



## 5<sup>th</sup> Conference on Sustainable Urban Mobility Virtual CSUM2020

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# The rise of the on-demand warehousing: Is the Greek market ready for this change?

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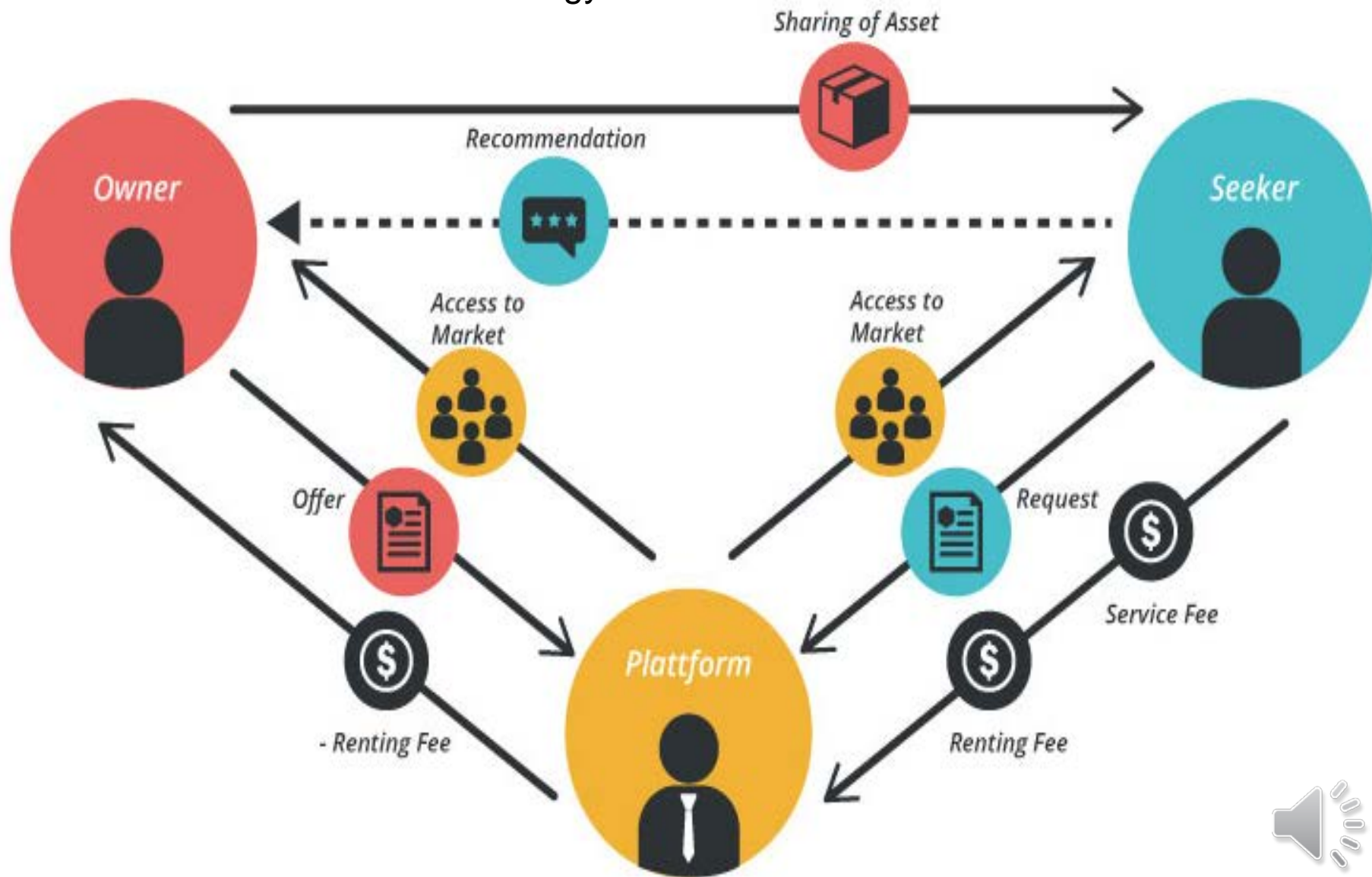


