

LOGISTICS ON TRANSPORT SERVICES MARKET OF THE COUNTRY

The article presents substantiation necessity of the logistic approach use to the development of the transport market.

Keywords: logistics market of transport services, logistics provider, outsourcing

Statement of the problem. *Transportation as the most important part of the market infrastructure significantly affects the dynamics and efficiency of social and economic development of certain regions of the country as a whole. Compared with other sectors transport has a number of features of organizational-economic and technological nature that should be considered when addressing issues of national transport market (NTM). So, being on the one hand as a link between producers and consumers of products, transport organizes the movement of goods, promoting trade between the subjects of market activity. From this point of view, well functioning modern NTM serves as the main mechanism of trade, which is a system of coordinated actions of market participants to ensure the movement of goods from producers to consumers at the right time with minimal loss of quantity and quality of their performance. On the other hand, the main objectives of transport include ensuring of uninterrupted supply of all economic actors with necessary raw materials, transport is seen as inter-industry system, which transforms the economic conditions of companies in other industries and sectors of economic activity. In this context, NTM creates the conditions for the implementation of flow processes between the actors of the national economy.*

It should be noted that under the conditions when the center of building costs moved from production sphere to the sphere of circulation of commodity products, one of the key factors in the development of the national economy has become the logistics. As the science and practice logistics changed approaches to problem solving to reduce the total costs, when a focus on specific functions was transferred to the flow. The use of logistics can solve a wide range of tasks associated with the rational organization and management of flow processes; in economy, first of all, it is applied to the problems of promotion optimization of goods-material and related flows and increase the efficiency of the basis of the business activity in the market competition. Influencing the most favorable, primarily in the sphere of circulation, logistics can achieve lower reserves on 30-50%, reduce the movement of products on 25-45% minimize the number of operations with cargo and reduce transport costs.

Therefore, nowadays under the transport service of goods movement logistics is the most popular, simultaneously acting as a powerful means of the development of transport services. This leads to the following formulation of the problem - the need for further development of a national NTM based on logistics, which should be seen as one of the most priority national problems. The importance and relevance of its solution, is determined primarily by the fact that in the final price of domestic goods transport component is in twice higher the level typical for the developed countries; ultimately it affects the efficiency of domestic production, reducing the competitiveness of Ukrainian goods on world markets. Taking into account that the main purpose of logistics - increasing the efficiency by reducing costs and transport burden on the economy as a whole, logistic approach should be the basis for the methodology of the national NTM. Obviously, this approach should be the main issues in the further reform of the transport sector. The main aim of structural changes and market reforms in the

transport sector is to meet the full needs of the population and the national economy in affordable and quality transportation services, to establish on this basis of conditions the sustainable economic growth both at the micro and macro levels that in current economic realities may be possible by implementing the principles of logistics and logistics management.

Analysis of recent research and publications. An important contribution to the development of logistization process of separate areas for different management levels made such well-known scientists in the world as a DJ. Bowersox, D. Kloss, JR. Stoke, D. M. Lambert, Shapiro J., D. Waters. Significant scientific contributions to the theory and practice of logistics made Ukrainian and Russian researchers. Particular the scientific works of Alkemy, Bahiyeva, Hadzhynskoho, Gordon, Grigorak, Dybskoyi, Zaitseva, Kyzyma, Krykavskoho, Mirotina, Cradle, Sergeev, Smirnov, Chukhray, Elyashevych and many others. Among the scholars who was concentrated on the problem of the formation of the logistics cluster, it should be noted Gritsenko, Myasnikov.

Marking out unsolved aspects of the problem. Studies have shown that despite the considerable amount of work in the field of logistics and transport in particular and also integrated approaches to the development and practical implementation of concepts of goods and cargo movement, there is no comprehensive science-based approach to logistics NTM development strategy, which is based on modern theoretical and methodological framework. Particularly principles, forms and conditions of this development remain not clear. Insufficiently clear understanding of the ideology and basic principles of transport and logistics activities, the main problems associated with the formation of appropriate infrastructure NTM leads to increased costs in the transport component of GDP, low processing efficiency of transit through the international transport corridors (ITC) and other risks.

