

# BETTER CITIES

How can retailers use net zero, the circular economy, clean air and logistics to drive positive change?



## CONTRIBUTORS:



ZERO EMISSION DELIVERIES



## Foreword

by **Richard Lim**, CEO, Retail Economics

This report comes at a vital time for retailers. The pandemic has intensified the focus on supply chains, from start to finish. New ways of working have been vital and have led to greater diversity in how we source and transport goods. Cities, in particular, are in flux: Will they become less important centres for shopping? Will 2019's commuter ever leave their neighbourhood and return to the corporate office? What role do shops play in keeping us connected? How can retailers achieve an online experience which develops brand loyalty? These important questions are addressed here by experts across the sustainable retail spectrum. It's clear that a pandemic legacy is emerging- beyond the huge shift to online- for powerful action on sustainability. Consumers are more aware than ever of the social and environmental impacts of their buying habits. Whether that's packaging and ocean plastics, carbon footprints and the climate crisis, or last mile delivery emissions affecting air quality. Increasingly, the investor community is challenging retailers to have clearer, more transparent ESG goals that drive forward real change and secure a sustainable business future. Now is the time to act on net zero, circularity, and last mile logistics to seize this moment and develop retail supply chains which create a better future, with better cities for us all.

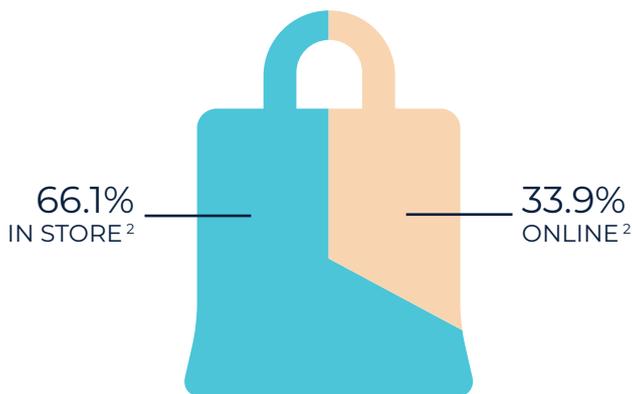
**RetailEconomics**



# RETAILERS, YOUR CITIES NEED YOU!

## The online retail earthquake, net zero and urban placemaking.

The largest annual fall in retail spend on record. 48 store closures each day. Online sales at a record high with 34% share of all retail spending.<sup>1</sup> The headlines, boarded shop fronts and back-to-back delivery vans tell a story of seismic transformation in 2020. But as many forward thinking retailers are starting to discover, despite the towering challenges brought about by the pandemic, there are opportunities to emerge from it transformed for the better.



Our cities and their inhabitants are crying out for clean air; a world-class response to the climate crisis; safer and less congested streets; opportunities to safely socialise and access cultural exhibits; shops that offer up new experiences; access to brands who stand out because their ethics are getting right to the heart of the issues their customers care most about. If home delivery is on the rise, how can we do that in a way which helps build a relationship with customers and reduces emissions? If local neighbourhoods are going to be a more important part of our lives, how can we balance that with creating a new role for city centres?



We spoke to **Peter Andrews**, Head of Sustainability at the British Retail Consortium, **Jenni Carbins** founder of the placemaking agency Mark London and **George Gottl**, CEO at the customer experience design agency

UXUS, to find out more about the pressing issues facing retailers during this complex period.

In the midst of the pandemic, The BRC launched its ambitious Climate Action Roadmap with a commitment from some of the biggest names in retail to hit net zero by 2040. Peter told us “It’s quite a feat that we were able to continue development of the Roadmap and launch it during the pandemic, when sales dropped to zero for many retailers. There are now multiplying reasons to act on climate change: investor requirements, media interest, more and more regulation, consumer concerns; and responsible retailers are putting their heads above the parapet and saying we need to move further and faster.”

With online retail booming, Peter believes logistics will play a key part in plotting the path to net zero, “we recognise there are some big challenges to move to net zero retail logistics. Number one: technology and infrastructure- particularly for heavy goods EVs, they’re not there yet. There is a need for collaboration between supply chain partners, retailers, waste contractors and

“As green alternatives become cost effective they need to become the norm.”

