

Last-Mile Logistics Market Forecasts to 2032 – Global Analysis By Delivery Type (Parcel, Grocery, Pharmaceuticals, and Food), Vehicle Type, Fulfillment Model, Technology, End User and By Geography

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Abstracts

According to Statistics MRC, the Global Last-Mile Logistics Market is accounted for \$48.6 billion in 2025 and is expected to reach \$85.3 billion by 2032 growing at a CAGR of 8.3% during the forecast period. Last-Mile Logistics is the final delivery stage, moving goods from distribution hubs to customers' doorsteps. It's crucial for ensuring timely, accurate deliveries and directly influences customer satisfaction and operational costs. As e-commerce and on-demand services surge, this segment relies on route optimization, localized warehousing, and real-time tracking to boost efficiency. Innovations in last-mile logistics aim to reduce delays, enhance transparency, and meet rising consumer expectations—transforming delivery into a strategic advantage for retailers and logistics providers alike.

According to the World Economic Forum, hyperlocal delivery aggregation is transforming last-mile logistics by reducing carbon intensity, improving delivery precision, and enhancing real-time efficiency across retail, food, and healthcare sectors.

Market Dynamics:

Driver:

Growing e-commerce and fast delivery needs

Growing e-commerce and fast delivery needs are driving the expansion of the last-mile logistics market. Fueled by urbanization, increasing online shopping frequency, and

rising consumer expectations for quick order fulfillment, logistics providers are optimizing fleet operations and delivery networks. Spurred by technology adoption such as route optimization software, real-time tracking, and mobile-based dispatch, companies are enhancing operational efficiency. Additionally, growing demand for hyper-local deliveries and same-day fulfillment is further accelerating investment in advanced last-mile infrastructure globally.

Restraint:

Fuel cost volatility and inefficiency

Fuel cost volatility and inefficiency remain key restraints for last-mile logistics operators. Fluctuating oil prices directly impact operational expenses, while inefficient routing and traffic congestion can further escalate delivery costs. Smaller logistics providers may face financial strain due to rising fuel expenditures, limiting scalability. Additionally, sustainability regulations and emission norms increase compliance costs. Companies are addressing these challenges through electric and hybrid fleet adoption, dynamic route planning, and smart vehicle management to maintain profitability while ensuring timely delivery performance.

Opportunity:

EV adoption in delivery fleets

EV adoption in delivery fleets presents a transformative opportunity in last-mile logistics. Integration of electric vans, bikes, and cargo vehicles reduces fuel dependency, operational costs, and carbon emissions. Spurred by government incentives, urban low-emission zones, and rising environmental awareness, operators are accelerating fleet electrification. Additionally, advancements in battery technology, fast charging infrastructure, and telematics-enabled EV monitoring enable efficient deployment. This convergence of sustainability and technology provides logistics companies with cost-effective, eco-friendly solutions while meeting growing consumer demand for rapid and green deliveries.

Threat:

Urban congestion and compliance issues

Urban congestion and compliance issues continue to threaten last-mile logistics

efficiency. Dense city traffic, parking restrictions, and limited delivery windows hinder timely order fulfillment. Regulatory frameworks related to emissions, weight limits, and urban delivery permits impose additional operational challenges. Non-compliance can lead to fines, route delays, and reputational damage. Companies are increasingly leveraging micro-fulfillment centers, intelligent routing algorithms, and off-peak delivery scheduling to mitigate risks, improve efficiency, and maintain customer satisfaction while navigating complex urban logistics environments.

Covid-19 Impact:

The COVID-19 pandemic significantly accelerated last-mile logistics demand, as lockdowns and e-commerce adoption surged globally. Spurred by safety concerns and social distancing, consumers increasingly relied on home delivery for groceries, parcels, and essentials. Logistics companies rapidly expanded fleets, optimized routes, and implemented contactless delivery to meet rising demand. However, pandemic-induced labor shortages and supply chain disruptions created operational challenges. Post-pandemic, heightened e-commerce penetration and the expectation of faster fulfillment continue to drive last-mile logistics growth worldwide.

The parcel segment is expected to be the largest during the forecast period

The parcel segment is expected to account for the largest market share during the forecast period, owing to increasing online retail sales and demand for home delivery. Fueled by e-commerce growth, parcel volumes are rising exponentially, driving investment in sorting hubs, tracking technologies, and specialized delivery fleets. Additionally, parcel delivery caters to a wide range of consumer needs, from small packages to high-value items, making it a core segment in last-mile logistics across urban and semi-urban regions globally.

