Where is My Parcel? A Review of Crowd Logistics Revolution in Malaysia

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**ABSTRACT**

This research aims to explore the crowd logistics concept and discover crowd logistics evolution in the Malaysia logistics industry. Employs a systematic literature review approach by using PICo or mnemonic, which signifies ‘P’ (Population or Problem), ‘I’ (Intervention or Exposure) and ‘Co’ (Context). This paper evaluates the evolution of crowd logistics in Malaysia starting with conventional logistics, the introduction of raid hailing, last-mile delivery, crowd logistic and the future of crowd intelligence. The history of crowd logistics expansion has become prominent with the integration of technology and existing infrastructure which allows greater flexibility, customization and efficiency in logistics and transportation delivery. Addressing the crowd logistics revolution has shaped the development of future crowd logistics to be available in the supply chain and maximize the value creation in the Malaysia logistics industry.

**Keywords:** Crowd logistics; crowd logistics capabilities; crowd logistics evolution; last-mile delivery

1. Introduction

The e-commerce expansion has led to a change in logistics and supply chain management [10]. With its revolutionary business model, E-commerce is radically changing how consumers shop. With the emergence to fulfil customer satisfaction in the last-mile delivery sector, retailers are increasingly eager to adopt innovative delivery services such as crowd sourced delivery or crowd logistics. The service sector industry needs efficient logistics to achieve a higher value of supply chain [9], shorter lead time [4], and sustainability [9,26]. Moving toward improving logistics services, most brick-and-mortar companies ventured into an online platform [50] or e-commerce to encourage transparency in the logistics process [34]. An online platform such as last-mile and on-demand delivery ensures the parts and services have been delivered accurately to the customer. Crowd logistics delivery has a gain interest in the business, especially in last-mile delivery [2]. Last-mile delivery is the transportation of goods to their final destination. It takes into focus on speed and efficiency, in response to the constantly evolving market and the growing demand for seamless and convenient delivery experiences. This imperative for swift and reliable delivery is particularly relevant across a range of industries, but not limited to including e-commerce, food, and retail [51].

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The emergence of e-commerce and the digital marketplace has shaped customers and developed a preference for speedy and complimentary shipping and competitive pricing [11]. This upward trend in delivery schedules challenges the ideal logistics and supply chain models. In order to satisfy the requests of consumers who seek economical and instantaneous delivery options, companies are now compelled to alter their tactics. The advent of e-commerce and the increase of digital marketplaces have altered the purchasing habits and preferences of consumers. Today's consumers expect free and speedy shipping options alongside competitively priced products, reflecting the changing landscape of the retail industry [39]. One way of solving the emerging and demanding services is by using crowd logistics, which can provide benefits to the environment and reduce last-mile delivery costs [1,45]. The issues in last-mile delivery, such as timeliness [6,7,12] and delivery speed [7,13,43] are essential in the last-mile delivery context as achieving both in the traditional logistics would increase almost half of the overall logistics cost. As a result, there is a need to find novel solutions that enhance the effectiveness of last-mile delivery effectiveness and improve the overall logistics performance [25]. Additionally, crowd logistics can enhance user experience in service delivery and provide job opportunities [4]. Crowd logistics include ride-sharing platforms, delivery services that utilize independent contractors and other on-demand models that respond to a crowd of individuals to provide transportation and logistics services.

Crowd logistics is still a novel and emerging concept in Malaysia's logistics industry. Thus, the purpose of this research is to (i) explore the crowd logistics concept and (ii) discover crowd logistics evolution in the Malaysia logistics industry. This research proceeds with an introduction to crowd logistics, where the understanding of basic concept was introduced globally and in Malaysia logistics industry. It is then followed by the methodology used in this research and a discussion on the evolution of crowd logistics in Malaysia logistics industry. Finally, a conclusion and future research are also presented at the paper's end.

This research contributes to the significance of the revolution of crowd logistics in Malaysia logistics industry perspective. This research theoretically aimed to provide further understanding of the growing crowd logistics concept, especially in Malaysia. This research also practically will serve as a guide and provide great assistance to academicians and practitioners on the evolution of crowd logistics application. This will also be beneficial to the policymakers with the crowd logistics evolution in understanding the basic concept of crowd logistics.

