

Logistics Strategies Utilized by Courier Companies in India: A Case Study

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ABSTRACT

Logistics Management is being increasingly used in most of the sectors to get their routine works to be accomplished. The courier services companies in India are using the logistics Management practices to fulfill the promises made by them to the clients accurate, timely and faster as there is an increased relocation of people in India from one place to other and movement of goods not only this but due to rapid increase in the growth in the manufacturing, retail, Fast Moving Consumer Goods and e-commerce websites led to rapid development of courier services companies. This paper reveals about the companies engaged in courier service's involved in pick up and delivering the goods from one place to other in India.

Keywords: Logistics Management, courier services, goods, e-commerce, Supply Chain Management

I. INTRODUCTION

India by its size and diversity in terms of cultures, languages, geographical factors and development in technology is allied to a continent. The scope of people movement and the movement of goods is high in India. Indians are sensitive to quality of products and services. The products they purchase are world class and when the time comes for movement of these products, they need a company that understands the Indian sensitivity and the unique requirements of Indians based on their various cultural backgrounds. Companies all over the world are at this concept and developed the best suited processes to understand India and Indians with a world perspective for the movement of goods from anywhere in India to anywhere in India.

Nowadays there are endless options for parcel delivery, whether you just want to send a birthday gift, or are running a small business. This means you no longer have to head down to the Post Office, stand in a queue for ages and pay a small fortune to send your parcel.

A courier is a company that delivers messages, packages, and mail etc from one place to another. Couriers are distinguished from ordinary mail services by features such as speed, security, signature, specialization, tracking and individualization of express services, and swift delivery times for most everyday mail services. Courier services operate on all scales, from within specific towns or cities, to regional, national and global services. Some of the large courier companies include such as DHL, EMS International, TNT, UPS, FedEx, and Aramex. These offer services worldwide, typically via a hub and spoke model.

Logistics is a business function responsible for planning and coordinating the movement of goods from the source to the destination. The source is referred as the point of origin and destination as the point of consumption. The growth in the manufacturing, retail, Fast Moving Consumer Goods and E-commerce websites led to the rise of courier service companies and increase in their numbers. Delivering the shipments on time is one of the biggest parts of E-commerce services. Every E-commerce website is always on the lookout for a good delivery service that will deliver its products at reasonable rates.

The logistic service framework include 3 main components; warehousing, e fulfillment and supply chain management- making it a comprehensive one stop solution for all customers seeking a wholesome service. It is well equipped with adequate storage at strategic locations to ensure safe storage with right handling of the varied products for on time deliveries. Well equipped warehouses cater to niche requirements like bio pharmaceuticals, food packages and more retaining your cargo is complete safety. Supply Chain Management handles the inclusive global delivery network from point of origin to point of consumption, covering every movement and transportation of raw materials, to process and packaging of goods and services, warehousing and storage to distribution across varied channels to reach the consumer doorstep safely and on time.

II. COURIER SERVICES IN INDIA

In ancient history the messages were mostly delivered by hand and also use of variety of methods were adopted such as runners, homing pigeons and riders on horseback. Before the introduction of mechanized courier services, foot messengers physically ran miles to their destinations. The ancient Greeks and Romans made use of a class of horse and chariot-mounted couriers called *anabasis* to carry messages and commands to long

distances. In the Middle Ages, royal courts maintained their own messengers. As the time passed many types of services evolved such as Bicycle messenger, Casual courier, Common carrier, Private carrier, Diplomatic courier, Express mail, Mail, Mail service provider, Mail services center, Motorcycle courier, Mule, Package delivery, Post riders, Telegraphy etc came into existence. At Present in cities, there are often bicycle couriers or motorcycle couriers used for delivery and for consignments requiring delivery over greater distance networks; they are using seaways, roadways, railways and aircraft. Many companies who operate under a Just-In-Time or "JIT" inventory method often use on-board couriers. These are individuals who can travel at a moment's notice anywhere in the world, usually via commercial airlines.

Courier services have a very specific place in the delivery marketplace. It's all about pick up, shifting and delivering parcels as quickly and as efficiently as possible to keep the amount it costs to send a parcel down. The parcel delivery network works in a way to know that the parcel will reach its destination on time and at a reasonable price. Companies are providing reliable delivery for domestic requirements by designing specifically to meet the needs of the Indian domestic market, the air and ground services have been in operation presently to address non-commercial and commercial shipping requirements. Companies have made available of its domestic services for everyone from corporate sectors to Individuals, Businessmen, traders, exporters and importers. For sending shipments including documents, parcels, commercial shipments, samples, air freight, air cargo and for individuals, household and corporate sectors etc who get transferred to different cities can use services to carry households, personnel effects, Project equipment, Machines, Automobiles and Ancillaries Spares and Exhibits, food items, Drugs, Pharmaceuticals and Intermediates, excess baggage, unaccompanied baggage and relocation services for.

Now India is one of the fastest developing nations in the world. Many regions within India have witnessed immense growth during the past few years and there are several types of industries presenting a broad variety of products and services for domestic and international clients; including courier services in India. Global business involves exchange of goods and services within all regions of the world; including small businesses and large corporate, across all types of industries.

