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### **Logistics business in Tamil Nadu at crossroads: The way ahead**

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#### **Abstract**

After the huge developments and change of shopping to the online platform it has become far essential and crucial for the concerns to develop and focus on the logistics providers as they are the need of the hour to develop the digital shopping and give a better output but as focussed in the study above the LSPs in India as constrained by several issues and obstacles to be addressed. LSP have been a major and crucial part of supply chain management to help customers access their products and services. Presently the LSPs are contributing as much as 14% to the GDP of the nation. As well as major developments in the country like Vocal for Local has ended up with huge bunch of opportunities for the LSPs. Hence enough efforts must be taken up by the LSPs to make enough from the opportunities that they have in the present market. This paper is an attempt to address the obstacles faced by the LSPs in developing countries particularly India through the available literature on the same along with an analysis proving them and providing them with possible recommendations to address them. The observe is projected to offer beneficial contributions to practitioners and carrier companies itself in terms of designing improved techniques which could triumph over the identified difficulties and might create enhanced answers for turning in superior carrier satisfactory to their customers.

**Keywords**1 Logistics 2. LSP 3. Development 4. Obstacles.

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#### **Introduction**

With the advent of globalization, the countries have become global from local in various aspects in order to keep up with the competition. But the development can be sustained and facilitated to everyone only when the distances are covered up and bridge

laid to connect the customers with the service providers. One of such development has been e-commerce and digital marketing. The success of e-commerce can be ensured through a proper logistics service which connects the customer and service provider.

Logistics is the technique of making plans, enforcing and controlling the green, powerful float and garage of products, services, and associated facts from factor of foundation to factor of intake for the cause of conforming to purchaser necessities. It is possible to country that logistics isn't always closed to production operations best. It is suitable to all establishments, compromising authorities, carrier groups and monetary provider corporations.

Vital factor within the supply chain is how logistics services are controlled, whether completed through inner control or even by logistics provider vendors. Whether one or the other administrative version has followed, shipping control places proud, not handiest because of working price it denotes, but additionally as it without delay influences the point of provider meant to hold by means of providers and clients. In the current digital progress, Information and Communication Technology (ICT) has added numerous gear that help inside the control of shipping, including steering structures, cargo and fleet administration, cargo and car trailing.

Logistics, as the innovativetrain of economic increase, performs a middle position in defeating the restrictions of time-area between manufacturers and the bazaars they supply. Logistics means the visiblefloat of goods as of the vicinity of deliveries to the receiving region. According to real wishes, the simple capabilities of carrying, garage, shipment and unloading, dealing with, covering, delivery processing, allocation, recycling, and statistics processing are purelypooled. Manufacturing area means back to the financial phenomenon in which a positive industry merges spatial allocation and production inside a rustic or region.

### **Objectives of study**

1. Understand the prevalence of logistics service providers in the current digital era.
2. Validate the obstacles encountered by logistics service providers in developing nations like India.
3. Provide with possible recommendations to improve the situation of logistics service providers.

### **Challenges faced by lsps India**

1. The first and foremost challenge faced by the logistics service providers are the poor or bad infrastructural setup in the nation like poor roads and their connectivity slows down and puts hurdles in their path to deliver efficient results.

2. Since there is very less importance given to the logistics services the required level of importance is given to the logistics education and training to the employees for the logistics services.
3. Poor bodily and communication infrastructure is any other restraint to drawing investments inside the logistics quarter. High expenses of processes and delays involved in compliances along with various documents necessities create the business unpleasant.
4. Technical up gradation is the need of the hour for an efficient logistics service such as an accurate GPS technology for tracking. Though the country is upgrading but the rate of adoption of the technology is still very slow.
5. In growing nations there is very leisurely or no implementation towards mechanization due its limited availability and charges incurred.
6. In developing nations LSPs still stand as fragmented and unorganised sectors to be dealt with.
7. Above all there are no standards or benchmarks to access the performance of these LSPs in the first place.
8. The government authorities support and policies to ensure their performance is missing as well in most of the contexts.

### **Review of literature**

In developing nations like India which contain huge potential for e-commerce and digital marketing logistics mark up a huge potential to mark up the gap between the customers and service providers. E-commerce is the present trend for the retail sector where any and every product can be dealt with ease. The sector as well occupies and contributes a huge portion to the GDP of the nation. Hence keeping in view, the utility of the sector a critical analysis of the positives and negatives of the logistics service providers have been accounted for in the present study and the relevant literature in support of the same mentioned in the current section.

Huo et al. (2008) reinstated the definition via declaring Logistics firms as “an association among a shipper and a third party which, in comparison with the simple services, has greater customized offerings, contains a wide variety of provider designed functions and is characterized by way of an extended-term, greater at the same time useful courting”. The reputation of logistics outsourcing happens from variety of causes. The function of logistics provider is awfully critical in carrying out even float of goods and facts in both upward and downward of supply chain (Kumar et al., 2012). Normally, Bharath companies outsource logistics sports to lessen price, extra focus on centre skills, higher service best and time saving.

