



# The Role of Transportation Logistics in Global Value

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## ABSTRACT

Globalization represents the cross national useful addition and organization of detached economic activities. Globalization is becoming an upcoming frenzy of economic activities. Globalization is basically changing the environment business decision. The main operation of transportation is to determine the effectiveness of moving products. The main process in logistic is to increase the moving load, delivery speed, service quality, operation cost, and energy saving. As it takes the serious part in treatment of logistic. Transportation takes a key part in the procedure of logistic. As analyzing the present condition, they need a clear outline for logistic and proper tools for the movement of goods.

The main objective of this paper is to define the role of transport in logistic for the reference for future improvement. The research was undertaken for the betterment of logistic, view of logistic and its various applications and the relationship between logistics and transportation.

## INTRODUCTION

Since logistics higher from 1950's, due to expansion of nationalization and globalization in recent times, as the management has been growing in various area. The main element in logistic is the transportation system, which joins the activities. As they helps in optimizing the existing production and distribution process. Transportation occupies one-third amount in the logistics cost. They influence the performance in the logistic system. The main procedure for the transportation is to provide the whole production procedure, from manufacturing to delivery of products to final consumers and returns.

The paper studies about:

- Interrelationships of transportation and logistics
- Mode of transport
- Benefits of transportation in logistic
- Logistic network for transportation
- Transportation in service quality

## REVIEW OF LITERATURE

- Murphy et al and Daley et al (1992) explained in their article that the freight forward are referred as international trade offering services for the movement of international shipment. They also studied the factor of freight forward selection and conclude that forward's expertise and reliability.
- Swenson (2002) in his article states that logistic are usually concerned with satisfying the supply of the customer needs and wants in logistic. Marketing and logistic may be seen a chain of inter dependent activities and complement each other.
- Wood et al,(2002) the researcher has highlighted that intermediaries have an important role to play in the shipping industry. They provide a various services to shipping line and shippers to have a important link between them.

- Sanoj R.mohanan (2003) in this study the researcher suggests that right decision in logistics and transportation which helped express cargo to improve their efficiency.
- Shankar (2003) from this study and researcher concludes that the most of the respondent i.e. the exporters in thirupur city have perceived that the service of C&F agent are indispensable as far as export trade is concerned.
- Kee-Hung and Cheng (2003) describes the supply chain performance (SCP) in transport logistic by service providers in the transport logistic. The business serves the physical flows of goods from a point of origin to the point of destination. He have conducted a cross sectional survey with firms to evaluate their SCP.
- Larson and halldorsson (2004) describes the relationship between logistic and supply chain management. Based on experts opinion cluster analysis conducted for the perspective on logistic versus SCM.

## **RESEARCH METHODOLOGY**

As this is the conceptual research, the data are analyzed with help of secondary data with the collected information in research paper, magazine, newspaper etc.

### **1. INTERRELATIONSHIP BETWEEN LOGISTIC AND TRANSPORTATION**

Logistic has a well developed transportation system. Logistic could not bring its advantages into full play. A good transport system in logistic provide better efficiency, reduce operation cost and promote service quality. to improve the transportation they need a support from both the public and private sectors. Transportation is the essential and major sub function of

logistic which utilizes time and place in goods. Transportation is a serious part of any global logistic because of long distance that separate a firm from its customer. In history, government have exercised that economics have a full control over transport either through direct company ownership or through law to regulate the business.

## **2. MODES OF TRANSPORT**

### **ROAD**

Road transportation is one of the traditional ways which is used from one place to another. As there are different types of forms available on roads, through truck, and carriers which are used for delivering the freight. Road transport is relatively lower than other logistic. Road transport relatively takes more period of time to deliver. As it is most often used in Logistic which is inexpensive, non perishable for shorter distance. They deliver from boundary to boundary.

### **RAIL**

Rail transport uses freight trains for the delivery of cargo. Freight trains are powered by diesel, electricity and steam. In Logistic they use bulk container for the petrol diesel which lack the flexibility of road transport, as this becomes a little popular in their transshipment. Rail transport is little expensive if the goods is large and heavy.

### **WATER**

Water transport is the form of using ship for the large commercial vessels. As it carries a ton of cargo every year in Logistic They use steam engine for the shipment which is referred as a bunker fuel. As ship transport is effective for large quality of goods which are non perishable in nature. They conclude that water transport is less expensive than other logistic method as this is widely used. As they make delivery through ocean to ocean.