Companies are very active in retail and national distribution, working 24 hours a day, with appointments, pre-advice, JIT and precise reports and providing high-quality services to demanding customers, optimizing the fleet availability according to production and market needs like order-taking, preparation of complex value-added orders, follow-up of orders, re-packing, labeling, marking, advertising, folding of documents and staking under films, individual or mass repackaging, assembling of items, specific conditioning, modification of units, packaging, Cross-docking, customs and documentation handling, backhauling, collection of goods, market chain distribution, door to door delivery.

The companies are engaged in the Third Party Logistics, it is a function by which the owner of goods outsources various elements of the supply chain to one Third Party Logistics company that can perform the management function of the clients inbound freight, customs, warehousing, order fulfillment, distribution, and outbound freight to the clients customers. In present days, companies are focusing on strategic renewal, searching for creative solutions to reduce costs, raise the bar on customer service, manage risk and increase efficiency. As they do, many are outsourcing non-core activities like logistics. Done right, the outsourcing of supply chain services can help you operate leaner, improve process efficiencies and serve your customers more effectively.

III. COMPANIES OFFERING COURIER THROUGH LOGISTICS MANAGEMENT IN INDIA

Logistics market in India is expected to be worth US\$ 307 billion by the calendar year 2020, states a report released by Associated Chambers of Commerce and Industry of India. India spends around 14.4 percent of its Gross Domestic Product on logistics and transportation as compared to less than eight percent spent by the other developing countries, it adds. The above figures indicate that the Logistics Companies in India is growing at tremendous rate.

Cargo and Logistics Industry in India can expect to grow at Compound Annual Growth Rate (CAGR) of 16 percent in the coming years with an inflow of new investments that in turn will create new opportunities for the logistics sector.

The growth in Indian logistics will be driven by the growth in the manufacturing, retail, Fast Moving Consumer Goods and e-commerce sectors. In India, road freight constitutes around 63 percent of the total freight movement consisting of 2.2 million heavy-duty trucks and about 600,000 light-duty trucks annually. Road

freight movement is expected to register a CAGR of 15 percent over the next five years. Sea freight consists of around nine percent of the total freight market and is mainly used as a major mode for imports and exports. Air freight comprises about one percent of the total freight market in India and is projected to register around 12.5 percent CAGR over the next five years. International courier services in India include Xpress Couriers, DHL, FedEx, Bluedart, Ekart, DTDC et al. Apart from these; several local couriers also operate across India like Indian Railways, State Road Transport Corporations, India Post, Agarwal Packers & Movers Ltd, Container Corporation of India Ltd., House of Patel's, VRL Services etc. Almost all of these couriers can be tracked online. Indian Postal Service is another major player and it has about 154,939 post offices, of which 139,222 (89.86%) are in rural areas and 15,826 (10.14%) are in urban areas. FM Logistic Asia, outlined plans of investing around EUR 50 million (US\$ 56.14 million) in India in the next four years, to contribute to a better efficiency of logistics market in the country.

India is currently the hotspot for e-commerce services. With websites like Flipkart, Snap deal, Amazon In, Jabong and Myntra gaining recognition on a national level, it is only a matter of time when E-commerce takes over online retail in India. E-commerce has gained such widespread recognition. Flipkart, India's biggest online retailer began with its logistics division in the year 2010 at a time when the company had already gained a stable footing all over India. Flipkart's Ekart logistics division has even started offering its logistics services to other Ecommerce competitors in the market.

In last few years, the logistics sector has gained growth. Various new innovations have also been done in the logistics sector to facilitate transportation. Many logistics companies entered into the market. Some of them are:

- **India Post** is without a doubt one of the most reliable Ecommerce delivery service to date. They have the highest coverage and maximum reliability that has been vouched for by their years of service. Currently, no other service can beat them on the grounds which they cover. Even in terms of cost they are as affordable as a logistics service can get.
- **Logistics Post:** It is a division of India Post, the nation's postal department. Logistics Post is involved in door-to-door logistics for the e-commerce industry, micro, small, medium and large companies as well as for individuals. Logistic Posts can be availed directly or indirectly through some 150,000 post offices across India and delivers to all locations including remote villages. Logistics Post draws strengths from CCI, Indian Railways, various Indian air carriers and sea cargo lines that have agreements with the Indian government.
- **Indian Railways Catering and Tourism Corporation** ranks among the world's fourth-largest network logistics companies. During the financial year 2015-2016, Indian Railways carried whopping 1.2 billion tons of freight across India only on its railway network that covers some 8,500 stations. Indian Railways has the largest network of warehouses and yards across India. Additionally, it also provides logistics services for sea cargo containers.
- **Global Vectra Helicorp Ltd** the company owns a fleet of over 25 helicopters of assorted makes. The company specializes in providing vital logistical support to India's oil and natural gas installations such as offshore platforms and rigs such as airlifting vital equipment, food and medical supplies. Onshore, the company has played a key role in providing helping medical services reach remote parts of the country. It has also played a major role in Indian democracy by airlifting ballot papers and Electronic Voting Machines to remotest constituencies in this country.
- **FedEx**, it has an excellent delivery service and fairly competitive prices in the areas it does provide its services. However, the fact that its coverage area is comparatively less FedEx may not be a reliable candidate for Ecommerce websites. A plus point is that it can be used for the purposes of expansions to international spaces. And when it comes to international services FedEx is pretty much unbeatable.
- **First Flight** currently serve over 220 countries and have over ten offices spread across the globe.
- **DTDC** has been providing its services since the year 1990. DTDC originated from India it has expanded to a level that, it currently provides its services to over 240 other countries.
- **eCOM Express** is another newbie in the market. It is ideal for users who are planning to use a combination of logistics for the purposes of deliveries.
- **Blue Dart** is one the South Asia's premier courier and integrated express package Distribution Company. They have a pretty strong delivery base in India that comes very close to the level of delivery provided by India Post.
- The **State Road Transport Corporation**, which is marching ahead with several innovative schemes for offering better services to commuters, is likely to introduce RTC parcel service. RTC has the buses catering to the requirements of interior villages where there is no service by private players. The private organisations have network up to district centres but they do not have connectivity to interior areas which is advantageous for the State Road Transport Corporation in India.