The vans segment is expected to have the highest CAGR during the forecast period

Over the forecast period, the vans segment is predicted to witness the highest growth rate, reinforced by their versatility in urban and suburban delivery operations. Fueled by rising e-commerce penetration, larger payload capacity, and efficiency in transporting bulk parcels, vans are increasingly preferred over two-wheelers or bicycles for high-volume deliveries. Integration with EV technology and telematics-enabled fleet management further enhances operational performance. This combination of flexibility, scalability, and eco-friendliness is driving rapid adoption of vans in last-mile logistics networks.

Region with largest share:

During the forecast period, the Asia Pacific region is expected to hold the largest market share, ascribed to high e-commerce penetration, dense urban populations, and increasing investments in logistics infrastructure. Countries such as China, India, and Japan are witnessing rapid growth in online shopping, creating significant last-mile delivery demand. Additionally, favorable government policies, expanding cold-chain networks, and adoption of smart delivery technologies strengthen the region's market position, making Asia Pacific the leading hub for last-mile logistics operations and innovation globally.

Region with highest CAGR:

Over the forecast period, the North America region is anticipated to exhibit the highest CAGR associated with widespread adoption of technology-driven logistics solutions and consumer preference for rapid, reliable delivery services. The U.S. and Canada are witnessing integration of AI-powered route optimization, real-time tracking, and EV-based fleets. Additionally, strong investments from major e-commerce and logistics players, combined with urban infrastructure modernization and sustainability initiatives, are accelerating growth. North America is thus poised for dynamic expansion in the last-mile logistics market over the forecast period.

Key players in the market

Some of the key players in Last-Mile Logistics Market include Amazon Logistics, UPS, FedEx, DHL, DPD (GeoPost), XPO Logistics, J&T Express, ZTO Express, Meituan Dianping, DoorDash, Postmates, Glovo, Delhivery, JD Logistics, and Getir.

Key Developments:

In September 2025, UPS announced a major expansion of its 'UPS Premier' service to the residential sector. The service utilizes a new, low-cost smart sensor placed inside packages that provides real-time, item-level tracking visibility, allowing customers to see the exact location of high-value or time-sensitive deliveries within the last mile.

In August 2025, FedEx unveiled a partnership with Walgreens to launch 'FedEx Sameday Locker+' nationwide. These next-generation, temperature-controlled smart lockers are installed at Walgreens stores, enabling secure delivery of perishable

groceries, medications, and meal kits, expanding the range of goods suitable for unattended last-mile delivery.

In July 2025, DHL introduced its 'DHL Parcelcopter 5.0' for urban logistics. The new, quieter electric vertical take-off and landing (eVTOL) drone is designed for urgent, small-payload deliveries directly to designated landing pads on apartment balconies and commercial buildings, bypassing inner-city traffic in pilot programs across Southeast Asia.

Delivery Types Covered:

Parcel

Grocery

Pharmaceuticals

Food

Vehicle Types Covered:

Vans

Bikes

Drones

Autonomous Vehicles

Fulfillment Models Covered:

In-House Delivery

Third-Party Logistics

Crowdsourced Delivery

Technologies Covered:

Route Optimization Software

GPS Tracking

IoT-Enabled Fleet

AI-Powered Scheduling

End Users Covered:

Individual Consumers (B2C)

Retailers (E-commerce & Brick-and-Mortar)

Restaurants & Food Services

Other End Users

Regions Covered:

North America

US

Canada

Mexico

Europe

Germany

UK

Italy

France

Spain

Rest of Europe

Asia Pacific

Japan

China

India

Australia

New Zealand

South Korea

Rest of Asia Pacific

South America

Argentina

Brazil

Chile

Rest of South America

Middle East & Africa

Saudi Arabia

UAE

Qatar

South Africa

Rest of Middle East & Africa

What our report offers:

- Market share assessments for the regional and country-level segments
- Strategic recommendations for the new entrants
- Covers Market data for the years 2024, 2025, 2026, 2028, and 2032
- Market Trends (Drivers, Constraints, Opportunities, Threats, Challenges, Investment Opportunities, and recommendations)
- Strategic recommendations in key business segments based on the market estimations
- Competitive landscaping mapping the key common trends
- Company profiling with detailed strategies, financials, and recent developments
- Supply chain trends mapping the latest technological advancements

Free Customization Offerings:

All the customers of this report will be entitled to receive one of the following free customization options:

Company Profiling

Comprehensive profiling of additional market players (up to 3)

SWOT Analysis of key players (up to 3)

Regional Segmentation

Market estimations, Forecasts and CAGR of any prominent country as per the client's interest (Note: Depends on feasibility check)

Competitive Benchmarking

Benchmarking of key players based on product portfolio, geographical presence, and strategic alliances

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