



Thesis Literature Review

Sample

The concept of logistics and logistics management is a different term for different logistics and practitioners. There are many different logistics definitions that, each and every one of them, tries to explain this segment of marketing functions in the best possible way. For example, Johnson, Wood, Wardlow, and Murphy (1999) state that "logistics involves the process flows of materials and products entering a company that move within the production and / or distribution process and all the outgoing flows of goods from the enterprise." This means that there is inbound logistics, material management, and physical distribution. The CSCMP defines logistics as part of the supply chain process for planning, organizing and controlling the effectiveness and cost-effectiveness of flow and storage of materials for production, materials and supplies in the process of production, finished products on the road to final consumers and all relevant information from the place of supply to the place of consumption, all in order to satisfy the demands of users.

Logistic management includes the management of product flows "front, inside and behind" one while the concept of supply chain management looks at everything within a supply chain of a distribution channel. In domestic literature, the distinction is made in certain terms and their scope: Marketing logistics refers to the management of raw materials and raw materials flow from sources to processing sites, to material flows and semi-finished products during the production process itself, as well as to flows of finished products to final consumers. Manage physical distribution of goods involves moving and storing only final products in the direction of the manufacturer - intermediary (if any) - the ultimate consumer. Physical Procurement is the process of delivering inputs in the form of raw materials or production materials. Material management optimizes the movement of materials and semi-finished products during the production cycle itself. Some logistical terms are often taken as synonyms, especially in identifying the two most commonly used terms - marketing logistics and physical distribution, and because the basic principles of certain logistics activities are the same everywhere: both in the input logistics and during the production process, and in the field of outgoing logistics. Logistics today means "part of the supply chain process that plans, implements and controls effective and efficient forward and river flow and the storage of goods and services, and related information, between the place of origin and the place of consumption, in order to meet customer requirements" From this definition it is clearly seen that in the focus of the logistics profession the logistics activities are related to the physical aspects of the movement of goods from the supplier to the buyer. The structuring of logistics management to the main groups and subgroups of activities dealing with the control of commodity and information flows can be done in different ways.

Many logistic theorists look at the content of logistics activities differently, Stock and Lambert (2000) identify a much broader set of key logistics activities: customer service, demand forecasting, communication in the distribution channel inventory control and management, material management, order receipt averages, location selection factories, warehouses and stores, packaging, transport, manipulation, storage. Ballou (1998), on the other hand, suggests that all activities be divided into two major sub-groups:

1. primary activities (transport, stockpiling, ordering);
2. supporting activities (storage, material management, packaging, production organization, information support).

The third important source of structuring logistic activities can be found within the business practice, i.e. one of the best information management systems in the world SAP R / 3. This information package uses benchmarking approach in structuring key logistic activities in the following way: sales and distribution, material management, quality management, factory maintenance, service management, planning and organization of production, design system,

environment, working conditions, etc. It can be concluded that the structure of logistics activities is not firmly determined, and that the most commonly mentioned activities that form the basis of the logistics management structure are related to transport, storage, inventory management and logistic information management, while the goal of functioning of all logistical activities is the consumer service. Transport management involves planning, organizing and controlling all transport activities in a company. The most important stages and decisions in the creation of the transport strategy should be: • transport in own direction or renting of transport services by specialized transporters, • choice of transport type (if we are transported by ourselves), • optimization of goods flows and routes of vehicle movement (if we transport ourselves), • the choice of a transporter or a logistics provider (if we rent a transport service). Storage management is a set of decisions related to the planning, organization and control of all warehouse activities of the company. Deciding on the storage system refers to the following decisions: owning own warehouses or renting public / private warehouses, centralizing, or decentralizing the warehouse system, selecting the location of the warehouse.

The inventory management begins with the process of purchasing raw materials and intermediate goods (in production), i.e. purchasing final products (in trade), continues with the management of the structure and level of semi-products during the factory process and ends with planning and controlling the stock of products or finished goods. The accent is not on the type and place of inventories in the company but on the re-inventory of a stock policy that has its two basic pillars: structural-quantitative and financial. Logistic information management involves the collection, selection, and analysis of information on the structure and levels of demand for the final product, the current position of the goods that are purchased or delivered, precise information on the stock status of all types of products in the company's business system. A special place should have a process of receiving and executing an order, as an informative administrative route that follows the goods from the moment of the buyer's order until the moment of the takeover of these goods by the buyer.

Marketing theorists look at customer service as one of the key aspects of the company's offer. For example, R. Brookes (1998) in his paper talks about the fifth "P" in the marketing mix of companies that relates to customer service. The service of the consumer or the delivery service, as otherwise known, represents the output of the physical distribution system and the logistics system as a whole. All logistic and physical distribution activities (transport, storage, stock keeping, packaging, etc.) are directed to overcoming the temporal and spatial incompatibility of supply and demand of products. Hence logistic and distribution activities are synonymous with the fourth "p" in the marketing mix of the company: product, price, promotion and place.

Customer service represents the provision of services to the buyer before, during and after purchase, i.e. a set of activities designed to increase the level of customer satisfaction - the feeling that the product or service has met the customer's expectations (Turban, 2002). It is also considered crucial for retaining consumers and fostering a long-term, partnership relationship with it. Its importance varies depending on the product, the industry and the customer itself. Consumer service is one of the key aspects of the company's offer to the user. Essentially, it makes it possible to differentiate the offer of one company from the competition. Customer service is the ability to provide services or products in a way that is promised, treating clients in a way that you want others to treat you, organizational ability focused on meeting customer needs and wishes, customer care. To provide the right product, at the right time, in the right amount at the right place represents the essence of series of consumers. In this regard, the basic task of the logistics distribution system, which depends on the increase in sales, market share and overall

competitiveness of the company, is the provision of a competitive level of service providers. The sales feature provides new customers, and customer service is what a company needs to do to make the same customers happy, to repeat the buyer's products, simply to keep them. Customer service is very difficult to define more precisely for a number of reasons. First, this category has many dimensions, second, there are significant differences in understanding this term between manufacturers and consumers; third its meaning varies from firm to company. Consumer service can be defined in three aspects: From the aspect of its activities: within this approach, customer service involves activities aimed at accepting orders, processing, delivery, invoicing of goods to customers, as well as activities that include all areas of business that are related to the delivery and invoicing of the company's products that are performed to meet the requirements of customers. From the aspect of the measure of the execution of the activities it consists of: Consumer service is defined as the ability to complete the completed orders within a certain period (e.g. 95% of orders for 48h), then the execution of the order as soon as possible (e.g. 3 days), as well as the availability of products who are ready to execute customer orders (e.g. availability of 95% on stock). From the aspect of the business philosophy of the company: customer service is a complex of business activities that are combined with the ordering and delivery of company's products, in a way that satisfies customers and improves the competitiveness of the company. Research and technological development - includes activities and costs related to product research and development, research and development process, design improvement process, software design, computer software development, telecommunication systems, computer design and engineering, new database capabilities and the development of a computerized system support (Thompson & Strickland, 2001).

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