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# **Urban Goods Flow Modelling 1**

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## **Reading materials**

- ✓ Papers:
  - International Journal of Urban Sciences

Agostino Nuzzolo, Antonio Comi & Luca Rosati: City logistics longterm planning: simulation of shopping mobility goods and **restocking and related support systems.** Published online: 25 Jul 2014



#### Urban freight demand forecasting: A mixed quantity/delivery/vehicle-based model



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## Lecturer references

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- 1. Introduction to UGFM
- 2. Models for:
  - 2.1 Goods quantity and delivery OD matrices
  - **2.2 Freight vehicle OD matrices**



# **Urban Goods Flow Modelling 1 - Introduction**



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## Contents

- $\checkmark$  Urban goods logistics and transport
- $\checkmark$  Actors of urban supply chain
- $\checkmark$  Urban goods mobility, internal end external costs
- $\checkmark$  Sistems of urban freight demand models



#### **Urban goods logistics and transport** Urban supply chain - USC Production zone Consumption zone Acquisition zone Retail zone (f)(e)(0)(d)**Shopping mobility** Producer **Distribution** centres Freight flows (I-O models) General market Warehouse Retail Freight vehicles (modal split and logistic Passenger vehicles chain models) (consumers) Freight flows Large-scale retail trade (models at urban/ metropolitan scale Residences Freight flows Service **Goods distribution** Freight vehicles activities



## **Distribution networks**





✓ Activities:

- Connect national distribution with regional and urban
- De-consolidation/ consolidation
- Storage and warehousing
- Urban distribution
- > Additional logistic services
- ➤ Sale and public exercise





- ✓ Classification and functions:
  - ✓  $1^{\circ}$  level nodes:
    - Distribution Center (DC): reception, storage, distribution
    - Wholesales Centres (including fruit markets, flowers, fish, ...): reception, storage, sale
    - Whareouses: storage





- ✓ Classification and functions:
  - ✓  $2^{\circ}$  level nodes:
    - Distribution centers (DI.CE): reception, storage, distribution for GDO, franchising, ....
    - Local warehouses: storage
    - Transit Points: de-consolidation and consolidation
    - Nearby Delivery Area: local vehicle transhipment







- ✓  $3^{\circ}$  level nodes
  - Sale spaces and public exercises:
    - Retail
    - o Neighborhood
    - o Local market
    - o Neighborhood natural mall
    - o Large area natural mall (es. via Condotti)
    - o Suburban/extraurban mall (es. Romanina, Valmontone)
    - Franchising (small, medium, big)
    - Organized Large Distribution
    - o Supermarket
    - o Hipermarket
    - Public exercises/Ho.re.ca (hotel, restaurant, catering)





## **Operators of Urban Supply Chain**

- ✓ Activities of supply chain (auto-production and/or outsourcing):
  - Planning of distribution network (number, localization, depot dimension, transit point)
  - Planning and management of storage
  - Depot pick-up (picking), transport and delivering

2) The USC main objective is to coordinate USC activities and the relative actors in a way that meets customer requirements (effectivness) at minimum cost (efficiency)



## Actors ( agents) of USC

Wholesaler/Distributor

they buy large quantities of products from manufacturers and, then, sell them to retailers

Logistic and transport operators

They provide integrated logistics services, storage services, manage logistic infrastructures

Carriers and couriers

They provide transport services



## **Other actors of Urban Goods Mobility**

End-consumers (Inhabitants, City users, Service activities) They buy goods through shopping trips or e-shopping or other goods consumption activities (hotels, restaurants, ...)

> Retailers

they sell to end-consumers and have to be restocked



## **Urban goods-related mobility-UGM**





## **Urban goods mobility - UGM**

 ✓ shopping mobility refers to the trips undertaken by consumers (residents, tourists, city users) to shop;

✓ *shop restocking mobility* refers to the trips undertaken by commercial vehicles to restock the outlet activities (i.e. retailers) where consumers go to buy the products they need;

✓ *e-purchase delivering mobility* refers to the trips undertaken by commercial vehicles for the delivery of on-line purchases.