In this regard, there is need for a theoretical substantiation of logistic approach use necessity to the development of the transport market in the country with the opening of the organizational forms of interaction of the market, which led to the purpose of writing this paper.

The main material. Formation in Ukraine of market economy is accompanied by intensive development of the transport market, creating competition in the goods movement and international cargo movement, significant changes in the system of management and economic relations between the participants of the transport process while increasing integration trends in the economy. The effectiveness of the national economy, its growth and sustainability of regional systems and the efficiency of foreign economic activity are largely determined by the efficiency of operation of NTM. Being an important connecting link in the system of material production, distribution and consumption, NTM creates conditions in establishing long-term strategic relations and cooperation in all economic actors, regardless of their ownership and industry sector, a sort of trade mechanism that ensures the movement of goods from producers to consumers both within the national economy and beyond.

Should be noted that NTM has a special nature, caused by specific end-item market economy belonging - transportation services (TS). It differs from other real market economy (goods or services) in other markets for such a system of signs as an intangible nature impossibility of accumulation and storage of their unique place and role in social production, particularly production technology etc. Consequently, the market conditions TS, keeping the general properties of services, take particular kind of exchange relationships taking into account activity peculiarities on moving in space and time of cargo and passengers, and

performing operations on them prepare for moving and delivery to the recipient. In a market economy the main consumer of transport services is not a state, but cargo owner who is oriented on the choice of transport mode and method of delivery that meet his criteria. Therefore, the range of transport services on the market is extremely wide and growing along with the demand. In turn, the demand for TS depends on market conditions and is determined by their properties. Market demands are not limited only on demand for cargo transportation, because today TS consumers are represented as cargo consignee or dictate conditions and determine the composition and level of quality of service offered by them.

So actually it comes that with the development of a market economy in our country, the concept of transporting goods has changed significantly - from industry, which was equal to the industrial sectors of the economy, to the service sector - transport service. Therefore today, TS consumers choose such types of transport and methods of delivery of goods, which first of all provide the highest quality of transport service that includes not only the transportation of goods from the supplier to the consumer, but also a large number of forwarding, information and transaction operations and services of the terminal cargo insurance, health, etc. In other words, modern TS include such services, which are related to the organization and logistic support of the transportation process. Moreover, in an increasingly competitive conditions NTM is the one of the most popular form of transport and the carrier that provides the best quality of transport services, offering a range of services and methods of delivery of cargo, based on the principles of "door to door" and "just in time".

In this regard it should be noted that RTP are traditionally characterized by the following quantitative indicators as volume of freight; fare for transportation; delivery time. Sometimes can be also taken into account the transport accessibility of a particular area or other parameters that correspond to a particular mode of transport.

In market economy conditions the efficient functioning of transport infrastructure and NTM, largely depends on building a system of integrated logistics services of the market; while consumers of transport services are usually interested in the following circuit parameters delivery material and finished products, such as:

- the freight costs (transport costs), including the fare for transportation and fees for services given at the same time;
- logistical cycle of material resources and finished products delivery, which includes not only the time of delivery of goods within the transportation agreement, but time is associated with the accumulation of cargo before it is sent to the supplier, and the time associated with the adoption of its consumer and the length of interactions in the initial terminal points;
- the level of cargo safety provision;
- the level freight forwarding service in the process of delivery from the supplier to the consumer;
- the impact of the delivery scheme on logistics costs of shipper and consignee: reserves levels changing depending on the time, early or late receipt of consignment, etc.; appearance of deficits of specific material or finished products due to transport factors, etc.

Therefore, increasing demands of users of transport services to the content and parameters of transport services require the use of a fundamentally new approach to solving the logistic problems of NTM. Noted above leads that nowadays both traditional and logistical approaches are used in transport process organization.

During traditional approach, the only management function of material flow is absent, ie, control material flow motion in production, marketing, storage and transport (physical movement) is isolated. Connection of the links in the interaction of cargo, information and

financial flows is weak. This problem is particularly relevant in the delivery of goods in mixed traffic when traffic is performed sequentially in multiple modes.