- **Agarwal Packers and Movers Ltd** is one of the top 10 logistics companies in India established in the year 1987. The companies' diversified business includes Transportation, Aviation Logistics, Packing and Moving (nationally as well as internationally), 3PL, ODC Transportation, Warehousing, Home Storage, Supply Chain, Cube-on-line Freight station and other related activities.
- **Allcargo Logistics Ltd** was founded in the year 1993 in Mumbai. It is one of the top 10 logistics companies in India. It is offering multimodal transportation services. It offers a different range of multimodal transport services includes less than container load, non-vessel-operating common carrier, and full container load. It also offers pan India container freight stations, third party logistics, inland container depots, ship owning, warehousing and chartering.
- **DHL Express India Pvt. Ltd** is one of the best logistics companies in India. It is international logistics companies spreading in more than 200 countries and territories across the globe. DHL is part of the world's leading postal and logistics company Deutsche Post DHL Group and encompasses the business units DHL Parcel, DHL Freight, DHL Express, DHL Supply Chain DHL eCommerce, DHL Global Forwarding.
- **Gati Ltd** was founded in 1989 and is today renowned as an express distribution and supply chain solutions provider. It caters to some 19,000 postal districts in India and covers 672 of the 676 districts of this country. Additionally, the company also provides airfreight, sea cargo, rail carriage of freight and warehousing facilities, among other logistical services.
- **Transport Corporation Of India Ltd** was founded in the year 1958 is an integrated multi-modal logistics and supply chain solutions provider in India with a Global presence, headquartered in Gurugram, Haryana, India.
- **The House of Patels** is by far India's largest homegrown logistics company. It began as a single-truck operation in 1959 as Patel Roadways. Today it consists of four different divisions. Patel Roadways, Patel Airfreight International, PILL Limited and Patel Logistics.
- **VRL Group** ranks among topmost logistics providers of India. VRL Group has a fleet of nearly 4,000 goods transport vehicles. It is the largest fleet owner of commercial vehicles in India and also owns 419 passenger vehicles. VRL Group is mentioned in the Limca Book of Records, for these distinctions. VRL Group has since expanded its operations to include courier service, priority cargo and air charters as well as Third Party Logistics.
- **Eastern Cargo Carriers (I) Pvt. Ltd** is a major and homegrown Indian logistics company. It also ranks among the top International Air Transport Association (IATA) Freight Company of India ECC offers point-to-point handling solutions logistics requirement of various segments of the Indian industry. It handles time-bound and life-saving cargo including vaccines and medicines. ECC has made a mark in unaccompanied baggage handling, transfer of diplomatic baggage and precious cargo such as gems and jewellery. The firm also specializes in handling pets and mortal human remains.
- **ABC India Ltd** began in 1963 as All Bengal Carriers, a local company based in Kolkata to provide logistics services to North East India, where transportation facilities were very limited in those years. However, the company today is a major player in India's logistics market. It has entered into a Joint Venture (JV) with Nissin Corporation of Japan to provide world-class logistics services in India.
- **Safexpress** has consolidated its position as a leading player in India's logistics market. Safexpress services include express distribution, Third Party Logistics and consulting. Safexpress firm provides value-added logistics services for various different businesses ranging from delivery of e-commerce orders to the carriage of heavy engineering and fragile goods within and outside India.

IV. CONCLUSIONS

Transport and logistics company in India are providing added-value services in the areas of road transport, air and sea freight, logistics and customs and forwarding services with a goal to develop customized, high-quality, large-scale logistical projects for customers in order to provide a definite competitive advantage.

Companies are maintaining an extensive network of offices & warehouses, technical support partners, an in-house engineering team designing customized logistics solutions for business partners and possessing the large diversity of fleet. The domestic and foreign logistic companies are optimistic about prospects in the logistics sector in India, and are actively making investments plans to improve earnings and streamline operations.

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