# Urban goods flows modelling

Modelling approaches: Agent-based simulation Aggregate goods flow models





## **Agent- based simulation**

Reproduces the interactions among the actors (and stakeholders) of urban logistics and transport



## **Aggregate goods flow models**

- Allow to obtain the Origin-Destination Matrices of goods quantities among the traffic zones of the study area.
- These matrices of goods quantities are then trasformed in matrices of freight vehicle flows, which are assigned to the road network to obtain the freight vehicle flows of the network links



## Setting up an urban freight model system

 $\checkmark$  In order to set up a suitable model system we have to analyze

- the structures of urban freight distribution for freight type (done)
- ➤ the decision-makers involved in the process (done)
- ➤ the choice dimensions of each decision-maker: in the following





## **Aggregate demand model framework**

![](_page_25_Figure_1.jpeg)

(model) data

![](_page_25_Picture_3.jpeg)

## **Urban freight modelling framework:** *Shopping: purchase modelling*

![](_page_26_Figure_1.jpeg)

model) data

![](_page_26_Picture_3.jpeg)

## **Urban freight modelling framework** *Shopping trip models*

![](_page_27_Figure_1.jpeg)

model) data

![](_page_27_Picture_3.jpeg)

## **Restocking models** $\Rightarrow$ **O-D Matrices**

![](_page_28_Figure_1.jpeg)

## **Urban freight transport modelling:**

## Quantity and delivery O/D matrices

![](_page_29_Picture_2.jpeg)

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![](_page_29_Picture_4.jpeg)

## **Urban freight trips considered**

![](_page_30_Figure_1.jpeg)

![](_page_30_Picture_2.jpeg)

## **Distribution process (distributive logistics)**

## Esemplificative hypothesis

Restocking of retail activity

![](_page_31_Figure_3.jpeg)

![](_page_31_Picture_4.jpeg)

## **Demand model** $\Rightarrow$ **O-D Matrices**

![](_page_32_Figure_1.jpeg)

![](_page_32_Picture_2.jpeg)

## **Demand model** $\Rightarrow$ **O-D Matrices**

#### Structure

![](_page_33_Figure_2.jpeg)

![](_page_33_Picture_3.jpeg)

## **Demand model** ⇒ **Quantity O-D Matrices**

**Quantity (tons/kgs) O-D matrices** 

![](_page_34_Picture_2.jpeg)

## **Quantity O-D Matrices**

They give the average quantity flow

$$Q_{od}{}^{sh}$$

of type *s* freight, between a zone *o* and a zone *d* in a time period *h*. *Type of freight strongly influence supply chains, in particular:* 

- Perishability
  - Fresh food
  - Dry food, beverages
- ➢ Cold chain
- ≻ Value Freight
- High volume and/or weight

![](_page_35_Picture_10.jpeg)

![](_page_36_Figure_0.jpeg)

## **Quantity O-D matrices**

$$Q_{od} = Q_{.d} \cdot p[o / d]$$

- ✓  $Q_{od}$  is the average quantity flow of freight attracted by zone *d* and coming from zone *o*;
- ✓  $Q_{d}$  is the average quantity of freight attracted by zone *d* obtained by an **attraction model**;
- ✓ p[o/d] is the share or the probability that freight attracted by zone *d* comes from zone *o* (e.g. production place/firm, distribution centre, warehouse, etc.); it represents the acquisition share (probability) obtained by an **acquisition model**.

![](_page_37_Picture_5.jpeg)

## **Attraction model**

## Example of Category regression model (Rome)

$$Q_{AD} = \beta_{AD} \cdot AD_d + \beta_{ASA} \cdot ASA_d \quad [t/day]$$

- ✓  $Q_{.d}$  is the average quantity of freight attracted by zone *d*;
- ✓  $AD_d$  is the total number of retail employees in zone *d*;
- ✓  $ASA_d$  is a dummy variable introduced in order to measure the different power of selling in zone *d* with high shop density; it is equal to 1 if ratio between retailer employees and resident in the zone d is higher than 0.35 (35%).