# Main Challenges in Logistics and Supply Chain Management

- The rise of the **e-commerce** brought significant changes on how the companies respond to their customers. In Greece there are more than 3.2 million online shoppers, sales grow up 25% since 2016.
- The result is continuous need for **instant deliveries**
- Increase on e-business and time-sensitive customer requirements created the need for **“on-demand”** logistics concepts
- In EU, the on-demand deliveries are noticed to be one of the fastest growing on demand logistics sectors with an increase of the customer’s participation in 2017 up to **110% and total spending to \$8.2 billion**
- On-demand deliveries are required to be responsive and fast, some orders are dispatched at **very low utilization levels**
- Many companies are struggling from extreme **volatility and high seasonality**, facing difficulties to adapt



## Collaboration enabler: The technology



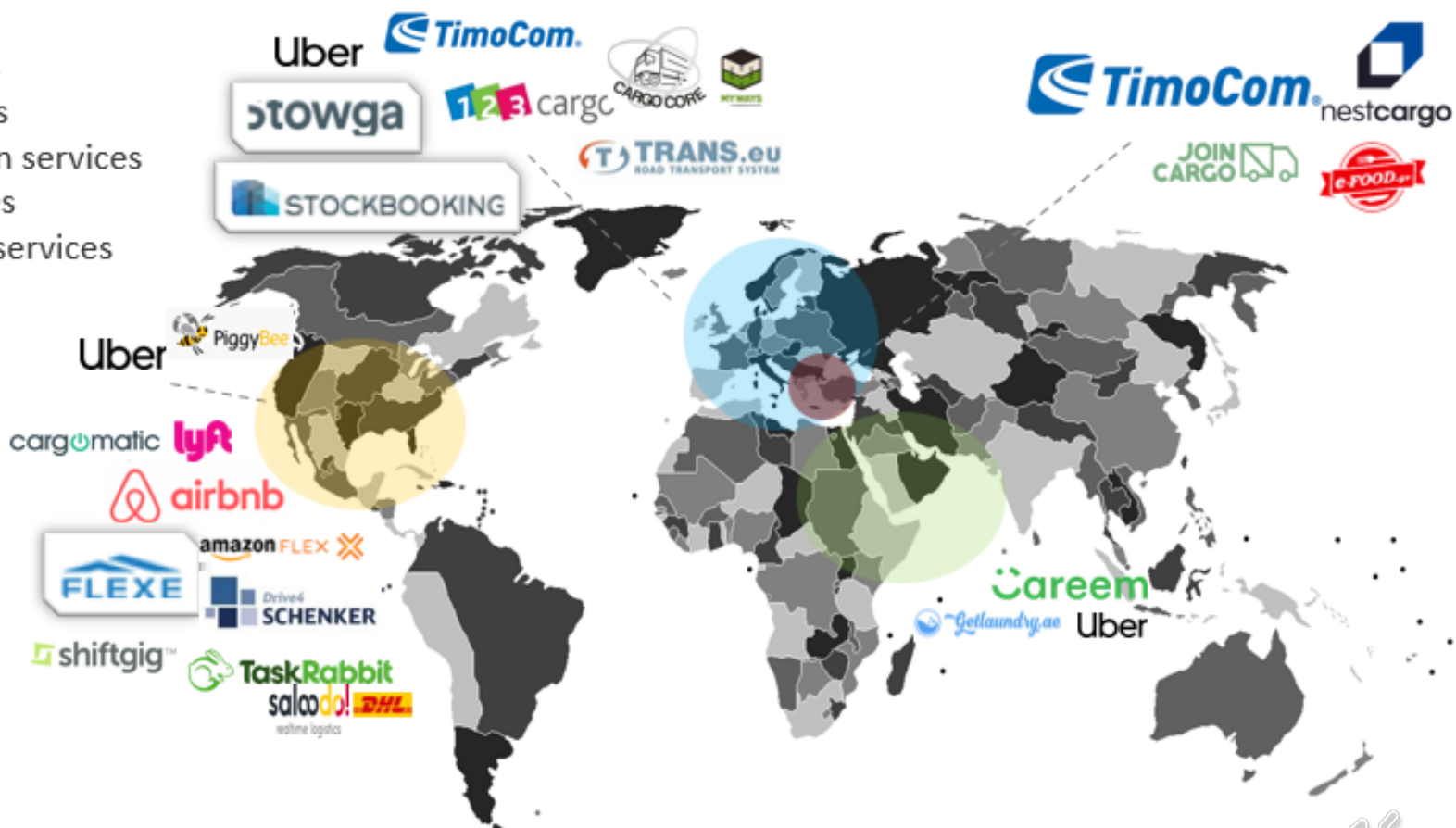


# On demand & shared economy: The new upcoming trend worldwide

- Freight services
- Staffing services
- Accommodation services
- Laundry services
- Entertainment services

Recently...

