased water demand. This fluctuating demand makes it difficult for companies to forecast and meet consumers' needs, leading to inefficiencies and service disruptions. Managing capacity while accommodating for huge customers orders can be challenging. Shippers without the capabilities to manage this demand likely drop the order or fail to deliver since their capacity management is a mess. The only way forward is to adopt a robust last mile delivery technology that supports smart capacity planning to ensure there are enough drivers at any given time to meet the necessary demand.

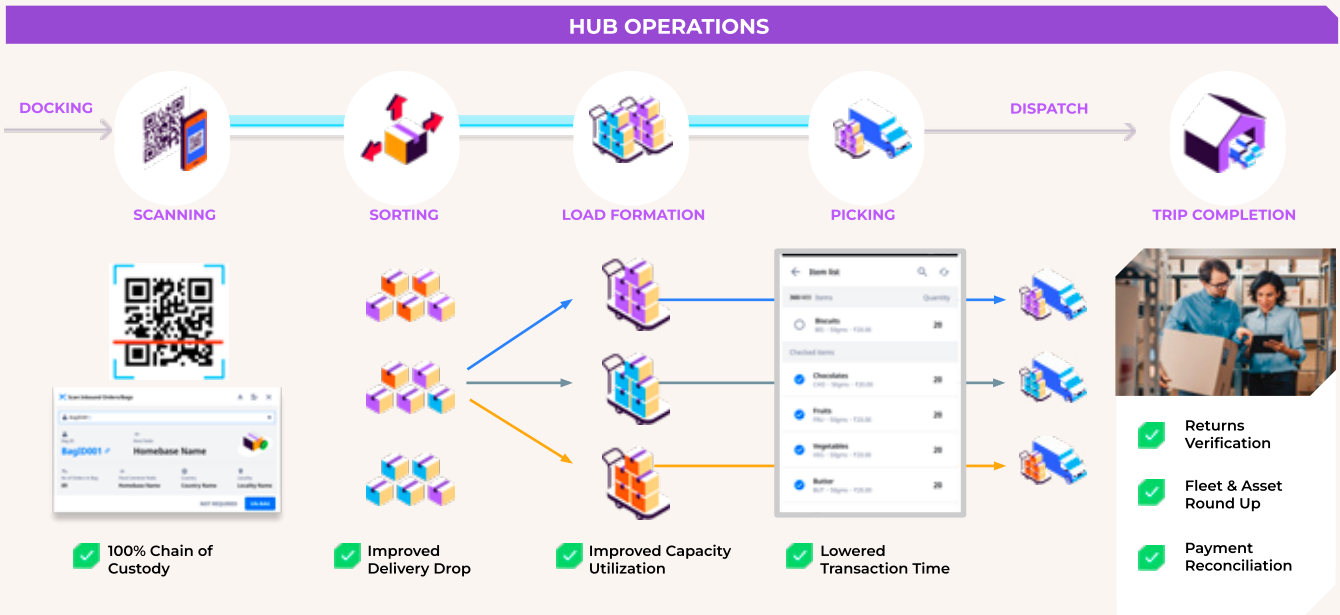
# The Path to Success lies in Technology Adoption - The Locus Solution

Last mile industry challenges have become more complex as time has passed but so has the advancement in last mile technology. Revolutionary technology has made legacy systems obsolete, paving the way for transparent and lucrative last mile operation for businesses. Let's look at how Locus' dispatch management and customer experience platform can make a difference for packaged drinking water companies in each operation/process of supply chain:



## Warehouse/distribution center

The warehouse or distribution center is where most of the supply chain activities like order management, planning capacity and route planning happen. Now let's dive into how Locus' customer experience and dispatch management system can help water manufacturers achieve last mile excellence:



### Scanning

Decrease time under the hub spent by vehicles with first in and last out loading operations via automated load balancing and sorting. Scanning also helps with getting a count of total goods against lost/pilfered units for better visibility and cost estimation.