	Foodstuffs	Home accessories
ßer	0.06	1.6
P AD (t-student)	(1.89)	(2.52)
$\beta_{ASA}$	599.7	240.7
(t-student)	(5.96)	(2.53)
<b>R</b> <sup>2</sup>	0.91	0.79

![](_page_38_Picture_8.jpeg)

Rome (2008)

## **Acquisition model**

p[o/d] is the probability that freight attracted by zone *d* comes from zone *o* (production place, distribution center, warehouse); it can be expressed by a logit model:

$$p \left[ o / d \right] = \frac{\exp(\alpha V_{o})}{\sum_{o'} \exp(\alpha V_{o'})} \qquad V_o = \sum_j \beta_j A_{jo} + \sum_t \beta_t C_{od}$$
$$\beta_j > 0 \quad \beta_t < 0$$

 $A_{jo}$  is the *j*-th "*emission*" attribute of zone *o* 

(e.g. wholesale employees of freight type *foodstuffs*)

 $C_{t,od}$  is the *t*-th "*cost*" attribute for transporting freight from zone *o* to zone *d* (e.g. generalized cost of transport to go from zone *o* to zone *d*)

![](_page_39_Picture_8.jpeg)

## Acquisition model

Example

$$p\left[o / d\right] = \left(AI_{o}\right)^{\beta_{1}} \cdot C_{od}^{\beta_{2}} / \sum_{o'} \left(AI_{o'}\right)^{\beta_{1}} \cdot C_{o'd}^{\beta_{2}}$$

- ✓  $AI_o$  is number of warehouse employees of zone o;
- ✓  $C_{od}$  is the length of travel trip between *o* and *d*.

	Foodstuffs	Home accessories
	2.1	0.13
(t-student)	(1.94)	(2.63)
	-0.05	-0.08
(t-student)	(1.85)	(2.80)
ρ <sup>2</sup>	0.45	0.52

Rome (2008)

![](_page_40_Picture_8.jpeg)

## **Demand model** $\Rightarrow$ **Delivery O-D Matrices**

![](_page_41_Figure_1.jpeg)

![](_page_41_Picture_2.jpeg)

## **Delivery** *O-D* **Matrices**

They give the average delivery flow, ND, of freight type *s* between the zone *o* and the zone *d* in a time period *h* characterised by:

- ✓ transport service type (r)
  - Receiver account (e.g. retailer)
    - Own account
    - Third party: carrier or courier
  - Sender account (e.g. wholesaler)
    - Own account
    - Third party: carrier or courier
  - Delivery time period

For simplicity of notation, the class index *s* (freight type) and *h* (time period) will be taken as understood unless otherwise stated  $\Rightarrow ND_{od}[r]$ 

![](_page_42_Picture_11.jpeg)

## **Deliveries - <b>FLTZ Rome**

![](_page_43_Figure_1.jpeg)

![](_page_43_Picture_2.jpeg)

![](_page_44_Figure_0.jpeg)

## **Deliveries split in Own Account and Third Party**

SENDER – RECIPIENT	Bar, re	estauran	t, hotel		Retail		En (Res	<b>d Consu</b> idents, Se company	<b>mer</b> ervice )		Average	
	СТ	CP m	AUTO	СТ	CP m	AUTO	СТ	CP m	AUTO	СТ	CP m	AUTO
Wholesaler	41.5%	32.9%	25.6%	31.9%	54.6%	13.5%	32.7%	50.4%	16.9%	32.7%	47.7%	19.6%
Warehouse. depot	24.6%	51.7%	23.7%	61.3%	38.7%	0%	35.5%	55.8%	8.8%	43.3%	45%	11.7%
Productive unit	62.7%	23.5%	13.8%	60.9%	30.3%	8.8%	36.3%	44.6%	19.1%	50.7%	36.1%	13.2%
Average	43.3%	37.4%	19.3%	52.2%	41.1%	6.7%	37.8%	42.3%	19.9%	41.8%	42%	16.2%

