

PROSPECTS OF DEVELOPMENT OF TRANSPORT LOGISTICS IN RUSSIA

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Abstract:

In the paper tendencies of the world market development of transport and logistic services are revealed. It is shown that development of the Russian transport logistics restrains lack of accurate regulatory legal base, understanding and trust from consumers of transport and logistic services, backwardness of technical providing information and communication systems. It is proved that positive shifts were outlined in development of transport logistics: there is long-term relationship of carriers and clients, the increase in number of projects on audit of logistic systems is noted, there is an integration of marketing and logistic tools and technologies of management. It is shown that introduction of modern logistic management allows to accelerate turnover of the capital, to reduce product cost and services, to reduce costs of distribution of goods.

Introduction

The attention to logistics in various countries is caused by that traditional reserves of increase of competitiveness such as quality, the prices, and also the marketing approaches connected from orientations of productions to production necessary on a commodity market sputtered out (Merton, 1968). As the world practice confirms, reduction of logistic costs for one percent is equivalent to almost ten-percentage growth of output (Sekerin & Gribov, 2014). Practical application of modern logistic management technologies forms possibilities of acceleration of turnover of the capital, decrease in product cost and services, reductions of expenses on distribution of goods (Boyko, Sekerin & Šafránková, 2014). In this regard the perspective direction of increase of the Russian transport companys' efficiency is expansion of new administrative approaches in their activity.

1. Tendencies of the world market of transport and logistic services

On the international classification the market of transport and logistic services includes the following main segments:

- Services of a cargo transportation and forwarding.
- Warehouse services.
- Administrative logistics.

According to the World Bank, in 2015 growth rates of world economy were slowed down to 2.4%. In the developed countries GDP growth made 1.8%, including in the USA – 2.4%, the EU – 1.6%. Economic growth in developing countries remained more dynamic, than in

developed, however its rates decreased from 4.2% in 2014 to 3.4% in 2015. Among the main reasons the international experts call: falling of the prices of raw materials; devaluation of national currency; unbalance of the budgetary sphere; high inflation and deficiency on accounts of the current operations – the imbalances created in years of the economic growth stimulated by crediting.

In medium-term prospect the economic environment will remain unstable. According to the forecast of the World Bank, growth rates of world economy in 2016 will make 2.4% with the subsequent increase to 2.8-3.0% in 2017 - 2019. Dynamics of the developed countries in 2016-2019 is predicted at the level of 1.7-1.9%.

The main potential engine of growth in group of the developed countries is USA which economic dynamics can be in the next years a major factor of revival of world economy. In 2015 growth rates of economy of the USA made 2.4% that exceeds an average value of the developed countries. According to forecasts of the World Bank, rates of a gain of GDP of the USA in 2016 will decrease to 1.9%, thus in 2017-2019 acceleration of 2.1-2.2% is possible.

Among the long-term tendencies of development of world economy and trade capable to change dynamics and the direction of freight traffics in the international message, it is possible to allocate the following (Byun, Sung & Park, 2017):

- Low growth rates of world economy and trade, low prices of raw materials, high volatility of the financial markets, reduction of volumes of foreign trade and inflow of the capitals to developing countries.
- Reorientation of the capitals from the markets of developing countries on the markets of the USA (in branches and productions of a new production cycle), partial return of hi-tech industrial productions to the territory of the developed countries (reinsuring/reshoring).
- Formation of mega blocks, change of a configuration of world trade and global chains of deliveries, decrease in a role of the WTO as regulator of international trade.
- Delay of growth rates of the Chinese economy, orientation to development of domestic market, change of structure of investments: from material and labour-consuming productions – to capital-intensive and hi-tech production (Šikýř, 2015).
- Low growth rates of production and consumption in the countries which economy substantially depends on an export of raw material resources.