2. Literature Review

As aforementioned, crowdsourcing comes from the word 'crowd' [17], which brings into the definition of a group of ordinary people and 'sourcing' is a process and function delegation to a third party. Thus, crowdsourcing defines delegating processes or functions to a third party using the ordinary mass of people. Crowd logistics are also called crowd delivery, crowd shipping, cargo hitching, crowd sourced distribution, or collaborative logistics. It is portrayed as a novel concept that enables travellers to utilize their surplus carrying capacity to deliver packages for others [9]. Carbone et al., [9] pioneered the exploratory investigation and proposed an initial crowd logistics conceptualization. In general, crowd logistics aims to link people with specific logistical resources with those who require logistics services [3]. This concept has emerged in the logistics sector and eventually assisted logistics in becoming more efficient and reliable services.

Most crowd logistics focused mainly on the concept [9,29,30], crowd behaviour on perceived crowd logistics [23,35,36,53] and simulation and mathematical model stage [4,11]. There is no definite agreement on which performance measurement can be used to measure logistics performance [54]. Consequently, even though crowd logistics is a well-known and widely-discussed
concept in the industry, it is a new subject to be researched in academia and can empirically contribute to the body of knowledge [9,14,18,31]. Crowd logistics is also known as a new digital business relationship alternatives and solutions [15,27] and facilitates stakeholder interactions.

2.1 Traditional vs. Crowd Logistics

The difference between crowd logistics and traditional logistics is mainly in the engagement of crowds in the process. The distinctions fall under five categories: supply resources, rewards and initiative, decision-making, networking, and digital technology. Table 1 shows the difference between traditional logistics and crowd logistics [9,23,33]. From the supply resources point of view, traditional logistics require professional drivers with limited capacity to handle the logistics process. For crowd logistics, the drivers are usually freelancer drivers who partner with companies to perform the activities. Crowd logistics also have greater access to unused or underutilized resource capacities.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Traditional vs. crowd logistics [9,23,33]</th>
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</thead>
<tbody>
<tr>
<td>Traditional Logistics</td>
<td>Crowd Logistics</td>
</tr>
<tr>
<td>Supply resources</td>
<td>a) Professional drivers</td>
</tr>
<tr>
<td>b) Limited capacity</td>
<td>a) Freelancer driver-partners</td>
</tr>
<tr>
<td>b) Greater access to unused or underutilized capacities</td>
<td></td>
</tr>
<tr>
<td>Rewards and Initiative</td>
<td>a) Under the company’s control</td>
</tr>
<tr>
<td>b) Pair unidentified demands with known resources</td>
<td>a) The system’s suppliers and demand for resources are both unknown.</td>
</tr>
<tr>
<td>b) Incentives are required to attract both demand and supply</td>
<td></td>
</tr>
<tr>
<td>c) Supply compensation can be controllable or flexible (mutual agreement with requesters)</td>
<td></td>
</tr>
<tr>
<td>Decision making</td>
<td>a) Centralized decision making (top-down)</td>
</tr>
<tr>
<td>b) Resources systematic distribution</td>
<td>a) Decentralized decision making</td>
</tr>
<tr>
<td>Networking</td>
<td>a) Unchanged supply chain network</td>
</tr>
<tr>
<td>b) Few-to-many configuration</td>
<td></td>
</tr>
<tr>
<td>c) Finite participants/transfer points/entry points simplify transactions</td>
<td></td>
</tr>
<tr>
<td>d) Can result in inflexible and difficult-to-modify supply chains</td>
<td>a) Adaptable and adjustable supply chain network</td>
</tr>
<tr>
<td>b) Many-to-many configuration</td>
<td></td>
</tr>
<tr>
<td>c) Sharing enables closer proximity to the end customer</td>
<td></td>
</tr>
<tr>
<td>d) Flexible and resilient supply chains</td>
<td></td>
</tr>
<tr>
<td>Digital technology</td>
<td>a) E-commerce platform, enterprise resource planning system, and electronic data interchange</td>
</tr>
<tr>
<td>a) Website platform and mobile app site</td>
<td></td>
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Secondly, in the incentive and control section, a traditional logistics company has matched the unknown request with available resource, whereby most of the situation is under the company’s control. While in crowd logistics, in addition to the traditional method, the suppliers and demand for resources are unknown. Thus, incentives based on mutual agreement are mainly required to attract demand and supply. In decision making, a crowd logistics decentralized decision-making contrary to conventional logistics, which gives full authority to its top-down power and a systematic allocation of resources.