![](_page_45_Picture_2.jpeg)

## **Deliveries split Own Account/Third Party**

![](_page_46_Figure_1.jpeg)

![](_page_46_Picture_2.jpeg)

## **Delivery time period (slice)**

![](_page_47_Figure_1.jpeg)

![](_page_47_Picture_2.jpeg)

![](_page_48_Figure_0.jpeg)

## **Delivery** *O-D* **matrices**

$$ND_{od}[r] = \frac{Q_{od}}{q[r]} \cdot p[r/d] \cdot p[\tau/rod] [deliveries / time slice]$$

- ✓  $ND_{od} [r]$  is the number of deliveries carried out by transport service type *r* on *od* pair;
- ✓  $Q_{od}$  is the average freight quantity flow on *od* pair;
- ✓ q[r] is the average freight quantity delivered with service type r (shipment size model).
- ✓ p[r/d] is the share or the probability of having deliveries by service type r (transport service model);
- ✓  $p[\tau/rod]$  is the share or the probability to delivery at time  $\tau$  (delivery time period/slice model).

![](_page_49_Picture_7.jpeg)

**Delivery** *O***-<b>***D* matrices

## **Transport service type model** *Revealed shares*

p[r / od]

	Foodstuffs	Home accessories
Retailer on own account	15%	31%
Wholesaler on own account	61%	46%
Third party (transport company and courier)	24%	23%
Total	100%	100%

#### Rome (2008)

![](_page_50_Picture_5.jpeg)

# **Transport service type model** p[r/od]

p[r/od] is the probability to be restocked by transport service type r; it can be expressed by a logit model:

$$p[r/od] = \frac{exp(\alpha V_{r})}{\sum_{r'} exp(\alpha V_{r'})}$$

$$V_r = \Sigma_j \beta_j X_{jr}$$

 $X_{jr}$  is the *j*-th attribute related to transport service type *r*.

![](_page_51_Picture_6.jpeg)

# Transport service type model

Retailers: logit model

 $\rho^2 = 0.21$ 

- $V_{c_{tp}} = \underbrace{1.97}_{(6.3)} \cdot PROD + \underbrace{2.56}_{(7.8)} \cdot CD + \underbrace{1.82}_{(6.4)} \cdot WH + \underbrace{0.023}_{(1.5)} \cdot EM + \underbrace{0.6}_{(1.3)} \cdot q$
- $V_{coa}$  is the systematic utility for transport in own account,
- $V_{ctp}$  is the systematic utility for transport by carrier,

 $V_{c_{oa}} = 0.032 \cdot PC + 1.008$ 

- *PROD* is a dummy variable equal to *1* if the restocked freight arrives from a *producer*,
- CD is a dummy variable equal to 1 if the restocked freight arrives from a distribution center,
- WH is a dummy variable equal to 1 if the restocked freight arrives from a wholesaler,
- *PC* is a dummy variable equal to *1* if the restocked shop is a *public concern* (e.g. bar, restaurant),
- *EM* is the number of employees at shop to be restocked,
- q is the average *shipment size*, expressed in tons.

![](_page_52_Picture_13.jpeg)

## **Transport service type model**

![](_page_53_Figure_2.jpeg)

- $V_{coa}$  is the systematic utility for transport in own account,
- $V_{ctp}$  is the systematic utility for transport by carrier,
- *PROD* is a dummy variable equal to *1* if the restocked freight arrives from a *producer*,
- *CD* is a dummy variable equal to *1* if the restocked freight arrives from a *distribution center*,

Probability to be **restocked by carriers is related to the type of origin centre: producer, distribution centre** and **warehouse 4** IS the average supment size, expressed in tons.

ked freight arrives from a *wholesaler*,

ced shop is a *public concern* (e.g. bar, restaurant),

stockedProbability to be restocked by carriersincreases with increasing shipment sizeand number of employees (shopdimension)

![](_page_53_Picture_11.jpeg)