In developing countries of the loudspeaker of growth will be significantly lower than the previous five-year period in view of the low prices of raw materials and in general low dynamics of world trade and demand from the developed countries, reduction of inflow of the capitals, toughening of financial conditions and need of more rigid consolidation of the state budgets. Growth of developing countries in 2017-2019 is expected at the level of 4.9-5.1%.

In China the policy of the operated moderate decrease in growth rates at preservation of solvency of the leading Chinese banks and corporations proceeds. In 2017-2019 growth rates of GDP of China will decrease – with 6.5 to 6.3%, first of all as a result of delay of growth of crediting and investments. Growth will be supported by measures for stimulation of domestic demand due to increase of the income and consumption of house farms, and also development of infrastructure projects.

In 2015 in world trade delay of growth of physical volume (from 3.5% to 2.8%) against reduction of prices of raw materials and reductions of volumes of export of finished industrial products was fixed.

Instability of external demand and growth of the offer will be contained during a forecast period by growth rates of export of power and raw materials. In 2016, according to the forecast of the IMF, rates of a gain of world trade will decrease to 3.1%, and in 2017 will make 3.8%. Increase of demand and dynamics of import of the developed countries will become the most important factor of revival of world trade in 2017.

In medium-term prospect the main negative tendencies can be realized, first of all, in economies of developing countries. Growth in many large countries with an emerging market will be much lower in comparison with the last five-year period. Transitional economies will have more severe financial and credit conditions in process of normalization of monetary policy to the USA and coming into effect of restrictions from the offer. Plays a negative role geopolitical intensity in connection with events in Ukraine which, eventually, increased risks of investment into economy of developing countries.

New waves of outflow of the capital from developing countries having unstable balances are expected: India, Indonesia, Brazil, Turkey, and decline in rates of national currencies. The central banks of the countries which don't have big currency reserves and active balance of payments on a current account will be compelled to increase interest rates, or to resort to soft or rigid devaluation of national currency. It can lead to increase in burden of the external debt nominated in foreign currency and to the sharp growth of inflationary pressure.

In 2014 global cumulative costs of transport and logistics were estimated at \$7.7 trillion (about 10% of world GDP). The highest growth rates (over 30%) for the last decade were recorded in 2007 that was explained by rapid development of the Asian market, in particular China, and also some other countries, such as Russia, India, Brazil.

55% of world costs of transport and logistics are the share of a share of logistic outsourcing (actually the market of transport and logistic services in a format 2PL, 3PL, 4PL). In 2014 the volume of the global market of the transport and logistic is US\$ 4.26 trillion, having shown growth in 3%.

On average the world market of transport and logistic services grows the rates exceeding dynamics of global economy (in the current US\$), thus its share in world GDP after sharp falling in crisis 2009 (with 5.4) increased to 5.0% and in 2014-2015 made 5.6%.

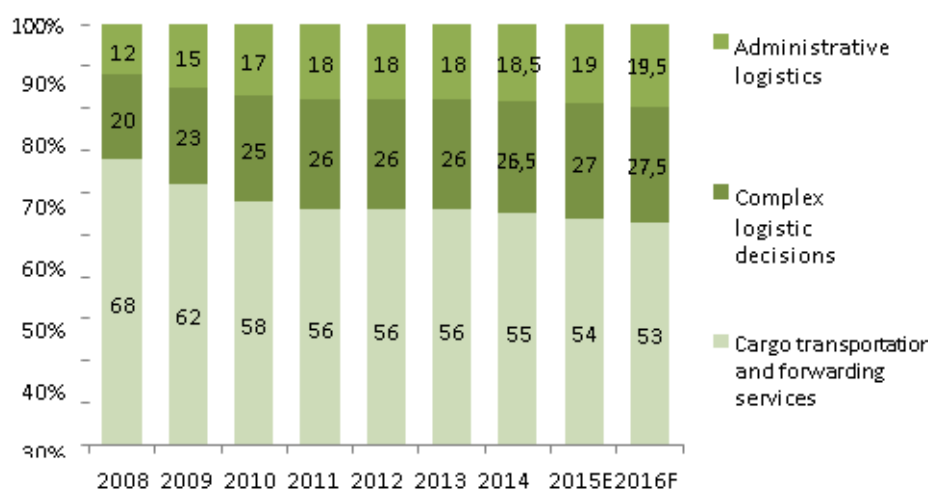
In 2015 against falling of world GDP for 6% (in the current US\$) the size of the market of logistic outsourcing was reduced by 3.8%, to US\$ 4.1 billion. Significantly the income from the international cargo transportation owing to delay of growth rates of world trade, the low prices of fuel and falling of freight rates decreased. Negative influence of these factors was strengthened by effect of devaluation of national currencies in relation to US dollar. And reduction of volume of GDP and the market of transport and logistic services in a dollar equivalent in a varying degree felt on itself both EU countries, and the developing states (except the Asian region, including China).

