

Logistics Services in CEP Industry in the Context of the Analysed Courier Firm Activities

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Abstract: Logistics services in the modern economy play an important role and their importance continues to grow. The basis for these services invariably is the transportation. Among the firms that provide transportation services, courier companies play leading role. These entities undertake to now carry almost everything, including dangerous goods, medications, or animals. Such flexibility is essential to remain competitive in this highly dynamic industry. Admittedly, the development of e-commerce has contributed to a significant increase in demand for transport services, but the attractiveness of the industry has also resulted in an increase in the supply of these services. Strong competition makes courier, if they want to stay in business, they must constantly watch for changes in the business environment and continually analyze consumer needs and preferences in order for them to adjust their offer. The purpose of this article is to show how changes the demand for particular courier services and to indicate of most popular services. The analysis covers the company X, but can be applied to the whole courier industry.

Keywords: logistics services, CEP services market, courier companies

JEL Classification: L290, M100, M110

1. Introduction

CEP services market (courier, express and parcel shipment) is one of the fastest growing industries both in the world and in Poland. Express services are characterized by specific added value, which is created with offering additional services, as well as using customer service, which should be at the highest level. The essence of the CEP industry is courier, express and parcel shipment services. Provision of these services is to provide consignment to the recipient, but there are differences between courier or parcel shipments. The most significant differences are the time of delivery, the nature of the proposed modes of transport as well as the business area of the Companies involved. Nowadays, a significant increase in international services is observed. Therefore, for a potential customer the territorial scope of the company is so important. In order to respond to customer's needs, companies offer a wide range of services which may be consistently modified it in order to best meet the demands and at the same time be a leader, or at least a competitor on the market. The express carriers invest in infrastructure (network of branches and connections, sorting departments or storehouses) to be able to offer the shortest duration of the service. Of course, the customers have a choice of services, and at the same, the time of delivery of the consignment, but the more efficient and faster implementation of services, the higher its price (Ślusarczyk and Kot; 2013, 91-96). A customer, who is interested in using the services of a courier company, can choose the service that best meets his expectations - they can be set to the lowest price, and quickest delivery time, the type of transportation or shipment used to deliver the consignment or to its security. When using the services of courier firms, customers can count on professional service and competent advice. Companies from the CEP industry provide services not only to individuals, but also businesses. They propose the carriage of goods, as well as documents. Some of the companies offer the shipments of hazardous or medical parcels as well as animals.

2. Literature review

Logistics services sector is constantly changing and evolving. Especially significant are the changes for enterprises to manage procurement, production or distribution. Since the economy went on so-called marketing orientation, from "sellers' market" to "buyer's market", what began to count is not only the product itself, its quality or price, but also the way of delivery and logistics services. This applies to both industrial and consumer goods. To a very large extent, also the paradigm of the transport market, freight forwarding and Logistics changes in such a way that transport economics evolves towards the so-called economics of logistics services. What's more, it changes the nature of the services and the way on which the relationships with the client are created (Jeszka, 2013, 55-56; Ślusarczyk and Kot; 2015, 179-182). The service process, in the opinion of customers, is seen as a component of the service itself. Therefore, the main objective of logistics providers is continuing improvement of customers' service. The area of logistics processes includes procedures, work schedules, different mechanisms and actions in result of which the customer is supplied with a product or a service. Logistics processes are supposed to play the major role in customers' service, to meet their various, ever-changing needs. Logistics service, which is provided by individual TSL companies, can be a crucial instrument for customer acquisition and retention, which involves the provision of continuity, speed, and reliability of supply, together with the due level of communication in the logistics chain. (Dima et al, 2010, 81-87; Dyczkowska 2014, 120-121).

During the process of communication between the company with the market in which it functions, the customer's service performs the following functions:

- obtaining information about the expectations and needs of the customers, as well as the market demand,
- gaining the customers while servicing them or proposing a purchase,
- informing the customer of the service offered, its characteristics, qualities and delivery terms,
- promoting the sale of these services with advice or explanations which cause that the risk associated with the purchase is reduced,
- shaping the image of the company and making positive impression on the customer, as well as the seller,
- organizing all logistics activities such as shipping, transportation or storage (Zatwarnicka-Madura, 2005, 35).