Logistic approach of goods transportation organization has become demanded in developed countries; it differs significantly from the traditional, because the transition from an isolated physical movement of material flows to the coordinated interaction of suppliers, carriers, forwarders and customers is performed. Logistic approach requires coordination of processes of transportation, storage and distribution of finished goods in time and space up to reception of final consumers, and also needs providing the required level of logistics services. In this case, the current practice in terms of transport logistics services can be summarized as follows: "The right product of required quality and quantity at a given time and at optimal cost." This approach allows to perform the "six rules" of logistics and thereby achieve maximum economic efficiency.

It should be also taken into account that in the highly competitive conditions on RTP and customers' increasing requirements for quality of logistics services, the practice of outsourcing is developed, which affects significantly the operations of companies shippers and consignees who are the main consumers of TP. "Outsourcing" logistics tool is the method of optimizing the organization through focusing resources on core subjects and transfer of non-core functions and roles of corporate external specialized companies. If previously, most companies could independently carry out operational logistics activities, particularly transportation, warehousing, materials handling, and had branched own logistics infrastructure, a large staff of personnel for that, now the focus has been shifted to outsourcing. Logistic functions that are often transferred to outsourcing include warehousing and distribution, and related services for clearance and consolidation (see Fig. 1). Taking into account that transportation for most businesses of industry and trade is not a key competence, that's why the transport is often passed to the delivery of specialized companies outsourcing, like logistics intermediaries, mainly to carriers and freight forwarders. Such transport logistics intermediary takes care of all organizational issues to ensure the delivery of goods from point of origin to the right place, in time, in a non-damaged condition and with the best (optimal) cost.

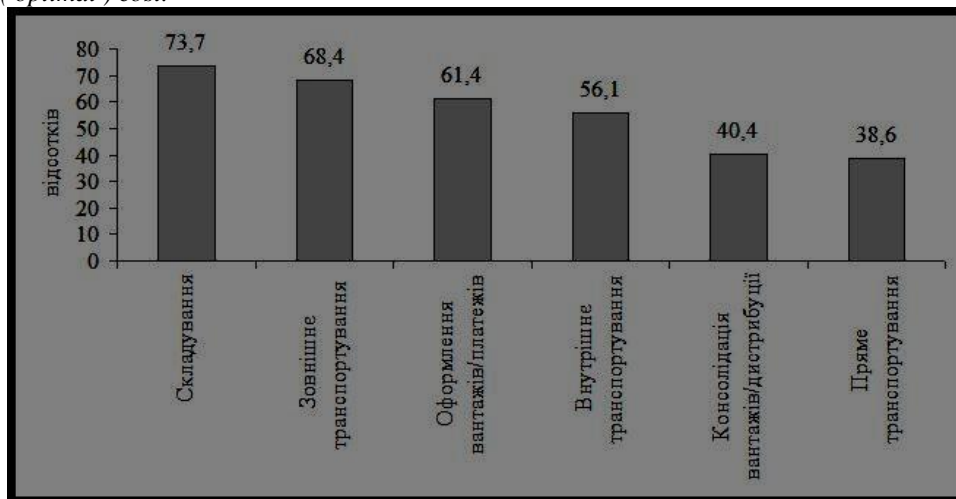


Figure. 1. Logistic functions that are often transferred to outsourcing in international practice

A high level of transport services and the efficiency of transport and logistics services should be accompanied by appropriate levels of logistics, namely the developed system and storage container terminals with modern cargo handling equipment, electronic media and government. Therefore, in addition to carriers and forwarders of the main logistics intermediaries today also include : freight terminals, warehouses, general and other entities or individuals engaged in basic logistic function or set of functions. The auxiliary logistics intermediaries typically include: insurance and security firms, customs brokers, surveyors, banks and other financial institutions that carry out calculations for logistics functions /operations, company information and computer services, communication, etc.