PETER ANDREWS  
HEAD OF SUSTAINABILITY, BRC

government so that when purchasing decisions are being made it’s possible to make them with the long term view in mind: ‘what does this mean for our GHG and social targets for the next 10 years?’.

The Roadmap draws a line in the sand on net zero and many of its supporters are now setting out their individual paths to hit those reductions; incorporating new approaches for transport and logistics. Peter told us that’s especially when it comes to the last mile. “It’s not just the climate crisis, there’s a huge health impact



<sup>1</sup> <https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/impactofthecoronaviruscovid19pandemiconretailsalesin2020/2021-01-28>  
<sup>2</sup> <https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/impactofthecoronaviruscovid19pandemiconretailsalesin2020/2021-01-28>



as well when it comes to clean air, particularly in cities. Obviously, it will depend on the product range and business model retailers are operating, but as green alternatives become cost effective, and that includes light electric vehicles like cargo bikes, as well as drones and robots, they need to become the norm. BRC and DP World's recent Net Zero Logistics Report<sup>3</sup> states, "By sharing their vehicles, even with competitors, retailers and 3PLs can maximise their synergies, reduce their fleet size and thus lower their environmental impact."

Rather than obliterating everything that came before it, there's a consensus the pandemic has instead accelerated pre-existing trends. The climate crisis has

**“We've got an opportunity to reinvent ourselves. What do people want and how do we give it to them?”**

**JENNI CARBINS  
FOUNDER, MARK LONDON**

rocketed to the top of the political and business agenda; in the UK, 5 years of online growth has happened in 12 months<sup>4</sup>; and enforced homeworking has left many businesses wondering why they didn't try it out sooner. What this means for our cities and their inhabitants, shops, venues and workplaces, is a hot topic to say the least. As UXUS CEO George Gottl told us, "physical meetings are always going to be important, as part of the mix. The development of third space working could extend further into hospitality and even retail, providing an alternative way of interacting with a brand."

Placemakers Mark London, are behind some of the capital's most-loved neighbourhoods and destinations, including Southbank Centre and Elephant Park. Strategic Director, Jenni Carbins explained that successful city places are "fundamentally about

connection. Human connection. That's all we ever want as people. And retail has a really strong role to play in that. It's not just a service, it's an amenity that people use to connect to others.

"At Mark, we have two guiding principles. The first: 'Locally loved; globally admired'. A place can't be successful unless it's embraced by the people who live there. And the second: 'Bring the inside out'. In practical terms that means physically bringing outside activity into public spaces (like a café or retailer placed outdoors), but it also means bringing out the essence of an area - local history, local talent. There's always a sweet spot that makes a place unique, taking on its history but projecting it forwards."

Although online retail has boomed this past year, it's important to recognise that it still only accounts for just under 34% of all sales.<sup>5</sup> George Gottl told us, when it comes to achieving brand loyalty with online retailing "A customer is experiencing a brand just as they would in a store. If they have a memorable experience, right through to the doorstep, they will come back as a customer and tell their friends about it. If it's negative, frustrating, they won't." Jenni explains that bricks and mortar shops and venues remain a vital piece of successful, liveable city places but believes "there needs to be a rethink. Largely, we've seen that outmoded retail stores which don't offer anything more than a physical version of Amazon are on the way out. Retail moved from the transaction economy to the experiential economy, but now I think we're moving into the relational economy. Take hotels for instance, I love the idea that they have one night tenancies. It's a great way to consider what the opportunity is for the rest of the transactional economy, whether that's retail or offices. I think other sectors could learn from that - that leases can be short but important and significant. Landlords and operators need to have that flexibility to say 'well, this is what we used to do, but this is what we're going to do now!'"

