

# SWOT Analysis of Third Party Logistics Based on E-Commerce

ShanShan Guo\*

Department of Economics Heze University, China

**Abstract**—The article analyzed development status of e-commerce third-party logistics using SWOT method, and analyzed their opportunities, threats, strengths, weaknesses, and to provide optimization strategy for future development based on an analysis of third-party logistics.

**Keywords**—E-commerce, Third party logistic, SWOT

## I. INTRODUCTION

Based on E-commerce, third-party logistics development is faced with the strengths and weaknesses coexist, opportunities and threats both realistic situation. Here SWOT analysis (SWOT analysis matrix analysis is an important strategic position of an economic activity, it is through regional economic activity opportunities Opportunity, threats Threat, advantages and disadvantages Strength Weakness strategic analysis, the system of judgment and clear ideas) for the development of e-commerce third-party logistics analysis, and the following provides a reliable basis for the proposed policy recommendations based on the development of e-commerce environment the third party logistics

## II. SWOT ANALYSIS

### A. Advantages of E-commerce Development of Third Party Logistics

1) *Logistics Information Systems Innovation Advantage*: Andhra Logistics Co., Ltd which located in the Wuhu Economic and Technological Development Zone., is the Midea group holding third-party logistics companies. From inside the company developed an information center, intelligent, visually display the information warehouse cargo storage and distribution business early warning information, traffic information nationwide, full GPS tracking information transport vehicles, the national weather forecast information, etc., by a number of operators processing information from across the country. The company created a set of enterprise in Wuhu set of goods, information transactions, LTL Express, warehousing and distribution, service management in one of the Andhra integrated logistics park, its comprehensiveness, the level of information the country. Until 2011, Andhra logistics have been established in a number of strategic cities of more than 200 logistics service platform, logistics services covering the whole country, the information exchange platform at any time and rapid response by powerful information system, the formation of efficient logistics services network.

It can be seen in the modern third-party logistics management activities, most third-party logistics companies already have the advantages of having a large number of accurate, timely information and feedback information to coordinate the operation of the logistics system, you can only have this advantage over the owner (outsourcing of logistics services and consignees) in the understanding of market resources, understand the logistics platform, the understanding of the flexible use of logistics resources, understand the market price, to understand aspects of institutional and policy advantage. Moreover, the application of logistics information technology has also realized the various elements of logistics enterprises effective and efficient use of a combination of improved business forecasting enterprise risk early warning and comprehensive management capabilities, improve service quality, enhance the overall efficiency, while also promoting development of electronic commerce.

2) *Level-2 Heading*: In recent years, China's total logistics costs to GDP ratio of the whole society to remain at about 18%, it is difficult to decline. This ratio is higher than the United States, Japan, Germany, 9.5%; higher than the global average of about 6.5%; higher than India, Brazil 5-6%. Practice has proved that operating costs and efficiency of third-party logistics services, is far superior to self-logistics business. Third-party logistics companies to provide logistics services in the process, to effectively acquire, coordinate and configure an enterprise's tangible and intangible resources to help companies crack the main industry, reduce inventory, reduce costs and improve the competitiveness of its core business. And as a third-party logistics industry has a more professional logistics services, so that logistics has become a channel for many customers value-added businesses. Therefore, by the third party logistics integration of logistics resources to achieve shared logistics information, resources, than all enterprises engaged in "small, large" build their own logistics system can more effectively efficient allocation of resources in society.

### B. Disadvantages E-commerce Development of Third Party Logistics

1) *Conditions Third-Party Logistics missing* April 2013, the General Assembly held on the Chinese Internet of things, logistics personnel shortage has become the focus, ranked No. 7 of industry talent shortage.

2) 2009 China having Assistant Logistician, logisticians, senior logistics specialist, about 1.7 million qualified, including senior logistics specialist vocational Qualification Just 292. 2010 China's annual demand for senior logistics personnel 30,000-40,000, China's logistics personnel gap of about 6 million. Modern logistics knowledge and professional logistics management personnel lack slowed down the pace of development of domestic most third-party logistics companies.

Meanwhile, the domestic third-party logistics companies are numerous, but systematic large-scale enterprises are small, and not its size, technology backwardness, logistics efficiency is not high. Coupled with the importance of information technology is not enough attention, could not put a lot of manpower, funds for information technology, resulting in information technology is not high, logistics information management level is relatively backward. In addition, the majority of third-party logistics business independently, there is no uniform standard, consumer online shopping can not be guaranteed. And the construction of e-logistics information platform to encounter many obstacles, because the construction of e-logistics information platform not only requires a lot of money, but also touch the interests of some people, but the need to support government departments. These are third-party logistics slow development of domestic factors.