It is also important to emphasize that the logistic approach to traffic management has radically changed over the past decade. For modern global transportation industry comprehensive cooperation has become characteristic, that involves extensive cooperation between various organizations not only in the transportation and delivery of goods, but also in sales, service and integration of these processes on the basis of information technology and common standards. Due to this new forms of intermediaries were created, which include the full range of freight forwarding functions in the broadest sense of the term. These forms are integrated with highly efficient services for the integrated management of client setup distribution channels supply chains, analysis and optimization of the entire supply chain. Companies that provide such integrated services, using integration of services for many subcontractors in service packages for the best meeting of customer needs were called "operators logistics" or "logistics providers". Literature provides the following classification of logistics service providers :

- 1PL (First Party Logistics) providers are a simple autonomous option, all operations are carried out by cargo owner;

- 2PL - providers perform a set of traditional logistic services: transportation, freight forwarding, warehousing;

- 3PL - Providers are operators of integrated logistics services. Able to perform any type of logistics business: from individual logistics operations to integrated logistics services that enable optimal design scheme of logistical material, documentary, financial and information flows of goods from producer to its consumer.

- 4PL - Providers are logistics system integrators. Provide the complete outsourcing of all business processes related to logistics, suggest a deep integration of enterprise operator into business customer;

- 5PL - Providers are virtual integrated logistics operators. Performe through outsourcing comprehensive management services integrated processes in the supply chain without using physical mechanisms of material and other logistics flows. Functional virtual logistics operator involves the use of "virtual commerce", the implementation of comprehensive management of logistics processes at the basis of a single information technology space.

Currently, integrated logistics provider is often a forwarder that provides forecasting and transportation planning, tracking the movement of vehicles, containers, on-time delivery, cost optimization exercise in moving and storage of raw materials and finished products and so on. In such circumstances, shipping companies received " title" of transportation architects. So , now a large number of specialized companies operates on international RTP, in the form of both cooperation activities of a small number of powerful transport and freight forwarding companies and hundreds of thousands of small and medium-sized forwarders and transport

companies. Thus forwarder became the main subject, which shows cargo to carriers. Freight forwarders control about 60% of traffic through main modes of transport and up to 75% of international traffic. According to the International Federation of Freight Forwarders Associations there are 35 thousand large and medium-sized forwarders with 8 million of staff in the world. There are a bigger amount of small firms, for example, only in Italy there are around 5000 of forwarding companies. The ability to provide effective international transportation of goods in the "door to door" of receiving the order from the customer to bring the goods to the final consumer, allows the forwarder to make a unique contribution to the effective functioning of supply chains and helps companies meet the needs of final customers.

All foregoing facts affect the trend of the national transport market, creating some of its features, which are primarily caused by a change in the properties and characteristics of modern TP. Logistization processes of transport services lead to the fact that the delivery of goods involves a large number of subjects of the transport market, the main of which must include:

- Transportation companies providing transportation services to consumers;
- Forwarding companies that offer the best options and perform delivery of goods;
- Intermediary companies involved in a function of load search for certain carriers or finding carrier for some shippers, they are are not responsible for the organization and execution of the delivery;
- Leasing companies providing owners with rolling stock, warehouses and cargo handling equipment;
- Logistic companies that develop the best options for transporting cargo to cargo owners, carriers and freight forwarders.

The special features of modern country RTP development also include some regional specificities, resulting in several major aspects. Firstly, this is due to the geographical location of the region, which may be favorable for the development of certain transport modes. Geographic specificity is also evident in the different levels of equipment and the development of transport communications and logistics infrastructure. Secondly, the development of transport and logistics services is determined by the economic development of a region, the concentration of active industrial and wholesale companies that are the major consumers of TP. Thirdly, the development of regional markets depends on the level of foreign economic activity of a given region, which affects the scope and effectiveness of the distribution and processing of export, import and transit cargo.

In such circumstances, the achievement of the strategic goals of economic regional transport market is possible, providing further integration of its members into new organizational forms, such as regional transport and logistics systems (RTLS), regional transport and logistics network (RTLN) or regional transport and logistics clusters (RTLCL), which is part of an integrated national TLS and macrological system. The development of RTP should be considered in the context of changing organizational forms of interaction between actors in the market, which occur in close relationship with both the development of economic relations and the evolution of logistics as a market-oriented methodology of flow processes in complex economic systems, including transportation.

Conclusions. The solution of the problem of transportation market efficiency increasing, coordination and interaction between different modes of transport, the development of intermodal cargo's transit potential requires the use of innovative approaches which should be based on the principles of logistics, priority of transport and logistics infrastructure development and the formation of integrated transport and logistics systems and networks at

regional, inter-regional and international levels.

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