So the uncertainty of the pandemic has not only brought challenges, but also new opportunities



<sup>3</sup> <https://brc.org.uk/news/csr/net-zero-vehicle-logistics-report/>

<sup>4</sup> <https://www.cityam.com/online-retail-sales-record-five-years-growth-in-12-months-due-to-pandemic/>

<sup>5</sup> <https://www.ons.gov.uk/economy/grossdomesticproductgdp/articles/impactofthecoronaviruscovid19pandemiconretailsalesin2020/2021-01-28>

for businesses that readily adapt. However, there are wider business changes which are needed to accommodate this. Jenni believes innovation should be encouraged more broadly, "There needs to be a fairer way of organising business rates to encourage smaller operators to take up space. Rents have transitioned and business rates need to follow suit. Much of our work now is on 'meanwhile' uses, which includes anything from a temporary art piece to a 'pop-up' with a 4-year lease. Like Elephant Park, where the temporary space operators are embedded in the local community and include a photography studio and gallery, community running club, radio station and a green plant store. Those uses really add something beyond traditional retail, which makes the place a draw for people."

Sustainability is a key focus for developers and Jenni thinks that the pandemic has provided an opportunity to look at things differently. "Anyone - landlords, operators, government and local authorities - who have been slow to adapt, are now being forced to. We've got an opportunity to reinvent ourselves. What do people want and how do we give it to them? Where are the gaps? So many businesses have been launched during the pandemic, let's make room for more that are relevant to audiences now."

Infrastructure which supports active travel and clean logistics needs to be factored in. We asked Jenni, how central transport is to placemaking? "It's almost the first thing. You can't have a destination without efficient ways of getting people in and out. Becoming a destination is the ultimate goal of a place, because it raises the value."

You'll have heard a lot about 15 minute cities; the idea of being able to access everything you need near your home. People have been embracing hyper local activity. It's a significant trend that is likely to continue. In an ideal world it means work, hospitals, medical, education, all within easy reach via walking, cycling or public transport."

Sustainability is not just about net zero and emissions, it's about creating a much more inclusive, healthy, equitable, thriving society and this is true of its purpose in cities, too. Changes to the High Street have been rapid and the challenges for retailers are vast. But far from being desolate, High Streets and urban spaces can be repurposed to fit new needs: underutilised car parks converted into distribution hubs; disused railways becoming community green spaces;<sup>6</sup> shops that 'bring the inside out' and invite a sense of community and shared experience. And will we all feel brave enough, bothered enough, to venture back out into the metropolis and all it has to offer? Jenni says, "I think most people are keen to get out there and connect with others. And they will flock to spaces and places where they feel safe and comfortable. The landlords, local councils, companies and brands that can provide that - make us feel safe having those shared social, cultural experiences - are going to be the winners."



## CIRCULAR ECONOMY FOCUS

**As global resource-use rockets and our cities get close to breaking point under the strain of home delivery of goods, it's vital that a circular approach becomes the norm.**

And retailers have an especially important role to play. As the BRC's Peter Andrews put it, "How do we utilise our position as the customer-facing end of fast international supply chains, how can we push more action through supply chains so we can enable everybody to move forwards?" For this section, we interviewed four leaders in circularity on how their brands are shifting consumer behaviour and challenging supply chain norms:

- As pioneers of the anti-single use movement, KeepCup have made the most of their position as brand leaders in reusable coffee cups
- Thrift+ is on a mission to make second-hand first choice. They help extend the life of textiles by enabling people to buy and re-sell the best second-hand clothes online
- ReBOUND is a global returns provider who has turned their focus to the social and environmental gains a good, joined up returns process can offer the retail market
- Packoorang is packaging as a service; a reusable packaging product that is out to revolutionise packaging for retailers with the potential for huge emissions and waste savings



**Read about  
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circular logistics with  
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retailers.**



# KEEPCUP



**KeepCup Founder Abigail Forsyth and UK General Manager Chris Baker**

**Zedify:** How would you say the circular economy is shaped by KeepCup and how has KeepCup been shaped by the movement?

**Abigail:** Two stories spring to mind. When we first started selling KeepCups, we would call up the sustainability part of an organisation and it would be a single person department without access to budget. At that time, we knew we had to get to the marketing department to get to the money! The function and influence of the sustainability function has grown, moving from the operations side of the business or just a sales and marketing initiative; it has been integrated into the heart of the business.

“The first question is, do we need to do it all? Can we borrow it? It starts very much at that design-thinking, strategic level.”

ABIGAIL FORSYTHE  
FOUNDER, KEEPCUP

Second, one of the things people used to say was “I feel a bit embarrassed going into the café to use it” so our focus has been around making sure people feel like they have permission to change. That was really consumer led. The big chains purchase KeepCup not because they want to, but because their customers have demanded it! It really has been bottom-up; that’s the way it’s worked.

