

How Logistics Industry Is Helping The E-Commerce Industry In Their Supply Chain Journey?

In the ever-evolving landscape of the Internet retail industry, the past five years have witnessed nothing short of a revolution. A convergence of factors, including infrastructure enhancements, heightened consumer awareness, technologically advanced logistics platforms, and compelling online shopping incentives, has not only bolstered the growth of e-commerce but has also propelled the logistics sector to new heights.

The number of online shoppers has surged dramatically, and this upward trajectory shows no signs of abating. The Statista Market Forecast projects that revenue in the Indian e-commerce market will reach \$63.17 billion in 2023. It is important to recognize that this surge in online spending is not a mere coincidence; it reflects a fundamental shift in consumer behavior and expectations.

The Impact on the Logistics Sector

The emergence of e-commerce is not a novel phenomenon, but the COVID-19 pandemic undeniably accelerated its growth. This exponential expansion of the e-commerce industry has had a direct and profound impact on businesses that provide logistics, warehousing, and supply chain management services.

Increasingly, online businesses are entrusting their logistics to third-party experts to ensure accurate and timely order fulfillment. In response to the escalating demands of a competitive market, companies are establishing a myriad of fulfillment services designed to cater to a global customer base.

Sellers and distributors are actively seeking innovative solutions to streamline the shipping process, with some logistics companies offering the delivery of perishable goods within a mere 10 -20 minutes of receiving an order.

Meeting elevated customer expectations

In today's highly competitive climate, customers not only demand swift deliveries but also hassle-free returns. To meet these expectations, e-commerce brands must be proactive and responsive.

According to several assessments, one of the most formidable challenges for retailers is maintaining a flawless supply chain. The solution to this challenge lies in

logistics platforms infused with cutting-edge technologies such as artificial intelligence (AI) and machine learning (ML), among others. These technologies are the key to sustaining an error-free supply chain.

The Current Landscape of Logistics

The Indian logistics sector has evolved to encompass both inbound and outbound activities for online retailers. Additionally, offering competitively priced products not only boosts e-commerce sales but also propels the logistics sector forward.

The role of technology

The outbreak of the pandemic not only expedited changes in the e-commerce sector but also transformed consumer behavior. Logistics companies rose to the occasion, further enhancing their technological prowess to meet the delivery demands of online retailers while remaining cost-competitive.

Technology is the driving force behind redefining the way business is conducted. Today, we take for granted the ability to access everything online, with products sometimes arriving at our doorsteps within 10 – 20 minutes of ordering.

Advanced technology has improved supply chain productivity, reduced costs, and minimized errors. These advancements benefit the entire logistics industry, encompassing areas such as freight transport, international shipping (by ocean and air), supply chain management, and cargo monitoring.

Companies have integrated cutting-edge technology into their platforms to efficiently manage the Supply Chains of online enterprises. This integration includes the use of artificial intelligence, machine learning, the Internet of Things, and automation.

The adoption of such technologies is propelling India's logistics industry forward, allowing for the comparison of shipping rates from multiple carriers on a single platform, cloud-based order confirmation, real-time tracking, and the selection of the most cost-effective carrier partner based on various metrics.

Paving the Way for a Brighter Future

Incorporating next-generation logistics planning platforms has enabled smart, proactive decision-making. AI/ML-powered solutions have streamlined first-mile to last-mile optimization and automation, ensuring error-free, rapid, and efficient deliveries.

As a result, logistics bottlenecks are eliminated, productivity is increased, and costs are reduced by up to 20%. These technologies provide ongoing value addition by digitizing delivery operations, enhancing real-time visibility, and measuring SLA compliance, all of which contribute to improved customer satisfaction.

Furthermore, technology opens up new avenues for benefits such as data-driven decisions, real-time change management, digital delivery process automation, seamless driver-manager collaboration, Track and trace, control tower capabilities, precise ETA analysis, and overall process improvement.

The Symbiosis of Logistics and E-Commerce

Logistics and e-commerce are inextricably linked in the world of business, with one unable to thrive without the other.

India's vast landscape, coupled with its population of approximately 1.4 billion people and rich cultural diversity, leads to a multitude of festivals throughout the year. E-commerce has become the preferred shopping destination for citizens during these events, and the necessity for logistics is self-evident.

As the e-commerce and logistics sectors continue to evolve in tandem, their synergy is reshaping the retail landscape, setting new standards for efficiency, reliability, and customer satisfaction.

The symbiotic relationship between e-commerce and the logistics industry is not just facilitating growth; it is propelling both sectors to unprecedented heights.

As technology continues to drive innovation in logistics, the future holds boundless opportunities for further improvements in supply chain management, delivery speed, and overall customer experience, ensuring that the revolution in Internet retail is far from over.

The author is Mr. Naresh Sharma, Managing Director, CCI Group, and the views expressed in this article are his own.