

# Alphabet-owned Wing looks to make last-mile delivery more efficient

Article

**The vision:** Alphabet-owned drone delivery company Wing expects to handle “millions of deliveries for millions of consumers at a lower cost per delivery than ground transportation” by the middle of next year, [wrote](#) CEO Adam Woodworth in a company blog post.

- The company's ability to deliver on that vision will stem from its ability to rethink how drone delivery operates. Wing is developing its Wing Delivery Network to function "more like an efficient data network than a traditional transportation system."
- The Wing Delivery Network aims to enable drones to pick up, drop off, travel, and charge in whatever pattern makes the most sense for the entire system. The idea is to make the ridesharing-like system flexible enough to meet different retailers' and restaurants' peaks in consumer demand across entire cities.

**Making delivery more efficient:** Wing knows that drone delivery will only become an economically viable model if its system can rapidly scale.

- "The economics of drone delivery improve dramatically with scale, and all of the salient metrics (access, safety, and sustainability) become far more meaningful at large volumes," Woodworth wrote.
- Getting to that point will take time as Wing has only made 300,000 commercial drone deliveries in 10 locations across three continents to date, [per](#) the company's website. For example, Wing last year launched its [drone delivery service](#) in Texas to deliver items from **Walgreens, Blue Bell Creameries, Texas Health, and easyvet**.
- It is hardly alone as drone delivery is still in its early days. The number of US delivery drone units is still small—less than 35,000 at the end of last year—despite a rapid 55% growth rate. That said, our [Retail Automation Forecast](#) expects that number to quickly grow to **110,400 units by the end of next year**.

**Building a viable model:** The Wing network relies on logistics automation software that constantly allocates hardware resources at a city or metrowide scale.

- The software manages three basic hardware elements: delivery drones; pads where drones can take off, land, and recharge their batteries between trips; and AutoLoaders where retailers' employees can preload packages for automatic pickup in much the same way that they prepare and deliver curbside order pickup.

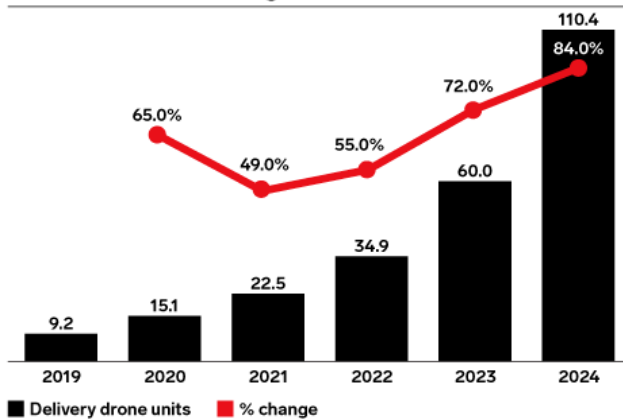
**The big takeaway:** There's a significant opportunity to make last-mile delivery more efficient.

- However, Wing faces plenty of potential challenges as it seeks to rapidly expand its reach, ranging from the need to address regulatory issues to educating consumers on the technology to maintaining and deploying a fleet of drones at a reasonable cost.

**Go further:** Read our [Robots Haven't Taken Over Retail—Yet](#) report.

### Delivery Drone Units in the US, 2019-2024

thousands and % change



Note: the number of commercial unmanned aircraft systems (UASs) registered with the Federal Aviation Administration that deliver purchased products or goods directly to a consumer

Source: eMarketer, Aug 2022

277632

eMarketer | InsiderIntelligence.com

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- **Are you a client? [Click here to subscribe.](#)**
- **Want to learn more about how you can benefit from our expert analysis? [Click here.](#)**