**Zedify:** KeepCup were one of the first Australian companies to become a B Corp- why did you make the decision to get on board and what sorts of changes has it led to for KeepCup and the way you operate?

**Abigail:** That’s a good question. People would always ask us, “what are you? Are you Fairtrade... are you organic...?” And we’d reply “No, we’re a reusable cup”. Customers wanted to validate that we were who we said we were, B Corp provided that validation. It’s become less of a consumer signal but as an employer it’s certainly really powerful. It was a tough process but it’s actually a really useful tool to make business improvements.

**Chris:** I think B Corp also helps you realise some of the socioeconomic elements. KeepCup was a mission-led product, with a clear focus on the circular economy, but we’ve moved towards looking at the social elements, the community elements.

**Zedify:** What practical steps would you advise businesses and brands to take if they’re keen to approach things in a more circular way?

**Abigail:** They’ve just got to approach every single thing they do through that lens, and it begins with design. The first question is, do we need to do it all? It starts very much from a strategic user need and product lifecycle level. I think that’s often what’s missing; it’s often bolted on the back.

**Chris:** That’s exactly what I would say: most businesses start by considering end of life solutions, right at the end of the supply chain, which doesn’t make sense- you need to consider the impact at all stages.

**Zedify:** They think about the disposal?

**Abigail:** Yes-we go to ‘recycling’ and recycled content. To put the materials question in context – there would be more single-use cups used in a single day than we have ever produced in our twelve years of existence. Recycling validates waste and the status quo.

**Chris:** It’s too late if you’re talking about recycling!



**Zedify:** And could you share any examples of how KeepCup approaches things in a circular way?

**Abigail:** I probably wouldn't have been able to answer this question early on, because it's so baked in. But I do remember we had a marketer come in who said, "we should make the box bigger, so we've got more shelf presence". This was completely at odds with what we were trying to do. We wanted to lightweight the box, make it as small as possible; so I was thinking do we even need a box?

“ It's too late if you're talking about recycling! ”

CHRIS BAKER  
UK GM, KEEPCUP

Another example would be what we're doing with stainless steel cups. All stainless steel in the world comes out of one city in China and the company we work with probably makes one million bottles a month. Each one of them comes in its own individual plastic bag. We did a lot of back and forth to get them to agree to deliver our cups without the plastic bags. It didn't save us any money- we just did that because it's the right thing to do. We hope that they push that through their supply chain, there's an opportunity to save a lot of plastic bags... See things from your principles rather than the outcome you're seeking; it's letting the chips fall.



# THRIFT+



**Miranda Essex, Head of Growth, Thrift+**

**Zedify:** Could you tell us a little bit about the origins of Thrift and your purpose?

**Miranda:** Thrift+ was originally founded to bring the UK charity sector online. Charitable donations are still an important part of our business, but over time our focus has shifted to powering the circular fashion economy. We want to make buying second-hand clothes a no-brainer, protecting the planet by reducing demand for new clothes.



£140 MILLION  
POUNDS WORTH OF  
CLOTHES HEADED  
FOR LANDFILL IN THE  
UK EACH YEAR

**Zedify:** WRAP's figure shows £140million pounds worth of used clothing ends up in UK landfill each year, but that's just one part of the problem, right? We're becoming more and more aware of the social and environmental impact of how our clothes are produced- what role do you think the second hand clothes market has to play in solving these problems?

**Miranda:** Our role is very much to extend the life of clothes that have already been produced. However, Thrift+'s sweet spot is quality, premium clothing that maintains its quality in the resale market. We aim to

provide an alternative to fast fashion, and as we grow, we hope to influence our brand partners to choose more sustainable materials for their new clothes so that they will last a long time.

**Zedify:** Your donation process gets very good reviews. What have you learnt on the operational side, putting together this model for collecting the donations, sorting them and allowing the donor to receive credit?