A well-functioning logistics process makes it possible to obtain a competitive advantage over other companies. The way the provision of logistic services may vary, due to the basic division of service products:

- parcels,
- smalls,
- partial loads,
- domestic and foreign transport
- intermodal transport (Dyczkowska 2014, 120-121).

Ch. Lovelock emphasized the service process, which concerns the customer's ownership. It does not require a large commitment of customers in the very process of its provision (Lovelock, 1996, 30). If this is the transport of goods from location A to B, then the process is unfolded, while in the case of packaging, storage or consolidation, it is a complex process. Offered services that are provided by logistics operators are characterised with very high diversity. Operators try to adapt the individual processes to their service sector and customers' needs (Czubała et al., 2006, 153).

The logistics services sector includes companies that are diverse in terms of service offerings, range of the companies' business, their size, etc. It is the activity of small and large companies that offer logistics services at different levels - from executive services to the management of logistics (transportation services, warehousing, packing, and even freight forwarding services and complex service of the supply chains (Jeszka, 2013, 55-56). All these processes have led to the arising need of enterprise consolidation. Thanks to this consolidation, companies can achieve more efficient economic benefits (Krzemiński, 2005, 9-10).

The basic service that exists on the market of logistics services is a transport service which stems from the need to move goods or people from a particular place to another. This kind of need in most cases is understood intuitively. It covers the technical and organizational steps involved in moving these goods. The definition of transport is based on such a belief that "displacement - transport, is an activity that is undertaken in order to meet specific needs. This requires overcoming the space by a man or by the good that should serve to satisfy this need." (Szczepaniak, 2002, 13).

The literature also presents the concept of undertaking which provides CEP services - this is a company offering services in the sectors of mail, express and courier shipment. The literature distinguishes three types of services in the CEP industry:

- Couriers - their job is to collect the consignment from the sender by the designated courier and delivering it directly to the recipient without terminal operations.
- Express - involving the receipt by the courier of the shipment from the sender, then delivering it to specific terminals, where the packages are subjected to logistic. There, they are sorted and distributed to other terminals, from where they are delivered to the end users.
- Post - it is regulated by the Act on the Law of the Post. This law defines these services as "commercial acceptance, transport and delivery of mail and unaddressed deliveries, called direct mail. In addition, postal services included conducting exchange points to allow the adoption and publication of correspondence between the entities benefiting from the use of these points, as well as implementation of postal money orders." (Ryzykowski, 2007, 69-70).

In a very dynamically prospering CEP industry in Poland, there are already about 200 companies that are diverse in terms of size, scope and geographical area of services. Among them there are companies that specialize in domestic services as well as in international shipments. This industry also includes entities that specialize in providing logistics transportation. Frequently, they offer so-called "tailor-made" solutions, which are mostly created by the exorbitant customer's needs. Their services are generally complementary to global corporations (Cichosz et al., 2011, 5-6; Kot 2014, 109-119).

Companies from the CEP sector constantly strive to improve their services continuously, the effects of which are more and more complex additional operations in order to meet individual customer's needs and expectations.

To increase their competitive position in the rapidly growing services market, the companies engaged in the delivery of express mail should consider:

- changes in the strategic approach of firms and manufacturing and trading companies for storage as well as inventory reduction,
- changes in production, which is to offer a variety of products,
- rise in popularity of e-commerce, purchases through online auctions and e-business
- globalization of forms and companies business, growth in business activities outside the home country and constantly growing exchange of goods with foreign countries (Długosz, 2005, 133-134).

The existence on the market as well as the proper functioning of courier companies is based on effective and close cooperation stationed in the particular area of handling centres, as well as branches engaged in direct service of the customer's logistics and communications network (Grabara et al., 2010, 35-43). These connections include fixed routes that are served by various means of transport. Therefore, more and more terminals are established. The result is a grid of not changing connections, which is based on several node terminals (which are the central points of the logistic shipments). They perform the functions of so-called service distribution in a given area.

In order to shorten the delivery time of the consignments, in international relations other modes of transport can be used. The services offered by the CEP industry (mainly general cargo services of smalls) are becoming more common. This is an industry that recorded the highest growth among companies operating in the TSL.

