

## DEVELOPMENT OF CHINA'S LOGISTICS SERVICE AT MARKET CONDITIONAL

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Logistics service refers to providing services for customers according to their needs and completing single or multiple logistics links such as transportation, storage and management. In the domestic general logistics service industry, it is mainly divided into two categories: warehousing and comprehensive services, transportation services.

Due to the continuous development of offline stores and the trend of fragmentation, fragmentation and diversification of orders, express enterprises need to spread the network more comprehensively to face the fierce market competition. Therefore, it is difficult for some small express enterprises to reach such a level of ability, and the powerful express enterprises have more market voice, so the market integration will be greatly enhanced.

With the integration of online and offline retail, enterprises have to face the constant challenges of the new economy in the supply chain. The linear structure of the operation of each link of the traditional logistics supply chain cannot meet the rapidly growing user demand and the more complicated warehousing and transportation situation. Therefore, the logistics supply chain gradually forms a network form, all the services around the user needs and experience [1].

In the current logistics market, only a small proportion of enterprises do warehousing services, most of which are integrated logistics service providers to provide customers with warehousing, transportation and management of comprehensive logistics services. Therefore, in the service content of comprehensive logistics 3PL, the warehousing and transportation links will be self-operated or outsourced to specialized warehousing and transportation service providers [2].

Small and medium-sized customers -- with the further integration of online and offline, more and more small and medium-sized e-commerce platform merchants have increased their demand for storage, including the demand for storage space and storage services. The demand for storage area is easy to meet, while the demand for storage service will change with the change of market and e-commerce consumer demand. On the one hand, it is the demand of small batch incoming and outgoing. On the other hand is the demand for small and micro financing loans and payment days.

Key customers — with the increasing proportion of e-commerce business, how to improve the efficiency of the overall logistics supply chain to better serve consumers has become an important demand of enterprises. Therefore, the traditional warehouse and e-commerce warehouse through the e-commerce warehouse distribution system appeared.

The differences between e-commerce warehouse matching and traditional warehouse matching are as follows:

- different types of storage. The categories of goods stored in traditional warehouses are relatively single, while e-commerce warehouses are concentrated with multiple categories. It can be through order management and machine or automatic or manual picking, forming the final package;
- management style is different from requirements. The main control of traditional warehouse focuses on the security and inventory quantity in the warehouse, while the management methods and requirements of e-commerce warehouse are much larger than that of traditional warehouse. In addition to the security and inventory quantity in the warehouse that must be met, e-commerce warehouse emphasizes the timeliness of operations in the warehouse and fine management.
- equipment is different from technology. Different from traditional warehouse, e-commerce warehouse is characterized by multi-batch and small batch delivery, so in order to ensure its overall accuracy, it needs to be completed by software system and hardware equipment. Software, WMS warehouse management system and RFID bar code information processing. In terms of hardware, a series of automatic equipment such as automatic sorting machine and roadway stacking crane are the differentiation advantages of e-commerce warehouse [2, 3].

Express integration: the various express enterprises represents a significant proportion of their business is still in the various types of B2B factories, factory as orders for the trend of fragmentation, the choice of the logistics transportation is also changed from the vehicle gradually to express, or by special line to express, one reason is that the order of fragmentation, the factory need to separate the goods sent to a number of

destination. The second reason is that delivery is more timely, and more and more factories are more willing to use the method of production and delivery, so as to reduce the risk of overstocking of goods, reduce the cost of storage, and improve the efficiency of capital turnover. In the big piece of business, as each channel sales more transparent, furniture appliances, and other big-ticket items in the sales of electric business platform is becoming more and more optimistic, due to express the limitation on the type of goods, weight, and such goods by express transportation need higher transportation costs, and across the hall to the door of the cause of the high value-added service demand, express on the types of business has great development potential, and the average value of this kind of goods, transport costs, huge market potential order of magnitude. This means that various express transport enterprises need to spread out the network more comprehensively. Some small express transport enterprises are unable to reach such a level of capability. The powerful express transport enterprises have more market voice, and the market integration is greatly enhanced [1, 2].

Express integration: after several years of large-scale distribution of the express industry, with many enterprises going public for financing and gaining capital advantages, mergers and acquisitions and investment cooperation occur frequently. The industry gradually enters the stage of internal integration, and industry barriers are established. At the same time, each enterprise will also refine product categories and service types, seek differentiated development, and constantly improve their comprehensive competitiveness.

Electricity self-built logistics delivery: the success of Jingdong logistics system establishment, make more and more traditional business enterprise discovery of self-built logistics service quality and promote the efficiency of service function, but as a result of self-built logistics is heavy assets into, have great demand of funds, the current China logistics infrastructure construction is not perfect, the establishment of the logistics management system and supply chain management system also need their own organizational reform, upgrading internal management system and technical innovation, implement the difficulty is very big. Therefore, how to balance the service and cost, and how to balance the future direction of the road, are the key points that e-commerce enterprises need to consider in the choice of self-established logistics.

Instant logistics: in 2015, the takeout O2O grew rapidly, while the c-terminal market gradually opened, and instant logistics experienced a development peak in 2015. As the growth rate of the take-out food market slows down, the growth rate of the instant logistics order volume declines slightly, but the overall scale still keeps rising. In addition, the home distribution, express delivery, flower delivery, errands and other service areas are gradually emerging, rising space, become the instant logistics force point.