**Miranda:** We have done a lot of work to reduce the cost of processing each bag. We have automated photography booths to make photography quick and simple, automated pricing, and a rapid upload process. For designer pieces, we also have to do authenticity checks by hand to ensure they're genuine. Warehouse staff are our biggest cost, and we are working to get better at forecasting the amount of donations we'll receive every week. Where we get into hot water is when we have unexpectedly high volumes to process without the staff to do it. This causes a backlog and is something we experienced last year after going on Dragon's Den. We got lots of new customers which was fantastic, but were scrambling to catch up for a while!

**Zedify:** How has the pandemic affected the second hand clothes market, for example with charity shops closed and perhaps people buying fewer new clothes in certain categories?

**Miranda:** The number of wardrobe clearouts has been huge! With the majority of the population staying at home, we're now processing thousands of ThriftBags every month. We haven't noticed a fall in demand for new clothes, but where people may have reduced income due to the pandemic, second-hand is an obvious place to find fantastic quality clothes at affordable prices. We do anticipate that sales of smarter items and party dresses will grow as people return to work.

**Zedify:** Cities are certainly in flux right now and we've had nearly a year of restrictions! Do you think bricks and



mortar retail and charity shops have had their day, or do they still provide a valuable part of a city's 'ecosystem'?

**Miranda:** Bricks & Mortar can no longer compete on choice or convenience - but still has a role to play if it competes in other areas. [Charity shops] will continue to be an important part of getting low value items back into circulation for the category of shoppers looking for low prices.

“Reducing emissions from delivery vehicles and improving air quality is crucial.”

MIRANDA ESSEX  
HEAD OF GROWTH, THRIFT+

However, most High Street stores will need to compete on experience - shopping there needs to be memorable and enjoyable. That could be by genuinely being somewhere people enjoy going to, or where they have great customer and added service, or where they can go to meet and be sociable.

It's an interesting challenge for multichannel retailers, as often it seems they're competing with themselves. The question is how you can use your High Street estate to give your customers an experience that is completely different from just a transaction. For example, Farfetch's 'store of the future' has experimented with separating the transaction from the experience. When you visit a shop, they have the items you want to try on ready and help you choose, but the order itself is dispatched from a warehouse and delivered straight to your door.

**Zedify:** As we know, one of the knock-on impacts from the shift to home delivery and online shopping is more delivery vehicles on the roads, and with that comes problems around carbon emissions and air

quality. Do you see an opportunity for home delivery logistics to have a better impact on cities? Have you experienced any challenges or learnings around efficient and sustainable logistics that you'd like to share?

**Miranda:** Reducing emissions from delivery vehicles and improving air quality is crucial. We're exploring the potential of a model for Thrift+ which would set one date every month for a subscribed customer to receive new clothes, and they'd also return their items for resale on the same occasion. This would reduce congestion and the need for multiple trips. We are also exploring partnerships, for example with laundry start-up Oxwash which offers its customers ThriftBags when they collect laundry (via e-bike). Again, this saves a trip and reduces the number of vehicles on the road.



# PACKOORANG



**Emma Burlow, UK Agent, Packoorang**

**Zedify:** What is Packoorang and how does it fit within the circular economy?

**Emma:** Packoorang is simple, affordable, reusable packaging. The bags can be used up to 100 times, so replace 100 disposable boxes or bags and with a far lower carbon footprint.

It's a bit like a reusable cup really, but of course those still fit into the ownership model. The Packoorang bag is more like a utility. You pay when you use it. So that's quite a big shift.

**Zedify:** That's an interesting distinction isn't it? I've not fully appreciated that before, how there are these two ways of 'doing' reuse. Shared ownership really seems to be on the rise in all aspects of life, things like clothing and tool rental schemes.

**Emma:** Yes, so the more we can get our heads around shared ownership versus individual ownership the better. Most of our buying decisions are based around individual ownership. You go into a shop and buy something for yourself. You might buy something that you then reuse 10 times, right? But you might also buy something that's disposable.

**Zedify:** Can you give us a bit of background about the mission of Packoorang?

**Emma:** Our mission is to tackle, particularly around e-commerce, the negative impact of packaging. And, as we're all increasingly aware, that impact has ballooned in the last 12 months. So, the way that we shop and get our products delivered. The way we return quite a high proportion of the products we order. The carbon inherent in that process is enormous and, again, we don't really think about it. As soon as you put something

on a diesel lorry in a cardboard box, often with a lot of air around the product, it's an inefficient, damaging model. So really, at Packoorang, we wanted to fix that whole broken, accelerating system.

