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The role of 'influencers' as drivers of a more sustainable urban freight sector



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There are a number of stakeholders that only interact indirectly with the urban freight system, but have an interest in the sustainable development of the urban area. These stakeholders, such as property owners and public procurement organisations, can have a considerable influence on the way the freight carriers operate. The study described in this article explored the influence these stakeholders have and how they may use it to drive towards a more sustainable urban freight system.

The urban freight system (UFS) and its supply chain is made up of two main groups. One group can be called key players or actors and are organisations that actively participate in the system. The other group can be called stakeholders and are organisation that have direct or indirect interest in urban freight, but might not directly be participating in the urban freight system. Some examples of stakeholders are business improvement districts (BIDs), facility management companies (FMCs), property owners and public procurement organisations (PPOs). Although these organisations are not directly involved, they have a lot of influence on system (e.g. by providing guidelines or rules for delivery practices, control access to freight-related infrastructure or regulate the type of delivery vehicle and time of delivery).

These organisations have an influence on the types of services the system can provide in certain areas and at certain times. They are more likely to engage in sustainability-related issues, such as air quality and greenhouse gas (GHG) emissions. Therefore, they are more motivated to put pressure on transport services to adopt more rigorous standards. This study described here explored the role of these 'influencers' and assessed how they might drive the urban freight sector to be more sustainable. Understanding the dynamics of how these influencers engage with the system could unlock a shift to more sustainable systems being used by urban freight.

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To gain a better understanding of the interaction of the influencers with the UFS, the study integrated these 'influencers' into the UFS's business model canvas (BMC). A BMC is a widely used framework that enables businesses to map their business models using pre-specified sections and questions. The nine building blocks of the BMC are grouped into four sections:

1. **Customers:** description of customer segments, customer relationships and channels used to interact with the customer.
2. **Offering:** description of the value offering that the company presents to its customers.
3. **Infrastructure:** description of the key activities, key resources and key partners needed to produce the offering.
4. **Finances:** description of the revenue streams and the cost structure associated with the business model.

Since the influencers do not directly interact with the urban freight supply chain, integrating them into the BMC enabled the study to articulate what the drivers for the influencers are and how they indirectly interact with the supply chain. To do so, the study first verbalised the drivers and roles of the four key groups of influencers:

1. **BIDs** are public-private partnerships established to improve the local area and benefit local businesses. They may see extensive urban freight traffic as a barrier to making their area more attractive to customers and visitors. BIDs unite different actors and promote sustainable urban freight solutions (e.g. consolidating schemes, introducing environmentally friendly vehicles, creating urban consolidation centres (UCCs) and supporting collaborative procurement schemes).
2. **Property owners** are a powerful and important group of influencers. They have a substantial incentive to minimise the negative effects generated by urban freight on their property value. They may require their tenants (e.g. offices, restaurants and shops) to consolidate their logistical setup. They are aware that efficient and sustainable delivery of goods is important in a well-functioning city. Therefore, they will use their indirect influence on the UFS to protect their property values.
3. **FMCs** provide services to tenants, such as logistics management, cleaning, catering and purchasing of goods. They may want to establish a green profile – research shows that they have started to position themselves as more environmentally conscious than competitors to give themselves a competitive edge. This means they may choose more sustainable suppliers or urban freight operators.
4. **PPOs** organise tenders, choose suppliers and create framework agreements for delivery of goods to public organisations, such as schools and nursing homes. Their policies may include a focus on more sustainable urban deliveries. Research has shown that environmental standards of vehicles, delivery terms, frequency of deliveries, and demand planning and consolidation feed into procurement decision making.

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The study conducted interviews with representatives from these influencer organisations and with stakeholders with a direct interest in urban freight, such as carriers and municipal traffic agencies. Using the BMC, the study developed a better understanding of the different influencers' business models and started picking out the most recurring activities related to freight that had the potential to impact carriers' business models and activities. The analysis of the responses showed the most common activities were:

Vehicles-focused measures, such as supporting carriers with vehicle fleets that have higher environmental standards.

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1. Vehicles-focused measures, such as supporting carriers with vehicle fleets that have higher environmental standards.
2. Consolidation linked to physical infrastructure, such as establishing a physical UCC and setting up last-mile delivery solutions.
3. Consolidation through behavioural changes, such as implementing and using collaborative procurement schemes, demand planning and combining goods deliveries.

The analysis showed that the different groups influence the carriers' operations in different ways. For example, BIDs, FMCs and PPOs promote collaborative procurement, demand planning and combined deliveries, while property owners are more likely to focus on re-arranging the deliveries using UCC. All these initiatives by influencers could potentially put financial pressure on the carriers' business models. Activities 1 and 2 require capital investments, while activities 2 and 3 would likely result in increased operating costs for the carriers. These are commitments that the carriers would need to weigh against the risk of losing business due to their reluctance to adopt more sustainable practices.

Influencers can voice concerns and shape future trajectories of the urban freight sector in a way that carriers and receivers cannot. They are more active in the urban community and have an interest in the long-term development of the urban area. This puts them in a position to influence the carriers, which are more oriented towards short-term goals and focus on the bottom line. Therefore, the influencers play a key role in promoting sustainable urban freight activities.