Warehousing services!!





# The concept of on-demand warehousing

## Challenges

- ✓ need for flexible, short-term warehouse space across a fast-paced capacity-crunched supply chain
- ✓ Demand volatility
- ✓ Products with high seasonality
- ✓ Lack of visibility of available warehousing facilities for efficient supply chain planning
- ✓ Increased warehousing fixed costs
- ✓ Traditional warehousing consists of long-term contracts, high risks of failure
- ✓ Difficulty to find the optimum solution
- ✓ Time consuming process

## Benefits

- ✓ Agility
- ✓ Flexibility (short-term contract)
- ✓ Responsiveness (dynamic distribution & instant deliveries)
- ✓ Seasonal inventory reduction
- ✓ Profits (turn fixed costs into variable)



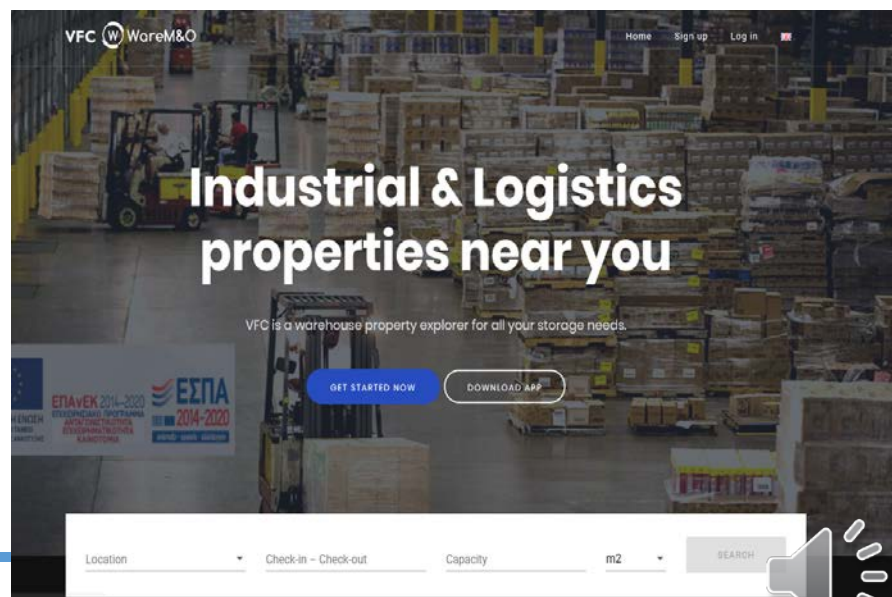
# The knowledge gap of Greek market

## Virtual Freight Center (VFC) – Constraints for Greek market

- ✓ Economic crisis and deep recession delayed the emergence of on-demand logistics trends
- ✓ Lack of high standard facilities for the provision of high level logistics
- ✓ Greek stakeholders are familiar with on-demand services in other domains (Airbnb)
- ✓ In Logistics and Supply Chain industry, there are existing on-demand platforms in freight transportation which constantly gain market share (Timocom, Freights)
- ✓ **No popular solutions for on-demand warehousing**

## Main philosophy of Virtual Freight Center

- Cooperative warehousing solutions for maximizing **load factor** and **profits**
- Offer **flexible** on-demand warehousing rental services
- Virtual Freight Center developed for **connecting in real-time**, users that are in search for warehouse space (**demand**) with others that have excess or underutilized warehouse space (**supply**) through a single access point, a digital platform





## Research Questions:

1. Is the Greek market mature enough to adopt shared warehousing solutions?
2. How do the private actors respond to the potential operation of an on-demand warehousing e-marketplace in Greece?
3. Which are the most preferable functionalities of such an e-marketplace and by which criteria would a Greek logistician choose such a tool?