3. Analysis of Selected Indicators of the Sales Service Tendencies in the Studied Courier Company

The analysis of selected metrics and indicators is intended to show how to shape the sales of services offered by the courier company. In the first part of this chapter of the research work, the analysis of contracts to which was the demand in the past five years will be presented. This analysis will involve the sale of the various services offered by the company, mainly with regard to orders executed. Analysis of the results achieved is aimed to show what form of services is the most popular among clients as well as which consignments are carried out most often. It will present the difference in volume and percentage of sales of individual shipments for the years 2010 - 2014. Table 1 shows the total number of services provided by the company over the years 2010-2014.

Table 1. Number of services provided by the company in 2010-2014

Years	Total number of services provided [in pcs]
2014	72017
2013	63785
2012	60108
2011	39385
2010	32261

The data presented in Table 1 clearly show that in 2010 the level of courier services sales was the lowest. The continuous growth in sales of these services can be seen. The difference between 2010 and 2014 was as high as 39756 pcs, The difference is greater than the initial sale of services in the measured period.

Table 2. The division of sold services due to the presented offer

Years	Total shipments volume [in pcs]	Type of shipment [in pcs]									
		Freight			Hazardous	Express services			Time Critical		
		Sea	Air	Road		Express	Economy Express	Dedicated car	Onboard Courier	Air Charter	
2014	72017	523	6333	15962	1090	17893	29855	352	8	4	
2013	63785	502	6073	14520	984	13894	27600	201	8	3	
2012	60108	408	5794	13652	903	13705	25449	189	5	3	
2011	39385	270	3621	9023	780	14584	11046	58	3	0	
2010	32261	283	2960	7412	675	7960	12954	19	1	0	

Table 2 presents the service offering of courier company X. It also shows how the sale of these services over the years 2010 - 2014 developed. The shipments were divided according to specific criteria, which are described in chapter three. Analysing table 2, it can be concluded that customers are most interested in Economy Express services because they are sold the most often. The worst results the company achieves in sales of Time Critical – it can be easily noticed that they are eagerly bought by customers. This may be due to the fact that these are special consignments which are much more expensive than standard ones. Least likely were sold the consignments which are included in the series of Air Charter - in 2010 and 2011 they were not sold at all, while in the years 2012 -2014 in total were sold only 10 units, while other items have been implemented in thousands of pieces, and even in tens of thousands as in the case of Economy Express consignments. Express shipments achieved the weakest result in 2010 and the best in 2014 where it sold nearly 30,000 units. Unlike most other shipments, where the growth was stable in the following years of the company, in case of Express services in 2012 and 2013 there was a decline in sales of these items in relation to sales of 2011. The sales of transport of hazardous materials shipments fluctuated between 675 units in 2010 to 1,090 units in 2014. In the case of freight shipments that are divided according to the type of transport (sea, air, road), the most quantitatively significant were road followed by air shipping. The least popular of the three options presented were sea freight shipments. The following tables summarize all options of items that could be purchased by customers during the past five years.

Table 3. Sales summary of Express services in 2010 – 2014

Years	Express services [pcs]		Total [pcs]
	Express	Economy Express	
2014	17893	29855	47748
2013	13894	27600	41494
2012	13705	25449	39154
2011	14584	11046	25630
2010	7960	12954	20914
Total			174940

Table 3 shows the results determining the sale of services called Express, where the sale is very high. The total amount of the realized deliveries of shipments through this service is as high as 174,940 units. Summing up the services of Express and Economy Express in individual years the continuous growth in sales of these services can be seen, while looking at the results considering the division for the offers of Express and Economy Express, we may notice a drop in sales. In 2010, the sales of services amounted to 12,954 units, and in 2011 only 11,046.

Table 4. Sales of Express shipments in relation to the total sales of courier services

Years	Total sales of services [pcs]	Sales of Express services [pcs]	Sales share of Express services [%]
2014	72017	47748	66,30
2013	63785	41494	65,05
2012	60108	39154	65,13
2011	39385	25630	65,07
2010	32261	20914	64,82