For monetary upliftment and urbanization, logistics infrastructure is observed to be critical inducer. As a result of globalization, India is enhancing function in international exchange channeling increase in shipping quantity (Venkatesh et al., 2017). The authorities of India has already taken measures to make bigger and get

better present avenue and rail networks and modernizing harbours and airports (Mitra, 2013). However enlargement of logistics infrastructure isn't harmonized with the projected business necessities. In evolved nations, motors pass round 800-1000 km in an afternoon while, In India, it runs best 250-300 km a day (Sanyal, 2006b). It develops the principal hassle of disparity of transport facilities as necessary. Pathetic situation of roads, terrible connectivity, and excessive toll charges, sleaze on highways and hinterlands and insufficient air and seaport capabilities are the predominant facilities bottleneck (Sahay and Mohan, 2006).

Logistics quarter needs large amount for resources such as automobiles, experienced manpower and warehouses and many others. Logistics is a more value and coffee-margin business (Mitra, 2013). The premature price blueprint through Indian shippers creates scarcity of good enough operating capital for LSPs. High fees of operation and delays involved in compliances with varying documentation necessities make the Business unattractive (More and Basu, 2013; Govindan, 2014).

**Methodology**

The research type involves Descriptive. The population of this study comprises of logistics companies in Tamilnadu were taken as sampling unit. Sample size was determined by using Sekaran and Bougie (2010) sample size table. 384 Respondents have been selected at 95% self assurance degree and 0.005% of margin of error. The records have been accumulated by means of the usage of the established questionnaire with a possibility resign of easy random sampling.

**Analysis and interpretation**

**H0: There is no significant relationship between the challenges and the logistics companies**

To identify the association among seven variables and their significance, Pearson correlation is used and the results are tabulated below.

**Table 1: Pearson Correlation of Variables**

Opinion		1	2	3	4	5	6	7
Managing manpower	Pearson Correlation	<b>1</b>	<b>.077**</b>	<b>.059</b>	<b>.076</b>	<b>.069*</b>	<b>.0677*</b>	<b>.051</b>
	Sig. (2-tailed)		.001	.070	.118	.001	.000	.149
Increases work involvement	Pearson Correlation		<b>1</b>	<b>.047**</b>	<b>.0803</b>	<b>.0686*</b>	<b>.0611</b>	<b>.072*</b>

	Sig. (2-tailed)			.000	.035	.000	.820	.000
Increases the interaction between customers and company	Pearson Correlation			<b>1</b>	<b>.0756</b>	<b>.0768*</b>	<b>.066*</b>	<b>.055</b>
	Sig. (2-tailed)				.242	.000	.049	.181
Government regulations	Pearson Correlation			<b>1</b>	<b>.0659*</b>	<b>.0705*</b>	<b>.0464</b>	
	Sig. (2-tailed)				.000	.032	.000	
Automation of logistics facilities	Pearson Correlation			<b>1</b>		<b>.0729</b>	<b>.0603</b>	
	Sig. (2-tailed)					.550	.035	
Driver shortage	Pearson Correlation					<b>1</b>		.180*
	Sig. (2-tailed)							.000
Reducing transportation costs	Pearson Correlation							<b>1</b>
	Sig. (2-tailed)							

Source: Computed Value

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

From the table it can be summarized that as p-value  $0.000 < 0.05$  there is important association among Managing manpower, Increases work involvement, Increases the interaction between customers and company, Government regulations, Automation of logistics facilities, Driver shortage and Reducing transportation costs. Correlation relationship expressed by r value, r-value is 0.077, 0.059, 0.076, 0.069, 0.677 and 0.051 (+ve) which shows the positive relationship.

Hence it can be interpreted that there is a significant relationship between the challenges and the logistics companies.

## Suggestions

1. The government authorities need to put up with proper policies to fill up the infrastructural bottlenecks in the nation like bad roads and poor transport connectivity.
2. A proper standard system or benchmark must be developed to measure the performance level of the LSPs in the country so that they can assess the performance and take measures to solve the shortcomings that they have.
3. Technical up gradation must be speeded up and also adopted by the LSPs so as to develop at the level as expected.
4. Another suggestion from the development spree would be to get adapted to automation quickly so that the time lapse issue can be addressed far easily.
5. When the developments of technology and automation if adapted automatically cost issues can be sorted and handled easily.
6. More focus must be kept on making the logistics sector more organized and centralised.
7. Efforts must be kept on training the staff dealing with the logistics operations apart from training also education on the same is the need of the hour to develop the sector at the required pace.

## Conclusion

With the enlargement of the LSP marketplace and the multiplicity of actions that have been installed by using such provider vendors, increasing the offerings presented by them is vital for the know-how of the business and to be privy to their consumer desires. In this reverence, understanding how a shipping manner came about and having the resources to know the level of provider supplied at every point of sale turns into a distinctive characteristic in giving such offerings. Bearing in mind that it's miles not unusual for the LSP to be puzzled by using clients regarding their current transport fame, the implementation of those technology and administration structures helps and make easy of customer service. The present study easily clarifies the challenges by this booming sector for India along with the possible suggestions to sort out the issues as well with the supporting expert opinion and analysis to prove through numbers and figures.

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