## Research methodology

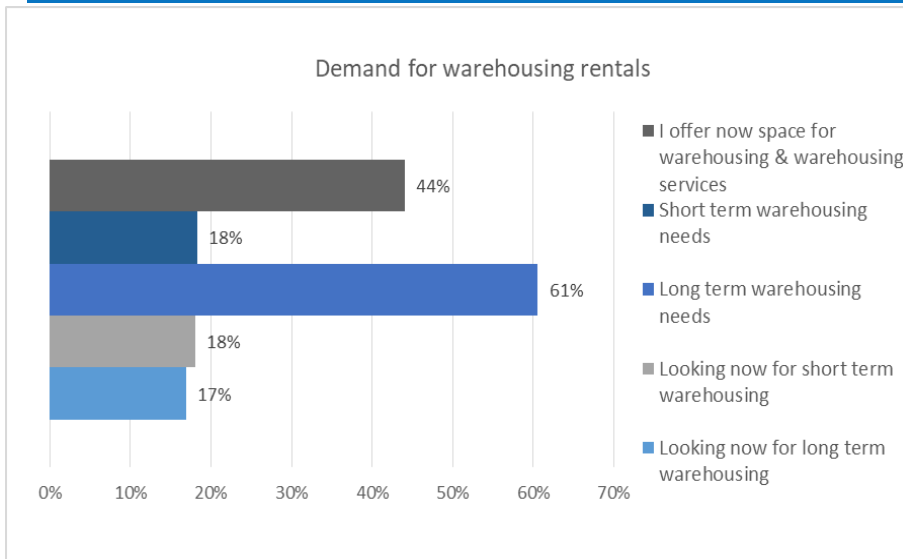
- The methodology consists of 3 different pillars
  1. An **expert group meeting** participating 15 logistics field experts from different business sectors
  2. Dedicated **questionnaire survey** among several business sectors separated in two parts:
    - a) Data collection about warehouses in Greece
    - b) Willingness to adopt on-demand warehousing solutions
  3. Comprehensive **mapping and desktop analysis** of the Greek market in terms of warehousing



# Findings for on-demand warehousing in the Greek market

## Sample's main characteristics:

- 90 responses from 69 Greek dominant companies
- Different business sectors (Industrial & Manufacturing 58%, 3PL 30%, Retailers, Transport operators & Supply Chain 12%)
- Only 6% of the sample do not operate a warehouse and is in search for the appropriate facility
- 140 warehousing facilities were documented, where approximately 65% of them were big facilities with more than 2500 m2 capacity

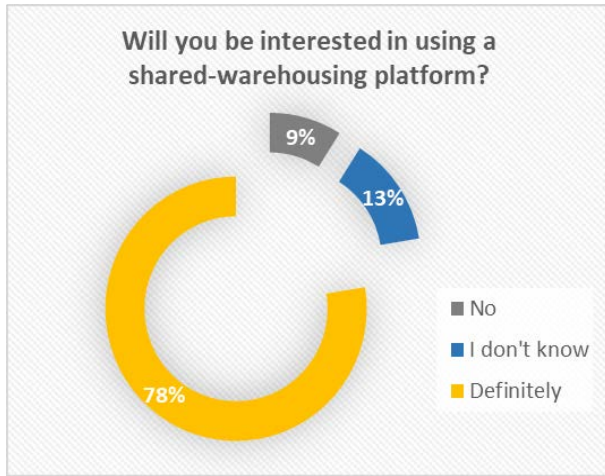


## There is existing demand for warehousing facilities!

- ✓ 35% are looking for short-term or long-term warehousing
- ✓ 44% offers space or/and warehousing services (excluding 3PL companies)



# Main findings about the interest for shared warehousing solutions and the VFC



Great interest in using on-demand warehousing platform !



Lack of readiness is noticed

Lack of consistency. Main reasons:  
vast majority of non-positive answers are highly connected with the **load factor** of the companies' warehousing facilities. (up 86% load factor)  
**lack of clear understanding** on the main benefits and potential impact of the VFC on a company's logistics operations





# Findings: the main user requirements and criteria for making the VFC attractive to the Greek Market

## Most favorable user requirements

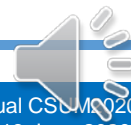
- Dynamic and constantly growing **database of warehousing repositories** (47%)
- Tool that provides quick and easy **finding of the right warehouse space in the appropriate cost** (43%)
- Quick and easy **match the demand and supply** of warehouse availabilities or warehouse services (37%)
- **observatory of prices** of services and warehouse locations (35%)

## Selection criteria

Ease of use

WMS/ERP  
connectivity

Cost of service





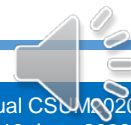
# Conclusions and future research

## Conclusions:

1. Greek stakeholders seem to be very interested in using a shared-warehousing plat-form
2. Less willing to implement such solutions to their daily business
3. Greek market is open to digital changes
4. warehouse load factor seems to be directly connected with the stakeholders' willingness to adopt shared warehousing

## Areas for future research:

1. Which are the implications of on-demand warehousing solutions to the urban environment?
2. How the cities would response to minimize the potential negative externalities of exploitation?



THANK YOU !!

# Contact Details

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