According to the forecast of the IMF, in 2016 restoration of nominal growth rates of world GDP to 1.1% with acceleration to 5.1-5.6% in 2017-2019 is expected. At such optimistically

scenario the world market of transport and logistic services can return on a trajectory of steady growth (over 5% a year) in 2017.

Among the major a tendency in the market of transport and logistic services it should be noted increase of demand for complex logistic decisions in the last decade from the companies and the enterprises that is directly connected with acceleration of process of transfer on outsourcing of warehouse and administrative services. Thus reduction of a share of transport-forwarding services in the total volume of the market of transport and logistic services (fig. 1) is noted

Figure 1: *Structure of the world market of transport and logistic services, 2008-2015, as a percentage*



Source: Armstrong & Associates, M.A. Research assessment

2. Tendencies of the Russian market of transport and logistic services

In Russia today the transport and logistic market experiences difficulties that is caused by declining production in the majority of sectors of economy, and, therefore, decrease in freight traffics; strengthening of the competition between different types of transport; growth of requirements from clients consignors to quality and completeness of service of the logistic operator, and also to the level of the transport and logistic expenses; vast geographical scales of our country, poor development of infrastructure of Russia and fast-growing demand for transport and logistic services (Dudin, Lyasnikov, Veselovsky, Sekerin & Aleksakhina, 2014).

In modern conditions the key segment of the Russian transport and logistic complex cargo transportation – endures economic recession. In 2014 decrease in this indicator by 3% in comparison with the level of 2013, and in 2015 – for 5% in comparison with the level of 2014 is noted. In 2015 in comparison with previous year the biggest decrease in goods turnover is noted on automobile transportations (-7%), for railway transport falling for 1,1%, for an inland water transport – falling for 0,8% is recorded. Thus some revival happened in sector of cargo air transportation, the gain of goods turnover made 2,4%, in sector of shipping – growth by 15%. All this confirms timeliness and relevance of statement of new tasks before the Russian economy in general and the transport and logistic sphere, in particular.

Slow development of transport logistics in Russia is noted. The main problems of transport logistics which appeared on its way of development:

- an inefficiency of use of routes of deliveries of production from suppliers to consumers;
- backwardness of transport infrastructure, first of all, in the sphere of highways; insufficiency of cargo terminals, their low technological equipment;
- lack of the modern vehicles meeting the international standards in all means of transport;
- inefficiency of use of own and leased vehicles;
- waiting for loading and unloading operations essential losses from idle time of vehicles take place;
- various losses from inefficient functioning of vehicles take place.

Above-mentioned problems interfere with perspective development of transport system in general. Threats of delay of all-economic growth in the Russian Federation, decrease in its competitiveness in the world market, difficulties of development of the separate transport organizations are as a result formed. In modern conditions topical issue of increase in volumes of cargo transportation, increases of economic efficiency of functioning of the Russian cargo and passenger forwarding agents and carriers. For its decision carrying out the correct and timely analysis of a condition of the transport and logistic market is required; adequate estimates of opportunities and conditions of development of the transport organizations; exact definition of the directions of their development.