**Zedify:** There are increasing options for businesses looking to green their packaging. What are your views on some of the other sustainably marketed packaging products out there, like bioplastics and compostables, for example?

**Emma:** I think compostables have their place but I think we've got to be honest about where lots of them are going to end up. And if that is in home compost and they're certified home compost- then that's great. I think compostables could solve some problems- especially when you've got a proper closed-loop system. But they don't solve our consumption issue. 80-90% may still end up in a black bag and the last thing you want in landfill is biodegradability.

**“ Think about the next 100, 1000 times you're going to send a package out. Look at it through the carbon lens. ”**

**EMMA BURLOW  
PACKOORANG**

**Zedify:** So, if retailers are looking to switch their packaging model, what advice can you give them to help make a positive move and avoid some of these pitfalls we've touched on?

**Emma:** I always say, ask yourself the question 'am I making a knee jerk reaction?'. And normally we are, because: you've got a problem. For example, take the recent cardboard shortage or the public outcry around





single-use packaging. So I recommend retailers pause and think about the next 100 or 1000 times they will send a package out. They could continue with the existing options and generate X amount of carbon each time or they could take a different approach. By looking at it through the carbon lens and considering the entire lifecycle of their packaging they could make a significant environmental impact by making a relatively small operational change.

**Zedify:** If retailers are going to go down the reusable route. How can they encourage consumers to return, is this a problem they might encounter?

**Emma:** There will be a small loss rate. Just like there is with any reusable item. Just like drinks glasses from a venue. But one of the things I like about Packoorang is that we make it really easy, and a lot of our work is around incentivising returns. So we have an app, it's really easy to get your deposit back. That's done by Packoorang; the retailer doesn't have to worry. Once the product has been bought, Packoorang manage everything else.

There's also a nice competition aspect, like a lottery. So, rather than the kind of boring 'green points' or leaders boards you get with some sustainable services, with this you get that excitement of the chance to win something big.

**Zedify:** It's interesting, that you've done a lot of work on incentivising consumer packaging returns and what drives that. It seems changing behaviours and attitudes of consumers might be introducing new areas for businesses.

**Emma:** When retailers are competing fairly equally on all fronts - you've got a good product, it arrives in a cardboard box the next day then price really is the only area they can compete with one another. And that is not where you want to be. So you can use sustainability to out compete. That is an area that I've started talking to more people about. You know, if you're an ethical brand that's a given, but if not.... And with Packoorang it's innovative as well as sustainable, so you've got a double tick.



# REBOUND RETURNS



**Emily Cotteril, Head of Sustainability, ReBOUND**

**Zedify:** Delivery and returns have a cost, as does packaging, but as shoppers we're so used to having these costs included in the product that they're almost invisible as part of the buying experience. Do you think this is the right approach? If more sustainable approaches have a cost do you think that should be picked up by the retailer or the shopper?

“ It is becoming clear that shoppers are motivated to take responsibility for their own actions- 75% of shoppers are prepared to pay for sustainable return options. ”

**Emily:** With the recent shift in shopper mindset, it is becoming clear that shoppers are motivated to take responsibility for their own actions - 75% of shoppers are prepared to pay for sustainable return options. I think the responsibility should be shared- it should be retailers' responsibility to make sure that they have sustainable solutions available, but it should be the shopper's responsibility to pick the service which most aligns with them. For some shoppers, you simply won't get past the mindset of "I need it right now", and obviously there is an environmental cost to that. I think there should always be an option to slow down parcels, consolidate orders and opt for green carriers to reduce the environmental impact.

**Zedify:** Your 'return to recycle' scheme is tackling a really important, tricky part of the waste stream: beauty packaging that can't be recycled in a normal household scheme. Do you think recycling returns will still be relevant with stores opened up again? And how can retailers get their shoppers to return more of this kind of recycling?

**Emily:** Taking the recycling scheme online means that retailers have full visibility of the amount of recycling returns which have taken place- translating that data into meaningful statistics for their sustainability and CSR reports. I think we also have to remember that even with lockdown easing, there is still a certain wariness about going back into stores, and this behaviour could continue for some time. We also can't forget that there are a lot of retailers who sell solely online- and desperately want to offer a recycling solution, so I think there will always be a demand for this kind of service. It's really important to offer a reward such as vouchers and discount codes which encourage shoppers to recycle again and again and keep them brand loyal.