In addition, conventional logistics practice a static supply chain network and encourage few-to-many configurations. Also, a transaction in the supply chain only has limited participants, leading to a rigid and hard-to-adaptation supply chain. While in the crowd logistics, an elastic supply chain is encouraged, having many-to-many configurations and the ability to share information and results.
with customers are practices making the crowd logistics adaptable and more resilient supply chain. Lastly, the obvious difference in digital technology is the use of mobile applications and websites between conventional and crowd logistics.

2.2 Global Crowd Logistics

Customers’ use of physical distribution and digital services has changed due to technology, according to a report from DHL in 2020. The e-commerce businesses have globally grown around 20% in 2019 and are expected to exceed 25% in 2020 and beyond. Besides, this industry’s growth also has diversified choices, prices, and delivery convenience offered by the e-commerce business. Koponen & Rytsy, [20] interpret the e-commerce business as a communication platform that enables social presence to increase effective and responsive relationships. Consumers use mobile devices to communicate frequently in all aspects of their personal and professional lives. It is also growing in business because it is outsourced to the crowd, with the primary objective of delivering goods and services timely to the right people. It is also known as crowdsourcing [29].

Crowdsourcing is known for its approach to completing a task for a broad segment of the public or the crowd [37]. Another perspective of crowdsourcing is also explained by Mladenow et al., [30]. It is a specialized form of outsourcing strategy with a generic operational structure, for instance, crowd finance, crowd voting, crowd searching, and crowdfunding. Al-saudi, [1] reveals that crowdsourcing occurrence explains a variety of strategies that share a prominent characteristic: which all concentrate on some of the crowd's contributors. However, the nature of these contributions can vary enormously [45]. Crowdsourcing is utilized by a variety of businesses and encompasses a variety of issues and fields. In logistics, services will engage the crowd and exploit crowdsourcing application principles in varied contexts. The rise of the last-mile delivery concept has recently given global opportunities for business ventures into this logistics segment. This emerges that on-demand last-mile delivery and crowd logistics become essential in today's business environment, considering factors when individuals cannot shop at a physical store [42].

Due to the increased volume and delivery, the industry needs to be prepared to manage the said increment, impacting the logistics and transportation industry [39]. One way of solving the emerging and demanding services is by using crowd logistics, which can reduce delivery costs and benefit the environment [1,45]. The issues in last-mile delivery, such as timeliness [6,7,12] and delivery speed [7,13,43] are essential in the last-mile delivery context as achieving both in the traditional logistics would increase almost half of the overall logistics cost. As a result, new solutions are discovered to enhance delivery efficiency and overall logistics performance [25].

2.3 Crowd Logistics in Malaysia

Over the past few years, Malaysia's logistics sector has experienced growth due to various contributing factors, such as enhanced logistics infrastructure, rising freight volumes, and a structural shift towards e-commerce [28,49]. The Ministry of Transport (MOT) Department of Malaysia's Logistics and Trade Facilitation Masterplan 2015-2020 reported that this is the master plan’s current edition. The emergence of the e-commerce phenomenon has caused a change in consumer buying behaviour and expectations, leading to anticipation for prompt and costless shipping, along with competitive pricing [11]. The rigorous demand for deliveries poses a challenge to traditional logistics and supply chain models. As a result, companies must adapt their strategies to meet consumers’ needs by offering cost-effective and prompt delivery services. A typical example of these latest business models is Uber, Grab, ZeptoExpress, Foodpanda, NinjaVan,
Lalamove, Grabfood, Zoom, FoodValet, and many more [38]. In the same vein, an empirical study by Haron et al., [16] highlighted three main themes in accordance to the perspective of crowd logistics in Malaysia. The first one is the operation management, followed by resource management and lastly, technology and communication management.