Development of the Russian transport logistics restrains lack of accurate regulatory legal base, understanding and trust from consumers of transport and logistic services, backwardness of technical providing information and communication systems.

Nevertheless some positive shifts were outlined in development of transport logistics. In particular, even more often there is long-term relationship of carriers and clients, significant increase in number of projects on audit of logistic systems is noted in recent years, there is a formation of new concepts of management, the area of use of innovative technologies extends.

3. Improvement of management in the Russian transport and logistic companies

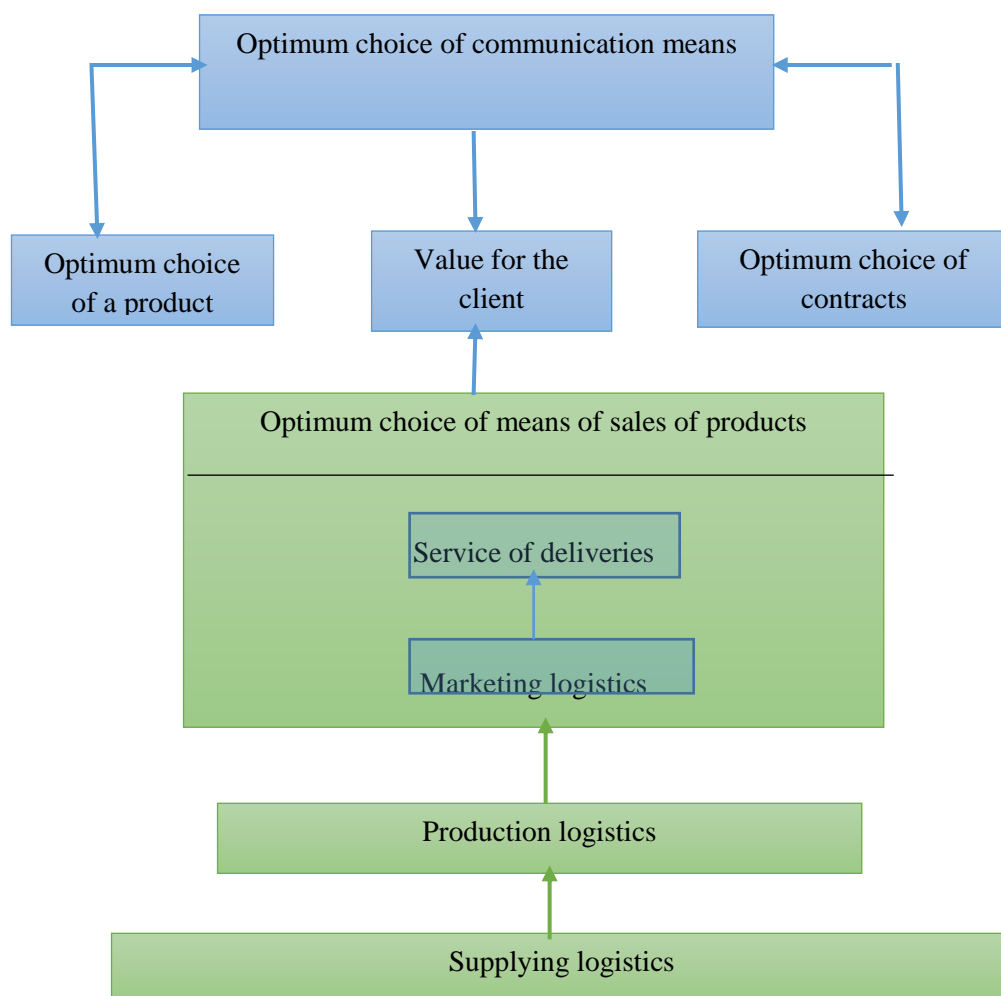
Now flexibility and ability to realize changes in response to opportunities and threats, arising in the environment of conducting economic activity becomes the main feature of transport and logistic branch. Processes of integration and globalization have considerable impact on transport logistics now, in this regard identification of the main modern logistic trends, and also interests of the main participants of the logistic market is of interest (Carayannis & Grigoroudis, 2014).