## Capacity Planning



An automated capacity planning solution can help water manufacturing companies to manage their fleet better with automated driver and vehicle assignment. With an intelligent capacity planning system, it is possible to plan your capacity ahead of time for uncertainties like: driver time off, sick days, holidays, etc. An efficient capacity management system can also help you save on cost of fuel, cost of additional resource deployment and most importantly, it can help you do more with less.

## Routing



Locus' prime route management features like dynamic and on-demand routing and smart geocoding can optimize and automate the routing operations for companies, leading to better last mile performance. Let's look at how these features work:

## Geo-coding

Convert fuzzy customer address to precise latitude and longitude coordinates to reduce failed deliveries. There are times when locations are not clear addresses which can cause confusion and delays in delivery. With a smart geocoder, the routing system can decipher the fuzzy customer addresses and provide the delivery partner with the precise Latitude and Longitude coordinates to make the delivery.

That's not all. Many cities in the Middle East have skyscrapers and apartments with multiple entrances, and commercial vehicles and deliveries are only allowed at a designated entry. Precious minutes are lost when delivery people are forced to figure out the right entrance which are not highlighted by traditional navigation systems. However, with smart geocoder integrated with the navigation system, drivers would be navigated to the right entrance, thereby reducing fuel cost and time to deliver.

## Dynamic Route Optimization and On-demand routing

Optimize routing, by providing drivers with optimal routes by factoring in 180 real world constraints. On-ground constraints like traffic, closed roads, accidents, and more can serve as literal roadblocks for the delivery team. With Locus' route optimization solution, dynamic routing option can help dispatchers accommodate and assign orders while considering multiple real world variables and chart out the most economical and fastest route for delivery. On-demand routing can accommodate orders on the go without compromising existing orders by pre-checking vehicle capacity, or carrying excess to cater to ad hoc orders or find nearby trucks with additional stock and if all else fails, make a run back to the warehouse and notify the customer of the delay.





## On Road Operations:

Once the vehicles are out for deliveries, manufacturers need to keep track of their fleet and drivers to make sure the fulfillment journey is a success and that SLAs aren't compromised. Here's how solutions like Locus can help companies optimize post dispatch operations:

### Driver Companion App



Locus' dedicated app empowers your drivers to make more deliveries in a single shift. Drivers can access their daily tasks, locate addresses with the help of a built-in navigation system into the app that provides turn-by-turn navigation and helps them get proof of delivery digitally. Every action taken on the companion app is notified to the last mile dispatcher on the DMP system for enhanced visibility. This greatly reduces driver churn related to additional work or unjust performance evaluations. As mentioned above, visibility of pilferage units is one of the biggest challenges for manufacturers, and electronic proof of delivery can increase visibility of count as compared to manual /paper-ridden processes.

### Control Tower



The Control Tower is a single point to track your fleet in real time to reduce delivery concerns while on the road. Once your fleet leaves your facility, most of the communication that needs to go would typically go via a phone call from dispatcher to the driver regarding changes in delivery location, time, etc. However, marketing-leading last-mile technology gives the dispatcher the ability to gain active control over the fleet during any point of the fulfillment journey. Dispatchers can reroute the fleet to the intended destination without any phone or message. The control tower module also helps dispatchers track any anomalies like, unscheduled halts and route deviations to make sure SLAs aren't compromised.





## Customer Experience

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Given that the scope for product differentiation is limited, customer experience should be the prime concern for manufacturers. Implementing solutions that are customer centric will help manufacturers in a variety of ways from increasing revenue to loyalty. Here how Locus' help manufacturers deliver better customer experience:

### Tracking Page



Customers want to track their order from the moment they place the order. A cutting edge dispatch management platform can provide customers the ability to track their package via the tracking page, and send automated notifications on delay and provide real time turn-by-turn navigation for increased transparency.

### Delivery Linked Checkout



Customers want convenient and flexible delivery. Meaning, they want orders to be delivered within a day or even a few hours. Most customers want multiple delivery windows based on their needs. If they don't find this option at the checkpage, they will likely move out and not return. Most customers even consider time slots as a priority when ordering. Locus Dispatch Management Platform can help manufacturers cater to one day delivery timeline by planning capacity in advance by auto allocation and adding smart routing to the mix on-road constraints aren't going to be a challenge. Manufacturers can also gain insights on customers' preferred time slots via past purchase data/patterns and leverage that to provide better customer experience and charge a small fee for the premium slot option.