The remarkable surge in growth and demand is bound to significantly affect the logistics and transportation sector, requiring companies to be well-equipped to handle higher volumes and meet elevated delivery standards [39]. Crowd logistics presents a potential solution for meeting the demands of emerging services, as it has the ability to decrease the last-mile delivery cost and promote environmental advantages [1,45]. The issues in last-mile delivery, such as timeliness [6,7,12] and delivery speed [7,13,43] are essential in the last-mile delivery context as achieving both in the traditional logistics would increase almost half of the overall logistics cost. Therefore, a search for innovative solutions can improve the effectiveness of last-mile delivery and overall logistics performance [25], especially in Malaysia.

With the emergence of crowd logistics, Malaysia's logistics market has become more technologically friendly. Crowd logistics involves the use of technology platforms to connect businesses or individuals that required resources that can provide transportation services with individuals or small businesses. This enables the creation of an on-demand delivery network that can be easily mobilized to meet the needs of businesses and consumers.

3. Methodology

This section explain the method used in retrieving articles regarding crowd logistics in Malaysia. In order to access the relevant articles for this paper, the author used a systematic literature search called PICo to find the articles. PICo is a mnemonic that signifies ‘P’ (Population or Problem), ‘I’ (Interest), and ‘Co’ (Context). Following that, a crowd logistics evolution content analysis also being performed to offer significant literature related to crowd logistics. The next section will also describe the research questions involved.

3.1 Research Question Formulation

In developing the research question, Lockwood et al., [24] suggested using the PICo mnemonic that signifies ‘P’ (Population or Problem), ‘I’ (Interest) and ‘Co’ (Context). It is also supported by Shaffril et al., [46] that the use of the PICo method in formulating the research question can assist the researcher in gathering information on the topic more accurately. This study included three major aspects of PICo as part of the review based on the concept, the logistics industry (Population), crowd logistics capabilities (Interest), and Malaysia (Context). Thus, this enabled the author to formulate the research questions for this study; (i) “What are the crowd logistics definition, concept and application in the logistics industry?” and (ii) What is the crowd logistics evolution in Malaysia logistics industry?”

3.2 Systematic Searching Strategies

This paper uses systematic literature searching recommended by Shaffril et al., [46] to gather information on the crowd logistics concept. Based on the research question, the authors outline four keywords for the literature search. This includes crowd logistics capabilities, the logistics industry, Malaysia crowd logistics, and systematic review. To enrich these keywords, the authors used an online thesaurus, for instance, thesaurus.com, past studies' keywords, Scopus' keywords,
and expert opinion for words alternatives. In expanding the keyword, authors use similar keywords to crowd logistics, for instance, crowdsourcing logistics, crowd-logistics, collaboration logistics, on-demand delivery, on-demand logistics, last-mile logistics, review, systematic literature review, and systematic review. This research includes only English language articles and selected subject areas, as in Error! Reference source not found.. These keywords were combined in two main databases: Scopus, Web of Science and one supporting database: Google scholar, from 2015 until 2021. The result of including and excluding criteria is summarized in Error! Reference source not found..

| Table 2 |
|-----------------|-----------------|-----------------|
| **Inclusion and exclusion criteria** | **Inclusion** | **Exclusion** |
| **Criterion** | **2015-2021** | **2014 and earlier** |
| **Timeline** | **Articles** | **Book, chapter in a book** |
| **Document Type** | **English** | **Non-English** |
| **Language** | **Social science, transportation** | **Medical, environmental science, geography, and other non-social science studies** |
| **Subject area** |

4. Analysis

4.1 History of Crowd Logistics in Malaysia

The history of crowd logistics started in the early 2000s when Howe [17] introduced the term and concept of sharing economy. The development of crowd logistics started with the ride-sharing platform in the late 1990s through the early 2000s. Previously, the early days of ride-sharing provided a new dimension in the era of promoting the sharing economy [44]. Onwards, we can also see the growth of companies such as Uber and Lyft in the early days of the sharing economy era [21]. The early years has recognized Uber as the first organization which introduce ride-hailing services that connecting drivers with the passengers by using a platform. This initial example has paved the way for ride-hailing services to emerge and developing for on-demand transportation and delivery services.