## **Shipment size**

# q[r]

#### Shipment size: revealed delivery quantity [t/delivery]

	Foodstuffs	Home accessories
Retailer on own account	0.389	1.197
Wholesaler on own account	0.367	0.982
Third party (transport company and courier)	0.232	0.611
Average	0.320	0.902
Average no. of deliveries	2.4	1.8
08)		

![](_page_54_Picture_5.jpeg)

## Shipment size model for retailers 1/2

$$q^{i} = 5.83 \cdot EM^{i} + 95.17 \cdot STORE + 32.71 \cdot PC + 130.63 \cdot MR \qquad [kg / delivery]$$

$$R^{2} = 0.56$$

- ✓  $q^i$  is the average delivered quantity at shop *I*, expressed in kg;
- ✓ *EM*<sup>*i*</sup> is the number of employees at shop *i*;
- $\checkmark$  STORE is a dummy variable equal to 1 if there is a depot, 0 otherwise;
- ✓ *PC* is a dummy variable equal to *1* if the restocked shops is a *public concern* (e.g. bar, restaurant), *0* otherwise;
- ✓ *MR* is a dummy variable equal to 1 if the restocking happens before noon (i.e. in the morning), 0 otherwise;

![](_page_55_Picture_8.jpeg)

## Shipment size model for retailers

![](_page_56_Figure_2.jpeg)

![](_page_56_Picture_3.jpeg)

2/2

# **Delivery time period (slice) model**

Revealed shares

## *p*[*τ*/*rod*]

is the share or the probability to delivery at time  $\tau$ 

	Foodstuffs
Before 12:00	76%
Between 12:00 – 15:00	13%
After 15:00	11%

![](_page_57_Picture_5.jpeg)

## Appendix

✓ Model application example

![](_page_58_Picture_2.jpeg)

## Study area

![](_page_59_Picture_1.jpeg)

![](_page_59_Picture_2.jpeg)

## **Traffic zones**

![](_page_60_Figure_1.jpeg)

![](_page_60_Picture_2.jpeg)

## Socio-economic data

Traffic zones	Freight type	Retail employees	Warehouse employees	% of retail employees on residents
1	Foodstuffs	152	50	5%
2	Foodstuffs	2,149	150	40%
3	Foodstuffs	1,550	90	26%

![](_page_61_Picture_2.jpeg)

**Attracted quantity** 

$$Q_{d} = \beta_{AD} \cdot AD_{d} + \beta_{ASA} \cdot ASA_{d} \quad [t/day]$$

Foodstuffs 
$$Q_{d} = 0.06 \cdot AD_d + 599.7 \cdot ASA_d$$
 [t/day]

![](_page_62_Picture_4.jpeg)

	Foodstuffs
Zone 1	9.1
Zone 2	728.6
Zone 3	93.0

![](_page_62_Picture_6.jpeg)

## (1/2)

## **Quantity O-D matrices**

$$Q_{od} = Q_{d} \cdot p[o / d]$$
 [t/day]

$$p\left[o \land d\right] = \left(AI_{o}\right)^{\beta_{1}} \cdot C_{od}^{\beta_{2}} / \sum_{o'} \left(AI_{o'}\right)^{\beta_{1}} \cdot C_{o'd}^{\beta_{2}}$$

$C_{od}$	Zone 1	Zone 2	Zone 3
Zone 1	5.0	12.0	10.0
Zone 2	12.0	4.5	7.2
Zone 3	10.0	7.2	4.0

## ✓ Foodstuffs

$$p[o/d] = (AI_o)^{2.1} \cdot C_{od}^{-0.05} / \sum_{o'} (AI_{o'})^{2.1} \cdot C_{o'd}^{-0.05}$$

p[o/d]	Zone 1	Zone 2	Zone 3
Zone 1	7.2%	6.6%	6.8%
Zone 2	69.0%	70.0%	69.0%
Zone 3	23.8%	23.4%	24.2%
Total	100.0%	100.0%	100.0%

![](_page_63_Picture_8.jpeg)

![](_page_64_Picture_0.jpeg)