In modern conditions the interrelation of marketing and logistics in transport process is even more often shown. It is caused by that in the conditions of growth of the competition in all fields of activity including in transport, both concepts of marketing, and the concept of logistics promote formation of serious competitive advantages of economic subjects (Gerhart & Milkovich, 1990). Marketing promotes advance on the market of products of economic entities, to demand formation, identification and a gain of potentially interesting market niches, formation of loyalty of consumers, etc. Use of logistic concepts at the organization of transport processes promotes decrease in expenses and growth of efficiency of the enclosed

resources to the transport sphere. All this explains interest of transport companies in expansion of practice of use in the economic activity of marketing and logistic tools.

Marketing interaction - as the administrative concept focused on the market and logistics — as the administrative concept focused on improvement of management of streams generates possibilities of growth of information and material value and usefulness of products which are estimated by buyers or clients (fig. 2). The studied integration forms base for a definition in the general structure of logistics of the so-called marketing logistics aimed at providing clients (buyers) with expanded opportunities concerning the order by production.

Figure 2: *Marketing and logistics as value determinants for the client*



Source: authors

In the field of marketing logistics there is a strengthening of the competition in the following areas today (Zhang & Yang, 2013):

- growth of concentration in the sphere of distribution,
- reduction of number of competitors at simultaneous significant increase in quantity of brands,
- reduction of terms of deliveries,
- reduction of life cycle of goods,

- production cost decreases,
- transition to digital technologies and wide circulation of the Internet,
- hyper fragmentation of the markets,
- saturation and fragmentation of distribution channels of advertising,
- reduction of impact on consciousness of the consumer (it becomes more difficult to draw attention of the consumer).

When developing strategy and plans of transport companies it is required to orient correctly in objective tendencies of change of the marketing concept in the Russian economy. In modern conditions the following tendencies are observed:

- there is a change of the system of marketing focused on the local markets, the system focused on the market nationally and in the long term - on the global market;
- studying of demand is replaced by studying of consumer motives;
- the importance of the not price competition interfaced to strengthening of a role of information increases;
- the strategy of pushing through of transport services assuming aggression in service imposing to buyers are actively developed and carried out, the importance of strategy of involvement of consumers to goods decreases;
- great opportunities for vertical and horizontal integration are observed;
- application of diversification of productions, expansion of the nomenclature, commodity elections;
- fast changes in generations of goods and services, their design features, design decisions, appearance, the used materials are noted;
- high dynamism of development of various intermediary structures is shown: dealers, broker firms, sales agents, purchasing offices;
- measures for sales promotion are actively used: mailing by mail samples, catalogs, preferential prices for clients, etc.;
- the market of complex services dynamically develops;
- the importance of various social consequences increases: changes in social structure of society formation of classes of owners and considerable average, and also rooting of stereotypes of consciousness of western "consumer society".

The higher for society efficiency of marketing strategies, the more considerable to apply opportunities logistic concepts and to form rational (optimum) logistic systems, including, and in the sphere of transport activity as in this case at the expense of productive forms of economic activity the main additional income of enterprise structures is formed. After all as a result of finding of additional reserves at all stages and stages of reproduction processes the foundation for improvement of their organizational and administrative forms including within the independent economic, especially integrated educations is laid.

Conclusion

One of ways of improvement of relationship of the transport and logistic companies with consumers of transport services is creation of system of complex transport service with use of mechanisms of marketing and logistics. As a result of introduction in activity of transport companies of technologies and tools of marketing logistics prerequisites of reduction of logistic expenses and growth of efficiency of transport companies will be created.

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