Afterwards, with the emergence, more organizations in Malaysia are willing to offer other types of services related to on-demand delivery, for instance food delivery and parcel delivery. The influence of crowd logistics across the nation has increased as a result of this circumstance. Additionally, it is also vital to highlight the transportation and logistics industry has profited from this expansion. With the deployment of new technologies and several platforms that facilitate crowd logistics, the development of crowd logistics has become more prominence. Companies like Grab and Lalamove have started experimenting with the new technologies such as electric bikes and scooters. Gdex also has started supporting its eco-friendly vehicle by introducing eco-motorcycle during delivery. These activities can improve efficiency and reduce costs for moving goods and services.

Overall, crowd logistics development in Malaysia has been primarily propelled by expanding local and international companies, broadening services offered, and integrating advanced technologies. In the past, logistics and supply chain management were typically carried out by large, hierarchical organizations responsible for coordinating the flow of goods from the origin to the destination. As the concept of crowd logistics still in the early growth state [42], more empirical evidence should be carried out for the crowd logistics to evolve.
4.2 Evolution of Crowd Logistics in Malaysia

Fig. 1 represents crowd logistics evolution in Malaysia. Like most services, logistics generally starts in the traditional logistics setting, where logistics aims to ensure the movement of goods and services at the location by integrating maritime, air, and land transport modes [54]. It is then followed by a last-mile delivery service, the last leg of the goods' movement to its destination. Then, with the help of the crowd, crowd logistics evolve and efficiently connect people with the logistics service they need through technological advancement. Crowd logistics also relies heavily on the collaboration and decentralized network of individuals and small businesses to do the delivery.

![Crowd Logistics Evolution in Malaysia](image)

Fig. 1. Crowd logistics evolution in Malaysia

In conventional door-to-door services, the operations include transferring goods, services, and information to the desired recipients. This allowed goods to be delivered without considering when goods arrived. Besides, traditional logistics settings also require professional drivers to manage the logistics activities in the supply chain [8,22]. In Malaysia, traditional logistics has historically been carried out by large, hierarchical organizations responsible for managing the flow of goods and materials within the country and worldwide. This has been the delivery method for a long time, and still being used up till now. The delivery can be measured using Logistics Performance Index (LPI) introduced by the World Bank, and Malaysia has jumped 15 ranks from 41\textsuperscript{th} to 26\textsuperscript{th} worldwide for overall score [5]. This proved that the capability of logistics operation in Malaysia can be improved with accurate and effective strategies.

Then, the last-mile logistics emerge afterwards, where this typology offers business-to-consumer (B2C) parcel delivery services [40]. This logistics activity required dedicated couriers and vehicles for parcel delivery of goods and services. It transports both from the point of origin to the end customer. Most small and medium (SME) companies in Malaysia have their business in a shop lot or a standalone building, where loading and unloading goods for their daily operation, especially those in the urban area is a hassle. Last-mile delivery can be complex and challenging, particularly in urban areas where traffic congestion and the lack of available parking can make it difficult to deliver goods efficiently. However, the revolution of technological advancement to connect businesses and consumers who need goods to be delivered is introduced, increasing the efficiency of the logistics process. This is where the logistics innovation such as crowd logistics appeared in the industry and offer seamless delivery for more efficient operation. The willingness of crowd workers to continue delivery in the logistics operation offers economic benefits that motivate them to continue participating in crowd logistics activities [32].

Following through, with the advent of technology platforms and the development of the gig and sharing economies, a new model for logistics and supply chain management has emerged: crowd logistics. Crowd logistics relies on the participation of many individuals or small businesses, which
can be quickly mobilized to meet the changing needs of businesses and consumers. By leveraging a crowd’s collective intelligence and resources, crowd logistics can be more efficient, flexible, and cost-effective than traditional logistics networks. The greater flexibility on crowd logistics has accommodated several businesses and individuals to perform jobs outside regular business hours. Additionally, the use of crowd storage in assisting the logistics service can beneficial to crowd logistics by providing extra space for the ease of logistics operation [48].

