

# Drone Doorstep Deliveries - Technology is NOT Living upto the Hype

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### Abstracts

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#### SUMMARY

With the strong expansion of online retail during the last decade, the biggest firms involved in the online retail value chain begun to focus on improving their efficiency by perfecting their logistics chains. Especially, the tasks of handling and shipping, which have been seen as both a cost-burden and inhibitor for the growth for online retail, have urged online retailers and postage companies to innovate, finding new, more efficient ways to perform them.

The technological evolution on the field of unmanned aerial vehicles (UAV) has pushed the idea of shipping goods as one of their potential uses. Moreover, the significant investment in drones has been based on the ambitious assumptions that drones can be more efficient, delivering at considerably lower costs, higher speed, and with lower carbon footprint than conventional deliveries with a van and a driver. Nonetheless, the economics of delivery services are too complex to provide a clear cost advantage to drone deliveries.

#### **KEY HIGHLIGHTS**

The main developers of drone delivery services worldwide which include Amazon, Google, FedEx, UPS, DHL, Rakuten and JD.com, have drone delivery operations up and running, but their scale remains limited to pilot stage due to lengthy and strict regulatory processes or in other cases it is focused only on certain last-mile delivery areas where drone delivery is the last option. In both cases, online retailer and delivery providers appear to be either far from widely



adopting drone deliveries, or they do not even aim for it.

In fact, it is safe to say that the aspirations for revolutionizing the future of logistics with drone deliveries, especially in urban centers, has turned into hype; that is because these claims cannot be realized at present given regulatory hurdles and many technical issues that have not been worked out or have been overlooked, so that the potential of drones for logistics services has not been realistically assessed.

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#### SCOPE

Learn how drones are being used in business

Understand what the hopes for drone deliveries are

See how some of the these expectations cannot be met

Understand what solutions are likely in future

#### **REASONS TO BUY**

What is the hope for drones in business?

What are the main problems with drones and the expectations of them?

How can progress be made without drone solutions?



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