**Zedify:** What does the circular economy mean to you? How can retailers contribute with a circular approach and how should they measure their progress in this area?

**Emily:** The circular economy is all about designing out waste and keeping products in circulation for as long as possible. Originally, the ReBOUND model was all about delivering returns from point A to point B, but we've incorporated the circular economy as one of our 'pillars of sustainability' and that's shifted our offering. With a consolidated returns model, returns the retailer doesn't want back- perhaps it's end-of-line stock- can be intercepted and donated in-country to a charity partner or recycling scheme. This is great for 3 reasons. Firstly, the retailer will not receive any unwanted stock



back, so the chances of items ending up in landfill are massively reduced. Secondly, we are helping local causes and ensuring circularity of the stock. Finally, the retailer benefits from reduced carbon emissions on the transport which they can measure. When it comes to communication, it is still so much about transparency- shoppers are demanding to know where unsold items go. Utilising a consolidated return system means each diverted item can be tracked and reported back to your shoppers through your sustainability webpages.

**Zedify:** When you're tackling circularity and sustainability it's important that the journeys moving materials and products around the supply chain are efficient and use the cleanest transport available. In your experience, how can the supply chain work together to address this issue, and what kinds of changes do you help your clients to make when they're considering how to manage their returned products?

**Emily:** Climate change is another central pillar of the ReBOUND approach: we help retailers see their full impact from a returns point of view. Part of this is about providing emissions reporting for each logistics lane we manage. It is essential that we arm the retailers with accurate data, so they can go forward and make sustainable decisions. For example, because of changes in stock requirements during the pandemic, a particular retailer was able to make the decision to send their return products back via sea freight as opposed to air, reducing their emissions by 38%. Everyone in the supply chain needs to work together to identify opportunities for operating with the best sustainability outcomes.



# DELIVERING A LIVEABLE CITY FIT FOR THE FUTURE

Nothing less than an urban delivery revolution is required to help retailers contribute to a better city which benefits everyone.

Cities are often characterised by their tallest buildings, their most exclusive hotels, their widest roads, the names of their airports. Multi-layered, evolving, vibrant; cities have a reputation that they don't stay still for anyone or anything. And yet, with the pandemic lockdowns, we were given a rare opportunity to see how they looked without the nose-to-nose traffic and the heaving crowds. The chance to take stock. It's become patently obvious that where cities have been growing and adapting based on the needs of things and vehicles, it should be people, not vans and cars, that take precedence in how we build back better.

**“ A great city is that which has the greatest men and women. If it be a few ragged huts it is still the greatest city in the whole world. ”**

WALT WHITMAN

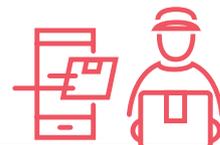
TfL's research shows that High Streets which are adjusted to support active travel, like cycling and walking, increase retail spend by up to 30%.<sup>7</sup> Many city councils are taking bold moves to tackle this people-friendly design gap: there have been rollouts of micromobility schemes, introductions of low traffic neighbourhoods (LTNs), widening of pavements and pedestrianisation of spaces, as well as conversions of High Street parking spaces into public seating and green spaces. These adaptations aim to help people to move around the city and engage with it differently: key workers can reach their jobs safely using bike or scooter rentals, children can safely walk or cycle to school, retirees can take a rest when out shopping in

their neighbourhood, cafes and restaurants can place more outside seating which in turn often changes the atmosphere of an area, enhancing its appeal as a destination. As Jenni Carbins notes, “the best gift you can give is to green a space and put in seating. Then people will find their own way of engaging with it and enjoying it. From a wellbeing perspective that's great because people can connect with nature and from a commercial perspective the by-product is secondary spend in retail.”

Alongside these kinds of people-centred modifications to city spaces, there must also be a shift in the way goods are moved around within cities. We need a model for urban deliveries that complements the infrastructure of a liveable city. With 74% of company leaders intending to retain increased home working to some degree,<sup>8</sup> the opportunity for us all to increasingly opt for home delivery is there, whether that's from large national retailers or local independent businesses. If cities and retailers are to cope with that increase while meeting their net zero targets and helping the fight for clean air, there needs to be nothing less than an urban logistics revolution.