Returns and cancellations are also something that customers are keen on. Locus' capacity led solution can optimize routing and capacity so that returns and deliveries are made by the same vehicle/resource without the need for deploying additional resources, leading to decreased emissions, and fuel costs. Eco-friendly customers can also choose sustainable shipping options at the checkout page.

## Advanced Analytics



Any data without insights is useless. Cutting edge dispatch management platform can help convert on-ground post execution data into actionable insights in the form of dashboards which consists of multiple KPI metrics like, cost, fuel consumption, SLAs, delivery time, capacity, CO2 emissions and more.

## Sustainability



Provide sustainable routes to reduce CO2 emissions and appeal to eco-friendly customers. An intelligent Dispatch Management solution can help companies enhance routing, providing drivers with the fastest route possible for delivery. And help plan capacity and predict the exact capacity required to make deliveries successful, thereby reducing the chances of miscalculations and redeployment of fleet which will result in significantly less CO2 emissions. Another benefit of leveraging a robust DMP is seamless reverse logistics. A smart dispatch management system can club forward and reverse logistics so that a single resource would be deployed for both and hence will reduce empty miles and carbon emission. By leveraging Locus' last mile solution, manufacturers can even set up a sustainable slot for eco-friendly customers to choose at the checkout page.

# Non- Technical Strategies



Tech is crucial for success for any business process. However, there are things that tech alone may not be able to handle. Non-technical aspects of business need external factor influence and the human touch.

- **Infrastructure Development:** Collaborating with governments and international agencies can lead to increased investment in infrastructure development, thereby enhancing the distribution network.

- **Partnerships and Collaborations:** Engaging in partnerships with local communities and businesses can provide insights into regional nuances and needs, helping to tailor delivery processes and build sustainable supply chains.
- **Regulatory Compliance:** Establishing a robust compliance structure can help navigate regulatory challenges and reduce risks associated with unpredictability.
- **Smart Digital Marketing Strategies:** Gaining an edge in a market where the chances for product differentiation is slim to none is challenging to say the least. However, the way these products are marketed could give the companies an edge over their competition. According to a PWC study, 72% of Middle East customers shop online. Targeting these digital savvy customers with smart marketing campaigns can help new and small water manufacturing companies gain a competitive edge over industry titans.

## Conclusion

Last-mile logistics in water distribution in the Middle East, while fraught with challenges, presents significant opportunities for growth and innovation. Since the chances of having an edge over your competition with respect to product is lean, however, by delivering stellar services which includes faster and flexible delivery options, manufacturers can bridge the product USP gap and improve customer experience. As mentioned above, in order to provide top tier delivery services, fulfillment processes must be optimized and adopting battle tested last mile solutions gets one step closer to last mile excellence and customer delight.

## Recommendations



By integrating the solutions outlined in this whitepaper into their strategic planning, water distribution companies can overcome the complex challenges of last-mile logistics in the Middle East, thus ensuring a sustainable, efficient, and effective delivery of this essential resource.

# Why Locus?

Locus has been working with leading water distribution brands to optimize their last mile delivery endeavors by optimizing routing and tracking and helping them adhere to their promised SLAs and improving customer experience and saving cost. If your fulfillment operations are lagging due to inefficient routing, tracking, capacity planning and more, it would be well worth your time to take a quick look at what Locus can do for your organization.

## Book a demo

On-demand routing	Logistics cost saved	Optimized deliveries
<30 seconds	+\$275 million	+\$850 million

## Sources

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Locus is a leading-edge technology company dedicated to solving the most challenging all mile problems in global logistics.

**1020m+**

Total  
deliveries optimized

**12m+ kgs**

Reduction  
in GHG emissions

**\$288m+**

Savings  
in logistics costs

**GROWTH,  
DELIVERED.**

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