Vehicle and cargo matching platform: there are many problems in China's vehicle transportation industry, led by empty driving phenomenon. The overall logistics cost is serious and the level of industry informatization is not high. Therefore, reducing cost and increasing efficiency is the primary task of the vehicle transportation industry, and reducing empty driving rate has become an important indicator. The emergence of the vehicle and cargo matching platform means that the information department in the traditional logistics park is moved to the mobile Internet, breaking the cost waste caused by information asymmetry and facilitating more vehicle transportation transactions. However, the current car-cargo matching platform is faced with the problems of sourcing and user stickiness improvement, which is essentially the problem of platform value enhancement in the minds of users that needs to be solved urgently.

China's domestic consumer goods finished products factory chain. Storage/transportation/management and so on various logistics links with consumer finished products all the chain passes through brands after consumer finished products, into the factory's warehouse, layout according to the national/global sales forecasts, consumer products through main transportation way to move to a different warehouse, and then through regional points storehouse district inventory control, through the front positions more aggressive sales forecast, improving consumer experience. Subsequent merchandise flow branches, one is the regional dealer channel, the other is the e-commerce channel. In the regional distributor channel, goods from the regional warehouse/front warehouse are delivered to the stores by multi-point distribution, and then through the stores direct charge. In e-commerce channels, products are sold to consumers through e-commerce platforms and delivered to consumers by express delivery/express delivery/instant distribution.

Analysis of challenges in China's domestic general logistics service market. In the domestic logistics service market, the initial logistics enterprises are mainly state-owned, and most of the private enterprises are self-employed. Around 2000, large-scale private enterprises began to emerge in the express delivery industry, with a rising concentration. But the whole vehicle and small load industry is still in the state of dispersion. Private third party logistics enterprises open Start on the right track.

With the development of the Internet and mobile Internet, the e-commerce industry has witnessed a leap-forward growth, and the demand for the whole logistics supply chain and supply chain management has risen sharply. Therefore, outsourcing logistics business as a whole or in parts to logistics enterprises has become the main choice for e-commerce platforms.

Order but with the development of the economy, further fragmentation, diversity and platform body increasingly expanding, brought by the cost of logistics outsourcing and logistics outsourcing service quality control and management system is not applicable, power electric business platform or spontaneous design self-built logistics logistics supply chain management link, and because the self-built logistics cost is extremely

high, and need a lot of logistics experience, so most of the electricity currently self-built logistics is not very mature. But for the Chinese logistics market as a whole, the competitive situation has become more intense.

Due to serious homogenization, it is urgent to improve the comprehensive service capacity and expand the service boundary.

National network construction, supply chain, management of basic logistics services and value-added services there are many domestic logistics service enterprises, logistics demand is also very large, therefore, for each logistics enterprises, there is a huge market to explore and can expand the direction. However, the internal informatization level of the domestic logistics industry is low, and the information asymmetry will bring huge development space. Therefore, with the high-speed development of Internet technology in China, they try to break the information asymmetry barrier, and use the recruitment and training of talents to expand multiple business directions.

But because each subdivision industry competition is numerous, subdivision supply cannot meet the demand of the industry, and so began to service the ends of the chain extension, to try to contact more customers and needs, to explore various applicable road, but due to the demand of the logistics service must based on the transport, storage and other basic logistics service ability, so each business began to present high overlap phenomenon, product homogeneity serious, for the customer, the logistics supplier's ability to drive with. Therefore, with the change of logistics competition environment, it is necessary for logistics enterprises to improve their information technology capabilities and comprehensive service capabilities, in order to be more attractive to customers. For mainstream players, they need to penetrate other links of the supply chain, expand their service boundaries and improve service efficiency.

The enterprise logistics cost rises, the comprehensive service market faces the opportunity. With the development of online shopping, cross-border electricity, many alterations in enterprise logistics management, traditional B2B planning model is broken, single crush situation is becoming more common, product delivery process is also more diverse, proprietary enterprises of supply chain management have to concentrate into logistics management, infrastructure and personnel costs are very high. After years of development, third-party logistics has more experience and better service capabilities. The most important thing is that it can greatly reduce the logistics cost of enterprises through allocation in each link. From the perspective of service objects and delivery modes, third-party logistics can be divided into traditional third-party logistics (B2B) and emerging e-commerce third-party logistics (B2C). From the perspective of service providers, logistics supply chain service providers can be divided into traditional B2B service providers and e-commerce B2C service providers [1,4].

Comprehensive service definition and service provider classification. Integrated service definition: integrated service refers to the enterprise customers outsource their logistics needs to have the whole operation ability of logistics service providers, logistics service providers integrate back-end all resources to provide clients with including transportation, warehousing, distribution, loading and unloading handling, information, packaging, circulation processing many links such as multimodal logistics services.

Types and modes of integrated service providers:

- 3PL service provider based on traditional B2B customers;
- 3PL service provider based on B2C customers of emerging e-commerce.

After the logistics enterprises have their own basic equipment to reach users, they continue to expand to the upper links of the supply chain, so as to carry out their own strategic layout. Most cloud warehouses established by logistics enterprises are for better integration of warehouse distribution [2].

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