Lastly, towards the future of logistics and sharing economy, crowd intelligence, with the composition of Internet-on-Vehicle (IoV) and Internet-on-Things (IoT), has been widely discussed [41,52]. Crowd intelligence is the collective intelligence of a group of people, which can be harnessed and utilized to solve problems or make decisions [47]. It should also be noted that crowd intelligence is the central core of the crowd cyber system. The future of crowd intelligence will likely be closely tied with the developing of new and emerging technologies and the interconnectedness of people and devices. Furthermore, with the increasing use of technology and the internet, crowd intelligence is becoming more accessible and easier to implement. Crowd intelligence is anticipated to be used in broader applications, including problem-solving, decision-making, innovation, and prediction [41]. In Malaysia, the applicability of crowd intelligence in logistics sector is scarce, as digitalization on logistics in Malaysia still at the basic level, which highlighted the direction between digital strategies and industry transformation is not ascertained [19].

The evolution of crowd logistics will anticipate continuing in the upcoming years as new technologies and business models emerged. The industry is also expected in responding to changing customer needs and market conditions. Some trends that may shape the evolution of crowd logistics future include the increasing use of artificial intelligence and machine learning, the growth of on-demand services, and the focus on sustainability and environmental responsibility. In general, the development of crowd logistics has the potential to fundamentally transform how goods are transported and distributed, especially in urban settings where conventional logistics can be prohibitively expensive or inefficient. However, the future of crowd logistics also faced several challenges and uncertainties, for instance the impact on traditional logistics industries, regulatory and governance elements in crowd logistics. Thus, it is crucial for practitioners and researchers to take full advantage of the opportunities and highlight the challenges that may arise.

5. Conclusion and Future Research

This research identified crowd logistics concept in terms of definition, concept, benefit, and the use of crowd logistics in the Malaysia logistics industry. In addition, this paper also described the evolution of logistics in Malaysia from introductory of conventional logistics to predicting the future of Malaysia logistics industry. This review demonstrates crowd logistics as a cost-effective, agile, versatile, and diversified logistics operation that can supersede the traditional logistics setting. Nowadays, most customers demand speed and accuracy in delivery, and crowd logistics is one of the best options for businesses to venture into, depending on the technological advancement capability of the business.

Additionally, this paper indicates a review of crowd logistics and its capabilities, which can guide other researchers and practitioners in identifying and reviewing the availability of crowd logistics services in the industry. Furthermore, based on the evolution mentioned, practitioners and academicians can also take advantage of measuring their company's logistics performance to achieve high market share and competitive advantages. The author's viewpoint provides a unique perspective on how traditional logistics has developed and challenges researchers and managers to
unleash the crowd logistics’ future potential. Besides, the environmental aspect of crowd logistics should also be considered beneficial to the industry, especially the need to reduce gas emissions, minimize transportation’s environmental impact and support the adoption of sustainable and green logistics practices.

The trend and development of crowd logistics are emerging, especially in the technological advancement aspect, where the current logistics industry is growing exponentially. A case study approach is recommended to gain a thorough understanding of the crowd logistics concept and assess its value to the Malaysian logistics and transportation industry. As technology is taking its role in the development and evolution of crowd logistics, it is expected that the rise of artificial intelligence and machine learning with the steady growth of on-demand services in the years to come. Furthermore, as stated in the discussion, a crowd intelligence perspective on research is also required to undertake future research. The continued adoption of technology can also optimize the crowd logistics process to be more efficient and cost-effective, especially in moving goods and materials. Therefore, a new and holistic crowd logistics consideration in the future should be monitored, where the significance of a business is determined not only by macroeconomic factors but also by its potential worth for stakeholders and the interdependence of business relationships among them.

The limitation of this article is that the population only looks at the angle of crowd logistics in Malaysia. No generalization can be made due to its population selection. Thus, it is recommended that this revolution access can be done in a broader context, considering the Asian Pacific region or global crowd logistics solutions and practices.

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