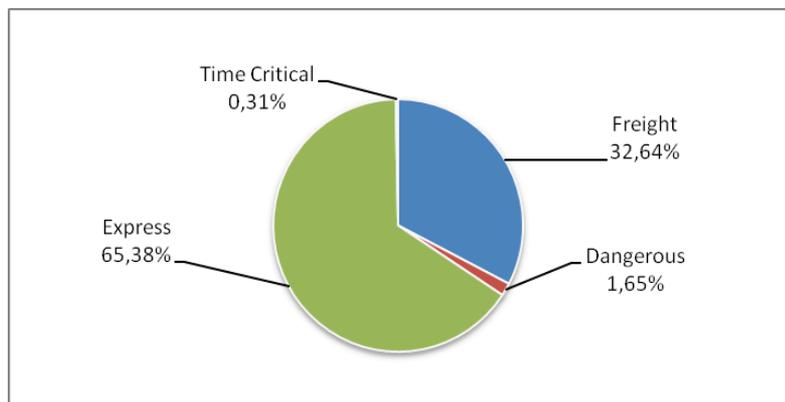
Subsequent years brought an increase in sales of these services. Comparing 2010 with 2014, we can conclude that the number of services sold more than doubled. Table 4 shows the share of sales of Services Express in general sales of each year. Express played a great role in the overall sales of courier services in the past five years. Express shipments accounted for between 64.82 and 65.05% of the total services sold from 2010 to 2014.

Table 5. Sales summary of Time Critical services in 2010 - 2014

Years	Time Critical Services [pcs]			Total[pcs]
	Dedicated car	Onboard Courier	Air Charter	
2014	352	8	4	364
2013	201	8	3	212
2012	189	5	3	197
2011	58	3	0	61
2010	16	1	0	17
Total				851

Table 5 shows that Time Critical services are not the most frequently bought services. Of the three proposals of services, the most frequently chosen are dedicated car services, although the number of services did not exceed 400 units. In 2010, only a dozen of pieces were sold. On-board service courier service was bought every year only by a few customers. In 2010, only one piece of this kind of offer was sold. The lowest results achieved Air Charter offer, which in 2010-2011 was not sold even once, and in the years 2012-2014 only 10 services of this kind in total were sold. The sum of all sales of Tome Critical services offers amounted to 851 units, which compared to the total sales results presents a very low level.

Figure 1. Percentage of sales due to the type of services in the years 2010 - 2014



The graph depicted in Figure 1 shows which services were preferably sold in the examined years. At the first glance, it may be noticed that Express services are most likely to be selected from among all the proposed services of the courier company X. In the second place, there are freight services; third position is occupied by the services of hazardous shipments. It is worth noting that Time Critical shipments do not represent even 1% of sold services.

The indicators were designed to show the trend of sales of courier services in the years 2010 - 2014. The research clearly shows that the courier company is constantly developing and implementing more and more services. Undoubtedly, the Express services have the highest rate of sales, regardless of the analysed research period, whether analyzed in one year period, or taken into account over the whole five years, they still represent the leader among other services.

4. Conclusions

In companies offering courier services, there are many factors that affect the sale of services. The factors taken into account most often include such as time of delivery, a form of organization of transport of consignments, charges for services rendered as well as friendly and competent staff that will be able to expertly advise a client as well as skilfully persuade him to purchase. Nowadays, the market is increasingly demanding with respect to service providers, therefore, the companies must be flexible and try to adapt to the needs of their customers.

The analysed courier company has a wide range of services thanks to which the customers can find the service most suitable for them. The analysed company offers transport of mail by sea, air, as well as the use of road infrastructure. The service is adapted to customer's needs, which stem from the time of completion or dimensions of the consignment. Courier services are no longer confined to the carriage of letters and parcels with standard dimensions. Today, with the assistance of courier companies medical and dangerous parcels are transported, and even the transport of animals is offered. For one shipment, the courier company is even able to charter a plane, of course, each service different from standard is calculated on an individual basis, so the customers can carry many different products depending on their wallets. Courier companies constantly monitor the market, examine the needs of their clients, and carry various types of statistics that are designed to help them in preparing sales bids. In addition, service organizations, including courier companies, put increasing emphasis on raising the level of services offered. Considerable attention is paid to the behaviour and level of competence of employees who have direct contact with the customer, because they tend to be a showcase of the company. In view of the fact that there is a very big competition among the operators that offer parcel delivery, especially those global strive to ensure that their services were both implemented and marketed in a perfect manner.

Based on the collected information about the company in the first part of the research work, we can conclude that the analysed company strives to meet the expectations of customers and is constantly evolving. It is evidenced by the continuous increase in sales of services, which was analysed based on data from the years 2010-2014.

In conclusion, the article indicates which services are the most popular among customers. The increase in sales is significantly influenced by the provision of a high level of service, thus creating positive customers' review, which as everyone knows, is the best advertisement of the company.

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