From a retail perspective, there are many factors at work that point to a need for a necessary overhaul of city deliveries:

- Conventional, unconsolidated long stem delivery models using diesel vans contribute to crippling congestion which lets down service quality. Customers get a poor doorstep experience from rushed, pressured delivery staff and no flexibility in terms of chosen delivery windows. And as George Gottl of Uxus puts it, “Every brand channel including delivery has to be elevated post pandemic - the future of delivery isn't just about getting the product to the door, it should be focused on the experience. Brands should consider whether their deliveries reflect well on them; do they want their product to arrive in a polluting vehicle driven by a stressed



<sup>7</sup> <https://www.transportxtra.com/publications/local-transport-today/news/59529/better-cycling--walking-infrastructure-boosts-business-tfl-study-finds/>

<sup>8</sup> <https://www.iod.com/news/news/articles/Home-working-here-to-stay-new-LoD-figures-suggest>



driver who dumps something in a brown paper bag at the customer's door? I don't think so. Brand expectation delivered to your door is something special, something which consumers will pay for."

- The last mile, sometimes a miniscule part of the total journey in terms of distance, typically constitutes over 50% of the total shipping costs and has the most acute impact on pollution and air quality.<sup>9</sup> There's a huge opportunity for retailers to improve efficiencies and drive down costs.



RETAIL SPEND INCREASES BY 30% IN HIGH STREETS ADJUSTED FOR ACTIVE TRAVEL

- Customers are demanding action from brands and city authorities on the climate crisis and are well aware that their home deliveries are having an impact on the air they breathe; 75% of shoppers would be more likely to buy from a brand that offers a green delivery option.<sup>10</sup>
- The gig economy in its current guise is on the way out: investors, employees and customers are making it plainly clear that brands who treat delivery staff ethically are the ones they want to work with.

“ Anyone can drop something in a brown paper bag at your house; but brand expectation delivered to your door is special. ”

GEORGE GOTTL  
FOUNDER, UXUS

- With liveable city adaptations like pedestrianised streets and LTNs, vans and lorries will find it difficult to access certain addresses easily, leading to higher delivery costs from longer routes, parking fines and walking distance from vehicle to drop off.

Up until now there were only two limited options for retailers making deliveries and returns in cities. Use a low cost third party parcel carrier which utilises out-of-town distribution hubs and deploys long stem delivery journeys with limited flexibility on delivery timeslots. Or, use an expensive on-demand ship-from-store model reliant on gig economy workers but able to offer flexibility on chosen time windows. Both have severe limitations and downsides.

But now there's a new model for the last mile which solves many of these pinch points, with a delivery model fit for the 21st century city.

Zedify is on a mission to transform urban logistics and create healthier, cleaner and more liveable cities of the future. Retailers have a challenge when it comes to considering the unique needs of their urban, last mile deliveries. Often a rethink is required to use alternatives which fit in with their technology, supply chains and fulfilment models. But a rethink is absolutely necessary. Customers want it, investors are expecting it, cities are crying out for it. Retailers, your cities need you.



<sup>9</sup> <https://www.businessinsider.com/last-mile-delivery-shipping-explained?r=US&IR=T>

<sup>10</sup> <https://fashionunited.uk/news/retail/brits-willing-to-pay-extra-for-greener-delivery-and-returns/2021020153301>



“We set up Zedify not just to be another tech-driven delivery start up but to bring about real change in our cities. There will never be a return to the traditional retail model and a key part of survival in the new retail landscape will be environmentally friendly delivery. Right now, there’s an exciting opportunity for retailers to seize the moment and play a key role in developing better cities that are safer, healthier and fairer. We’re incredibly excited to be working with partners across the retail sector to kickstart an urban logistics revolution, together.”



**Rob King**  
Co-founder  
and CEO



**Sam Keam**  
Co-founder  
and CMO

June 2021

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## WHAT WE DO

- Same-day
- Next-day
- Ship from store
- 100% zero emission fleet
- Living Wage employed riders