## **Quantity O-D matrices**

$$Q_{od} = Q_{d} \cdot p[o / d] \qquad [t/day]$$

#### Foodstuffs

$Q_{\scriptscriptstyle od}$	Zone 1	Zone 2	Zone 3	Total
Zone 1	0.7	48.3	6.3	55.3
Zone 2	6.3	509.9	64.1	580.3
Zone 3	2.2	170.4	22.6	195.1
Total	9.1	728.6	93.0	830.8

![](_page_64_Picture_5.jpeg)

## **Quantity O-D per transport service type**

$$Q_{od}[r] = Q_{d} \cdot p[o / d] \cdot p[r] \quad [t/day]$$

	Foodstuffs
RETAILER in own account	15%
OTHER transport services (e.g. wholesaler in own account + carrier)	85%
Total	100%

#### **Retailer own account**

	Zone 1	Zone 2	Zone 3	Total
Zone 1	0.1	7.3	0.9	8.3
Zone 2	0.9	76.5	9.6	87.1
Zone 3	0.3	25.6	3.4	29.3
Total	1.4	109.3	14.0	124.6

#### Other

	Zone 1	Zone 2	Zone 3	Total
Zone 1	0.6	41.1	5.3	47.0
Zone 2	5.3	433.4	54.5	493.3
Zone 3	1.8	144.8	19.2	165.9
Total	7.8	619.3	79.1	706.1

![](_page_65_Picture_7.jpeg)

# **Delivery O-D matrices**

 $ND_{od}[r] = Q_{od}[r]/q[r]$  [deliveries / day]

	q= average shipment
	[ <i>t</i> ]
RETAILER in own account	0.389
OTHER transport services (e.g. wholesaler in own account + carrier)	0.300

#### **Retailer own account**

	Zone 1	Zone 2	Zone 3	Total
Zona 1	0.3	18.6	2.4	21.3
Zona 2	2.4	196.6	24.7	223.8
Zona 3	0.8	65.7	8.7	75.2
Totale	3.5	281.0	35.9	320.3

#### Other

	Zone 1	Zone 2	Zone 3	Total
Zona 1	1.9	136.9	17.8	156.6
Zona 2	17.8	1,444.8	181.7	1,644.3
Zona 3	6.2	482.7	64.0	552.9
Totale	25.8	2,064.5	263.5	2,353.8

![](_page_66_Picture_7.jpeg)

## **Delivery O-D matrices per time slice**

 $ND_{od} [\tau r] = Q_{od} [r]/q[r] \cdot p[\tau / d] \quad [deliveries / time slice]$ 

	$p[\tau/d]$
Before 11:00 am	0.70
After 11:00 am	0.30

![](_page_67_Picture_3.jpeg)

## **Delivery O-D matrices per time slice**

#### Retailer own accownt before 11:00 am

	Zone 1	Zone 2	Zone 3	Total
Zone 1	0.2	13.0	1.7	14.9
Zone 2	1.7	137.6	17.3	156.6
Zone 3	0.6	46.0	6.1	52.7
Total	2.5	196.7	25.1	224.2

#### Other before 11:00 am

	Zone 1	Zone 2	Zone 3	Total
Zone 1	1.3	95.9	12.5	109.6
Zone 2	12.5	1,011.4	127.2	1,151.0
Zone 3	4.3	337.9	44.8	387.0
Total	18.1	1,445.1	184.5	1,647.7

#### Retailer own accownt after 11:00 am

	Zone 1	Zone 2	Zone 3	Total
Zone 1	0.1	5.6	0.7	6.4
Zone 2	0.7	59.0	7.4	67.1
Zone 3	0.3	19.7	2.6	22.6
Total	1.1	84.3	10.8	96.1

#### Other after 11:00 am

	Zone 1	Zone 2	Zone 3	Total
Zone 1	0.6	41.1	5.3	47.0
Zone 2	5.3	433.4	54.5	493.3
Zone 3	1.8	144.8	19.2	165.9
Total	7.8	619.3	79.1	706.1

![](_page_68_Picture_9.jpeg)