### **AIR**

Air transport is more expensive means of transport than all transport. As they are used to carry cargo within passenger or via aircraft designed for freight alone. Logistic use aircraft for products like fruits and vegetable, as it is undeniably most time efficient. They use airport to airport for the delivery.

### **3. BENEFITS OF TRANSPORTATION IN LOGISTIC**

A transport management system (TMS) also helps with important responsibilities. As transport system do billing and invoicing for shipment, track shipment details and monitor warnings regarding delays with shipment. TMS also have a great tool in making good investment that they can measure how well a business can function supply chain. Firm has a real time vehicle tracking, true transport cost and customer service control. The transport manager can determine how much a load cost down the transport charge. Company uses traditional steps for separating the transportation like production storage wholesaling and retail sale. Basically manufacturing plants, warehouse service, goods are doing transportation.

- Manufacturing of plants requires assembly of materials
- Warehouse service between plants and marketing outlets involved separate transport
- Goods establishments complete the chain with delivery to the consumers

Planning of transportation of all the function and sub function into a system of goods movement in order to maximize service to the customer that constitutes the concept of business logistic. Transportation system makes a goods and products movable and provides timely and regional efficiency to promote value added under the least cost range.

### **4. LOGISTIC NETWORK FOR TRANSPORTATION**

Logistic network the world's most extensive multimodal network helps organization to share the information quickly with the parties in the ecosystem. As it is the process of connecting and collaborating with customer, consignees, supply chain management partners and government is paramount for efficient and effective operations. Logistic network modeling tools attempt to include many details in a integrated manner. Some of the integrated logistic network is as follows:

- a) The number of warehouse, location, owner ship and size. The allocation of customer demand to supply. Allocation to single or multiple supply points. The amount of stock to be maintained at various locations.
- b) Type of transportation services to use
- c) The level of customer service to be provided
- d) Determine the optimal logistic network pattern for the large no of vendors and customers.
- e) Location for the warehouse and plant needs large no of transportation.

## **5. TRANSPORTATION IN SERVICE QUALITY**

As transportation plays an important function which is more complex than carrying goods for the owner. Its difficulty can take effect only through highly quality management. By having a good transport system which is well handled the goods could be sent to the right place at right time in order to satisfy customers demand. as it brings success and also it build a strong mutual relationship between producers and consumers. So transportation is the base of complete economy in business logistic and expands other function of logistic system. With the addition, a good transport system performing activities brings profit to the firm and also to service quality to the company competitor.

## **E COMMERCE**

E commerce is the future trend of business technique. As it brings many benefits for both company and consumers.

- Ecommerce expand the market area from local to global
- E commerce uses electronics style instead of traditional paper works
- The no of trips is increased. The average load of single trip is reduced which means it needs higher carriage if using same means of transportation.
- E commerce will impact on transport system due to increased trips
- E commerce will reduce the number of warehouse and inventory stock
- E commerce will focus more on value added service to increase revenue

## DISCUSSION

Transportation cost, which represents approximately 50 to 60 % of total logistic cost and 15 to 20% of the product selling for many companies. India was one of the countries that attempted to develop a solid transport policy. Transportation decisions directly affect the logistic cost and functional cost in the firm.

Integration of logistic and e business is the future trend. In order to get more beneficial position and build balancing and dependent relationship networking industry such as Google , snap deal, flip kart ,naaptol and e bay which cooperate with logistic . Transport management encompasses the day to day function. Having knowledge about transport pricing, service, and regulation for both domestic and international to operate the logistic system efficiently.

The integration and promotion of business have to involve transportation system. The addition of various applications brings the convenience through promoting the system information flow and business operation. Customer and firm make business more efficient and easier through the help of e commerce. The cost of transportation operation may be one third of logistics costs.

## CONCLUSION

This paper covers broadly from logistics to transportation system and attempts to decide the role of transportation in logistics systems through wide review. The review of logistics system in a large sense might help to put together the advantages from different application cases to overcome the current disadvantage. The review of transport system provides a clearer idea on transport application in logistics activities.

- Transportation plays an important role in logistic system and the activities in various sections of logistic process.
- Transportation rates are based on either cost of services or value of services. Value of service consider how much the shipper is willing to pay.
- Logistic system has a more important position in the public activities.
- International document consists of financial customs and transportation document.
- The development of logistic will be still energetic in the following decades and the logistic concept might be applied in more fields.

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