3) *Inadequate logistics system* March 1, 2013, the United States together superior products to celebrate the third anniversary of experienced logistics short board, the first day of the official website promotional paralysis, logistical problems, "has long been troubled." Customer accused the United States together superior product logistics slow speed, the same time under a single, easy - to slower than, six hours has not been shipped, it can not be through the online tracking logistics situation. Chinese New Year in early 2011 who have been online shopping crashes logistics, third party logistics operation system is imperfect, directly affect the quality of online shopping, many online businesses due to the logistics of sake respite, logistics has become a major bottleneck restricting the development of e-commerce. Logistics system lags behind the pace of development, is not perfect, the management is not in place, greatly reducing operating efficiency, we can not provide customers with logistics services, leading to the slow development of domestic third-party logistics. Moreover, since the third-party logistics business operation of the system is imperfect, reducing logistics enterprise customers the ability to control, according to third-party logistics companies may not offer some way to meet the needs of enterprise customers personalized logistics services. Resulting in Jingdong Mall, Vancl and other large e-commerce enterprises to build their own logistics system to ensure that their services are in place, which is also to the development of third-party logistics enterprises tremendous obstacles.

#### C. Chances of e-commerce third-party logistics development

1) *E-commerce has brought opportunities for development of third-party logistics* China Online Shopping Research Report shows that over the past five years, China's online shopping sales to an annual rate of growth of 99%, far more than the US rate of 9% per year. Just look at November 11, 2014 a day of sales figures, China's largest online shopping site Taobao and Business to Consumer (B2C) shopping platform (tmall), on the day it made more than 57.1 billion yuan in sales. Faced with such a huge amount of online shopping, e-commerce requires the operating system more perfect, more complete facilities, services more professional third-party logistics to meet the operational needs of its sales line. E-commerce industry continues to rapidly expand in China, in order to provide a large number of third-party logistics market opportunities, and actively promote the development of an effective third-party logistics

2) *National policy support and encouragement* In recent years, countries have adopted a number of policies for the development of third-party logistics resolution tendency of enterprises to create a favorable macro environment. In particular, after China's accession to WTO, on the one hand, the gradual opening of the domestic market, companies at a reduced cost and enhance the core competitiveness of pressure, will increase the demand for logistics outsourcing, with more countries and area businesses to establish trade partnerships this third-party logistics enterprises to explore business space to bring more good opportunities. On the other hand, the influx of foreign third-party logistics company, will also stimulate domestic logistics companies learn from advanced management ideas and seek new development space.

#### D. The threat of third-party logistics Development of E-commerce

1) *The threat of domestic and foreign logistics companies* Although the number of third-party logistics enterprises in China are increasing year by year, but since China joined the WTO, since the foreign logistics companies are optimistic about our third-party logistics market, there are already large foreign third-party logistics companies such as UPS, DHL entered the domestic logistics market. While some domestic goods, commercial storage companies have also pledged to fully enter the logistics industry, in addition as Jingdong, Suning these large traditional e-commerce businesses are still taking self logistics of the road. This is no small threat to our late start of the third party logistics.

2) *Third - Party Logistics own limitations* States throughout the Third - party logistics market-based e-commerce disperse, many enterprises are small, low degree of specialization, lack of talent supply, low level of management, information technology application level logistics low, which led directly to lower logistics operation efficiency high cost,



can not bring satisfaction to customers logistics services, resulting in the slow development of domestic third-party logistics, the future development of third-party companies to create difficulties and threats

### III. CONCLUSIONS

After analyzing the advantages of e-commerce environment the third party logistics, weaknesses, risks and opportunities via the use of SWOT method, proposed the following strategy: First, actively looking for development potential and willingness to cooperate with the logistics business suppliers (manufacturers, vendors etc.), to establish a close partnership, to carry out high-quality integrated, one-stop logistics services; second, fresh electricity supplier logistics competition where competition is a key ring, opened last kilometer of home delivery capability, even Jingdong independent logistics also need good luck or to other third-party logistics with the completion of the distribution, so third-party logistics should actively cultivate fresh products logistics business core competitiveness; third, third-party logistics companies in order to get the favor of e-commerce businesses, get more business, you must first own "e-commerce", establish and improve the public information platform, providing an interactive platform for related logistics enterprises and customers, that is to build their own e-commerce site; Fourth, improve logistics policies and regulations, formulate preferential policies to accelerate the construction of rapid economic and social development compatible third-party logistics system.

### REFERENCES

- [1] Shuyan Cao,Ran An and Haotong Li, *Cross-Border E-commerce Third-Party Logistics Research SWOT Analysis*, Modern Service,2013, Vol.11,pp.25-27.
- [2] Bolan Zhong,. *Study on Operational Strategy of Third Party Logistics Based on E-Commerce*, Logistics Technology, 2012, Vol.23,pp.71-74.
- [3] Yun Wu, *B2C E-Commerce Research Status of Third-Party Logistics Mode*, Journal of Anhui Vocational College of Electronics&Information Technology,2013,vol. 12, pp. 89–91.
- [4] Jianyun,Yu, *Analysis on logistics mode under e-commerce environment*, Logistics engineering and management,2015, vol.37, pp.134-137.